Abertis Infraestructuras, S.A.

Financial Statements for the year ended 31 December 2017 and Directors' Report, together with Independent Auditor's Report

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

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Report on the Financial Statements

Opinion

We have audited the financial statements of Abertis Infraestructuras, S.A. (the Company), which comprise the balance sheet as at 31 December 2017, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2017, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

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

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

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

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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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of ownership interests in, and loans to, Group companies and associates	
Description	**Procedures applied in the audit**
The Company has ownership interests in the share capital of Group companies and associates that are both listed and not listed on regulated markets, and has granted loans thereto, as detailed in Note 8 to the financial statements. The measurement of the recoverable amount of those ownership interests and loans requires the use of significant estimates and judgements by management, both when choosing the valuation method and discounting future cash flows and when taking into consideration the key operating assumptions used for each method in question. As a result of the foregoing, as well as the significance of the investments held, which amounted to EUR 12,629 million at year-end, this matter was determined to be a key matter in our audit.	Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the process to assess the impairment of the investments in Group companies and associates, as well as tests to verify that the aforementioned controls operate effectively. In particular, we obtained the measurement of the recoverable amount of the aforementioned ownership interests and loans performed by the Company's management, and verified both the appropriateness of the valuation method used in relation to the investment held and the clerical accuracy of the calculations made. We also assessed the reasonableness of the main assumptions taken into consideration in the calculations, mainly those referring to projected future cash flows and discount rates.

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

Other Information: Directors' Report

The other information comprises only the directors' report for 2017, the preparation of which is the responsibility of the Company's directors and which does not form part of the financial statements.

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

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

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

Based on the work performed, as described in the preceding paragraphs, we have checked that the specific information described in section a) above has been provided and that the other information in the directors' report is consistent with that contained in the financial statements for 2017 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit and Control Committee for the Financial Statements

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

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

The audit and control committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit and Control Committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit and control committee dated 6 February 2018.

Engagement Period

The Annual General Meeting held on 3 April 2017 appointed us as auditors for a period of one year from the year ended 31 December 2016.

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

6 February 2018

Appendix I to our auditor's report

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

We also provide the entity's audit and control committee 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 entity's audit and control committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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

ABERTIS INFRAESTRUCTURAS, S.A.

Financial Statements and Directors' Report
for the year ended 31 December 2017

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

Abertis Infraestructuras, S.A.

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

ASSETS	**Notes**	**2017**	**2016**
NON-CURRENT ASSETS			
Intangible assets	6	**2,525**	**2,992**
Computer software		2,525	2,992
Property, plant and equipment	7	**14,108**	**15,768**
Land and buildings		8,174	8,301
Plant and other items of property, plant and equipment		5,934	7,467
Non-current investments in Group companies and associates	8	**12,381,771**	**10,519,811**
Equity instruments		7,639,838	4,977,515
Loans to companies	19-c	4,741,933	5,542,296
Non-current financial assets	9	**20,639**	**22,299**
Derivative financial instruments	10	19,458	21,056
Other financial assets		1,181	1,243
Deferred tax assets	16-c	**42,002**	**61,234**
TOTAL NON-CURRENT ASSETS		**12,461,045**	**10,622,104**
CURRENT ASSETS			
Trade and other receivables		**119,276**	**414,599**
Trade receivables from Group companies and associates	19-c	3,766	6,678
Sundry accounts receivable		2,187	2,091
Employee receivables		60	88
Current income tax assets		113,148	405,662
Other tax receivables		115	80
Current investments in Group companies and associates	8 and 19-c	**247,401**	**437,736**
Loans to companies		242,466	431,630
Other financial assets		4,935	6,106
Current financial assets	9	**43,580**	**8,113**
Derivative financial instruments	10	41,825	6,683
Other financial assets		1,755	1,430
Current prepayments and accrued income		**36**	**46**
Cash and cash equivalents	11	**10,788**	**686,554**
TOTAL CURRENT ASSETS		**421,081**	**1,547,048**
TOTAL ASSETS		**12,882,126**	**12,169,152**

The accompanying balance sheets should be read in conjunction with the Notes included on pages 10 to 127.

Abertis Infraestructuras, S.A.

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

EQUITY AND LIABILITIES	Notes	2017	2016
EQUITY			
Shareholders' equity	12	**5,083,264**	**5,523,185**
Share capital		2,971,144	2,971,144
Reserves		3,212,215	3,741,137
(Treasury shares)		(1,168,679)	(1,211,544)
Profit for the year		274,897	159,262
(Interim dividend)		(206,313)	(136,814)
Valuation adjustments		**318**	**89**
Hedges	10	318	89
TOTAL EQUITY		**5,083,582**	**5,523,274**
NON-CURRENT LIABILITIES			
Long-term provisions		**9,135**	**29,730**
Long-term employee benefit obligations	14	5,956	26,551
Other provisions	15	3,179	3,179
Non-current payables	13	**6,764,299**	**4,943,503**
Debt instruments and other marketable securities		4,511,161	4,513,613
Bank borrowings		1,940,000	50,000
Obligations under finance leases		329	721
Derivative financial instruments	10	30,697	104,451
Other financial liabilities		282,112	274,718
Non-current payables to Group companies and associates	19-c	**263,011**	**345,085**
Deferred tax liabilities	16-c	**140,561**	**145,908**
TOTAL NON-CURRENT LIABILITIES		**7,177,006**	**5,464,226**
CURRENT LIABILITIES			
Current payables	13	**478,257**	**941,547**
Debt instruments and other marketable securities		179,038	882,924
Bank borrowings		256,705	26,909
Obligations under finance leases		403	421
Derivative financial instruments	10	42,111	31,293
Current payables to Group companies and associates	19-c	**51,328**	**157,099**
Trade and other payables		**91,953**	**83,006**
Sundry accounts payable		49,301	61,702
Remuneration payable		26,934	6,145
Other tax payables		14,381	13,652
Other payables		1,337	1,507
TOTAL CURRENT LIABILITIES		**621,538**	**1,181,652**
TOTAL EQUITY AND LIABILITIES		**12,882,126**	**12,169,152**

The accompanying balance sheets should be read in conjunction with the Notes included on pages 10 to 127.

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

Abertis Infraestructuras, S.A.

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

STATEMENTS OF PROFIT OR LOSS	Notes	2017	2016
Revenue	17-a	**406,376**	**284,093**
Services		35,910	25,899
Income from investments in equity instruments of Group companies and associates	19-c	370,466	258,194
Other operating income		**26,263**	**4,336**
Non-core and other current operating income		26,263	4,336
Staff costs	17-b	**(31,090)**	**(34,985)**
Wages, salaries and similar expenses		(23,908)	(27,925)
Employee benefit costs		(7,182)	(7,060)
Other operating expenses		**(59,790)**	**(62,474)**
Outside services		(57,454)	(63,734)
Taxes other than income tax		(2,336)	(424)
Losses on and write-down of trade receivables and changes in provisions for commercial transactions		-	1,684
Depreciation and amortisation charge		**(3,402)**	**(3,635)**
Impairment and gains or losses on disposals of non-current assets	17-c	**(2,795)**	**50,165**
Impairment and other losses		(2,795)	48,792
Gains or losses on disposals and other		-	1,373
PROFIT FROM OPERATIONS		**335,562**	**237,500**
Finance income	17-d	**187,834**	**281,737**
From marketable securities and other financial instruments		187,834	281,737
Group companies and associates	19-c	181,858	273,828
Third parties		5,976	7,909
Finance costs	17-d	**(241,594)**	**(411,880)**
On debts to Group companies and associates	19-c	(16,862)	(16,197)
On debts to third parties		(224,732)	(395,683)
Changes in fair value of financial instruments	17-d	**32,240**	**(89,123)**
Held-for-trading financial assets/liabilities and other		32,240	(89,123)
Exchange differences	17-d	**(43,630)**	**107,061**
FINANCIAL LOSS		**(65,150)**	**(112,205)**
PROFIT BEFORE TAX		**270,412**	**125,295**
Income tax	16-b	**4,485**	**33,967**
PROFIT FOR THE YEAR		**274,897**	**159,262**

The accompanying statements of profit or loss should be read in conjunction with the Notes included on pages 10 to 127.

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

Abertis Infraestructuras, S.A.

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

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

	Notes	2017	2016
Profit per statement of profit or loss		**274,897**	**159,262**
Income and expense recognised directly in equity		**235**	**(465)**
Arising from cash flow hedges	10	344	(553)
Arising from actuarial gains and losses and other adjustments		(23)	(45)
Tax effect		(86)	133
Transfers to profit or loss		**(29)**	**536**
Arising from cash flow hedges	10	(39)	715
Tax effect		10	(179)
TOTAL RECOGNISED INCOME AND EXPENSE		**275,103**	**159,333**

The accompanying statements of recognised income and expense should be read in conjunction with the Notes included on pages 10 to 127.

Abertis Infraestructuras, S.A.

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

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Registered share capital	Reserves	(Treasury shares)	Prior years' profits/ losses	Profit for the year	(Interim dividend)	Valuation adjustments	TOTAL
2015 ENDING BALANCE	**2,829,661**	**3,322,190**	**(1,211,922)**	**-**	**1,373,621**	**(311,263)**	**(27)**	**6,002,260**
Total recognised income and expense	-	(45)	-	-	159,262	-	116	**159,333**
Transactions with shareholders or owners								
- Capital increases	141,483	(141,483)	-	-	-	-	-	**-**
- Dividends paid	-	(219,723)	-	(311,263)	-	(136,814)	-	**(667,800)**
- Treasury share transactions (net)	-	-	378	-	-	-	-	**378**
Other changes in equity	-	780,198	-	311,263	(1,373,621)	311,263	-	**29,103**
2016 ENDING BALANCE	**2,971,144**	**3,741,137**	**(1,211,544)**	**-**	**159,262**	**(136,814)**	**89**	**5,523,274**

The accompanying statements of changes in total equity should be read in conjunction with the Notes included on pages 10 to 127.

Abertis Infraestructuras, S.A.

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

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

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

The accompanying statements of changes in total equity should be read in conjunction with the Notes included on pages 10 to 127.

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

Abertis Infraestructuras, S.A.

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

	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		**426,145**	**74,251**
Profit for the year before tax		270,412	125,295
Adjustments:			
Depreciation and amortisation charge	6 & 7	3,402	3,635
Impairment losses	17-c	2,795	(50,476)
Changes in allowances		-	4,944
(Gains) Losses on derecognition and disposal of non-current assets	17-c	-	(896)
Finance income	17-d	(187,834)	(281,737)
Finance costs	17-d	241,594	411,880
Exchange differences	17-d	43,630	(107,061)
Changes in fair value of financial instruments	17-d	(32,240)	89,123
Changes in working capital:			
Trade and other receivables		2,809	(85,410)
Other current assets		(760)	170
Trade and other payables		4,976	82,717
Other non-current assets and liabilities		2	113
Other cash flows from operating activities:			
Interest paid		(263,168)	(396,423)
Interest received		177,784	295,569
Income tax recovered (paid)		160,544	(31,770)
Other amounts paid (received)		2,199	14,578
CASH FLOWS FROM INVESTING ACTIVITIES		**(1,818,970)**	**(375,061)**
Payments due to investment			
Group companies and associates	8	(2,774,932)	(1,626,021)
Intangible assets	6	(1,157)	(970)
Property, plant and equipment	7	(119)	(59)
Other financial assets		(35)	-
Other assets		(24,707)	(150,587)
Proceeds from disposal			
Group companies and associates	8	959,915	1,346,340
Intangible assets	6	-	1,565
Property, plant and equipment	7	1	-
Other financial assets		-	248
Non-current assets classified as held for sale		-	44,704
Other assets		22,064	9,719

The accompanying statements of cash flows should be read in conjunction with the Notes included on pages 10 to 127.

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

Abertis Infraestructuras, S.A.

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

	Notes	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		**717,059**	**(345,013)**
Proceeds and payments relating to equity instruments:			
Disposal of treasury shares	12-a	375	378
Proceeds and payments relating to financial liability instruments:			
Proceeds from issue of:			
Debt instruments and other marketable securities	13	100,000	1,620,928
Bank borrowings	13	2,140,000	(7)
Borrowings from Group companies and associates	19-c	-	20,815
Repayment and redemption of:			
Debt instruments and other marketable securities		(787,552)	(986,839)
Bank borrowings		(10,410)	(398)
Borrowings from Group companies and associates	19-c	(66,999)	(361,222)
Dividends and returns on other equity instruments paid:			
Dividends	12-b	(658,355)	(638,668)
Effect of foreign exchange rate changes		**-**	**107,061**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(675,766)**	**(538,762)**
Cash and cash equivalents at beginning of year	11	686,554	1,225,316
Cash and cash equivalents at end of year	11	10,788	686,554

The accompanying statements of cash flows should be read in conjunction with the Notes included on pages 10 to 127.

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

NOTES TO THE FINANCIAL STATEMENTS FOR 2017

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Company") was incorporated in Barcelona on 24 February 1967. In 2017 its registered office was relocated from Avenida Pedralbes no. 17 (Barcelona) to 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 Company may carry on its company object, especially its concession activity, directly or indirectly through its ownership interests in other companies, subject, in this respect, to the legal provisions in force at any given time.

Abertis is the head of a group (see Note 8) engaging in the management of mobility and communications infrastructure, and currently operates in two sectors: toll road concessions and telecommunications concessions. In 2017, the Group decided to discontinue the business related to satellite telecommunications, carried on by part of the Group of which the parent is Hispasat, S.A. **Abertis**, is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the Abertis Group for 2017 were formally prepared by its directors at the Board of Directors Meeting held on 6 February 2018.

Also, the consolidated financial statements for 2016 were approved by the shareholders at the Annual General Meeting of Abertis Infraestructuras, S.A. held on 3 April 2017 and were filed at the Mercantile Registry of Barcelona.

The main aggregates in the consolidated financial statements for 2017, prepared in accordance with Final Provision Eleven of Law 62/2003, of 30 December, applying International Financial Reporting Standards as adopted by European Union Regulations, are as follows:

	2017
Total assets	29,830,777
Equity (of the Parent)	2,528,859
Equity (of non-controlling interests)	2,247,815
Consolidated operating income	5,322,697
Profit for the year attributable to the Parent	897,413
Profit for the year attributable to non-controlling interests	101,562

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

2. BASIS OF PRESENTATION

a) Regulatory financial reporting framework applicable to the Company

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

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

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

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

- All other applicable Spanish accounting legislation.

b) Fair presentation

These financial statements, which were prepared on the basis of the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein. They were prepared by the Company's directors in order to present fairly its equity and financial position, the results of its operations, the changes in its equity and its cash flows in 2016, in accordance with the aforementioned legislation in force.

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

The Company's financial statements for the year ended 31 December 2016 were approved by the shareholders at the Annual General Meeting held on 3 April 2017.

c) Non-obligatory accounting principles applied

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

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

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

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

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

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

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

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

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

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

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

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

e) Comparative information

The information relating to 2016 contained in these notes to the financial statements is presented for comparison purposes with that relating to 2017.

f) Changes in accounting policies

In 2017 there were no significant changes in accounting policies with respect to those applied in 2016.

g) Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2016.

h) Grouping of items

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

3. PROPOSED DISTRIBUTION OF PROFIT

The proposed distribution of the profit for 2017 that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

Basis of distribution (Profit)	**274,897**
Distribution:	
Dividends	206,313
To legal reserve	12,370
To voluntary reserves	56,214
	274,897

Also, the directors of Abertis Infraestructuras, S.A. will submit for approval by the shareholders at the Annual General meeting the distribution of a second and final dividend for 2017 with a charge to available voluntary reserves amounting to EUR 396,152 thousand, equal to EUR 0.40 gross per share of Abertis Infraestructuras, S.A.

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

If on the date of the distribution of the second and final payment of the proposed dividend for 2017 (EUR 396,152 thousand) the same number of treasury shares were held as at the end of 2017 (78,815,937 treasury shares, see Note 12-a), EUR 31,527 thousand would be charged to voluntary reserves. Considering the EUR 31,526 thousand already charged to voluntary reserves in 2017 for the first payment of the dividend for 2017 already distributed (including the EUR 61,749 thousand indicated in Note 12-b), the total charged to voluntary reserves in this connection corresponding to the dividend paid out of the profit for 2017 would be EUR 63,053 thousand.

In 2017 a first interim dividend of EUR 396,153 thousand was paid, equal to EUR 0.40 gross per share of the Company (2016 year-end: EUR 356,537 thousand, representing EUR 0.36 gross per share), of which EUR 31,526 thousand correspond to the treasury share dividend as indicated above. EUR 206,313 thousand of this dividend was charged to profit for 2017 and the remaining EUR 189,840 thousand was charged to available voluntary reserves.

Pursuant to Article 277 of the Spanish Limited Liability Companies Law, presented below is the provisional accounting statement prepared by the Company evidencing the existence of sufficient profit in the period and sufficient liquidity for the distribution of the interim dividend with a charge to the profit for the year:

Provisional accounting statement prepared on 30 September 2017 for the distribution of the interim dividend	
Net profit for the period from 1 January to 30 September 2017:	218,683
To be deducted:	
Legal reserve	(12,370)
Maximum amount for possible distribution	206,313
Amount proposed and distributed	206,313
Available liquidity before payment (*)	2,872,461
Gross amount of the interim dividend	(206,313)
Available liquidity after payment	2,666,148

(*) Including cash and the undrawn balance of credit lines with banks.

Also, in relation to the dividend for 2017 paid with a charge to available voluntary reserves, it was verified, in accordance with current legislation, that the equity of the Company after the distribution of reserves exceeds its share capital per the following balance sheet:

Balance sheet of Abertis Infraestructuras, S.A. prepared on 30 September 2017 for the distribution of the interim dividend charged to available voluntary reserves

Millions of euros			
Intangible assets	2	Share capital	2,971
Property, plant and equipment	14	Reserves	3,403
Non-current financial assets and other non-current assets	12,580	Profit for the period	219
		Treasury shares	(1,169)
		Equity	**5,424**
Non-current assets	**12,596**	**Non-current liabilities**	**7,454**
Current assets	**671**	**Current liabilities**	**389**
Assets	**13,267**	**Equity and liabilities**	**13,267**

4. ACCOUNTING POLICIES

The principal accounting policies used by the Company in preparing the financial statements for 2017 and 2016, in accordance with the regulatory financial reporting framework applicable to the Company described in Note 2-a, were as follows:

4.1 Intangible assets

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

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

a) Goodwill

Goodwill represents the excess of the acquisition cost of the business combination, on the acquisition date, over the fair or market value of the identifiable net assets acquired in the transaction. Consequently, Goodwill is only recognised when it has been acquired for consideration and corresponds to future economic benefits from assets that are not capable of being individually identified and separately recognised.

Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination synergies are expected to flow. Subsequent to initial recognition, goodwill is measured at acquisition cost, less the related accumulated amortisation and any impairment losses recognised. Pursuant to the applicable legislation, goodwill is being amortised over the maximum permitted period of ten years, irrespective of whether or not it is considered to have an indefinite useful life. At least once a year the Company analyses if there are any indications of impairment of the aforementioned cash-generating units and, if there are, they are tested for impairment according to the methodology described below and, where appropriate, they are written down. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

b) 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 on a straight-line basis over its useful life (between three and five years).

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

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

4.2 Property, plant and equipment

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

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

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

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

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

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

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

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

4.3 Impairment losses on non-financial assets

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

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

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

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

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

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

4.4 Leases

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

a) Operating leases

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

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

At 2017 year-end the main operating leases related to the properties at which the Company carries on its activities, and the Company had not contracted with tenants for significant minimum lease payments.

b) Finance leases

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

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

4.5 Cash and cash equivalents

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

4.6 Financial assets

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

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

The financial assets held by the Company are classified as:

a) Loans and receivables

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

"Loans and Receivables" relates mainly to:

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

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

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

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

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

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

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

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

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

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

4.7 Financial derivatives and hedge accounting

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

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

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

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

a) 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 statement of profit or loss for the year under the same heading as the change in the fair value of the hedged asset or liability attributable to the hedged risk. These relate primarily to the derivative financial instruments arranged by Company to convert fixed-rate borrowings into floating-rate borrowings.

b) 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 equity under "Hedges" until the underlying matures or is sold or it is no longer probable that the transaction will take place, at which point the accumulated gains or losses recognised in equity are transferred to the statement of profit or loss for the year.

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

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

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

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

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

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

d) Derivatives that do not qualify for hedge accounting

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

e) Fair value and fair valuation measurement techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

4.8 Equity

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

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

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

4.9 Financial liabilities

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

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

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

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

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

4.10 Income tax

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

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

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

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts.

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

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

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

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

4.11 Employee benefits

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

a) <u>Post-employment obligations</u>

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

- Defined benefit obligations relating to bonuses or retirement benefits.

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

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

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

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

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

b) Other long-term benefits

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

c) Termination benefits

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

4.12 Provisions and contingent liabilities

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

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

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

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

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

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

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

4.14 Revenue and expense recognition

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

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

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

Interest income is recognised using the effective interest method.

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

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

4.15 Transactions in currencies other than the euro

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

4.16 Related party transactions

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

For balance sheet presentation purposes, the direct or indirect subsidiaries of Abertis Infraestructuras, S.A. are considered to be Group companies (see Note 1), associates of the subsidiaries of Abertis Infraestructuras, S.A. are considered to be associates and, lastly, companies that have significant influence over Abertis Infraestructuras, S.A., by virtue of a right to nominate a director or ownership of an equity investment exceeding 3% (see Note 12-a) are deemed to be other related companies.

4.17 Activities affecting the environment

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

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

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

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

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

a) Foreign currency risk

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

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

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

b) Interest rate risk

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

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

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

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

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

c) Credit risk

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

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

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

d) Liquidity risk

The Company manages its liquidity risk prudently, which entails ensuring the availability of sufficient financing through committed credit facilities and the ability to settle market positions. The Financial Area Department of **Abertis** aims to maintain financing flexibility by ensuring the availability of committed credit facilities.

e) Inflation risk

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

In this connection, in relation to Royal Decree 55/2017, of 3 February, implementing Law 2/2015, of 30 March, on the de-indexing of the Spanish economy, it is considered that the aforementioned Royal Decree will not have any impact on the tolls applicable to the Spanish concessions operated by the Abertis Group, since, in general, the Royal Decree does not apply to concession arrangements already in force.

5.2 Fair value measurement

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

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

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

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

6. INTANGIBLE ASSETS

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

	Computer software	Goodwill	Studies and projects	Other	Total
At 1 January 2016					
Cost	7,219	477	88	3	7,787
Accumulated amortisation	(3,387)	-	(88)	(3)	(3,478)
Carrying amount	**3,832**	**477**	**-**	**-**	**4,309**
2016					
Beginning carrying amount	3,832	477	-	-	4,309
Additions	970	-	-	-	970
Disposals (net)	-	(477)	-	-	(477)
Amortisation charge	(1,810)	-	-	-	(1,810)
Ending carrying amount	**2,992**	**-**	**-**	**-**	**2,992**
At 31 December 2016					
Cost	7,569	-	-	-	7,569
Accumulated amortisation	(4,577)	-	-	-	(4,577)
Carrying amount	**2,992**	**-**	**-**	**-**	**2,992**
2017					
Beginning carrying amount	2,992	-	-	-	2,992
Additions	1,157	-	-	-	1,157
Amortisation charge	(1,624)	-	-	-	(1,624)
Ending carrying amount	**2,525**	**-**	**-**	**-**	**2,525**
At 31 December 2017					
Cost	8,726	-	-	-	8,726
Accumulated amortisation	(6,201)	-	-	-	(6,201)
Carrying amount	**2,525**	**-**	**-**	**-**	**2,525**

a) Other disclosures

In 2017 and 2016 no significant impairment losses on intangible asset items were either recognised or reversed.

At 31 December 2017, fully amortised intangible assets in use amounted to EUR 3,012 thousand (31 December 2016: EUR 2,478 thousand).

At 31 December 2017, no significant intangible asset items were subject to ownership restrictions or had been pledged as security for liabilities.

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

7. PROPERTY, PLANT AND EQUIPMENT

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

	Land and buildings	Plant and other items of property, plant and equipment	Total
At 1 January 2016			
Cost	10,751	14,877	25,628
Accumulated depreciation	(2,126)	(5,776)	(7,902)
Carrying amount	**8,625**	**9,101**	**17,726**
2016			
Beginning carrying amount	8,625	9,101	17,726
Disposals (net)	(193)	-	(193)
Additions	-	60	60
Depreciation charge	(131)	(1,694)	(1,825)
Carrying amount	**8,301**	**7,467**	**15,768**
At 31 December 2016			
Cost	10,356	11,758	22,114
Accumulated depreciation	(2,055)	(4,291)	(6,346)
Carrying amount	**8,301**	**7,467**	**15,768**
2017			
Beginning carrying amount	8,301	7,467	15,768
Disposals (net)	(1)	-	(1)
Additions	-	119	119
Depreciation charge	(126)	(1,652)	(1,778)
Carrying amount	**8,174**	**5,934**	**14,108**
At 31 December 2017			
Cost	10,355	11,877	22,232
Accumulated depreciation	(2,181)	(5,943)	(8,124)
Carrying amount	**8,174**	**5,934**	**14,108**

At 31 December 2017, "Land and Buildings" included EUR 4,148 thousand relating to the cost of land and EUR 6,207 thousand relating to the cost of buildings (31 December 2016: EUR 4,149 thousand and EUR 6,207 thousand, respectively). The accumulated depreciation relating to this heading corresponds in full to buildings.

The additions in 2017 and 2016 relate mainly to the acquisition of management items required for the ordinary activity of the Company.

a) Other disclosures

In 2017 and 2016 no significant impairment losses on separate items of property, plant and equipment had been either recognised or reversed.

At 31 December 2017, fully depreciated property, plant and equipment in use amounted to EUR 1,305 thousand (31 December 2016: EUR 1,089 thousand).

At 31 December 2017, no significant items of property, plant and equipment were subject to ownership restrictions or had been pledged as security for liabilities.

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

8. INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The most significant information in relation to Group companies, jointly controlled entities and associates at the end of 2017 and 2016 is as follows:

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

	Balance at 31/12/15	Additions (charge for the year)	Disposals (reductions)	Balance at 31/12/16
Investments in Group companies and associates	5,897,276	481,136	(41,220)	6,337,192
Impairment losses	(1,400,443)	-	40,766	(1,359,677)
Loans to Group companies and associates	5,329,863	1,072,852	(860,419)	5,542,296
Total non-current	**9,826,696**	**1,553,988**	**(860,873)**	**10,519,811**
Loans to Group companies and associates and other financial assets	701,876	194,258	(458,398)	437,736
Total current	**701,876**	**194,258**	**(458,398)**	**437,736**

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

a) Equity instruments

The main additions in 2017 relate to the following transactions:

- 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 a wholly-owned subsidiary 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. 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.
    - The acquisition from Axa República (AXA) of 9.65% of the share capital of Hit for EUR 451 million was completed on 27 March 2017.
    - The acquisition from Predica, FFP Invest and CNP Assurances of 17.08%, 5.10% and 5.10%, respectively, of the share capital of Hit for EUR 796 million, EUR 238 million and EUR 238 million, respectively, was completed on 28 April 2017.

- In 2017 the Company increased capital several times at the investee Abertis Internacional, S.A. (a wholly-owned investee of **Abertis**), for a total of EUR 315,050 thousand. These capital increases were performed so that Abertis Internacional, S.A. could finance the acquisition of an additional percentage of A4 Holding, S.p.A. and of the Indian companies Trichy Tollway Private Limited (TTPL) and Jadcherla Expressways Private Limited (JEPL) through the wholly-owned investee Abertis India, S.L.

- In 2017 the Company made various non-refundable monetary contributions totalling EUR 190,014 thousand to the investee Partícipes en Brasil, S.A., without giving rise to any change in the percentage of ownership of this investee (51%). These contributions were made to finance the ordinary activities of Partícipes en Brasil, S.A. and its investees Partícipes en Brasil II, S.L. and Arteris, S.A., and to be able to acquire Via Paulista (through its investee Arteris, S.A.).

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

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

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

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

Also, the disposals in 2017 were due mainly to:

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

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

- Airport Concessions and Development Limited (ACDL) was dissolved on 24 December 2017 (pending registration at the Mercantile Registry at year-end). This investment had been written down virtually in full, leaving a carrying amount of EUR 2,604 thousand on a gross investment of EUR 66 million, and the related impairment losses were recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the accompanying statement of profit or loss for 2017 (see Note 17-c).

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

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

In this regard, on 19 December 2017 **Abertis** contributed all the shares of Emovis, S.A.S. and Eurotoll, S.A.S. held by it, amounting to EUR 21,528 thousand and EUR 6,877 thousand, respectively (the carrying amounts thereof were EUR 43,000 thousand and EUR 17,928 thousand, respectively), corresponding to the value at which the investments in these Group companies were carried in the Group's consolidated financial statements. These non-monetary contributions had a negative impact of EUR 32,523 thousand, which was recognised under "Voluntary Reserves" in the accompanying balance sheet (see Note 12-b).

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

Lastly, in 2017 the hedges of net investments in foreign operations relating to the companies in the Inversora de Infraestructuras, S.L. (Invin), Partícipes en Brasil and Metropistas Groups reduced the cost of the investment by EUR 15,966 thousand in the case of Invin (2016: increase of EUR 52,091 thousand), by EUR 38,219 thousand in the case of Partícipes en Brasil (2016: increase of EUR 64,496 thousand) and by EUR 7,283 thousand in the case of Metropistas (2016: increase of EUR 5,636 thousand). These changes were recognised with a balancing entry in the statement of profit or loss for the year (under "Changes in Fair Value of Financial Instruments") resulting from the exchange rate effect on the effective portion of the hedge, with the aforementioned impact offset by the effect of the hedges arranged (see Note 10), which were also recognised in the same statement of profit or loss line item (see Note 17-d).

The main changes recognised in 2016 were as follows:

- In 2016 the Company made various non-refundable monetary contributions totalling EUR 313,242 thousand to the investee Partícipes en Brasil, S.A., without giving rise to any change in the percentage of ownership of this investee (51%). Of those contributions, i) EUR 71,394 thousand related to the contribution of the funds required to cater for the tender offer for all the shares of Arteris, S.A. (an investee of Partícipes en Brasil, S.A.), which was completed with an acceptance level of 96%; as a result of the aforementioned tender offer, Partícipes en Brasil, S.A. acquired indirectly shares of Arteris representing 15.8% of its share capital, after considering subsequent acquisitions of shares from non-controlling shareholders that had not accepted the tender offer, at a price of BRL 10.06 per share, giving it a direct and indirect ownership interest of 85.06% in Arteris (until then 69.26%); and ii) the other contributions were made to finance the development of the ordinary activities of Partícipes en Brasil, S.A. and of its investee Arteris, S.A.

- On 25 April 2016, capital was increased by EUR 45,007 thousand at the investee Autopistas Metropolitanas de Puerto Rico, LLC, which did not lead to a change in the percentage of ownership therein (51%).

- On 18 July 2016, Holding d'Infraestructures de Transport 2 (Hit 2) was incorporated for EUR 10 thousand, in which **Abertis** holds an ownership interest of 52.55% amounting to EUR 5 thousand. Subsequently, on 27 July 2016 the share capital of this company was increased by EUR 2,628 thousand, of which EUR 1,971 thousand had not been paid in at 31 December 2016. Therefore, **Abertis**'s ownership interest in this company amounted to EUR 2,633 thousand.

Also, the main disposals in 2016 were due mainly to:

- The reimbursement of contributions of ACDL amounting to EUR 40,766 thousand. These reimbursements were recognised with a credit to the ownership interest held. Also, since this investment had been written down virtually in full, the impairment loss amounting to EUR 40,766 thousand was reversed, and the corresponding positive impact was recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the statement of profit or loss for 2016.

- The reimbursement of contributions of Abertis USA amounting to EUR 394 thousand. These reimbursements were recognised with a credit to the ownership interest held since they did not correspond to profits earned by the company since its incorporation.

- On 11 May 2016, Gestión Integral de Concesiones, S.A. (Gicsa) was liquidated.

Lastly, on 10 October 2016 an agreement was entered into with Abu Dhabi Investment Authority (Adia) to enable the latter to acquire a stake, totalling CLP 386,000 million (approximately EUR 519 million at the exchange rate ruling at the transaction date), in **Abertis**'s business in Chile with a non-controlling ownership interest equal to 20% of the dividend rights. This transaction was achieved through, on the one hand, a capital increase at the consolidated company Inversora de Infraestructuras, S.L. (Invin), subscribed in full by Adia (which reduced **Abertis**'s ownership interest in Invin from 57.7% at 31 December 2016 to 44.72%) and, on the other, the assumption by Adia of the portion of Invin's financial payables to Group companies, which led to the partial repayment of the loan of CLP 714,544 million (approximately EUR 950 million) that **Abertis** had granted to it. Together these two transactions resulted in the payment of CLP 296,000 million (approximately EUR 405 million) by Adia and the assumption of future payments amounting to CLP 90,000 million, none of which had any impact on the accompanying statement of profit or loss. In this regard, at 31 December 2017 Adia had already disbursed CLP 74,000 million of the aforementioned CLP 90,000 million.

b) Loans to Group companies and associates

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

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

	31 December 2016							
	Current	Non-current						Total
	2017	2018	2019	2020	2021	Subsequent years	Total	Total
Loans and other financial assets - Group companies and associates	437,736	640	4,641,683	-	-	899,973	5,542,296	5,980,032

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

The main changes in 2017 relating to long-term loans to Group companies and associates were as follows:

- The reductions in the loans granted to Group companies and associates relate mainly to the partial repayment of the loans granted to Abertis Autopistas España, S.A. and to the partial repayment of CLP 74,000 million (approximately EUR 101 million) of the loan granted to Invin.

Also, the main changes in 2016 in the long-term loans to Group companies and associates were as follows:

- The additions to the loans granted to Group companies and associates relate mainly to the loan of CLP 715,000 million (approximately EUR 950 million) granted to Inversora de Infraestructuras, S.A. (Invin) on 21 January 2016 to enable this company to complete the purchase and sale agreement with Alberta Investment Management Corporation (Aimco) for the acquisition of a further 50% of the share capital of Autopista Central, S.A. (Autopista Central). The acquisition of this additional ownership interest means that **Abertis**, acting through its wholly-owned Spanish subsidiary Inversora de Infraestructuras, S.A., owned all the shares of Autopista Central (until then 50% of the share capital had been held).

- The reductions in the loans granted to Group companies and associates related mainly to the repayment of the loans granted to Abertis Autopistas España, S.A. and Societat d'Autopistes Catalanes, S.A.U. and to the partial repayment of CLP 260,000 million (approximately EUR 350 million) of the loan granted to Invin described above as a result of the transaction enabling Adia to acquire a stake in Invin (see Note 8-a).

- Also, in 2016 the financing granted to the Spanish toll roads business unit was restructured to centralise all the debt at the holding companies (Abertis Autopistas España, S.A. and Societat d'Autopistes Catalanes, S.A.). This restructuring did not give rise to any movement in balances payable between the Company and the business unit.

The main changes in 2017 relating to short-term loans to Group companies and associates relate mainly to the taxation on a consolidated basis of the tax group of which the Company is the parent (see Note 19-c).

c) Impairment

As indicated in Note 4.6, at year-end the Company tests the investments recognised to ascertain whether there are any indications of impairment and, as the case may be, the recoverable amount of the assets.

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

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

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

- The time in which it is estimated that the investment will generate cash flows (concession term in the case of the investees that are toll road concession operators, most of which expire between 3 and 43 years) was determined.

- The revenue and expense projections used in the impairment tests of the previous year were reviewed to evaluate possible variances. In this regard, in the review of the 2016 impairment tests using the actual results for 2017 no significant variances were detected.

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

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

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

- For the satellite telecommunications businesses, contracted satellite capacity was taken as the reference point.

- Expenses were estimated on the basis of the foreseeable changes in the CPI, the envisaged activity and the operating efficiency plans implemented by the Group.

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

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

The projections are generally based on the budget for 2018 and on the most recent long-term projection approved.

As a result of the foregoing, at 31 December 2017 it was not considered necessary to recognise or reverse any impairment losses additional to those recognised and reversed in prior years.

In this regard, the total impairment recognised at 31 December 2017 amounted to EUR 1,295,776 thousand, of which EUR 765,592 relate to the impairment recognised in prior years at Abertis Autopistas España, S.A., EUR 370,284 thousand to Partícipes en Brasil, S.A., also recognised in prior years, EUR 147,548 thousand to the Argentine company Ausol (impairment relating to 100% of the value of the investment in this company recognised in prior years), EUR 7,942 thousand to Abertis Motorways UK, Ltd, EUR 3,630 thousand to Sociedade para Participação em Infraestructura, S.A. and EUR 780 thousand to Abertis PDC, S.A.

Impairment at Abertis Autopistas España, S.A.

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

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

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

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

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

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

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

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

However, although the Administrative Review of 2011 recognised the amounts accrued in the year and the compensation balance payable to Acesa at 31 December 2011, calculated using the same methodology, it raised questions as to the interpretation of the compensation for guaranteed revenue arising from the decrease in traffic as a result of the economic downturn and proposed that a provision be recognised for this revenue until these issues were clarified. Acesa filed an administrative appeal to a superior administrative body against this Administrative Review, which was dismissed in 2015. The ruling dismissing the appeal filed stated that any Administrative Review of Acesa would be in line with the decision of the Government Advisory Council requested in the framework of the Administrative Review of 2013 described below ("2014 decision of the Government Advisory Council"). Therefore, this resolution 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 this judgment at the Supreme Court on which a judgment had not been handed down at the date these financial statements were authorised for issue. Acesa intends to contest this appeal.

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

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

Subsequently, the Administrative Reviews of 2014 and 2015 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, which were not expressly resolved by the Government by the corresponding deadline. Accordingly, on 6 May 2016 and 27 April 2017 Acesa filed respective appeals for judicial review at the Madrid High Court on which judgments had not been handed down at the date these financial statements were authorised for issue.

It should also be noted that on 20 July 2017 Acesa received the proposed Administrative Review for 2016, which is in line with the Administrative Reviews of 2014 and 2015 and, consequently, different stances were maintained with respect to the accounting treatment of the investments made and the related interest cost and tax effect. Acesa filed an administrative appeal against that Administrative Review of 2016 to a superior administrative body; however, at the date these financial statements were authorised for issue, 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 a 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 did not accept the compensation balance for guaranteed traffic, which at 31 December 2017 stood at EUR 1,767 million, excluding the related tax effect (31 December 2016: EUR 1,494 million).

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

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

As a result of the request submitted on 29 June 2015, the Regional Government Office for toll road concession operators in Spain initiated on 28 March 2017 a proceeding relating to the interpretation of the Agreement approved by Royal Decree 457/2006, and a reply brief was filed by Acesa and sent to the Government Advisory Council so that a decision could be handed down in in this regard. On 3 July 2017, the Spanish Cabinet announced that it had adopted a decision against the interpretation of the

Agreement by Acesa. This decision confirms, therefore, the decision to reject the request for interpretation previously challenged at the Supreme Court and is perceived for legal purposes as being included in the obligation incumbent upon any government to decide on proceedings brought by the interested parties, since rejection by the administrative silence route does not release the Government from the obligation to comply with its duty to hand down an express decision.

In view of the above, Acesa requested the Supreme Court to extend the appeal to the content of the express decision issued by the Spanish Cabinet, which was accepted by the Supreme Court, giving rise to the reopening of the initial submissions proceeding at the Court. A judgment had not yet been handed down on the appeal at the date of authorisation for issue of these financial statements. 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 María 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, under no circumstances, enables it to be applied retrospectively, an issue included in 2015 by Jordi de Juan, Alicia de Carlos and MA Abogados in their opinions, when they updated their reports in light of the new decision of the Government Advisory Council.

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

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

In any case, **Abertis** considers that the legal grounds that have always supported the legal validity of the compensation balance remain sound. As it has always done, it will attempt to reach a solution with the Government which protects its interests and those of its shareholders and, if this were not possible, it will defend such interests as appropriate in Court.

b) _Autopistas Aumar, S.A.C.E. (Aumar)_

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

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

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

In November 2014 Aumar received a proposal from the Ministry of Public Works dismissing its request for the restoration of its economic and financial feasibility, although the company was granted a hearing. Aumar submitted the related pleadings at the hearing, defending the solidity of the grounds for its case based on the damage caused by the actions of the Government that had not been foreseen 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 aforementioned appeal for judicial review was extended to this express decision and this appeal was at the evidence stage and no decision had yet been handed down at the date of authorisation for issue of these financial statements.

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

The impairment test performed did not disclose any need to recognise an impairment loss additional to that amounting to EUR 765,592 thousand recognised in prior years.

Other

It should be noted in relation to **Abertis**'s investment in Metropistas (concession operator in Puerto Rico) that there has been a worsening of the macroeconomic situation in Puerto Rico since 2015, exacerbated in 2017 by the major hurricanes that hit the island. Despite this, the main macroeconomic assumptions were in line with those budgeted for the year (in this connection it should be highlighted that as a result of 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, inter alia, in June there was an additional increase in the effective toll), while the company has a sound financial structure (Metropistas has a credit rating of BBB- with a negative outlook, issued on 2 July 2015 by Standard and Poor's (ratified in January 2018), well above the credit rating of government institutions in Puerto Rico).

Also, it should be noted in relation to the investment held in Hit (parent of the Group's concession operators in France), and the concession investments held in Italy and Chile through Abertis Internacional, S.A. and Inversora de Infraestructuras, S.L. and Abertis Infraestructuras Chile, S.P.A., respectively, that the revenue recognised in 2017 exceeds the amounts budgeted and included in the impairment test of 2016 for this year, and the recoverable amount sufficiently exceeds the carrying amount of the investment held; accordingly, there is no indication of a significant risk of impairment arising from changes in the assumptions used.

Lastly, in relation to the impairment tests on the concessions in which Partícipes en Brasil, S.A. holds an interest through Arteris, S.A., it should be noted, on the one hand, that the changes in 2017 are in line with those envisaged in the 2016 impairment test and, on the other, in 2017 the main macroeconomic assumptions were slightly more optimistic than those budgeted for that year and better than those for 2016.

d) Other disclosures

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

Lastly, it should be noted that various subsidiaries of **Abertis**'s investees have financial debt amounting to EUR 5,464 million subject to standard project finance clauses (2016: EUR 5,214 million). This financing generally includes certain guarantees for the lenders, which include promises to pledge the shares of these investees.

9. NON-CURRENT AND CURRENT FINANCIAL ASSETS

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

	Loans, receivables and other investments		Derivative financial instruments	
	2017	2016	2017	2016
Derivative financial instruments (Note 10)	-	-	61,283	27,739
Other current and non-current financial assets	2,936	2,673	-	-
Total	2,936	2,673	61,283	27,739

None of the unmatured loans and receivables were renegotiated in 2017.

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

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

10. DERIVATIVE FINANCIAL INSTRUMENTS

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

	2017		2016	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps:				
Cash flow hedges	424	-	119	-
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	1,191	-
Cross currency interest rate swaps:				
Hedges of net investments in foreign operations	60,859	72,808	26,429	132,306
Derivatives not designated as hedges	-	-	-	3,438
Derivative financial instruments	**61,283**	**72,808**	**27,739**	**135,744**

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

The detail of the derivative financial instruments at 31 December 2017 and 2016, by type of swap, showing their notional or contractual values, expiry dates and fair values, is as follows:

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

31 December 2016	Notional amount	2017	2018	2019	2020	2021	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	50,000	-	-	-	50,000	-	-	119
Derivatives not designated as hedges	25,094	25,094	-	-	-	-	-	1,191
	75,094	**25,094**	**-**	**-**	**50,000**	**-**	**-**	**1,310**
Cross currency interest rate swaps:								
Hedges of net investments in foreign operations	864,386	177,377	414,250	157,759	115,000	-	-	(105,877)
Derivatives not designated as hedges	126,471	126,471	-	-	-	-	-	(3,438)
	990,857	**303,848**	**414,250**	**157,759**	**115,000**	**-**	**-**	**(109,315)**

a) Interest rate swaps

The principal notional amounts of the interest rate swaps outstanding at 31 December 2017 totalled EUR 50 million (2016: EUR 50 million), and the fixed interest rate set through the hedges was 1.67% (2016: 1.43%).

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

The amount recognised as a financial liability at 31 December 2017 with a balancing entry in the statement of profit or loss for the year in relation to the ineffective portion of the cash flow hedge, of net investment hedges and the change in the fair value of derivative financial instruments not classified as hedges was EUR 0 thousand, as the hedges had no ineffective portion at that date (2016: EUR -4,640 thousand).

b) Cross currency interest rate swaps

At 31 December 2017, **Abertis** had hedges in Chilean pesos amounting to CLP 350,747,024 thousand, with an equivalent euro value of EUR 409,053 thousand. The hedges were instrumented in several cross currency interest rate swaps. These financial instruments are designated as hedges of investments in various Chilean companies (Sociedad Concesionaria del Elqui, S.A., Gestora de Autopistas, S.A., Abertis Infraestructuras Chile Ltda, Rutas del Pacífico, S.A., Autopista Central, S.A. and Operadora del Pacífico, S.A.) through Invin, S.L. These hedges expire between 2018 and 2020.

In 2017 **Abertis** renewed hedges in Chilean pesos amounting to CLP 20,221,000 thousand (EUR 24,803 thousand), and hedges in Chilean pesos amounting to CLP 78,313,272 thousand (EUR 87,573 thousand) expired.

In addition, **Abertis** arranged several cross currency interest rate swaps to hedge its investment in the Arteris Group. These hedges have a nominal value of BRL 912,979 thousand and an equivalent euro value of EUR 295,000 thousand. The hedges expire between 2018 and 2022. In 2017 hedges in Brazilian reais amounting to BRL 74,675 thousand expired.

Also, **Abertis** holds cross currency interest rate swaps with a nominal value of USD 37,780 thousand and an equivalent euro value of EUR 27,759 thousand. These financial instruments are designated as hedges of investments in Metropistas. These hedges expire in 2019. In 2017 hedges amounting to USD 27,220 thousand (with an equivalent euro value of EUR 20,000 thousand) were settled.

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

The amount recognised in this connection as net investment hedges instrumented in investments in Group companies under “Changes in Fair Value of Financial Instruments” in the statement of profit or loss (see Note 17-d) represented net finance income of EUR 65,313 thousand (2016: net finance cost of EUR 126,442 thousand), offset by the related net decrease in the investment (see Note 8-a).

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

c) Other disclosures

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

	31 December 2017			31 December 2016		
	2018	2019-20	Subsequent years	2017	2018-19	Subsequent years
Projected net settlements (*)	(16,348)	(12,707)	12,552	(71,994)	(28,324)	(1,820)

(*) Excluding credit risk adjustments.

11. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December 2017 and 2016 is as follows:

	2017	**2016**
Cash on hand	24	30
Cash at banks	10,764	686,524
Cash and cash equivalents	**10,788**	**686,554**

12. SHAREHOLDERS' EQUITY

a) Share capital, share premium and treasury shares

The detail of these line items and of the changes therein in 2017 and 2016 is as follows:

	Share capital	Treasury shares
At 1 January 2016	2,829,661	(1,211,922)
Net change in treasury shares	-	378
Capital increase	141,483	-
At 31 December 2016	**2,971,144**	**(1,211,544)**
Net change in treasury shares	-	42,865
Capital increase	-	-
At 31 December 2017	**2,971,144**	**(1,168,679)**

Share capital

At 31 December 2017 (as at 2016 year-end), the share capital of **Abertis** consisted of 990,381,308 fully subscribed and paid ordinary shares, all of the same class and series, represented by book entries, of EUR 3 par value each.

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 2017 the Annual General Meeting of **Abertis** held on 3 April 2017 did not approve any capital increases through scrip issues; however, in 2016, on 12 April the Annual General Meeting of Abertis approved a capital increase through a scrip issue, with a charge to voluntary reserves, in the proportion of 1 new share for every 20 existing shares, amounting to EUR 141,483 thousand corresponding to 47,161,014 ordinary shares. Therefore, the changes in the number of shares of **Abertis** in 2017 and 2016 were as follows:

	Number of ordinary shares	
	2017	**2016**
At 1 January	990,381,308	943,220,294
Capital increase through scrip issue	-	47,161,014
At 31 December	**990,381,308**	**990,381,308**

All the shares of **Abertis** are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges, are traded on the Spanish Stock Market Interconnection System and are included in the IBEX-35 index.

The shares of **Abertis** are represented by book entries and, according to the information available, at 31 December 2017 and 2016 the shareholdings that had given rise to the appointment of proprietary directors were as follows:

	2017	2016
Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" [1]	21.55%	22.25%
Inmobiliaria Espacio, S.A.	-	4.24%
	21.55%	**26.49%**

[1] Per notifications sent to **Abertis** in December 2017 and December 2016:

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%) (2016 year-end: 15.08% through Criteria Caixa, S.A.U. and 7.17% through Inversiones Autopistas, S.A.).

In addition to the ownership interests indicated, per notifications issued by the Spanish National Securities Market Commission (CNMV), at 31 December 2017 and 2016 the following entities held significant ownership interests:

	2017[*]	2016[*]
Blackrock, Inc. [1]	3.82%	3.02%
Davidson Kempner Capital Management LP [2]	3.32%	-
Lazard Asset Management LLC [3]	2.87%	3.54%
Capital Group [3]	2.85%	12.07%
	12.86%	**18.63%**

[*] In the calculation of the percentages of the 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 dated 31/12/17.

[2] Per notification to the CNMV dated 31/12/17. Davidson Kempner Capital Management LP is the manager of the investment of Burlington Loan Management DAC and exercises the voting power carried by the shares on a discretionary basis.

[3] Per notification to the CNMV dated 31/12/17.

In relation to these shareholdings, it should be note that being the Parent Company engaged in a public tender procedure for the acquisition of its shares (detailed below), all those shareholders whose percentage of voting rights reaches or exceeds 1% at 31 December 2017 are being identified as significant shareholders. All of this in accordance with what is established in section 6 of article 30 of Royal Decree 1362/2007, by which the Securities Market Law is developed, in relation to transparency requirements related to information on issuers whose securities are admitted to trading on an official secondary market or on another regulated market of the European Union.

In relation to 2017, it should be noted that 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 holds 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.

Also, of particular note in 2016 were the sales made on 28 June and 3 October 2016 by Inmobiliaria Espacio, S.A. (through its investee OHL Emisiones, S.A.U.) via two private placements among qualified investors of 69,326,692 and 43,826,542 shares of Abertis Infraestructuras, S.A., representing 7.0% and 4.425%, respectively, of its share capital.

Also, it should be noted that 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 are described in the prospectus authorised by the Spanish National Securities Market Commission (CNMV) on 9 October 2017. Also, the period for accepting the tender offer was suspended on 18 October 2017, when the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer, also for all the shares of Abertis Infraestructuras, S.A. At the date of authorisation for issue of these financial statements, this rival offer was awaiting authorisation by the CNMV and, therefore, the prospectus has not been published and is not known.

In relation to the aforementioned tender offers, it should be noted that:

- On the one hand, Atlantia is offering the possibility of choosing between three alternative types of consideration to the shareholders of **Abertis**: (i) a cash consideration consisting on the payment of EUR 16.50 per share of **Abertis**, (ii) a consideration in the form of special shares of Atlantia (nominal value of one euro per share) determined on the basis of a share exchange ratio of 0.697 special shares of Atlantia for every share of **Abertis** held by the shareholders that accept the offer and, (iii) a combination of (i) and (ii) alternatives. However, only the holders of a maximum of 230,000,000 shares of **Abertis** (23.22% of the total) may opt to receive the consideration in the form of special shares of Atlantia. Also, the effectiveness of Atlantia's offer is 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 is making the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

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

- Also, Hochtief has announced that, subject to approval from the CNMV, it will offer three alternative types to choose of consideration to the shareholders of **Abertis**: (i) a cash consideration would consist of a payment of EUR 18.76 per share of **Abertis**, (ii) a consideration in the form of shares that would consist of 0.1281 ordinary shares of Hochtief for each share of **Abertis** and, (iii) a combination of (i) and (ii) alternatives. In this case, only 193,530,179 shares of **Abertis** (19.54% of the total) will be able to opt for the shares of Hochtief, this being the maximum and minimum of acceptances in shares of Hochtief that Hochtief would permit. That is to say, if the shares of **Abertis** that opted for shares of Hochtief exceeded 193,530,179 there would be a proration and if there were fewer, Hochtief could withdraw its offer. Hochtief has announced that it will also make the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

  It should be noted in this connection that the Board of Directors of **Abertis** must also draft a detailed and reasoned report on the tender offer of Hochtief explaining, among other things, its opinion regarding the pros and cons of the offer and the reasonableness of the price offered by Hochtief. **Abertis** must publish this report within ten calendar days from the date of commencement of the tender offer acceptance period.

Treasury shares

Using the powers granted by the shareholders at the Annual General Meeting, in 2017 **Abertis** delivered certain treasury shares to employees (as it did in 2016).

As a result of the transactions carried out, the treasury shares held at 31 December 2017 represented 7.96% of the share capital of Abertis Infraestructuras, S.A. (8.25% at 2016 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 2017 and 2016 were as follows:

	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 in relation to 2016 dividend with a charge to voluntary reserves	(2,865,558)	(8,596)	(42,490)
At 31 December 2017	**78,815,937**	**236,448**	**1,168,679**

	Number	Par value	Acquisition cost / Sales proceeds
At 1 January 2016	77,840,233	233,521	1,211,922
Capital increase through scrip issue (1)	3,890,798	11,672	-
Shares sold / shares delivered / other	(24,256)	(73)	(378)
At 31 December 2016	**81,706,775**	**245,120**	**1,211,544**

(1) Capital increase through scrip issue with a charge to reserves in the proportion of 1 new share for every 20 existing shares approved by the shareholders at the Annual General Meeting held on 12 April 2016.

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 and cash held by the Company. 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.

Lastly, it should be noted that at 2016 year-end **Abertis** held call options on 1,882,501 treasury shares representing 0.19% of the share capital of Abertis Infraestructuras, S.A., which in 2017 were sold with a positive impact before tax of EUR 8,792 thousand, and this amount is recognised under "Changes in Fair Value of Financial Instruments" in the statement of profit or loss for the year (see Note 17-d).

b) Reserves

The detail is as follows:

	2017	2016
Legal and bylaw reserves:		
- Legal reserve	581,858	565,932
	581,858	565,932
Other reserves:		
- Voluntary reserves	2,628,964	3,173,812
- Reserves for actuarial gains and losses	1,393	1,393
	2,630,357	3,175,205
	3,212,215	**3,741,137**

Legal reserve

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

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

Except as mentioned above, 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 2017, the balance of this reserve had not reached the legally required minimum.

Voluntary reserves

As indicated in Note 3, in 2017 the initial dividend payment amounting to EUR 396,153 thousand was made. EUR 206,313 thousand of this dividend were charged to profit for 2017 and the remaining EUR 189,840 thousand were charged to unrestricted voluntary reserves.

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

In relation to the changes in this line item in 2016, in addition to those relating to the distribution of profit, of particular note were the dividends paid corresponding to treasury shares, which had a positive impact on reserves of EUR 57,428 thousand, and the capital increase with a charge to voluntary reserves, which had a negative impact of EUR 141,483 thousand.

Dividends

On 3 April 2017, the Annual General Meeting of **Abertis** approved the payment of a dividend out of voluntary reserves of EUR 0.37 gross per share of Abertis Infraestructuras, S.A., representing a total amount of EUR 366,441 thousand (31 December 2016: EUR 339,559 thousand relating to a final dividend for 2015 of EUR 0.36 gross per share). In this regard, as detailed in Note 12-a, the aforementioned Annual General Meeting 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 Company.

On 20 October 2017, it was resolved to make a first dividend payment totalling EUR 396,153 thousand, representing EUR 0.40 gross for each of the shares making up the Company's share capital.

13. NON-CURRENT AND CURRENT PAYABLES

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

	Accounts payable		Derivative financial instruments	
	2017	2016	2017	2016
Debt instruments and other marketable securities	4,690,199	5,396,537	-	-
Bank borrowings	2,196,705	76,909	-	-
Obligations under finance leases	732	1,142	-	-
Derivative financial instruments (Note 10)	-	-	72,808	135,744
Other financial liabilities (non-current)	282,112	274,718		
Total	**7,169,748**	**5,749,306**	**72,808**	**135,744**

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

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

	31 December 2016							
	Current	Non-current						
	2017	2018	2019	2020	2021	Subsequent years	Total	Total
Debt instruments and other marketable securities	882,924	9,075	372,369	647,455	-	3,484,714	4,513,613	5,396,537
Bank borrowings	26,909	-	-	50,000	-	-	50,000	76,909
Obligations under finance leases	421	581	140	-	-	-	721	1,142
Other financial liabilities	-	-	274,671	-	-	47	274,718	274,718
Total	**910,254**	**9,656**	**647,180**	**697,455**	**-**	**3,484,761**	**4,839,052**	**5,749,306**

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

	Carrying amount		Fair value	
	2017	2016	2017	2016
Bank loans	1,940,000	50,000	1,944,685	50,000
Debt instruments and other marketable securities				
Obligations under finance leases	4,511,161	4,513,613	4,933,427	5,035,822
Other financial liabilities	329	721	329	721
	282,112	274,718	282,112	274,718
	6,733,602	**4,839,052**	**7,160,553**	**5,361,261**

The current financial liabilities are stated at their nominal value, which does not differ significantly from their fair value. The fair values are measured using cash flows discounted at a rate based on the interest rate of -0.265% (2016: -0.18%) to which the borrowings are subject.

The Company's borrowings are denominated in euros.

The Company has the following undrawn credit facilities:

	2017	2016
Floating rate:		
- maturing at less than one year	-	50,000
- maturing at more than one year	2,600,000	2,450,000
	2,600,000	**2,500,000**

At 2017 year-end the Company had credit facilities the limit of which amounted to EUR 2,600 million (2016: EUR 2,500 million). All of these facilities mature at more than one year. At the end of 2017 no amount had been drawn down against the credit facilities.

Of the EUR 2,600 million of the credit facilities, EUR 1,600 million (2016: EUR 1,600 million) can be drawn down in euros or in other currencies (for the related equivalent amount). The credit facilities denominated in euros bear interest at Euribor plus a spread and the credit facilities denominated in currencies other than the euro bear interest at Libor plus a spread.

In 2017 **Abertis** arranged bank loans amounting to EUR 2,140 million, which mature between 2018 and 2022. All the new borrowings were arranged at floating rates, calculated based on the corresponding Euribor rate plus a spread. In addition, a commercial paper issue maturing at four months was launched in 2017, of which one promissory note amounting to EUR 100 million and maturing in January 2018 remained outstanding at 2017 year-end.

In 2017 the Company redeemed EUR 785 million in relation to the maturity of a debenture issue and repaid early EUR 10 million in relation to bilateral loans.

Lastly, in 2017 the Company took steps to optimise the Group's liquidity and to reduce finance costs by renegotiating credit facilities amounting to EUR 900 million (2016: EUR 950 million). Accordingly, at 2017 year-end the average term of the total volume of credit facilities was 2.3 years.

a) Bank loans and bonds

At 31 December 2017, the outstanding bond issues and their corresponding rates were as follows:

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

Also, at the end of 2017 64% (2016: 96%) of the borrowings bore a fixed interest rate or a rate fixed through hedges.

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

Lastly, it should be noted that in relation to the main financing agreements in force at the end of 2017, no financial assets of amounts material with respect to these financial statements had been pledged as security for liabilities or contingent liabilities (as at the end of 2016). There are no obligations or covenants associated with the financing agreements that at the date of these financial statements might give rise to the liabilities becoming immediately claimable by the lender.

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

b) Other financial liabilities

“Other Financial Liabilities” includes mainly EUR 282 million relating to the present value of the deferred purchase price (EUR 275 million payable in 2016), EUR 295 million payable in 2019, agreed with Capital Riesgo Global, S.A. (a Santander Group company) for the acquisition of all the shares of Infraestructuras Americanas, S.L.U. (IA, merged this year with Inversora de Infraestructuras, S.L) (see Note 8-a).

c) Rating

At the date of formal preparation of these financial statements **Abertis** had a long-term “BBB” Investment-grade adequate credit quality rating awarded by the international credit rating agency Standard and Poor’s Credit Market Services Europe Ltd. In the latest report, dated October 2017, the “BBB” rating was ratified, and the Company's outlook was revised from positive to “developing”.

In addition, **Abertis** holds a long-term “BBB+” Good credit quality rating with a stable outlook, awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term “F2” high credit rating. In the latest report, dated October 2017, both ratings were ratified and the outlook was revised from stable to ““credit watch negative”.

14. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

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

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

"Provisions for Long-Term Employee Benefit Obligations" on the liability side of the accompanying balance sheet includes EUR 6 thousand (2016: EUR 101 thousand) relating to the present value of the defined benefit pension obligations to the Company's employees instrumented in the form of insurance policies. The staff costs recognised in 2017 in relation to these obligations amounted to EUR 2 thousand (2016: EUR 3 thousand) (see Note 17-b).

Also, "Non-Current Financial Assets - Other Financial Assets" on the asset side of the accompanying balance sheet includes EUR 14 thousand (2016: EUR 111 thousand) relating to the fair value of the plan assets. EUR 0 thousand (2016: EUR 2 thousand) were recorded under "Finance Income" in connection with the projected return on these assets.

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

a) Defined contribution obligations

The staff costs recognised in the statement of profit or loss for the year in relation to defined contribution obligations totalled EUR 1,996 thousand (2016: EUR 1,844 thousand), see Note 17-b.

b) Defined benefit obligations

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

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

	2017	2016
At 1 January	**101**	**97**
Current service cost (Note 17-b)	2	3
Interest cost	-	1
Actuarial (gains)/losses	(2)	-
Curtailments/settlements	(95)	-
At 31 December	**6**	**101**

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

	2017	2016
At 1 January	**111**	**214**
Expected return on plan assets	-	2
Actuarial gains/(losses)	(2)	6
Curtailments/settlements	(95)	(111)
At 31 December	**14**	**111**

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:

	2017	2016
Annual discount rate	0.50%	0.25%
Expected return on plan assets	0.50%	0.25%
Percentage salary increase	2.00%	2.00%
Mortality tables	PERM/F 2000 P	PERM/F 2000 P
Disability tables	IPA 0M77	IPA 0M77

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

c) Other obligations

Together with the aforementioned obligations, the Company has obligations to its employees tied to the degree of achievement of certain business objectives. With regard to the measurement of these obligations, a current liability totalling EUR 20,500 thousand was recognised in this connection under “Remuneration Payable” in the accompanying balance sheet (31 December 2016: EUR 20,500 thousand classified under “Non-Current Liabilities”).

15. OTHER PROVISIONS

The balance of the provisions at year-end, amounting to EUR 3,179 thousand, relates to provisions recognised to cover risks arising from the Company's normal operations (see Notes 4.12 and 16). There were no changes in provisions in 2017 and 2016.

16. INCOME TAX AND TAX MATTERS

a) Tax-related disclosures

The Company files consolidated income tax returns as the parent of the tax group.

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

At 31 December 2017, the Company had open for review by the tax authorities all the taxes applicable to it for which the statute of limitations period had not expired at that date. Also, in 2017 tax assessments were signed by the tax groups on a contested basis in relation to income tax for 2010 to 2013, personal income tax withholdings for 2012 and 2013 and VAT for July 2011 to December 2013. The tax group filed the corresponding economic-administrative appeals against the aforementioned assessments, considering that there are legally proven arguments in favour of the application of the related legislation to support the interpretation adopted by the Group. In any event, as a result of signing the aforementioned assessments, there have not been, and will not be, any significant impacts on equity, whatever the outcome of the appeals, and the Company does not consider that, in the event of differences in the way current tax legislation is interpreted in relation to the years open for review, any significant impacts on equity will occur.

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

Since the appeals against the 2009 and 2011 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 decision analysing the solid legal grounds presented by **Abertis** against the Third Decision.

As a result of the re-admission of the action for annulment at the General Court and, at the initiative of the Commission, on 17 June 2017 the Spanish State initiated a proceeding for the recovery of the financial goodwill deducted by **Abertis** in 2006 to 2015. On 11 November 2017, **Abertis** was notified of the assessment arising from that proceeding, which did not have a significant impact on equity since the Company had already recognised a deferred tax liability associated with the goodwill deducted to date. The aforementioned assessment amounting to EUR 33,666 thousand was paid in 2017 and was appealed in the economic-administrative jurisdiction.

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

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

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

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

b) Income tax expense

The standard income tax rate for 2017 was 25% (2016: 25%).

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

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

2016	Income and expense recognised in profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Income and expense for the year			159,262			(151)
Income tax expense for the year	-	-	(33,967)	-	-	(52)
Permanent differences	3,267	(305,424)	(302,157)	-	(5)	(5)
Temporary differences:						
- arising in the year	12,804	(74,160)	(61,356)	155	-	155
- arising in prior years	31,022	(17,374)	13,648	-	-	-
Total			**(224,570)**			**(53)**
Tax loss to be included in the consolidated tax base			**(224,623)**			

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

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

	2016		
	Profit or loss	**Equity**	**Total**
Current tax	(58,416)	(13)	**(58,429)**
Deferred tax	21,930	(39)	**21,891**
Adjustments to income tax	89	-	**89**
Prior years' taxes/other	2,430	-	**2,430**
Total	**(33,967)**	**(52)**	**(34,019)**

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

- Permanent differences were considered to be mainly the dividends from companies that satisfy the requirements established in Article 21 of the Spanish Income Tax Law (EUR 370,728 thousand).
- The consolidated tax group assumed the right to fully offset the Company’s individual tax loss incurred in 2017 and to partially offset its individual tax loss incurred in 2015 that was not offset by the group in that period.

  Also, the consolidated tax group assumed the right to deduct the tax credits earned by the Company in 2017, and the resulting intra-Group account was recognised in the balance sheet.

  In this connection, the 2015 tax loss corresponding to the Company offset by the tax group in 2017 amounted to EUR 7,010 thousand (tax asset of EUR 1,753 thousand). Tax losses of EUR 51 thousand were also offset as a result of the adjustment of 2016 (tax asset of EUR 13 thousand). Also, the tax credits earned and deducted in 2017 amounted to EUR 3,167 thousand and relate mainly to tax credits for taxes paid abroad and tax credits for donations.

– Taxes similar to income tax paid abroad and the adjustment to the income tax expense incurred in 2016 increased the income tax expense by EUR 1,256 thousand in 2017 (2016: EUR 2,430 thousand increase in the income tax expense).

Tax withholdings and pre-payments amounted to EUR 44,172 thousand (2016: EUR 13,970 thousand).

In this regard, "Current Income Tax Assets" includes the amount to be recovered by **Abertis**, as the parent of the Spanish consolidated tax group, in relation to income tax for 2017 amounting to EUR 113.1 million (31 December 2016: EUR 84.5 million and EUR 321.2 million for 2016 and 2015, respectively, both amounts being collected in 2017).

c) Deferred taxes

The detail of the deferred taxes is as follows:

	2017	2016
Deferred tax assets:	**42,002**	**61,234**
- Tax loss carryforwards	20,746	22,511
- Employee benefit obligations	14,673	13,649
- Other provisions	3,095	3,794
- Impairment of the ACDL/APDC/SPI investment portfolio	1,103	9,120
- Timing differences	110	2,868
- Inclusion of deductible impairment of financial assets	751	7,753
- Other	1,524	1,539
Deferred tax liabilities:	**(140,561)**	**(145,908)**
- Gains from transfer of concession operators	(70,734)	(70,734)
- Amortisation of financial goodwill	(40,763)	(37,058)
- Other	(29,064)	(38,116)
Deferred taxes	**(98,559)**	**(84,674)**

The changes in "Deferred Tax Assets" and "Deferred Tax Liabilities" in 2017 and 2016 were as follows:

	2017		2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	**61,234**	**(145,908)**	**56,740**	**(117,535)**
Amount charged/(credited) to profit or loss	(10,764)	(28,438)	6,398	(28,373)
Amount charged/(credited) to equity	-	-	-	-
Adjustments to income tax	(7,377)	-	(20)	-
Tax losses and tax credits	(1,765)	-	(2,130)	-
Other amounts charged/(credited) (adjustment prior year's income tax)	674	33,785	246	-
At 31 December	**42,002**	**(140,561)**	**61,234**	**(145,908)**

In accordance with the criteria detailed in Note 4.10, each company in the tax group recognised in its balance sheet as at 31 December 2015 the deferred tax asset corresponding to the portion of the tax losses that had not been offset by the other tax group companies. In this connection, at 31 December 2015 the Company recognised a deferred tax asset of EUR 23,168 thousand (individual tax loss of EUR 92,673 thousand). At 31 December 2017, deferred tax assets of EUR 20,746 thousand had not yet reversed, after having credited to profit or loss at year-end, and in the final return for 2016, EUR 670 thousand, and at 2017 year-end EUR 1,765 thousand.

The deferred asset relating to the impairment on the investment in ACDL was reversed in full in 2017 as a result of the dissolution of this company (see Notes 8-a and 17-c).

At 31 December 2017, the tax group's tax loss carryforwards, after considering the EUR 52,530 thousand offset in the year, total EUR 675 million (corresponding in full to the tax loss incurred in 2015).

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

The deferred tax liabilities recognised at 2017 year-end relate mainly to the tax effect associated with the gains obtained in the transfer of ownership interests in the Spanish toll road concession operators in 2011, which were eliminated when calculating the tax base of the consolidated tax group.

In accordance with Article 3 of Royal Decree-Law 3/2016, the Company included in its tax base for 2017, in the same way as in 2016, one-fifth (EUR 31,012 thousand) of the amounts deducted in prior years in relation to the impairment for tax purposes of the ownership interests held in Ausol and Terra Mítica. At 2017 year-end, **Abertis** has derecognised the deferred tax asset recognised in 2016 corresponding to the impairment of Ausol for an amount of EUR 7,377 thousand and from 2017 the adjustment was considered to be a permanent difference.

In relation to the investment in Terra Mítica, in 2017 **Abertis** reversed EUR 1,503 thousand in this connection and recognised a deferred tax asset corresponding to the reversal performed in 2017 as it considered that this loss could be considered deductible for tax purposes on extinguishment of the investee.

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

Company	**Total amounts deducted at 31/12/16**	**Inclusion of 1/5 deducted under Royal Decree-Law 3/2016**	**2016 income tax adjustment**	**Amounts to be recovered/ (included) at 31/12/17**
AUSOL	(118,039)	29,509	-	(88,530)
TERRA MÍTICA	(6,010)	1,503	-	(4,507)
ACDL	32,067	(32,067)	-	-

17. INCOME AND EXPENSES

a) Revenue

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

The breakdown, by geographical market, of the Company's revenue from its ordinary business activities in 2017 and 2016 is as follows:

	%	
Market	**2017**	**2016**
Spain	28.3	57.9
Other European countries	66.8	37.3
Latin America and the US	4.8	4.8
India	0.1	-
	100.00	**100.00**

b) Staff costs

The detail of "Staff Costs" in 2017 and 2016 is as follows:

	2017	**2016**
Wages and salaries	23,908	22,981
Social security contributions	2,499	2,438
Pension costs:		
- Defined contribution plans (Note 14-a)	1,996	1,844
- Defined benefit plans (Note 14-b)	2	3
Other obligations	-	4,944
Other	2,685	2,775
	31,090	**34,985**

The average number of employees, by category, in 2017 and 2016 was as follows:

	2017	**2016**
Permanent employees:		
- Directors	2	2
- Senior managers	21	23
- Middle management and junior managers	65	60
- Other employees	91	97
Temporary employees:	-	-
	179	**182**

Also, the headcount at the end of 2017 and 2016, by gender, was as follows:

	2017			2016		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Permanent employees:						
- Directors	2	-	2	2	-	2
- Senior managers	18	2	20	21	2	23
- Middle management and junior managers	39	31	70	36	24	60
- Other employees	29	65	94	28	73	101
Temporary employees:	-	-	-	-	-	-
	88	**98**	**186**	**87**	**99**	**186**

The average number of employees in 2017 and 2016 with a disability equal to or greater than 33%, by category, was as follows:

	2017	2016
Permanent employees:		
- Directors	-	-
- Senior managers	-	-
- Middle management and junior managers	-	-
- Other employees	2	2
Temporary employees:	-	-
	2	**2**

Also, it should be noted that the shareholders at the Annual General Meeting of 12 April 2016 set the maximum number of members of **Abertis**'s Board of Directors at 15. At 31 December 2017, the aforementioned Board of Directors consisted of 15 members, with all the seats on the Board occupied by 9 men and 6 women, of whom 9 are independent directors.

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

	2017	2016
Net change in impairment and other losses	(2,795)	48,792
Property, plant and equipment	-	1,373
Total	**(2,795)**	**50,165**

The amount recognised under "Net Change in Impairment and Other Losses" relates mainly to the impairment loss recognised in relation to the dissolution of ACDL (see Note 8-a).

The amount recognised in 2016 relates basically to the reversal of the impairment loss recognised in prior years at ACDL and to the impact of the liquidation of Abertis Airports, S.A.U. once the divestment of the airports business had been completed.

d) Finance income and costs

The detail of the finance income and costs in 2017 and 2016 is as follows:

	2017	2016
Interest on loans to Group companies and associates (Note 19-c)	181,858	273,828
Interest and other income	5,250	7,107
Income arising from settlement of derivative financial instruments	726	802
Finance income	**187,834**	**281,737**
Interest on loans from Group companies and associates (see Note 19-c)	(16,862)	(16,197)
Interest on bank loans and other	(176,455)	(289,321)
Costs arising from settlement of derivative financial instruments	(48,277)	(106,362)
Finance costs	**(241,594)**	**(411,880)**

The detail of "Changes in Fair Value of Financial Instruments" in 2017 and 2016 is as follows:

	2017	2016
Gain/(Loss) on hedging instruments	32,240	(89,123)
	32,240	**(89,123)**

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

In this connection, as in 2016 and as described in Note 10, the Company arranged hedges of net investments in foreign operations to hedge the risks arising from the acquisition of 50% of Autopista Central, S.A., the change in fair value of which amounting to EUR 10,178 thousand (2016: EUR 81,480 thousand) was partially offset by the exchange differences (see detail below) on the loan granted to Invin in order to complete the aforementioned acquisition (see Note 8-b).

Also, the disposal of the call options on 1,882,501 treasury shares held by Abertis at 31 December 2016 (see Note 12-a) gave rise to a positive impact of EUR 8,792 thousand.

The detail, by class of financial instrument, of the exchange differences recognised in 2017 and 2016 is as follows:

	2017	2016
Transactions settled in the year:		
Trade receivables and transactions	(1,428)	1,236
	(1,428)	**1,236**
Outstanding and unmatured balances:		
Loans	(42,202)	105,825
	(42,202)	**105,825**
	(43,630)	**107,061**

e) Transactions in currencies other than the euro

The detail of the transactions performed in a currency other than the euro in 2017 and 2016 is as follows:

	2017	2016
Services received	1,963	7,981
Services rendered	14,305	8,757

18. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

a) Contingent liabilities

At 31 December 2017, the Company had collateral and other guarantees to third parties amounting to EUR 73,841 thousand (2016: EUR 53,255 thousand), which relate mainly to guarantees provided by banks to the public authorities in connection with certain obligations (investments, operation of services, financing, taxes, etc.) arranged by the Company itself and by investees. No unforeseen significant liabilities are expected to arise as a result of these guarantees.

Also, the Company acts as guarantor in relation to the financing agreements arranged by Aulesa for EUR 28,134 thousand (2016: EUR 32,100 thousand) and Abertis Infraestructuras BV for an equivalent euro value of EUR 210,920 thousand (2016: EUR 359,789 thousand).

In addition, the Company acts as guarantor in relation to the financing agreements arranged by Emovis for EUR 49,687 thousand.

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

Also, as part of the agreement with the French Government for the "Plan Relance" for French toll roads, the shareholders of the French concession operators resolved to create a fund to develop infrastructure of a clearly environmental nature ("Fonds de Modernisation Ecologique des Transports", FMET). Having obtained full ownership of the French subgroup Hit/Sanef, the contribution of **Abertis** as a shareholder thereof is estimated at around EUR 52 million, which will be paid as the various investment projects to be carried out are approved. In the year ended 31 December 2017, a contribution of EUR 1,375 thousand was made in this connection (no contribution was made in 2016).

19. RELATED PARTY TRANSACTIONS

a) Directors and senior executives

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

The remuneration earned by the directors of **Abertis** in 2017, in accordance with the remuneration policy approved by the shareholders at the Annual General Meeting of 24 May 2015, was as follows:

- In 2017 the members of the Board of Directors, for discharging the duties inherent to their status as directors of Abertis Infraestructuras, S.A., earned EUR 2,595 thousand (2016: EUR 2,204 thousand), and earned EUR 251 thousand as members of the Board of Directors of other Group companies (2016: EUR 223 thousand).

- For performing senior management duties, the Chief Executive Officer, the only director with executive functions, earned EUR 2,486 thousand corresponding to his annual fixed and variable remuneration received in cash (2016: EUR 1,636 thousand), and EUR 8,250 thousand for attaining the multi-year targets set out in the 2015-2017 Incentive Plan, vesting over the last three years, which will be paid out in the first quarter of 2018 as a contribution to the employee welfare plan of which he is a beneficiary (2016 and 2015: EUR 0 thousand liquidated). He also earned EUR 660 thousand in social welfare obligation contributions (2016: EUR 1,146 thousand).

- In addition, the directors of Abertis Infraestructuras, S.A. earned, EUR 64 thousand (2016: EUR 55 thousand) as other remuneration in kind in relation to life and medical insurance policies.

The remuneration in 2017 of the senior executives, understood to be the general managers and similar employees of **Abertis** who carry out management duties while reporting directly to the Board of Directors, the Executive Committee, the Chairman or the CEO of Abertis Infraestructuras, S.A., amounted to EUR 3,350 thousand (2016: EUR 3,427 thousand) and EUR 6,200 thousand for attainment of the multi-year targets set out in the 2015-2017 Incentive Plan, vesting over the last three years, which will be paid out in the first quarter of 2018 (2016 and 2015: EUR 0 thousand liquidated).

Also, the senior executives earned as other benefits contributions related to social welfare obligations and other remuneration in kind amounting to EUR 358 thousand and EUR 168 thousand, respectively (2016: EUR 336 thousand and EUR 179 thousand, respectively).

The post-employment benefits received by former senior executives totalled EUR 36 thousand in 2017 (2016: EUR 66 thousand).

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

Lastly, it should be noted that pursuant to Royal Decree 602/2016, of 2 December, the disclosures required in relation to the amount of the third-party liability insurance premiums of the Company’s directors for damage caused or omissions, which totalled EUR 63 thousand (2016: EUR 75 thousand), are shown.

b) Other disclosures concerning the Board of Directors

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

c) Group companies and associates

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

	31 December 2017				
	Financial assets			**Financial liabilities**	
	Loans and other financial assets		**Trade receivables from Group companies and associates**	**Payables**	
	Non-current	**Current**	**Current**	**Non-current**	**Current**
Abertis Aut. España	3,162,492	18,992	823	-	17,781
Acesa	-	17,606	-	-	22
Aumar	-	13,899	-	-	-
Iberpistas	-	3,917	-	-	7,827
Castellana	-	254	-	-	4,503
Aulesa	-	130	-	-	570
GCO	-	-	-	-	20
Societat Autopistes Catalanes	608,554	78,834	-	-	2,324
Aucat	-	6,312	-	-	-
Infraestructures Viàries de	-	2,653	-	-	6,747
Túnels de Barcelona	-	-	-	-	1
Sanef	-	-	630	-	113
Emovis	-	7,324	981	-	-
Sapn	-	-	40	-	-
Coviandes	-	-	113	-	-
Abertis tel. Satélites	195,646	2,756	54	-	1,931
Hispasat	-	-	309	-	-
Abertis Finance BV	-	74,157	-	263,011	3,333
Abertis Internacional	5,077	38	-	-	4,328
Invin (1)	769,523	-	-	-	-
Abertis Infraestructuras	641	-	-	-	-
Abertis Autopistas Chile	-	-	(1)	-	-
Metropistas	-	56	1	-	-
TBI	-	-	18	-	259
Abertis Puerto Rico	-	-	69	-	-

	31 December 2017				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Ausol	-	(15)	142	-	-
Autopista Los Libertadores	-	439	-	-	-
Abertis USA	-	-	-	-	1
Eurotoll	-	20,049	-	-	-
Autostrada	-	-	49	-	-
Infracom	-	-	29	-	-
A4 Mobility	-	-	240	-	-
A4 Holding	-		5	-	-
Abertis India	-	-	13	-	1,568
Jadche, JEPL	-	-	108	-	-
Trichy, TTPL	-	-	143	-	-
Total	**4,741,933**	**247,401**	**3,766**	**263,011**	**51,328**

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

	31 December 2016				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Abertis Aut. España	3,827,688	177,151	324	-	35,810
Acesa	-	8,898	-	-	70,260
Aumar	-	21,593	-	-	-
Iberpistas	-	1,118	-	-	3,721
Castellana	-	92	-	-	6,102
Aulesa	-	74	-	-	575
Societat Autopistes Catalanes	611,754	101,266	-	-	4,319
Aucat	-	2,673	-	-	2,671
Infraestructures Vièries de Catalunya	-	1,242	-	-	8,130
Sanef	-	312	1,135	-	105
Emovis	-	7,009	576	-	-
Sapn	-	-	26	-	-
Ausol	-	-	161	-	15
Coviandes	-	-	65	-	-
Cellnex	-	-	29	-	-
Abertis tel. Satélites	195,646	4,417	-	-	4,878
Retevisión	-	-	112	-	-
Tradia	-	-	(85)	-	-
Bip&Drive	-	-	50	-	-
Hispasat	-	-	298	-	-
Infraestructuras Americanas (1)	249,250	480	-	-	12,506
Abertis Finance BV	-	75,000	-	345,085	3,311
TBI	-	-	18	-	259
Abertis Internacional	6,594	63	-	-	1,749
Invin (1)	650,723	3,524	19	-	2,742
Abertis	641	-	-	-	-

	31 December 2016				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Infraestructuras Chile					
Abertis Autopistas Chile	-	-	3,908	-	-
Metropistas	-	56	1	-	-
Coninvial	-	4,417	-	-	-
Rutas Pacífico	-	-	1	-	-
Abertis Puerto Rico	-	-	37	-	-
Infraestructura Dos Mil	-	282	-	-	-
Autopista del Sol	-	691	-	-	-
Autopista Los Libertadores	-	349	-	-	-
Abertis USA	-	-	-	-	(54)
Arteris	-	27,029	-	-	-
A4 Holding	-	-	3	-	-
Total	**5,542,296**	**437,736**	**6,678**	**345,085**	**157,099**

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

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

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

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

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

“Current Assets - Current Investments in Group Companies and Associates" and “Current Liabilities - Current Payables to Group Companies and Associates” include EUR 45,093 thousand (2016: EUR 37,036 thousand) (assets) and EUR 47,579 thousand (2016: EUR 153,325 thousand) (liabilities) of accounts receivable from and payable to Group companies as a result of the tax effect arising from the application of the consolidated tax regime (see Note 16).

Payables to Group companies and associates mature as follows:

31 December 2017

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

31 December 2016

	Current	Non-current						
	2017	**2018**	**2019**	**2020**	**2021**	**Subsequent years**	**Total**	**Total**
Payable to Group companies and associates	157,099	-	80,892	-	-	264,193	345,085	502,184

The detail of the transactions carried out by the Company with Abertis Group companies and associates in 2017 and 2016 is as follows:

	31 December 2017				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity investments	Services received	Interest paid
Abertis Autop. España	2,897	105,035	-	-	1
Acesa	5,072	-	-	30	-
Aumar	3,095	-	-	1	-
Iberpistas	1,018	-	-	-	-
Castellana	117	-	-	-	-
Avasa	1,492	-	-	-	-
Aulesa	61	-	-	-	-
GCO	-	-	-	20	-
Societat d'Autopistes Catalanes	-	17,857	91,874	-	-
Aucat	1,003	-	-	-	-
Infraestructures Viàries de Catalunya	1,174	-	-	-	-
Túnels de Barcelona	-	-	-	22	-
HIT	-	-	261,314	-	-
Sanef	10,588	-	-	334	-
Emovis	393	323	-	-	-
Sapn	80	-	-	-	-
Eurotoll	-	49	-	-	-
A. Puerto Rico	102	-	-	-	-
Ausol	1,816	-	10,478	-	-
Coviandes	661	-	-	-	-
Cellnex	47	-	6,800	-	-
Abertis Telecom Satélites	72	5,683	-	-	-
Retevisión	314	-	-	-	-
On Tower Telecom	22	-	-	-	-
Tradia	216	-	-	-	-
Abertis Autopistas Chile	5,610	-	-	-	-

	31 December 2017				
	Revenue			**Expenses**	
	Services rendered and other income	**Interest received**	**Return on equity investments**	**Services received**	**Interest paid**
Invin	97	47,449	-	-	-
Autopista Los Libertadores	-	709	-	-	-
Infraestructura Dos Mil	-	(120)	-	-	-
Soc. Concesionaria Autopista del Sol	-	(33)	-	-	-
Metropistas	14	-	-	46	-
Abertis Finance BV	-	1,182	-	-	16,861
Abertis USA	-	-	-	95	-
Hispasat	1,004	-	-	-	-
Abertis Internacional	-	191	-	-	-
Arteris	1,069	3,533	-	-	-
Partícipes en Brasil	95	-	-	-	-
Partícipes en Brasil II	95	-	-	-	-
Autostrada	189	-	-	-	-
Infracom	51	-	-	-	-
A4 Mobility	240	-	-	-	-
A4 Trading	19	-	-	-	-
A4 Holding	365	-	-	-	-
Trichy,TTPL	143	-	-	-	-
Jadche, JEPL	108	-	-	-	-
Abertis India	13	-	-	-	-
Total	**39,352**	**181,858**	**370,466**	**548**	**16,862**

	31 December 2016				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity investments	Services received	Interest paid
Abertis Autop. España	3,329	141,164	-	-	18
Acesa	2,945	12,499	-	158	-
Aumar	3,078	-	-	1	121
Iberpistas	1,067	14,119	-	-	2
Castellana	170	346	-	-	-
Avasa	1,473	-	-	1	-
Aulesa	61	-	-	-	-
Societat d'Autopistes Catalanes	-	21,554	110,159	-	5
Aucat	982	547	-	6	-
Infraestructures Viàries de Catalunya	1,171	1,253	-	4	-
HIT	-	-	105,100	-	-
Sanef	1,918	75	-	176	-
Emovis	406	272	-	-	-
Sapn	51	-	-	-	-
A. Puerto Rico	78	-	-	-	-
Ausol	2,810	-	-	-	-
Coviandes	642	-	-	-	-
Cellnex	80	1	7,168	-	-
Abertis Telecom Satélites	144	7,948	-	-	-
Retevisión	902	-	-	-	-
On Tower Telecom	22	-	-	-	-
Tradia	437	-	-	-	-
Bip&Drive	77	-	-	-	-
Invin	1,190	55,642	-	-	119
Abertis Autopistas Chile	4,751	-	-	(19)	-
Abertis Autopistas Central	(181)	-	-	-	-
Autopista Los Libertadores	-	983	-	-	-

	31 December 2016				
	Revenue			**Expenses**	
	Services rendered and other income	**Interest received**	**Return on equity investments**	**Services received**	**Interest paid**
Infraestructura Dos Mil	-	520	-	-	-
Soc. Concesionaria Autopista del Sol	(1)	756	-	-	-
Metropistas	20	-	-	3	-
Coninvial	-	-	4,417	-	-
Infraestructuras Americanas	-	14,462	-	-	-
Gicsa	-	-	112	-	-
Abertis Aeropuertos	-	-	28,175	-	72
TBI	37	-	-	-	-
Abertis Finance BV	-	1,140	-	-	15,860
Abertis USA	-	-	139	266	-
Hispasat	986	-	-	-	-
Abertis Internacional	-	79	-	-	-
Arteris	919	468	-	-	-
Partícipes en Brasil	95	-	2,924	-	-
Partícipes en Brasil II	95	-	-	-	-
A4 Holding	3	-	-	-	-
Total	**29,757**	**273,828**	**258,194**	**596**	**16,197**

d) Other related parties

Other related parties, as defined by the Spanish National Chart of Accounts, means those shareholders (in addition to the Group companies and subsidiaries mentioned in the preceding section) of Abertis Infraestructuras, S.A. with significant influence over the Company that have the right to nominate a director or that hold an ownership interest exceeding 3%.

In this connection, on 26 September 2017 there was a change of control at CaixaBank (a company with which **Abertis** holds balances and performs transactions) and, as a result, CriteriaCaixa, a significant shareholder of **Abertis**, no longer exercises either control or a significant influence over CaixaBank. Therefore, from that date onwards, CaixaBank is no longer considered to be an entity related to **Abertis**. However, the transactions performed with CaixaBank until 26 September 2017 are detailed below. Accordingly, at 31 December 2017 **Abertis** does not hold any balances with the related entity “la Caixa” in relation to: (i) bond issues, loans and credit lines received; (ii) financial swaps arranged; (iii) financing of retirement obligations; (iv) assets purchased and services received; (v) obligations and contingencies; and (vi) other items.

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

<u>Balances</u>

At 31 December 2016, the Group had balances totalling EUR 53 million with “la Caixa” Group companies, which bore interest at market rates.

<u>Acquisition of assets and services</u>

In 2017 (until 26 September 2017) finance costs and income paid to and received from companies of "la Caixa" Group amounting to EUR 8,931 thousand and EUR 10 thousand, respectively, were recognised (2016: EUR 11,109 thousand and EUR 1,291 thousand, respectively).

Lastly, services were received from related entities amounting to EUR 218 thousand (2016: EUR 1,482 thousand).

<u>Financial swaps arranged</u>

The Company has not arranged any financial swaps with related banks relating to foreign currency and/or interest rate hedges.

Financing of retirement obligations

Contributions amounting to EUR 1,325 thousand (until 26 September 2017) were made to an insurance policy arranged with the related entity “la Caixa” in order to meet defined benefit obligations to the Group's employees (2016: EUR 1,636 thousand). Also, the plan assets associated with this policy amount to EUR 14 thousand (2015: EUR 111 thousand) (see Note 14-b).

Obligations and contingencies

The Company does not have any credit facilities arranged with related banks (2016: EUR 350,000 thousand).

There are no guarantee lines with related banks (in 2016 there were guarantee lines with a limit of EUR 20,974 thousand, against which EUR 3,628 thousand had been drawn down at 31 December 2016).

20. EVENTS AFTER THE REPORTING PERIOD

No significant events took place from the end of the reporting period up to the date of authorisation for issue of the financial statements for the year ended 31 December 2017.

21. OTHER DISCLOSURES

a) Fees paid to auditors

In 2016 the fees for financial audit and other services provided by Deloitte, S.L. amounted to EUR 311 thousand and EUR 115 thousand, respectively (2016: EUR 304 thousand and EUR 186 thousand, respectively).

Also, the fees billed by other companies that use the Deloitte name in relation to tax counselling and other services rendered to the Company amounted to EUR 59 thousand and EUR 80 thousand, respectively (2016: EUR 72 thousand and EUR 582 thousand, respectively).

b) Amendment or termination of agreements

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

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

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

	2017	**2016**
Average period of payment to suppliers (no. of days)	22	24
Ratio of transactions settled (no. of days)	22	25
Ratio of transactions not yet settled (no. of days)	21	16
Total payments made	50,226	46,483
Total payments outstanding	7,737	3,899

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

22. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Direct investments in Group companies and associates

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year	Dividends received
				Carrying amount	%				
Abertis Infraestructuras Finance, B.V.	Prins Bernhardptin, 200 1097JB Amsterdam (Netherlands)	Financial services	Deloitte	2,000	100%	18	(8,018)	347	-

Operation of toll roads:

Abertis Autopistas España, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Study, development and construction of civil infrastructure	Deloitte	1,107,881	100%	551,000	(131,287)	18,331	-
Societat d'Autopistes Catalanes, S.A.U.	Av. Parc Logístic, 12-20 08040 Barcelona	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	878,060	100%	1,060	791,431	92,449	91,874
Abertis Motorways UK, Ltd. (1)	Hill House, 1 Little New Street, London EC4A 3TR (UK)	Holding company	Deloitte	15,421	100%	11,271	8,069	1,288	-
Abertis Infraestructuras	Rosario Norte Nº 407, Las	Toll road concession operator	Deloitte	3	100%	14,137	(470)	(25)	-

This Appendix is an integral part of Note 8 to the financial statements for 2017 and should be read in conjunction therewith.

Conversion of amounts in foreign currencies at year-end exchange rates.

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(in thousands of euros)

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year	Dividends received
				Carrying amount	%				
Chile SPA (Abertis Chile) (1)	Condes Santiago de Chile (Chile)								
Abertis USA Corp.(1)	1737 H ST NW, 2nd floor, Washington DC 2006 (US)	Transport and communications infrastructure development and management	-	5	100%	427	(150)	6	-
Autopistas de Puerto Rico y Compañía, S.E. (APR) (1)	Montellanos Sector Embalse San José San Juan de Puerto Rico 00923 (Puerto Rico)	Infrastructure concession operator	Deloitte	25,073	100%	5,422	(57,865)	8,600	-
Inversora de Infraestructuras, S.L. (INVIN)	Paseo de la Castellana, 39, 28046-Madrid	Holding company	Deloitte	770,136	71.84%	116,048	87,839	(3,656)	-
Concesionaria Vial de los Andes, S.A. (COVIANDES) (1)	Avenida calle 26 59-41. Piso 9 (edificio CCI). Santafé de Bogotá (Colombia)	Infrastructure concession operator	Other auditors	18,563	40.00%	7,657	16,351	(2.824)	-
Autopistas del Sol, S.A. (AUSOL) (1) and (2)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	Toll road concession operator	Deloitte	-	31.59%	3,960	(19,042)	23,623	10,478

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				Carrying amount	%				
Holding d'Infrastructures de Transport, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Holding company	Deloitte	3,080,236	100%	1,512,268	72,742	373,120	261,314
Holding d'Infrastructures de Transport 2, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Holding company	Deloitte	1,758	100%	1,760	(232)	(2)	-
Abertis Mobility Services, S.L.	Avinguda Pedralbes, 17 08034 Barcelona	Design, development, implementation and maintenance of technological solutions for the management of transport infrastructures	Deloitte	28,408	100%	1,003	27,405	(5)	-
Constructora de Infraestructura Vial, S.A.S. (1)	Avenida calle 26 59-41. Piso 9 (edificio CCI). Santafé de Bogotá (Colombia)	Construction	Other auditors	8	40.00%	14	25,413	1,505	-

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				Carrying amount	%				
Autopistas Metropolitanas de Puerto Rico, LLC (1)	City View Plaza 500, Torre 1 Carretera 165 Núm. 48 Guaynabo, P.R. 00968 (Puerto Rico)	Toll road concession operator	Deloitte	253,503	51.00%	429,717	(85,953)	(6,717)	-
Sociedade Para Participação em Infraestructura, S.A. (1)	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	Operation of concessions	Deloitte	-	51.00%	5,665	(4,815)	(14)	-
Abertis PDC, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	Holding company	Deloitte	-	100%	657	(576)	(5)	-

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				Carrying amount	%				
Partícipes en Brasil, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Holding company	Deloitte	810,780	51.00%	41,093	1,284,686	5,006	-
Abertis Internacional, S.A.	Paseo de la Castellana 39, 28046 Madrid	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	315,110	100%	31,565	(5,297)	(12,947)	-
Telecommunications:									
Cellnex Telecom, S.A.	Juan Esplandiú, 11-13 28007 Madrid	Holding company (terrestrial telecommunications)	Deloitte	138,969	34.00%	57,921	47,519	19,381	6,800
Abertis Telecom Satélites, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Holding (satellite telecommunications)	Deloitte	193,924	100%	242,082	64,075	(1,590)	-
				7,639,838					**370,466**

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Indirect ownership interest

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Through Abertis Autopistas España:								
Autopistas, Concesionaria Española, S.A. (ACESA)	Avda. Parc Logístic 12-20. 08040 Barcelona	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	319,489	(229,963)	289,069
Autopistas AUMAR, S.A. Concesionaria del Estado (AUMAR)	Paseo de la Alameda, 36 Valencia	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	213,596	114,876	117,159
Iberpistas, S.A. Concesionaria del Estado	Autopista AP-6 PK57 San Rafael Segovia	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	54,000	82,881	17,127
Areamed 2000, S.A.	Avda. Diagonal, 579-587 5ª planta Barcelona	Operation of service areas	Other auditors	50.00%	Abertis Autopistas España	2,070	10,650	675
BIP&Drive, S.A.	Paseo de la Castellana, 95, Torre Europa, planta 16-28046 Madrid	Marketing of tags	Other auditors	35.00%	Abertis Autopistas España	3,516	3,595	(593)
Grupo Concesionario del Oeste, S.A. (GCO) (1) and (3)	Ruta Nacional nº7, km25,92 Ituzaingó (Argentina)	Toll road concession operator	Deloitte	48.60%	Acesa	29,140	(31,938)	21,106

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Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Autopista C-16, Km 41. Barcelona	Toll road concession operator	Deloitte	23.72%	Acesa	83,411	578,178	12,000
Ciralsa, S.A.C.E.	Av. Maisonnave, 41 Alicante	Construction, upkeep and operation of toll roads	Deloitte	25.00%	Aumar	50,167	(277,919)	(11,653)
Castellana de Autopistas, S.A.C.E.	Autopista AP-6 PK57 San Rafael Segovia	Toll road concession operator	Deloitte	100%	Iberpistas	98,000	36,619	(3,832)
Autopistas de León, S.A.C.E. (AULESA)	Ctra. Santa María del Páramo s/n Villadongos del Paramo, León	Toll road concession operator	Deloitte	100%	Iberpistas	34,642	(9,147)	(1,401)
Autopistas Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n 48410 Orozco. Vizcaya	Toll road concession operator	Deloitte	100%	Iberpistas	237,095	45,999	41,257
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203 P.K. 0,280. Madrid	Toll road concession operator	Deloitte	50.00%	Iberpistas	21,039	52,663	14,473
Alazor Inversiones, S.A.	Carretera M-50, Km 67,5 Area de Servicio la Atalaya Villaviciosa de Odón. Madrid	Holding company	Deloitte	31.22%	Iberpistas	223,600	(177,833)	(20,069)

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Infraestructuras y Radiales, S.A. (IRASA)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Administration and management of infrastructure	Deloitte	30.00%	Iberpistas/ Avasa	11,610	(91,371)	(18,067)
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	Upkeep and maintenance of toll roads	Deloitte	25.00%	Trados 45	553	11	55
Accesos de Madrid, C.E.S.A. (4)	Carretera M-50, Km 67,5 Area de Servicio la Atalaya Villaviciosa de Odón. Madrid	Toll road concession operator	Deloitte	31.22%	Alazor Inversiones	223,600	(149,283)	(24,629)
Autopista del Henares, S.A.C.E. (HENARSA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Toll road concession operator	Deloitte	30.00%	Infraestructuras y Radiales	96,700	(86,269)	(16,043)
Erredosa Infraestructuras, S.A. (ERREDOSA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Administration and management of infrastructure	Deloitte	30.00%	Infraestructuras y Radiales	61	(30)	(1)

Through Societat Autopistes Catalanes:

Autopistes de Catalunya, S.A. (AUCAT)	Avda. Parc Logístic 12-20. 08040 Barcelona	Toll road concession operator	Deloitte	100%	Societat d'Autopistes Catalanes, S.A. sole-shareholder company	96,160	51,200	36,641

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Infraestructures Viàries de Catalunya, S.A. (INVICAT)	Avda. Parc Logístic 12-20. 08040 Barcelona	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	100%	Societat d'Autopistes Catalanes, S.A. sole-shareholder company	92,037	(24,950)	72,851
Túnels de Barcelona i Cadí concesionaria de la Generalitat de Catalunya, S.L.	C. de Vallvidrera a San Cugat BV- 1462 Km 5,3 Barcelona	Toll road concession operator	Deloitte	50.01%	Infraestructuras Viàries de Catalunya, S.A.	60	57,899	19,110
Through Abertis Motorways Uk Ltd (1):								
Road Management Group Ltd (RMG)	Cannon Place 78 Cannon Street London EC4N 6AF (UK)	Toll road concession operator	Other auditors	33.33%	Abertis Motorways Uk Limited	29,432	(1,657)	4,428
Through Abertis Infraestructuras Chile e Inversora de Infraestructuras (1):								
Abertis Autopistas Chile, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Holding company	Deloitte	80.53%	Abertis Chile/ Invin	58,310	8,799	86,644
Gestora de Autopistas, S.A. (GESA)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Management, upkeep and operation of roads, dual carriageways and toll roads	Deloitte	80.53%	Abertis Autopistas Chile/ Abertis Autopistas Chile III	1,232	2,442	827

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Sociedad Concesionaria del Elqui, S.A. (Elqui)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Abertis Autopistas Chile/ Abertis Autopistas Chile III	70,312	90,883	20,050
Abertis Autopistas III, Spa	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Development of roads and toll roads	Deloitte	80.53%	Abertis Autopistas Chile	230,749	(48,878)	48,613
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Abertis Autopistas Chile/ Abertis Autopistas Chile III	81,498	133,490	45,844
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Abertis Autopistas Chile/ Abertis Autopistas Chile III	56,095	(60,780)	3,031
Operadora Andes, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.53%	Abertis Autopistas Chile/ Abertis Autopistas Chile III	1,118	(675)	182
Sociedad Concesionaria Autopista Los Libertadores, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Gesa/ Abertis Autopistas Chile III	25,824	46,766	(257)

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Sociedad Concesionaria Autopista del Sol, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Gesa/ Abertis Autopistas Chile III	31,571	2,146	18,133
Operadora Sol, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.53%	Abertis Autopistas Chile III	2,550	(1,839)	194
Operadora Los Libertadores	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.53%	Abertis Autopistas Chile III	1,669	(677)	(316)
Sociedad Concesionaria Autopista Central, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	76.18%	Abertis Autopistas Chile/ Central Korbana Chile	92,538	77,885	72,904
Operadora del Pacífico, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Maintenance, operation and upkeep of roads	Deloitte	80.53%	Abertis autopistas Chile / Abertis Autopistas Chile III	512	6,138	930
Central Korbana Chile, S.A.	El Bosque Central nº92, Las Condes Santiago (Chile)	Holding company	Deloitte	71.84%	CK Sweden, AB/ CK Sweden Holdings, AB	86,656	(8,545)	8,652
Central Korbana Sweden Holdings, AB. (agency in Chile)	Norra Vallgatan 70, 211 22 Malmo, Sweden	Holding company	Deloitte	71.84%	Central Korbana, S.a.r.l.	1,057	15,346	(108)
Central Korbana Sweden, AB.	Norra Vallgatan 70, 211 22 Malmo, Sweden	Holding company	Deloitte	71.84%	Central Korbana, S.a.r.l.	2,094	13,483	(2,251)

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Central Korbana, S.a.r.l.	19, rue Eugène Ruppert, L-2453 Luxembourg	Holding company	Deloitte	71.84%	Invin S.L.	18	(118,378)	(134,293)

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

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
SANEF, S.A. (Sociétés des Autoroutes du Nord-Est de la France)	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road concession operator	Deloitte	100%	Holding d'Infrastructures de Transport, S.A.S	53,090	680,847	433,576
SAPN, S.A. (Société des autoroutes Paris-Normandie)	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road concession operator	Deloitte	99.97%	Sanef	14,000	243,864	114,583
Sanef Aquitaine, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Management and operation of toll roads	Deloitte	100%	Sanef	500	76	230
Bip&Go, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Electronic toll device distributor	Deloitte	100%	Sanef	1	(1,774)	5,928
A'lienor, S.A.S.	40, rue de Liège 64000 Pau-(France)	Toll road concession operator	Deloitte	35.00%	Sanef	275,632	(88,337)	7,575
Leonord, S.A.S	Immeuble First Part Dieu - 2 avenue Lacassagne - 69003 LYON, (France)	Management of operating contracts	Other auditors	35.00%	Sanef	40	-	-

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Leonord exploitation, S.A.S	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	Management of operating contracts	Deloitte	85.00%	Sanef	40	12	14
SE BPNL	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	Maintenance, operation and upkeep of roads	Deloitte	100%	Sanef	40	24	519
Routalis, S.A.S.	11, avenue du Centre 78280 Guyancourt. (France)	Management of terrestrial transport infrastructure	Deloitte	30.00%	Sapn	40	4	1,093
Alis S.A.	Lieu-dit Le Haut Groth 27310 Bourg-Achard, (France)	Toll road concession operator	Deloitte	19.67%	Sanef / Sapn	2,850	(118,317)	8,826

Through Abertis Mobility Services (1):

Eurotoll, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Processing of toll road transactions	Deloitte	100%	Abertis Mobility Services	3,300	2,729	(4)
Emovis, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road systems operator and provider	Deloitte	100%	Abertis Mobility Services	51,082	(30,538)	(3,301)

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Eurotoll Central Europe zrt	H-1152 Budapest Szentmihalyi ut 137 (Hungary)	Processing of toll road transactions	Deloitte	100%	Eurotoll	17	290	(11)
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15, (Ireland)	Toll road operator	Deloitte	100%	Emovis SAS	-	167	2,126
Emovis Operations Mersey Ltd	Hornbeam House, Hornbeam Park, Hookstone Road, Harrogate, (UK)	Marketing of Tags in the UK	Deloitte	100%	Emovis, SAS	-	(252)	5,671
Emovis Technologies US, Inc.	National Corporate Research, Ltd 615 South Dupont Highway Dover, Maryland (US)	Toll road systems provider	Deloitte	100%	Emovis, SAS	1	(12,463)	(4,908)
Emovis Technologies UK Limited	5th Floor, Kinnaird House 1 Pall Mall East- London SW1Y 5AU (UK)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	159	1,149	(182)
Emovis Technologies Chile, S.A.	El Rosal 4577 Huechuraba Santiago (Chile)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	994	(73)	(326)
Emovis Technologies, d.o.o.	Lovacki put 1a HR-21000 Split (Croatia)	Toll road systems provider	Deloitte	100%	Emovis, SAS	310	556	495

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CS Polska, SP. Z O.O	c/o KKS Legal Sp. K. Ul. Zurawia, 45 00-680 Warsaw (Poland)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	-	-	-
Emovis Technologies Ireland Limited	c/o David Ebbs & co, 31 Westland Square, Dublin 2 (Ireland)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	-	1,793	1,549
Emovis Technologies BC, Inc	1050 West Georgia Street 15th Floor, Vancouver (Canada)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	343	522	331
Emovis Operations Leeds (UK)	St John Offices Albion Street Leeds LS2 8LQ (UK)	Toll road operator	Deloitte	100%	Emovis, SAS	-	5,585	6,760
Emovis Technologies Québec, Inc.	3700-800 Place Victoria Montréal Québec H4Z1E9 (Canada)	Toll road systems operator	Deloitte	100%	Emovis, SAS	-	(56)	(124)
Emovis TAG Limited (UK)	St John Offices Albion Street Leeds LS2 8LQ (UK)	Marketer of Tags in the UK	Deloitte	100%	Emovis, SAS	-	309	180
Trans- Canada Flow Tolling Inc.	1200, Waterfront Centre, 200 Burrard Street, Vancouver BC V6C3L6 (Canada)	Toll road operator	Other auditors	50.00%	Emovis, SAS	-	1,227	(85)
Sanef its Technologies Caribe Inc.	National Corporate Research, Ltd 615 South Dupont Highway Dover, Maryland (US)	Toll road systems operator	Deloitte	100%	Emovis Technologies US, Inc.	1	616	533

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Through Abertis Internacional:								
Abertis India, S.L.	Paseo de la Castellana, 39, Madrid	Holding company	Deloitte	100%	Abertis Internacional	13,771	113,486	(2,472)
Abertis India Toll Road Services, LLP	801, Nirmal nest, Vayudevta Mandir Complex, Devidas Road, Borivali, Mumbai- 400103	Holding company	Deloitte	100%	Abertis Internacional/ Abertis India	1,371	10	(242)
Trichy Tollway Private Limited (TTPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concession operator	Other auditors	100%	Abertis India	23,684	(26,472)	(1,989)
Jadcherla Expressways Private Limited (JEPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concession operator	Other auditors	74.00%	Abertis India	24,661	(10,834)	215
Abertis Italia, S.r.l.	Via Lodovico Mancini 5, Milan	Holding company	Deloitte	100%	Abertis Internacional	341,000	315,304	37,906
A4 Holding, S.p.A.	Via Flavio Gioia 71, Verona	Holding company	Deloitte	83.56%	Abertis Italia	134,110	452,888	(5,714)
Autostrada Bs Vr Vi Pd SpA	Via Flavio Gioia 71, Verona	Toll road concession operator	Deloitte	83.56%	A4 Holding, S.p.A.	125,000	315,608	50,601

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Conversion of amounts in foreign currencies at year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Serenissima Partecipazioni, S.p.A	Via Flavio Gioia 71, Verona	Construction and maintenance	Deloitte	83.56%	A4 Holding, S.p.A.	2,314	72,480	(22,782)
A4 Trading, S.r.l	Via Enrico Fermi 4, Verona	Parking facility maintenance and development consulting services	Deloitte	83.56%	Serenissima Partecipazioni, S.p.A	3,700	2,824	1,497
Acufon S.p.A.	Via Pignolo 27, Bergamo	Construction	Other auditors	83.56%	Serenissima Partecipazioni, S.p.A	5,000	(4,945)	(114)
Globalcar Services, S.p.a.	Via Enrico Fermi 4, Verona	Lease of vehicles	Deloitte	55.15%	Serenissima Partecipazioni, S.p.A	2,000	3,170	647
A4 Mobility, S.r.l.	Via Antonio Meucci 14, Verona	Maintenance, operation and upkeep of infrastructure	Deloitte	83.56%	A4 Holding, S.p.A.	100	21,783	5,800
Pedemontana Veneta, S.p.A.	Verona (VR) Via Flavio Gioia 71	Infrastructure management	Other auditors	26.67%	Autostrada Bs Vr Vi Pd S.p.A.	6,000	(168)	-
G.R.A. di Padova, S.p.A.	Venezia (VE) Viale Ancona 26	Infrastructure management	Other auditors	28.33%	Autostrada Bs Vr Vi Pd S.p.A.	2,950	(790)	-
Italian Golf Development, S.r.l.	Brescia (BS) Via Aurelio Saffi 16	Construction and maintenance of golf facilities	Other auditors	37.53%	Acufon S.p.a.	360	(696)	-
Rio de Vetrai, S.r.l.	Milano (MI) Via Crocefisso 8	Construction and maintenance	Other auditors	41.78%	Serenissima Partecipazioni, S.p.A	100	1,107	-
C.I.S. S.p.A.	Vicenza (VI) Contra Gazzolle 1	Construction and maintenance	Other auditors	21.08%	A4 Holding, S.p.A.	5,237	(6,157)	-

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Conversion of amounts in foreign currencies at year-end exchange rates.

(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Through Cellnex Telecom:								
Retevisión I, S.A.U.	Av. Parc Logístic, 12-20 08040 Barcelona	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Telecom, S.A.	81,270	(16,855)	63,556
Tradia Telecom, S.A.U.	Av. Parc Logístic, 12-20 08040 Barcelona	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Telecom, S.A.	131,488	20,306	23,135
OnTower Infraestructuras, S.A.U.	Av. Parc Logístic, 12-20 08040 Barcelona	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Telecom, S.A.	66,725	(7,561)	9,415
Cellnex Italia, S.r.L (formerly Smartowers Italy, S.r.L.)	Via Carlo Veneziani 58, 00148 Rome, (Italy)	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Telecom, S.A.	789,610	(1,410)	30,557
Cellnex UK Limited	55 Old Broad Street, London, EC2M 1RX, (UK)	Holding company	-	34.00%	Cellnex Telecom, S.A.	-	5	38
Cellnex Netherlands, BV	Dr. Lelykade 22, unit 9,, 2583 Cm's Gravenhage	Holding company	Deloitte	34.00%	Cellnex Telecom, S.A.	-	13	(127)
Cellnex France, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	Holding company	Deloitte	34.00%	Cellnex Telecom, S.A.	12,288	(553)	(9,626)
Cellnex France Groupe, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	Holding company	-	34.00%	Cellnex Telecom, S.A.	1,050	-	(895)

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Conversion of amounts in foreign currencies at year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Cellnex Telecom España, S.L.U.	Av. Del Parc Logístic, 12-20 08040 Barcelona	Holding company	-	34.00%	Cellnex Telecom, S.A.	57,921	41,738	29,538
Cellnex Switzerland, AG	CH-6301, Zug, Switzerland	Holding company	Deloitte	13.36%	Cellnex Telecom, S.A.	88	-	(3,492)
Shere Group Limited	River Court, Albert Dr. Woking GU21 5 RP, UK	Holding company	Deloitte	34.00%	Cellnex Telecom, S.A.	-	(90,410)	163,263
TowerCo, S.P.A.	Via Alberto Bergammini 50, Rome, (Italy)	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Italia, S.r.L.	20,100	5,826	6,572
Galata, S.p.A.	Via Carlo Veneziani 58, 00148 Rome, (Italy)	Telecommunications infrastructure operator	Deloitte	30.60%	Cellnex Italia, S.r.L.	1,000	1,408	25,132
Adesal Telecom, S.L.	Ausias March 20, Valencia	Construction and operation of telecommunications infrastructure	Deloitte	20.43%	Tradia Telecom, S.A.U.	3,228	646	1,179
Consorcio de Telecomunicaciones Avanzadas, S.A. (Cota)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste	Provision of services associated with telecommunications operators and concessions	Other auditors	10.03%	Tradia Telecom, S.A.U.	1,000	1,753	314
Torre de Collserola, S.A.	Ctra. Vallvidrera a Tibidabo, s/n. Barcelona	Construction and operation of telecommunications infrastructure	Deloitte	14.20%	Retevisión I, S.A.U.	5,520	160	8

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Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Gestora del Espectro, S.L.	Av. Parc Logístic, 12-20 08040 Barcelona	Development, setup, management and marketing of terrestrial telecommunications services	-	34.00%	Retevisión I, S.A.U.	3	-	-
Towerlink Italia, S.r.l.	Via Carlo Veneziani 58, 00148 Rome, (Italy)	Terrestrial telecommunications infrastructure operator	-	34.00%	Cellnex Italia, S.r.L.	10	-	-
Commoscon Italia, S.r.l.	Via Carducci 32, 20123 Milan (Italy)	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Italia, S.r.L.	100	1,795	739
On Tower Italia, S.r.L.	Via Carlo Veneziani 56L, 00148 Rome, Italy	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Italia, S.r.L.	40	103	142
Towerlink Netherlands, BV (formerly Protelindo Towers, BV)	Dr. Lelykade 22, Unit 9, 2583Cm's - Gravenhage	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Netherlands, BV	-	(76,749)	2,990
Shere Midco Ltd	River Court, Albert Dr,Woking GU21 5RP, UK	Holding company	Deloitte	34.00%	Shere Group Limited	-	(92,561)	165,577
Shere Group Netherlands, BV	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	Holding company	Deloitte	34.00%	Shere Midco Ltd	18	(76,749)	89,913
Shere Masten, BV	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Shere Group Netherlands, BV	18	191,360	10,280
Watersite Holding Limited	River Court, Albert Dr, Woking GU21 5RP, UK	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Shere Midco Ltd	29,703	(11,900)	(130)

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(in thousands of euros)

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Radiosite Limited	River Court, Albert Dr,Woking GU21 5RP, UK	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Shere Midco Ltd	31,878	(9,002)	1,649
QS4 Limited	River Court, Albert Dr, Woking GU21 5RP, UK	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Shere Midco Ltd	1,977	2,829	370
Shere Consulting Limited	River Court, Albert Dr,Woking GU21 5RP, UK	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Shere Midco Ltd	2,598	(2,288)	(16)
Infr'asset Management, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	Terrestrial telecommunications infrastructure operator	-	34.00%	Cellnex France Groupe, S.A.S.	60	(112)	(118)
Infracapital Alticom, BV	Branderweg 7, 8042 PD, Zwolle	Holding company	-	34.00%	Cellnex Netherlands, BV	50	(19,798)	565
Alticom Holding, BV	Branderweg 7, 8042 PD, Zwolle	Holding company	-	34.00%	Infracapital Alticom, BV	18	(13,777)	13
Alticom, BV	Branderweg 7, 8042 PD, Zwolle	Terrestrial telecommunications infrastructure operator	-	34.00%	Alticom Holding, BV	18	(10,833)	473
Breedlink. BV	Branderweg 7, 8042 PD, Zwolle	Terrestrial telecommunications infrastructure operator	-	34.00%	Alticom Holding, BV	-	(770)	(167)
Swiss Towers AG	Binzmühlestrasse 130, 8050 Zúrich, Switzerland	Terrestrial telecommunications infrastructure operator	Deloitte	34.00%	Cellnex Switzerland, AG	880	55,290	3,084
TMI, S.r.L.	Via Carlo Veneziani 56L, 00148 Rome, Italy	Terrestrial telecommunications infrastructure operator	-	18.36%	Cellnex Italia, S.r.L	-	-	-

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Conversion of amounts in foreign currencies at year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Through Abertis Telecom Satélites:								
Hispasat, S.A.	Paseo de la Castellana, 39, 28046 Madrid	Operation of satellite communications systems	Deloitte	57.05%	Abertis Telecom Satélites, S.A.	121,946	382,925	36,586
Hisdesat Servicios Estratégicos, S.A.	Paseo de la Castellana, 143-Madrid	Marketing of space systems for governmental applications	Other auditors	24.53%	Hispasat, S.A.	108,174	82,514	5,967
Hispasat Brasil, Ltda (1)	Praia do Flamengo, 200. Río de Janeiro - (Brazil)	Sale of satellite capacity/space	Deloitte	57.05%	Hispasat, S.A.	32,631	1,962	(509)
Hispasat Canarias, S.L.U.	Tomas Miller 47-49, Las Palmas de Gran Canaria	Sale and lease of satellites, and their space capacity	Deloitte	57.05%	Hispasat, S.A.	102,003	178,952	35,448
Grupo Navegación por satélites, sistemas y servicios, S.L.	Isaac Newton, 1 - Madrid	Operation of satellite systems	-	8.15%	Hispasat, S.A.	1,026	(91)	-
Consultek, Inc. (1)	1550 Cowper st. Palo Altos (US)	Technical consultancy services	-	57.05%	Hispasat, S.A.	15	26	1
Hispasat México, S.A. de CV (1)	Agustín Manuel Chávez 1 - 001; Centro de Ciudad Santa Fe; 01210, México, D.F. (Mexico)	Use of the radio spectrum, telecommunications networks and satellite communications	Deloitte	57.05%	Hispasat, S.A.	55	532	278

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Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Hispamar Satelites, S.A. (1)	Praia do Flamengo, 200. Río de Janeiro - (Brazil)	Sale of satellite capacity	Deloitte	46.19%	Hispasat, S.A./ Hispasat Brasil	29,012	13,995	4,667
Hispamar Exterior, S.L.U.	Paseo de la Castellana, 39, 28046 Madrid	Satellite telecommunications	Deloitte	46.19%	Hispamar Satélites	800	4,347	(260)

Through Partícipes en Brasil (1):

PDC Participações, S.A.	Presidente Juscelino Kubtschek, 1.455 9º Andar - CEP 04543-011 - São Paulo / SP (Brazil)	Operation of concessions	Deloitte	51.00%	Partícipes en Brasil, S.L.	175,781	(25,297)	1,265
Partícipes en Brasil II, S.L.	Paseo de la Castellana 39, Madrid	Construction, upkeep and operation of toll roads under concession arrangements, or just their upkeep and operation and, generally, the management of road concessions in Spain and abroad	Deloitte	51.00%	Partícipes en Brasil, S.L.	3	840,046	6,814

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Conversion of amounts in foreign currencies at year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2017
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Arteris Brasil, S.A.	Presidente Juscelino Kubtschek, 1.455 9º Andar - CEP 04543-011 - São Paulo / SP (Brazil)	Holdings of non-financial institutions	Deloitte	41.97%	Partícipes en Brasil II/ PDC Participações, S.A.	1,443,664	132,790	77,672
Arteris Participações, S.A.	Presidente Juscelino Kubtschek, 1.455 9º Andar - CEP 04543-011 - São Paulo / SP (Brazil)	Holding company	Deloitte	41.97%	Arteris Brasil, S.A.	17,329	(8,152)	10,228
Autovias, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	43,457	(13,468)	24,419
Centrovias Sistemas Rodoviários, S.A.	Rodovia Washington Luis, KM 216,8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	34,278	(20,752)	33,524
Concessionária de Rodovias do Inerior Paulista, S.A.	Rodovia Washington Luis, KM 216,8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A./ Arteris Participações, S.A.	45,352	(22,179)	43,333

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Conversion of amounts in foreign currencies at year-end exchange rates.

(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Vianorte, S.A.	Rodovia Atílio Balbo - SP 322 - km 327,5 - Praça Pedágio - Sertaozinho - SP - CP 88 - CEP - 14173 - 000. (Brazil)	Concession and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	39,722	(22,271)	26,065
ViaPaulista, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	274,708	213	(2,319)
Autopista Planalto Sul, S.A.	Avda. Afonso Petschow nº 4040 - Bairro Industrial - Rio Negro - CEP 83880-000 - (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	261,058	(57,550)	(13,854)
Autopista Fluminense, S.A.	Avda.Sao Gonçalo, nº 100, un 101 Bairro Boa Vista - Sao Gonçalo Shopping - RJ - CEP 24466-315 (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	250,707	(24,221)	(18,317)
Autopista Fernão Dias, S.A.	Rodovia BR-381, km 850,5 - Pista Norte - CEP 37550-000 - Bairro Ipiranga - Pouso Alegre - MG (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	350,585	(88,576)	(6,897)

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(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the year
Autopista Régis Bittencourt, S.A.	Rodovia SP 139, nº 226, Bairro Sao Nicolau - CEP 11900-000 - Registro - SP (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	389,083	(7,677)	4,204
Autopista Litoral Sul, S.A.	Avenida Santos Dumont, nº 935 - Edifício Neogrid - Bairro Santo Antônio - CEP 89218-105 - Joinville - SC (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	342,072	(55,854)	(6,768)
Latina Manutenção de Rodovias Ltda.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Construction and repair of dual carriageways in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	2,284	10,029	(814)

(*) Including valuation adjustments and excluding non-controlling interests.
(1) Information in accordance with IFRSs.
(2) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2017 was ARS 107.63. At 2017 year-end, the market price was ARS 106.55. 49.92% of the voting rights are held. Carrying amount of the ownership interest zero at 31 December 2017 due to impairment losses recognised.
(3) The shares of GCO are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2017 was ARS 34.18. At 2017 year-end, the market price was ARS 34.90.
(4) Latest available information corresponds to 31 December 2016

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Conversion of amounts in foreign currencies at year-end exchange rates.

Abertis Infraestructuras, S.A.

2017 directors' report

ABERTIS INFRAESTRUCTURAS, S.A.

2017 DIRECTORS' REPORT

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

1.1. Situation of the entity

Abertis in 2017

Abertis is the world's leading toll road management group in terms of kilometres managed, with more than 8,600 km of high-capacity, quality roads in 15 countries in Europe, the Americas and Asia, of which close to 8,000 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 600 km of roads in France, the UK and Colombia.

Abertis Infraestructuras, S.A. (a company listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges) 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 2017 is summarised as follows:

España	Francia	Italia	Brasil	Chile	Puerto Rico	Argentina	India	UK	Irlanda	USA	Colombia	
Acesa	Sanef	Abertis Italia	Arteris	Gesa	Metropistas	GCO	Abertis India	RMG	Emovis Op. Ireland Ltd.	Emovis Technologies US, Inc.	Coviandes	G. Hispasat
Aucat	Sapn	A4 Holding	Autovias	Elqui	APR	Ausol	JEPL	Dartford Crossing	Emovis Tech. Ireland Ltd.			G. Cellnex
Invicat	Alis	Autostrada BsVrViPd	Centrovias	Rutas			TTPL	Mersey Gateway				
Aumar	Routalis	Serenissima Partecipazioni	Intervias	Autopista del Sol			Abertis India Toll Road Services					
Iberpistas	Aliénor	A4 Trading	Vianorte	Autopista Los Andes								
Castellana	Emovis	Acufon	Litoral Sul	Autopista Libertadores								
Avasa	Eurotoll	A4 Mobility	Planalto Sul	Autopista Central								
Aulesa			Fluminense									
Túnels de Barcelona i del Cadí			Fernao Dias									
Autema			Régis Bittencourt									
			Via Paulista									
			Arteris Participações									

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

The **Abertis** Group provides services in the area of infrastructure management serving mobility and communications and, in accordance with the 2015-17 Strategic Plan, focuses its activities and growth on the toll roads industry.

Moreover, the Group has a 34% ownership interest in Cellnex Telecom, S.A. (Cellnex), the largest neutral European operator of telecommunications infrastructure for mobile telephony and audiovisual broadcasting, with a network at the end of 2017 of more than 21,000 masts.

In addition, **Abertis** decided to discontinue the satellite telecommunications business carried on by part of the Group of which the parent is Hispasat, S.A.

Milestones in 2017

January

- Agreement with the French Government to invest EUR 147 million in the modernisation of the network in exchange for an annual increase in tolls for 2019-2021.
- **Abertis** was included in the FTSE4Good indexes for the first time.

February

- Agreement for the acquisition of an additional 8.53% of A4 Holding.

March

- Completion of the acquisition of all of the shares of the Indian company Trichy Tollway Private Limited (TTPL) and of 74% of the Indian company Jadcherla Expressways Private Limited (JEPL) for EUR 133 million.

April

- Following successive acquisitions, **Abertis** attained an ownership interest of 100% in Holding d'Infrastructures de Transports (Hit), its subsidiary in France, which in turn controls 100% of Sanef.
- Award to Arteris in Brazil of the 30-year Rodovias dos Calçados concession (Via Paulista) for BRL 1,516 million.
- The Toll Roads Division opens the first free-flow toll station in Spain on the AP-7 toll road.

June

- Agreement with the Argentine Government (in the course of formalization) to invest USD 250 million in Grupo Concesionario del Oeste, S.A. (GCO) in exchange for the extension of the concession term until 2030 (+12 years).
- Global agreement with Waze in seven countries to join its Connected Citizens Program.

July

- **Abertis**, following successive acquisitions, achieves an ownership interest of 84% in A4 Holding.

August

- New agreement with the Argentine Government (in the course of formalization) to invest USD 430 million in Ausol in exchange for the extension of the concession term until 2030 (+10 years).

October

- Emovis launches the free-flow toll system on the Mersey Gateway bridge in the UK.
- Repurchase of a portion of the bonds issued by the concession operator Autoestrada Brescia Verona Vicenza (EUR 200 million) maturing in 2020.
- Partnership with UNICEF to prevent child road traffic injuries.

November

- Issue of two EUR 500 million bonds by Hit maturing in 2023 and 2027 and bearing coupon rates of 0.625% and 1.625%, respectively, with the repurchase of bonds totalling EUR 140 million issued by Hit maturing in 2021.

December

- The additional lanes on the Régis Bittencourt toll road in Serra do Cafezal were inaugurated with an investment of EUR 330 million.
- Renewal, for the second consecutive year, in the indicators FTSE4Good.

Also, on 15 May 2017 Atlantia announced its decision to launch a tender offer for all the shares of Abertis Infraestructuras. The period for accepting this tender offer was suspended on 18 October when Hochtief presented a rival tender offer, also for all the shares of Abertis Infraestructuras. At 2017 year-end this rival offer had not yet been authorised by the Spanish National Securities Market Commission (CNMV).

Achievement of the 2015-2017 Strategic Plan

At the end of 2017 **Abertis** had more than satisfactorily achieved the 2015-2017 Strategic Plan, exceeding the initial objectives established in the four strategic areas, for both the year and the entire period covered by the Plan: (i) achieving international growth; (ii) promoting the strategy of focusing on key areas; (iii) seeking efficiencies; and (iv) increasing shareholder returns.

i) Promoting growth

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

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

In this regard, in 2017 the Group invested more than EUR 3,700 million, bringing the total up to more than EUR 7,400 million in 2015-2017.

Growth in the existing asset base

In 2017 **Abertis**, through successive acquisitions of capital from the other non-controlling shareholders, obtained control of 100% of Holding d'Infraestructures de Transport (Hit), which in turn owns all the shares of Sanef. With this operation, which involved an investment of more than EUR 2,200 million, **Abertis** has reinforced its position in France, the Group's main market.

In 2018 **Abertis** has concluded several agreements to acquire various non-controlling interests in its Italian subsidiary A4 Holding (which in turn owns all the shares of concession operator of the A4 and A31 toll roads) to push its ownership interest up to just over 90%. At 2017 year-end it had achieved an ownership interest of 84% in A4, and the aforementioned acquisitions were completed in January 2018.

The Group has also strengthened its position in Brazil. Thus, in October Arteris (the Brazilian subsidiary of **Abertis**) signed in São Paulo the concession arrangement for Via Paulista (previously Rodovias dos Calçados). The arrangement was awarded by the State of São Paulo in April for a period of 30 years and the concession started to operate in November. The concession is for a toll road of 718 km, which includes 317 km managed by Autovías (currently an Arteris subgroup company whose concession was to expire at the end of 2018) plus an additional 401 km that until the concession was awarded had been under the direct management of the State of São Paulo

Through these transactions **Abertis** has achieved 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.

New acquisitions

In March **Abertis** concluded the agreement with the MSIIPL and SMIT funds, controlled by Macquarie and State Bank of India, for the acquisition of two of India's main toll roads, the NH-45 and the NH-44, for a total amount of EUR 133 million.

As a result of this transaction, **Abertis** now controls 100% of the concession operator Trichy Tollway Private Limited (TTPL), which manages the NH-45, and 74% of Jadcherla Expressways Private Limited (JEPL), which operates the concession for the NH-44. These toll roads are located in the States of Tamil Nadu and Telangana, respectively, which are regions with economic growth exceeding the average for India as a whole and whose GDP per capita is among the highest in the country.

This transaction, which marks the Group’s entry into the Asian market, represents an important step in **Abertis**'s commitment to geographical diversification, with its arrival in a continent that is on the up from the economic standpoint and in one of the countries with the highest growth potential in the world, thereby reinforcing the Group's leadership and balancing out its exposure to different markets at world level.

Public-private partnership agreements

In January 2017 Sanef, **Abertis**'s subsidiary in France, reached an agreement with the French Government to launch a new investment plan to modernise its network. Under the agreement, Sanef will invest EUR 147 million in various projects in exchange for an annual increase in tolls for 2019-2021 (0.27% for Sanef and 0.40% 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.

In August Ausol, a subsidiary of the **Abertis** Group in Argentina, entered into an agreement with the Argentine Ministry of Transport for new investments in the country's toll road network. This agreement, in the course of formalization, envisages an additional investment plan to improve the current road network for a total amount of USD 430 million, which will be financed in full by the future revenue from the concession as a result of the extension of the current arrangement, which was to end in 2020, until the end of 2030.

In mid-June 2017 the Group reached a similar agreement (in the course of formalization) with the Argentine Government regarding its other concession operator in Argentina, Grupo Concesionario del Oeste, S.A. (Gco), which also provides for an investment plan worth USD 250 million and an extension of the concession term by twelve years until 2030.

Abertis has thus reinforced 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, during the 2015-17 three-year period the Group has entered into important agreements in most of the countries in which it operates, such as France, Italy, Brazil, Chile, Puerto Rico and Argentina. In addition, these agreements show the Group's capacity to grow its portfolio of existing assets, increasing the average term of its concessions.

ii) Focusing on key areas

Since the commencement of the previous Strategic Plan in 2011, **Abertis** has stepped up its focus on its business in the toll roads industry, which at 2017 year-end accounted for 100% of its revenue.

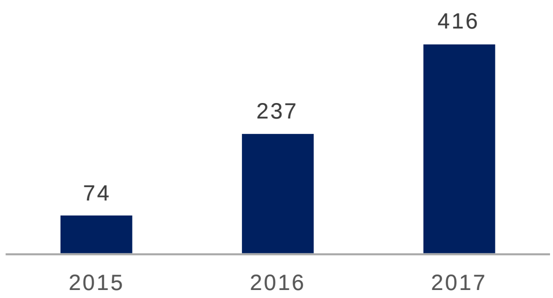
The initial drive behind this approach was evidenced by the IPO in 2015 of Cellnex Telecom, which outstripped expectations and gave rise to a net gain of EUR 1,805 million for **Abertis** in 2015.

In 2017, in line with this objective, **Abertis** began the process of selling the operations of Hispasat. This process is expected to be able to be completed in 2018.

iii) Efficiencies

In 2015 **Abertis** implemented a new efficiency plan for the three-year period ending in 2017, which focused on the Group's businesses in France, Brazil and Spain. By the end of 2017 this plan had generated accumulated savings totalling EUR 416 million in the period, which contributed to improving the EBITDA margin.

Accumulated savings - Efficiency (millions of euros)



iv) Shareholder returns

On 3 April 2017, the shareholders at the General Meeting of **Abertis** resolved to pay a second and final dividend out of the profit for 2016 with a charge to unrestricted voluntary reserves of EUR 0.37 gross per share, which was paid in April 2017. Accordingly, the total 2016 dividend amounted to EUR 0.73 gross per share, representing EUR 722.9 million and an increase of 11% with respect to the total amount distributed out of the profit for the preceding year.

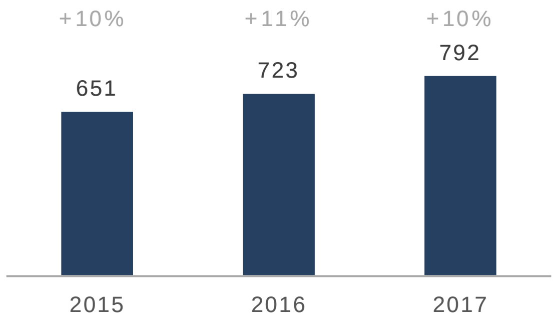
In this regard, the General Meeting resolved to offer the shareholders the possibility of opting for either receiving the second payment of the 2016 dividend of EUR 0.37 gross per share in cash or the award of shares of Abertis Infraestructuras, S.A. from the treasury shares and cash held by the Company. Lastly, 15.3% of the share capital of Abertis Infraestructuras, S.A. opted for the payment of the aforementioned dividend in the form of the Company’s treasury shares, which entailed the delivery of 2.9 million treasury shares representing 0.29% of Abertis Infraestructuras, S.A.’s share capital.

Also, a first dividend payment for 2017 of EUR 0.40 gross per share was made which, together with the proposal submitted by the Board of Directors of **Abertis** to the Annual General Meeting for the distribution of a second and final dividend payment for 2017 also of EUR 0.40 gross per share, represents a total dividend for 2017 of EUR 792.3 million, an increase of 10% with respect to the total dividend paid for 2016.

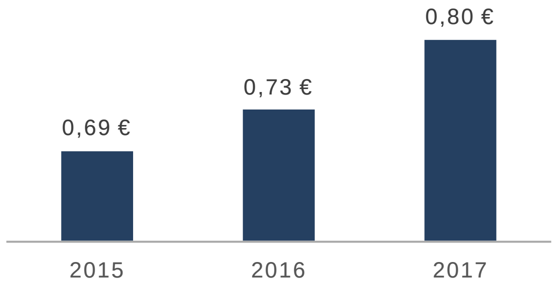
Therefore, fulfilling the commitment established in the 2015-2017 Strategic Plan, shareholder remuneration increased by an annual average of 10% in the period (specifically by 10% in 2017, by 11% in 2016 and by 10% in 2015).

With this shareholder remuneration policy, **Abertis** will have distributed EUR 2,166 million in 2015-2017, and almost EUR 5,000 million euros (only in ordinary dividends) in 2010-2017.

Accrued dividend (millions of euros)



Dividend per share (millions of euros)



The detail of the dividends in 2017, 2016 and 2015 is as follows:

	2017		2016		2015	
Dividends	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment	0.21	206,313	0.14	136,814	0.33	311,263
2nd payment	-	-	-	-	0.36	339,559
With a charge to profit	0.21	206,313	0.14	136,814	0.69	650,822
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**	**0.33**	**311,263**
2nd payment	**0.40**	**396,152**	**0.37**	**366,441**	**0.36**	**339,559**
Total dividend	**0.80**	**792,305**	**0.73**	**722,978**	**0.69**	**650,822**

Stock market performance and profitability

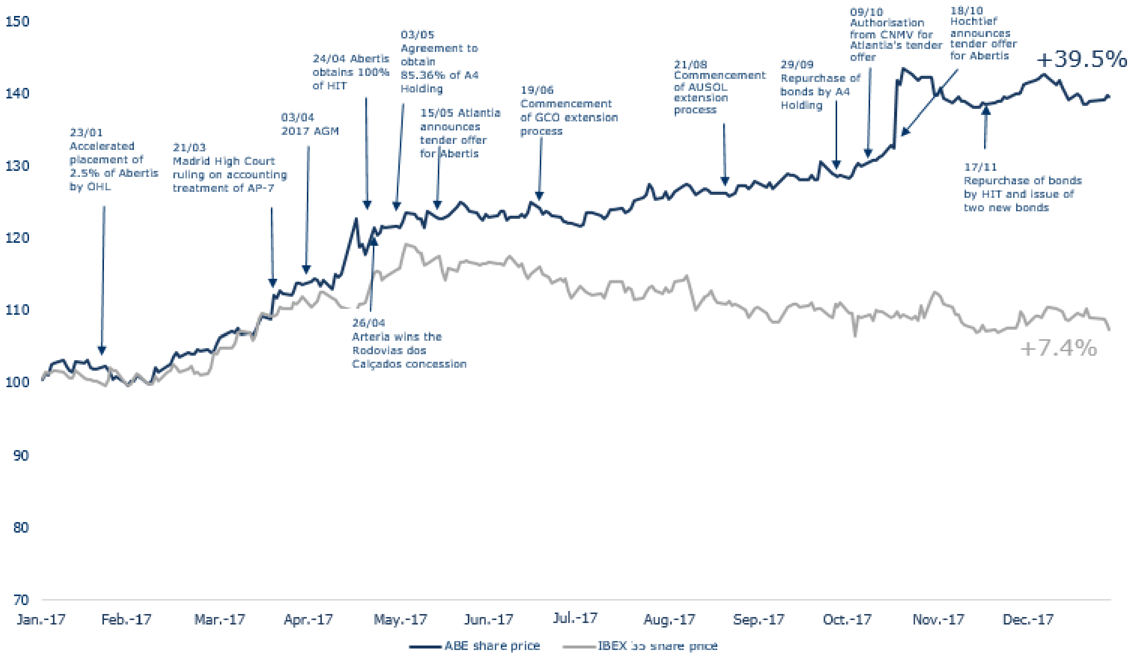
In 2017 the stock markets were characterised by growth in the main European stock indexes. In this regard, the German (DAX: +12.5%), French (CAC 40: +9.3%) and UK (FTSE 100: +7.6%) indexes rose alongside the main US indexes (S&P: +19%) and Dow Jones (+25.1%).

In the case of Spain, the Ibex 35 index rose by 7.4% in a year marked by the political instability in Catalonia. This index moved within a broad range of values in 2017, between a high for the year on 5 May (11,135.4 points) and a low on 23 January (9,304.8 points).

Abertis's shares are listed on the four Spanish Stock Exchanges (Barcelona, Bilbao, Madrid and Valencia) and are traded on the Spanish Stock Market Interconnection System, forming part of the selective Spanish Ibex 35 index, which groups together the 35 leading listed companies.

Specifically, **Abertis**'s shares ended 2017 positively with an increase of 39.5% (well above that of the Ibex 35), at a price of EUR 18.55/share. In 2017 the share price ranged from a high of EUR 19.06 on 20 October, coinciding with the all-time high adjusted by the scrip issues carried out, to a low of EUR 13.245 on 31 January.

Abertis ended 2017 with a market capitalisation of EUR 18,372 million, i.e. 13th in the Ibex 35 index in terms of market capitalisation.



The detail of the main stock market data of **Abertis** in 2017, 2016 and 2015 is as follows:

	2017	2016	2015 [1]
Closing price (EUR/share)	18.55	13.295	13.72
Share performance	+39.5%	-3.1%	-7.9%
High (EUR/share)	19.06	14.33	16.29
Date of highest share price in the year	20/10/17	08/09/16	26/01/15
Low (EUR/share)	13.245	11.64	12.79
Date of lowest share price in the year	31/01/17	20/01/16	14/12/15
Average for the year (EUR/share)	16.298	13.38	14.47
Total volume traded (shares)	931,968,372	875,197,881	1,034,376,232
Average daily volume of trading (shares)	3,654,778	3,070,870	4,040,532
Effective total volume traded (millions of euros)	15,812	11,806	15,661
Effective average daily volume traded (millions of euros)	62	41	61
Number of shares	990,381,308	990,381,308	943,220,294
Stock market capitalisation at year-end (millions of euros)	18,372	13,167	13,592

(1) Share price data corrected for the impact of the capital increase through bonus share issue with a charge to reserves in the proportion of 1 new share for every 20 existing shares approved by the shareholders at the Annual General Meeting held on 12 April 2016.

(2) Taking into account BME volume, disregarding alternative platforms.

Abertis aims to offer its shareholders the best combination of growth and profitability in the long term and, therefore, the Company's business actions and strategic decisions focus on creating value for its shareholders. Thus, in the last five years, for a shareholder that had bought shares at 31 December 2012 and had not sold them at 31 December 2017, **Abertis**'s accumulated profitability would have been 113% and its annual profitability 16%, including the rise in the value of its shares on the stock exchange, capital increases with scrip issues and dividend yield.

Shareholders: tender offers

Lastly, it should be noted that, as detailed in Note 12-a, 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 are described in the prospectus authorised by the CNMV on 9 October 2017. The period for accepting the tender offer was suspended on 18 October 2017, when the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer also for all the shares of Abertis Infraestructuras, S.A., the effectiveness of which will be subject, if so authorised by the CNMV, to the obtainment by Hochtief of various regulatory authorisations.

The following should be noted in relation to the aforementioned tender offers:

- On the one hand, as indicated in the prospectus authorised by the CNMV, in which Atlantia makes the effectiveness of its tender offer conditional upon the acquisition of a minimum stake of 50% plus one share in **Abertis**, Atlantia is offering an alternative to the shareholders of **Abertis** (at their choice) of either a cash consideration consisting of a payment of EUR 16.50 per **Abertis** share, or a consideration of special shares of Atlantia based on an exchange ratio calculation which foresees that for each share of **Abertis** that accepts the offer, 0.697 special shares of Atlantia will be delivered (subject to a minimum of 100,000,000 and a maximum of 230,000,000 shares of **Abertis** opting for the consideration in special shares of Atlantia) or a combination of both considerations.

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 Atlantia's cash offer.

- On the other hand, based on what has been announced, Hochtief will make its tender offer conditional on its acquiring a minimum of 50% plus one share of the shares of **Abertis** and is offering the shareholders of **Abertis** the alternative (at their choice) of either cash consideration of EUR 18.76 per share of **Abertis** or a consideration of shares of Hochtief based on an exchange ratio of 0.1281 ordinary shares of Hochtief for every share of **Abertis** , although only the holders of 193,530,179 shares of **Abertis** may opt for the shares of Hochtief (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 both considerations.

  It should be noted in this connection that the Board of Directors of **Abertis** must also 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. **Abertis** must publish this report within ten calendar days from the date of commencement of the tender offer acceptance period.

1.2. Corporate governance

The vision, mission and values of **Abertis** contribute to achieving the Company'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.

Against this backdrop, **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 achieving transparency and implementing the best international good corporate governance practices.

Since 2009 the Board has reduced the number of its members from 21 to 15 and independent directors now make up 60% of the total. At the same time the number of women on the Board has risen from one to six, putting into practice the Company's aim to incorporate experts of renowned standing, who have different profiles and enrich the management of the Company.

1.3. Compliance and effective risk management

Ethics and compliance

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

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

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 by the Audit and Control Committee, applicable to all business units and corporate units in all the countries in which it carries on its business activities.

The members of the Company'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 share value and shareholder remuneration; (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. • Entry of new competitors in certain economic sectors. • Regulatory and socio-political changes. • Catastrophic 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. • Environmenta risksl.	• 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 2017 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 most of the countries in which the Group operates).

1.4. Value creation in 2017

Earnings performance and financial position

The financial statements of **Abertis** reflect the results of its investments and of its activities as the head of a Group, from the point of view of both the balance sheet (investments and financing) and the statement of profit or loss (contributions by means of dividends from the various investees and borrowing costs and overhead expenses).

The balance sheet of **Abertis** comprises mainly the portfolio of investments in companies and the financing necessary for their acquisition through equity and debt.

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

In practice, this continues to lead to the existence of a sound financial structure, with a high average debt maturity and a policy of minimising exposure to financial risks. At year-end 64% of the borrowings were either fixed-rate borrowings or were fixed through derivative financial instruments (2016 year-end: 96%).

Noteworthy in this regard are the following transactions carried out in 2017:

- The arrangement by **Abertis** of loans amounting to EUR 2,140 million (maturing between 3 and 5 years) and a commercial paper issue of 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 non-controlling interests in Hit.

It should be noted that with these transactions the Company 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.

The statement of profit or loss reflects basically the results generated by the various Group companies through the dividend policy, the finance income from financing granted and corporate overhead expenses.

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 800 million in 2017 (excluding its investment in new inorganic growth projects), of which it invested approximately 60% in Brazil, 24% in France, 10% in Chile and 2% in Spain.

The main transactions in 2017 were as follows:

Toll roads

2017 was characterised by the consolidation of the organic and inorganic growth of activity in Europe and the Americas. This was achieved, on the one hand, through transactions to consolidate and strengthen its position in existing investees and, on the other hand, through acquisitions of new assets. Against the backdrop of the transactions to consolidate and strengthen the Group's position as a controlling shareholder with an industrial role and to achieve selective growth, the following transactions are worthy of mention:

- In 2017 **Abertis**, through various purchase transactions, completed the acquisition of an additional 47.45% of the share capital of Holding d'Infrastructures de Transport (Hit, a company that controls 100% of Sanef) for a total amount of EUR 2,214 million, thereby achieving a 100% ownership interest in Hit.

- In March **Abertis** -acting through its wholly-owned Spanish subsidiary Abertis India, S.A.- completed the purchase of all of the shares of the Indian company Trichy Tollway Private Limited (TTPL) and 74% of the Indian company Jadcherla Expressways Private Limited (JEPL), for an aggregate amount of EUR 133 million, a transaction that led to the entry of **Abertis** in the very high growth potential Indian market.

- Also 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) for a total of EUR 179 million, as a result of which it holds 83.56% of its share capital.

  It should be noted in this connection that agreements have been reached for the acquisition of an additional 6.47% for EUR 34 million, which were completed in January 2018, as a result of which **Abertis** now has an ownership interest of 90.03% in the share capital of A4.

- Also, as discussed previously, at the end of April **Abertis** (through its subsidiary in Brazil Arteris) was the successful bidder for the 30-year Rodovias dos Calçados (Via Paulista) concession, for an amount of BRL 1,516 million (approximately EUR 396 million). The new concession, which will begin operations in early 2019, includes the 317 kilometres currently managed by the Group company Autovías (whose concession ends in December 2018), and a further 401 kilometres currently under the direct management of the State of São Paulo.

At the same time, and in order to increase the average term of the current portfolio of concessions, **Abertis** (through its subsidiary in Argentina Grupo Concesionario del Oeste, S.A. (Gco) and Autopistas del Sol, S.A. (Ausol), together with the Argentine National Directorate of Roads (an agency reporting to the Ministry of Transport), entered into agreements to initiate the process to extend the respective concession arrangements until the end of 2030. These agreements, in the course of formalization, entail the acknowledgment of the measures to restore the economic and financial feasibility of the concession and includes an improved tariff framework and include a plan for additional investment of USD 680 million to improve the existing network (approximately EUR 565 million at 2017 year-end).

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 2016 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 151 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. Under the agreement, Sanef will invest EUR 147 million in various projects in exchange for an annual additional increase in tolls for 2019-2021 (0.27% for Sanef and 0.40% 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 restore road surfaces, the completion of the widening of the Régis Bittencourt toll road in Serra do Cafezal (opened to traffic in December), the work to add lanes in Fluminense (work on which continues to progress), and the work on the Florianópolis perimeter road in Litoral Sul, under the terms of the respective concession arrangements.

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

In Spain, as detailed in Note 8-c, the differences in interpretation continue to exist and, accordingly, the various court proceedings relating to the AP-7 Agreement are still in progress.

Also, regarding Aumar's request to the Spanish Government for the restoration of the economic and financial feasibility of the AP7/AP4 concession which it managed, given that the Spanish Cabinet did not issue an express resolution within the legally established period, on 22 July 2015 Aumar filed an appeal for judicial review at the Supreme Court, as it considered that there were sound legal arguments with which to defend its legitimate rights and interests and those of **Abertis** and its shareholders (see Note 8-c).

Credit quality management

Abertis has a credit rating assigned by the rating agencies Standard and Poor's and Fitch Ratings.

In this regard, **Abertis** has a long-term “BBB” Investment-grade adequate credit quality rating awarded by the international credit rating agency Standard and Poor’s Credit Market Services Europe Ltd. In the latest report, dated October 2017, the “BBB” rating was ratified, and the Company's outlook was revised from positive to “developing”.

In addition, **Abertis** holds a long-term “BBB+” good credit quality rating with a stable outlook, awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term “F2” high credit quality rating. In the latest report, dated October 2017, both ratings were ratified and the outlook was revised from stable to “credit watch negative”.

Abertis's policy is to maintain an Investment-grade credit rating.

1.5. Safe and innovative infrastructure

Safety

Road safety

Through the global "Road Safety” 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.

The Group invests in intelligent engineering and technology to ensure that its customers have the best experience possible when traveling on its toll roads.

Abertis applies advanced construction and management practices, and cooperates with worldwide benchmark institutions and organisations with a global vision: to achieve the objective of zero fatalities on **Abertis**'s toll roads, with roads that are 100% safe.

Road Tech

Abertis concerns itself with the mobility of the future. It manages highways 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 launched the "Road Tech" programme through which it 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).
- Solutions for connected and autonomous vehicles, such as the project for the deployment of Cooperative Intelligent Transport Systems (C-ITS) in 3,000 vehicles and on 2,000 km of roads to exchange information on traffic conditions (SCOOP@F Project).
- Solutions for electric vehicles, such as the projects for the development of wireless on-road charging (Fabric) and electric corridors for heavy vehicles (E-way corridor).

Research and development activities

The Company did not carry out any research and development activities in the strict sense.

As a Group, innovation is one of the four basic principles that interact with each other and make up the industrial model with which **Abertis** manages its infrastructure: 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 its stakeholders.

1.6. Environmental contribution

Abertis has established a demanding commitment to reducing its environmental impact through the implementation of preventative measures to preserve the environment and reduce pollution, ensuring a more efficient, responsible and sustainable operating model.

This commitment is structured through the CSR policy and Master Plan and the environmental management system. The policy and Plan set the strategic and operational objectives related to the management of environmental issues, focusing especially on the achievement of high levels of operational eco-efficiency through the reduction of the carbon footprint, the development of products and services with a positive environmental impact and innovation based on circular economy principles.

Also, the environmental management system based on the ISO14001 standard makes it possible to establish a management model for monitoring the main impacts arising from the performance of the Group's business activities.

1.7. Human capital

The Code of Ethics and human resources policies define the management framework of the organisation's human capital. Professional development, health, occupational safety, diversity and equal opportunities are the key aspects for the activity related to the human capital and the management of the impacts in this area. In this regard, the priority objective of both the human resources strategy defined by the Group and the Corporate Social Responsibility (CSR) Master Plan is to guarantee occupational health and safety, enhance job quality and ensure equal opportunities for the entire workforce of **Abertis**.

1.8. Other disclosures

The non-financial information is presented in greater detail in the Integrated Annual Report, which is available as an Appendix to this directors' report. That report was prepared in accordance with the standards of the Global Reporting Initiative (GRI) and of the International Integrated Reporting Council (IIRC).

Use of financial instruments

In 2017 and 2016 **Abertis** maintained its policy regarding the use of financial instruments described in Note 10 to the accompanying financial statements.

Treasury shares

In accordance with the authorisation approved by the shareholders at the Annual General Meeting, at year-end the Company held 78,815,937 treasury shares (7.96% 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.

In 2017 transactions involving treasury shares were performed as detailed in Note 12 to the accompanying financial statements.

Events after the reporting period

There were no significant events after the reporting period additional to those indicated in Note 20 to the financial statements.

Outlook

2018 will be marked by the completion of the tender offers for all the shares of Abertis Infraestructuras, S.A. launched by Atlantia and Hochtief (the latter pending authorisation at the date of preparation of these consolidated financial statements) and is the year in which the Group will initiate its next three-year plan, identifying new challenges and opportunities.

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 or toll increases, all with the aim of enabling **Abertis** to continue to be the leading and benchmark Group in the toll road infrastructure sector, without forgetting its vocation to serve customers, governments and society in general.

In any event, 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.

A second means of achieving growth will be through public-private partnerships and agreements with public authorities for investments in existing concessions in exchange for new extensions or toll increases. This is the case of the following agreements reached in 2017 that are expected to be completed in 2018:

- In Argentina, where the bases have been put in place to extend the current concession arrangements of Gco and Ausol, while improving road infrastructure to make it safer, more sustainable, with greater capacity and better suited to citizens' needs.
- In France, where a new Plan Relance has been agreed upon with a view to continuing with the work to boost the French economy and job market, while improving road infrastructure to make it safer, more sustainable, with greater capacity and better suited to citizens' needs.

In addition, the Group will continue to work on the ambitious investment plans currently under way for improvements in Brazil, France and Italy.

In any case, in terms of activity, 2018 consolidation, and the concomitant continuation of the growth path taken by the Spanish, French, Italian, Brazilian and Chilean 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.

In addition, 2018 will offer an opportunity to continue to improve the Group's best practices in the management area, through the implementation of the CSR Master Plan.

2. ANNUAL CORPORATE GOVERNANCE REPORT AND INTEGRATED ANNUAL REPORT

Set forth below is the Annual Corporate Governance Report and the Integrated Annual Report for 2017 presented by the Board of Directors of Abertis Infraestructuras, S.A., consisting of 59 pages, numbered from 1 to 59, inclusive, and 129 pages, numbered from 1 to 129, inclusive, respectively.

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

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER'S PARTICULARS

END DATE OF REFERENCE FINANCIAL YEAR	31/12/2017
EMPLOYER ID NO. (C.I.F.)	A-08209769

COMPANY NAME
ABERTIS INFRAESTRUCTURAS, S.A.

REGISTERED OFFICE
PASEO DE LA CASTELLANA, 39, MADRID

ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Fill out the following table on the company's share capital:

Date of last change	Share capital (EUR)	Number of shares	Number of voting rights
14/06/2016	2,971,143,924.00	990,381,308	990,381,308

Indicate whether there are different classes of shares carrying different rights:

Yes ☐ No ☒

A.2 List the direct and indirect holders of significant ownership interests in the company at year-end, excluding directors:

Shareholder's name or company name	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	0	213,437,829	21.55%
BLACKROCK, INC.	0	37,841,638	3.82%
DAVIDSON KEMPNER CAPITAL MANAGEMENT LP	0	32,926,153	3.32%
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0	28,192,080	2.85%
LAZARD ASSET MANAGEMENT LLC	0	28,461,300	2.87%

Name or company name of indirect shareholder	Through: Name or company name of direct shareholder	Number of voting rights
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	CRITERIA CAIXA, S.A.U.	149,265,272
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	INVERSIONES AUTOPISTAS, S.A.	60,123,057
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	G3T, S.L.	2,590,000
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	BCN GODIA, S.L.	1,459,500
BLACKROCK, INC.	BLACKROCK GROUP	37,841,638
DAVIDSON KEMPNER CAPITAL MANAGEMENT LP	BURLINGTON LOAN MANAGEMENT DAC	32,926,153
CAPITAL RESEARCH AND MANAGEMENT COMPANY	CAPITAL RESEARCH AND MANAGEMENT COMPANY	28,192,080
LAZARD ASSET MANAGEMENT LLC	LAZARD ASSET MANAGEMENT LLC	28,461,300

Detail the most significant changes in shareholder structure during the year:

Shareholder's name or company name	Transaction date	Transaction description
CAPITAL RESEARCH AND MANAGEMENT COMPANY	29/06/2017	Ownership interest has fallen below 10% of share capital
CAPITAL RESEARCH AND MANAGEMENT COMPANY	29/09/2017	Ownership interest has fallen below 5% of share capital

Shareholder's name or company name	Transaction date	Transaction description
CAPITAL RESEARCH AND MANAGEMENT COMPANY	02/10/2017	Ownership interest has fallen below 3% of share capital
LAZARD ASSET MANAGEMENT LLC	13/11/2017	Ownership interest has fallen below 3% of share capital
SOCIETE GENERALE	13/11/2017	Ownership interest has risen above 3% of share capital
SOCIETE GENERALE	16/11/2017	Ownership interest has fallen below 3% of share capital
DAVIDSON KEMPNER CAPITAL MANAGEMENT LP	15/12/2017	Ownership interest has risen above 3% of share capital

A.3 Fill out the following tables on the members of the company's Board of Directors who own shares in the company:

Name or company name of director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
SANDRINE LAGUMINA	0	0	0.00%
MARINA SERRANO GONZÁLEZ	0	0	0.00%
MÓNICA LÓPEZ-MONÍS GALLEGO	24	0	0.00%
MARCELINO ARMENTER VIDAL	10,500	0	0.00%
JUAN-JOSÉ LÓPEZ BURNIOL	0	0	0.00%
SALVADOR ALEMANY MAS	227,792	0	0.02%
MARIA TERESA COSTA CAMPI	879	0	0.00%
CARLOS COLOMER CASELLAS	1	1,000	0.00%
FRANCISCO REYNÉS MASSANET	0	35,405	0.00%
SUSANA GALLARDO TORREDEDIA	694	0	0.00%
LUIS GUILLERMO FORTUÑO	0	0	0.00%
G3T, S.L.	2,590,000	0	0.26%
ENRICO LETTA	0	0	0.00%
FRANCISCO JAVIER BROSSA GALOFRÉ	1,000	0	0.00%
ANTONIO VIANA BAPTISTA	0	0	0.00%

Name or company name of indirect shareholder	Through: Name or company name of direct shareholder	Number of voting rights
CARLOS COLOMER CASELLAS	AHORRO BURSÁTIL, S.A. SICAV	1,000
FRANCISCO REYNÉS MASSANET	FRINYCO, S.L.	35,405

% of total voting rights held by the Board of Directors	0.28%

Fill out the following tables on the members of the company's Board of Directors that hold rights over company shares.

A.4 Indicate, as appropriate, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant ownership interests, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business:

A.5 Indicate, as appropriate, any relationships of a commercial, contractual or corporate nature existing between the holders of significant ownership interests and the company and/or its group, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related persons
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)
ABERTIS INFRAESTRUCTURAS, S.A.

Type of relationship: Commercial

Brief description:

The existing relationships arise from the ordinary course of business. See section D.2.

A.6 Indicate any shareholders agreements that have been disclosed to the company pursuant to Articles 530 and 531 of the Spanish Limited Liability Companies Law. Provide a brief description of the shareholders agreement and list the shareholders bound by the agreement, as appropriate:

Yes ☒ No ☐

Parties to the shareholders agreement
BCN GODIA, S.L.
CRITERIA CAIXA, S.A.U.

Percentage of share capital affected: 0.15%

Brief agreement description:

On 01/12/2016 (significant event 246251), Criteria Caixa, S.A.U. entered into a voting trust agreement relating to Abertis shares with BCN Godia, S.L.U., whereby Criteria Caixa obtained the voting rights corresponding to 1,459,500 Abertis shares. The agreement has been in force since 01/01/2017.

Parties to the shareholders agreement
G3T, S.L.
CRITERIA CAIXA, S.A.U.

Percentage of share capital affected: 0.26%

Brief agreement description:

On 01/12/2016 (significant event 246251), Criteria Caixa, S.A.U. entered into a voting trust agreement relating to Abertis shares with G3T, S.L., whereby Criteria Caixa obtained the voting rights corresponding to 2,887,500 Abertis shares (2,590,000 shares at 31/12/2017). This agreement has been in force since 01/01/2017.

Indicate, as appropriate, any concerted action among the company's shareholders that is known to the company. Give a brief description, if applicable:

Yes ☐ No ☒

Expressly indicate any amendment to or termination of such agreements or concerted action during the year:

-

A.7 Indicate whether there is any individual or legal entity that exercises, or can exercise, control over the company, in accordance with Article 4 of the Securities Market Law. Identify if appropriate:

Yes ☐ No ☒

Observations

A.8 Fill out the following tables on the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
78,815,937	0	7.96%

(*) Through:

Explain any significant changes during the year pursuant to Spanish Royal Decree 1362/2007:

Explain any significant changes

With regard to the 8.25% of treasury shares at 31 December 2016, the main and most important change that resulted in the current 7.96% interest is:
On 3 April 2017, the General Shareholders' Meeting resolved to offer shareholders a dividend charged to voluntary reserves, with the option of receiving the dividend in cash or in Abertis Infraestructuras, S.A. shares from the treasury share portfolio. Lastly, 15.3% of the share capital of Abertis Infraestructuras, S.A. opted to collect this dividend in the company's shares. This resulted in the delivery of 2.9 million treasury shares, representing 0.29% of the share capital of Abertis Infraestructuras, S.A.

A.9 Specify the conditions and period of the current authorisation granted by the shareholders' meeting to the Board of Directors to issue, repurchase or transfer treasury shares.

In accordance with the resolutions adopted by the shareholders at the Annual General Meeting of 1 April 2014, the Company's Board Directors is authorised to carry out the derivative acquisition of the Company's treasury shares, directly or indirectly through other companies, and exercise pre-emption rights over them by any of the means permitted by law (including, by way of example, but not limited to, purchase and sale, exchange and award in payment). Under no circumstances may the par value of the treasury shares acquired under this authorisation, which are added to those already held by the Company and its subsidiaries, exceed 10% of the Company's share capital at the date of acquisition, for a price equal to the market price at the close of the trading day immediately preceding the day on which the acquisition takes place, within a maximum range of 10% above or below the aforementioned closing market price, and within five (5) years from the date on which this resolution was passed by the shareholders at the Company's General Meeting. All of the above shall be carried out within the other limits and requirements pursuant to the current Consolidated Spanish Limited Liabilities Companies Law, rendering null and void the unused part of the previous authorisation resolved upon by the Company's General Meeting of 27 April 2010.

This authorisation to acquire treasury shares may be used in full or in part for the acquisition of shares of the Company that the latter is required to deliver or transfer to directors, executives or employees of the Company and/or other Abertis Group companies as a consequence of the implementation of remuneration systems based on the delivery of shares and/or grant of share options.

The General Meeting also empowered the Company's Board of Directors to exercise, in the broadest terms, the authorisation granted under this resolution and to carry out the remaining provisions thereof. In turn, if it considers it appropriate, it may delegate the exercise of this authorisation and the performance of the other provisions, in the manner and under the regime it considers appropriate, to the Chairman, the CEO, to any other director, to the Secretary or to the Deputy Secretary of the Board of Directors or any other person(s) empowered expressly by the Board of Directors for that purpose.

The shareholders at the Annual General Meeting also authorised the Board of Directors to reduce the Company's share capital in order to retire any treasury shares held on the balance sheet, with a charge to profit for the year or to unrestricted reserves, for the amount deemed at any time to be appropriate or necessary, up to the maximum number of treasury shares held at any given time.

Lastly, the General Meeting has delegated the Board of Directors with implementing the preceding resolution to reduce share capital, which may be carried out once or several times and within the maximum time limit of five years following the date of approval of this resolution, carrying out such procedures, steps and authorisations as may be needed or required by the Spanish Limited Liability

Companies Law and other provisions that may be applicable. In particular, authority is delegated to the Board of Directors so that, within the deadlines and limits indicated for such implementation, it may establish the date(s) of the specific capital reduction(s), where appropriate; set the amount of the reduction; determine the use of the amount of the reduction and provide, as applicable, any guarantees and comply with the legal requirements; adapt Article 5 of the bylaws to the new share capital figure; apply for the de-listing of the retired securities; adopt, in general, such resolutions as may be required for the purposes of the aforementioned retirement and subsequent capital reduction; and appoint the persons that may be involved in the execution thereof

A.9 bis Estimated free float:

	%
Estimated free float	57.63

A.10 Indicate any restriction 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.

Yes ☐ No ☒

A.11 Indicate whether the General Meeting has resolved to take measures to neutralise a takeover bid under Law 6/2007.

Yes ☐ No ☒

If applicable, explain the measures adopted and the terms under which the restrictions shall be rendered ineffective:

A.12 Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes ☐ No ☒

If applicable, identify the various classes of shares and, for each class of shares, the rights and obligations they carry.

B GENERAL MEETING

B.1 Indicate and give details, where appropriate, if the quorums for convening the General Meeting differ from the system of minimum quorums established in the Spanish Limited Liability Companies Law (LSC).

Yes ☐ No ☒

B.2 Indicate and give details, where appropriate of any differences between the company's system for adopting corporate resolutions and the system established in the Spanish Limited Liability Companies Law (LSC).

Yes ☐ No ☒

Describe the differences with respect to the rules established in the LSC.

B.3 Indicate the applicable rules on amendments to the company's bylaws. In particular, indicate the majorities required to amend the bylaws and, where applicable, the rules provided for safeguarding shareholders' rights when amending the bylaws.

The provisions of the Spanish Limited Liability Companies Law on the majorities for amending the Company's bylaws are applied.

B.4 Indicate the data on attendance at the General Meetings held in the year to which this report refers and in the preceding year.

	Attendance data				
Date of General Meeting	% attendance in person	% attendance by proxy	% remote voting		Total
			Electronic voting	Other	
12/04/2016	0.72%	64.93%	0.00%	0.20%	65.85%
03/04/2017	23.19%	39.15%	0.00%	1.88%	64.22%

B.5 Indicate whether there are any restrictions in the bylaws establishing a minimum number of shares needed to attend General Meetings:

Yes ☒ No ☐

Number of shares required to attend General Meetings	1,000

B.6 Section annulled

B.7 Indicate the URL and the means of accessing corporate governance content and other information on General Meetings that must be made available to the shareholders on the company's website.

The "Investor Relations" section of the website www.abertis.com contains the information required under Article 539.2 of the Spanish Limited Liability Companies Law, Article 13.1 of Ministry of Economy and Competitiveness Order ECC/461/2013, of 20 March, and Spanish National Securities Market Commission (CNMV) Circular 3/2015, of 23 June.
The information on the website is available in three languages: Spanish, Catalan and English.

C MANAGEMENT STRUCTURE OF THE COMPANY

C.1 Board of Directors

C.1.1 Give details of the maximum and minimum number of directors as per the bylaws:

Maximum number of directors	15
Minimum number of directors	6

C.1.2 Fill out the following table with directors' particulars:

Name or company name of director	Representative	Category of director	Position on the Board	Date of first appoint	Date of last appoint	Appointment procedure
SANDRINE LAGUMINA		Independent	DIRECTOR	28/06/2016	03/04/2017	RESOLUTION OF GENERAL MEETING
MARINA SERRANO GONZÁLEZ		Independent	DIRECTOR	28/06/2016	03/04/2017	RESOLUTION OF GENERAL MEETING

MÓNICA LÓPEZ- MONÍS GALLEGO		Independent	DIRECTOR	20/03/2013	20/03/2013	RESOLUTION OF GENERAL MEETING
MARCELINO ARMENTER VIDAL		Proprietary	DIRECTOR	18/09/2007	20/03/2013	RESOLUTION OF GENERAL MEETING
JUAN-JOSÉ LÓPEZ BURNIOL		Proprietary	DIRECTOR	28/07/2015	12/04/2016	RESOLUTION OF GENERAL MEETING
SALVADOR ALEMANY MAS		Proprietary	CHAIRMAN	21/07/1998	20/03/2013	RESOLUTION OF GENERAL MEETING
MARIA TERESA COSTA CAMPI		Independent	DIRECTOR	20/03/2013	20/03/2013	RESOLUTION OF GENERAL MEETING
CARLOS COLOMER CASELLAS		Independent	DIRECTOR	24/07/2012	20/03/2013	RESOLUTION OF GENERAL MEETING
FRANCISCO REYNÉS MASSANET		Executive	DEPUTY CHAIRMAN CEO	26/05/2009	24/03/2015	RESOLUTION OF GENERAL MEETING
SUSANA GALLARDO TORREDEDIA		Proprietary	DIRECTOR	13/03/2014	01/04/2014	RESOLUTION OF GENERAL MEETING
LUIS GUILLERMO FORTUÑO		Independent	DIRECTOR	29/11/2016	03/04/2017	RESOLUTION OF GENERAL MEETING
G3T, S.L.	CARMEN GODIA BULL	Proprietary	DIRECTOR	29/11/2005	03/04/2017	RESOLUTION OF GENERAL MEETING
ENRICO LETTA		Independent	DIRECTOR	29/11/2016	03/04/2017	RESOLUTION OF GENERAL MEETING
ANTONIO VIANA BAPTISTA		Independent	DIRECTOR	09/03/2017	03/04/2017	RESOLUTION OF GENERAL MEETING
FRANCISCO JAVIER BROSSA GALOFRÉ		Independent	DIRECTOR	28/02/2017	03/04/2017	RESOLUTION OF GENERAL MEETING

Total number of directors	15

Indicate any vacation of office by Board members during the year:

Name or company name of director	Category of director on date of vacation of office	Date of departure
MIGUEL ÁNGEL GUTIÉRREZ MÉNDEZ	Independent	04/01/2017
GRUPO VILLAR MIR, S.A.	Proprietary	31/01/2017

C.1.3 Fill out the following tables on the members of the Board and their status:

EXECUTIVE DIRECTORS

Name or company name of director	Position per company organisational chart
FRANCISCO REYNÉS MASSANET	DEPUTY CHAIRMAN-CEO

Total executive directors	1
% of total members of Board of Directors	6.67%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of significant shareholder represented or proposing appointment
MARCELINO ARMENTER VIDAL	CRITERIA CAIXA, S.A.U.
JUAN-JOSÉ LÓPEZ BURNIOL	CRITERIA CAIXA, S.A.U.

Name or company name of director	Name or company name of significant shareholder represented or proposing appointment
SALVADOR ALEMANY MAS	CRITERIA CAIXA, S.A.U.
SUSANA GALLARDO TORREDEDIA	CRITERIA CAIXA, S.A.U.
G3T, S.L.	INVERSIONES AUTOPISTAS, S.A.

Total proprietary directors	5
% of total members of Board of Directors	33.33%

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director:

SANDRINE LAGUMINA

Profile:

Graduate of the French Ecole Nationale d'Administration (ENA) and has an extensive educational background in political sciences and law.
Occupied various posts in the Gaz de France-Suez Group (now, Engie) from 2005 to 2017. Prior to this, she worked for the French Ministry of Economy, Finance and Industry (2000-2005) as the Director of International Public Law in the Directorate of Legal Affairs. Currently she exercises functions as Chief Operating Officer, Assist Management for Meridiam.

Name or company name of director:

MARINA SERRANO GONZÁLEZ

Profile:

Government lawyer (1982 graduating class) and Graduate in Law and in Philosophy and Arts from Universidad de Zaragoza.
Her professional career has been developed in the energy field, through the Spanish National Electricity System Commission and the Spanish National Energy Commission (CNE), where she was a member of the Board (1995-2013), and as the secretary of the Board of Directors and manager of the Legal Advisory Department of Red Eléctrica de España (1988-1995). She has been the Director-General of the Spanish Directorate General for State Assets (Ministry of Finance). She is currently the "of counsel" lawyer for the Public Law and Regulated Sectors Department at the Pérez Llorca law firm and Chair of the Spanish Electricity Industry Association (Asociación Española de la Industria Eléctrica - UNESA).

Name or company name of director:

MÓNICA LÓPEZ-MONÍS GALLEGO

Profile:

Graduate in Law, Economics and Business from Universidad Pontificia de Comillas. Spanish government lawyer.
General Manager and Chief Compliance Officer at Banco Santander.

Name or company name of director:

MARIA TERESA COSTA CAMPI

Profile:

PhD in Economics from Universidad de Barcelona.
Professor of Applied Economics at the School of Economic Sciences of Universidad de Barcelona.
Director of the Chair of Sustainable Energy at Universidad de Barcelona.
Ex-chair of the National Energy Commission.

Name or company name of director:

CARLOS COLOMER CASELLAS

Profile:

Graduate in Economics from Universidad de Barcelona.
Master's degree in Business Administration from the IESE Business School (Barcelona).
Chairman and CEO of Ahorro Bursátil, S.A. SICAV
Chairman and CEO of Inversiones Mobiliarias Urquiola, S.A. SICAV.
Chairman and CEO of Haugron Capital SCR de Régimen Simplificado, S.A.
Chairman and CEO of Haugron Holdings, S.L.
Chairman and CEO of Staubinus España, S.L.
Director of MDEF Partners, S.L.
Director acting severally of Romol Hair & Beauty Group, S.L.
Director acting severally of Norvo Haugron Capital Venture, S.L.

Name or company name of director:

LUIS GUILLERMO FORTUÑO

Profile:

Graduate in Law from the University of Virginia (US). He was the 9th Governor of the Commonwealth of Puerto Rico from 2009 to 2012. He is a former president of the New Progressive Party (PNP) and a member of the US Republican Party.

Name or company name of director:

ENRICO LETTA

Profile:

Graduate in Political Sciences from Università di Pisa and Doctor in Community Law from Scuola Superiore Sant'Anna di Studi Universitari e di Perfezionamento (SSSUP). He was the Prime Minister of Italy from 2013 to 2014, and a Member of the European Parliament from 2004 to 2006, among other posts.

Name or company name of director:

FRANCISCO JAVIER BROSSA GALOFRÉ

Profile:

Xavier Brossa was the partner responsible for the Barcelona office of PricewaterhouseCoopers for 10 years, until he stepped down in July 2016.

He ceased being a partner in and employee of that company in January 2017.

He currently works as a freelance economist.

Name or company name of director:

ANTONIO VIANA BAPTISTA

Profile:

Graduate in Economics from Universidade Católica Portuguesa and holds an MBA from INSEAD.
He has held the posts of Executive Chairman of Telefónica Spain and CEO of Crédit Suisse Spain and Portugal, among other posts. He was previously a Principal Partner in the Madrid and Lisbon offices of McKinsey & Co, and was the Director of the Portuguese Investment Bank (BPI).

Total independent directors	9
% of total members of Board of Directors	60.00%

Indicate whether any director classified as independent receives from the company or the group any payment or benefits other than directors' remuneration, or having business dealings with the company or any group company or who have held such dealings in the preceding year on their own account or as a significant shareholder, director or senior executive of a company that has or has had such dealings.

-

Where applicable, include a statement from the Board detailing the reasons why the director(s) in question may carry on duties as an independent director.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and explain the reasons why they cannot be considered independent or proprietary, and detail their relationships with the company, its executives or shareholders.

Indicate any changes in the category of each director during the year:

C.1.4 Fill out the following table on the number of female directors at year-end in the past four years and their respective category:

	Number of female directors				% of total directors in each category			
	2017	**2016**	**2015**	**2014**	**2017**	**2016**	**2015**	**2014**
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	2	2	2	33.33%	33.33%	22.22%	18.18%
Independent	4	4	2	2	50.00%	50.00%	50.00%	50.00%
Other external directors	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	6	6	4	4	40.00%	40.00%	28.57%	23.53%

C.1.5 Explain the measures, where applicable, taken by the company to try to include enough female members on the Board of Directors to ensure an equal representation of men and women.

Explanation of measures

The Board's intention over recent years has been to increase the number of female directors on the Board. To this end, the Board Regulations establish that priority shall be given to diversity of gender, experience and knowledge when filling a vacancy.

Additionally, the Company's Director Selection and Appointment Policy approved by the Board of Directors on 15 December 2015 aims, among other objectives, to promote equal representation of women and men on the Board, while avoiding any kind of inherent bias that might imply discrimination in any way.

Application of the Board Regulations and the Director Selection and Appointment Policy has led to the number of female directors on the Board increasing to 40% of total members.

C.1.6 Explain the measures agreed upon, where applicable, by the Nomination Committee to ensure that the selection procedures are not subject to any implicit bias that would make it difficult to select female directors, and that women with the target profile are deliberately sought and included as potential candidates:

Explanation of measures

The Company has made a conscious effort over recent years to include women possessing the target profile among the candidates for vacancies on the Board of Directors.

If despite the measures implemented, as the case may be, the number of female board members is still scant or non-existent, explain the reasons for this situation:

Explanation of the reasons

--

C.1.6 bis Explain the Nomination Committee's conclusions regarding the verification of compliance with the director selection policy. And, in particular, how that policy is encouraging the achievement of the target for women directors to represent at least 30% of the total members of the Board of Directors by 2020.

Explanation of the conclusions

No women were appointed as directors in 2017, as the number of female directors on the Board has stood at 40% since 2016, easily complying with the target set in the Spanish Code of Good Governance for Listed Companies.

C.1.7 Explain how shareholders that hold significant ownership interests are represented on the Board.

The only significant shareholder is "la Caixa", which is represented by five proprietary directors, of whom four are individuals and one is a legal entity.

C.1.8 Explain, where applicable, the reasons why proprietary directors were appointed at the request of shareholders holding ownership interests of less than 3% of the share capital:

Detail any failure to address formal requests for Board representation from shareholders with ownership interests equal to or exceeding those of others at whose request proprietary directors were appointed. If so, explain the reasons why the request was not entertained:

Yes ☐ No ☒

C.1.9 Indicate whether any Board member has resigned from his/her post before the end of his/her term of office, whether reasons were given to the Board and by what means. If they were given in writing, explain at least the reasons given by the Board member:

Name of director:

GRUPO VILLAR MIR, S.A.

Reasons for resignation:

Significant reduction of almost all of their ownership interest.

C.1.10 Indicate, if any, the powers delegated to the chief executive officer(s):

Name or company name of director:

FRANCISCO REYNÉS MASSANET

Brief description:

All delegable powers of representation, management, and disposal.

C.1.11 Identify, as appropriate, the Board members who hold office as directors or executives at other companies forming part of the listed company's group:

Name or company name of director	Company name of group company	Position	Does the Board member perform executive
FRANCISCO REYNÉS MASSANET	ARTERIS, S.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	A4 HOLDING, S.P.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	HOLDING D'INFRAESTRUCTURES DE TRANSPORT, S.A.S.	SOLE DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	SANEF, S.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	HOLDING D'INFRAESTRUCTURES DE TRANSPORT 2, S.A.S.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	VIAS CHILE, S.A.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	AUTOPISTAS AUMAR, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	AUTOPISTES DE CATALUNYA, S.A. CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS TELECOM SATELITES, S.A.	DIRECTOR ACTING SEVERALLY	NO

FRANCISCO REYNÉS MASSANET	AUTOPISTAS, CONCESIONARIA ESPAÑOLA, S.A.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	CELLNEX TELECOM, S.A.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	INFRAESTRUCTURES VIÀRIES DE CATALUNYA, S.A. CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS INTERNACIONAL, S.A.U.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	SOCIETAT D AUTOPISTES CATALANES, S.A.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	HISPASAT, S.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	ABERTIS AUTOPISTAS ESPAÑA, S.A.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	AUTOPISTAS DE LEÓN, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	IBERPISTAS, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	PARTICIPES EN BRASIL, S.A.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	INVERSORA DE INFRAESTRUCTURAS, S.L.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	PARTICIPES EN BRASIL II, S.L.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS INDIA, S.L.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS MOBILITY SERVICES, S.L.	DIRECTOR ACTING SEVERALLY	NO

C.1.12 Give details, as appropriate, of any directors of the company who are members of the Boards of Directors of other non-group companies that are listed on official securities markets, as disclosed to the company:

Name or company name of director	Company name of group company	Position
MARCELINO ARMENTER VIDAL	GAS NATURAL SDG, S.A.	DIRECTOR
CARLOS COLOMER CASELLAS	AHORRO BURSÁTIL, S.A. SICAV	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
CARLOS COLOMER CASELLAS	INVERSIONES MOBILIARIAS URQUIOLA, S.A. SICAV	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
CARLOS COLOMER CASELLAS	HAUGRON CAPITAL SCR DE RÉGIMEN SIMPLIFICADO, S.A.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
G3T, S.L.	ECOLUMBER, S.A.	DIRECTOR
MARCELINO ARMENTER VIDAL	GRUPO FINANCIERO INBURSA	DIRECTOR
SANDRINE LAGUMINA	FNAC DARTY	DIRECTOR
ANTONIO VIANA BAPTISTA	SEMAPA	DIRECTOR
ANTONIO VIANA BAPTISTA	JERONIMO MARTINS	DIRECTOR

C.1.13 Indicate and, where appropriate, explain whether the company has established rules on the number of boards on which its directors may sit:

Yes ☒ No ☐

Explanation of rules
In accordance with Article 19 of the Board Regulations, the directors may not be members of more than five boards of listed companies or of a total of ten companies. For these purposes, the positions held on the boards of companies in the same group and of companies in which the company has a significant ownership interest, or those appointments made on the proposal of the same significant shareholder or entities in its group, shall count as one appointment. The calculation shall not include the directors of professional companies, asset-holding companies or corporate vehicles, or the collective bodies of not-for-profit entities.

C.1.14 Section annulled

C.1.15 Indicate the total remuneration of the Board of Directors:

Remuneration of the Board of Directors (in thousands of euros)	5,081
Amount of the accumulated pension rights held by the current directors (in thousands of euros)	18,142
Amount of the accumulated pension rights held by former directors (in thousands of euros)	0

C.1.16 Identify the senior executives who are not executive directors and indicate the total remuneration paid to them during the year:

Name or company name	Position
FRANCISCO JOSÉ ALJARO NAVARRO	CHIEF FINANCIAL OFFICER
DAVID DÍAZ ALMAZÁN	CEO OF ARTERIS - BRAZIL
JORDI LAGARES PUIG	HEAD OF AUDIT, RISK AND COMPLIANCE
CARLOS ESPINÓS GÓMEZ	CEO OF HISPASAT
JOSÉ LUIS GIMÉNEZ SEVILLA	GENERAL MANAGER, INDUSTRIAL
MARTA CASAS CABA	HEAD OF LEGAL ADVISORY AND GENERAL DEPUTY SECRETARY
LUIS DEULOFEU FUGUET	GENERAL MANAGER OF SANEF FRANCE
ANNA BONET OLIVART	GENERAL MANAGER OF TOLL ROADS - SPAIN
JOSEP MARIA CORONAS GUINART	GENERAL SECRETARY AND CORPORATE GENERAL MANAGER
JOAN RAFEL HERRERO	HEAD OF PEOPLE AND ORGANISATION
CARLOS FRANCISCO DEL RÍO CARCAÑO	EXECUTIVE CHAIRMAN OF A4 HOLDING - ITALY
LUIS MIGUEL DE PABLO RUIZ	GENERAL MANAGER OF TOLL ROADS - CHILE
SEBASTIÁN MORALES MENA	HEAD OF DEVELOPMENT

Total remuneration for senior executives (in thousands of euros)	17,181

C.1.17 Indicate, as appropriate, which members of the Board are, in turn, members of the boards of directors of companies that hold significant ownership interests in the listed company and/or group companies:

Name or company name of director	Name or company name of significant shareholder	Position
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL RISC, S.G.E.I.C., S.A.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
MARCELINO ARMENTER VIDAL	CAIXA INNVIERTE INDUSTRIA S.C.R. DE REGIMEN SIMPLIFICADO, S.A.	CHAIRMAN
JUAN-JOSÉ LÓPEZ BURNIOL	CRITERIA CAIXA, S.A.U.	DIRECTOR
SALVADOR ALEMANY MAS	SABA INFRAESTRUCTURAS, S.A.	CHAIRMAN

Name or company name of director	Name or company name of significant shareholder	Position
MARCELINO ARMENTER VIDAL	INMO CRITERIA CAIXA, S.A.	DIRECTOR
MARCELINO ARMENTER VIDAL	MEDITERRÁNEA BEACH & GOLF COMMUNITY, S.A.U.	CHAIRMAN
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL FONDOS, S.C.R., S.A.U.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL MICRO, S.C.R., S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA EMPRENDEDOR XXI, S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CRITERIA VENTURE CAPITAL, S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL BIOMED, S.C.R., S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL TIC, S.C.R., S.A.	SOLE DIRECTOR

Give details, as appropriate, of any material relationships, other than those envisaged under the preceding heading, of the members of the Board of Directors with significant shareholders and/or at group companies:

Name or company name of related director:

MARCELINO ARMENTER VIDAL

Name or company name of related significant shareholder:

CRITERIA CAIXA, S.A.U.

Relationship:

General Manager

Name or company name of related director:

MARCELINO ARMENTER VIDAL

Name or company name of related significant shareholder:

CAIXA INNVIERTE INDUSTRIA S.C.R. DE REGIMEN SIMPLIFICADO, S.A.

Relationship:

General attorney-in-fact

Name or company name of related director:

JUAN-JOSÉ LÓPEZ BURNIOL

Name or company name of related significant shareholder:

FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)

Relationship:

Deputy Chairman and Trustee

Name or company name of related director:

SALVADOR ALEMANY MAS

Name or company name of related significant shareholder:

FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)

Relationship:

Trustee

Name or company name of related director:

G3T, S.L.

Name or company name of related significant shareholder:

CRITERIA CAIXA, S.A.U.

Relationship:

G3T, S.L. is a minority shareholder of INVERSIONES AUTOPISTAS, S.L.

C.1.18 Indicate the amendments, if any, to the Board Regulations during the year:

Yes ☐ No ☒

C.1.19 Indicate the procedures for the selection, appointment, re-election, evaluation and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

In accordance with Article 529.4 decies of the Spanish Limited Liability Companies Law and Article 19 of the Board Regulations, proposals for the appointment or re-election of members of the Board of Directors must be submitted by the Nomination and Remuneration Committee, in the case of independent directors, and by the Board of Directors itself in all other cases. These appointment or re-election proposals must be accompanied by a supporting report from the Board that assesses the competence, experience and merits of the proposed candidates. The proposal for appointment or re-election of any non-independent director must also be preceded by a report from the Nomination and Remuneration Committee.

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, 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.

Directors are appointed by the Annual General Meeting, or by the Board of Directors through co-optation.

Directors cease to hold office once their period of tenure has expired and when decided by the Annual General Meeting by virtue of the powers vested in it by law or the Company bylaws.

Directors must tender their resignation to the Board of Directors and, if the latter considers it appropriate, shall formally resign in the following cases:

a) When they cease to hold the executive positions with which their appointment as director was associated. In the case of independent directors, once they have completed twelve (12) years in office.

b) If they are subject to any of the grounds for conflict of interest or prohibition provided for by law.

c) If they are tried for an alleged criminal act, or are subject to a disciplinary proceeding conducted by supervisory authorities for a serious or very serious infringement.

d) When their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist. The latter circumstance shall be deemed to occur in the case of proprietary directors when the total ownership interest they own or represent is divested, or when the reduction of their interest requires a reduction in the number of proprietary directors.

Executive directors must tender their resignation to the Board once they have reached the age of 70, and the Board shall decide whether they may continue to discharge the executive functions delegated to them or simply continue as director.

In accordance with the Spanish Limited Liability Companies Law and the Spanish Code of Good Governance for Listed Companies, the Board of Directors performs an annual assessment of its functioning and that of its committees, proposing, where necessary and based on its findings, an action plan to correct any deficiencies found.

The various committees shall be assessed based on their reports to the Board of Directors, while the Nomination and Remuneration Committee's report shall be used to assess the Board of Directors.

The annual assessment of the Board of Directors for 2017 was conducted with the assistance of an external consultant, the independence of which was verified by the Nomination Committee. The result of the aforementioned assessment was satisfactory, indicating that virtually all of the recommendations of the Spanish Code of Good Governance for Listed Companies are fulfilled.

C.1.20 Explain to what extent the annual assessment of the Board has given rise to important changes in its internal organisation and on the procedures applicable to its activities:

Description of amendments
The Board of Directors evaluates its own functioning on a yearly basis. The 2017 annual assessment was conducted with the assistance of an independent external consultant, in accordance with Recommendation 36 of the Spanish Code of Good Governance for Listed Companies. Their report will be taken into consideration in 2018. The annual assessment of the Board of Directors for 2016 identified a requirement to improve the content of information and to provide it to directors earlier. Favourable progress has been made in this regard.

C.1.20 bis Describe the assessment and the areas assessed by the Board of Directors, aided, where applicable, by an external consultant, in relation to the diversity of its composition and its responsibilities, of the functioning and composition of its committees, of the performance of the Chairman of the Board and the chief executive of the company and the performance and contribution of each director.

The Board of Directors carries out a self-assessment on a yearly basis. To this end, it sends the directors a checklist in order for them to assess their own performance. In addition, the Board includes on the agenda of one of its meetings a point relating to its own assessment, in order for the Board to constructively discuss the way it functions.

The findings of the self-assessment are included in writing in the "Assessment of the functioning of the Board of Directors and its committees" document.

The assessment of the functioning of the Board and its committees is based on the aspects indicated in Recommendation 36 of the Spanish Code of Good Governance for Listed Companies, and analyses matters such as the composition of the Board and the structure of its committees, the frequency and duration of, and attendance at, meetings, the call notice, agenda, documentation and information furnished for the meetings and the matters discussed. The evaluation also analyses the performances and contributions of directors and, in particular, the chairman, chief executive officer, secretary and deputy secretary.

Pursuant to this recommendation, every three years the Board is assisted in this self-assessment by an external consultant. As a result, in 2017 the Board of Directors was assisted in its self-assessment by an external consultant whose independence was verified by the Nomination and Remuneration Committee.

The external consultant appointed by this Committee has no business relationship with the company or any Group subsidiary.

In order to perform this assessment, the external consultant met the Secretary and Deputy Secretary of the Board, and held individual interviews with all of the directors, who first completed a form sent to them by the consultant. The consultant reviewed the minutes of the Board of Directors and its Committees for 2017, and studied the documents pertaining to corporate governance on the company's website. The consultant also examined 139 items relating to the functioning of the Board and the monitoring of the Good Corporate Governance Recommendations, and adaptation to the prevailing legal framework.

The areas assessed mainly related to: (i) the functioning of the Board of Directors, including its composition, the frequency and duration of, and attendance at, its meetings; the call notice, agenda, documentation and information provided for the meetings; and the issues addressed in the meetings; (ii) the functioning, composition and structure of Board Committees; (iii) the performance of the Chairman and CEO; (iv) the performance of the Secretary and Deputy Secretary; and (v) the performance and contribution of the directors.

The conclusions of this assessment were presented to the Board of Directors on 6 February 2018.

C.1.20.ter Disclosure, if any, of the business relationships that the adviser or any company from its group has with the company or any company from its group.

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C.1.21 Indicate the cases in which the directors must resign.

Pursuant to Article 22 of the Board Regulations, directors shall cease to hold office once their period of tenure has expired and when decided by the Annual General Meeting by virtue of the powers vested in it by law or the Company bylaws.

In addition, directors must tender their resignation to the Board of Directors and, if the latter considers it appropriate, shall formally resign in the following cases:

a)When they cease to hold the executive positions with which their appointment as director was associated. In the case of independent directors, once they have completed twelve (12) years in office.

b)If they are subject to any of the grounds for conflict of interest or prohibition provided for by law.

c)If they are tried for an alleged criminal act, or are subject to a disciplinary proceeding conducted by supervisory authorities for a serious or very serious infringement.

d)When their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist. The latter circumstance shall be deemed to occur in the case of proprietary directors when the total ownership interest they own or represent is divested, or when the reduction of their interest requires a reduction in the number of proprietary directors.

Executive directors must tender their resignation to the Board once they have reached the age of 70, and the Board shall decide whether they may continue to discharge the executive functions delegated to them or simply continue as director.

C.1.22 Section annulled

C.1.23 Are qualified majorities, other than statutory majorities, required for any type of decision?

Yes ☒ No ☐

If so, describe the differences.

Description of the differences
i) The affirmative vote of more than two-thirds of directors present or represented is required to adopt the following resolutions: proposed transformation, merger, spin-off or dissolution of the Company; transfer en bloc of the Company's assets and liabilities; contribution of lines of business; change of Company object; increase or decrease of share capital; proposed approval and amendment of the Board Regulations; proposed investment and divestment in excess of the greater of the following two amounts: a) EUR 200 million or b) an amount equal to 5% of the Company's equity; and proposed resolutions affecting the number of directors, the creation of committees of the Board of Directors, appointments thereto and proposed board appointments at subsidiaries and investees of the Company. ii) The affirmative vote of two-thirds of the Board members is required for the permanent delegation of any power by the Board of Directors to the Executive Committee or the chief executive officer and the appointment of directors who will hold such positions, as well as the appointment of the Company's general managers.

C.1.24 Explain whether there are any specific requirements, apart from those relating to directors, to be appointed chairman of the Board of Directors.

Yes ☐ No ☒

C.1.25 State whether the chairman has a casting vote:

Yes ☐ No ☒

C.1.26 Indicate whether the bylaws or the Board Regulations set any age limit for directors:

Yes ☒ No ☐

Age limit for chairman: 0

Age limit for CEO: 70

Age limit for director: 0

C.1.27 Indicate whether the bylaws or Board Regulations set a limited term of office for independent directors, other than that established in legislation:

Yes ☐ No ☒

C.1.28 Indicate whether the bylaws or the Board Regulations establish specific rules for appointing proxies to vote at Board meetings, how they are granted and, in particular, the maximum number of proxies that a single director may hold, and whether any limit has been established in relation to the categories to which it is possible appoint proxies, beyond the limitations imposed by legislation. If so, provide a brief description of the rules.

Article 23.a) of the bylaws and Article 529 quater. 2 of the Spanish Limited Liability Companies Law provide that any director may, in writing, by fax, e-mail or any other similar method, appoint another director as proxy, and that non-executive directors may only appoint other non-executive directors as their proxy.

C.1.29 Indicate how many Board of Directors meetings were held during the year. Also indicate any occasions on which the Board held meetings in which the Chairman was not present. The calculation of attendance shall include proxies granted with specific instructions.

Number of Board meetings	14
Number of Board meetings without chairman's attendance	0

If the chairman is an executive director, indicate the number of meetings held without the attendance or representation of an executive director and chaired by the lead director.

Number of meetings	0

Indicate how many meetings of the various Board committees were held during the year:

Committee	No. of meetings
EXECUTIVE OR DELEGATED COMMITTEE	1
NOMINATION AND REMUNERATION COMMITTEE	10
AUDIT AND CONTROL COMMITTEE	13
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	5

C.1.30 Indicate the number of Board meetings held during the year that were attended by all its members. The calculation of attendance shall include proxies granted with specific instructions:

Number of meetings attended by all the directors	9
% of attendances of the total votes cast during the year	97.56%

C.1.31 Indicate whether the separate and consolidated financial statements submitted for approval by the Board are certified previously:

Yes ☒ No ☐

Indicate, as appropriate, the person(s) who certified the company's separate and consolidated financial statements for authorisation for issue by the Board:

Name	Position
FRANCISCO JOSÉ ALJARO NAVARRO	CHIEF FINANCIAL OFFICER
FRANCISCO REYNÉS MASSANET	DEPUTY CHAIRMAN-CEO
JOSEP MARIA CORONAS GUINART	GENERAL SECRETARY

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent qualified auditor's reports on the separate and consolidated financial statements prepared by it from being submitted at the General Meeting.

The functions of the Audit and Control Committee, a specialist committee of the Board of Directors, include ensuring 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.

The Audit and Control Committee holds regular meetings with the Company's external auditors to avoid discrepancies in the criteria to be followed in preparing the financial statements. However, should the case arise, the report on the functions and activities of the Audit and Control Committee shall include any discrepancies between the Board of Directors and the external auditors and publicly explain the content and extent of the discrepancies.

C.1.33 Is the Board secretary a director?

Yes ☐ No ☒

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MIQUEL ROCA JUNYENT	

C.1.34 Section annulled

C.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the external auditors, financial analysts, investment banks and rating agencies.

The Company's bylaws (Art. 23.c.2) and the Board Regulations of Abertis (Art. 15.2) stipulate that one of the responsibilities of the Audit and Control Committee is to receive information on issues that may jeopardise the independence of the external auditor. Also, the Committee oversees that the remuneration of the auditors for their work does not compromise its quality or independence. In particular, the Committee 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.

Each year, prior to the issue of the auditor's report, the Audit and Control Committee issues a report in which it expresses an opinion on the independence of the auditors or audit firms. In any event, this report contains the value of the provision of the aforementioned additional services, taken on an individual basis and as a whole, other than statutory audit services and on the independence regime or on the audit regulations.

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.1.36 Indicate whether the company changed its external auditors during the year. If so, specify the outgoing and incoming auditors.

Yes ☐ No ☒

In the event of any disagreement with the outgoing auditors, specify the substance thereof:

C.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group:

Yes ☒ No ☐

	Company	**Group**	**Total**
Amount received for other non-audit work (thousands of euros)	254	558	812
Amount received for other non-audit work / Total amount billed by audit firm (as a %)	44.96%	17.74%	21.89%

C.1.38 Indicate whether the auditor's report for the previous year included any reservations or qualifications. If so, specify the reasons given by the chairman of the Audit Committee to explain the content and scope of the reservations or qualifications.

Yes ☐ No ☒

C.1.39 Indicate the number of years that the current audit firm has been uninterruptedly auditing the financial statements of the company and/or its group. Also indicate the number of years audited by the current audit firm as a percentage of the total number of years during which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	6	6
Number of years audited by current audit firm/Number of years the company has been audited (as a %)	13.33%	25.00%

C.1.40 Indicate whether there is a procedure for directors to be able to receive outside advisory services, and if so, give details:

Yes ☒ No ☐

Details of the procedure
Pursuant to Article 24 of the Board Regulations, on expert assistance, in order to receive assistance in discharging their functions, external directors may request the engagement of legal, accounting, financial or other experts at the Company's expense, should special circumstances so require. The engagement must concern specific problems of sufficient significance and complexity that arise in the performance of a director's duties. The Company's chief executive officer must be informed of any decision to engage external consultants, and that decision may be vetoed by the Board of Directors, if it demonstrated that: (i) it is not necessary for the proper discharge of the functions entrusted to the external directors; (ii) the importance of the problem and/or the Company's assets and revenue do not justify the associated costs; and (iii) the technical assistance requested can be adequately provided by the Company's internal experts and technical staff.

C.1.41 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

Yes ☒ No ☐

Details of the procedure
The procedure for directors to be furnished with the information required to prepare for the meetings of the governing bodies sufficiently in advance consists mainly of the provision of documentation prior to the Board meeting, and responding to requests for additional information from the directors. This documentation is posted on a website created in conformity with the strictest security measures for the exclusive and personal use of the Company's directors, called the Abertis Directors' Information System; this also contains documented information on the minutes of the Board of Directors and various committee meetings, corporate governance provisions, annual reports and significant events, inter alia.

C.1.42 Indicate whether the company has established rules obliging directors to report and, if applicable, resign, in situations which could harm the Company's good name and reputation and if so, give details:

Yes ☒ No ☐

Explain the rules
Article 22.2 of the Board Regulations states that directors must tender their resignation to the Board of Directors and, if the latter considers it appropriate in view of the adverse effect on the Company's good standing and reputation, formally resign in the following cases: [...] b) If they are subject to any of the grounds for conflict of interest or prohibition provided for by law. c) If they are tried for an alleged criminal act, or are subject to a disciplinary proceeding conducted by supervisory authorities for a serious or very serious infringement. d) When their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist. The latter circumstance shall be deemed to occur in the case of proprietary directors when the total ownership interest they own or represent is divested, or when the reduction of their interest requires a reduction in the number of proprietary directors.

C.1.43 Indicate whether any of the directors have informed the company of any trials or the commencement of oral proceedings against him/her for any of the offences specified in Article 213 of the Spanish Limited Liability Companies Law:

Yes ☐ No ☒

Indicate whether the Board of Directors has examined the matter. If so, give reasons for the decision taken for the continuation or otherwise of the director in his/her position or, where applicable, detail the actions undertaken, or intended to be undertaken, by the Board of Directors at the date of this report.

C.1.44 Give details of the significant agreements entered into by the company which take effect, are amended or terminated in the event of a change of control of the company following a takeover bid and the effects thereof.

The Company has not entered into significant agreements which take effect, are amended or terminated in the event of a change of control of the Company following a takeover bid.

C.1.45 Identify in aggregate terms and indicate in detail the agreements between the company and its directors, executives or employees which provide for termination benefits, guarantee or golden parachute clauses upon resignation or dismissal without justification or upon termination of the employment relationship as a result of a takeover bid or other kinds of transactions.

Number of beneficiaries: 16

Type of beneficiary:

Chief executive officer and executives

Description of agreement:

An indemnity payment equal to the higher of the following amounts is established in the event of termination by mutual agreement, termination by the employer, unjustified dismissal on disciplinary grounds or dismissal held to be null and void with no reinstatement, or pursuant to any of the clauses specified in Article 10.3 of Royal Decree 1385/1985, of 1 August: (i) the indemnity payment that would have been payable in an ordinary employment relationship in the event of unjustified dismissal or three (3) years' salary for the chief executive officer and two of the managing directors; or (ii) two (2) years' salary in the case of the other general managers.

An indemnity payment to the other executives equal to the higher of the following amounts is established in the event of termination other than by the employee's resignation, declaration of permanent disability, retirement or dismissal on disciplinary grounds held to be justified: (i) the indemnity payment amount provided for under current employment legislation, or (ii) one (1) year's salary.

Cases in which the legal indemnity payment exceeds the indemnity guaranteed by contract are not included in the number of beneficiaries indicated (16).

Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the company or of its group:

	Board of Directors	General Meeting
Body authorising the clauses	**Yes**	**No**

	Yes	No
Is the General Meeting informed of the clauses?		X

C.2 Committees of the Board of Directors

C.2.1 Give details of all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other directors that form them:

EXECUTIVE OR DELEGATED COMMITTEE

Name	Position	Professional
SALVADOR ALEMANY MAS	CHAIRMAN	Proprietary
MARCELINO ARMENTER VIDAL	MEMBER	Proprietary
CARLOS COLOMER CASELLAS	MEMBER	Independent
MARIA TERESA COSTA CAMPI	MEMBER	Independent
MÓNICA LÓPEZ-MONÍS GALLEGO	MEMBER	Independent
FRANCISCO JAVIER BROSSA GALOFRÉ	MEMBER	Independent
LUIS GUILLERMO FORTUÑO	MEMBER	Independent
JUAN-JOSÉ LÓPEZ BURNIOL	MEMBER	Proprietary
FRANCISCO REYNÉS MASSANET	MEMBER	Executive

% of executive directors	11.11%
% of proprietary directors	33.33%
% of independent directors	55.56%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The Executive Committee undertakes all the functions attributed to it by virtue of Spanish law, the applicable regulations and the Company bylaws, primarily in relation to the ordinary course of business, such as the volume of activity of the various business areas, financial reporting and new projects, and it records in its minutes the resolutions it adopts at the various committee meetings.

The rules governing the organisation and functioning of the Executive Committee are contained in Article 23.c.1 of the Company bylaws, Article 14 of the Board Regulations and the provisions of the Spanish Limited Liability Companies Law.

The Executive Committee meets whenever it is convened by its chairman by letter, which may be sent by fax or other traceable electronic means.

The Committee is deemed to be validly convened when the majority of its members attend, either in person or by proxy. The Executive Committee members may appoint another member as proxy.

The decisions of the Executive Committee shall be adopted by the favourable vote of the absolute majority of those attending the meeting, present or represented, except when these refer to the following matters, in which case the favourable vote of over two thirds of the Committee members present or represented at the meeting shall be necessary:

a) proposed transformation, merger, spin-off or dissolution of the Company; transfer en bloc of the Company's assets and liabilities; contribution of lines of business; change of Company object; increase or decrease of share capital;
b) proposed resolutions affecting the number of directors, the creation of committees of the Board of Directors, appointments thereto and the proposed board appointments at subsidiaries and investees of the Company; and
c) proposed investment and divestment in excess of the greater of the following two amounts: a) EUR 200 million or b) an amount equal to 5% of the Company's equity.

The Board is always kept fully informed of the matters discussed and the resolutions adopted by the Executive Committee. The minutes of the Committee meetings are made available to all of the Board members.

Indicate whether the composition of the Delegated Committee reflects the participation of the various directors on the Board according to their category:

Yes ☒ No ☐

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Professional
MÓNICA LÓPEZ-MONÍS GALLEGO	CHAIRMAN	Independent
MARIA TERESA COSTA CAMPI	MEMBER	Independent
JUAN-JOSÉ LÓPEZ BURNIOL	MEMBER	Proprietary
MARINA SERRANO GONZÁLEZ	MEMBER	Independent
MARCELINO ARMENTER VIDAL	MEMBER	Proprietary

% of proprietary directors	40.00%
% of independent directors	60.00%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The functions entrusted to the Nomination and Remuneration Committee and the rules governing the organisation and functioning thereof are described in Article 23 c) c.3) of the Bylaws and Article 16 of the Board Regulations, and in the Spanish Limited Liability Companies Law.

The Nomination and Remuneration Committee shall meet whenever the Board or its chairman requests that a report be issued or a proposal be adopted and, in any case, whenever it is deemed necessary for the proper performance of its functions. It is convened by the Committee Chairman, whether on his own motion or at the behest of the Chairman of the Board of Directors or of three Committee members.

The Board appointed a chairman from among the independent directors sitting on the Committee. The Committee appointed a Secretary and may designate a Deputy Secretary, neither of whom needs to be a director.

The minutes of the Committee meetings are made available to all of the Board members.

Following is a summary of the most significant actions performed by the Committee in 2017:

- Appointments of directors and composition of the Committees:

A) Independent director selection process:

The Committee actively participated in the process of selecting several independent directors, and defined the candidates' necessary functions and skills based on a prior analysis of the Board's needs, in accordance with the criteria established in the Company's Director Selection Policy. This process prioritised at all times diversity of knowledge, experience and gender, as well as international diversity.

In the selection process for these independent directors, the Committee took into account the selection of independent candidates that Egon Zehnder submitted to the Committee at its meeting on 27 April 2016, and the independence criteria set forth in Article 7 of the Board Regulations and section 4 of Article 529 duodecies of the Consolidated Spanish Limited Liability Companies Law.

B) Composition of the Executive Committee:

In order for the composition of the Executive Committee to be an appropriate reflection of the Board, and in accordance with Recommendation 37 of the Spanish Code of Good Governance for Listed Companies, the Nomination and Remuneration Committee submitted to the Board a proposal to increase the number of independent directors on that Executive Committee, proposing two independent directors for this purpose. The Committee also submitted a proposal for appointment of a proprietary director to the Board.

C) Other Committees:

The Committee proposed to the Board the appointment of members for the various Committees to fill the vacancies on those Committees.

- Appointments of directors of investees:

The Committee reported on the proposals to appoint directors on the boards of the investees.

- Director and senior executive remuneration:

The Committee reviewed the director and senior executive remuneration policy contained in the various corporate documents, and reported to the Board on the establishment of objectives for the CEO and senior executives, the level of compliance with these and a quantitative and qualitative assessment.

The Committee also submitted a proposal for the approval of the 2018-2020 Remuneration Policy, along with a specific explanatory report, to the Board of Directors, which in turn will submit it to the shareholders at the General Meeting for approval.

- Organisational changes and senior executive appointments:

The Committee reported to the Board on the organisational changes at the Company and its investees.

- Corporate governance:

A) Annual Report on Directors' Remuneration:

The Committee proposed to the Board that the 2016 Annual Report on Directors' Remuneration be submitted to an advisory vote by the Annual General Meeting.Annual Corporate Governance Report:

B) Annual Corporate Governance

The Committee reported favourably on the 2016,except for the part that comes under the responsibility of the Audit and Control Committee.

C) Report on application of the Internal Code of Conduct:

The Committee's gave a favourable account of the Report on the application of the Internal Code of Conduct in matters relating to the securities market in 2016.

D) Assessment of the functioning of the Board of Directors and of the Nomination and Remuneration Committee:

The Committee was assisted in its assessment of the Board of Directors and its Committees in 2017 by an independent external consultant, who issued a favourable report.

The Committee proposed amendments to Articles 21, 23 and 29 of the Company bylaws to the Board.

There were no changes to the Board Regulations in 2017. However, at its meeting on 23 January 2018, the Committee resolved to propose to the Board the amendment of Article 15 of the Board Regulations, to bring it into line with the bylaws.

AUDIT AND CONTROL COMMITTEE

Name	Position	Professional
CARLOS COLOMER CASELLAS	CHAIRMAN	Independent
MARCELINO ARMENTER VIDAL	MEMBER	Proprietary
SUSANA GALLARDO TORREDEDIA	MEMBER	Proprietary
FRANCISCO JAVIER BROSSA GALOFRÉ	MEMBER	Independent
ANTONIO VIANA BAPTISTA	MEMBER	Independent

% of proprietary directors	40.00%
% of independent directors	60.00%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The functions entrusted to the Audit and Control Committee and the rules governing the organisation and functioning thereof are described in Article 23 c) c.2) of the Company bylaws, the Board Regulations, the Spanish Limited Liability Companies Law and audit regulations.

The Audit and Control Committee is an informative and advisory body, with no executive functions, with powers to inform, supervise, advise and propose within the scope of its activities.

The Committee meets as often as is necessary for it to perform its duties, and is convened by its Chairman, whether on his own motion or at the behest of the Chairman of the Board or of three Committee members.

The Committee shall be deemed to be validly convened when the majority of its members attend, either in person or by proxy. Resolutions are adopted when agreed upon by the majority of the members attending, whether in person or by proxy.

The Board shall appoint one of the independent members of the Committee as its chairman; this person shall be replaced every four years and may be re-elected after a full year has elapsed since the end of his tenure. The Committee shall appoint a Secretary and may designate a Deputy Secretary, who must not be the same person.

The majority of its members are classified as independent directors and all members, in particular its chairman, are appointed with regard to their knowledge and experience in accounting, auditing and/or risk management. The committee members, as a group, have the pertinent technical knowledge regarding the Company's sector of activity.

The Committee may request any Company executive or staff member to attend the Committee meetings in order to cooperate with it or furnish it with information they may have. The Committee may also request the attendance of the Company's auditors at its sessions.

(Continued in the Clarification Note to this section.)

Identify the director who is a member of the Audit Committee who has been appointed taking into consideration his/her knowledge and experience in matters relating to accounting, audits or both, and provide information about the number of years the Chairman has held this position.

Name of experienced director	CARLOS COLOMER CASELLAS
No. of years as Chairman	2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name	Position	Professional category
MARIA TERESA COSTA CAMPI	CHAIRMAN	Independent
CARLOS COLOMER CASELLAS	MEMBER	Independent
G3T, S.L.	MEMBER	Proprietary
LUIS GUILLERMO FORTUÑO	MEMBER	Independent
SANDRINE LAGUMINA	MEMBER	Independent

% of proprietary directors	20.00%
% of independent directors	80.00%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The functions entrusted to the Corporate Social Responsibility Committee and the rules governing the organisation and functioning thereof are described in Article 17 of the Board Regulations and of Article 23 c) c.4) of the Company bylaws.

The Corporate Social Responsibility Committee meets each time the Board or its chairman requests the submission of a report or the adoption of proposals and whenever it is considered appropriate for the smooth performance of its duties. The Committee meetings shall be convened by the Committee Chairman or by three members of the Committee itself.

The Committee has appointed a secretary and may designate a deputy secretary, neither of whom need to be members of the Committee.

Following is a summary of the most significant actions performed by the Committee in 2017:

- ESG accountability: The Committee was involved in preparing the contents of the Integrated Annual Report for relevant aspects of the CSR Master Plan, focusing on non-financial information and the organisation's performance in such areas.

The 2016 Integrated Annual Report was the first report of this type by Abertis. It seeks to gradually integrate the information published by the organisation on its performance in both financial and non-financial areas. The report follows the standard format for preparing integrated reporting of the IIRC, and the latest standards published by the Global Reporting Initiative (GRI - SRS), in addition to other recognised benchmarks for calculating and compiling information on specific issues, such as the carbon footprint, social activities and sponsorship.

The 2016 Integrated Annual Report was reviewed by an external auditor and by the GRI in accordance with the Comprehensive option. It was also rated by the United Nations Global Compact as Advanced, and met the requirements for notification of this initiative to the IDP, in addition to the SDGs.

It has also been involved in preparing the same content for the 2017 version, which retains the same structure, so as to consolidate the internal integration process and meet the disclosure challenges faced this year. The transposition of the European Directive on Non-Financial Reporting into Spanish law affects the timing and form of disclosure of such information, and brings it into line with the financial information included in the management report of the financial statements.

- Results of the audit of the 2016 Integrated Annual Report: Following publication of the 2016 Integrated Annual Report and the monitoring appendix of the CSR Master Plan, the process was assessed, including assessment of the results of the audit of the report. Proposals for improvement and the main projects to be focused on were identified, which include the international roll out of the CSR Master Plan and updating of the materiality analysis.

- Participation in and monitoring of external ESG analyses: Requests to participate in various external assessment and analyst initiatives in the year were answered, including the Dow Jones Sustainability Indexes, FTSE4Good, Carbon Disclosure Project, Trucost, Sustainalytics, MSCI, STOXX and Corporate Knights (Global 100 Leaders ranking). Likewise, monitoring was carried out in relation to the return of the assessment performed by these agencies and the ESG performance analysis initiatives.

One highlight was the arrangement of a sustainable loan during the year, in which the interest rate applied is linked to the assessment of ESG performance by one of the rating agencies that assesses Abertis. This establishes a direct financial connection between improving ESG performance and financial returns.

- CSR master plan: In connection with the international roll out of the CSR Master Plan, the Committee has monitored the working sessions of Abertis' CSR team in Brazil, Argentina and Chile, including all people directly and indirectly involved in implementing measures that will contribute to achieving the quantitative objectives of the CSR Master Plan. In 2017, all business units were involved in preparing specific local plans, including actions planned for the coming years, which will be analysed and assessed during the first half of 2018.

- Other related issues: Planning of the Committee's tasks and specific CSR work agenda for the year; Membership of the We mean Business Coalition; Involvement and participation in the official presentation of the new GRI standards in Spain; Participation, through the Spanish Green Growth Group, in the public consultation on the Spanish Climate Change Law.

- Foundation activities: The Committee has monitored the actions of all areas of the Foundation's activities. These road safety, environmental, social and cultural projects included strategic alliances and agreements, such as those with the Institut Guttmann, UNICEF and UNESCO.

The minutes of the Committee meetings are made available to all of the Board members.

C.2.2 Fill in the following table with the information relating to the number of female directors sitting on the Board of Directors' committees in the last four years:

	Number of female directors							
	2017		2016		2015		2014	
	Number	%	Number	%	Number	%	Number	%
EXECUTIVE OR DELEGATED COMMITTEE	2	22.22%	2	28.57%	1	16.66%	1	11.11%
NOMINATION AND REMUNERATION COMMITTEE	3	60.00%	3	60.00%	2	40.00%	3	60.00%
AUDIT AND CONTROL COMMITTEE	1	20.00%	2	40.00%	1	20.00%	0	0.00%

	Number of female directors							
	2017		2016		2015		2014	
	Number	%	Number	%	Number	%	Number	%
COMISIÓN DE RESPONSABILIDAD SOCIAL CORPORATIVA	3	60.00%	4	80.00%	2	50.00%	2	40.00%

C.2.3 Section annulled

C.2.4 Section annulled

C.2.5 Indicate, as appropriate, whether there are any regulations for the Board committees; if so, indicate where they can be consulted and whether any amendments have been made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

The Board committees do not have their own separate regulations; instead, their operations are governed by the Board Regulations, which are available on the Company's website.

Each of these committees prepared a self-assessment report, which is submitted to the Board of Directors in plenary session and endorsed by it.

The Nomination and Remuneration Committee, the Audit and Control Committee and the Corporate Social Responsibility Committee all prepared reports on their own functions and activities in 2017.

C.2.6 Section annulled

D RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1 Explain the procedure for approval of any related-party and intra-group transactions.

Procedure for reporting on the approval of related-party transactions
Article 4.3 t) of the Board Regulations establishes that the Board, following a report from the Audit Committee, is responsible for approving the transactions performed by the Company or Group companies with directors, significant shareholders or shareholders represented on the Board of the Company or of other companies in the same group, or with persons related to them, unless such transactions simultaneously meet the following three conditions: 1) they are governed by standard form agreements applied on an across-the-board basis to a large number of customers. 2) they are performed, in general, at market rates. 3) their amount is no more than 1% of the Company's consolidated annual revenue. In addition, Article 34 of the Board Regulations establishes that the Board of Directors formally reserves knowledge of any relevanttransaction by the Company with a significant shareholder and in the case of ordinary transactions, general authorisation of the line of operations and the conditions of performance will be sufficient.

D.2 Give details of transactions that are material, with regard to the amount thereof or the matter involved, between the company or group companies and the significant shareholders of the company.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of relationship	Type of transaction	Amount (thousands of euros)
CRITERIA CAIXA, S.A.U.	Abertis Infraestructuras, S.A.	Corporate	Dividends and other profit distributed	115.004
INVERSIONES AUTOPISTAS, S.A.	Abertis Infraestructuras, S.A.	Corporate	Dividends and other profit distributed	53.586

D.3 Give details of the transactions that are material, with regard to the amount thereof or the matter involved, between the company or group companies and the directors or executives of the company:

D.4 Give details of material transactions performed by the company with other entities of the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and from the standpoint of their subject-matter or terms and conditions are not part of the company's ordinary business:

In any event, details shall be provided on any intra-group transactions performed with entities resident in countries or jurisdictions considered to be tax havens:

D.5 Give details of the amount of the transactions performed with other related parties.

4,611 (in thousands of euros)

D.6 Give details of the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its directors, executives or significant shareholders.

Articles 28 et seq of the Board Regulations contains 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 situations 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 any 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 involved in conflicts of interest 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.

D.7 Is more than one group company listed in Spain?

Yes ☐ No ☒

Identify the listed subsidiaries in Spain:

Listed subsidiaries

Indicate whether the respective business lines and any possible business dealings between them, as well as those of the listed subsidiary with the other Group companies have been clearly and publicly defined:

Define the possible business dealings between the parent and the listed subsidiary and between the listed subsidiary and the other group companies

Identify the mechanisms established to resolve any possible conflicts of interest between the listed subsidiary and the other group companies:

Mechanisms to resolve any possible conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's risk management system, including tax risks.

The Board of Directors of Abertis Infraestructuras, S.A. is allocated the task of preparing the risk strategy and defining the tax strategy, entrusting this function to the Audit and Control Committee, which establishes the Risk Control and Management Policy of the Abertis Group as well as its Tax Policy, and supervises the risk management system and its commitment to the application of best tax practices.

The Abertis Group implements a risk management model, approved and monitored by the Audit and Control Committee, and applicable to all business and corporate units in all countries where the Group carries on its activities. The risk management model covers all the Group's possible risks, including tax risks, to ensure the Group's main objectives are achieved.

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 cross-checked and approved by the general managers of the business unit or the corporate area managers, as is the tax risk map, which is subject to follow-up and monitoring by Abertis' tax advisory department. 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 company's bodies in charge of preparing and executing the risk management system,including the tax 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:

- Sustainable growth in the value of the share and in shareholder remuneration.
- Protection of the Group's reputation, fostering good Corporate Governance practices and commitment through the application of best tax practices.

- Provision of a quality service in all Group-operated infrastructure.

The bodies responsible for definition, execution and oversight are as follows:

Board of Directors: retains ultimate responsibility for defining the risk strategy and 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 preparing and updating 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.

General Managers of business/corporate units: 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.

Coordinators of business/corporate risk units: are responsible for coordinating the implementation of the risk management model in each unit or area, which includes the identification and assessment of risks, as well as the implementation of a system for controlling, monitoring and communicating 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 details of control activities, as well as information on the status of action plans.

Function supervisors: are responsible for identifying risks in their respective areas and notifying their unit's risk coordinator appropriately. They are also responsible for the identification and implementation of control activities aimed at mitigating risks.

The responsibilities defined in the previous sections are detailed in the "Risk Control and Management Policy", which is subject to review by and the approval of the Audit and Control Committee.

E.3 Give details of the main risks, including any tax risks, that might affect the achievement of the business objectives.

The business objectives may be adversely affected by the following main risks:

- Risks in the business environment, arising from changes in the economy that could lead to lower demand in some countries, changes in tax, legal and environmental regulations, social and political changes, and adverse weather conditions (snowfalls…).

- Risks arising from the specific nature of the Group's business, which mainly relate to the maturity and time limits of concessions, agreements with public authorities, conducting operations in regulated markets, meeting concessionary obligations and investment commitments, and bringing into service alternative infrastructures.

- Financial risks arising from growth operations and investment financing processes, from fluctuations in interest and exchange rates, rating reviews and refinancing.

- Operational risks arising from the integration of acquisitions, the safety of users and employees, adaptation and rapid response to technological changes in operating systems, control over construction projects, infrastructure maintenance, the security, integrity and confidentiality of financial and corporate information and business know-how, the hiring and performance of personnel, training and retaining talent, fraud, dependency on suppliers and business interruptions.

E.4 Identify whether the entity has a risk tolerance level, including the tax risk tolerance where applicable.

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 liabilities.

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, terms 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 Give details of any risks, including any tax risks, that arose during the year.

The risks identified in the risk maps of the various business or corporate units are mainly those risks inherent to the business model and 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 some of the countries in which the Group operates creates uncertainty about potential impacts on the course of our activity. However, the flexibility of our decision making and the internationalisation and geographic diversification of our businesses resulted in the Group suffering no major impacts.

- 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 (funding of new growth operations and investment commitments), but have been mitigated by the Group's strict financial discipline, with guidelines and limits defined by the governing bodies and comprehensive monitoring of the entire organisation.

- Hurricane Maria, which was classified as catastrophic, caused significant damage to infrastructure in Puerto Rico. However, there was no damage to the personnel or critical damage to the infrastructure of Metropistas, the Group's motorway business. The damage identified was covered by the insurance policies contracted, and the contingency plans activated to mitigate the risks of losses, and protect service quality and the safety of people.

- Major maturities of toll-road concessions in the short and medium term are being offset by the addition of new concessions (Rodovias dos Calçados for 30 years in Brazil) and agreements with the administrative bodies that awarded concessions (extension of concession terms in exchange for previously unplanned investment).

- The purchase share's agreements reached by Abertis with the other shareholder of Hispasat (which has exercised its right to sell) are pending authorization, which warns that this sale authorization affects the possible availability from the investment.

E.6 Explain the response and oversight plans for the entity's main risks, including any tax risks.

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, 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 this group of priority-monitoring risks are part of the specific initiatives implemented for each of these 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 and regulatory changes, and those specifically relating to the concession business, are monitored by management committees, while financial and operating risks are generally monitored by corporate committees, in conjunction with specific committees of the business units (safety committees, operating committees, technological committees, etc.).

Response plans vary based on each risk type and address aspects such as:

- The internationalisation and geographical diversification strategy, due to the economic downturn in certain countries and periods, which is offset by increased demand from growth in other countries. In 2017, Abertis continued to enhance its international presence with the acquisition of two motorways in India and new public-private agreements and/or acquisitions in most of the countries in which it operates.

- Cost optimisation, with the definition, implementation and monitoring of efficiency plans, focusing in particular on the optimisation of operating costs and control of operating investments in all Abertis Group business units.

- Dialogue with the parties involved in providing tailor-made solutions for each country in the infrastructure industry and in negotiations with public authorities, under which the Group sometimes undertakes to make specific investments. In 2017, Abertis agreed to acquire Rodovía dos Calçados in Brazil (for around EUR 420 million). Through the Abertis Group companies GCO and Ausol in Argentina, it also signed an agreement for the extension of the concession arrangement and recognition of pending rebalancing. This included a plan for additional investment to improve the current road network, amounting to EUR 224 million and EUR 420 million, in GCO and Ausol, respectively, in exchange for 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 corporate responsibility in Abertis Group companies, and bringing greater stability to its economic results and greater legal certainty. The Abertis Group has implemented the contents 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 IN CONNECTION WITH FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the risk control and management systems in relation to the entity's internal control over financial reporting (ICFR).

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 in the markets 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, 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 ICFR system, 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 2017 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 2017 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 2017 specific training was provided in the following areas:

- Accounting training on "International Financial Reporting Standards (IFRSs) and the Spanish National Chart of Accounts" (2017). Course given by external auditors to the Consolidation and Accounting Regulations Department.

- Tax courses given by the Corporate Tax Department, in particular, on the latest tax developments in 2017 in the main countries in which Abertis has a presence and international taxation.

- Courses given by the Compliance Department, specifically:

    - Classroom-based training on the prevention of workplace harassment
    - Online training on the misuse of information for non-managerial staff
    - Refresher campaign on topics such as corruption, conflicts of interest, ethical channel, ethical and crime prevention committees, and information management

- Training with regard to IFRS accounting and regulatory matters at Group subsidiaries.

- Training on accounting and control tools taught at subsidiaries in India.

- 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, evaluations 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, control of changes, system operation, 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 2017 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 ICFR.

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 2017”) 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 monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit department whose responsibilities include supporting the Audit Committee in its role of overseeing the internal control system, including ICFR. Also describe the scope of the ICFR 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 2017 the ACC performed the following activities in relation to the ICFR system:

- Review of the risk and control matrix updates.
- Monitoring (at each quarterly close) of the certifications of the application of controls by the personnel responsible for preparing the financial reporting.
- Validation of the scheduled ICFR reviews by Internal Audit in the annual approval of the review plan for the following years.
- 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.

With regard to financial reporting and the general ICFR model, in 2017 two reviews were carried out (one at the interim reporting date and another at year-end), with the following scope:

- Review of the 2017 risk and control matrix updates in accordance with the changes in the scope of consolidation.
- Review of the functioning of the controls on significant transactions, judgements and estimates and financial reporting preparation.
- Controls on general risks and risks relating to IT systems are reviewed at the intervals determined in accordance with the general criteria for Internal Audit reviews.

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 2017, which were submitted to the ACC, no material weaknesses were detected which might have a material impact on the Group's financial reporting for 2017, 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 TAS), 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.

The action plans relating to the weaknesses detected in 2017 were implemented using recommendations which follow the prioritisation, supervisor assignment and monitoring process described in section F.5.1.

F.6 Other relevant information

No additional aspects were identified for disclosure.

F.7 External auditor's report

Report on:

F.7.1. Whether the ICFR 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. If "no", give reasons.

The external auditor reviewed Abertis' ICFR information that was reported to the markets for 2017. 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 DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the Spanish Code of Good Governance for Listed Companies.

If a recommendation is not followed or only partially followed, a detailed explanation of the reasons should be provided so that the shareholders, investors and the market in general have sufficient information to evaluate the company's performance. Explanations of a general nature are not accepted.

1. The bylaws of listed companies should not place an upper limit on the votes that may be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Followed ☒ Explain ☐

2. When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:

a) The type of activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.

b) The mechanisms in place to resolve possible conflicts of interest.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

3. At the Annual General Meeting, in addition to the communication in writing of the Annual Corporate Governance Report, the Chairman of the Board of Directors should orally inform the shareholders, in sufficient detail, of the most important matters in relation to the company's corporate governance and, in particular, of:

c) Changes since the previous Annual General Meeting.

d) The specific reasons why the company does not follow certain recommendations of the Corporate Governance Code and the alternative rules applied in this connection, should any exist.

Followed ☒ Partially followed ☐ Explain ☐

4. The company should define and promote a policy of communication and contact with shareholders, institutional investors and voting advisers that fully complies with regulations against market abuse and treats shareholders in the same position in a similar manner.

The company should publish this policy on its website, including information on how it has been implemented, identifying the liaison personnel or staff in charge of implementing it.

Followed ☒ Partially followed ☐ Explain ☐

5. The Board of Directors should not put forward to the Annual General Meeting a proposal to delegate powers in order to issue shares or convertible securities with disapplication of pre-emption rights for an amount exceeding 20% of share capital upon delegation.

When the Board of Directors approves any share or convertible security issue with disapplication of pre-emption rights, the company should immediately publish on its website the reports on such disapplication referred to in corporate legislation.

Followed ☒ Partially followed ☐ Explain ☐

6. The listed companies that prepare the reports indicated below, whether obligatorily or voluntarily, should publish them on their respective websites sufficiently in advance of the Annual General Meeting, whether or not they are required to disseminate them:

e) Report on auditor independence.

f) Reports on the functioning of the Audit Committee and the Nomination and Remuneration Committee.

g) Audit Committee report on related party transactions.

h) Report on the corporate social responsibility policy.

Followed ☒ Partially followed ☐ Explain ☐

7. The company should stream a live broadcast of the Annual General Meetings on its website.

Followed ☒ Explain ☐

8. The Audit Committee should ensure that the Board of Directors seeks to present the financial statements to the Annual General Meeting without any limitations or qualifications in the auditor's report. Should such qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to the shareholders of the related matters and scope limitations or qualifications.

Followed ☒ Partially followed ☐ Explain ☐

9. The company should have a permanent, public record on its website of the requirements and procedures that it will accept in order to evidence the ownership of shares, the right to attend the Annual General Meeting and the exercise or delegation of the right to vote.

Such requirements and procedures should prioritise the attendance and the exercise of the rights of the shareholders and should be applied in a non-discriminatory manner.

Followed ☒ Partially followed ☐ Explain ☐

10. When any legitimate shareholder has exercised, prior to the Annual General Meeting, the right to complete the agenda or present new proposals, the company should:

a) Immediately make such supplementary points and new resolution proposals public;

b) Make public the attendance card model or vote delegation/proxy vote form with the modifications necessary so that new items on the agenda and alternative resolution proposals can be voted on under the same terms as those proposed by the Board of Directors;

c) Submit all those points or alternative proposals to vote and apply the same voting rules to them as are applied to the points and proposals prepared by the Board of Directors, including, specifically, the assumptions or deductions on which way to vote; and

d) After the Annual General Meeting, communicate the breakdown of the vote on those supplementary points or alternative proposals.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

11. If the company plans to pay attendance bonuses to the Annual General Meeting, it should establish beforehand a general policy on such bonuses, and the policy should be stable.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

12. The Board of Directors should perform its duties with unity of purpose and independence of judgement, according all shareholders in the same position the same treatment. It should be guided by the corporate interest, understood as securing long-term, profitable and sustainable business that fosters its own continuity and maximises the company's economic value.

In pursuit of corporate interest, in addition to respect for laws and rules and behaviour based on good faith, ethics and respect for customs and generally accepted good practice, the company should attempt to reconcile, where applicable, corporate interest with the legitimate interests of its employees, suppliers, customers and those of the other stakeholders that may be affected, as well as with the impact of the company's activities on the community as a whole and on the environment.

Followed ☒ Partially followed ☐ Explain ☐

13. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise between five and fifteen members.

Followed ☒ Explain ☐

14. The Board of Directors should approve a director selection policy that:

a) Is specific and verifiable.

b) Ensures that appointment or re-election proposals are based on a preliminary analysis of the needs of the Board of Directors.

c) Favours diversity of knowledge, experience and gender.

The findings of the preliminary analysis of the needs of the Board of Directors should be included in the Nomination Committee's supporting report, which should be published when calling the Annual General Meeting to which the ratification, appointment or re-election of each director will be submitted.

The director selection policy should encourage the achievement of the target of at least 30% of the total members of the Board of Directors being female in 2020.

Each year the Nomination Committee shall verify compliance with the director selection policy and this shall be reported on in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐

15. Proprietary and independent directors should occupy an ample majority of Board places, while the number of executive directors should be the minimum number required, bearing in mind the complexity of the corporate group and the ownership interests held by the executive directors.

Followed ☒ Partially followed ☐ Explain ☐

16. The proportion of proprietary directors as a percentage of the total non-executive directors should not exceed the proportion of the company's capital they represent.

This criterion may be relaxed:

a) At large cap companies where few equity stakes attain the legal threshold for significant shareholdings.

b) At companies with multiple shareholders represented on the Board of Directors but not otherwise related.

Followed ☐ Explain ☒

Since 2015, the Company has given independent directors such a significant representation on the Board of Directors that they make up the majority of the Board, thereby avoiding the disproportionate influence of proprietary directors. However, the proportion is slightly higher than that indicated in the recommendation, despite having fallen in 2017. This should be considered reasonable taking into account that the company has few major shareholders and the significant size of the treasury share portfolio.

17. The number of independent directors should represent at least one half of all Board members.

However, if the company is not a large cap company or, even if it is but has one shareholder or various shareholders acting collectively controlling more than 30% of the share capital, the number of independent directors should represent at least a third of the total number of directors.

Followed ☒ Explain ☐

18. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional experience and background

b) Directorships held in other companies, listed or otherwise, and other paid activities carried out by the directors, regardless of their nature.

c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.

d) The date of their first appointments as a company director, and subsequent re-elections.

e) Shares held in the company and any options thereon.

Followed ☒ Partially followed ☐ Explain ☐

19. After verification by the Nomination Committee, the Annual Corporate Governance Report should also disclose the reasons for the appointment of proprietary directors at the request of shareholders controlling less than 3% of capital and explain any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others applying successfully for a proprietary directorship.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

20. Proprietary directors should resign when the shareholders they represent transfer their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board of Directors, based on a proposal from the Nomination Committee. In particular, just cause shall be presumed to exist when a director is appointed to a new post or undertakes new obligations that prevent him or her from devoting the necessary time to the duties required of a director, is in breach of the duties inherent to his or her position or comes under one of the grounds which result in the loss of his or her position as an independent director in accordance with the applicable legislation.

The removal of independent directors may also be proposed as a result of a takeover bid, merger or similar corporate transaction producing changes in the company's capital structure, when such changes in the structure of the Board of Directors are made in order to meet the proportionality criterion set out in Recommendation 16.

Followed ☒ Explain ☐

22. Companies should establish rules obliging directors to inform the Board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

When a director is sued or tried for any of the offences established in corporate legislation the Board of Directors should examine the matter forthwith and, in view of the particular circumstances, decide whether or not he/she should be called on to resign. The Board of Directors should also disclose all such determinations in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐

23. All directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.

When the Board of Directors makes material or reiterated decisions about which a director has expressed serious reservations, then he/she must draw the pertinent conclusions. Directors resigning on such grounds should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the Secretary of the Board, director or otherwise.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board of Directors. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

25. The Nomination Committee should ensure that the non-executive directors have enough time available to correctly discharge their functions.

The Board Regulations should establish the maximum number of company directorships the Board members can hold.

Followed ☒ Partially followed ☐ Explain ☐

26. The Board of Directors should meet with the necessary frequency to properly perform its functions (at least eight times a year), in accordance with a calendar and agenda set at the beginning of the year, to which each director may individually propose the addition of other items.

Followed ☒ Partially followed ☐ Explain ☐

27. Directors' absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

Followed ☒ Partially followed ☐ Explain ☐

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minutes.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

29. The company should establish the appropriate channels in order for the directors to be able to obtain the advisory services required for the fulfilment of their functions, including, as the circumstances may require, external advisory services charged to the company.

Followed ☒ Partially followed ☐ Explain ☐

30. Companies should also offer the directors refresher programmes when the circumstances so advise, regardless of the knowledge required of the directors to discharge their functions.

Followed ☒ Explain ☐ Not applicable ☐

31. The agenda of the meetings should clearly indicate the items on which the Board of Directors must adopt a decision or resolution so that the directors can first study them or find the information required to adopt them.

Exceptionally, in urgent cases when the chairman wishes to submit decisions or resolutions that do not appear in the agenda for approval to the Board of Directors, the prior and express consent of the majority of the directors present shall be required, and this shall be duly recorded in the minutes.

Followed ☒ Partially followed ☐ Explain ☐

32. The directors shall be regularly informed of the changes in the shareholder structure and of the opinion that the significant shareholders, investors and credit rating agencies have of the company and its group.

Followed ☒ Partially followed ☐ Explain ☐

33. In addition to performing his or her functions as stipulated in the law and the bylaws, the chairman, as the person responsible for the proper functioning of the Board of Directors, should prepare and submit to the Board of Directors a programme of dates and business to be transacted; should organise and coordinate regular evaluations of the Board and, as appropriate, the evaluation of the chief executive of the company; should be responsible for managing the Board and its effective operation; should ensure sufficient time is devoted to discussing strategic matters; and should agree and review the refresher programmes for each director when the circumstances so advise.

Followed ☒ Partially followed ☐ Explain ☐

34. Should there be a lead director, in addition to the powers legally attributed to them, the company bylaws or Board Regulations should also confer the following powers on them: to chair meetings of the Board of Directors should the chairman (and deputy chairman, if there is one) not be available; express the concerns of non-executive directors; contact investors and shareholders to learn their views in order to be able to form an opinion on their concerns, in particular in relation to the corporate governance of the company; and coordinate the succession plan for the chairmanship.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

35. The Secretary of the Board of Directors should take special care to ensure the Board's actions and decisions take into account the good governance recommendations included in this Good Governance Code that might be applicable to the company.

Followed ☒ Explain ☐

36. The Board of Directors in plenary session should evaluate the following points on a yearly basis and, if appropriate, adopt an action plan to correct any deficiencies detected in relation to the following:

a) The quality and efficiency of the Board's operation.

b) The operation and composition of its committees.

c) Diversity in the composition and responsibilities of the Board of Directors.

d) The performance of the chairman of the Board of Directors and the chief executive of the company.

e) The performance and contribution of each director, placing particular emphasis on the persons responsible for the various committees of the Board.

The various committees shall be assessed based on their reports to the Board of Directors, while the Nomination and Remuneration Committee's report shall be used to assess the Board of Directors.

Every three years, the Board of Directors shall be assisted in the evaluation by an external consultant, the independence of which shall be verified by the Nomination Committee.

The business relationships that the consultant or any company from its group has with the company or any company from its group must be disclosed in the Annual Corporate Governance Report.

The process and the areas evaluated shall be disclosed in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐

37. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the Board itself. The Secretary of the Board should also act as secretary to the Executive Committee.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

38. The Board of Directors should be kept fully informed of the business transacted and resolutions adopted by the Executive Committee. To this end, all Board members should receive a copy of the Committee's minutes.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

39. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters and the majority of these members should be independent directors.

Followed ☒ Partially followed ☐ Explain ☐

40. Under the supervision of the Audit Committee, there should be a unit responsible for the internal audit function which ensures the systems of internal control and financial reporting function correctly, and which reports to the non-executive chairman of the Board or the chairman of the Audit Committee.

Followed ☒ Partially followed ☐ Explain ☐

41. The head of the internal audit function should present an annual work programme to the Audit Committee, report directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

42. The Audit Committee should have the following tasks in addition to those provided for by law: 1. With respect to internal control and reporting systems:

a) Oversee the preparation and integrity of the financial information of the company and, if applicable, of the group, and check compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards.

b) Monitor the independence of the internal audit function; proposing the selection, appointment, re-appointment and removal of the head of internal audit; proposing the internal audit department's budget; approving its work plans and methods, ensuring that its activity focuses primarily on the company's significant risks; receiving periodic information on its activities; and checking that senior management acts on the findings and recommendations of its reports.

c) Establish and monitor a mechanism whereby employees can report, in a confidential or, where possible and if appropriate, anonymous manner, any potentially significant irregularities within the company, particularly of a financial and accounting nature.

2. In relation to external audit:

a) The Committee should investigate the circumstances giving rise to the resignation of any external auditor.
b) Oversee the remuneration of the work of the external auditor to ensure its quality and its independence are not compromised.
c) Supervise that the company reports any change of auditors to the Spanish National Securities Market Commission (CNMV) as a significant event, with an accompanying statement of any disagreements arising with the outgoing auditors and the reasons behind them.
d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session to inform it of the work performed and the changes in the accounting situation and risks of the company.
e) Ensure the company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence.

Followed ☒ Partially followed ☐ Explain ☐

43. The Audit Committee may call on any company employee or executive to be present at its meeting, even ordering their presence without another senior executive.

Followed ☒ Partially followed ☐ Explain ☐

44. The Audit Committee should be informed of the structural and corporate changes expected to be made by the company for analysis and reporting thereof prior to the Board of Directors meeting on their economic conditions and their accounting impact and, especially, as appropriate, on the proposed exchange ratio.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

45. The control and risk management policy should specify at least:

a) The different types of financial and non-financial risk (operational, technological, legal, social, environmental, political and reputational, among others) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
b) The determination of the risk level the company sees as acceptable.
c) Measures in place to mitigate the impact of identified risks, should they occur.
d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

Followed ☒ Partially followed ☐ Explain ☐

46. An internal control and management function should exist under the direct supervision of the Audit Committee, or as appropriate, of a specialist committee of the Board of Directors, for the management of risks, performed by a unit or internal department of the company, which would have the following functions allocated to it:

a) Ensure the risk control and management systems function correctly and, in particular, all the major risks affecting the company are adequately identified, managed and quantified.

b) Actively participate in preparing the risk strategy and in major decisions regarding risk management.

c) Ensure the risk control and management systems adequately mitigate risks in the framework of the policy defined by the Board of Directors.

Followed ☒ Partially followed ☐ Explain ☐

47. The members of the Nomination and Remuneration Committee -or of the Nomination Committee and the Remuneration Committee, if they are separate- should be appointed with regard to their having the knowledge, skills and experience appropriate to the functions they would have to perform, and the majority of the members should be independent directors.

Followed ☒ Partially followed ☐ Explain ☐

48. Large cap companies should have separate nomination and remuneration committees.

Followed ☐ Explain ☒ Not applicable ☐

Since the members of the Nomination and Remuneration Committee were selected from among the members of the Board of Directors due to their experience, specialisation and dedication in nomination and remuneration matters, the creation of two separate committees with an identical composition would be inadvisable.

49. The Nomination Committee should consult with the company's chairman of the Board of Directors and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Followed ☒ Partially followed ☐ Explain ☐

50. The Remuneration Committee should carry out its duties independently, and should have the following duties in addition to those attributed to it by law:

a) Propose to the Board of Directors the standard conditions for senior executive employment contracts.

b) Check compliance with the remuneration policy set by the company.

c) Review the remuneration policy applied to directors and senior executives on a regular basis, including remuneration systems with shares and their application, and ensure their individual remuneration is proportionate to what is paid to the other directors and senior executives of the company.

d) Ensure possible conflicts of interest do not infringe upon the independence of the external advisory services provided to the committee.

e) Verify the information on the remuneration of the directors and senior executives contained in the various corporate documents including the annual report on the remuneration of the directors.

Followed ☒ Partially followed ☐ Explain ☐

51. The Remuneration Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior executives.

Followed ☒ Partially followed ☐ Explain ☐

52. The rules governing the composition and operation of the supervisory and control committees should be included in the Board Regulations and should be consistent with those applicable to statutory committees according to the aforementioned recommendations, including the following:

a) The committees should be formed exclusively of non-executive directors, with a majority of independent directors.

b) The committees should be chaired by an independent director.

c) The Board of Directors should appoint the members of such committees having regard to the knowledge, aptitudes and experience of its directors and the remit of each committee and should discuss their proposals and reports. The committees should report the business transacted and account for the work performed at the first plenary session of the Board following each committee meeting.

d) Committees may engage external consultants, when they feel this is necessary for the discharge of their duties.

e) Meetings should be recorded in minutes and should be made available to all Board members.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

53. The supervision of fulfilment of the corporate governance rules, the internal codes of conduct and the corporate social responsibility policy should be entrusted to one, or shared between several, committees of the Board of Directors, which could include the Audit Committee, the Nomination Committee, the Corporate Social Responsibility Committee, if it exists, or a specialist committee the Board of Directors might decide to create through the exercise of its self-governing powers, to which the following minimum functions would be specifically assigned:

a) The supervision of fulfilment of the company's internal codes of conduct and corporate governance rules.

b) The supervision of the communication strategy and the relationship with shareholders and investors, including small and medium-sized shareholders.

c) The regular evaluation of the suitability of the company's corporate governance system, in order to ensure it fulfils its mission to promote the corporate interest, and takes into account, as applicable, the legitimate interests of the other stakeholders.

d) The review of the company's corporate responsibility policy to ensure it is centred on value creation.

e) The monitoring of the corporate social responsibility strategy and practices, and the evaluation of their degree of fulfilment.

f) The supervision and evaluation of the processes in relation to the various stakeholders.

g) The evaluation of all the company's non-financial risks, including operational, technological, legal, corporate, environmental, political and reputational risk.

h) The coordination of the process of reporting non-financial and diversity information in accordance with the applicable legislation and the international standards of reference.

Followed ☒ Partially followed ☐ Explain ☐

54. The corporate social responsibility policy should include the principles or commitments taken on by the company on a voluntary basis in its relationship with the various stakeholders and should identify at least the following:

    a) The objectives of the corporate social responsibility policy and the development of support mechanisms.

    b) The corporate strategy in relation to sustainability, the environment and social matters.

    c) Specific practices in matters related to: shareholders, employees, customers, suppliers, corporate matters, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.

    d) The methods or systems for monitoring the results of the application of the specific practices mentioned in the previous letter, the associated risks and the management thereof.

    e) The mechanisms to supervise non-financial risks, ethics and business conduct.

    f) The company's communication, participation and dialogue channels with stakeholders.

    g) Responsible communication practices that prevent the manipulation of information and protect integrity and reputations.

Followed ☒ Partially followed ☐ Explain ☐

55. The company should disclose information on matters related to corporate social responsibility using an internationally accepted methodology in a separate document or in the directors' report.

Followed ☒ Partially followed ☐ Explain ☐

56. The directors' remuneration should be sufficient to attract and retain directors with the required profile and to compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise the independent judgement of the non-executive directors.

Followed ☒ Explain ☐

57. Variable remuneration linked to the company's and personal performance, and remuneration comprising the delivery of shares, share options or other share-based instruments referenced to the share value and the long-term saving schemes such as pension plans, retirement systems or other employee welfare systems should be confined to executive directors.

    The delivery of shares as remuneration for non-executive directors may be included provided the directors retain them until the end of their tenure. The foregoing shall not apply to shares the directors need to dispose of, as the case may be, to satisfy the costs of their purchase.

Followed ☒ Partially followed ☐ Explain ☐

58. In the case of variable remuneration, remuneration policies should include technical limits and safeguards to ensure they reflect the professional performance of the recipients and not simply the general progress of the markets or the company's industry or other similar circumstances.
    And, in particular, the variable components of the remuneration:

a) Should be linked to performance criteria that are predetermined and measurable, and these criteria should take into account the risk assumed to achieve a profit.

b) Should promote the sustainability of the company and include non-financial criteria that are suited to the creation of value in the long term, such as compliance with the internal rules and procedures of the company and with its risk control and management policies.

c) Should be established on the basis of a balance between compliance with the short-, medium- and long-term objectives, which enables the remuneration of performance over a period of time that is long enough to evaluate their contribution to the sustainable creation of value, where the elements of performance being measured are not limited to specific, occasional or extraordinary events.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

59. The payment of a significant portion of the variable components of the remuneration should be deferred for a sufficient minimum period of time to ensure the pre-established performance conditions are met.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report entailing a decrease in such earnings.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

61. A significant portion of the variable remuneration of the executive directors should be linked to the delivery of shares or financial instruments referenced to their value.

Followed ☐ Partially followed ☐ Explain ☒ Not applicable ☐

The remuneration policy approved at the Annual General Meeting on 24 March 2015 and in force for a period of three years allows for the annual and pluriannual variable remuneration to be paid in cash, shares or as an extraordinary contribution to the retirement scheme, with the executive director required to notify the way of payment to the Company previously to the accrual of such remuneration.

Accordingly, a significant portion of executive directors' annual and pluriannual variable remuneration is linked to share performance.

62. Once the shares, share options or rights over shares relating to remuneration systems have been allocated, the directors should not be able to transfer the ownership of a number of shares equal to twice their fixed annual remuneration, and neither should they be able to exercise the options or rights until a term of at least three years from allocation has elapsed.

The foregoing shall not apply to shares the directors need to dispose of, as the case may be, to satisfy the costs of their purchase.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

63. The contractual agreements should include a clause to enable the company to claim repayment of the variable components of the remuneration when the payment was not adjusted to the performance conditions, or when the payment was made in line with data subsequently proven to be inaccurate.

Followed ☐ Partially followed ☐ Explain ☒ Not applicable ☐

Although there is no specific repayment clause in the agreement enabling repayment of variable remuneration based on the achievement of previously established goals to be claimed when such remuneration has been paid as a result of information that has later proven to be clearly inaccurate, it should be noted that:

i. The Nomination and Remuneration Committee is empowered to propose to the Board of Directors that variable remuneration be cancelled under such circumstances.

ii. Furthermore, the Nomination and Remuneration Committee should assess whether exceptional circumstances of this kind may not only imply claiming amounts wrongfully received, but also the termination of the employment relationship with the manager(s) in question, proposing the adoption of appropriate measures to the Board of Directors.

The Company considers that the current agreement should not be amended.

64. Payments for contract termination should not exceed an amount established as equal to two years' total annual remuneration, and should not be paid until the company is able to check the director has met the pre-established performance criteria.

Followed ☐ Partially followed ☐ Explain ☒ Not applicable ☐

The contract between the Company and the chief executive officer is for an indefinite term and does not establish the right to receive any termination benefits.

In the event of termination of this contract, the special senior management employment relationship agreed to in 2009, before the implementation of this recommendation, shall be reinstated.

If the aforementioned special senior management relationship is extinguished by mutual agreement between the parties, through withdrawal by the employer, through a disciplinary dismissal being held to be unjustified or null and void without reinstatement or on any of the grounds specified in Article 10.3 of Royal Decree 1382/1985, the executive shall be entitled to receive the agreed termination benefits consisting of three years' salary.

The Company has analysed this situation and considers that the current situation should not be altered.

Notwithstanding the above, it should be noted that for new hires, it is Company policy not to include a clause stipulating termination benefits exceeding two years' salary in any senior management employment contract. In addition, a hypothetical payment for the termination of the chief executive officer's contract would not be made until the Company had verified that the chief executive officer had met the previously established requirements.

H OTHER INFORMATION OF INTEREST

1. 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.

2. 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 company 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.

3. The company 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.

CODE OF GOOD TAX PRACTICES.

On 25 November 2014, the Board of Directors of Abertis Infraestructuras, S.A. resolved to comply with the Code of Good Tax Practices, drafted within the Forum of Large Companies in collaboration with the Spanish Tax Agency. This resolution applies to all companies belonging to the tax group for income tax purposes in Spain. It is expressly stated that Abertis has effectively implemented the content of this Code.

CLARIFICATION NOTE ON SECTION A.2

As Abertis Infraestructuras, S.A. is involved in a public offer procedure to acquire its shares, in section A.2, have been identified as significant shareholders all those whose percentage of voting rights reaches or exceeds 1% on December 31, 2017. All of this, in accordance as set out in section 6 of article 30 of Royal Decree 1362/2007 which enacts the Securities Market Law, in relation to transparency requirements relating to information on issuers whose securities are admitted to trading on an official secondary market or in another Regulated market of the European Union.

CLARIFICATION NOTE ON SECTION C.1.15

The pension rights accumulated by current directors include the contribution accrued in 2015, 2016 and 2017.

CLARIFICATION NOTE ON SECTION C.1.16

The total remuneration corresponds to the remuneration received by all senior executives in 2017, although some were not considered to fall into that category at year-end, and includes the amount received as a result of obtaining the multi-year bonus earned in 2015, 2016 and 2017.

CLARIFICATION NOTE ON SECTION C.1.17

Marcelino Armenter Vidal is the individual representative of CAIXA CAPITAL RISC, S.G.E.I.C., S.A., the sole director of CAIXA CAPITAL FONDOS, S.C.R., S.A.U., CAIXA CAPITAL BIOMED, S.C.R., S.A., CAIXA CAPITAL TIC, S.C.R., S.A., CAIXA CAPITAL MICRO, S.C.R., S.A. and CAIXA VENTURE CAPITAL, S.A.

Marcelino Armenter Vidal is also the individual representative of CAIXA CAPITAL FONDOS S.G.E.I.C, S.A.U, the sole director of CAIXA EMPRENDEDOR XXI, S.A.

CLARIFICATION NOTE ON SECTION C.1.45

The number of beneficiaries shown corresponds to the total number of employees who are guaranteed termination benefits in the event of dismissal in excess of the statutory amount.

CLARIFICATION NOTE ON SECTION C.2.1

Continuation of the text of the Audit and Control Committee’s functions:

The minutes of the Committee meetings are made available to all of the Board members.

Following is a summary of the most significant actions performed by the Committee in 2017:

a) Review of economic and financial information, specifically:

- The Company’s separate and consolidated financial statements for 2016, the half-yearly financial statements and quarterly economic and financial information. The Company was also notified of the requirements of the CNMV in matters within its remit.

- The effective application of the ICFR system controls at each close and notification of the results of the reviews performed by the external auditor and the Internal Audit unit.
- The results of the impairment tests carried out on the Group’s main assets.
- Illustrative tables showing that the Company has generated sufficient profit, and the preliminary financial statements evidencing the existence of sufficient cash and cash equivalents to be able to distribute interim dividends.
- Monthly monitoring of the Company’s treasury shares.
- Monitoring of the regulatory and best practice developments (including tax regulations and best practices applied by Abertis since Abertis since 2014).

b) Relationship with the auditors:

- The Committee received information on issues that could potentially jeopardise the independence of the auditors, as well as on other matters concerning the audit process. Specifically, it monitored audit fees, including those relating to other professional services rendered to the Company and its Group.
- The Committee verified that no grounds exist for calling the auditors’ independence into question, and issued a report on their independence.

c) Overseeing the internal audit:

One of the Audit and Control Committee’s duties is to oversee the effectiveness of the internal control system at the Abertis Group. This function is undertaken mainly by Internal Audit. The main activities carried out by Internal Audit and supervised by the Audit and Control Committee in 2017 were as follows:

- Performance of the reviews included in the 2017 Audit Plan, and of other reviews arising at the request of certain Company departments or at the behest of the Internal Audit unit itself, and systematic and periodic monitoring of the recommendations proposed in the reviews.
- Approval of the 2018 Audit Plan. To this end, the companies under the Group's control were classified on the basis of risk and materiality criteria, determining the activities to be reviewed (revenue, purchases, non-current assets, staff, financial management, technology, travel expenses, maintenance and warehousing and ICFR, inter alia) and how often they should be reviewed.

d) Supervision of risk control:

One of the functions of the Audit and Control Committee is to oversee the risk management systems of the Abertis Group. This is carried out by the Risk Control Area.
The activities performed by the Risk Control Area in 2017, under the supervision of the Audit and Control Committee, most notably include the monitoring of priority risks, review of risk maps (including control activities and action plans), monitoring of changes in risks and identification of emerging risks, implementation of the GRC tool to automate and simplify the process, analysis of risks at the local level and periodic monitoring of the main risks arising from litigation at the Group.

e) Supervision of compliance systems:

One of the functions of the Audit and Control Committee is to oversee compliance with the Company's Code of Ethics and to oversee the compliance system's surveillance and control measures to prevent the commission of criminal offences, which is performed as part of the activities of the Compliance Area.
In 2016 the Committee monitored the activities implemented by the function and received information on the process of updating the management and organisational model for the prevention of crimes, the results of the work involving the preparation of a criminal risk map and changes in internal regulations on compliance, the code of ethics and crime prevention.

f) Assessment of the Audit and Control Committee's operations:

The Committee held a meeting to discuss its operations and activities in view of international best practices, changes in regulations and its own experience.

In order to comply with the provisions of Article 529 nonies of the Spanish Limited Liability Companies Law and Recommendation 36 of the Spanish Code of Good Governance for Listed Companies, the Nomination and Remuneration Committee at its meeting on 23 January 2018 appointed, after verifying their independence, an external consultant to assist the Board in carrying out its annual assessment and that of its committees. On 26 January 2018, the external consultant issued its assessment report on the functioning of the Board and its committees, which it classified as satisfactory.

CLARIFICATION NOTE ON SECTION D.2

On September 26, 2017, there was a change in control in CaixaBank (a company with which Abertis maintains balances and transactions) so that CriteriaCaixa, significant shareholder of Abertis, no longer exercises control or a dominant influence over CaixaBank. In this sense, from the aforementioned date, CaixaBank is no longer considered a related company of Abertis. Therefore, only transactions made with CaixaBank up to September 26, 2017 have been included.

In addition to the operations that are significant due to their amount or relevant for their subject matter detailed in section D.2., the following must also be indicated:
-CaixaBank, S.A.-Abertis Infraestructuras, S.A.-Nature of Contract-Type of operation: Interest charged-Amount: 2,421 thousand of euros.
-CaixaBank, S.A.-Abertis Infraestructuras Finance BV-Nature Contract-Type of operation: Interest paid-Amount: 3,628 thousands of euros.
-CaixaBank, S.A.-Autopistas, Spanish Concessionaire, S.A.-Commercial Nature-Type of operation: Reception of services-Amount: 1,634 thousand euros.
-CaixaBank, S.A.-Aumaristas Aumar, S.A.C.E.-Commercial Nature-Type of operation: Reception of services-Amount: 1,013 miles of euros.
-CaixaBank, S.A.-Vasco Aragonesa Highway, S.A.-Nature of Contract-Type of operation: Interest charged-Amount: 3,374 thousands of euros.
-CaixaBank, S.A.-Túnels de Barcelona i Cadí Concessionaire of the Generalitat de Catalunya, S.A.-Nature Contractual-Type of operation: Interest charged-Amount: 4,101 thousand euros.
-VidaCaixa, S.A. of Insurance and Reinsurance-Abertis Infraestructuras, S.A.-Nature Contractual-Type of operation: Reception of services-Amount: 1,325 thousand euros.
-VidaCaixa, S.A. of Insurance and Reinsurance-Abertis Infraestructuras, S.A.-Nature of Contract-Type of operation: Interests charged-Amount: 6,510 thousand euros.

CLARIFICATION NOTE ON SECTION D.5

The amount indicated includes the operations that are not significant due to their amount or relevant for their nature made between the Company or entities of its group and significant shareholders of the Company.

This annual corporate governance report was approved by the Company's Board of Directors at its meeting held on 06/02/2018.

Indicate whether any directors voted against or abstained in relation to the approval of this report.

Yes ☐ No ☒

Abertis Infraestructuras, S.A. and Subsidiaries

Auditor's report on the system of Internal Control over Financial Reporting (ICFR) of the Abertis Group for 2017

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

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

AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE ABERTIS GROUP FOR 2017

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 of 22 November 2017, 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 2017, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is 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, 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, that 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 Auditing Standards, 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 Auditors' 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 establishes 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 2017 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 Spanish Audit Law 22/2015, of 20 July, we do not express an audit opinion in the terms provided for in that Law.

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. 7/2015, of 22 December 2015.

2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Abertis Group.

3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR system descriptive information. In this regard, the aforementioned documents include reports prepared for the Audit and Control Committee by internal audit, senior management and other internal or external specialists.

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 in connection with the work performed, signed by those 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 established by article 540 of Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Spanish Securities Market Law, and by CNMV Circular no. 7/2015, of 22 December, and for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Iván Rubio Borrallo

6 February 2018

2017 integrated annual report

abertis
commitment & delivery

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Letter from the Chairman

Dear shareholders,

It is my pleasure to present you the Integrated Annual Report for the 2017 financial year. A report which, according to the requirements established in the current accountability regulations, contains financial and non-financial information that allow consolidating an integrated vision of the economic, environmental, social and good governance performance of our organization, thus meeting the expectations of our various stakeholders. The Integrated Annual Report and its annex have been prepared according to the main international standards on the matter and have been reviewed externally.

The results of our activity throughout the year 2017 reflect the good performance of the business, driven by the growth of traffic in our main markets. In turn, the increase of our stake in Sanef in France and A4 Holding in Italy together with the new Via Paulista concession granted to Arteris in Brazil and the agreement reached with the Argentine government for the extension of the concessions of Ausol and GCO, are elements that allow us to embrace the future with optimism. These operations contribute to the renewal of our concessions portfolio, with new additions that replace those that will end their journey in the coming years. A strategy focused on achieving stability in the generation of cash flow, which is necessary to achieve our commitment to generate value for our shareholders.

The behavior of the Abertis share throughout 2017 can be described as exceptional, in the strictest sense of the word. The announcement of the Takeover Offer made by Atlantia last May, and the subsequent competing offer announced by Hochtief in October reveal an unprecedented situation for our company.

The interest shown by these two business groups to achieve a controlling position in the shareholding of Abertis is an example of the attractiveness that our company has today, endorsing a track record of success that has allowed us to position ourselves as world leaders in the industry. This, together with the high liquidity of our stock market value, has allowed them to compose two offers that have had a very positive reception from the markets.

This situation has benefited our shareholders, who have seen the value of their shares increase by nearly 40% over the entire year. A return that is added to the total dividend of 80 cents per share for the year 2017, which the Board of Directors has agreed to propose to the General Shareholders' Meeting.

Since Abertis' inception in 2003, and until the end of 2017, the average annual return of the share was 10.28%, including stock market appreciation, bonus issues and dividend yield. Likewise, during the last five years the cumulative yield rose to 113% with an annual average of 16%, for a shareholder who had bought his or her shares on December 31, 2012 and did not sell them until December 31 of 2017.

In the area of corporate governance, 2017 saw the incorporation as independent directors of Mr. Xavier Brossa Galofré and Mr. Antonio Viana-Baptista. With these appointments, ratified by the General Meeting in March, the Board has 9 independent directors or 60% of the total.

Also in this area, last October the Board of Directors agreed to the move our registered office. A temporary decision that seeks to protect the general interests of the company and its shareholders avoiding any uncertainty that could impact the current circumstances.

With respect to corporate social responsibility matters, Abertis has once again renewed its commitment with the United Nations Global Compact and the Sustainable Development Goals, known as the 2030 Agenda. In this sense, it has joined the initiative developed by the Spanish Network of the United Nations Global Compact to promote knowledge and contribute to the achievement of the Sustainable Development Goals in the business world.

Throughout 2017, work has continued on the development of specific CSR plans in each country and progress has been made to include the new activities and countries in the materiality analysis. Actions have been developed to promote eco-efficiency and the circular economy that will contribute to achieving the objectives of reducing greenhouse gas emissions and recovering construction waste. And the objectives that we have set ourselves in terms of equal opportunities and diversity, as well as in the field of occupational health and safety, are equally ambitious.

I would also like to highlight the collaboration agreement signed with UNICEF to combat the main cause of death of school-age children, road accidents, offering children a safe journey to and from school. With this agreement, UNICEF recognizes our commitment to road safety and our program of campaigns adapted to the needs of the most vulnerable groups.

More and more agencies and entities are evaluating our compliance in economic, environmental, social and good governance matters. These external evaluations allow us to continue working permanently to improve the systemic performance of the organization, which has led us to remain in the main sustainability indices one more year.

To conclude, on behalf of the Board of Directors, I wish to thank you for the trust you have placed in us and in the work of the thousands of people who, from the companies that make up the Abertis group, strive every day to provide a service of the highest quality to users through modern, safe and sustainable infrastructures.

Thank you very much.

Salvador Alemany Mas

Chairman

Letter from the Vice-Chairman and Chief Executive Officer

Dear shareholders,

2017 has been an important year for Abertis. On the one hand, in the last twelve months the Group has entered a new market -India- and has strengthened its position in the markets where it was already present - France, Italy and Brazil - with an investment in growth of about 3,700 million euros. On the other hand, the period of the 2015-2017 Strategic Plan has been successfully completed, and it is the result of a significant collective effort by the entire team of the Group.

2017, investment and growth

Abertis has recorded double-digit growth in its main figures in 2017, closing the year with a net profit of nearly 900 million euros, and revenues that, for the first time in history, have exceeded 5,000 million euros.

These figures have been boosted by the improvement in the operating margin and also by the inclusion of the results of minority interests, following a broad participation purchase plan executed during the year.

Thus, in France, Abertis has assumed 100% control of Sanef (from 52% at the end of 2016); and in Italy, the company has increased its stake in A4Holding with the purchase of minority interests, from the initial 51.4% to more than 90% (until January 2018).

In the last 12 months, the Group has invested more than 3,700 million euros, allowing it to increase its concessional average life and consolidate its strategy of continuous investment in its network, and with an eye set on two clear objectives: road safety - through the Road Safety program - and the adaptation of our infrastructures to an increasingly digitized and interconnected world - through the Road Tech program - both of which are strategic for the Group.

2015-2017 Strategic Plan: fulfilling our commitments

The year 2017 is also special for Abertis since it closes the period linked to the 2015-2017 Strategic Plan which has been successfully completed, exceeding its commitments across its four strategic pillars: growth, focus, efficiencies and shareholder remuneration.

Between 2015 and 2017 Abertis has entered new countries with new subsidiaries, such as Emovis or Eurotoll, and through the purchase of new concessions in countries such as Italy, Brazil or India, consolidating its position as a world leader in the industry with a presence in 15 countries in Europe, America and Asia.

In turn, the company has completed its process of focusing on the toll road sector, which accounts for 100% of the business in the consolidated accounts of the Group.

In terms of efficiencies, Abertis has strengthened its efforts to search for synergies in our operations and among the Group's various companies. Three years later, our international subsidiaries stand out for their efficiency, their adaptation to the needs of the industry in their respective countries, and their management excellence, by leveraging and sharing the Group's know-how and best practices throughout the world.

Lastly, Abertis has continued to improve shareholder remuneration with an annual increase in remuneration of 10%.

Abertis' broad - international and institutional - shareholder base and the latest shareholding shifts are another example of the growing attraction offered by the Group's industrial and business project, which in 2017 was placed at the center of attention of the infrastructure sector in the world.

A team committed to the project

At Abertis, we fulfill our commitments, and this is possible thanks to the daily collaborative effort of the entire team of the Group. Their commitment to the project, their enthusiasm for continuous improvement, their resolve before the day-to-day challenges, and their ability to adapt to change in a constantly-changing industrial environment have allowed us to meet all the objectives we had set ourselves more than three years ago today.

Today, Abertis has consolidated itself as the international leader in the toll road industry, a more internationalized, competitive, efficient, sustainable and attractive group for its employees, customers and shareholders. In short, a better company for society.

Thank you very much for trusting the entire Abertis team.

Francisco Reynés Massanet

Vice-chairman-CEO

Abertis in 2017

Global Leader

Kilometers (directly managed)	Kilometers (indirectly managed)	Concessions	Kilometers travelled
7.994	654 km	43	75 million

Financial strength

Net Profit	Revenue	Ebitda	Total investments
€897Mn +13%	€5,323 Mn +13%	€3,480 Mn +14%	€3,728 Mn
Discretionary Cashflow	**Accrued dividends**	**Net Debt**	**Corporate rating**
€1,987 Mn +20%	€792Mn + 10%	€15,367Mn 4.4x Ebitda	BBB+ (Fitch Ratings) BBB (Standard & Poor's)

Safe and innovative roads

Total ADT	Accident rate	Fatality rate	Electronic Toll transactions
24,368 +2.5%	21,3 - 3%	1.3 - 6%	62.9% (+2)

Value creation for society

Tax contribution	Final workforce	Work-related accidents[1]	Occupational Health & Safety Training
€1,832Mn	15,099 people	-32%	106,934 hours[1] -27%
CO_2e emissions / revenue (scopes 1 and 2) [1]	**Community**[1]	**Local supplier purchases**[1]	**Index FTSE4GOOD**
-13%	315 initiatives developed	91%	Two consecutive years

[1] As per the scope of non-financial information (specified in Chapter 7 of this report)

2017 Milestones

JANUARY

- Sanef agrees with the French government a €147Mn investment in exchange for an increase in tariffs.

FEBRUARY

- Abertis purchases an additional 8.53% of A4 Holding.

MARCH

- Abertis closes the purchase of two toll roads in India for €133Mn.

APRIL

- Abertis reaches 100% stake in Sanef, its French subsidiary.
- Arteris wins the Via Paulista concession in Brazil.
- Autopistas opens the first free flow toll in Spanish AP-7 toll road.

JUNE

- Grupo Concesionario del Oeste agrees with Argentina Government a US$250Mn investment in exchange for an extension of the term of the concession.
- Abertis reaches global agreement with Waze in 7 countries to join its Connected Citizens program.

JULY

- Abertis reaches 84% ownership of A4 Holding after several acquisitions from minority stakeholders.

AUGUST

- Ausol reaches new agreement with Argentina for a US$430Mn investment in exchange for an extension of the term of the concession.

OCTOBER

- Emovis launches free-flow toll in the Mersey Gateway Bridge in the United Kingdom.
- Repurchase of part of the bonds issued by Autostrada Brescia-Verona-Vincenza (€200Mn) with maturity in 2020
- Global partnership with UNICEF to prevent damages caused to children as a result of car accidents.
- The Group signs its first “sustainable credit” for €100Mn.

NOVEMBER

- HIT, owner of French subsidiary Sanef, issues bonds for €1,000Mn and repurchases €140Mn of bonds from a previous issue.

DECEMBER

- Arteris opens the duplication of the Régis Bittencourt toll road in the Serra do Cafezal after a total investment of €330Mn.
- Abertis renews its presence in the FTSE4Good indices for the second year in a row.

Additionally, on May 15, 2017, Atlantia announced its decision to make a public takeover offer on all Abertis Infraestructuras shares. The acceptance period of this takeover offer was suspended on October 18 when the company Hochtief submitted a competing offer to acquire also 100% of the shares of Abertis Infraestructuras. This competing offer is pending authorization from the National Securities Market Commission at the close of fiscal year 2017.

1

Strategy

Abertis is the global leader in toll road management with over 8,600 kilometers managed and a presence in 15 countries in Europe, America and Asia.

Abertis is the leading international road infrastructure management group by kilometers managed, with 8,648 kilometers of high capacity and quality roads and presence in 15 countries in Europe, America and Asia.

Abertis is the leading national road operator in countries such as Spain, Chile, and Brazil, and has an important presence in France, Italy and Puerto Rico. The company has stakes in the management of more than 650 kilometers indirectly managed.

Thanks to the internationalization strategy developed by the Group in recent years, today more than 70% of Abertis' revenues comes from outside Spain, with significant contributions from France, Brazil and Chile.

Abertis' top priority is driver safety. The company invests continuously in smart technology and engineering to ensure that its customers experience a safe, comfortable, fast and easy journey when they choose to travel on the Group's toll roads.

Fueled by its commitment to research and innovation, Abertis combines advances in high capacity infrastructures with new technologies to drive innovative solutions to meet the challenges of the future of mobility.

Abertis is listed on the Spanish Stock Exchange and is part of the selective Ibex 35, as well as of international indices FTSEurofirst 300 and Standard & Poor's Europe 350.

Abertis' vision is to be the world's leading operator in infrastructure management at the service of mobility and communications. Our mission: to promote and manage toll roads in a sustainable and efficient way, contributing to the development of the infrastructures of society in harmony with the well-being of our employees, and to create long-term value for our shareholders.

Basis for value creation

- Be the reference company in the industry. Nobody is better placed than Abertis to set the pace on quality and innovation.

- Our long-term commitment and the high quality of our services make us a great partner for the Governments.

- Continuous investment in technology and smart engineering, which allows us to maintain maximum levels of service in our toll road networks day after day, guaranteeing clients a fast, comfortable, easy and safe journey.

- By combining financial strength and industrial experience: we have a strong financing capacity in world markets and have the best know-how in the industry.

- By being part of the solution to problems associated with the increase of world traffic, such as congestion and climate change.

Industrial vision

Engineering

Our team of engineers is committed to keeping the highest levels of service, quality and technology in our toll roads; to guarantee their optimized maintenance in order to contribute to extending their lifecycle; and to control construction risks in all expansion and renovation projects in order to ensure compliance with planned schedules.

Technology

Abertis' experts promote the use of innovative solutions geared at increasing efficiency, safety and quality of service. All of the above with the goal of ensuring efficient and safe traffic management through diligent monitoring of traffic conditions, efficient control of traffic flows, etc., while providing continuous information to the client.

Operations

Abertis' industrial team develops and deploys best practices and policies that are based on the Group's broad experience and know-how.

Industry opportunities and challenges

The toll road management industry offers several opportunities and poses a number of challenges of different nature that will have an impact on the future business prospects in the coming years.

Opportunities

Mobility as a service

Big data and the collaborative economy are driving mobility as a service, a new transport paradigm centered on the user. 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.

Digitization and connectivity

Road infrastructure should incorporate new digital components such as wireless networking technologies, digitization, the Internet of Things and artificial intelligence, which will be vital for better managing the new generation of autonomous and connected vehicles.

New payment systems

The demand for free-flow tolling systems is growing due to the advantages they bring through both the reduction in travel times and carbon emissions and the ease of payment.

Road infrastructure deficit

Globally, the estimated infrastructure deficit is set in trillions of dollars, corresponding a significant part to road transport infrastructure. In the coming years, plenty of opportunities will arise both in new roads designing in developing markets such as India or Latin America, and in the upgrading of existing ones in mature markets such as Europe and the United States.

Generating financial resources

There are multiple road transportation costs, including construction, maintenance, congestion and pollution. At a time when investment in infrastructure is paramount as a driver for economic growth, the private sector can contribute to the much-needed investments in infrastructure. The implementation of pay-per-use schemes in toll roads can be a way to transfer the risk of demand of infrastructure projects.

Challenges

Traffic growth management

The increase in traffic (it is estimated that the number of vehicles in the world will grow 4 times by 2050) will pose important challenges such as pollution, congestion and other externalities on road safety and public health, imposting new ways of traffic management that seek a more sustainable, efficient and safe mobility.

Evolution of the economic situation

The uncertainty in the evolution of macroeconomic data and the collapse of prices of raw material along with other elements such as stalling investments and weak improvement of the productivity can contribute to discouraging consumption and road transportation.

Increasing competition

In recent years, a number of new international players with interest in assets such as toll roads have appeared in the market. These are fundamentally infrastructure investment funds and pension funds. The current scenario, which is marked by low interest rates, have led these funds to increasingly invest in infrastructure assets due to their attractive profitability.

Regulations and legal security

The majority of the Group’s businesses are in the form of concessions, and thus, limited in time, based on agreements with governments, and carrying the duty to guarantee the concessional obligations and the investment commitments. The legal security that protects bilateral contracts is a cornerstone of the industry.

Adapting to society’s new expectations

Toll road clients and other stakeholders have new expectations related to services, customer care, new technologies, transparency and flexibility, among others.

Strategic Plan

In 2017 Abertis has invested over €3,600 Mn in growth transactions.

Growth deals in 2017

Growth in the existing asset base

In 2017 Abertis gained control of 100% of the Holding d'Infraestructures de Transport (HIT) holding, a company controlling 100% of Sanef, after successive acquisitions of capital from the rest of the minority shareholders. Abertis has invested more than 2,200 million euros throughout the year in this process, which strengthens the Group's presence in its biggest market.

Abertis has also increased its stake in A4 Holding, its Italian subsidiary. The Group has closed agreements to acquire several minority interests until reaching close to 90% of the capital of the A4 and A31 toll roads concessionaire, which has been already completed in January 2018.

The Group has also strengthened its position in Brazil. In October, Arteris - a subsidiary of Abertis - signed the concession contract for Via Paulista in São Paulo. The concession was awarded by the State of São Paulo in April for a period of 30 years.

It is a concession totalling 720 kilometers, which includes 317 kilometers managed by Autovias (belonging to the Arteris Group) and other additional 401 kilometers, which, up to the time of the bidding process, were under direct management by the State of São Paulo.

With these operations, Abertis has achieved a greater balance of its global portfolio by growing in economies with stable concessional frameworks and a clear commitment to public-private partnerships in the toll road sector.

New acquisitions

In March, Abertis closed the agreement with the MSIIPL and SMIT funds, controlled by Macquarie and State Bank of India, for the acquisition of two of India's main toll roads, NH-44 and NH-45, for a total of 133 million euros.

After this deal, Abertis controls 100% of concessionaire Trichy Tollway Private Limited (TTPL), which manages the NH-45 toll road (State of Tamil Nadu), and 74% of Jadcherla Expressways Private Limited (JEPL), which holds the concession of the NH-44 toll road (State of Talangana). These two toll roads are located in regions that are experiencing an economic growth that is above the average of the whole of India and both have GDP levels that are among the highest in the country.

This transaction, which represents the Group’s entry into the Asian market, is an important step in Abertis' commitment to geographical diversification, with presence in an expanding continent and in one of the countries with the highest potential growth in the world, reinforcing the Group's leadership and balancing its global exposure to different markets.

Private-public partnership agreements

In January, Abertis’ French subsidiary Sanef reached an agreement with the French Government for the implementation of a new investment plan for the upgrade of its network. Under the agreement, Sanef will invest 147 million euros in various projects in exchange for a rate increase of between 0.27% (Sanef) and 0.40% (Sapn) per year from 2019 to 2021.

This new plan will improve the French road network around four basic objectives: road safety, traffic flow, quality of service and environmental sustainability, while giving a new boost to the French economy through large-scale work aimed at promoting the activity and employment of the country's businesses network.

In August, Ausol, a subsidiary of the Abertis Group in Argentina, agreed with the Ministry of Transportation on new investments in its toll road network. This agreement contemplates an additional investment plan to improve the current road network for a total of US$430 million, which will be fully financed with future revenues of the concession thanks to the extension of the current contract, set to end in 2020, until the end of 2030.

Two months earlier, in mid-June of this year, the Group had reached a similar agreement with the Argentine Government regarding its other concessionaire in the country, Grupo Concesionario del Oeste S.A. (GCO), which also contemplates an investment plan of US$250 million and an extension of the concession term until the year 2030.

Abertis thus reinforces its commitment to public-private partnerships with the goal of achieving solutions aimed at creating future value for the territories through agreements with governments for new investments in exchange for extensions of the term of concessions or through rate increases.

In this sense, the Group has reached important agreements in the majority of countries where it operates, including Argentina, France, Italy, Brazil, Chile and Puerto Rico. In addition, the operation shows the Group's ability to grow its portfolio of existing assets, by increasing the average term of its concessions.

Continuous search for new opportunities

In 2017, the Abertis Business Development area analyzed more than 40 projects in 18 countries, of which seven projects have been successfully completed, enabling Abertis to consolidate its presence in countries where it already conducts business (France, Brazil, Italy and Argentina) and to gain access to new countries with high potential in the field of road concessions (India).

Without prejudice of the passivity duty due to the takeover offers on Abertis, the company keeps on working on a business-as-usual basis, and it is in a position to leverage all the opportunities that may arise.

Targeted markets

North America

Western Europe

Latin America

Australia

India

Shareholder remuneration in 2017

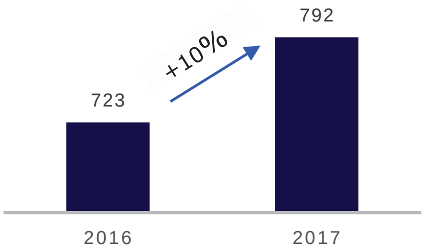
+10%

2017 shareholder remuneration

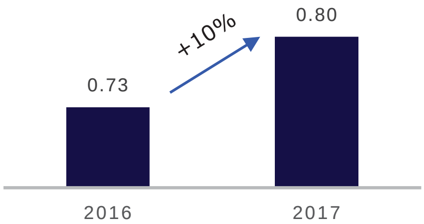
Delivering on the commitment stablished in the 2015-2017 Strategic Plan, the dividend per share has grown 10% in 2017. With this policy of shareholder remuneration, Abertis will have distributed nearly 2,166 million euros in the 2015-2017 period in ordinary dividends alone.

For more information, see the Shareholder Remuneration section in this report.

Ordinary accrued dividends (€Mn)

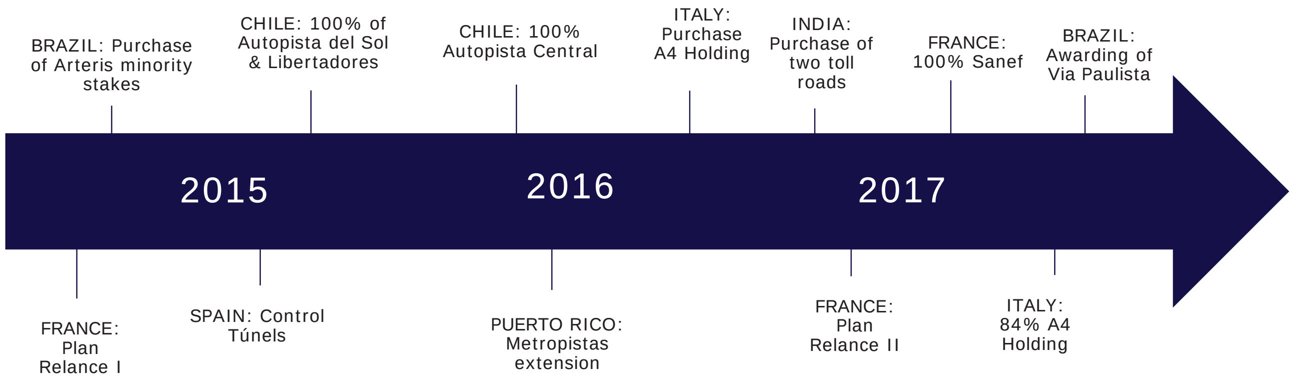


Dividend per share (€)



2015-2017 STRATEGIC PLAN: COMMITMENT AND DELIVERY

1. DRIVERS FOR GROWTH



More than €7,000 Mn invested in growth since 2015

INVESTMENT AGREEMENTS WITH GOVERNMENTS

FRANCE	BRAZIL	CHILE	PUERTO RICO	ITALY	ARGENTINA
Plan Relance I and II	Network upgrade	Autopista Central (under negotiation) and Autopista del Sol	Extension of PR-22 and PR-5	North Connection project	Upgrade of GCO and Ausol
€750 Mn	€2,000 Mn	€800 Mn	€125 Mn	€1,500 Mn	€565 Mn

2. FOCUS

Cellnex Telecom IPO

cellnex
driving telecom connectivity

2015

Disposal last assets in airports

MBJ (Jamaica) and Santiago de Chile

2015

A pure toll road operator

3. EFFICIENCIES

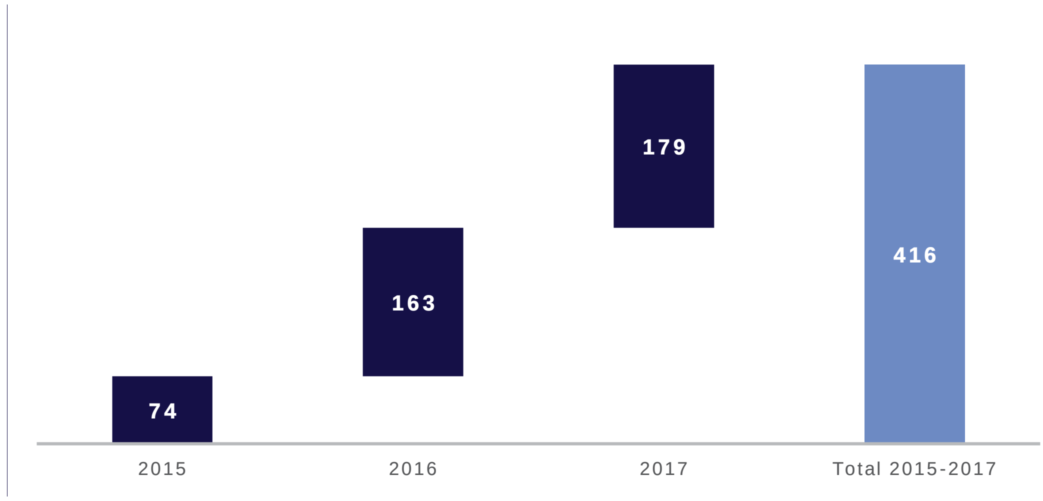
France, Brazil and Spain

New efficiency plans

Over €2,000 Mn

Cumulative savings **2010-2017**

Annual and cumulative savings - Efficiencies (€Mn)



Over €400 Mn of cumulative savings since 2015

4. INCREASED SHAREHOLDER REMUNERATION

+10%

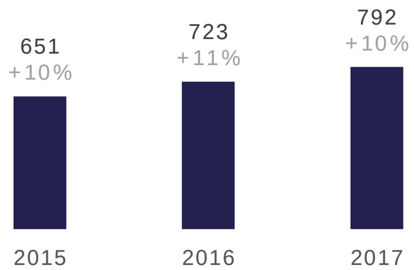
Shareholder remuneration

2015-2017

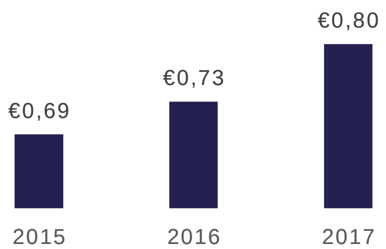
Over €2,166 Mn

Ordinary dividends paid 2015-2017

Paid dividends (€Mn)



Dividend per share



Over €2,100 Mn in ordinary dividends

Strategic programs

The Group's two strategic programs seek to respond to the main challenges of future mobility, such as road safety, congestion and pollution.

Road Safety

Abertis' Road Safety program builds on more than 60 years of knowledge and experience in toll road construction and management with the highest international standards.

The Group invests in smart technology and engineering to ensure that its customers have the best experience when traveling on our roads.

Abertis applies advanced construction and management practices and collaborates with reference institutions and organizations worldwide.

Looking ahead, Abertis conducts awareness-raising initiatives every year aimed at groups such as children and young people, and promotes university research.

Road Tech

Abertis is concerned about the mobility of the future. The company manages roads in an efficient and state-of-the-art way, innovating in technology and investing in smart engineering programs for a sustainable future.

Abertis' Road Tech program promotes projects aimed at the new challenges of mobility, such as electric, connected or autonomous vehicles.

Abertis also leads innovation in the digitalization of road payment methods and promotes mobility solutions with the implementation of free-flow toll projects in many countries.

Collaborative projects
Electric vehicles

Connected vehicles

Company businesses
Payment systems issuers

Free-flow and tolling technology

Road Tech Report

For more information about these strategic programs, see the Safe and Innovative Roads section in this report.

CSR Master Plan

The Corporate Social Responsibility (CSR) policy and the materiality analysis constitute the basis for the definition of the CSR Master Plan.

Master Plan

The Board of Directors' CSR Committee is responsible for the follow-up and development of the CSR Master Plan, with the Corporation's CSR Department acting as the global coordinator; and the different business departments involved in all the activities and countries, acting as the operating parties.

➲ In 2017 the 2016-2020 CSR Master Plan was deployed internationally, with the goal of building action plans available in each country, that would centralize and deploy all actions related to the achievement of the different objectives set in the Master Plan.

➲ Work was undertaken for the progressive inclusion of Italy, India and Emovis in the existing CSR formal management processes, the initial result of which is their direct participation in the ESG (Environment, Social and Good Governance) accountability exercise.

➲ Abertis' CSR Department has conducted workshop sessions in Brazil, Chile and Argentina. The sessions have identified specific management and operational aspects that affect the deployment of actions related to the management of ESG impacts, as well as contextual facts that help explain and adapt the management approach of each of the aspects.

The development of the Road Tech and Road Safety strategic programs together with the deployment of the best corporate governance practices and the management of the rest of the environmental and social aspects through the CSR Master Plan centralize the management approach of the material ESG aspects in connection with the organization's activities. The direct link with the Strategic Plan is formalized through the inclusion of shared monitoring indicators for both the Strategic Plan and the CSR Master Plan.

Data related to detailed performance by activity and country for each of the strategic objectives of the CSR Master Plan are detailed in the Annex linked to this report.

External evaluations

The frequency and significance of external evaluations of environmental, social and good governance matters have increased, as have their degree of systematization and procedure. This is partially due to the relevance and inclusion of the results in the decision-making process of the different stakeholders, including the investment and finance sector.

Participation in different evaluations has secured Abertis' continued presence in different reference indices, such as the STOXX, MSCI and FTSE4Good families of the ESG indices. On the other hand, CDP has evaluated the performance of the organization and ranked it under the B category. After several years of Abertis' presence in the DJSI indices, the results obtained in the evaluation of 2017 have not allowed the company's maintenance in them.

Strategic pillars and objectives

The CSR Master Plan is based on Human Rights as a prevention and risk management principle spanning the entire plan. This consists of four pillars and 13 strategic objectives that are deployed into 38 quantitative common objectives spanning the entire organization (the details about these objectives can be consulted in the Annex to this report).

2016-2020 CSR Master Plan Follow-up Summary

STRATEGIC PILLAR	ASSESSMENT OF QUANTITATIVE GOALS FOLLOW-UP
Good governance, transparency and accountability	-The number of breaches of the code of ethics has increased in relation to the previous year, although the number of complaints has decreased. -All claims have been addressed, with a positive trend with respect to compliance with the recommendations of the Code of Good Governance. -Training in the code of ethics and prevention of corruption together with awareness-raising actions have continued to involve different stakeholders. -The systematization of the supplier ESG evaluation is in the process of being implemented, although progress made in Brazil points to a significant increase in the tracking indicator in terms of the number of suppliers evaluated and approved according to CSR (applicable to the 4 pillars). -We must continue with the deployment of actions for the inclusion of human right aspects in due diligence processes.
Ecoefficiency	-Scopes 1 and 2 CO_2e emissions have increased by 15% in absolute values and have decreased by 13% in relative values in according to revenue in relation to the base year (2015). The calculation methodology for scope 3 has been refined and will be shared for extensive use by the rest of the countries and activities. Actions are being carried out to manage the emissions of the company's own fleet of vehicles and vehicles transitting the toll roads. The assessment of energy management systematization to be conducted by the different activities and countries is pending. -The usage percentage of electronic toll payment collection has exceeded 60% due to its extensive use in some countries. This objective will be reviewed next year in order to assess its modification. -The development of products and services with positive ESG impacts is pending, which relate directly to the goal of favoring the use of less polluting vehicles and focusing further on construction waste management and related actions.
Integration with the community	-The number of projects and the volume of resources allocated to the relationships with the communities have remained constant, as has the volume of local purchases. -All claims have been addressed and actions have been continued in terms of biodiversity enhancement. The identification of natural species is in the process of being systematized across the board, and the assessment of the services provided by ecosystems in relation to noise is still pending.
Safety and quality	-The number of road accidents has remained constant, although the number of fatalities has decreased in comparable terms. The increase in absolute terms results from the inclusion of India data. Accident and fatality rates have improved, although in the latter case India's incidence on the global figure does not reflect this improvement. -All claims have been addressed, and road safety campaigns and related education and research projects have continued. -Workplace accidents have evolved positively, and the number of health and safety training hours and other skills/competence training hours has also increased. -The trend towards gender balance is maintained, and work must continue to achieve equal pay. -The number of people with functional disabilities has increased through direct contracting.

Global footprint

GLOBAL LEADER IN ROAD MANAGEMENT

Spain

Control: Abertis Infraestructuras, Autopistas, Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Túnels, Aulesa

Non-control: Autema, Accesos de Madrid, Henarsa, Ciralsa, Trados 45

14 concessions

1,778 kilometers (directly managed) + **219** kilometers (indirectly managed)

2.058 collaborators

20.876 ADT vehicles **+3.9%**

22,361.2 Tn of CO_2 (scopes 1 and 2) **-9.3%**

France

Control: Sanef, Sapn, Abertis Mobility Services

Non-control: Alis, Aliénor, Léonord

4 concessions

2,036 kilometers (directly managed) + **275** (indirectly managed)

2.756 collaborators

24.836 ADT vehicles **+1.5%**

23,456.8 Tn of CO_2 (scopes 1 and 2) **+13.4%**

Italy

Control: A4 Holding

1 concession

236 kilometers

609 collaborators

64.589 ADT vehicles +**3.2%**

1,903.2 Tn of CO_2 (scopes 1 and 2)

Brazil

Control: Arteris, Autovias, Centrovias, Intervias, Vianorte, Fernão Dias, Fluminense, Régis Bittencourt, Litoral Sul, Planalto Sul, Latina Manutençao

9 concessions

3,250 kilometers

5,375 collaborators

18,255 ADT vehicles **+3.2%**

42,781.9 Tn of CO_2 (scopes 1 and 2) **+12.1%**

Chile

Control: VíasChile, Autopista Central, Rutas del Elqui, Rutas del Pacífico, Autopista del Sol, Autopista Los Libertadores, Autopista de los Andes

6 concessions

771 kilometers

1,231 collaborators

26.810 ADT vehicles +**4.0%**

15,251 Tn of CO_2 (scopes 1 and 2) **+2.0%**

Puerto Rico

Control: Metropistas, Autopistas de Puerto Rico, Abertis Mobility Services

2 concessions :

90 kilometers

80 collaborators

64.645 ADT vehicles **-2.9%**

2,334.1 Tn of CO_2 (scopes 1 and 2) **-29.5%**

Argentina

Control: Ausol, Grupo Concesionario del Oeste

2 concessions

175 kilometers

2,160 collaborators

82.825 ADT vehicles **-1.7%**

17,087.8 Tn of CO_2 (scopes 1 and 2) **+8.7%**

India

Control: Trichy Tollway Private Limited, Jadcherla Expressways Private Limited

2 concessions

152 kilometers

53 collaborators

19,613 ADT vehicles **+9.6%**

2,417.6 Tn of CO_2 (scopes 1 and 2)

Ireland

Control: Abertis Mobility Services

M-50 (Dublin) – Free-flow operation

86 collaborators

United Kingdom

Control: Abertis Mobility Services

Dartford Crossing (London) and Mersey Gateway (Liverpool) - Free-flow operation

427 collaborators (Emovis)

Financial stake: RMG

A1-M Alconbury-Peterborough

A419/417 Swindon-Gloucester

74 kilometers

United States

Control: Abertis Mobility Services

Research and Development Center (New York)

43 collaborators

Canada

Control: Abertis Mobility Services

Golden Ears Bridge, Port Mann Bridge- Free-flow operation

36 collaborators

Croatia

Control: Abertis Mobility Services

Research and Development Center

42 collaborators

Hungary

Control: Abertis Mobility Services

Operations office

10 collaborators

Colombia

Financial stake: Coviandes

Bogotá-Villavicencio toll road

86 kilometers

Abertis Mobility Services

Presence in 8 countries: USA, Canada, Puerto Rico, United Kingdom, Ireland, Croatia, France, Hungary

715 collaborators

341 million transactions per year (Emovis)

3.8 million electronic toll accounts (Emovis)

150,000 devices (Eurotoll)

55,000 km network (Eurotoll)

Other non-consolidated stakes

Hispasat 57% stake

Cellnex 34% stake

Awards and recognitions

- The Legal 500 Spain awards the Abertis Corporate Legal Advisor Department, led by Marta Casas
- “Women and Traffic management” Award by the Spanish Association of Traffic Engineers and Mobility Experts, for Lourdes Roquet, Autopistas Operations Director
- Bronze Leon at the Cannes Creativity Festival for the Speed-o-track app by Arteris (Brazil)
- Valor Carreira Best People Management Award for Arteris (Brazil)
- Highest qualification (three stars) for the Autopistas’ Truck Parks, by the European Professional Association ESPORG (Spain)
- 1st and 2nd place for Rutas del Pacífico and Autopista del Sol respectively, as the toll roads with the best reputation in the industry, by the Reputation Institute (Chile)
- 4 COPSA Awards (in the CSR, Innovation and Road Safety categories) for ViasChile’ projects on social action, reintegration and accident prediction
- Centrovias, Autovias, Intervias, Vianorte and Litoral Sul, at the Top 20 by the Brazilian National Transport Confederation
- Grandes e Líderes “500 Maiores do Sul” (Revista Amanhã y PwC) Award to Litoral Sul (Arteris)
- The Arteris’ Process Intelligencee Analytics Project, awarded by the KofaxInspire 2017
- Valor Compartido Award from Sustainability Hub to VíasChile for its project on the scouting and social rehabilitation of imprisoned women (Chile)
- Recognition to VíasChile from the Global Compact Global Network as one of the 5 best companies in the field of anti-corruption, with an emphasis on its voluntary adhesion to the Code of Good Tax Practices (Chile)

2

Corporate governance

Compliance with the Code of Good Governance

For Abertis, a good Corporate Governance is an essential factor for sustainability and long-term growth

Strategic goals

. Achieve excellence in Good Governance

. Foster Corporate Social Responsibility and good Corporate Governance practices

15	**60%**
Board members	independent board members
40%	**53**
women	recommendations fulfilled

Good Governance Best Practices

Abertis follows a Corporate Governance policy of promoting diversity within its decision-making bodies. In recent years, the company has increased the number of independent directors, gender diversity and the diversity of geographical and industry origins of the members of its Board of Directors and its Committees.

In 2017, the Board of Directors approved the appointment of two new directors: Xavier Brossa Galofré and Antonio Viana-Baptista, as independent directors. These appointments have contributed to increase the percentage of independent members and broaden the international profile within the Board.

As of December 31, 2017, Abertis' Board of Directors has 9 independent directors, representing 60% of its members, thus in alignment with Corporate Governance best practices.

Commited to transparency, Abertis complies with Good Governance regulations applicable to listed companies and with most of the recommendations of the Code of Good Governance.

Of the 64 recommendations (58 of which apply), Abertis complies with 53. Furthermore, the Chairman reports to the General Shareholders Meeting on the compliance with these recommendations and provides justification in the case of the unfulfilled ones.

For more information, please consult Abertis' Annual Corporate Governance Report (AGCR)

Corporate Governance Structure

The functioning of the Group's management bodies is described in detail in the ACGR, which highlights the functions of the Board of Directors as the top governance body at the company.

Board of Directors

Executive Committee | Audit and Control Committee | Appointments and Remunerations Committee | Corporate Social Responsibility Committee

Board of Directors

Chairman: Salvador Alemany Mas (Proprietary)

Vice-chairman and Chief Executive Officer: Francisco Reynés Massanet (Executive)

Members:

Marcelino Armenter Vidal (Proprietary)

Xavier Brossa Galofré (Independent)

Carlos Colomer Casellas (Independent)

María Teresa Costa Campi (Independent)

Luis Guillermo Fortuño (Independent)

Susana Gallardo Torrededia (Proprietary)

Carmen Godia Bull representing G3T, S.L. (Proprietary)

Sandra Lagumina (Independent)

Enrico Letta (Independent)

Juan-José López Burniol (Proprietary)

Mónica López-Monís Gallego (Independent)

Marina Serrano González (Independent)

Antonio Viana-Baptista (Independent)

Secretary, non-Board Member: Miquel Roca Junyent

Vice-secretary, non-Board Member: Josep Maria Coronas Guinart

Board Committees

Executive Committee

Chairman: Salvador Alemany Mas

Members:

Francisco Reynés Massanet

Marcelino Armenter Vidal

Xavier Brossa Galofré

Carlos Colomer Casellas

María Teresa Costa Campi

Luis Guillermo Fortuño

Juan-José López Burniol

Mónica López-Monís Gallego

Secretary, non-Board Member: Miquel Roca Junyent

Vice-secretary, non-Board Member: Josep Maria Coronas Guinart

Audit and Control Committee

Chairman: Carlos Colomer Casellas

Members:

Marcelino Armenter Vidal

Xavier Brossa Galofré

Susana Gallardo Torrededia

Antonio Viana-Baptista

Secretary, non-Board Member: Marta Casas Caba

Appointments and Remunerations Committee

Chairman: Mónica López-Monís Gallego

Members:

Marcelino Armenter Vidal

María Teresa Costa Campi

Juan-José López Burniol

Marina Serrano González

Secretary, non-Board Member: Josep Maria Coronas Guinart

Corporate Social Responsibility Committee

Chairman: María Teresa Costa Campi

Members:

Carlos Colomer Casellas

Luis Guillermo Fortuño

Carmen Godia Bull representing GT3, S.L.

Sandra Lagumina

Secretary, non-Board Member: Josep Maria Coronas Guinart

Group’s Management Committee

Vice-chairman – Chief Executive Officer	Francisco Reynés Massanet
General Secretary and Corporate Affairs Managing Director	Josep Maria Coronas Guinart
Chief Financial Officer	José Aljaro Navarro
Chief Industrial Officer	Josep Lluís Giménez Sevilla
Business Development Director	Sebastián Morales Mena
People and Organization Director	Joan Rafel Herrero
Autopistas (Spain)	
Managing Director	Anna Bonet Olivart
Sanef (France)	
Managing Director	Lluís Deulofeu Fuguet
Arteris (Brazil)	
Chief Executive Officer	David Díaz Almazán
VíasChile (Chile)	
Managing Director	Luis Miguel de Pablo Ruiz
A4 Holding (Italy)	
Executive Chairman	Carlos del Río Carcaño

3

Compliance and risk management

Ethics and compliance

The Abertis Group is fully committed to conducting its activities with honesty, integrity and in compliance with the law, in its relationships with all its stakeholders.

Strategic goals

. Develop an organizational culture based on ethical principles

. Reject all forms of corruption

211 reports received in 2017 (**-11.3%**)

84% resolved

Code of Ethics

The Abertis Group is fully committed to conducting business with honesty, integrity and in accordance with the law, be it in its relations with its employees or with the rest of the individuals that are part of its stakeholders.

These guidelines of conduct are reflected in the Code of Ethics of the Abertis Group, a core code of the Group, whose principles are deployed in all the internal regulations. This Code of Ethics captures the principles and values that must guide the behavior of employees, as well as suppliers, customers, distributors, external professionals and representatives of governments.

The Group does not tolerate any act that is contrary to the Code of Ethics and formally and expressly condemns any form of corruption and its firm commitment to comply with the law. Any infringement carries penalties of a contractual nature for infringing employees, as well as sanctions of a commercial or administrative nature for the rest of the individuals who are part of the stakeholders.

The Ethics and Criminal Prevention Committees are entrusted with managing ethics and the criminal prevention model. The design, implementation and supervision of regulatory compliance processes and the rollout of the criminal prevention model are carried out by the Compliance functions of the Abertis Group. Abertis' Audit and Control Committee regularly monitors all complaints and irregularities arising in all Group companies.

Main initiatives in 2017

➲ Training:

- delivered in-person, covering workplace harassment aspects
- delivered online, on the improper use of information by non-executive staff
- reminder campaigns in matters related to corruption, conflicts of interest, ethics channel, ethics and criminal prevention committees of the Abertis Group, workplace harassment and information management.

➲ Deployment of a common methodology for the assessment of criminal risks.

➲ Streamlining of the Criminal Prevention model in all of the Group's business units.

➲ French companies have adapted to the requirements of the Loi Sapin II Act.

➲ Preparation of Abertis' risk and legal enforcement matrices with respect to Environment, Labor and Prevention of Occupational Risks, which reinforce responsible management and the respect for the environment and the physical safety of employees and suppliers.

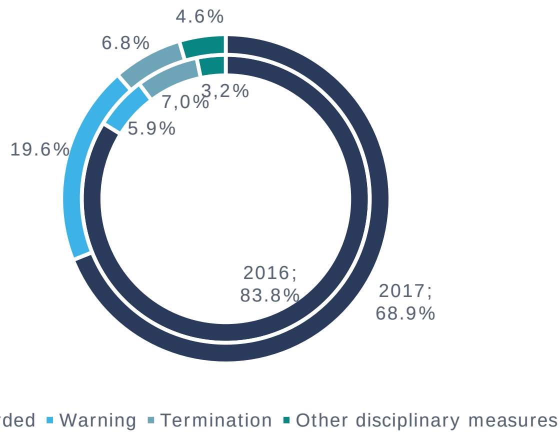
➲ Improvement and permanent updating of the Group's policies and rules as per Compliance requirements.

Ethics channel

All Group companies, except Italy and India, have mechanisms for reporting irregularities of any kind that guarantee confidentiality in the investigation and the analysis of all communications received.

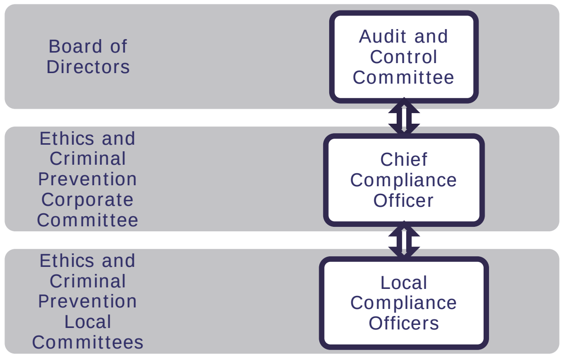
The corresponding Ethics and Criminal Prevention Committees are responsible for investigating and proposing solutions in the event of any complaint or question regarding the Code of Ethics of the Abertis Group and / or its Local Codes of Ethics.

Reports resolved by type of resolution



Abertis' ethics channel as well as the Group's Code of Ethics and Compliance standards are available at the company's website www.abertis.com.

Compliance Management Model



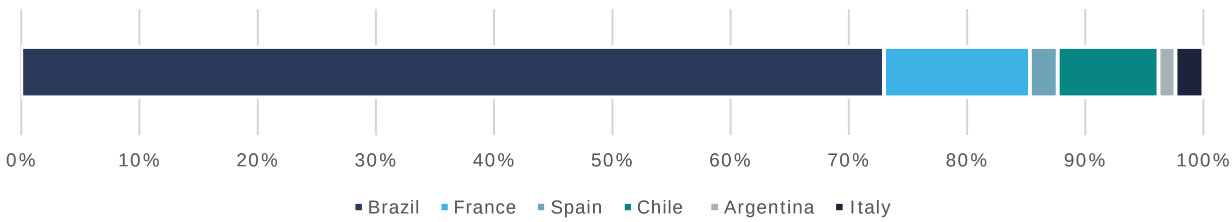
Brazil Integrity Program

In 2017 Arteris launched its Integrity Program (Compliance) with the aim of guaranteeing and promoting an ethical environment in the company, among its collaborators and third parties. The program is structured into five pillars that support the set of measures, instruments and responsibilities for preventing, detecting and extinguishing or mitigating potential risks. The launch of the program has been accompanied by an awareness campaign and mandatory training on the Arteris Code of Conduct.

The reduction in the number of complaints received and discarded with respect to 2016 indicates an improvement in the level of knowledge about the use of the system and the implementation of awareness and training procedures related to the Code of Ethics.

During the course of 2017 and in addition to the resolution of all reports received during the year, all reports that were still pending from the previous fiscal year have also been handled. Of these, 85.7% have already been resolved.

Breakdown of reports received by country



Risk control

The Abertis Group has implemented a risk management model 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. Therefore, it has implemented a risk management model – approved and monitored by the Audit and Control Committee – that applies to all business and corporate units in all countries where it operates.

Risk type	Main risks	Control measures
Context and regulatory risks and risks deriving from the specific nature of the Group's business	• Decrease in demand due to the economic situation of some countries • Creation of alternative infrastructures • Risks deriving from the integration of acquired businesses • Mobility changes • Entry of new competitors in some sectors of activity • Regulatory changes and socio-political changes • Catastrophic risks	• Internationalization and selective growth policy and Investment Committees • Collaboration with governments • Efficiency plans • Coordination for ensuring adequate compliance with the existing local legislation and anticipation to regulatory changes • Insurance coverage
Financial risks	• Foreign exchange risk • Liquidity risk • Cash flow interest rate risk • Debt refinancing risk and credit rating variations	• Interests rates and foreign exchange rates management policy • Monitoring and extension of debt maturity and monitoring of potential impacts on credit ratings
Industrial risks	• Client and employee safety • Adaptation risks and rapid response to technological changes in operational systems and the onset of new technologies • Control risks in construction projects • Risks associated with the correct maintenance and quality of infrastructures • Training and talent retention risks • Supplier dependency • Business disruption • Environmental risks	• Specific policies, procedures, plans and control systems for each area • Investment program monitoring and control (opex and capex committees) • Road safety, operations and management system improvement plans (traffic, tunnels) • Risk monitoring and analysis and implementation of Corporate insurance programs • Environmental management system
Financial information risks, fraud and compliance	• Integrity and security of financial and operations related information • Information manipulation fraud, corruption and embezzlement • Tax • Legal compliance and compliance with internal and contractual regulations	• Internal Financial Information Control System (IFICS) organizational and supervision model • Compliance model implemented at the Group

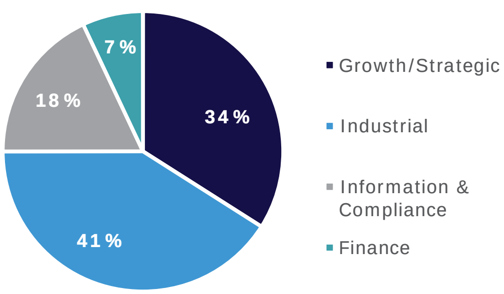
Comprehensive risk control

The members of the company's government bodies commit to ensuring that all company-relevant risks are duly identified, appraised and prioritized. As well, they are commited to establish the mechanisms and basic principles required to achieve a level of risk that allows a sustainable growth of our share value and shareholder remuneration, protect the Group's reputation, promote good Corporate Governance practices and provide quality service in all infrastructures operated by the Group.

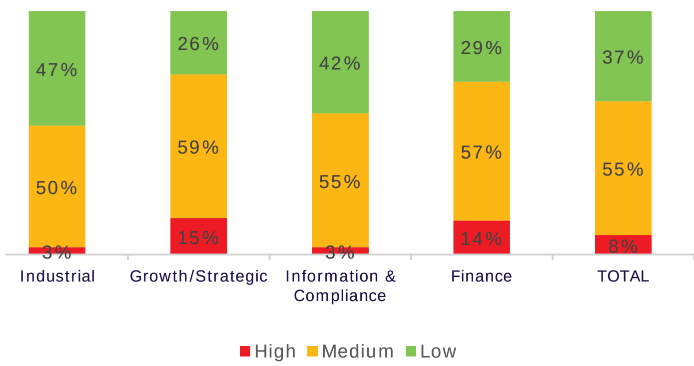
In 2017, the main materialized risks are those related to: political and social instability in some of the countries in which the Group operates (mitigated by internationalization and geographical diversification), the persistence to restrict availability and the public and private financing terms of some countries (mitigated by strict financial discipline), damages as a result of adverse climatic conditions (mitigated by a corporate policy of insurance coverage and contingency plans), and the reduction of the average life of road concessions (mitigated through the achievement of new public-private agreements in most of the countries in which the Group operates).

Abertis' risk control and management model

Risk categories volume



Risk assessment by category



4

Safe and innovative roads

Road Safety

As the global leader in the toll road management industry, road safety is our priority.

Strategic goals

. Guarantee and promote road safety

. Develop products and services with a positive environmental, social and good governance (ESG) impact

Accident rate (FR1)	Fatality rate (FR3)	Investment in road safety
21.3 -3.2%	**1.3** -6.1%	**€43 Mn**

Road Safety Program

Through the Global Road Safety program, cross-functional teams from all disciplines and geographical locations work together in the Group to ensure road safety best practices are known and applied in all Abertis toll roads.

We work in interdisciplinary groups in all business units creating a single global vision for the Group, bringing together both the most operations-intensive units and those closest to the client, their environment and society in general.

We share this global vision with an ambition: reaching the zero fatalities goal on all Abertis roads, with 100% safe 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.

Accident rate (FR1)[2] 2017: 21.3 (-3.2%)

Fatality rate (FR3)[3] 2017: 1.3 (-6.1%)

Year-on-year change

	2017	2016	2015
FR1	-3.2%	-2.6%	-3.6%
FR3	-6.1%	-5.4%	-15.8%

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, which focuses on 5 pillars: Safe infrastructures, road safety management, safer vehicles, safer users and post-crash response.

[2] FR1 = Number of accidents with victims / Traffic in 10^8 veh x Km

[3] FR3 = Number of fatalities / Traffic in 10^8 veh x Km

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.

Application of the best planning, design and construction practices

➲ **Enlargement to double capacity of the Serra do Cafezal section in the Régis Bittencourt toll road (BR-116).** Arteris has completed this ambitious project in December 2017 after successfully completing 7 years of work. The enlargement of this road has resulted in:

- Improvements in the level of service;
- The handling of more than 80 critical points identified by the Strategic Accident Reduction Group;
- The adoption of new methodologies and practices such as the use of more adherent asphalt, preventive signage, new concrete barriers, pedestrian walkways and wildlife crossings.
- Innovative tunnels, reaching quality levels that exceed the country's standards, with a new pedestrian emergency tunnel and a modern automation and safety system, featuring the duplication of ventilation devices, specific lighting devices, fire prevention and mitigation systems and an intelligent flammable liquid drainage system.

Project figures

- 30 kilometers of enlarged toll road

- 4 tunnels, 3 bridges and 36 viaducts

- 12 wildlife crossings

- 2 pedestrian walkways

- More than 2,000 workers involved

➲ **Guerville viaduct (France)**. Declared a public interest, the construction of a third structure in the Guerville viaduct is under way using the most advanced techniques, with the goal of causing no inconvenience to the existing traffic.

Project figures

- 30 months of work

- 180,000 cubic meters of earthworks

- Work on 2 kilometers of roads

- Length of the new structure: 360 meters

-3,000 tons of steel.

Other initiatives for the application of management and operations best practices

Autopistas	-New Road Safety Center which seeks to position itself as a Center for Studies and Analysis and a Road Safety Center of Excellence (CoE) for governments and public and private institutions. - Seat Cone Project, which entails retrofitting a van for lane closing, placing and removing cones on the lanes, in order to improve the working conditions of our employees and the quality of service for our customers. -Cardio-protected Road Project: Installation of 33 semiautomatic defibrillators at toll stations and in service areas and a training plan for all staff to promote the knowledge on the use of cardioprotective devices.
Arteris	Speed-o-Track: Arteris has created the Speed-o-Track app in Brazil together with Spotify and Google Maps, an app that alerts drivers if they exceed the speed limit. Drivers enter their Spotify account and select a song list. Thanks to the GPS data provided by Google Maps, the device detects the speed allowed on the road and the speed of the driver. If the allowed speed limit is exceeded, the music accelerates.
A4 Holding	Use of a sound-absorbing draining layer of pavement along 100% of the toll road, which has led to an improvement in the indeces that measure the quality of the pavement in terms of roughness and regularity by more than 20% in the last ten years.

Abertis Argentina	Toll booth reinforcement. Installation of new speed radars.
VíasChile	- The new Maipo bridge of Autopista Central, featuring anti-seismic technology and LED lamps. - Implementation of Gate-Guard for making transfers and traffic management in Rutas del Pacífico.
Abertis India	Improvement of crossing or intersection signage through the installation of light posts and the use of rough paint on the pavement.
Metropistas	Installation of new LED lighting: 2,674 lamps. 48.5% reduction in energy consumption. Improved maintenance, quality of lighting, visibility and safety.

Optimal safety management

Standardizing actions and training: In 2017 efforts were made to standardize best internal practices from across all of the Group's units in order to achieve a global vision on road safety.

- Several documents began to be drafted in 2017 such as the White Paper on Tunnel Safety Strategy, the White Paper on the Quality Management System, and the White Paper on Crisis Management.

- The Group has continued to promote employee training on road safety to ensure the best operation and maintenance through drills in most of the concessions, such as France, Spain or Chile.

➲ In Argentina, a special drill was conducted involving the transport of dangerous goods. The drill sequence consisted of a fuel spill from a bulk transport in the fuel pump sector, primary assistance, relevant notices in the face of imminent fire, evacuation and receiving the different representatives including the transfer of a wounded person.

For more information on safety training for Group employees please see the "Safety and Health" section.

Agreement for a safer mobility

The commitment to the road safety of our customers also drives us to look for partners whom we believe can add more value to our mission.

➲ A4 Holding (Italy) works in collaboration with Autovie Venete and CAV to offer integrated information to drivers in the north of the country. Thus, through a single source, it is possible to obtain real-time information of all the toll roads linking the north of Italy (from Brescia to Udine, Gorizia and Trieste, including the Mestre ring road (Venice)).

Connected Citizens Program

In 2017 Abertis has signed a global agreement to join Waze's Connected Citizens Program, the pioneering social navigation application and mobile technology that offers free real-time traffic information, fed by the largest community of drivers in the world. Abertis thus becomes the first company to adhere to the program in seven countries: Spain, France, Italy, Argentina, Brazil, Chile and Puerto Rico.

Abertis uses the application as a sensor to understand traffic in real time as well as as another communication channel to inform its customers. The company receives anonymous information in real time directly from the source: the drivers.

On the other hand, users of the application obtain updated information from Abertis from the traffic management centers the Group has in each business unit, as well as the roadwork program information or information on other incidents that could affect travel.

Research and development of accident prediction systems

➲ VíasChile works together with the Institute of Complex Systems of the University of Chile on an accident prediction model, which has obtained the COPSA Award in the Innovation category.

The project, which began 2 years ago, takes place along 2 kilometers of the Central toll road as a test, seeks to prevent risk situations and alert users promptly, leveraging many possibilities offered by real-time information collected by the toll road's electronic systems.

A first phase has enabled the identification of the variables that have an impact on the occurrence of accidents, and even predict 70% of occurrences. In 2017 we have worked on creating a software that allows sending the information to the toll road control center for processing, with the aim of developing better actions geared at alerting users adequately and try to prevent accidents.

Continuous evaluation of all aspects of road safety management

- Through its own management software that monitors both the state of the pavement and structures and retaining walls.

- Through independent security 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 carries out safety audits of roads.

IRAP is a non-profit institution based in the United Kingdom dedicated to saving lives on the road. They develop a scientific methodology and predictive tools recognized by higher-level institutions such as the United Nations, the World Bank or the Asian Development Bank, among others, with projects in more than 80 countries.

In 2017, Abertis has become the first private road operator to cooperate globally with iRAP. This methodology will allow Abertis to know the level of safety of its toll roads in a standardized and highly professional manner, identifying all areas of improvement that can help define the Group's future investment plans.

Safer cars

In 2017 the Group has seen its Road Tech and Road Safety strategic programs converge more and more, setting a trend toward using new technologies in the sector to enhance road safety. Advances in autonomous driving, the increasing use of Big Data and the Internet of Things, or the collaborative economy, to name but a few factors, will undoubtedly have an effect on road safety. For this reason, Abertis participates in important international projects together with automobile companies to improve the safety of the cars of the future.

For more information about these and other projects, please see the "Road Tech" section.

Post-crash response

The Group continues to work to offer the best possible solutions in the event of an accident. Our recent innovations include advanced intelligent transport systems and an application that automatically detects irregular situations in tunnels.

➲ In Chile, the fleet of emergency vehicles has been modernized with the new incorporation of electric motorcycles for paramedic personnel.

➲ In Argentina, it has been reached an agreement with the ambulance service provider to obtain data of each medical assistance given: time delay data and injury category (severity). This way, the Quality area produces statistical control charts, analyzes cases that are outside the control limits and takes improvement actions.

Safer users

At Abertis, we not only focus on infrastructures, but also dedicate a special effort to our customers through studies and observatories to assess their driving habits with the goal to knowing them better, as well as through safe driving awareness campaigns.

Driving Observatory

In 2017, the Sanef Driving Observatory became internationalized. Thus, Autopistas (Spain), Arteris (Brazil), VíasChile (Chile), Metropistas (Puerto Rico) and Argentina (Ausol and GCO) have conducted Driving Observations in their respective territories.

Using a similar methodology, observations of toll road drivers' behavior are made through detailed observation and analysis in those sections of the network that, due to their characteristics, allow us to analyze behaviors and draw general conclusions. They focus on specific analysis factors such as speed, safety distances, lane occupation, use of the turn signal or use of the telephone behind the wheel.

By 2018, the Abertis Global Observatory will be launched, which will allow us to understand the global trends accross the world and the specific characteristics in each of our markets, with the aim of applying this knowledge to better adjust our awareness campaigns. The creation in Spain of an Observatory focusing on heavy vehicles is also planned for 2018.

Main awareness campaigns developed in 2017

Autopistas	-Behind the barrier campaign: Communication plan and distribution of road safety kits, including the necessary material to deal with emergency situations and increase maximum safety and comfort. -Adventure on the Road: A family day to provide insights into road management and road safety through Autopistas' mobile application. -Summer playrooms, to favor and foster resting times of families in service areas.
Sanef	-Speeding campaigns: *Vous me voyez? Ralentissez!* -Campaigns against sleepiness. -Alternatives to fines: actions whereby fines in case of violation are replaced by road safety training. -Instagram campaign to favor periodic rests: *#OnPoseporlaPause*
Arteris	-Celebration of the 4th Road Safety Forum, with a greater international outreach. -Celebration of the 2nd Youth Forum (90 young people between 12 and 17 years old from 4 states). -Awareness campaign on nightlife venues addressed to young people. -Campaign to promote adequate vehicle maintenance, including inspections and sharing. -*Projeto Escola* (590 schools, more than 287,000 students and more than 16,000 teachers in its 16-year history). -Action *Tô de Cinto*, *Tô Seguro* (2 workshops, 11 meetings, with an impact on more than 5,000 people).
VíasChile	- Campaigns against the stoning of vehicles that use roads and toll roads; educational talks were held on the toll roads with the highest number of incidents, in addition to educational film activities in communities (COPSA 2017 prize in the Road Safety category). - The School Project, which supports the training of basic education children, reaching 131 schools on the 6 toll roads.
Puerto Rico	- *No Texteo* (I don't text), against the use of mobile while driving. - Driver's Education with the Transportation Safety Education Park (PESET) - Road Safety Education Program in an interactive park to raise awareness among children about the importance of prevention. -Other campaigns on the use of safety belts, protective seats or on the observance of speed limits.
India	- National program on eye exams of heavy vehicle drivers, in collaboration with the Government and various NGOs. -Driver's education campaigns in schools.
Argentina	-Campaign against alcohol at the wheel: *Manejá sin alcohol* (Drive without alcohol). -Campaign against the use of technological devices at the wheel. -Awareness campaign on nightlife venues addressed to young people.

Commitment to global road safety

Abertis' commitment to road safety goes beyond our toll roads. We understand that it is a global problem, and we want to contribute our know-how and experience to face this challenge, which is already one of the Millennium Development Goals.

The Abertis Foundation has also played an important role in raising awareness among society through responsible driving. Its activities seek to accompany citizens throughout their lives, with actions adapted to all ages.

Likewise, in 2017 Abertis granted the first Road Safety Awards, which recognize PhD theses or Master's final projects that focus on road safety aspects. In October, the First International Road Safety Award was also awarded, recognizing the best work among the winners of the national prizes in this category of each academic Chair (Brazil, Chile, Spain, France and Puerto Rico).

UNICEF and Abertis, together for child road safety

In October, Abertis and UNICEF reached a ground-breaking collaboration agreement to combat the main cause of death in school-age children: road accidents.

The alliance focuses on the prevention of road traffic injuries in children and will strengthen and expand UNICEF's existing work to protect children on the world's roads and provide a safe route to school.

In order to help develop national responses to this global challenge, the program will first be implemented in the Philippines and Jamaica, which, like many low- and middle-income countries, experience a severe health burden from child road traffic injury.

This agreement marks the first global corporate contribution to UNICEF programs to prevent road traffic injuries in children. It is the largest agreement on road safety focusing on children.

Goal: Safe Journey to School

US$3 Mn contributed between 2017-2019

The Philippines and Jamaica with plans to extend to other countries soon.

For more information on the Foundation and the Abertis Academic Chairs see the "Contribution to the Community" section.

In 2017 the Group has intensified its work with other institutions with the purpose of sharing its experience and knowledge for the preparation of studies on road safety. This is the case of the webinar organized with the International Road Federation on "Forgiving Roads." In addition, it collaborates with the International Transportation Forum and companies from the sector in the report "Safety and Security on the road to automated transport", to define the policies that must regulate road safety and digital security before the challenges of the new connected and autonomous mobility.

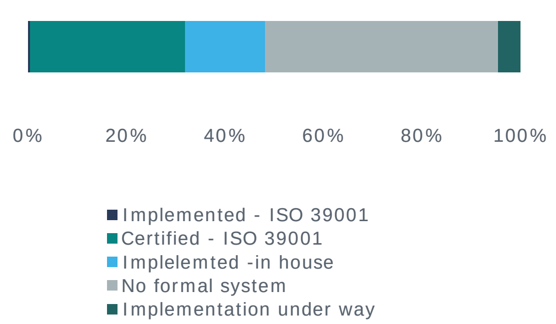
The new Road Safety Center (CESVI) of Autopistas has triggered two more studies on other aspects of road safety:

- The analysis of heavy vehicle accidents
- Study of free velocities in toll roads

ISO as a tool and framework for global road safety management

The implementation of a formal road safety management system allows the permanent systematization of practices and performance monitoring within a cycle of continuous improvement. Thus, 31.9% of the toll roads business (Spain, Chile and Argentina) has an implemented and / or certified management system according to international standard ISO 39001.

Road safety management based on revenue



The case of Chile stands out where, following Autopista Central's ISO 39001 certification, a pilot project is being developed for the implementation of an accident prediction and emergency management model according to international standard ISO 22320.

Road Tech

The intersection between new technologies and road infrastructure.

Strategic goals

. Innovate and incorporate the best technological practices

. Development of products and services with a positive ESG impact

Road Tech Projects

More than 10

At Abertis, we know that managing the mobility of the future will bring about important challenges but also great opportunities. Through our "Road Tech" strategic program, we work at the crossroads between road infrastructure and new technologies. Our ambition is to become the platform for a safer, smarter and more sustainable mobility.

Innovative roads

Solutions for smart roads and integrated mobility:

➲ **C-Roads Project:** a project promoted by the European Union that analyzes the possibilities of intelligent systems in cooperative transport and autonomous driving systems. One of the five projects in Spain is the one carried out in the Mediterranean Corridor in several sections of the AP-7 toll road of 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 in their own countries.

➲ **V2I Connectivity (Vehicle to Infrastructure):** Autopistas (Spain) works on the development and implementation of advanced communication solutions applied to mobility between vehicle and infrastructure. In Italy, A4 Holding participates in the Smart Road Project, a pilot program to equip 10km of toll road with road units for DSRC (Dedicated short-range communications) communications in the 5.9Ghz frequency for traffic and safety information.

➲ **Implementation of the Internet of Things (IoT):** A4 Holding (Italy) researches the connectivity of different sensors and network technology to monitor the state of the infrastructure.

Sanef (France) also works with an IoT sensor system to improve service and optimize operations. In the Reims region, there is the first stretch of toll road that has been fully equipped with connected solutions in the country. The project, which involves the installation of 250 IoT devices, will optimize toll road operation and maitenance equipment routes and improve service quality.

➲ **Wireless connections:** Several Group concessionaires, such as A4Holding or 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 the user and the concessionaire.

Solutions for connected and autonomous vehicles:

➲ **SCOOP@F Project:** A 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) has begun to collaborate with Renault to improve the range of autonomous cars in construction works and toll lane passing zones.

➲ **Inframix:** this is a 3-year research project of the European Commission 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) has offered a section of the 20-kilometer 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), together with 22 partners, is studying the feasibility and development of wireless road charging solutions for electric vehicles. We analyze the technological developments required in the pavements, as well as the operational restrictions once implemented.

➲ **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. Abertis' subsidiary in France, Sanef, participates together with other companies to analyze which of the different solutions - power rail, induction or directly contactless charging- will be more convenient in the future.

➲ **Corri-door (France):** A consortium with multiple agents - EDF, Sodetrel, Renault, Nissan, BMW, Volkswagen, ParisTech and toll road operators, including Sanef - joining forces in the development of the electric vehicle. The project consists in the installation of fast-charging electric devices across the road network in France, making chargers available every 80km that allow users to charge 80% of the battery in 30 minutes.

Abertis Mobility Services

At Abertis, innovation extends across many areas. On the one hand, through the analysis of how new trends in mobility can impact our traditional business. On the other, through the commitment to a new line of business based on Mobility as a Service (MasS), which shifts the focus of attention of mobility from the mode of transport to the individual who understands mobility as a point-to-point service with new and different needs.

In 2017 Abertis Mobility Services, the Group's multimodal mobility services division, was born as a result of the continuous evolution of new technologies and the search for solutions for safer, more efficient, smarter and more sustainable mobility and the need to reflect a global vision on the subject, with the mission to:

- Manage the Group's assets related to these services under a single vision and common strategy, in order to build a value proposition aligned with market trends.
- Develop business opportunities in the field of mobility services, complementing the Group's current strategy.
- Act as the center of excellence for mobility solutions of the Abertis Group.

The creation of the Abertis Mobility Services division responds to the Group's renewed drive for innovation, by reinforcing the human team dedicated to the search for new businesses within the concession industry, as well as the creation of Innovation Committees consisting of members of the technology departments from across all business units.

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:

On the one hand, road managers and operators (B2A), through the subsidiary Emovis. On the other, vehicle fleet companies (B2B), through Eurotoll, which has joined the Abertis Group 100% in 2017. It is one of the largest issuers of electronic payment devices, or OBUs (On-Board-Unit) in Europe.

Eurotoll

In 2017, Abertis has formalized the purchase of 100% of Eurotoll. This acquisition seeks to boost the development of a business, that of electronic toll payment management for heavy vehicles, complementary to the toll concessions. Also, this acquisition will improve Abertis' position before the implementation of the new EETS standard (European Electronic Tolling Service) in several European countries.

8,000 client accounts

150,000 devices in Europe

Services across a **55,000-kilometer** network in **16** countries

Offices in France, Belgium, Poland and Hungary

Lastly, citizens are the direct client of subsidiaries such as Bip & Go and Bip & Drive, the toll payment devices industry.

Free-flow systems

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 largest electronic toll infrastructures in the world in the United Kingdom (Dartford Crossing - 160,000 vehicles per day), Ireland (M-50 (145,000 vehicles per day), the United States and Canada. It is present in 7 countries: Canada, United States, Puerto Rico, United Kingdom, Ireland, France and Croatia.

Main projects in 2017

➲ Implementation and management of free-flow electronic toll on the Mersey Bridge (United Kingdom).

The Mersey Gateway Project is one of the largest infrastructure initiatives in the United Kingdom in recent years and is considered one of the 40 major projects of the National Infrastructure Plan and one of the top 100 infrastructure projects in the world (KPMG).

Inauguration: October 14

Characteristics: 6-lane bridge over the Mersey River between the towns of Runcorn and Widnes

Expected number of vehicles: + 65,000 / day

Up to 1,000 payment devices issued each day (before its opening)

More than 80,000 registered users before its inauguration, 60% online

Travel time savings: from 10 min to 1 hour in moments of great affluence

➲ Modernization of the electronic toll systems of the A25 toll road, a strategic axis in the Montréal metropolitan region (Canada). The project was executed without affecting the infrastructure's traffic flow.

➲ After completing the pilot program, Autopistas has finally installed the free-flow lane at La Roca toll plaza on the AP-7 toll road. This technology enables automatic toll payments, without gates and without the need to stop, and traveling at a speed of up to 60 km per hour.

➲ Installation of the first automatic reversible bidirectional electronic gantry in Puerto Rico. The gantry has 10 lanes, two of them reversible that allow changing the direction of the lanes automatically without human intervention and without interrupting traffic, therefore speeding the journeys on the toll road. At present, analyses are under way to transfer this technology to other concessions of the Group.

➲ Road Usage Charge Pilot Project (RUC), a pay-per-use pilot project for road use in the state of Washington (USA). The RUC system establishes payments based on the distance traveled, so that drivers can pay based on how much they use the Washington State road network based on the number of miles travelled. Emovis will be responsible for implementing a back-office system that will store the information in the cloud, as well as providing an on-board device (OBD-II) and app technology that will record user mileage and charge the amount established based on the route taken. This project adds to the pilot project that is currently in operation in the State of Oregon, which counts with the participation of 1,000 volunteers.

In addition, Emovis continues to promote its research and development in other technologies such as thermal cameras for calculating the number of vehicles through heat; or "fingerprint" technologies to recognize the shape of the vehicle and facilitate its recognition.

Interoperability and payment devices

The Abertis Group works to make road travel a comfortable and easy experience for the client.

➲ Eurotoll continues to increase the interoperability of its Tribox Air device, equipped with DSRC / GNSS / GSM and "over the air" technology, a single device for traveling in France, Spain, Portugal, Austria, Belgium (in 2017), and soon, Germany.

➲ Bip & Go and Bip & Drive, issuers of payment devices owned by Abertis, are also making progress in the interoperability of their devices not only between countries, but also for their use beyond the toll road (shopping centers, gas stations, car parks...).

➲ Bip & Drive has launched in 2017 the first exclusive VíaT for motorcyclists, consisting of a bracelet that incorporates the Vía-T pass, valid for all toll roads in Spain, France and Portugal.

➲ Through Autopase, its issuer of payment devices, 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 to innovate in the field of payment systems and models.

➲ Autopistas has launched the Ronda Gi, a free device designed to facilitate the mobility to enter and exit tolls on the Girona ring road of the AP-7 toll road. With this device, vehicles traveling on this free section do not have to stop at the tolls. In addition, customers who have the device can enjoy a number of advantages and are provided with information to plan their journeys.

➲ VíasChile has installed the "stop and go" electronic payment service on the Libertadores and Rutas del Pacífico toll roads. The device allows vehicles to pass through the tollgate without the need to manually pay the toll. These are the only two inter-urban toll roads in the country featuring these multifunction tolls, which do not require registration or an additional contract and have a single invoice.

Los Libertadores toll road figures:

Increase in road capacity from 250 vehicles / hour to 650.

Average toll drive-through time of less than 6 seconds

➲ In Argentina, an agreement has been reached with Banco Nación to create a prepaid toll system linked to each user through their mobile phones.

➲ Emovis has launched an application that allows paying the toll in the M-50 ring road in Dublin via a mobile application. In France, Sanef is also experimenting with payments via mobile on the A13 toll road, with Autopistas currently studying this as well.

As a result of these improvements, the percentage of automatic or electronic toll transactions has increased in the Group up to 76.4% (+2.9pp) of the total, of which 62.9% are electronic toll (+2.8pp) only, with Argentina (+8.6pp) and Italy (+5pp) among the countries that have grown the most.

Road Tech: A collaborative sandbox

Through partnership and collaboration with governments and innovators large and small, the Group seeks to accelerate the evolution of new technologies and develop its full potential in the field of infrastructures.

➲ **Open Innovation project**: which seeks to create a platform for better mobility, greater security and better service. The Abertis Group has begun to search for new partners to create a hub for companies in the Road Tech ecosystem.

In France, through the Open Innovation project, a start-up company selection process has been opened allowing them to test their innovations in Sanef.

Open Innovation

20 selected companies

14 submitted projects

4 selected for collaboration

5 projects in deep assessment phase

The Group also works on a study on the future of mobility with experts from the World Economic Forum.

Road Tech Report, by the Intelligence Economist Unit

This year, Abertis has worked with the The Economist Group's studies division on the *Road Tech report: Addressing the challenges of traffic growth*, based on detailed interviews with key experts in infrastructures, technologies and transportation from different sectors and geographical areas, to assess the challenges of the mobility of the future. The report was presented this year in cities such as Barcelona, Madrid, Brussels or Dubai and has served to open the debate on how new road technologies (Road Tech) are transforming the transportation sector and are the key to a smarter and more sustainable mobility in the future.

www.abertis.com/es/roadtechreport

Quality management and customer focus

Our commitment to road safety and new technologies has a clear objective: the satisfaction of our customers.

Strategic goals

. Provide quality services (fluidity, comfort and information to the customer)

. Quality products and services with a positive ESG impact

ISO 9001

92.6% of revenue

Quality management

Our commitment to road safety and new technologies has a clear objective: the satisfaction of our customers. All our initiatives have in our customers our *raison d'être*.

Our customer focus drives us to work on the quality management of our roads through different lines of action: road safety, information security, and obtaining and maintaining international certificates that back our management performance.

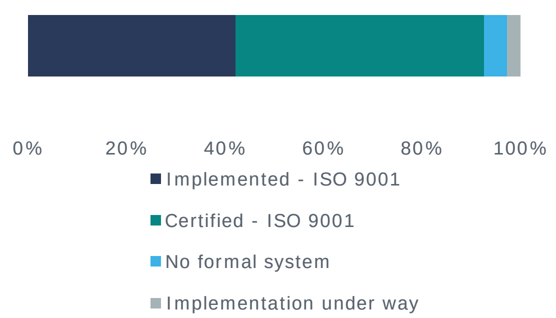
The Group is currently working on the definition of a new White Paper on the Quality Management System that seeks to unify all of the Group's quality-related policies and standardize the processes of each business unit to create a common vision into quality management throughout the entire Group.

92.6% of the revenue has a quality management system implemented and/or certified according to the ISO 9001 international standard. This percentage includes all activities except those developed in India. In the case of Chile, the system has been implemented in Autopista Central, which represents more than 50% of the business' turnover of the activity in the country; in the rest of the roads, it is in the process of being implemented.

In some cases such as Puerto Rico (Metropistas) and Argentina (GCO), the certification was renewed during the course of 2017 based on the most recent version of the standard (2015).

Likewise, the activities in Spain have a specific information security management system based on the international standard ISO 27001.

Quality management according to revenue



Customer quality surveys

Satisfaction surveys are conducted periodically for both general and specific users of the infrastructures.

Result of different customer satisfaction surveys conducted among customers (scale from 1 to 10)

	2016	2017
Spain	6.95	6.7
France	8	7.9
Brazil	8.04	8.2
Italy	7.3	7.2
Chile	6.5	7.5
Puerto Rico	7.6 (bi-annual)	

➲ In 2017 Autopistas presented the "Customer's Voice", which monitors customer satisfaction in service areas by conducting surveys using QR codes in customers' restaurant sales receipts.

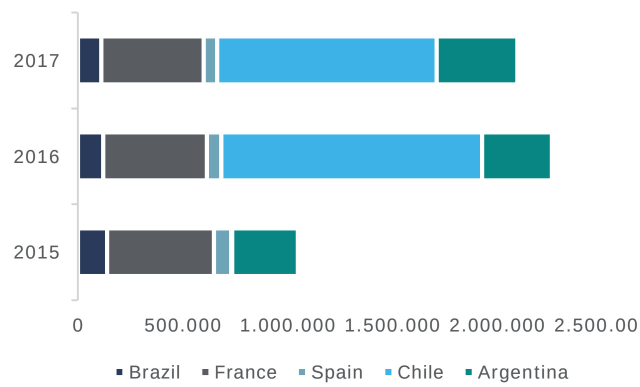
Progress was also made in obtaining a customer satisfaction index and a recommendation index or NPS (Net Promoter Score). The results obtained will allow identifying the strengths that must be preserved and analyze opportunities for improvement.

➲ In turn, Sanef (France) ranked first in the Customer Quality survey conducted by the Ministry of Environment, Energy and Sea in 2017.

➲ In addition to the general surveys, in 2017 Argentina has carried out a specific exercise to measure the level of satisfaction among tow-truck users.

In 2017, 2.1 million queries, complaints and suggestions were received, of which almost 100% have been resolved. Brazil, Chile and Argentina are the countries that concentrate the highest volume of communications received.

Evolution of the total number of queries, complaints and suggestions received



Customer communications

In 2017 the use of information channels has intnsified by improving existing ones and creating new ones by leveraging social networks. The goal is to consolidate an ecosystem of relationships and dialogue with customers and citizens.

Internet

➲ A4 Holding (Italy) and Eurotoll have launched a new website in 2017, with renewed contents and services.

➲ Autopistas' new blog (blog.autopistas.com), a content space on topics related to road safety and the driving industry, offering reports, driving tips, industry-related articles, updated information and publications related to the results of studies from the Road Safety Center (CESVI) in Autopistas.

➲ In Brazil, the use of Artificial Intelligence is currently under study for the customer service chat.

Social media

➲ Use of Instagram to approach the user and promote responsible driving through the hashtags #onposepourlapause (Sanef) and #ContigoHastaDondeQuierasllegar (Autopistas).

➲ On the occasion of the summer vacation campaign, Arteris offered a live broadcast through its Twitter account of surveillance camera images of the Litoral Sul.

➲ Autopistas has created its customer service Twitter account and activated its corporate profile in LinkedIn.

TV and radio

➲ A4 Holding (Italy) opens its operations center every week to a local television team (Brescia, Verona, Vicenza and Padua) for the recording of the "Qui Centro Operativo" program, which reports on everything that can help ensure the fluidity and road safety of drivers during their journey on the A-4 toll road (traffic forecasts, work schedules, incidents due to anticipated events, etc.).

➲ Radio Sanef reinforced its content this summer, constantly informing about the summer vacation campaign. In 2017, Sanef 107.7 was chosen for the second year in a row as the best thematic radio of the year in the Salon de la Radio.

On-site

➲ VíasChile reinforced its mobile customer service offices to facilitate electronic payment in areas located far from urban centers.

➲ Autopistas: open days at the control and customer service centers in Segovia and Logroño including an educational session on road safety for children.

5

Value creation

Shareholders

Figures and results

Strategic goals

. Grow in new concessions profitably and with financial discipline

. Promote agreements with Governments to increase the average life and optimize tariffs

. Increase revenues and efficiently manage expenses, making recurrent cash flow grow

€5,323 Mn +13%
Revenues

€2,058 Mn +10%
Ebit

€3,480 Mn +14%
Ebitda

€897 Mn +13%
Net profit

Main figures

In 2017, the positive evolution of traffic on the Group's toll roads continued, which continues to grow at a good pace in the company's main markets. The consistent levels of activity achieved in Spain, Chile and Italy stand out, as well as the continued growth in France and the change of trend in Brazil. India, a market that has joined the Group in 2017, has also experienced a significant growth in traffic. The negative evolution of the activity in Puerto Rico is mainly due to the impact of Hurricane Maria last September.

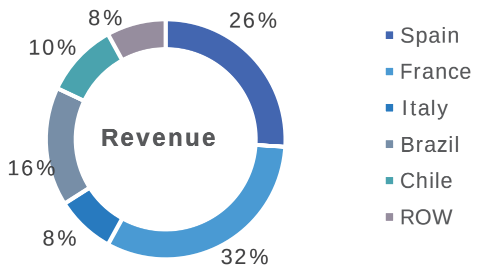
Traffic 2017	ADT	Var.
Spain	20,876	+3.9%
France	24,836	+1.5%
Italy	64,589	+3.2%
Brazil	18,255	+3.2%
Chile	26,810	+4.0%
Puerto Rico	64,645	-2.9%
Argentina	82,825	-1.7%
India	19,613	+9.6%
Total Abertis	**24,368**	**+2.5%**

PROFIT AND LOSS ACCOUNT [4] January - December 2017	(Mn€)		
	Dec. 2017	Dec. 2016	Variation
Operating revenue	5,323	4,707	13%
Operating expenses	-1,843	-1,642	
Ebitda	**3,480**	**3,065**	**14%**
Ebitda (like-for-like)			**7%**
Depreciation and amortization of revalued assets	-1,422	-1,192	
Operating result (Ebit)	**2,058**	**1,872**	**10%**
Draf effect Autopista Central	0	293	
Net financial result	-786	-611	
Shares of profits (losses) of associates	19	30	
Income tax	-365	-287	
Discontinued operations	72	7	
Minority interests	-102	-216	
Net profit	**897**	**796**	**13%**
Net profit (like-for-like)			**24%**

Revenues

Revenues have increased 13% up to 5,323 million euros, mainly due to consolidation from the global integration of A4 and the two toll roads in India, the positive evolution of the activity and the favorable impact of the exchange rate of the Brazilian real and the Chilean peso.

Seventy-four percent of Abertis' revenues comes from outside Spain. The French market has consolidated as the largest for the Group (32%), followed by Spain (26%).



Revenue 2017	**€Mn**
Spain	1,362
France	1,690
Italy	423
Brazil	851
Chile	514
Puerto Rico	131
Argentina	227
Rest of the world (ROW)	122
Holding	5
Total Abertis	**5,323**

[4] 2016 consolidated profit and loss account restated considering the impact of the classification of the discontinued activities pursuant to NIF 5.

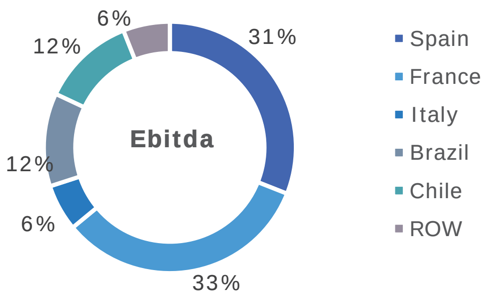
EBITDA

The gross operating margin (EBITDA) reached 3,480 million euros (+14%), although when discounting perimeter and other non-recurrent impacts, the like-for-like EBITDA grew 7% more than in the previous year.

Likewise, the results of the Group have been favored 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.

The result of operations (EBIT) of the year grew 9.9%, 9.2% in like-for-like terms.

Ebitda 2017	**€Mn**
Spain	1,112
France	1,161
Italy	215
Brazil	429
Chile	402
Puerto Rico	92
Argentina	71
ROW	35
Holding	-36
Total Abertis	**3,480**



Financial result

The net financial result amounts to -786 million euros, of which -677 million euros correspond to the financial cost of the debt and the rest amounted to -109 million euros.

Share of profits from associates

The contribution of registered companies using the equity method amounts to 19 million euros.

Income tax

The income tax expense amounts to 365 million euros, with the following tax rates in the main countries where Abertis operates: Spain, 25%; France, 39.4% (compared to a prior of 34.4%); Italy, 27.9% (compared to a prior 31.4%); Brazil, 34% and Chile, 25.5% (compared to a prior of 24%).

Result

The consolidated result for the year 2017 attributable to the shareholders has reached 897 million euros, which represents an increase with respect to 2016 of 13% and 24% in like-for-like terms.

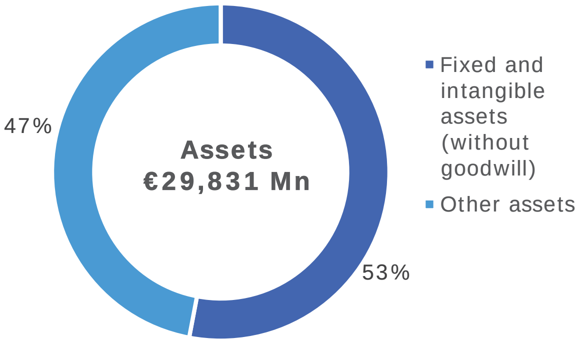
Cash flow

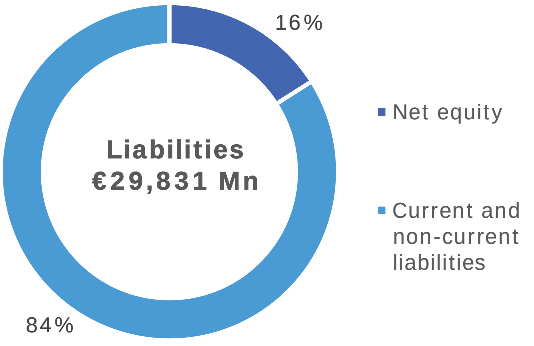
During 2017 Abertis generated a gross cash flow (before investments and dividend payments) of 2.073 million euros. Discretionary cash flow was 1,987 million euros, which in like-for-like terms is 11.5% higher than in 2016. The cash flow of the Group is enough to support the investment plan that the company is undertaking to improve the infrastructure of its assets and also allows the company to maintain one of its main strategic pillars: shareholder remuneration.

Balance Sheet

Total assets as of December 31, 2017 amounted to 29,831 million euros, representing a reduction of 4.3% compared to the close of 2016, mainly due to the impact of the purchase of minority interests of HIT and A4 Holding and the impact of the depreciation of the Brazilian real, the Chilean peso and the US dollar.

On the other hand, consolidated net equity reached 4,777 million euros, 30.8% less than at the end of 2016, due to the impact of the purchase of minority stakes and negative conversion differences, among others.





BALANCE SHEET	January-December 2017	(€Mn)
	Dec. 2017	**Dec. 2016**
Tangible and intangible assets	20,128	22,506
Financial fixed assets	4,075	4,281
Current assets	1,373	1,819
Cash flow	2,458	2,529
Assets held for sale	1,796	50
Total assets	**29,831**	**31,186**
Net equity	4,777	6,901
Non-current financial debt	16,217	15,210
Non-current liabilities	4,988	5,348
Current financial debt	1,608	1,695
Current liabilities	1,613	1,988
Liabilities held for sale	628	44
Total liabilities	**29,831**	**31,186**

Investments

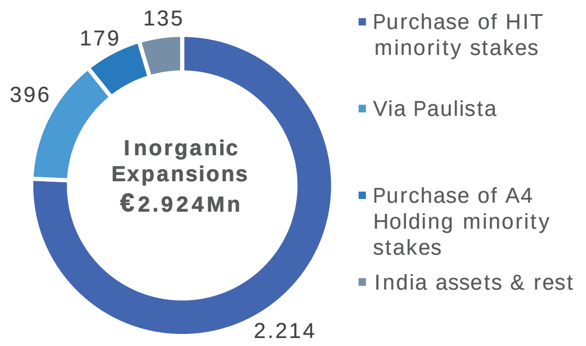
Main investments in 2017

Inorganic growth:

- Acquisition of an additional 47.45% in Holding d'Infraestructures de Transport (HIT), the company that controls 100% of Sanef, reaching 100% of its control (2,214 million euros).
- The closing of the purchase of 100% of two toll roads in India (133 million euros).
- The acquisition of an additional 32.16% of A4 Holding (179 million euros).
- The awarding of the Via Paulista 30-year concession in Brazil (396 million euros).

Organic growth / Increase of road capacity

- In Brazil, Arteris continues to work on the expansion and improvement of the roads. Worth highlighting in 2017 are the pavement recovery works, the completion of the duplication of the Serra do Cafezal in Régis Bittencourt, the duplication of lanes in Fluminense and the works of the Florianópolis ring road in Litoral Sul (458 million euros).
- In France, Sanef has continued working on the improvement of its network as part of the agreement reached in 2016 with the French Government (Plan Relance), highlighting the construction of a third structure in the Guerville viaduct, among others (151 million euros).
- In Chile, the construction of the new Maipo bridge in Autopista Central and the construction of a new section in Autopista Los Andes (80 million euros) stand out.



2017 Investments	Operations	Expansions	Inorganic Expansions	Total
Spain	12	6	0	19
France	39	151	2,214	2,404
Italy	1	15	179	195
Brazil	24	458	396	878
Chile	4	80	0	83
ROW	5	9	135	148
Holding	1	0	0	1
Total Abertis	**85**	**719**	**2,924**	**3,728**

Financial management

Abertis has succeeded in reducing the average cost of consolidated debt down to 4% in 2017.

Strategic goal

. Achieve a healty and efficient financial structure

Refinancing operations

Over **€10,000 Mn**

2015-2017

Key financial deals in 2017

➲ Abertis has signed loan agreements with credit institutions for a total value of 2,140 million euros, and with maturities between 2018 and 2022.

➲ Throughout the year, promissory notes with quarterly maturities were issued, with a promissory note amounting to 100 million euros due in January 2018 remaining at the end of 2017.

➲ HIT, a French subsidiary of Abertis, has issued bonds worth 1,000 million euros: 500 million euros with maturity in 2023, and 500 million euros with maturity in 2027.

➲ HIT has reepurchased bonds for 140 million euros from a previous issue with maturity in October 2021, at an interest rate of 4.875%.

➲ A4 Holding has repurchsed bonds for 200 million euros from an issue with maturity in 2020.

➲ Arteris completed the issuance of new bonds for 1,615 million Brazilian reais (approximately 407 million euros at the close of December 31, 2017) with two tranches, the first one with maturity in October 2022 and a CDI 12m + 1.60% coupon and the second one with maturity in 2024 and a CDI 12m + 5.09% coupon.

➲ Arteris closed also an issue of bonds for 72 million Brazilian reais (approximately 18 million euros) with maturity in January 2018 and a CDI 12m + 1.80% coupon.

➲ Vías Chile has closed the voluntary redemption of bonds of Autopista Los Libertadores for an amount of 120 million euros and of Rutas del Pacífico for an amount of 190 million euros (in the latter case the transaction was completed in January 2018).

With these operations, the Group extends the profile of debt maturities and highlights the efficiency in the active management of the company's balance sheet. It also strengthens its ability to take advantage of the opportunities offered by the credit market to obtain attractive conditions and continues to generate value for its shareholders.

Sustainable credit

Abertis has signed its first sustainable credit with ING for a total of 100 million euros at 3 years with the possibility to extend maturity by an additional year. This loan is characterized by the fact that its cost is indexed to the company's environmental, social and corporate governance (ESG) performance, such that the cost is reduced if there is a positive evolution in these areas.

The measurement of the sustainability rating applicable to the credit subscribed with ING is made by the rating agency Sustainalytics, an independent leader in ESG analysis and assessments, which supports investors around the world in the development and implementation of responsible investment strategies.

Financial structure

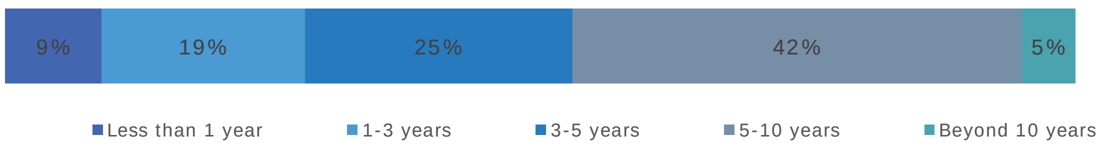
Following the policies defined by the Board of Directors, the financial structure of the Abertis Group seeks to limit the risks to which it is exposed due to the nature of the markets in which it operates.

Abertis maintains a high percentage of debt at a fixed rate or at a rate fixed through hedging, minimizing to a large extent the possible effects of stress in the credit market.

Abertis' net financial debt increased by 990 million euros in 2017, mainly due to the impact of the acquisitions of minority interests in Italy and France, the payment of dividends, the purchase of the toll roads in India and the operating and expansion investments made in the year.

	2017	2016
Net debt	€15,367Mn	€14,377 Mn
Net debt / Ebitda	4.4x	4.7x
Debt maturity	5.3 years	5.9 years
Fixed debt	79%	90%
Average cost of consolidated debt	4.0%	4.8%

Debt maturity



Credit rating

Agency	Date of evaluation	Rating	Outlook
Fitch Ratings			
Long term	25/10/2017	BBB+	Rating Watch Negative
Short term	25/10/2017	F2	Rating Watch Negative
Standard & Poor's			
Long term	24/10/2017	BBB	Developing Outlook

Shareholder remuneration

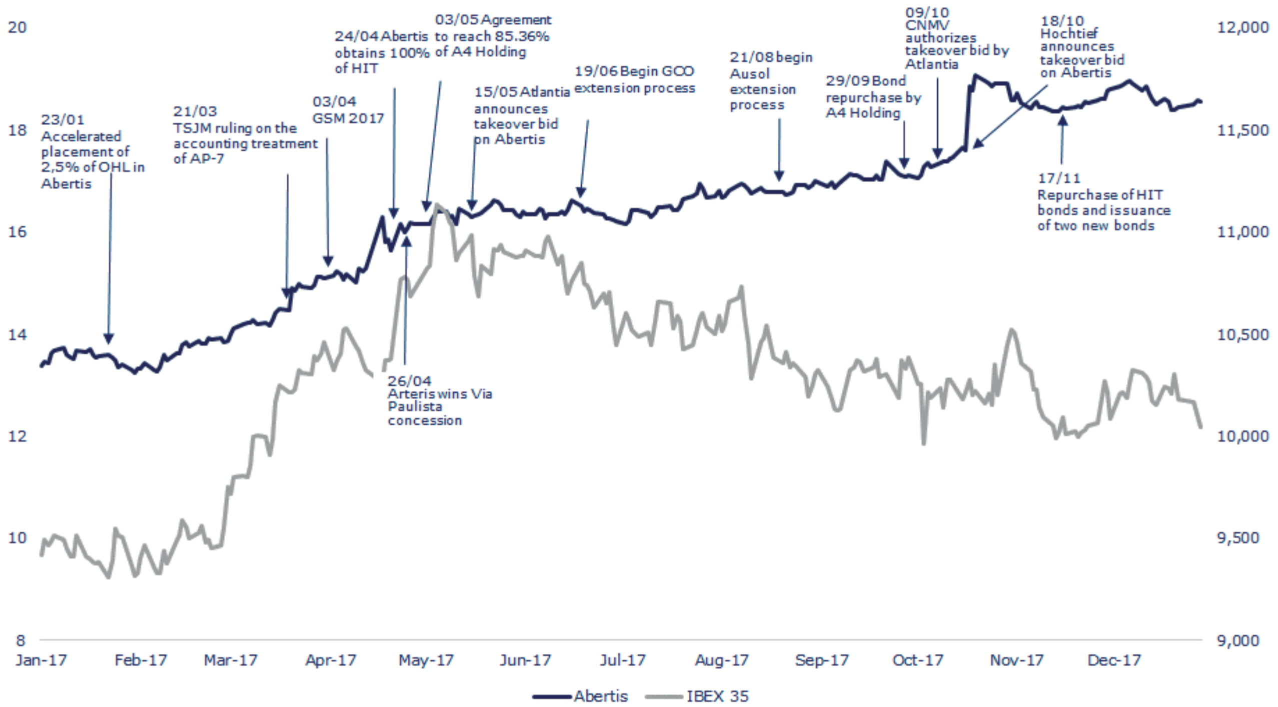
Abertis has increased its shareholder remuneration by 10% in 2017.

Strategic goal

. Sustainable growth in share value and remuneration

Annual yield	Market CAGR	Accrued dividends
+16%	+10%	€792 Mn
2013-2017	2009-2017	2017

Evolution of Abertis share in 2017



	2017
Closing price	18,55 € / share
Maximum price	19,06 €
Minimum price	13,24 €
Number of shares	990,381,308
Capitalization	18,372 Mn€
Annual yield 2013-2017[5]	+16%
Treasury stock	8%

[5] Includes stock appreciation, bonus issues and dividend yield for shareholders who purchased on December 31, 2012 and have not sold their shares until December 31, 2017

Dividend

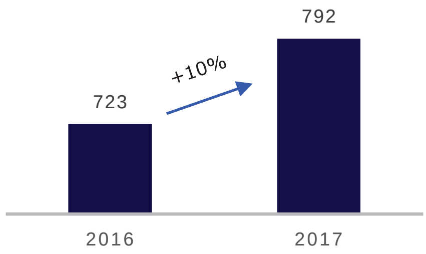
On April 3, 2017, the General Shareholders' Meeting of Abertis agreed to the distribution of a second and final payment of the 2016 dividend charged against available voluntary reserves of 0.37 euros gross per share, which became effective in April of 2017. In this way, the total 2016 dividend was 0.73 gross euros per share, representing 723 million euros and implies an increase of 10% over the total distributed amount against the results of the previous year.

The aforementioned Shareholders' Meeting agreed to offer shareholders the possibility to choose between receiving the second payment of the 2016 dividend of 0.37 euros gross per share in cash or through the awarding of shares of Abertis Infraestructuras, S.A. from shares held by the Company. 15.3% of the share capital of Abertis Infraestructuras, S.A. has opted to collect said dividend in the Company's own shares, which has entailed the delivery of 2.9 million treasury shares representing 0.29% of the share capital of Abertis Infraestructuras, S.A.

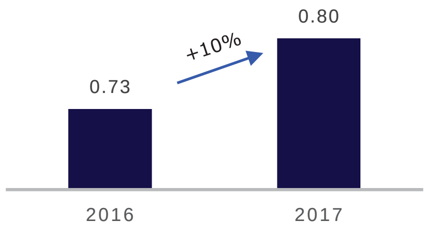
The Board of Directors has agreed to propose to the Ordinary General Shareholders' Meeting the distribution of a second and final dividend payment for 2017 of 0.40 euros gross per share. With all of the above, considering the first dividend payment already distributed of also 0.40 €/share, the total 2017 dividend will amount to 792.3 million euros, and represents an increase of 10% over the total distributed amount in 2016.

Thus, in compliance with the commitment established in the 2015-2017 Strategic Plan, shareholder remuneration has experienced an average increase of 10% per year in the period (specifically 10% in 2017, 11% in 2016 and 10% in 2015).

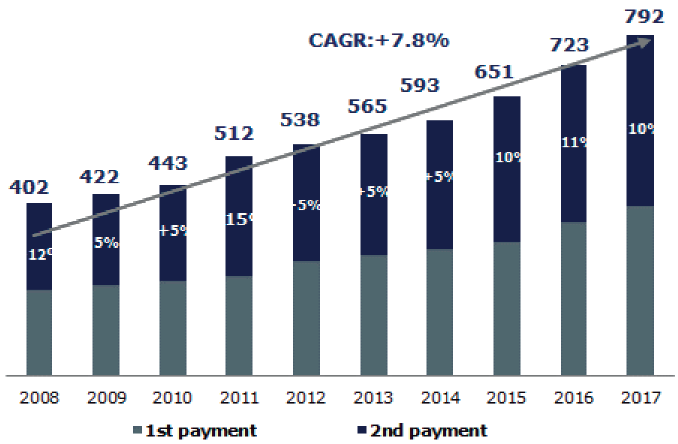
Ordinary accrued dividend (€Mn)

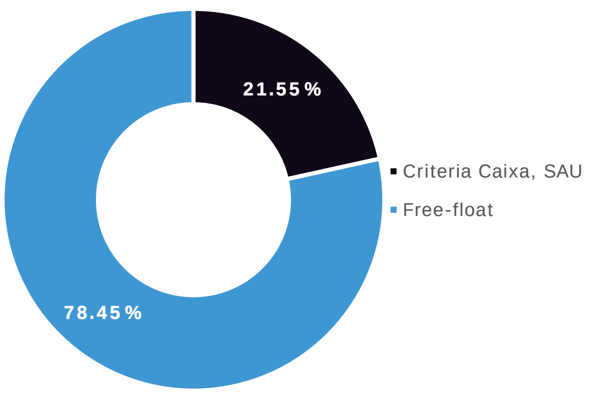


Dividend per share (€)



Ordinary accrued dividend (€Mn)





Shareholder structure

*As per the notification submitted to Abertis in December 2017 and December 2016:

Stake through Criteria Caixa, S.A.U. of 15.07% and Inversiones Autopistas, S.A. of 6.07% and under a syndication agreement with G3T, S.L. and BCN Godia, S.L.U. of 0.26% and 0.15% respectively (15.08% through Criteria Caixa, S.A.U. and 7.17% through Inversiones Autopistas, S.A., as of the close of 2016).

Society

Tax Contribution

Abertis' tax policy is based on transparency and the responsible and cautious application of tax laws.

Total tax contribution	Tax contribution
1,832 Mn€	**219,339 €** per kilometer of directly managed toll road

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 of the countries in which it operates.

Since 2014, Abertis voluntarily adheres to the Code of Good Tax Practices, which contains a set of recommendations agreed between the Spanish Agencia Tributaria (Tax Agency) and the Foro de Grandes Empresas (Large Company Forum). The company complies with its principles of performance.

Following the principles that have guided its actions 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.

2017 tax contribution

Country[6]	Total contribution
France	€867 Mn
Spain	€237 Mn
Argentina	€216 Mn
Brazil	€215 Mn
Chile	€141 Mn
Italy	€132Mn
Other[7]	€24 Mn
Total	**€1,832 Mn**

[6] Changes in perimeter with respect to 2016: Italy includes Grupo A4 Holding for all of 2017 and section Other includes Trichy Tollway Pvt Ltd and Jadcherla Expressways Pvt Ltd concessionaries of India since the date of acquisition (2/3/17).

[7] Includes United Kingdom, The Netherlands, Puerto Rico, Mexico and India, among others.

Tax contribution in 2017

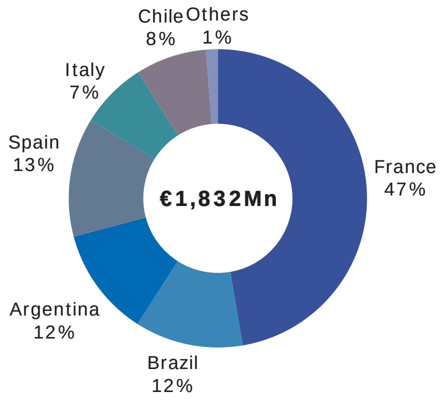
Abertis makes quantifiable economic and social contributions through the payment of public taxes in the different countries in which it operates. Said payments imply a strong effort in order to comply with all formal notification and collaboration obligations before the Spanish Tax Agency as well as with all relevant responsibilities.

Following OCDE's cash basis methodology, the total tax contribution of the Abertis Group in 2017 amounted to 1,832 million euros, 811 and 1,021 of which have corresponded to taxes paid and taxes collected respectively. In this sense, the Abertis Group includes all dependant companies that are consolidated by the global integration method[8].

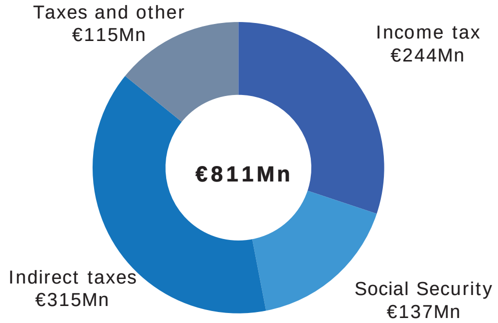
In 2017, for every 100 euros of Abertis' revenue, 34 euros are destined to the payment of taxes. Specifically, 15 euros go to the payment of taxes paid and 19 euros go to the payment of taxes collected.

Likewise, the tax contribution per kilometer of toll roads directly managed by Abertis amounts to 219,339 euros, of which 94,053 euros and 125,286 euros correspond to taxes paid and taxes collected respectively.

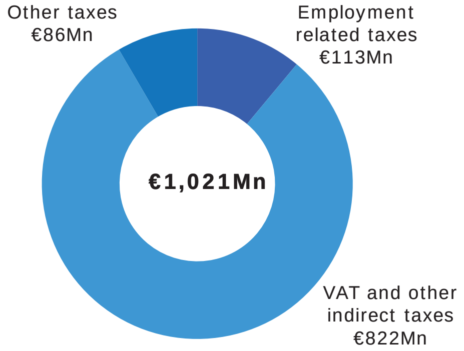
Breakdown of total tax contribution



Taxes paid



Taxes collected



Taxes paid are those that represent an effective cost for the company (payments of income tax, local taxes, indirect taxes on goods and services and social security for the business quota).

Taxes collected are those that do not affect the result but are collected by Abertis on behalf of the tax management or are paid on behalf of other taxpayers (value added tax, withholdings and social security for the worker's contribution).

[8] Includes taxes paid by the Hispasat Group that amount to €58 Mn (€43 Mn of taxes paid and €15 Mn of taxes collected).

Contribution to the environment

Abertis applies preventive measures to preserve the environment and reduce pollution, giving shape to a more efficient, responsible and sustainable operations model.

Strategic goals

. Reduce the carbon footprint

. Develop products and services with positive environmental and social criteria

. Innovation based on circular economy criteria of the activity's value chain

. Enhance and preserve the natural capital

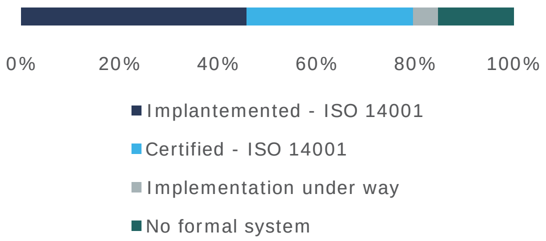
. Enhance and preserve the natural capital

-13%
Emission of CO_2e (scopes 1 & 2) (Tn/€Mn revenue)[9]

€23 Mn +3%
Destined to environment

The Abertis Group applies a set of measures aimed at minimizing environmental impact and which start from the design phase of the infrastructure itself, seeking a balance between sustainability and economic and technical viability. This allows defining and implementing preventive measures to preserve the environment and reduce pollution, giving shape to a more efficient, responsible and sustainable operations model.

79.6% of revenue has an environmental management system implemented and/or certified according to the ISO 14001 international standard.



Climate Change

Abertis has formally identified the risks and opportunities arising from climate change and is currently in the process of conducting an economic assessment of the former as part of its corporate risk management framework and specific projects developed in this area.

The emissions derived from the use of the infrastructures, as well as the intensity related to liquid fuels and materials and energy used during maintenance and construction are Some of the main sources of emissions related to the activity.

Annually, Abertis takes part in the climate change performance and management analysis conducted by the Carbon Disclosure Project, through the preparation of a detailed report on the management of risks and opportunities as well as details of its carbon footprint.

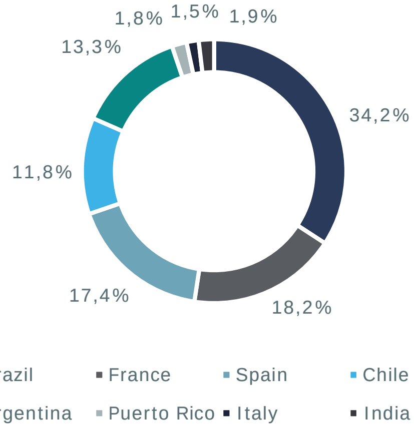
The calculation of the footprint, expressed in tons of CO2e, is a fundamental element for Abertis to

[9] Perimeters 2016 and 2017 non comparable

determine which priority areas and processes the organization must focus on that require action, as well as to evaluate the advances taking place in response to actions implemented in the field of greenhouse gas emissions reduction.

In 2017, scope 1 and 2 CO_2e emissions were reduced by 13% relative to revenue with respect to 2016 in a non-constant perimeter. If an estimate of the scope 1 and 2 CO2e emissions is included from the new additions (India and Italy) in the year 2016, the evolution would represent an increase of 3.5%. Total emissions in relation to revenue have increased 16.6%[10].

CO_2e emissions (scopes 1 and 2) by country



Of the total emissions of the Group in 2017, 86.3% of the contaminating emissions come from the vehicles that transit through its road network. In this sense, Abertis works to facilitate the circulation and implementation of more ecological, quieter and safer vehicles on its toll roads (see Road Tech section).

Likewise, with regard to the management of scope 1 and 2 emissions, different actions have been developed focused on contributing to the established overall emissions reduction target.

➲ In 2017, Autopistas obtained the environmental quality certification granted by the Generalitat de Catalunya, which recognizes Aucat's and Invicat's fleet of environmentally-friendly vehicles that contribute to ecoefficiency and sustainability. This action was developed as part of the deployment of the sustainable mobility plan formalized during the year.

➲ Among the measures implemented by Autopistas through its Electrical Maintenance Master Plan are the regulation of the lighting flux, the optimization of outdoor lighting or the renovation and installation of LED technology lamps.

➲ Photovoltaic panels, recycled material collection systems and a waste segregation center have been installed in Brazil.

Circular economy

Generated waste

346,045.8 Tn

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 2017, work has continued on the development of joint projects with the goal of identifying the feasibility of reusing construction waste for the conservation of pavements.

Likewise, possible collaboration agreements are being explored with different stakeholders for the reuse of the waste generated by the activity, including the potential energy recovery thereof and specific containers have been installed for the recovery of this type of waste during construction work.

Non-hazardous waste

99.7%

Construction waste

77.7%

Hazardous waste

0.3%

[10] The emissions included in the calculation of the carbon footprint are the following: scope 1 emissions: emissions derived from the direct consumption of fuels and refrigerant gases; scope 2 emissions: indirect emissions derived from electricity consumption; scope 3 emissions: other indirect emissions derived from the suppliers of the organization and from the use of the products and services provided by the organization (vehicles traveling on the included roads

Ordinary wet sludge

49.7%

Although 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.

Worth highlighting is the treatment of wastewater through the use of roots and the installation of rainwater collection tanks in Brazil with the aim of optimizing water consumption and promoting actions related to circular production processes.

Sanef (France) advances in it aquifer protection program which, as part of the Relance Plan, will entail a total investment of 55 million euros. In 2017, work has been carried out on the construction of water collection and treatment ponds in 12 locations along the A4 and A1 toll roads, with an investment of 25 million euros.

In Autopista Los Libertadores (VíasChile), where water for irrigation is scarce, a system of reuse of treated water was implemented, allowing to irrigate the landscaping areas of the urban section of this route. This project made it possible to provide water in the sector, reduce the time and cost of moving the water, and reduce transportation related emissions.

Biodiversity and natural capital

1,418.3 kilometers of roads are located in areas of special protection for biodiversity, mainly in France, Brazil, Spain and Italy

Environmental impact prevention measures (biodiversity)

• emergency plans

• conservation and cleaning plans

• environmental monitoring programs

• environmental liability recovery programs

• awareness and education campaigns

• installation of wildlife crossings and enclosures

• compensatory planting

The emissions included in the calculation of the carbon footprint are the following: scope 1 emissions: emissions derived from the direct consumption of fuels and refrigerant gases; scope 2 emissions: indirect emissions derived from electricity consumption; scope 3 emissions: other indirect emissions derived from the suppliers of the organization and from the use of the products and services provided by the organization (vehicles traveling on the included roads).

➲ Awareness-raising is another of the Group's tools to reduce its environmental footprint. In Brazil, through Arteris, the Group conducts awareness campaigns during the holidays as well as other campaigns on the occasion of Water Day, Environment Day, Tree Day and others. Likewise, Spain is also committed to raising awareness among partners and collaborating companies by establishing requirements for better environmental practices. Similarly, France has continued with awareness actions related to the biodiversity of the environment in the vicinity of roads.

➲ In addition, environmental emergency kits have been installed in construction sites in Brazil, and specific supervisory measures have been carried out of environmental matters affecting construction work, together with specific wildlife studies.

➲ In India, the Government is collaborating in the Mission for a clean India campaign, which aims to promote hygiene standards to ensure cleaner roads.

Environmental impact prevention measures (noise)

• installation of acoustic screens

• measurement of the acoustic impact by means of control points

During 2017, acoustic impact studies were conducted in a total of 2,511 kilometers in mostly Spain, Brazil, Chile and Italy, which represents 31% of the total kilometers managed.

France has worked on the isolation of the facades of Roberval Castle (along the A1 toll road), by updating the strategic noise maps (in the same way as Spain) and noise prevention plans for the environment and the noise observatory.

Argentina works both on the use of noise reducing asphalt, as well as on the deployment of reforestation plans.

For more information please see the Annex to this Report.

Contribution to the Community

Abertis collaborates with the community through projects relating to road safety, the environment, culture and social accessibility.

Strategic goal

. Generate positive synergies with local communities

315
initiatives developed in 2017

€6.38 Mn +5%
Destined to social initiatives and sponsorships

Direct relationship with the community

Abertis actively participates in the local communities in which it operates through different mechanisms, including the formalization of communication channels and the establishment of direct relationships, as well as through involvement in industry and generalist associations and coordinating and executing sponsorship and social action projects.

During 2017, the companies of the Group in the different countries have participated in a total of 82 associations. Also worth noting is the continuation of the 1% cultural projects in Spain and the Rouanette Law in Brazil.

➲ Red Viva Program (Chile): Prior to the development of new interventions due to capacity expansion construction work , a mapping of stakeholder groups that are linked to the territory and the local community was carried out, in which their expectations and needs that are to be incorporated into the design and execution of the works are identified. The Red Viva program coordinates the actions geared at building links with the territory, formalizing a systematic direct relationship with the local community and generating positive social impacts of the operations. Once the works are completed and the new infrastructure begins operations, the Red Viva program continues the relationships established in the initial phases.

Hurricane Relife Aid in Puerto Rico

In order to contribute to the recovery efforts following Hurricane Maria in Puerto Rico, Abertis and Goldman Sachs, the Metropistas consortium partners, have donated US$ 1 million toward aid after the hurricane swept through the island.

The donation will be channeled through three non-governmental organizations (NGOs) that have been actively involved in various aspects of post-hurricane relief efforts in Puerto Rico: United for Puerto Rico, the American Red Cross and Team Rubicon, each of which will receive an equal portion of the total.

The Abertis Foundation

The Abertis Foundation represents institutionally and strategically the organization's commitment to the environment and the local community, and coordinates the identification of positive synergies in different countries. On an annual basis, it publishes the activities report, which provides details about the actions that have been conducted.

The Castellet Castle, the Abertis Foundation's headquarters, also hosts the headquarters of the UNESCO International Center for Mediterranean Biosphere Reserves (CIURBN), which coordinates a network of 60 reserves in 15 Mediterranean countries with the aim to build bridges for dialogue, cooperation and the exchange of knowledge and experiences.

Main undertakings in 2017

Road Safety:

• **Te queda una vida ("You have one life left") and "#SumaTuLuz" (Sum up your light):** Awareness actions in nightlife areas in Madrid and Catalonia to alert young people about the risks of driving after having consumed alcohol or drugs, or on the dangers of distractions caused by the use of mobile phones.

• Cooperante Vial (**Road cooperant**): a project taking place in Barcelona and Madrid where young people with Down syndrome observe and take notes of the mobility habits around schools and then provide suggestions for improvement.

• **KanGo!**: The third edition of a project that combines road safety with the inclusion of people with disabilities in Barcelona.

• **Senior Driver Observatory**: A workshop about the subject of driving after 70 held in Madrid in June.

Environment:

• **Italy-Spain collaboration**: The Abertis Foundation, together with the Spanish Embassy in Rome and the Royal Academy of Spain in Rome, has presented in Italy its program to promote collaboration between both countries within the framework of UNESCO's Network of Mediterranean Biosphere Reserves.

• **Mediterranea 2017**: the CIURBN hosted the MEDITERRANEA 2017 convention in September, the first forum for Sustainable Tourism in Mediterranean Biosphere Reserves.

Abertis Academic Chairs

Since 2003, Abertis and the Abertis Foundation have been promoting the creation of different academic chairs in collaboration with renowned universities and national and international academic institutions. Aware of the importance of working with the academic world to ensure social and economic progress, Abertis promotes training, research and the transfer of knowledge between University and Corporations.

The first Academic Chair was established in Spain together with the Polytechnic University of Catalonia - BarcelonaTec, and was subsequently followed by France (IFSTTAR-École des Ponts); Puerto Rico (University of Puerto Rico); Chile (Pontificia Universidad Católica de Chile) and Brazil (University of São Paulo). More recently, the Abertis-UPM Chair (Polytechnic University of Madrid) was also created.

1st Abertis Road Safety Award

The International Network of Abertis Academic Chairs has granted its first International Road Safety Award in 2017, which recognizes the best work among the winners of the national prizes of each Chair (Brazil, Chile, Spain, France and Puerto Rico).

The award went to Dr. Hédi Hamdane, from the Aix-Marseille University (France). In his thesis, the author develops several road safety systems for vehicles to detect pedestrians and thus avoid impact. These systems analyze the trajectory of the vehicle by processing images with sensors; the emergency brake is activated whenever a pedestrian is detected in its path.

Social action and sponsorships

2017 Milestones

➲ VíasChile has received the Valor Compartido Award from Sustainability Hub for its project on the scouting and social rehabilitation of imprisoned women.

➲ Arteris continues to promote the Projeto Escola (School Project) in Brazil. In 2017, the project opened to people with disabilities.

➲ Also in Brazil, the *Jovens Aprendizes* (Young apprentices) project combines volunteering with labor integration. Its aim is to integrate young people living in shelters near the Autopista BR-101 into the work environment of Fluminense.

➲ Thanks to the collaboration of Grupo Abertis, the Sant Joan de Déu Hospital in Barcelona has added to its new hall (a large 600-square meter space joining the external consultations, child hospitalization and women's areas) several interactive games related to the human body to provide fun to children, patients and relatives during their waiting times.

➲ Demos Project: Sanef has signed an agreement with the Paris Philarmonic to finance the musical education of disadvantaged children.

Cultural sponsorship

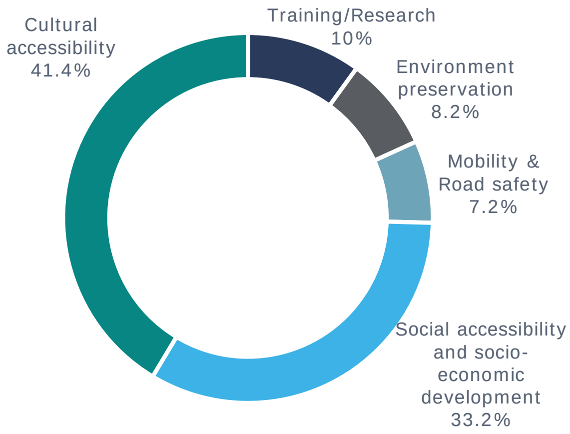
➲ Abertis along with its Foundation and subsidiaries of Grupo Sanef and A4 Holding have sponsored several exhibitions of Pablo Picasso's artwork in Spain, Italy and France.

➲ Abertis' subsidiaries in Argentina, Ausol and GCO, have brought to Buenos Aires unique works from Joan Miró as part of the exhibition "Miró: The experience of watching", open to the public from October 25 until February 25, 2018 at the Buenos Aires National Museum of Fine Arts.

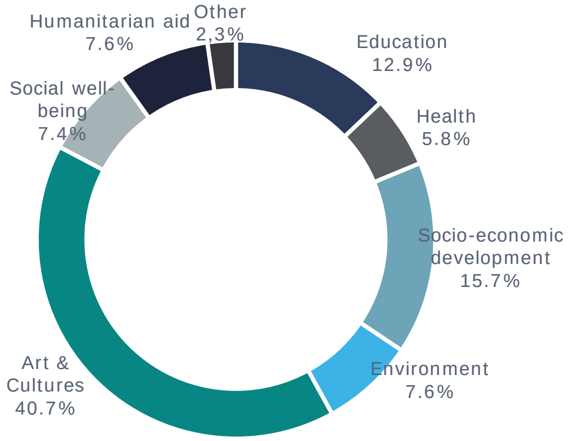
➲ A4 Holding has also sponsored the exhibition "Da Caravaggio a Bernini. Capolavori del Seicento italiano nelle Collezioni Reali di Spagna".

Total investment in social action initiatives and sponsorships in 2017 was 6.3 million euros, for projects of different characteristics according to the Abertis and LBG classification.

Percentage distribution of contributions by area of activity (Abertis classification)



Percentage distribution of contributions by area of activity (LBG classification)



Methodology from the London Benchmarking Group (LBG), which enables item standardization based on different classifications and provides tools for measuring their impact.

Supplier management and supply chain

Abertis works with qualified suppliers with proven technical, financial, ethical and responsible performance credentials.

91% **Purchases from local suppliers**

Contracting policy and procedure

Abertis' supplier policy is based on the principles of competence, long-term relationship, adequate planning, efficiency and control. Abertis has several control mechanisms in place with the purpose of assuring adequate compliance with these principles and their traceability in order to prevent certain risks. Said mechanisms combine committees and management tools that ensure that each and every contract is justified, that describe the implications resulting from not proceeding with them, and that verify their profitability.

The implemented supplier contracting process is electronic and includes a formal assessment and qualification process based on the risk levels associated with the supplier company.

Supplier involvement in the development of products and services with positive ESG (environmental, social and good governance) impacts is important, especially when they participate in activities related to road maintenance and construction. The objectives of the Master Plan in relation to external collaborators are present in the four strategic pillars of the plan, due to the cross-cutting impact they have on each of the aspects. In this sense, 100% of the tenders in 2017 have been formalized under environmental and social clauses (ESG).

The scope of the non-financial information and the main management procedures related to ESG aspects includes external collaborators, and performance in connection with the actions conducted a part of the life cycle of the organization's activity is reflected in the data presented.

The supplier management policy and the implemented contracting procedures establish, among other requirements, the qualification and evaluation of suppliers in matters pertaining to ESG. A formal system

has been implemented in Brazil, Spain and Chile, through a joint evaluation tool that collects information on supplier performance and management in connection with different environmental, social and good governance aspects. Thus, it is possible to obtain an indicator of the performance of each supplier and establish a system of incentives for continuous improvement. In the rest of the countries, work is under way to integrate equivalent supplier evaluation procedures, although 100% of the critical suppliers have already been evaluated.

The increase in the number of evaluated suppliers according to CSR scoring in Brazil stands out, where the evaluation is a prerequisite to participate in the bidding processes. The good performance of this measure makes it a good case for replicability in other countries to encourage the increased participation of suppliers in this type of ESG performance evaluation exercises.

2017 Highlights

➲ 2nd Supplier Convention at Autopistas, which brought together more than 100 people on behalf of 65 suppliers to discuss Road Safety, Risk Prevention, Supplier Evaluations and Customer Service.

➲ VíasChile has launched a training program for its different concessionaries addressed to all personnel involved in the purchase of goods and services. The idea is to showcase the general guidelines of the Procurement processes, the stages of the acquisition of goods and services and the use of the Contracts and Instruments Managemnent System as a support to the management of company contracts.

➲ Arteris has conducted the environmental assessment and monitoring of all construction works in Brazil.

➲ 3rd edition of the Abertis Global Purchasing Meeting, with the participation of all people involved in the Purchases Department of all countries.

Human Team

Committed to talent

Abertis strives to create a culture of respect, inclusion, collaboration, safety and health in the workplace.

Strategic goals

.Guarantee the safety and health of people at the workplace.

.Promote a team that is satisfied, committed and aligned with our goals and values.

.Guarantee equal opportunities

.Boost quality of employment

.Attract, develop and retain professional talent within a multicultural context

15,099
Collaborators (final workforce)

89%
Executives come from the local community

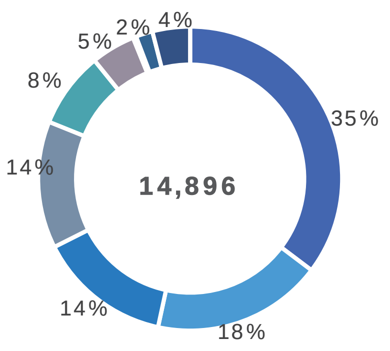
Women

37%
Total workforce

17%
Executives

24%
Heads

2017 final workforce as of Dec 31, 2017[11]



Workforce characteristics

	Men	Women	Total
Workforce	63%	37%	15,099
Permanent contract	97%	94%	95%
Full-time	95%	85%	91%
Turnover	17%	25%	20%

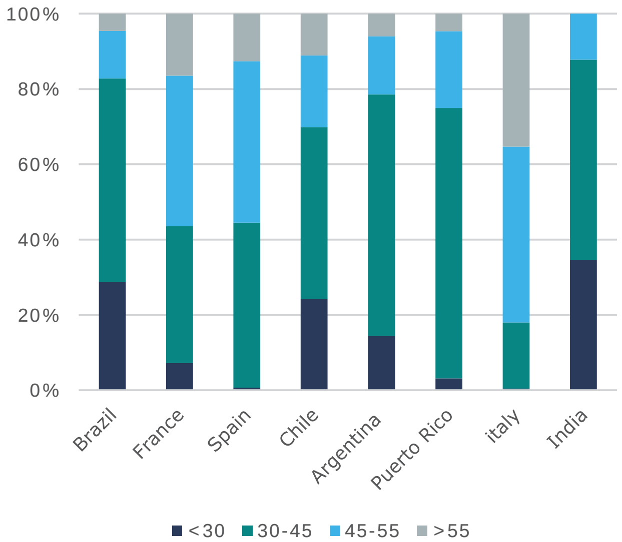
[11] The average number of Abertis employees at the end of December 31, 2017 includes 205 employees associated with non-current assets held for sale (233 employees as of December 31, 2016), which means the average number of employees without considering those associated with these assets and/or businesses discontinued in the current or previous years would amount to 14,841 in 2017 and 14,889 in 2016.

Diversity and equality

The center of the entire Abertis universe is the people that make up its human team. A cross-functional and diverse team whose mission is to consolidate Abertis as the world's leading toll road operator and a global reference in the field of road mobility.

Abertis' team is made up of nearly 15,000 people that combine the talent to ensure that our toll roads become high quality roads for our customers.

Workforce by age groups as of December 31[12]



This way, the Abertis Group strives to create a culture of respect, inclusion, collaboration, safety and health in the workplace. The vision of the Human Resources teams is to create a positive environment in which people can share the Group's values and leverage their capabilities - experience, knowledge and skills - to achieve the levels of excellence with which to contribute to the consolidation of Abertis as a reference company in the industry.

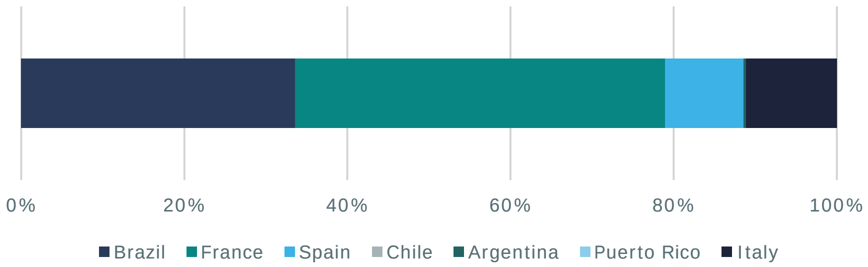
The Group promotes diversity through hiring, internal promotion and training and development programs.

A total of 342 people have taken parental leave during the year, with a retention rate of 99.2% for men and 90% for women.

The presence of women in executive and management positions has increased, thus consolidating a positive trend over time. Nevertheless, it is necessary to keep on working to guarantee the gender balance across all professional categories. All countries have regulations linked to equal opportunities, although 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 and selection, among others. The overall remuneration ratio for women is 83.2%, a slightly higher percentage than the previous year.

Similarly, some countries have specific legislation on the hiring of functional-diverse people. Brazil, France and Spain require the hiring of a percentage of disabled workers, either directly or indirectly, through the use of alternative measures.

Average functional-diverse workforce (direct hiring)



[12] This graph and the following in this chapter are calculated from data with a non-financial information scope (specified in chapter About this report)

Professional Development

Ninety per cent of executive level vacancies in the last five years have been filled via internal promotion.

Succession and development plans

In 2017, Abertis has started the implementation of its Succession Plan for both the Corporation and the subsidiaries. This plan allows to identify the successors of all critical positions at the company ("high potentials") and provide a global and cross-cutting vision to making the most of the organization's talent base.

The Succession Plan is already under way in most of the Group's business units. At present, the training needs of the so-called successors with respect to the responsibilities of the positions to which they are appointed are being analyzed.

Likewise, in 2017 work has continued on a development program for managers and key employees and specific training has been developed in the field of cultural competences as a result of the greater international and cultural diversity conforming the Group's employee base.

➲ In 2017 the HR Standards were created, a tool that helps streamline the development objectives and the improvement of the Human Resources departments of all business units.

Promotion of talent

Talent promotion and retention are the main elements that make up Abertis' professional development policy. Therefore, committing to this talent base is a fundamental pillar of our people management policy. One of the Group's strategic objectives is to ensure that at least 75% of executives and managers positions and management vacancies are filled by internal candidates.

Proof of this is the importance that the company gives to people development initiatives, such as the Abantis program, designed for the executive development of high potential employees within the Group and which is now in its fourth edition, and the "Talent Development Program", both developed in collaboration with top business schools.

In the last five years, 39 executive positions have been renewed in the Group, 32% of the total number of Abertis executives. Ninety per cent of these new management positions have been filled by internal promotion via vertical or horizontal movements. In addition, more than 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 the promotion of talent. Currently, 100% of the executives positions, 96.2% of managers (heads of department) and 60.3% of the remaining positions are under this performance evaluation system.

Open culture

Abertis bases its business corporate culture on the basis of collective intelligence resulting from the sum of the intelligence of the entire team. The company has consolidated the so-called "Open Culture" through various programs:

Open Circles: Participatory sessions to connect with the vision of the Corporation.

Come in!: Short presentations enabling direct and transparent access to knowledge about the organization's relevant issues and projects.

Open Challenges: Participatory and voluntary projects. In 2017, the projects of the 5 teams have been approved. The most advanced one is the Innovation project that seeks the mobilization of 180 people of the corporation through a program consisting of several actions (6 in 2018).

Nice 2 Meet you: Short presentations about each department of the Corporation to promote greater knowledge in the various areas and a greater efficiency. In 2017, 5 units were submitted: Tax, Legal Counsel, Risk Control and Internal Audit, Engineering and Construction and Information and Technology Systems.

Likewise, the Corporation has continued to work with different Open initiatives, such as the second edition of

In Abertis, based on trust; theNice to Meet You meetings; the Open Challenges or the Come In session dedicated to international intelligence presentations.

➲ In 2017 Sanef has completely renewed its corporate headquarters by adapting "open space" criteria. The company is studying the renovation of other corporate buildings with these same criteria. A4 Holding also plans to adapt its Verona offices to this new concept that seeks transparency, participation and teamwork.

➲ Autopistas has launched the Focus project on cultural transformation at the company, with initiatives such as a new intranet with access to all employees, a new workforce rotation policy that gives greater flexibility, and the implementation of process-based management.

➲ In India, an inverse training program was launched whereby country employees were able to learn about the cultural differences between the Asian country and the rest of the countries of the Group.

Knowledge networks

To encourage the efficient use of this collective intelligence, Abertis has created the Connectis knowledge network, a space that allows people involved in the different phases of the operation to share knowledge and work collaboratively with the goal of implementing continuous improvement processes across the entire group.

Toll roads of 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 initiatives identified in Connectis become projects that are implemented by the different activities and countries jointly, thus sharing good practices and the challenges encountered, from a broader perspective that enriches all stages of the project. This allows implementing continuous improvement processes across the entire Group using tools such as e-learning or webinars.

Work environment

The Group periodically conducts work climate surveys to measure employee satisfaction and develop action plans focused on improving the well-being of the staff.

➲ In 2017, actions have been launched that focus on the analysis of the current performance evaluation processes and the promotion criteria for their revision and modification after the results of the work climate survey conducted among central services employees in 2016, which saw a participation of nearly 90%.

➲ Arteris (Brazil) has conducted the satisfaction survey as part of the Valor Carreira project, whose results have been satisfactory and an overall satisfaction rate of 80%.

➲ Vías (Chile) has conducted the "*Yo Opino*" (I give my opinion) survey at the central offices, and it is planned to be rolled out in the toll roads.

Corporate volunteering

Abertis wants to encourage and support volunteering activities with the creation of the Abertis Infraestructuras and the Abertis Foundation Altruis Volunteer Program, through which its professionals can spontaneously donate part of their time, skills, knowledge and economic support to improve society.

This implies carrying out activities of a general interest that meet welfare, social services, civic action, educational, cultural, scientific, sports, health, development cooperation, environmental, defense of the social economy or research criteria oriented to that end, as well as development of associative life, the promotion of volunteering services or any other of similar nature at the national level.

In Brazil and through its Voluntários program, Arteris employees travel around the toll roads to locate homeless youth living near the infrastructures.

Among other corporate volunteering actions, Sanef workers in France give music lessons to small orchestras consisting of children without economic resources.

Likewise, VíasChile’s landscaping professionals in Chile teach classes to women in prison to encourage their re-integration into the workplace. Also in VíasChile, as part of the “Construye tu futuro” (Build Your Future) plan, succeeded in helping more than 170 young people from highly socially vulnerable backgrounds in 2017 obtain state scholarships to pursue higher education careers. Thanks to this program, nearly 500 young people have gained access to technical and professional careers, with the support of tutors and volunteering collaborators of VíasChile.

For more information, please see the Contribution to the Community section.

Training

Investment in training

€4.7 Mn

Almost all countries have specific training plans aligned with the direct needs of workers and the achievement of the strategic objectives of the Group. Abertis has set the goal that, in the coming years, each employee of the Group will receive a minimum of one development action per year, thus increasing the average number of training hours per collaborator.

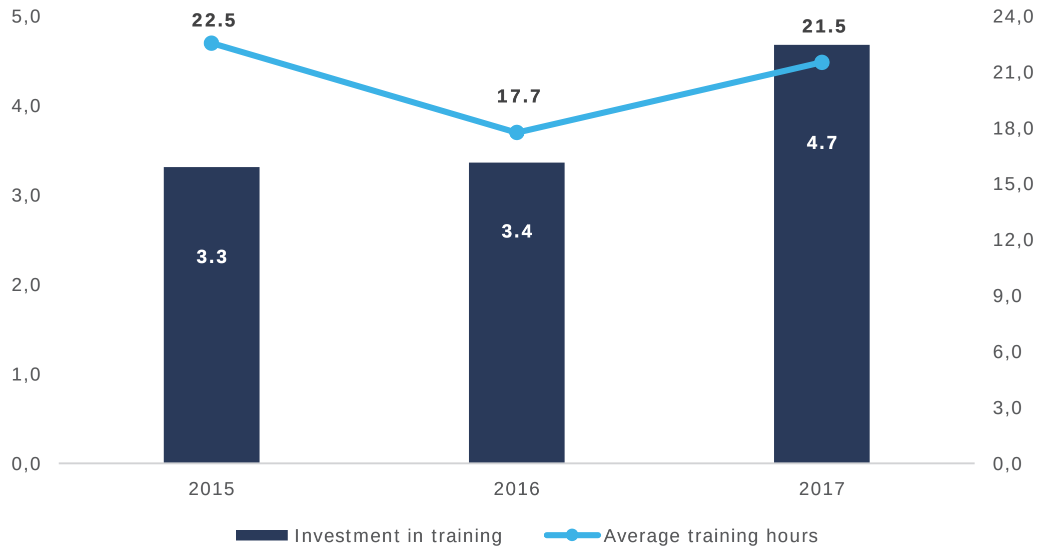
➲ Autopistas has launched the CAMPUS platform with the aim of conducting online training through a platform available on the company's intranet. Due to the geographical dispersion of collaborators, it is a very useful tool that allows reaching out to the entire workforce simultaneously and offer regulatory-required training courses (health and safety, collective agreements and ISO certifications basically) and also required training applicable to the entire staff.

➲ Online Arteris University. The Arteris University was created in 2016 with the goal of sharing the knowledge about the business among internal collaborators, and promoting the professional development among talented company employees. In July 2017, the Arteris University was strengthened through the creation of the Arteris Online University and the Arteris Operations University.

Arteris Online University: 31 published courses; 92% active collaborators in the network

Arteris Operations University: training for 362 collaborators; 54 courses completed.

Total investment in training (€Mn) and average hours per collaborator



Safety and Health

The Group has launched the Global Health and Safety Program with the aim of reducing accidents at work.

Workplace accidents
-32 %

106,934 hours
Health and safety training

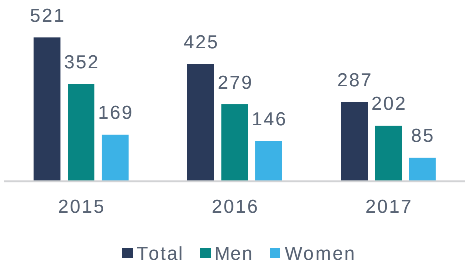
In 2017, work-related accidents were significantly reduced, with drops observed across all main indicators. It is the result of unrelenting work to prevent risks and of the actions implemented in all of the Group's concessionaires.

Evolution of accident rates

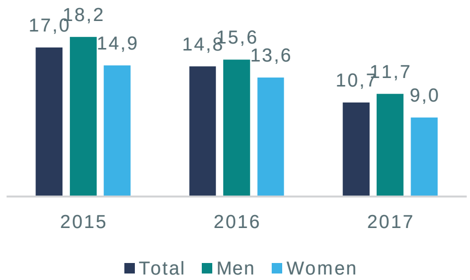
Global accident frequency rate

10.7 (-27.7%)

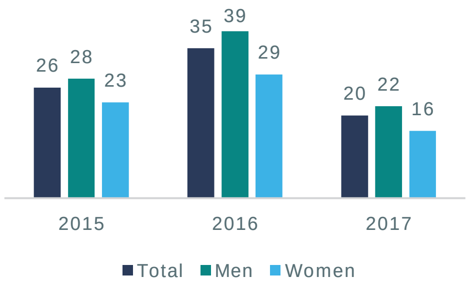
Workplace accidents



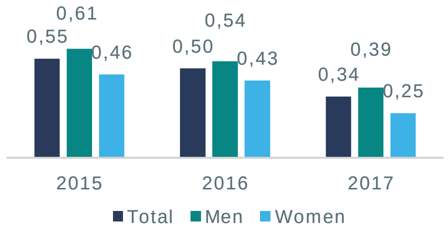
Frequency rate



Incident rate



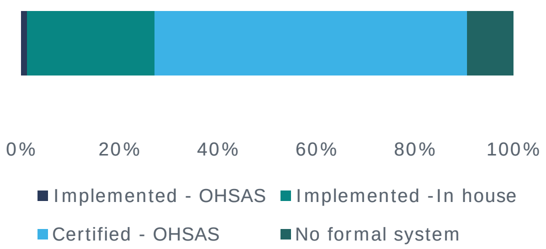
Severity rate



Management System performance appraisal

92.3% of turnover has a formal health and safety implemented and/or certified management system based on the OHSAS 18001 international standard. Operations in India, one of the concessionaires in Puerto Rico and one in Argentina, as well as the operations in Italy lack this type of formalized systems.

Health and safety management systems as a function of revenue



The analysis of workplace risks, the deployment of preventive measures, training and the provision of specific equipment and the monitoring of performance indicators on a permanent basis are some of the actions included in the systems.

Likewise, 85% of the workforce is covered by a health and safety committee, which jointly between the workers and the organization, conduct a specific follow-up of the application plans and the measures aimed at preventing occupational risks. These committees have met on a total of 522 occasions, with the goal of addressing various issues such as training, safety activities, planning monitoring, investigation of events and coordination with contracted companies involving 25,924 employees.

Workplace accidents have continued with a downward trend, as have the related rates, according to the established objective. Nevertheless, the potential incidence of India must be assessed as soon as the procedures and the safety culture are consolidated that allow to obtain related data. During the year 2017, one collaborator died in France due to an accident, and there were a total of 209 accidents among subcontractors, which are not included in the data analyzed in this report.

Main actions in 2017

➲ **Global Occupational Safety Program:** Aligned with the Global Road Safety program, the Global Occupational Safety Program was launched in 2017 with the aim to work together as a Group to reduce accidents at work.

➲ **Ongoing training**: During 2017, 106,934 hours of Health and Safety training were completed at Group level (-27.1%).

➲ **Improved worker safety**: In France, Sanef has driven actions such as the 9 golden rules of prevention and has completely banned the consumption of alcohol among its workers during corporate events, and has conducted several awareness actions as well.

➲ **Implementation of the Workplace Risk Reduction Index (IRR) as a Strategic Objective of Arteris.** In order to have available proactive measures to measure and monitor health and safety at work, the toll roads in Brazil have designed an index that relates the number of accidents that occur to the number of audits or prevention actions that have been developed, since a direct relationship between these two variables has been observed.

➲ **Global Corporate Challenge:** Promotion of physical activity among Sanef employees. For 100 days, employees (divided into 7 teams) wore a pedometer to measure their physical activity. They competed symbolically between teams to see who had gone the furthest. The goal is to encourage employees to make progress, in particular by exceeding the 10,000 step per day threshold recommended by the WHO.

➲ **Other actions performed:**

- Specific monitoring and control audits
- Psycho-social evaluations
- Procedures for continuous improvement
- Workshops and awareness-raising activities.

Sanef's 9 golden rules of prevention

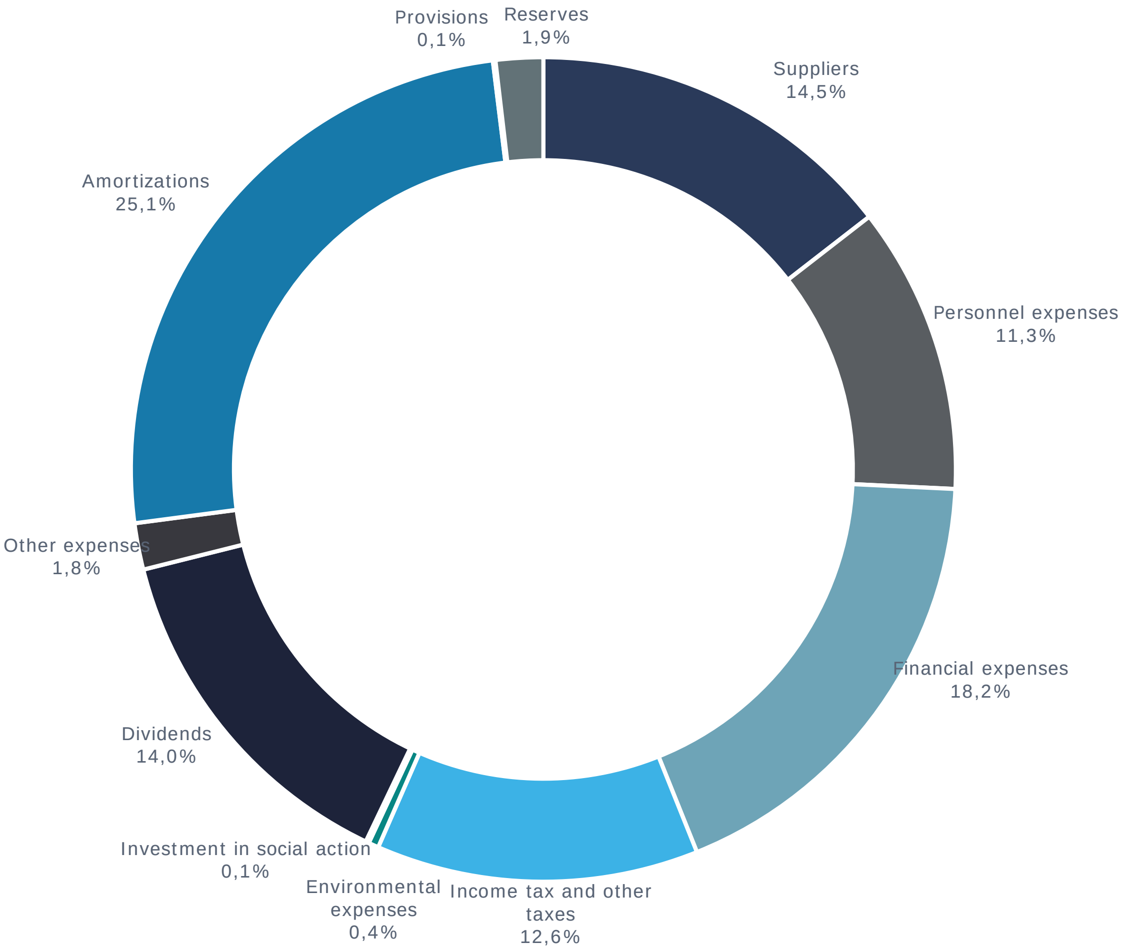
1. Remain aware and be concerned about safety
2. Comply with and enforce safety rules
3. Do not act with haste
4. Keep calm
5. Choose a safe route and do not run
6. Keep workspaces neat and clean
7. Control the vehicle and respect traffic laws
8. Make sure you have the necessary resources, carry/wear the right equipment and know the rules
9. Take care of the material and ensure its proper use

ECONOMIC VALUE ADDED

The Economic Value Added (EVA) shows the economic value generated by the Abertis Group and at the same time describes how that value is distributed among those elements that have contributed to its creation.

The economic value generated by Abertis in the year 2017 has amounted to 5,655.9 million euros, of which 74.9% has been distributed and 25.1% has been retained by the organization.

EVA – Consolidated Annual Accounts



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Outlook

2018 course of action

Spain	-Analysis of new lines of business in Spain through the new Development office. -Study of new concession tenders that may open up in the near future. -Work with the governments and other local social agents to move forward with initiatives geared at improving mobility. -CSR and sustainability action plan.
France	-Continuation of the Plan Relance investment plan. -Analysis of the new investment plan (Grand Paris). - Deployment of the specfic CSR action plant.
Italy	-Complete the integration with the Group. -Extend the Open Space model at the Verona offices. -Advance with the Northern Connection project: begin construction works at the Veneto section and obtain the green light for the Trento section. -Advance with the lane expansion project for the Brescia-Verona section. -Analysis of new concessions. - Deployment of the specfic CSR action plant.
Brazil	-Commissioning of Via Paulista and implementation of Group best practices. -Continuation of the investment plan with landmark works such as the area surrounding the city of Florianópolis, the duplication of the Fluminense toll road in Rio de Janeiro and the negotiation of new investments. -Analysis of new concessions that may appear in the market as part of the Programa de Parcerias de Investimentos (PPI) Program. -Strategic sustainability plan.
Chile	-Begin construction work of the Nudo Quilicura- Autopista Central intersection and Autopista del Sol’s third lane. -Negotiations with the Government for new investments in Ruta Los Libertadores and Ruta-68. -Re-tendering for the Rutas del Elqui concession and analysis of tenders for new concessions. - Deployment of the specfic CSR action plan.

Puerto Rico	-New CapEx program for the rehabilitation of damages caused by hurricane María and re-assessment of the model in the mid term. -Manage insurance claims as a result of hurricane María. -Under study the implementation of the free-flow system in the Teodoro Moscoso bridge. - Deployment of the specific CSR action plant.
Argentina	-Design of the project for new investments in concessions (nearly $700 million): lane expansion, network improvements, etc. -Analysis of new public-private partnership opportunities in road concessions. - Deployment of the specfic CSR action plant.
India	-Advance with the integration with the Group. -Create organizational teams with local collaborators that can become integrated in the international diversity of the Group. -Streamline and integrate the two assets under a common brand and with uniform management criteria. -Analysis of new growth opportunities in the country by leveraging the Infrastructures Plan announced by the country's Government. - Deployment of the specfic CSR action plan.
Abertis Mobility Services	-Search for new opportunities in free-flow, truck tolling and Road Use Chargning 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 business related to mobility (congestion charging, Maas, etc.). -Continue to promote innovation in advanced and non-intrusive free-flow technological solutions for application in new projects and their deployment within the business units of the Abertis Group. - Deployment of the specfic CSR action plan. -Advance with the integration with the Abertis Group. -Greater impulse to its Tribox Air device with inter-operability in new countries.
Corporation	-Analysis, adaptation and valuation of the new industry and corporate situation. -Analysis of new public-private partnerships in the different business units. -Reinforce the Group's strategic programs: Road Safety and Road Tech (applicable to all business units of the Group). -Update the materiality analysis including the new activities and geographical locations.

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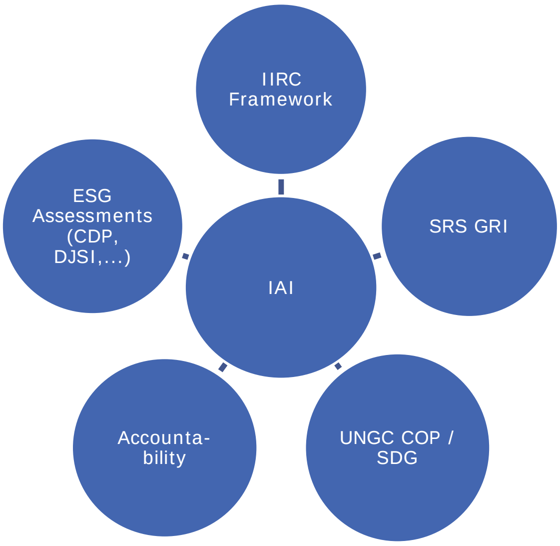
About this report

Reporting methodology

This report and its annex have been prepared pursuant to the current legal requirements in terms of accountability, and abiding to the main international standards related to economic, social, environmental and good governance information, specifically:



The framework of the IIRC together with the SRS standards of the Global Reporting Initiative, the policy for the preparation of progress reports and the Sustainable Development Goals of the Global Compact, the relationship standards with Accountability stakeholders and the recommendations for the publication and evaluation of external analysts and evaluators in ESG matters constitute the basis for the definition and development of the contents of the IAI and its annexes.

This methodology includes the international references on non-financial information that are included in the European Non-Financial Information Directive, whose transposition has been made effective through the approval of Royal Decree 18/2017 of 24 November. Other publications of the organization complement the information and the accountability exercise, providing a complete picture of its activity and of its ESG impacts.

The organization's Board of Directors and the CSR Committee are the bodies responsible for the oversight and formulation of the information contained in the Annual Report and its annexes. Likewise, the external audit and review of the financial and non-financial information has been carried out respectively, according to the review reports annexed both to this report and to the financial statements of the organization.

Scope of the information

The financial information in this report includes the total activity of the organization, and the scope of non-financial information includes 96.8% of the total revenue and 94% of the workforce as of December 31, 2017 .

The main changes with respect to the previous year in the scope of non-financial information are the inclusion of activities in Italy and India, as well as the activity of Túnels in Spain, and the Emovis business unit present in different countries, but the inclusion of which in 2017 covers only its central services located in France, and the exclusion of the satellite telecommunications activity. Likewise, any limitation in scope of a specific datum has been detailed in the RSC 2017 Master Plan Monitoring Annex document.

Companies included in the scope of non-financial information

Toll roads	**Spain-** Autopistas, Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Aulesa and Túnels.
	France- Sanef, Sapn and BPNL SAS.
	Italy - A4 Holding, A4 Mobility, Autostrada Bs Vr Vi Pd SpA, A4 Trading SpA.
	Brazil - Arteris, Autovias, Centrovias, Intervias, Vianorte, Planalto Sul, Fluminense, Fernão Dias, Régis Bittencourt, Litoral Sul and Latina Manutenção de Rodovias.
	Chile - VíasChile, 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 y 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 3.2% comprises the following companies:

- Direct participation: Abertis Infraestructuras Finance B.V, Abertis Motorways UK Ltd, Abertis USA Corp, Abertis Mobility Services, S.L. (except Emovis S.A.S), Abertis PDC, S.A. and Abertis Telecom Satélites.
- Indirect participation: Sanef Aquitaine S.A.S, Bip & Go S.A.S, Leonord Exploitation SAS, Acufon Spa, Globalcar Services Spa, A4 Mobility S.r.l. and Via Paulista, S.A.

Calculation methodologies

The calculation methodologies related to non-financial information are determined in the specified standards (especially those of the Global Reporting Initiative) as well as international references related to certain specific areas, such as ISO 14064: 1-2012: "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) together with the Climate Disclosure Standards Board (CDSB), for the calculation of the carbon footprint and the methodology from the London Benchmarking Group for the quantification of the contribution to the community.

Free translation for information purposes

Annex to the 2017 Integrated Annual Report

Monitoring of the CSR Master Plan

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commitment & delivery

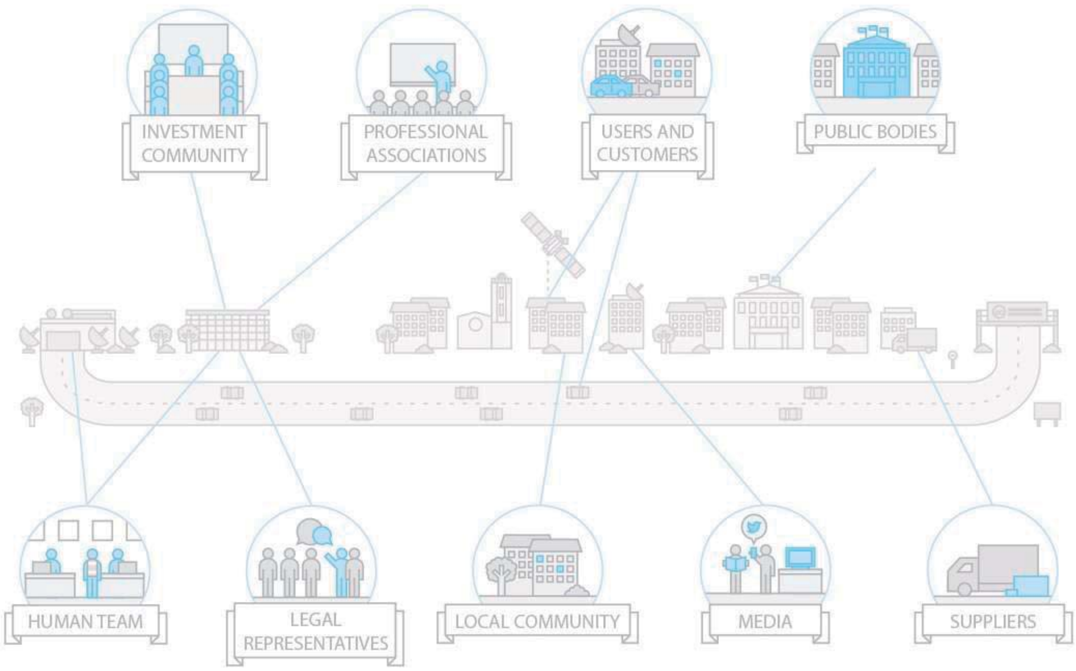
Contents

1

Stakeholders and materiality

The inclusion of the toll road activities in Italy and India together with the activity of Emovis, in addition to the exclusion of satellite telecommunications activity, represent the main changes with a significant impact on the area of stakeholders and materiality.

In general terms, the organisation's stakeholders remain the same, although there have been some minor changes. The main changes will be delivered once an extensive materiality analysis of the new activities and countries is conducted, which will take place next year.



As regards the material aspects, there have been significant changes. Linked to the management of the toll roads, and the development of the connectivity (and the associated big data) of both vehicles and the infrastructure itself, the organisation has created a new business unit, Emovis, whose activity consists of developing products and services that allow connectivity potentialities to be harnessed to increase the positive effects of journeys and contribute towards the new ways mobility infrastructures operate, using an integrated approach.

The organisation may be involved in all stages of the project, or only in some, both those related to physical support, in which the involvement of suppliers is significant since no product with these characteristics is being produced, as well as those related to technological support, in which case a specific product is created, although this also involves the direct participation of suppliers. Equally important are the involvement in innovative traffic management projects and the non-intrusive classification of vehicles.

Products and services are provided in various countries, as detailed in the Integrated Annual Report, and can include all types of customers, organisations, users, and public administrations, although the value chain involved varies depending on each project. The complexity associated with the activity of Emovis will be analysed during the next financial year as part of a materiality updating process which will analyse the details of each of the various activities' value chains and the main environmental, social and governance impacts that are generated at each stage.

The toll roads in Italy, India and Spain, which are included in the scope, share an activity life cycle with the other existing toll roads, although there are some significant differences, particularly in India, when incorporating cultural factors associated with the country that differ from the situation in Spain and Italy. The lasts have a proven track record as regards the management of environmental, social and governance (ESG) impacts, which includes direct involvement in a periodic ESG accountability process by Italy, which has also implemented various certified management systems. This situation is different from that in India, where the procedures are not systematic, and therefore it is necessary to work on creating an ESG culture. As well as the mobility services activity, the two new countries will be included in the updating of the materiality analysis, which will be performed during the next financial year.

Due to the interruption of the satellite telecommunications activity as explained in the Annual Accounts of the 2017 financial year, it has been excluded from the materiality scope and the CSR Master Plan.

RELEVANT ASPECTS IN THE LIFE CYCLE AND SDG

Suppliers Abertis Clients

TOLL ROADS

Operation and management

- Material 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

- Material consumption
- Energy and water consumption
- Climate change and emissions
- Material 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

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CSR Master Plan

Implementation status

The strategy and outlooks for the future chapters of the 2017 IAR contain detailed information on the activities relating to the CSR Master Plan during 2017 and also track the progress as regards the objectives established in the Plan and the year's achievements.

The inclusion of content relating to the CSR Master Plan in the 2017 IAR should be noted as it increases the level of consolidation of the information and the synergies among the organisation's various strategic plans. As such the information in this annex mainly presents the breakdown of data by country for the various global indicators presented in the 2017 IAR.

The implementation of the action plans in each country and the updating of materiality constitute the main challenges for the coming financial year, together with the monitoring and formal measurement of the impact of the various projects executed. During 2017 specific action plans for each country were prepared, which included the implementation of work sessions in Brazil, Chile and Argentina.

Work must be continued to finish developing and consolidating a common monitoring system for the actions to be implemented so as to achieve the global objectives, and also to transversally incorporate the new material aspects relating to mobility services and to toll road activities in India into the CSR Plan and the related elements (materiality, life cycle, value chain, stakeholder mapping and reporting).

Furthermore, the advancement of CSR in the organisation and society in general should be highlighted, given that it is now 15 years since the publication of Abertis' first CSR report. The analysis and overview of this period continues to show how the implementation and integration of CSR in the organisation has increased in line with the development and formalisation of a way of understanding economic activity in the context of the systemic impact relationships that characterise complex systems, such as those involved in economic and social development.

This track record establishes a solid base for continuing to formalise and evaluate the environmental, social and governance achievements and integrate them with economic performance.

GRI SRS: 103-1

CSR EVOLUTION

INTERNAL

CSR EVOLUTION	2002 - 2003	2004 - 2005	2006 - 2007
CSR AT ABERTIS	Creation of the CSR Unit and approval of the Strategic plan. Publication of the first CSRR (90% scope). Creation of the Abertis Foundation.	First CSR Policy and strategic analysis of stakeholders. First CSRR external verification exercise (94% scope). Formulation of alliances with UNGC and GRI.	First Code of Ethics and systemisation of sponsorship management. Adaptation of the CSRR to the GRI G3 guide (97% scope). Methodology and alliances with LBG.
ESG PERFORMANCE – AREA 1 GOVERNANCE	10% Women on he Board 20% Independents on the Board	5% Women on he Board 21% Independents on the Board	5% Women on he Board 20% Independents on the Board
ESG PERFORMANCE – AREA 2 ECO-EFFICIENCY		70 TN CO2/M€	54 TN CO2/M€
ESG PERFORMANCE – AREA 3 RELATIONSHIP WITH THE COMMUNITY			
ESG PERFORMANCE – AREA 4 SAFETY AND QUALITY	3,821 EAW	7,752 EAW	10,428 EAW

Acronym legend

ESG: Environmental, social and governance CSR: Corporate Social Responsibility CSRR: CSR Report GRI: Global Reporting Initiative UNGC: United Nations Global Compact LBG: London Benchmarking Group ED: European Directive CDP: Carbon Disclosure Project DJSI: Dow Jones Sustainability Index CR: Complaints received RCR: Resolved CR SAS: Social action and sponsorship IR: Incidence rate FR: Frequency rate SR: Severity rate TA: Traffic accidents D: Deaths in traffic accidents IF1: Accident rate IF3: Mortality rate NAP: National Action Plan CERSE: State Council on CSR WBCSD: World Business Council for Sustainable Development EABIS: European Academy of Business and Society IIRC: International Integrated Reporting Committee

*The ESG performance data published refer to the second year of the indicated period

EXTERNAL

	2002 - 2003	2004 - 2005	2006 - 2007
CSR CONTEXT	First European Commission Communication on CSR. Creation of Multi-stakeholder Forum on CSR, hosted by the EC. Birth of EABIS.	Global Compact Network Spain and the WBCSD are established. Tenth anniversary of CSR Europe.	Second European Commission Communication on CSR. White Paper on CSR in Spain is published Tenth anniversary of GRI.
ESG EVALUATIONS AND INDICES	Birth of CDP.	Fifth anniversary of the launch of DJSI and launch of the first Sustainability Yearbook (SY).	Abertis enters the DJSI and takes part in the EIRIS evaluations for different indices.

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2008 - 2009	2010 - 2011	2012 - 2013	2014 - 2015	2016 - 2017
Implementation of a technological tracking tool and ESG accountability. Approval of standards and procedures related to fraud and corruption.	Updating of the Code of Ethics and creation of a specific monitoring committee. Adaptation of the CSRR to the GRI G3.1 guide and the AOSS (94% scope).	Incorporation of ISO 26000 and performance of materiality analysis. Creation of the UNESCO Centre for Mediterranean Biosphere Reserves.	Creation of Board CRSC. Updating of the CSR Policy and Code of Ethics. Implementation of the compliance system. Adaptation of the CSRR to the ISO 26000 and the GRI G4 guide (98% scope)	Approval of the CSR Master Plan, and start of the deployment of local action plans. Publication of the Annual Integrated Report according to GRI SRS and IIRC framework (97% scope).

2008 - 2009	2010 - 2011	2012 - 2013	2014 - 2015	2016 - 2017
Creation of Spanish CSR agency CERSE. AA1000AS is published. Birth of IIRC. Tenth anniversary of UNGC.	ISO 26000 is published. Third European Commission Communication on CSR. Publication of the "Protect, Respect and Remedy" Human Rights framework.	Rio + 20. First framework for Integrated Reporting. Transition to G4 and focus on materiality.	Approval of the 2030 Agenda (ODS) and the ED of non-financial information. AA1000SES is published. New Good Governance Code in Spain. COP21 and climate agreements.	Company NAP and Human Rights and Spanish CRS Strategy. Second review of the ISO 26000. Presentation of the new SRS standards in Spain at the 20th anniversary of GRI.
First participation for Abertis in the CDP, continuation in the DJSI and inclusion in the SY (Gold)	Distinction in the CDP, continuation in the DJSI and inclusion in the SY (Bronze). Increase of ESG analysis and requests from different stakeholders.	Participation in new evaluations such as Corporate Knights, Trucost and Sustainalytics and return to the DJSI.	Inclusion of Abertis in new ESG indices such as the MSCI and STOXX families and continuation in the DJSI.	Inclusion and continuation for the first consecutive year in the FTSE4Good index. B rating following inclusion in the A list by CDP.

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GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

MATERIAL TOPIC
CORE SUBJECT ISO26000
SUSTAINABLE DEVELOPMENT GOALS
STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- 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

Area 1: Good governance, Transparency and Accountability

Organisational culture

The Compliance and Risk Management chapter of the 2017 IAR contains detailed information on the systems and procedures relating to the development of an organisational culture based on ethical principles.

During 2017 a total of 211 complaints relating to the code of ethics were received, 83.9% of which were resolved, a higher percentage than the previous year. Of the complaints that were pending resolution in 2016, 49, 85.7% were resolved.

Furthermore, 68.9% of the complaints resolved were dismissed, a lower percentage in relation to the previous year. Of the remainder, 68 cases in total, 19.6% were resolved through warnings, 6.8% through dismissals and 4.6% via other disciplinary measures. The number of total non-compliances increased in relation to the previous year, although some of those non-compliances are attributable to the 2016 financial year, thus having an impact on the variation of data.

Rejection of all forms of corruption

The corruption prevention policy of the Abertis Group applies to all its stakeholders, therefore it is extensive and available to the same, both actively and passively. Raising awareness and training with regards to preventing corruption within the Abertis Group is key and must endure systematically and recurrently in the actions and interrelations of the Group with its stakeholders.

Actively, specific training sessions and awareness campaigns have been held in terms of preventing corruption in all countries, except for Italy and India, including members of the executive team and the different governance bodies of the Abertis Group.

Excellence in good governance

The corporate governance chapter of the 2017 IAR includes information about the organisation's governance bodies and the main actions of the year.

The number of recommendations of the Code of good governance that were fulfilled slightly increased, and the percentage of independent advice reached 60% in 2017. In addition, the presence of women on the Board remained constant (40%) and best practices in other areas continued, as detailed in the Annual Corporate Governance report and the Annual report of payroll of members of the Board for the financial year.

The existing complaint mechanisms continued to be active and as detailed in the 2017 IAR and in this annex, the different complaints were dealt with in their entirety. It is necessary to continue working on training and raising awareness about the incorporation of Human Rights aspects in the due diligence processes in compliance with that established in the CSR Master Plan.

GRI SRS: 103-3, 205-2, 412-1, 412-2

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ECO-EFFICIENCY

MATERIAL TOPIC

CORE SUBJECT ISO26000

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

Reduction in category 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 (60% 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

Area 2: Eco-efficiency

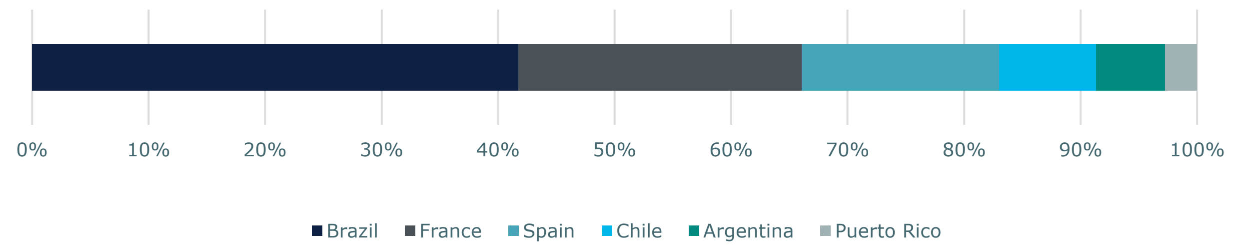
The Contribution to the Environment section of the 2017 IAR contains details on the management approach and the main actions implemented as regards material environmental matters for the organisation's activity.

Reduction of the carbon footprint

Total CO_2 emissions for 2017 amounted to 21.3 million tonnes, which is 25.4% more in absolute values and 0.15% more in values relative to turnover compared to 2015, and 22% more in absolute values and 5.6% in values relative to turnover in relation to last year.

The bulk of the emissions relate to the emissions generated by the vehicles that use the toll roadswhich, together with the remaining categories of scope 3, amount to 99.4% of the total emissions of the organisation's activity. As regards scopes 1 and 2 – direct and indirect emissions from electricity – these have increased by 16.6% in absolute values and have decreased by 12.4% in values relative to the turnover when compared to 2015.

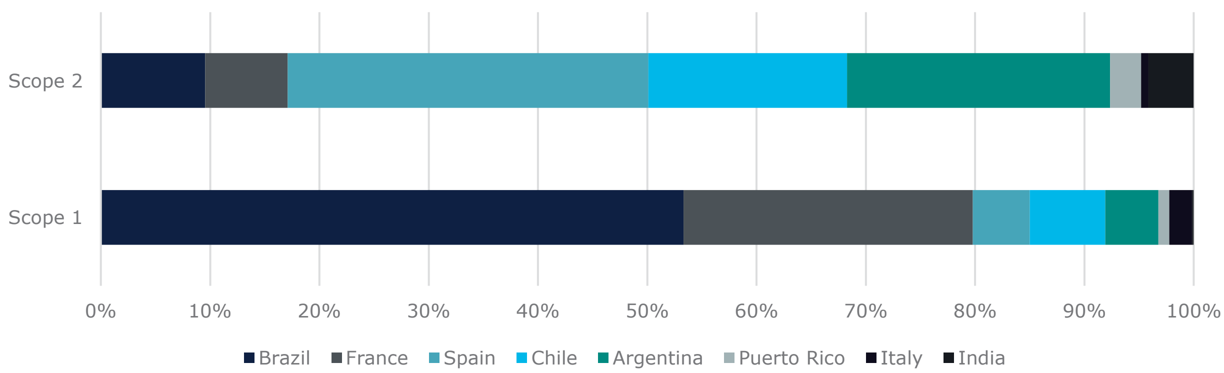
Percentage breakdown of total CO_2 emissions in 2017 by country



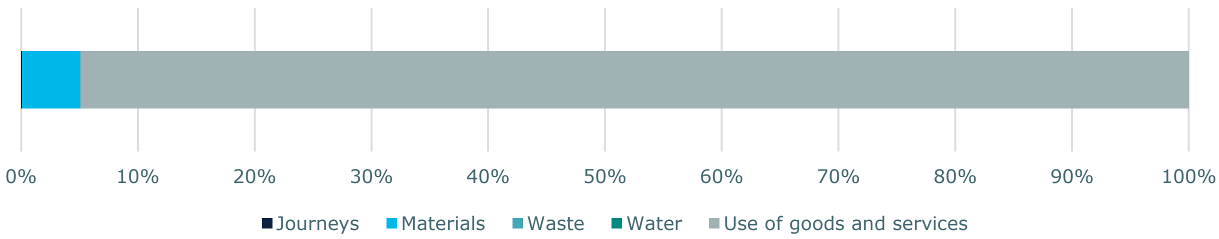
CO_{2e} emissions generated by country (tonnes)

	Scope 1	Scope 2	Scope 3	Total
Brazil	38,685.2	5,377.8	7,360,718.9	7,404,782.0
France	19,200.6	4,256.2	4,388,338.6	4,411,795.4
Spain	3,787.7	18,573.5	3,665,545.2	3,687,906.4
Chile	5,000.3	10,250.7	1,775,150.4	1,790,401.3
Argentina	3,531.0	13,553.0	1,750,954.9	1,768,039.0
Puerto Rico	737.3	1,596.8	428,017.5	430,351.6
Italy	1,529.6	373.6	1,475,147.3	1,477,050.5
India	81.9	2,335.7	356,236.4	358,654.0
Total	**72,553.7**	**56,317.3**	**21,200,109.2**	**21,328,980.3**

Percentage breakdown for Scope 1 and 2 CO_2 emissions by country



Percentage breakdown for Scope 3 emissions by emission source



The emissions from electrical energy consumption decreased by 1.3% in absolute values in relation to the previous year, which is a significant improvement due to the impact of the incorporation of India in the scope of the information whose electrical mix is more polluting than that seen in the rest of the countries included. This reduction was compensated by the increase in direct scope 1 emissions mainly due to the inclusion of information relating to the charging of refrigerant gases whose incidence is significant on the footprint (representing 7.7% of CO_2 emissions for scope 1).

Furthermore, for scope 3, the emissions of all the vehicles driving on toll roads (including those that do not have a direct economic impact on the same) were incorporated, thus completing the scope of this category, which led to a direct increase in emissions of this category by 23.3% in relation to the previous financial year. Similarly, the increased consumption of materials and generation of waste linked to the major works carried out during the year has contributed to the total increase in the organisation’s indirect emissions related to scope 3.

Trend in total emissions – Tonnes of CO_{2e}

	2015	2016	2017	Variation with respect to 2016
Scopes 1 and 2	109,977.5	115,846.6	128,871.0	11.2%
Scope 3	16,917,544.1	17,372,534.1	21,200,712.4	22.0%
Total	**17,027,521.6**	**17,488,380.6**	**21,328,980.3**	**22.0%**

Trend in Scope 1 and 2 emissions– Tonnes of CO_{2e} in relation to the activity

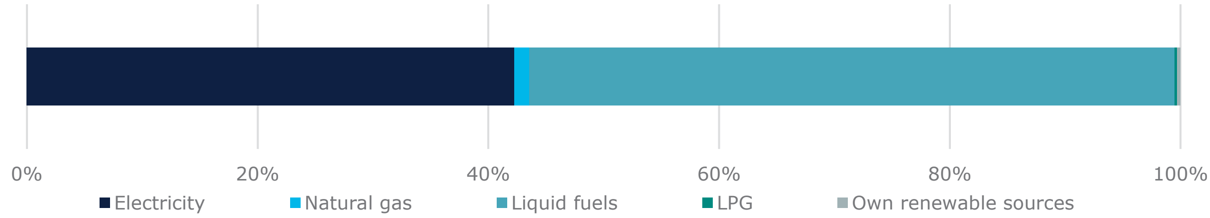
	2015	2016	2017	Variation with respect to 2016
Toll Roads (Tn/ADT)	5.00	5.10	5.26	3.2%

Trend in total emissions – Tonnes of CO_{2e} per million euros of turnover

	2015	2016	2017	Variation with respect to 2016
Scopes 1 and 2	28.4	28.5	25.0	-12.4%
Scope 3	4,097.7	3,884.0	4,105.6	5.7%
Total	**4,124.3**	**3,909.9**	**4,130.4**	**5.6%**

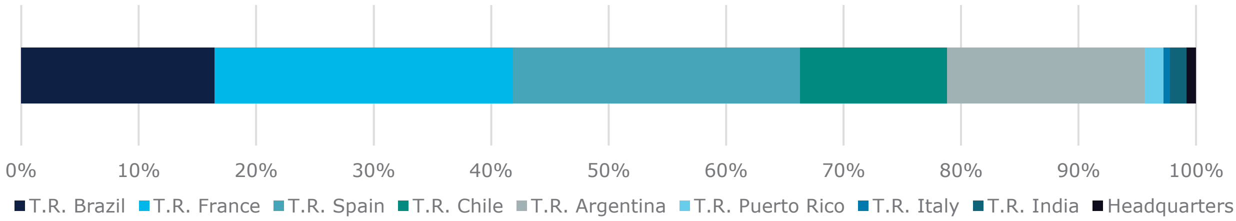
Scope 1 includes natural gas, liquid fuel and LPG consumption from both the fleet of own vehicles and the generator equipment, and scope 2 relates to electricity consumed. Own renewable sources relate mainly to the generation of electricity by toll roads in Spain and France.

Percentage breakdown of energy consumption in 2017 by source (MWh)



The main source of energy consumption is liquid fuel which represents 56.1% of energy consumption of the entire organisation in 2017. Liquid fuel consumption increased by 29.9% in relation to the previous year, while LGP consumption decreased by 87.6% totaling 1,107.8 MWh. The organisation's total energy consumption increased by 12.5% in relation to 2015, amounting to 482,304 MWh.

Percentage breakdown of electrical consumption in 2017 by country (MWh)[i]



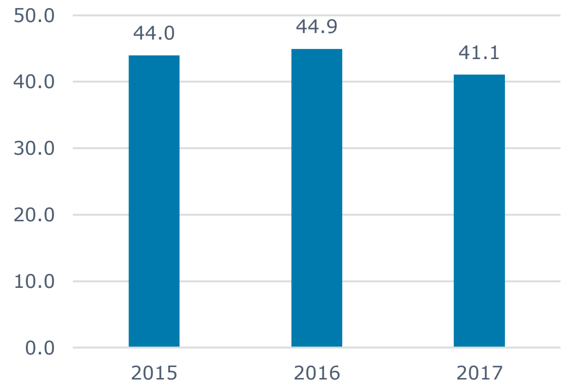
Electrical consumption by country (MWh)

	2015	2016	2017	Variation with respect to 2016
Brazil	33,225	33,590	33,611	0.1%
France	47,319	54,921	51,905	-5.5%
Spain	44,731	44,700	51,593	11.9%
Chile	16,323	26,145	25,499	-2.5%
Argentina	33,335	35,400	34,399	-2.8%
Puerto Rico	6,640	6,130	3,286	-46.4%
Italy	---	---	1,129	---
India	---	---	2,873	---
Total	**181,573**	**200,886**	**204,294**	**1.7%**

Electrical consumption by country in relation to activity (MWh/ADT)

	2015	2016	2017	Variation with respect to 2016
Brazil	1.83	1.90	1.84	-3.1%
France	1.97	2.24	2.09	-6.9%
Spain	2.32	2.22	2.39	7.7%
Chile	0.85	1.01	0.95	-6.2%
Argentina	0.40	0.42	0.42	-1.2%
Puerto Rico	0.10	0.09	0.05	-44.8%
Italy	---	---	0.02	---
India	---	---	0.15	----
Total	**8.26**	**8.84**	**8.38**	**-5.2%**

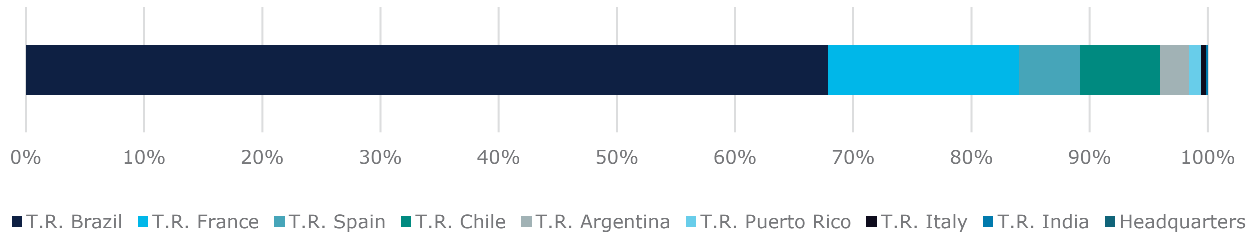
Trend in electrical consumption in relation to turnover (MWh per million euros of turnover)



Electricity consumption decreased in almost all countries, therefore the total volume remained constant (the increased scope of the information from both Italy and India, and the central headquarters is of note).

Although the reductions are due to the implementation of energy efficiency measures, in Puerto Rico there was an interruption in electricity supplies due to Hurricane Maria, which had a direct impact on the consumption of electricity and liquid fuel of the generator equipment for the country's activities. Globally, electricity consumption in terms relative to turnover varied positively in relation to the previous year (-8.5%).

Percentage breakdown of liquid fuel consumption in 2017 by activity and country (litres)



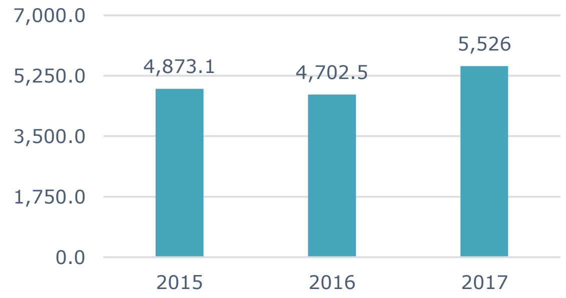
Liquid fuel consumption by country (litres)

	2015	2016	2017	Variation with respect to 2016
Brazil	12,283,627	12,610,533	18,636,824	47.8%
France	4,788,497	4,558,556	4,465,507	-2.0%
Spain	1,786,090	1,361,687	1,417,518	4.1%
Chile	1,707,719	1,650,682	1,869,449	13.3%
Argentina	1,059,405	683,194	653,267	-4.4%
Puerto Rico	171,376	168,827	291,892	72.9%
Italy	---	---	116,844	---
India	---	---	30,630	---
Total	**21,796,714**	**21,033,479**	**27,481,931**	**30.7%**

Liquid fuel consumption by country in relation to activity (l/ADT)

	2015	2016	2017	Variation with respect to 2016
Brazil	675.4	713.2	1,020.9	43.1%
France	199.3	186.3	179.8	-3.5%
Spain	89.8	67.2	67.9	0.2%
Chile	88.7	64.0	69.7	8.9%
Argentina	12.6	8.1	7.9	-2.8%
Puerto Rico	2.6	2.5	4.5	78.0%
Italy	---	---	1.8	---
India	---	---	1.6	---
Total	**989.1**	**925.5**	**1,127.8**	**21.8%**

Trend in liquid fuel consumption in relation to turnover (litres per million euros of turnover)



The average consumption of fuel for every million euros of turnover increased by 17.5% in relation to the previous year mainly due to the increase of consumption in Brazil and Chile, linked to investments for infrastructure improvements. The substitution of electricity consumption for liquid fuels in Puerto Rico also had an impact on the global data.

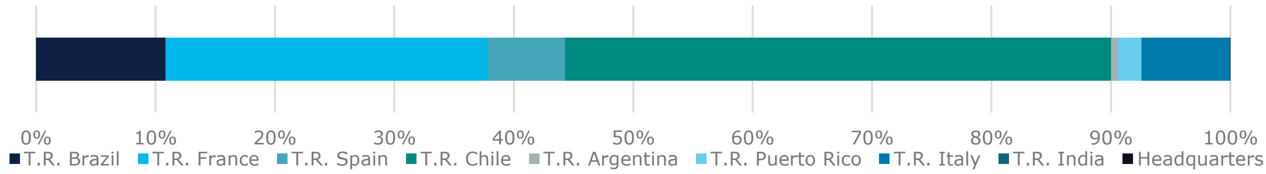
The fleet of vehicles, consisting of a total of 3,216 vehicles of which 63.2% are cars and trucks, slightly varied in relation to the previous year (-6.9%) due to the reduction in the number of own fleet vehicles in Brazil.

Furthermore, the consumption of natural gas remained practically constant, with a certain increase due to the inclusion in the scope of the information from Italy and reduced consumption in France.

Natural gas consumption by country (kWh)[ii]

	2015	2016	2017	Variation with respect to 2016
France	6,127,848	6,161,326	5,447,718	-11.6%
Spain			64,412	---
Argentina	123,398	32	50	54.2%
Italy			875,372	---
Total	**6,251,246**	**6,161,358**	**6,387,552**	**3.7%**

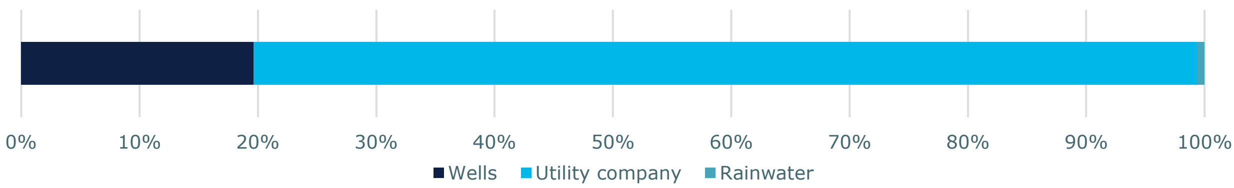
Percentage breakdown of water consumption in 2017 by country (m^3)[iii]



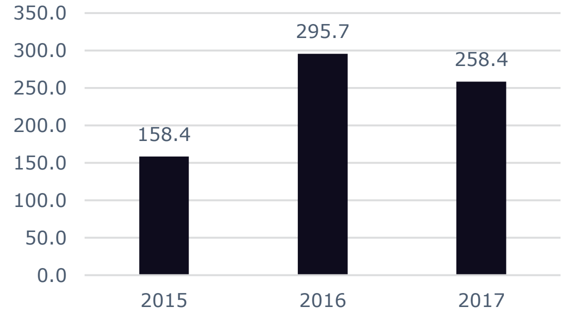
Water consumption by country (m^3)

	2015	2016	2017	Variation with respect to 2016
Brazil	127,276	137,391	139,320	1.4%
France	367,190	303,414	346,474	14.2%
Spain	80,452	74,430	83,677	12.3%
Chile	41,678	748,704	587,526	-21.5%
Argentina	16,145	18,589	7,680	-58.7%
Puerto Rico	21,086	40,070	24,982	-37.7%
Italy			95,285	
India			142	
Total	**653,899**	**1,322,664**	**1,285,086**	**-2.8%**

Percentage breakdown of 2017 water consumption by source (m^3)



Trend in water consumption in relation to turnover (m^3 per million euros of turnover)



19.7% of water consumed comes from wells, a percentage slightly higher than that of the previous year due to the increased scope of the information showing Italy's high consumption of water from wells.

The total water consumption significantly decreased both in absolute terms and relative to turnover, due to the change of data from Chile. The relevance of this consumption for the activity of one of the toll roads in Chile has given rise to the implementation of tools for its reduction, which led to a clear improvement of consumption in relation to the previous year.

The carbon footprint calculation methodology that was updated during the previous year for the vehicles that use the toll roads has been consolidated this year. However, it will be shared among all the countries for the purpose of agreeing a common methodology that allows improvements to the vehicle fleet to be identified and which impacts on the emissions generated, at the same time as developing the technological developments described in the Safe and Innovative Infrastructures chapter of the 2017 IAR.

The toll roads in Spain have an advanced energy management system that involves the existence of a committee and explicit monitoring of consumption, as well a formal plan to reduce consumption and improve energy efficiency. The extension of these practices to the other countries as part of the implementation of the specific CSR action plans should be evaluated.

Innovation based on circular economy criteria

The bulk of the material consumption relates to construction and maintenance work of the infrastructure, both direct and indirect, and the majority of these materials are non-renewable. 12.7% of the materials consumed during 2017 were of recycled material, a higher percentage than that of the previous year, which needs to increase in order to achieve the objective established in the CSR Master Plan.

Consumption of total materials by country (tonnes)[iv]

	Granules	Asphalt aggregate	Concrete	Metal	Paints	Salt
Brazil	328,533	509,578	108,991	230,033	25,843	0
France	1,003,876	1,085,121	119,277	3,955	446	41,100
Spain	4,849	170,126	5,672	1,404	1,282	19,743
Chile	136,510	80,953	12,829	1,036	245	0
Argentina	38,232	42,573	23,388	358	210	0
Puerto Rico	656	2,849	1,129	178	15	0
Italy	0	129,010	0	785	1,330	6,121
Total	**1,512,657**	**2,020,210**	**271,285**	**237,750**	**29,372**	**66,964**

In addition to those materials, 417.8 tonnes of paper, 840.9 tonnes of de-icing fluid and 148,064 tonnes of topsoil were consumed. Globally, the annual consumption of materials increased in relation to previous years, due to the type and intensity of the work carried out during the period in different countries, particularly in France and Brazil. The specificity of tasks directly impact consumption, as has happened with the changes in the consumption of metal and paint linked to specific maintenance actions in Brazil.

Trend in consumption of total materials (tonnes)

	2015	2016	2017	Variation with respect to 2016
Granules	2,256,084	1,253,188	1,512,657	20.7%
Asphalt aggregate	1,874,874	3,844,109	2,020,210	-47.4%
Concrete	505,593	291,649	271,285	-7.0%
Metal	42,432	23,514	237,750	911.1%
Paint	5,097	14,159	29,372	107.4%
Salt	50,538	41,672	66,964	60.7%

Similarly, the most significant amount of waste generated by the organisation's activity is that linked to construction. 77.7% of the total non-hazardous waste relates to this category. The recovery objective is ambitious, so it is necessary to analyse the existing opportunities and potential alliances with other stakeholders to develop formal circles for the recovery of waste and its reuse as material. Throughout 2017, a total of 56,240.7 tonnes of that waste was recuperated in Spain and Puerto Rico.

Waste generated (tonnes)[v]

	2015		2016		2017	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Brazil	9,561.2	299.3	26,520.1	271.2	7,243.1	90.9
France	89,916.3	663.8	74,665.5	1,531.9	250,000.8	628.1
Spain	110,663.7	229.4	112,071.2	189.0	57,761.2	187.6
Chile	2,049.4	210.6	8,574.9	11.2	19,503.3	7.8
Argentina	1,665.2	11.8	2,028.3	5.7	2,010.0	5.5
Puerto Rico	20,825.9	1.8	9,899.1	6.2	6,713.9	0
Italy	---	---	---	---	1,881.6	11.9
India	---	---	---	---	0	0
Total	**234,681.8**	**1,416.8**	**233,759.1**	**2,015.2**	**345,113.6**	**931.8**

Total non-hazardous waste generated and treated by type

	Tonnes generated	Percentage treated
Tyres and scrap rubber	1,082.1	80.9%
Concrete mix, bricks, etc.	52,232.7	99.9%
Mixed metals (scrap)	1,217.2	19.2%
Construction and demolition waste	268,312.4	92.9%
Scrap (air conditioners, extinguishers)	1,951.3	98.8%
Garden waste	2,746.1	76.1%
Domestic waste (rubbish)	11,748.1	83.2%
Sludge from biological treatment plants (septic tank sludge)	2,603.9	74.3%
Other	3,220.1	96.1%
Total	**345,114**	**93.1%**

Waste management legislation affects the possibilities of recovering certain construction waste due to its pollution load. Similarly, it is important to work with the waste managers as intermediaries with respect to the waste recovery mentioned.

GRI SRS: 103-3, 301-1, 301-2, 306-2

As regards hazardous waste, wet sludge continues to be the most significant category (49.7% of the total hazardous waste generated), and relates to the treatment of the wastewater from the activity. For the most part, this is similar to domestic wastewater, although in some cases it requires specific treatment before being discharged due to the pollution load. During the year, the toll roads in Brazil, Argentina and Spain generated a total of 235,285.8 cubic metres of wastewater, which was duly treated before being discharged. Furthermore, 35,013.55 litres of hazardous substances were spilled as a result of accidents on the roads in Brazil and Spain, which were managed as hazardous waste by authorised waste managers.

The treatment methods vary depending on the type of waste and the authorised waste manager in charge of the process, within the context of the legislation in force as regards this matter in each country. 93.1% of non-hazardous waste and 93.2% of hazardous waste were treated.

Total hazardous waste generated and treated by type

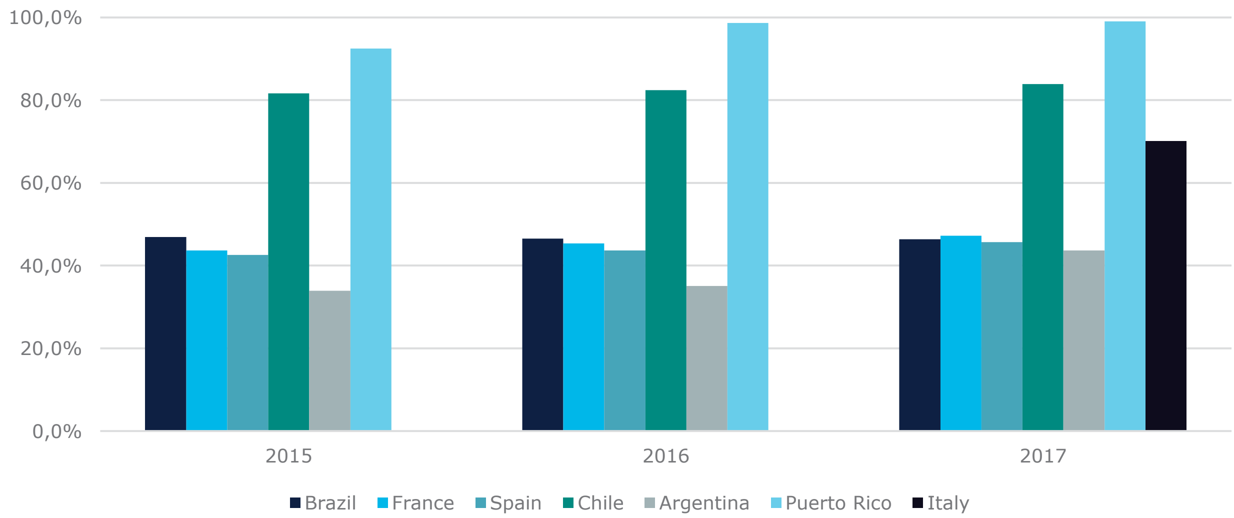
	Tonnes generated	Percentage treated
Used oil	19.2	100%
Contaminated metallic and plastic packaging	25.8	16.5%
Absorbents, Sepiolite (contaminated rags)	15.1	68.2%
Waste containing hydrocarbons	125.4	96.8%
Land contaminated with diesel fuel	63.1	62.9%
Common wet sludge	462.8	100%
Other	220.4	95.7%
Total	**931.8**	**93.2%**

Development of products and services

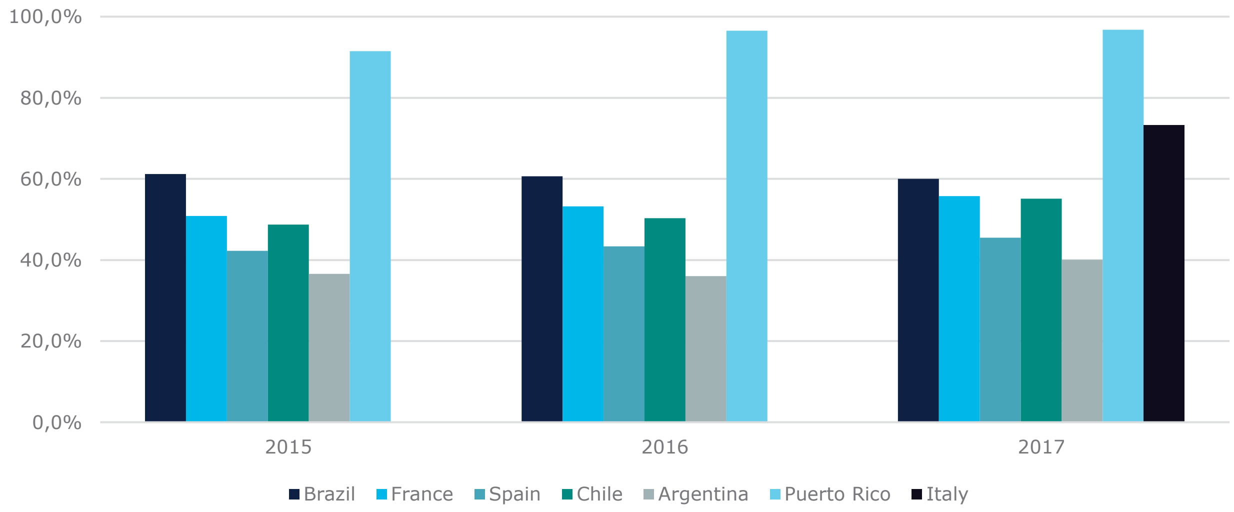
The strategic Road Tech programme described in the 2017 IAR contains details on the activities developed as regards products and services with positive environmental, social and governance impacts, among which the adaptation of infrastructures to encourage the use of electric and autonomous vehicles stands out.

Other activities such as the promotion and use of electronic tolls have positive environmental impacts as they reduce the total emissions that result from stopping and restarting vehicles. The total percentage of electronic toll use increased in 2017, both in terms of transactions (62.9%) and in terms of income (55.2%).

Percentage of electronic toll use (percentage of transactions)



Percentage of electronic toll use (percentage of income)



Collaboration with suppliers is crucial when it comes to developing products and services with positive social and environmental impacts. The section on suppliers in the 2017 IAR describes the policies and procedures relating to supplier involvement in the management of the organisation’s material environmental, social and governance impacts.

In addition to the evaluation and approval of suppliers, the inclusion of specific clauses relating to environmental, social and governance matters makes it possible to include these variables in the assessment and execution of the projects. All the tender processes included this type of clauses.

GRI SRS: 102-9, 103-3, 308-1, 308-2, 414-1, 414-2

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INTEGRATING INTO THE COMMUNITY

QUANTITATIVE TARGETS:

- 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 motorways
- Identify services provided by ecosystems regarding noise
- Identify and contribute to the preservation of natural species in areas around motorways
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

Area 3: Integrating into the community

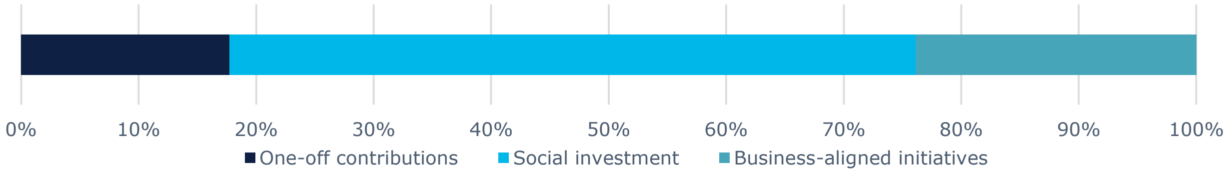
Positive synergies with the local community

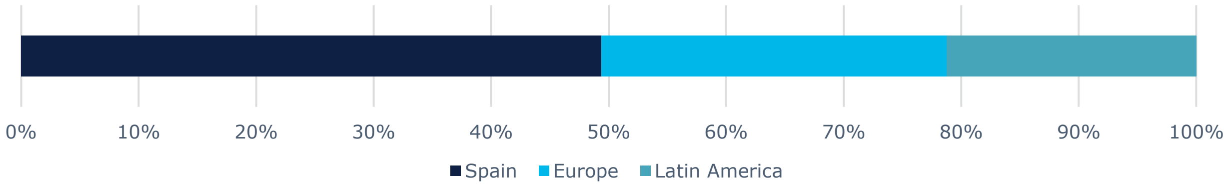
The Community chapter of the 2017 IAR presents the year's main activities as regards local community relations and social action and sponsorships, together with information on acquisition practices.

Involvement with local community associations has remained constant in relation to the previous year since new data for the subsidiaries in India and Italy is not available.

The total contribution to social action projects and sponsorships for the financial year was 6.3 million euros, (7.3 million including management costs), 6.3% higher than that of the previous year. Furthermore, the total number of projects stands at 315 initiatives, a shift which is also aligned with the quantitative objective of the CSR Master Plan. Therefore, we must work on conserving this trend and formalise the measurement of the impact of investments, both for society and for the organisation.

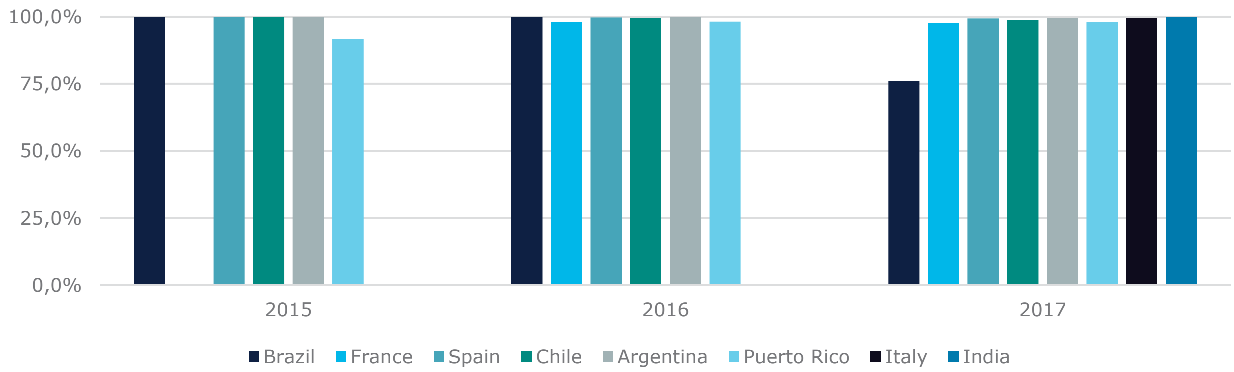
Percentage breakdown of contributions in 2017 by motivation and geographic setting





The local supplier purchasing volume remains high, although it has decreased in relation to the previous year, amounting to 90.9% of the total purchases made. This variation is mainly due to the increased scope of the information and the reduced percentage in Brazil.

Percentage of local purchases



All complaints from the local community were addressed, and were mainly received through the customer care channels and the code of ethics reporting channel.

The Red Viva programme in Chile should also be noted as regards local community relations and stakeholder engagement, as should the development of formal complaint mechanisms. The development of infrastructure projects in Chile requires a social licence to operate, connected to both the relationship with public administrations and the relationship with the communities established in the territories where the work is performed. This licence requires the stakeholders' participation in and approval of the various infrastructure projects. Therefore, before developing new intervention proposals, formal mapping of the stakeholders connected to the territory and the local community is performed, in which their expectations and needs are identified, so that they can be incorporated into both the design and the execution of the work associated with the development of the infrastructures.

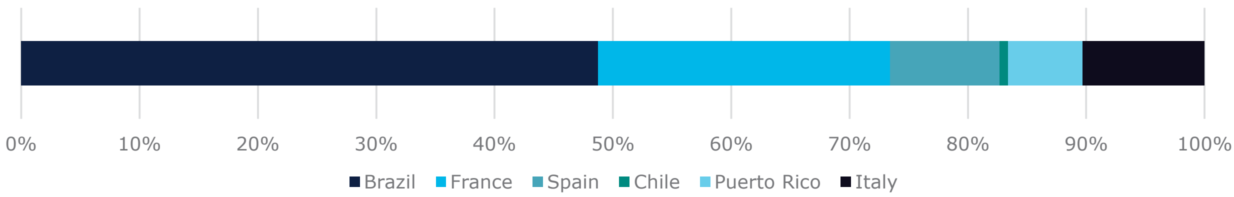
The methodology used includes four stages starting with early insertion, which involves social characterisation and involvement in the territory, followed by a socialisation stage that involves a consultation process and an environmental assessment, followed by a scouting stage and the formalisation of agreements. During these three stages, the Red Viva programme coordinates the territory liaison activities, thereby formalising a systematic procedure for direct relationships with the local community and the generation of positive social impacts from the activity. Once the work is completed and the new infrastructure is implemented, the Red Viva programme will maintain the relationships established in the initial stages.

Fostering and preserving natural capital

The Community chapter of the 2017 IAR contains information on the activities relating to the conservation of diversity around toll roads and the increase in natural capital.

Most of the 1,418.3 kilometres that affect protected areas are concentrated in France, Brazil and Spain. The variation of the data in relation to the previous year is due, on the one hand, to the increased scope of the information, as the inclusion of Túnels in Spain has added a significant protected space; and on the other hand, to the change in value, since an error was detected in the units used in previous years when calculating the area involved, which in 2017 amounted to 6,144.8 hectares.

Percentage breakdown of kilometres affecting protected areas



These spaces are inhabited by protected animal species included in international lists such as those promoted by the IUCN. Among the actions taken for their preservation, notable examples are fauna crossings and the installation of fencing to prevent them from being run over, as well as the awareness campaigns concerning domestic animals. During 2017, a total of 16,713 animals were run over, mainly concentrated in Brazil, Spain and Argentina.

Similarly, the compensatory planting of 127,500 plant species was carried out, mainly in Brazil, and air quality measurements were also taken in Argentina to ensure compliance with the legally established limits. In this regard, and linked to the monitoring of the air quality, the polluting emission values from the organisation's activity were estimated for the first time using its carbon footprint. The values shown below relate to scope 1 emissions linked to both facilities and transport and do not currently include scope 3, which relate to emissions from the vehicles that use the toll roads.

Polluting emissions 2017

	VOC Combustion	NMVOC Combustion	CH_4	NO_X	NO	NO_2
Tonnes	35.4	33.8	2.5	318.4	260.7	51.1

	N_2O	NH_3	PM 2.5	PM10	PM Combustion	SO_X
Tonnes	1.1	1.6	17.3	19.2	14.8	0.5

Related to the acoustic impact, specific studies have been conducted and reforestation has been evaluated as a means of reducing said impact, although these actions should be reinforced across all areas in accordance with the objectives of the CSR Master Plan.

SAFETY AND QUALITY

QUANTITATIVE TARGETS:

- 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

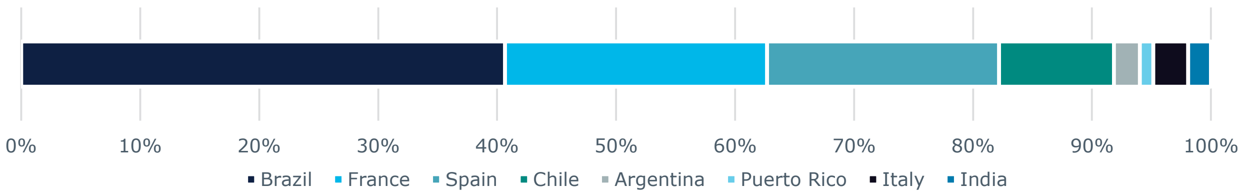
- 0 accidents (direct or indirect)
- Improved talent retention practices
- Increase in the average number of training hours provided
- Analyse and improve job satisfaction
- Achieve gender balance in all professional categories
- Ensure equal pay throughout the entire organisation
- Ensure non-discrimination 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

Area 4: Safety and quality

Ensuring and promoting road safety

The strategic Road Safety programme described in the 2017 IAR presents detailed information on the management approach and the actions taken during the financial year to achieve the established road safety objectives.

Distribution of kilometres by country



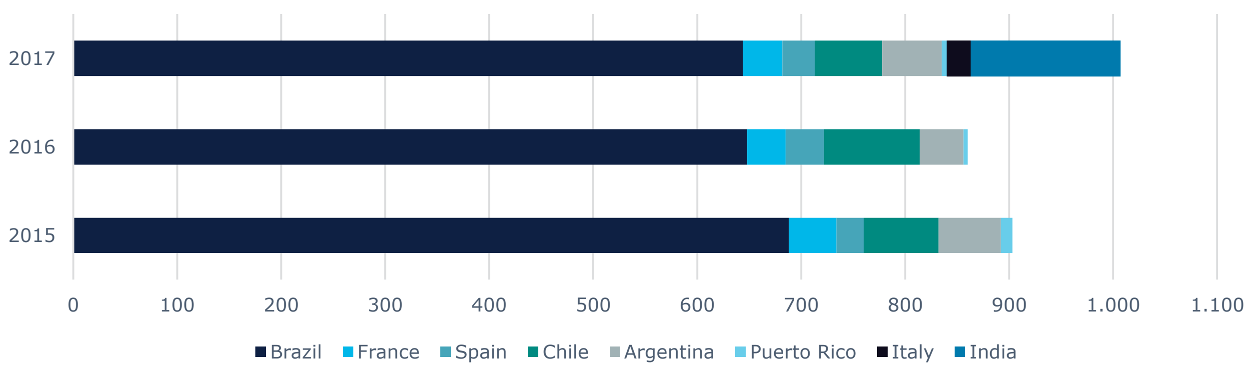
The number of kilometres of infrastructures and the activity of said infrastructures (measured in terms of ADT) enable a contextualised analysis of the data presented, data which is used to calculate the accident and mortality rates by country.

The total number of accidents for the year 2017 was 16,066, which represents an increase of 10.5% in relation to the previous year, mainly due to the inclusion of statistics from Italy and India and an increase in those from Chile, France and Spain. The breakdown of the number of deceased persons was parallel to that of accidents, except that globally the number of deceased persons decreased, although the increase in the total data in affected by the incidence of Italy and India.

Total number of road accidents[vi]

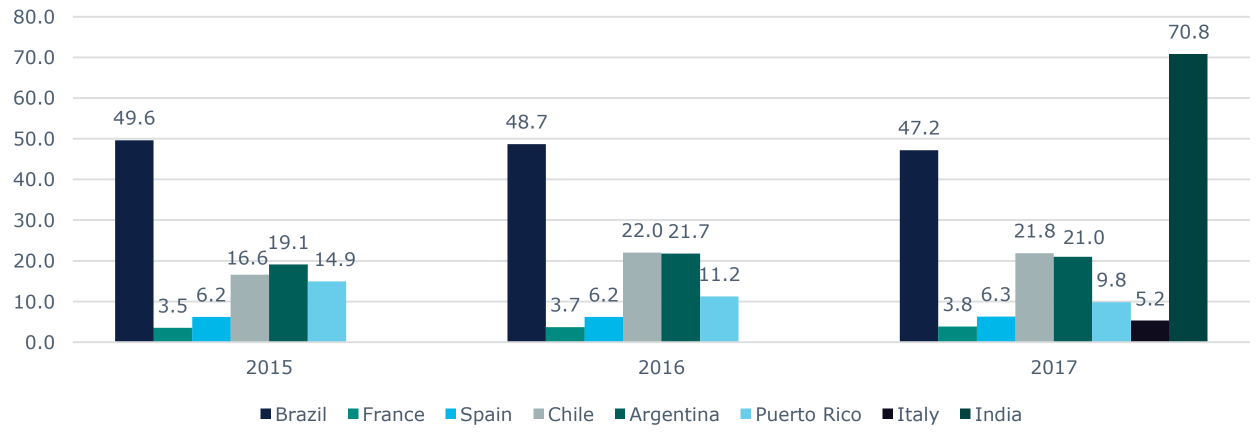
	2015	2016	2017	Variation with respect to 2016
Brazil	10,534	10,084	10,058	-0.3%
France	544	586	615	4.9%
Spain	798	850	890	4.7%
Chile	1,129	1,590	1,639	3.1%
Argentina	1,370	1,528	1,583	3.6%
Puerto Rico	323	270	220	-18.5%
Italy	---	---	291	---
India	---	---	770	---
Total	**14,698**	**14,908**	**16,066**	**7.8%**

Trend in the number of fatalities in traffic accidents

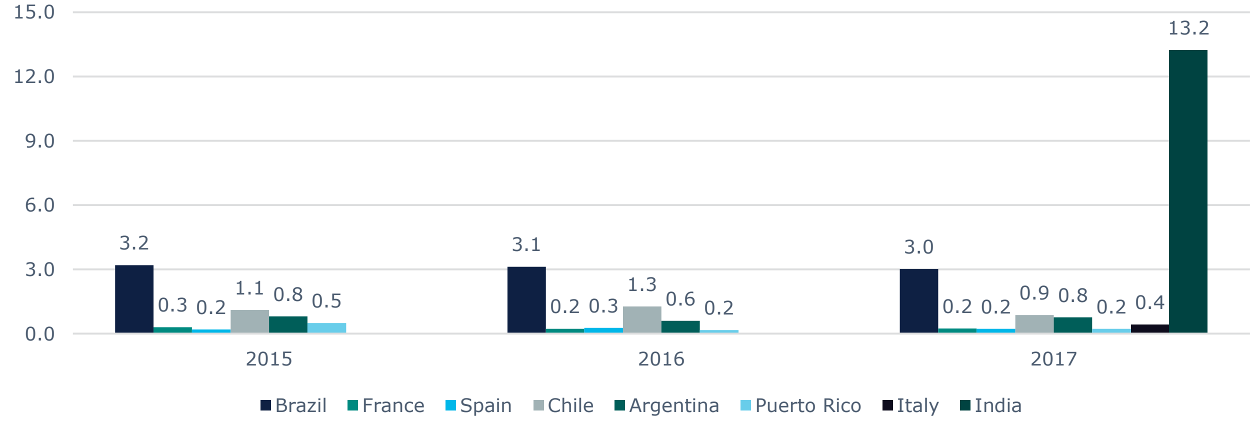


The number of fatalities has decreased in all countries, although the global data has remained constant due to the increased scope of the information. The high number of fatalities in India in relation to the number of accidents caused (similar to those in France or Spain) has a direct influence on the overall mortality rate.

Trend in the accident rate by country[vii]



Trend in the mortality rate by country

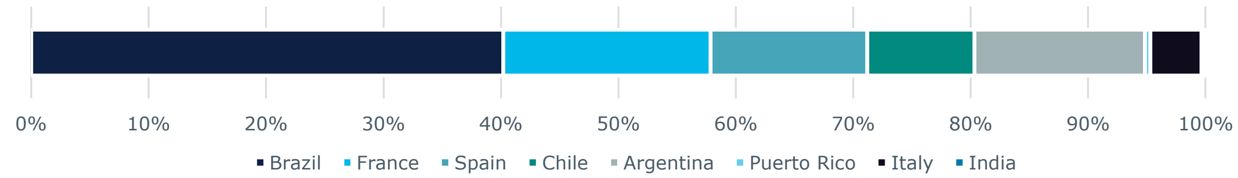


Ensuring workplace health and safety

The Human Team chapter of the 2017 IAR contains detailed information on the actions implemented and the occupational health and safety management approaches.

The total number of employees was 15,099 at 31 December (15,045 employees in terms of average equivalent workforce). This workforce adjusted to the scope of the non-financial information includes 94% of the workforce at 31 December and 92.9% of the average equivalent workforce.

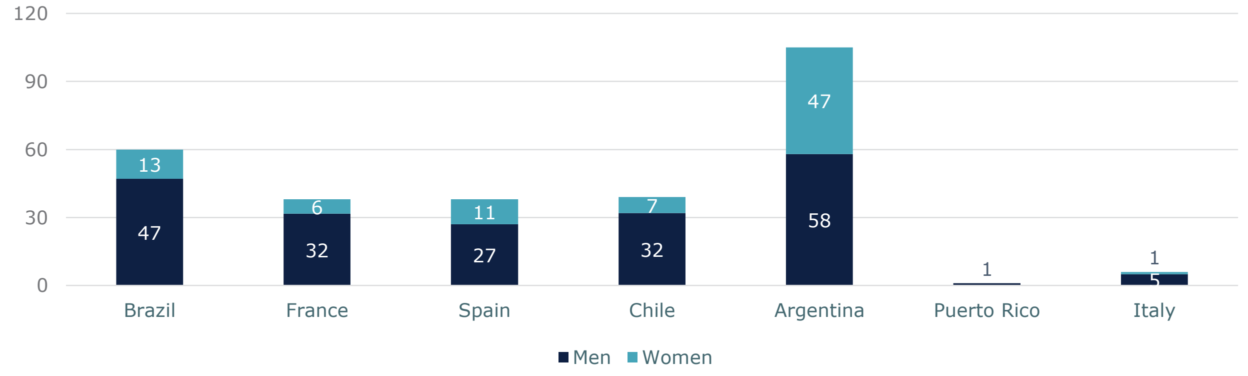
Equivalent average workforce by country



The total number of accidents significantly decreased, by 32.5% in relation to the previous year, amounting to 287 accidents, 70.3% of which took place among men.

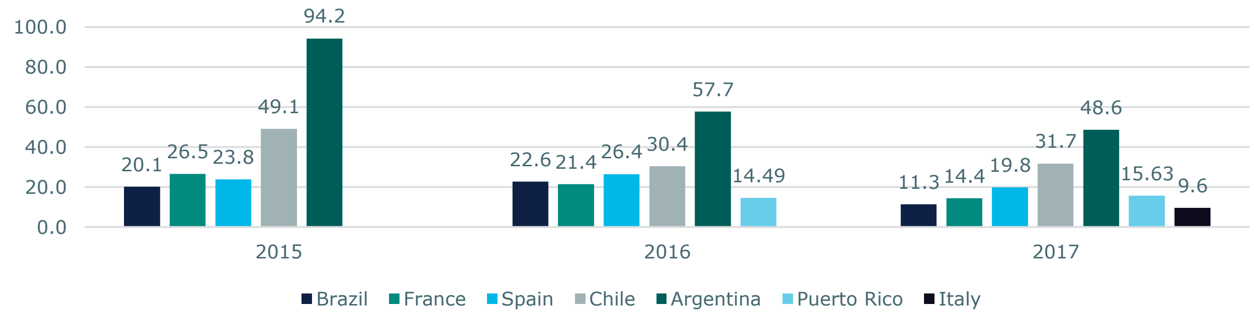
The change occured in both men and women, being higher in women (-41.5%), and was due to improvements in Brazil, France, Chile and Argentina. The impact of new incorporations was low due to the reduced level of accidents in Italy and the unavailabliity of information in India.

Number of accidents in 2017 by gender and country[viii]

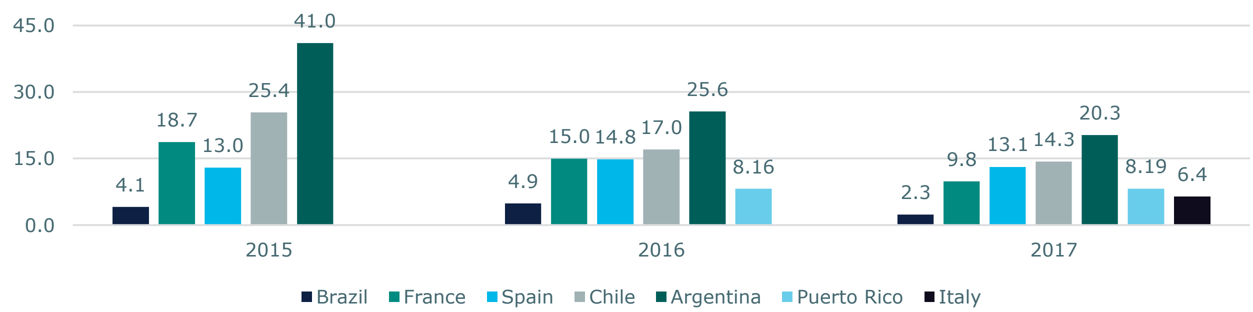


The main reasons for the accidents include: falls on the same level, bruises, reckless behaviour by road users, insect bites, collisions with moving objects and assaults.

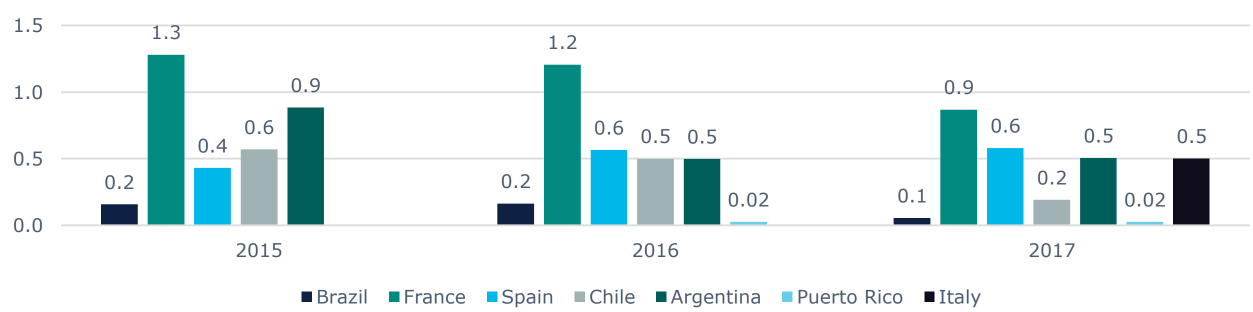
Trend in the incidence rate by country



Trend in the frequency index by country



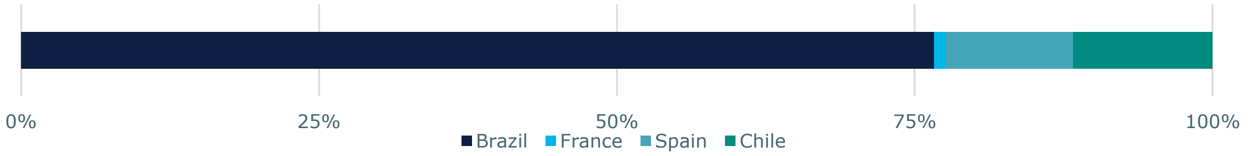
Trend in the severity index by country



The accident rates continued the positive trend initiated and significantly decreased in Brazil, France, Chile and Argentina, which had an impact on the global data which decreased by 44.7% in the case of the incidence rate, 27.7% in the frequency rate and 31.4% in severity rate.

The total number of accidents involving subcontracted workers increased by 15% in relation to the previous year (246 accidents), mainly due to the variation in the figures from Brazil. The main reasons for accidents involving subcontracted individuals include falls on the same level, unsafe behaviour and reckless practices by road users, overexertion and contact with chemicals.

Distribution of accidents involving subcontracted workers by country



Fostering quality employment

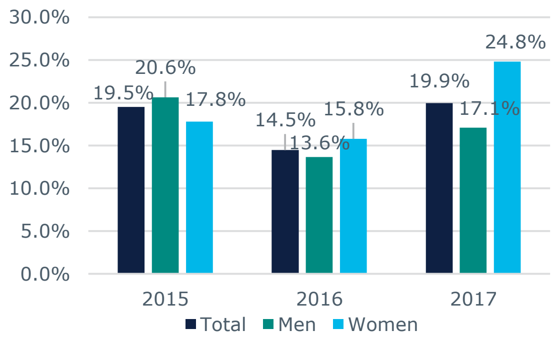
The professional development section of the 2017 IAR describes the activities implemented in relation to talent retention, training and the measurement of job satisfaction.

During 2017, 2,484 new employees were hired, of which 53.2% were men and 51.4% were concentrated in Brazil, followed by France and Chile. The workforce distribution according to working hours remained constant, although the percentage of full-time workers generally increased for both men and women. The total number of temporary contracts formalised during the year amounted to 2,819, of which 59.9% related to women and were concentrated in Spain, Argentina, Chile and Brazil.

Percentage of workforce by working hours

	2016			2017		
	Men	Women	Total	Men	Women	Total
Full time	93.72%	83.41%	89.7%	94.7%	85.2%	91.2%
Part time	6.27%	16.60%	10.3%	5.3%	14.8%	8.8%

Trend in the global turnover rate by gender

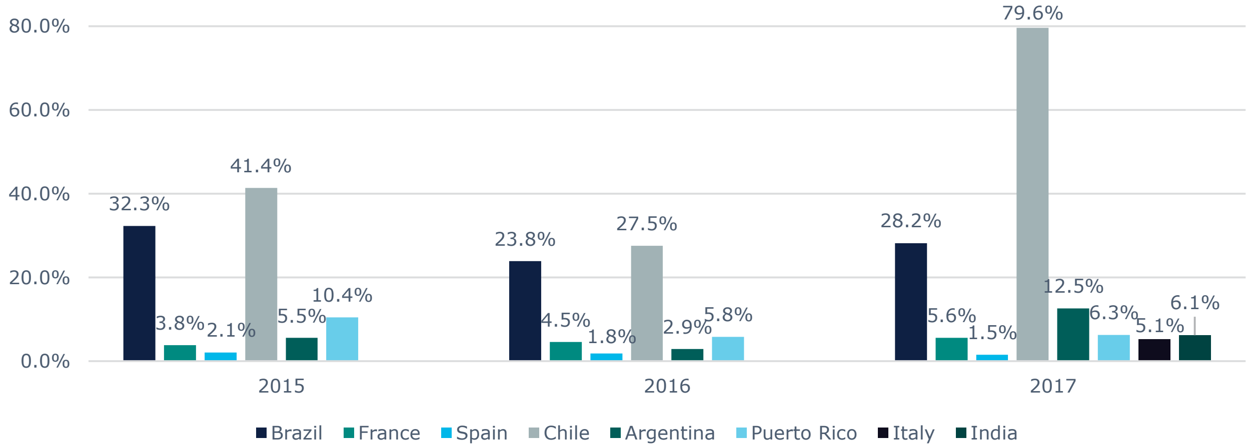


The turnover ratio increased in relation to the previous financial year mainly due to restructuring in Brazil, Chile and Argentina which involved an upward variation in the number of redundancies. The main reasons for turnover include unjustified absences in the case of dismissals and personal and professional improvements in the case of voluntary resignations. It should also be borne in mind that the permanent coverage of the road assistance services involves a high turnover of individuals in order to ensure said assistance, which is why the termination of contracts is not included in the turnover data.

Global turnover rate by employee category and gender

	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Executives	19.4%	20.0%	26.5%	26.7%	14.1%	23.5%
Heads of Department	8.8%	5.7%	16.3%	22.9%	4.9%	6.6%
Other	21.6%	18.2%	13.3%	15.4%	18.2%	25.6%

Trend in the turnover rate by country

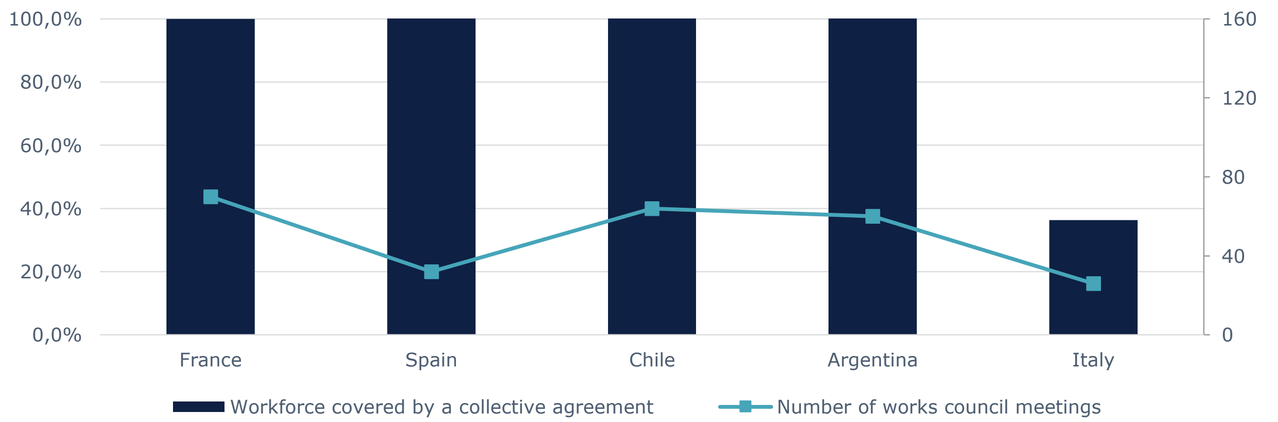


Turnover rate by gender and country

	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Brazil	37.9%	23.3%	23.7%	24.1%	35.6%	18.0%
France	4.2%	3.2%	4.3%	4.3%	5.6%	5.6%
Spain	2.1%	1.9%	2.1%	1.2%	1.3%	1.8%
Chile	32.2	51.0%	25.2%	29.9%	26.2%	246.2%
Argentina	6.3%	4.4%	2.3%	3.7%	10.6%	15.5%
Puerto Rico	12.5%	5.3%	7.8%	0.0%	8.9%	0%
Italy	---	---	---	---	5.6%	3.1%
India	---	---	---	---	6.7%	0%

89.8% of the workforce is covered by a collective bargaining agreement, a percentage lower than the previous year due to the inclusion of information from Italy and India, in which the workforce covered is less. During 2017 a total of 53 works councils met on 263 occasions, an activity level similar to that of the previous year.

Collective bargaining agreement



The entire workforce at central headquarters is included in a management programme by objectives, which is offered to all those included in the professional category of executives and heads of department, in accordance with the established trend. 62.9% of the organisation’s total workforce is included in this evaluation and professional development system.

Management by objectives by employee category, gender and country

	Executives		Heads of Department		Other categories	
	Men	Women	Men	Women	Men	Women
Brazil	100%	100%	100%	100%	100%	100%
France	100%	100%	100%	100%	93.9%	86.7%
Spain	100%	100%	100%	100%	9.7%	5.9%
Chile	100%	---	100%	100%	22.8%	45.3%
Argentina	100%	---	100%	100%	8.8%	5.5%
Puerto Rico	100%	---	100%	100%	96.9%	91.7%
Italy	100%	100%	38.5%	75%	0.2%	1.7%
India	100%	100%	0%	0%	0%	0%

Investment in training increased by 39.2% in relation to the previous year, amounting to 4.7 million euros. Likewise, the average training hours per person varied by 21.2%, reaching 21.5 hours.

Average hours of training by employee category, gender and country[ix]

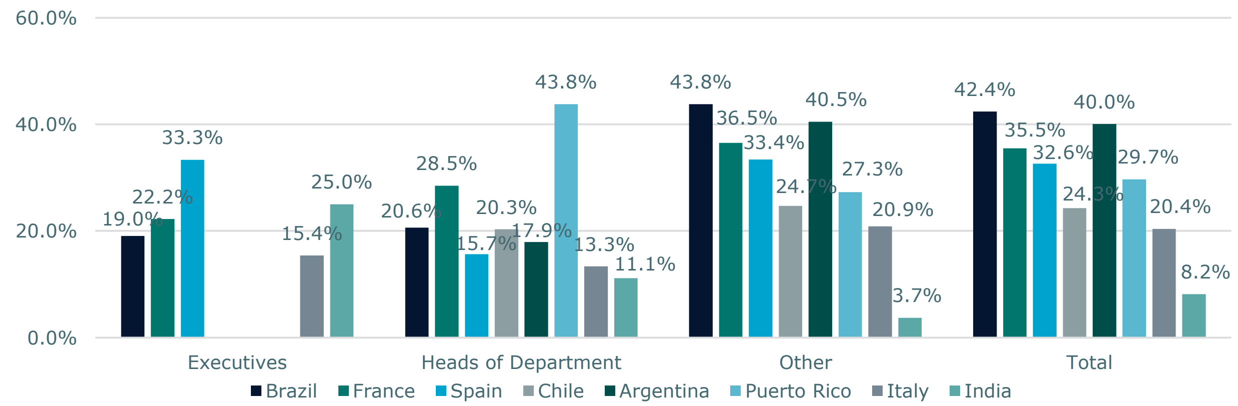
	Executives		Heads of Department		Other categories	
	Men	Women	Men	Women	Men	Women
Brazil	97.9	114.5	77.5	81.6	28.1	23.9
France	10.0	9.5	22.4	15.0	15.5	8.4
Spain	38.1	52.8	26.0	23.8	18.2	18.3
Chile	138.8	0	147.8	118.9	43.8	42.7
Argentina	235	0	8.3	7.1	1.1	0.6
Puerto Rico	0	0	27.7	56.0	19.8	17.0
Italy	20.1	51.0	30.5	5.9	12.1	9.1

Ensuring equal opportunities

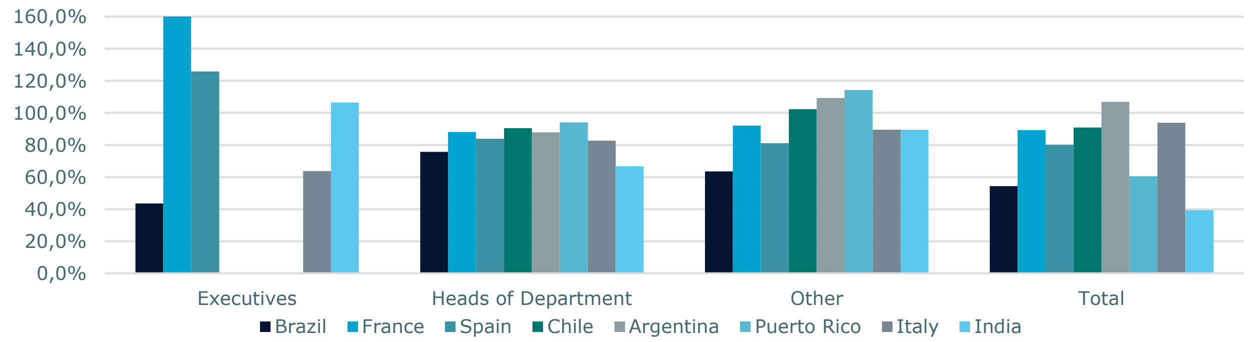
Within the context of professional development, ensuring equal opportunities among the various groups that make up the organisation is one of the cornerstones for managing the human team, and the explicit non-discrimination policy contained in the organisation's code of ethics applies to all of its areas. The Human Team chapter of the 2017 IAR contains details on the management approach and actions implemented during the year.

Globally, the percentage of women in the various employee categories has continued to rise, although the total has remained constant, which is an indicator of a positive trend towards the objective established in the CSR Master Plan.

Percentage of women by employee category and country



Average percentage of remuneration for women with respect to men by employee category and country



The remuneration ratio of women in relation to men amounts to 61.3% for executives, 82.6% for heads of department and 86.6% for the remainder, totalling 37.7% in the case of central services. Globally, the ratio is at 80.1% for executives, 93.7% for heads of department and 92.2% for the remainder of workers, which in aggregated form is 83.2%, a higher percentage than that of the previous year.

The relationship between the starting salary and the minimum local salary remained constant in all countries. Italy does not have a legal minimum salary, which is why it is not included in the table.

Starting salary and minimum local salary by country – Toll Roads

	Men	Women
Brazil	105.5%	105.5%
France	102.7%	100.4%
Spain	119.6%	116.4%
Chile	100.0%	100.0%
Argentina	395.6%	395.6%
Puerto Rico	159.9%	158.9%
India	164.0%	217.5%

Retention rate by gender and country

	Individuals taking parental leave		Individuals returning to work after leave		Individuals who continue in the organisation after 12 months	
	Men	Women	Men	Women	Men	Women
Brazil	70	118	100%	94.3%	83.9%	82.8%
France	0	9	---	88,9%	---	100,0%
Spain	29	23	96.6%	50.0%	91.3%	42.9%
Chile	2	23	100%	100%	100%	56.5%
Argentina	18	44	100%	100%	100%	95.5%
Puerto Rico	0	0	---	---	---	---
Italy	5	2	100%	100%	100%	100%
India	0	0	---	---	---	---

The number of people with parental leave decreased in relation to the previous financial year, an uneven variation in the case of men. The inclusion of people with functional diversity into the workforce has continued its positive trend, amounting to a total of 2% of the Brazilian workforce, 2.7% of the French workforce and 4% of the Spanish workforce. In this last case, the percentage includes both direct hiring and the use of alternative measures, as well as the purchase of goods and services from and donations to special employment centres and placement agencies.

Quality products and services with positive social impacts

The Safe and Efficient Toll Roads chapter of the 2017 IAR contains detailed information on road safety management, the development of tools to adapt the products and services to specific groups and the application of new infrastructure management technologies.

3

Methodology and International Equivalences

Preparation methodology

The second edition of the Integrated Annual Report (IAR) relating to the 2017 financial year includes this annex as a comprehensive breakdown of certain non-financial data related to the monitoring of the CSR Master Plan, for which the preparation methodology is the same as that for the Integrated Annual Report.

The non-financial information contained in the Integrated Annual Report and the annex is prepared and presented following the guidelines set out in the standard for preparing the IIRC (International Integrated Reporting Committee) integrated reports, together with the methodology for preparing GRI (Global Reporting Initiative) sustainability reports and the policy for preparing the UN Global Compact (UNGC) Progress Reports.

A new consideration that should be highlighted is the entry into force of legislation on the publication of non-financial information, and therefore a table of equivalences related to the same has been added and the references to the new GRI standards already used for the first time last year have been updated. Furthermore, the methodology promoted by the Climate Disclosure Standards Board (CDSB) for the calculation and publication of the carbon footprint has been included.

The Integrated Annual Report has been prepared in accordance with the GRI comprehensive compliance option, which involves full application of the standards. Firstly, the IAR meets the following content definition principles established by the GRI in the Foundation standard (101):

Stakeholder engagement	•Continued involvement •Materiality analysis
Sustainability context	•Local-level data •Global management approach
Materiality	•Formal analysis •Approval of matters
Completeness	•Sufficient information •Decision-making

The IAR also complies with the following principles for ensuring the quality of the content established by the GRI in the Foundation standard (101):

Balance	•Performance for the year •Neutral treatment
Comparability, accuracy and reliability	•Traceability and analysis •External review
Timeliness	•Annual publication •Ahead of time
Clarity	•Information synthesis •Conservation of structure

Scope of the information

The non-financial information includes the new toll road activities in India and Italy and Túnels in Spain, together with the central Emovis services in France and the exclusion of satellite telecommunications activities, amounting to 96.8% of the 2017 annual turnover. As it is the first year that non-financial accounts have been issued, there have been limitations with regard to the data for India and Italy, which have been specified in each case.

Calculation methodologies

The calculations performed and presented in the IAR and the annex meet the following standards:

- GRI standards referenced in the content index.
- 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.

External review

According to the external review policy for performance data, the non-financial information included in the Integrated Annual Report and the annex have been verified by the same external auditor involved in the audit of the financial information, in accordance with the details specified in their report and the internationally applicable standards for non-financial information. Similarly, audit notes relating to the external review process have been detailed in the GRI content index.

The annual review usually carried out by the GRI was not performed this year due to the related publication and documentation deadlines, which for the first time were the same for Annual Accounts as for the IAR, thus aspects of confidentiality of the information manifested did not allow for the conduct of this review.

Related documents

The global vision for financial, environmental, social and governance performance is included in the Integrated Annual Report, although both this annex and the organisation's other publications contain specific details that have been explained in the GRI content index, which allows the information to be expanded upon for those stakeholders who require it. These references have been specified and they relate to the following publications:

- 2017 Consolidated Annual Accounts and Directors' Report (CAA)
- 2017 Annual Corporate Governance Report (ACGR)
- 2017 Annual Report on Directors' Remuneration (ARDR)
- 2017 Carbon Disclosure Project (CDP) questionnaire (the questionnaire relating to the 2016 financial year was published during 2017).

The pages indicated in the GRI content index refer firstly to the pages of the annex and then to the pages of the Integrated Annual Report (IAR) and the other publications.

External Assurance Report

Deloitte.

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Teléfono: +34 93 280 40 40
www.deloitte.es

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

Report on Independent Review of the Corporate Responsibility Information included in the 2017 Annual Integrated Report of Abertis Infraestructuras, S.A. and Subsidiaries

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

Scope of our engagement

We have performed the review -with a scope of limited assurance- of the Corporate Responsibility Information (CRI) included in the 2017 Annual Integrated Report ("AIR" or "Report") of Abertis Infraestructuras, S.A. and subsidiaries ("Abertis"), the scope of which is defined in the "About the Report" chapter of the AIR and in the "International methodology and equivalences" section of the Appendix to the AIR. Our engagement consisted of reviewing:

- The adherence of the CRI in the AIR to the Global Reporting Initiative Sustainability Reporting Standards ("GRI-SRSs"), including the reliability and suitability of the content.
- The information provided in the AIR relating to the application of the principles of inclusivity, materiality and responsiveness set out in AccountAbility's AA1000 AccountAbility Principles Standard (2008) (AA1000APS).

Verification standards and procedures

We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for the issuance of limited assurance reports. Also, we applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in AA1000 APS and on the sustainability performance indicators (type 2 moderate assurance).

Our review work consisted of making inquiries to management and the various areas and business units of Abertis, reviewing the processes for gathering and validating the information presented in the AIR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings with staff of Abertis to ascertain the principles, systems and approaches applied in sustainability management.
- Review of the minutes of the meetings held in 2017 by the Corporate Social Responsibility Committee.
- Review of the steps taken in relation to the identification and consideration of stakeholders during the year and of the stakeholder participation processes, based on the analysis of the internal information and third-party reports available.
- Analysis of the coverage, materiality and completeness of the CRI on the basis of Abertis's understanding of the requirements of its stakeholders in relation to the material issues identified by the organisation and described in the "Stakeholders and materiality" section of the Appendix to the AIR.
- Review of the information relating to the management approaches applied and verification of the existence and scope of policies, systems and procedures in corporate social responsibility areas.
- Analysis of the adherence of the CRI to the GRI standards and verification that the content disclosed corresponds to that required by such standards.
- Verification, by means of specific sample-based review tests, of the quantitative and qualitative information relating to the GRI content and the adequate compilation thereof based on the data furnished by the information sources of Abertis from Spain, France, Brazil, Italy, Chile, Argentina and India.

Responsibilities of the Directors of Abertis and of Deloitte

- The preparation and content of the Annual Integrated Report are the responsibility of the directors of Abertis. Management of Abertis is responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent limited assurance review report based on the work performed.
- A review is substantially less in scope than a reasonable assurance engagement. Therefore, the level of assurance provided is also lower and, accordingly, this report may not be considered to be an auditor's report.
- This report has been prepared solely for Abertis in accordance with the terms and conditions of our engagement letter.
- We conducted our work in accordance with the independence standards required by the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.
- In accordance with International Standard on Quality Control (ISQC) 1, Deloitte has in place a global system of quality control which includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.
- Our engagement team consisted of professionals who are experts in Corporate Responsibility Report reviews and, specifically, in reporting on economic, social and environmental performance and in stakeholder dialogue and participation processes.

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.

Conclusions

The GRI Table of Contents in the Appendix to the 2017 AIR provides details of the content reviewed and the scope limitations of the review, and identifies any content that does not cover all the areas required by GRI-SRSs. As a result of the procedures applied and the evidence obtained, except for the matters identified in the aforementioned GRI Table of Contents, nothing came to our attention that might lead us to believe that:

- The CRI included in the AIR was not prepared, in all material respects (including the reliability and suitability of the reviewed information), in accordance with GRI-SRSs.
- Abertis did not apply the principles of inclusivity, materiality and responsiveness as described in the Appendix to the 2017 AIR in accordance with AA1000 APS (2008):
  - Inclusivity: Abertis has developed a stakeholder participation process, enabling stakeholders to be involved 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.

Observations and recommendations

In addition, we presented to management of Abertis our recommendations relating to the areas for improvement in CR management and reporting 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 "Interes Group and Materiality" section of the Appendix to the AIR, 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 broaden the sample of consultations so that it represents both the various businesses and all the countries in which Abertis has a stable presence.

Responsiveness

The international roll-out of the 2016-2020 CSR Master Plan commenced in 2017. The monitoring of this plan using a unified balanced scorecard, including the degree of achievement of the targets set in each area of activity and their contribution to the attainment of the Group's objectives, will facilitate compliance with the plan in the future.

In 2017 Abertis continued to work on the integration of financial and non-financial information, while markedly reducing the length of time required to report its non-financial information. In order to consolidate this process and continue to improve the quality and uniformity of the information, it would be advisable to report on key non-financial indicators on a six-monthly basis.

In recent years, Abertis has broadened the scope of calculation of its carbon footprint, above all in relation to Scope 3 emissions, as well as the coverage of the environmental management systems, gradually adapting them to the changes in its scope of consolidation. The information obtained from these management systems and the carbon footprint, together with other supplementary analyses, such as the simulation of future scenarios, can be very useful in order to measure the risks, opportunities and financial impact of climate change in the medium and long term at each of the concessions and at the Group as a whole.

DELOITTE, S.L.

Helena Redondo

6th February, 2018

AA1000
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GRI Content Index

Foundation and general disclosures

Free translation for information purposes. Please, note that references made to the pages correspond to original documents drafted in Spanish language for the Annual General Meeting (AGM). In case there is a difference on the page reference, the Spanish version of the AGM document will prevail.

General Disclosures	Page/Direct Answer	Omissions	External assurance
GRI 101 Foundation 2016			
101 Principles	32		√ - 34-35
GRI 102 General disclosures 2016			
Organizational profile			
102-1 Name of the organization	Abertis		√ - 34-35
102-2 Activities, brands, products, and services	IAR 8-10		√ - 34-35
102-3 Location of headquarters	Avenida Pedralbes, 17, Barcelona		√ - 34-35
102-4 Location of operations	IAR 18-21		√ - 34-35
102-5 Ownership and legal form	ACGR 1-2		√ - 34-35
102-6 Markets served	IAR 11-12		√ - 34-35
102-7 Scale of the organization	IAR 6		√ - 34-35
102-8 Information on employees and other workers	26, 28-29		√ (1) - 34-35
102-9 Supply chain	20, IAR 61-62; Content note (a)		√ (2) - 34-35
102-10 Significant changes to the organization and its supply chain	3-4, 7-8; ACGR 2-3		√ - 34-35
102-11 Precautionary Principle or approach	3-4, 7-8; IAR 10, 15-17, 27-30		√ - 34-35
102-12 External initiatives	5, 32; IAR 15, 74; Content note (b)		√ - 34-35
102-13 Membership of associations	22; IAR 58		√ - 34-35
Strategy			
102-14 Statement from senior decision-maker	IAR 3-5		√ - 34-35
102-15 Key impacts, risks, and opportunities	5; IAR 3-5, 10, 15-17, 27-30		√ - 34-35
Ethics and integrity			
102-16 Values, principles, standards, and norms of behaviour	IAR 27-28		√ - 34-35
102-17 Mechanisms for advice and concerns about ethics	IAR 27-28		√ - 34-35
Governance			
102-18 Governance structure	IAR 23-26		√ - 34-35
102-19 Delegating authority	IAR 23-26		√ - 34-35
102-20 Executive-level responsibility for economic, environmental, and social topics	IAR 25		√ - 34-35
102-21 Consulting stakeholders on economic, environmental, and social topics	4-5		√ (2) - 34-35

GRI SRS: 102-55

General Disclosures	Page/Direct Answer	Omissions	External assurance
102-22 Composition of the highest governance body and its committees	IAR 24-26		√ - 34-35
102-23 Chair of the highest governance body	IAR 24; ACGR 8		√ - 34-35
102-24 Nominating and selecting the highest governance body	ACGR 17-18, 26-27; Content note (c)		√ - 34-35
102-25 Conflicts of interest	ACGR 36-37		√ - 34-35
102-26 Role of highest governance body in setting purpose, values, and strategy	IAR 15-16, 23-26; ACGR 28-29		√ - 34-35
102-27 Collective knowledge of highest governance body	ACGR 25-30		√ - 34-35
102-28 Evaluating the highest governance body's performance	ACGR 18-19		√ - 34-35
102-29 Identifying and managing economic, environmental, and social impacts	3-5; IAR 15-17, 27-30		√ - 34-35
102-30 Effectiveness of risk management processes	IAR 27-30		√ - 34-35
102-31 Review of economic, environmental, and social topics	IAR 27-30; ACGR 28-29		√ - 34-35
102-32 Highest governance body's role in sustainability reporting	IAR 74		√ - 34-35
102-33 Communicating critical concerns	ACGR 31-32		√ - 34-35
102-34 Nature and total number of critical concerns	ACGR 31-32		√ - 34-35
102-35 Remuneration policies	ACGR 26-27, ARDR 2-4		√ - 34-35
102-36 Process for determining remuneration	ARDR 2-4		√ - 34-35
102-37 Stakeholders' involvement in remuneration	ARDR 2-4		√ - 34-35
102-38 Annual total compensation ratio	Content note (d)	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.	√ - 34-35
102-39 Percentage increase in annual total compensation ratio	Content note (e)		√ - 34-35
Stakeholder engagement			
102-40 List of stakeholder groups	3		√ - 34-35
102-41 Collective bargaining agreements	29		√ - 34-35
102-42 Identifying and selecting stakeholders	3		√ - 34-35
102-43 Approach to stakeholder engagement	3-4		√ - 34-35
102-44 Key topics and concerns raised	3-5		√ - 34-35
Reporting practice			

General Disclosures	Page/Direct Answer	Omissions	External assurance
102-45 Entities included in the consolidated financial statements	IAR 75; CAA		√ - 34-35
102-46 Defining report content and topic Boundaries	3-5; IAR 74-75		√ - 34-35
102-47 List of material topics	5		√ - 34-35
102-48 Restatements of information	54; These have been indicated in direct notes in each case.		√ - 34-35
102-49 Changes in reporting	3-5		√ (2) - 34-35
102-50 Reporting period	1 January to 31 December 2017		√ - 34-35
102-51 Date of most recent report	Financial year 2016, published in 2017.		√ - 34-35
102-52 Reporting cycle	Annual		√ - 34-35
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.		√ - 34-35
102-54 Claims of reporting in accordance with the GRI Standards	32		√ - 34-35
102-55 GRI content index	36		√ - 34-35
102-56 External assurance	33-35		√ - 34-35

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	3-6, Content note (f)		√ (2) - 34-35
103-2 The management approach and its components	9, 21; IAR 8-10, 11-12, 15-16, 53		√ - 34-35
103-3 Evaluation of the management approach	IAR 13-14, 17, 27-28, 31-40, 53-54, 61-62, 71-73		√ - 34-35
GRI 201 Economic Performance 2016			

Standard	Page	Omissions	External assurance
201-1 Direct economic value generated and distributed	IAR 71		√ - 34-35
201-2 Financial implications and other risks and opportunities due to climate change	IAR 29-30; CDP 2017 Sections CC2, CC5 and CC6		√ - 34-35
201-3 Defined benefit plan obligations and other retirement plans	Content note (g)		√ - 34-35
201-4 Financial assistance received from government	CAA 106		√ - 34-35
GRI 202 Market Presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	31		√ - 34-35
202-2 Proportion of senior management hired from the local community	IAR 63		√ - 34-35
GRI 203 Indirect Economic Impacts 2016			
203-1 Infrastructure investments and services supported	IAR 31-40, 48		√ - 34-35
203-2 Significant indirect economic impacts	IAR 31-40, 71		√ - 34-35
GRI 204 Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	22; IAR 61		√ - 34-35
GRI 205 Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	IAR 27-30	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.	√ - 34-35
205-2 Communication and training about anti-corruption policies and procedures	10; IAR 27-28		√ - 34-35
205-3 Confirmed incidents of corruption and actions taken	Content note (h)		√ - 34-35
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.		√ - 35-36

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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	3-6; Content note (f)		√ (2) - 34-35
103-2 The management approach and its components	11, 21; IAR 8-10, 11-12, 15-16, 55		√ - 34-35
103-3 Evaluation of the management approach	12, 17, 20; IAR 13-14, 17, 37-40, 56-57, 72-73		√ - 34-35
GRI 301 Materials 2016			
301-1 Materials used by weight or volume	17-18		√ - 34-35
301-2 Recycled input materials used	17-18		√ - 34-35
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	14		√ - 34-35
302-2 Energy consumption outside of the organization	14	The data on external energy consumption are not available 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 as of 2017.	√ (3) - 34-35
302-3 Energy intensity	14-16		√ - 34-35
302-4 Reduction of energy consumption	14-16		√ (4) - 34-35
302-5 Reductions in energy requirements of products and services	19		√ (4) - 34-35
GRI 303 Water 2016			
303-1 Water withdrawal by source	16-17		√ - 34-35
303-2 Water sources significantly affected by withdrawal of water	16		√ (4) - 34-35

Standard	Page	Omissions	External assurance
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	23		√ - 34-35
304-2 Significant impacts of activities, products, and services on biodiversity	23		√ - 34-35
304-3 Habitats protected or restored	23		√ - 34-35
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	12-13		√ - 34-35
305-2 Energy indirect (Scope 2) GHG emissions	12-13		√ - 34-35
305-3 Other indirect (Scope 3) GHG emissions	12-13		√ (3) - 34-35
305-4 GHG emissions intensity	13		√ (3) - 34-35
305-5 Reduction of GHG emissions	13		√ (4) - 34-35
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	23; 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	19		√ (5) - 34-35
306-2 Waste by type and disposal method	18-19	No breakdown for treatment type against waste type. We are working towards obtaining this information and publishing it in future reports, as of 2017.	√ (6) - 34-35
306-3 Significant spills	19		√ - 34-35
306-4 Transport of hazardous waste		Not applicable, as no hazardous waste is transported. This applies to the indicator as a whole.	---

Standard	Page	Omissions	External assurance
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)		√ - 34-35
GRI 308 Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	20; IAR 61-62		√ - 34-35
308-2 Negative environmental impacts in the supply chain and actions taken	5, 20; IAR 61-62		√ - 34-35

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	3-6, Content note (f)		√ (2) - 34-35
103-2 The management approach and its components	21, 24; IAR 8-10, 11-12, 15-16, 31-32, 36-37, 41, 58-59, 61, 63, 65, 68		√ - 34-35
103-3 Evaluation of the management approach	22, 25-31; IAR 13-14, 17, 33-35, 38-40, 42-43, 60, 61-62, 64, 66-67, 69-70, 72-73		√ - 34-35
GRI 401 Employment 2016			
401-1 New employee hires and employee turnover	28-29		√ (8) - 34-35
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Content note (k)		√ (8) - 34-35
401-3 Parental leave	31		√ - 34-35
GRI 402 Labour / Management Relations 2016			

Standard	Page	Omissions	External assurance
402-1 Minimum notice periods regarding operational changes	Content note (l)		√ - 34-35
GRI 403 Occupational Health and Safety 2016			
403-1 Workers representation in formal joint management–worker health and safety committees	IAR 69		√ - 34-35
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	27-28; IAR 68		√ (9) - 34-35
403-3 Workers with high incidence or high risk of diseases related to their occupation	Content note (m)		√ - 34-35
403-4 Health and safety topics covered in formal agreements with trade unions	IAR 69		√ - 34-35
GRI 404 Training and Education 2016			
404-1 Average hours of training per year per employee	30		√ - 34-35
404-2 Programs for upgrading employee skills and transition assistance programs	30; IAR 65-66		√ - 34-35
404-3 Percentage of employees receiving regular performance and career development reviews	30		√ - 34-35
GRI 405 Diversity and Equal Opportunities 2016			
405-1 Diversity of governance bodies and employees	30-31, IAR 24-26, 63		√ - 34-35
405-2 Ratio of basic salary and remuneration of women to men	31		√ - 34-35
GRI 406 Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	There were no incidents of this type.		√ (10) - 34-35
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.		√ - 34-35
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.		√ - 34-35
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	√ - 34-35

Standard	Page	Omissions	External assurance
		information systems required in order to be able to publish this information as of 2017.	
GRI 412 Human Rights Assessment 2016			
412-1 Operations that have been subject to human rights reviews or impact assessments	10		√ - 34-35
412-2 Employee training on human rights policies or procedures	10; IAR 27-28		√ - 34-35
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.		√ (12) - 34-35
GRI 413 Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	22; IAR 58-60		√ - 34-35
413-2 Operations with significant actual and potential negative impacts on local communities	Content note (f)		√ (2) - 34-35
GRI 414 Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	20		√ - 34-35
414-2 Negative social impacts in the supply chain and actions taken	5, 20; IAR 61-62		√ (11)- 34-35
GRI 415 Public Policy 2016			
415-1 Political contributions	Content note (n)		√ (12) - 34-35
GRI 416 Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	25-26; IAR 31-36		√ - 34-35
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of this type.		√ - 34-35
GRI 417 Marketing and Labelling 2016			
417-1 Requirements for product and service information and labelling	IAR 41-43		√ - 34-35
417-2 Incidents of non-compliance concerning product and service information and labelling	There were no incidents of this type.		√ - 34-35
417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of this type.		√ - 34-35

Standard	Page	Omissions	External assurance
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.		√ - 34-35
GRI 419 Socioeconomic Compliance 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	Content note (o)		√ - 34-35
Noise			
Number of toll road kilometres that have been subject to noise impact evaluations	IAR 57		---
Road safety			
Mortality index	25-26		√ - 34-35
Accident index	25-26		√ - 34-35

Content notes

a) The 2015 CSR Report contains details on the organisation's value chain explaining the finer points of the content presented in the 2017 IAR, as these aspects remain valid, taking into account the changes that were made and described in chapter 1 of the report and the 2017 IAR. [GRI SRS 102-9]

b) As well as those mentioned in the IAR and the annex, Abertis is part of the Global Reporting Initiative (Gold Community) and the Carbon Disclosure Project (contributor). [GRI SRS 102-12]

c) See the 'Report on Appointment of Directors' in the documentation from the 2017 General Shareholders' Meeting for further information. [GRI SRS 102-24]

d) The ratio of pay between the person who holds the position of Vice-Chairman and CEO and the average pay in Spain is 37.9 for 2017 and 39.4 for 2016 (without considering the pay of the workforce of Hispasat to maintain the comparable perimeter). To calculate the ratio of pay the arithmetic mean of the wages and salaries, bonuses, incentives and other remunerations paid in the financial year of companies in Spain was carried out, as well as the equivalent average workforce of the companies. The figure for the highest paid person was calculated considering the total pay received in each financial year, without including life insurance premiums and contributions to pension funds or other long-term savings systems. [GRI SRS 102-38]

e) The change in average pay in Spain with regard to 2016 was an increase of 5.09%, and the change in pay of the person who holds the position of Vice-Chairman and CEO was 1.3%. The changes correspond to total pay received, without considering contributions to life insurance and contributions to pension funds or other long-term savings systems. [GRI SRS 102-39]

f) The 2015 CSR Report contains details on the materiality analysis carried out, explaining the finer points of the content presented in the 2016 IAR, as these aspects remain valid. [GRI SRS 103-1, 413-2]

g) The headquarters and the toll roads in France, Spain and Puerto Rico made contributions towards workers' pension plans, funds which are managed by the corresponding committees in each country. [GRI SRS 201-3]

h) During the year there were a total of 15 communications for non-compliance with the code of ethics, relating to corruption, fraud and bribery; all pertinent investigations have been conducted and all corresponding disciplinary measures have been applied, including a dismissal. [GRI SRS 205-3]

i) The following species, listed according to their level of risk, are present in the vicinity of toll roads in Brazil. Endangered: Vinaceous-breasted amazon, yellow boa constrictor, buffy-tufted marmoset. Vulnerable: Oncilla, southern tamandua, small red brocket, white-lipped peccary, tapir, brown howler, Amazon tree boa, Brazilian snake-necked turtle. Least concern: Yellow-bellied trogon, ocelot, cougar, water opossum, howler monkey, armadillo, guaribai, jaguarundi. Near threatened: Margay, maned wolf, lontra, jaguar. Data deficient: Agouti, red brocket. In addition to other species of flora and fauna, such as the lontra, yellow-legged tinamou, buffy-fronted seedeater, jaguarundi, solitary tinamou and Venezuelan red howler. [GRI SRS 304-4]

j) During 2017, a total of six fines in Brazil amounting to 32,572.5 euros were received relating to waste management and administrative non-compliances associated with the maintenance of infrastructure. [GRI SRS 307-1]
k) There is no distinction between full-time and part-time for the social benefits offered. [GRI SRS 401-2]
l) The minimum notice period is 30 days in all activities and countries, except for Chile, where it is 45 days, and France, where it depends on the period for consultation with the corresponding bodies. [GRI SRS 402-1]
m) No diseases of this kind were detected. [GRI SRS 403-3]
n) No contributions of this nature are made. Abertis is registered in the European Union transparency register. [GRI SRS 415-1]
o) During 2017, a number of fines were received in relation to socio-economic matters, specifically: five fines in Brazil amounting to 335,330.5 euros related to the non-compliance with the requirements of the contracts linked to the maintenance of infrastructure, two fines in Brazil amounting to 3,876.3 euros relating to labour risk prevention measures and the conduct of medical examinations, and one fine in France amounting to 7,500 euros. In addition, the Argentine concessionaires have 561 open sanctions proceedings (imposition of fines) of which 61 have been liquidated and in turn recurred whose total amount increases to 173,180.68 euros. In any event, the sanctions proceedings are suspended pending completion of the approval process of the Integral Renegotiation Agreement (*Acuerdo Integral de Renegociación*, "AIR"). [GRI SRS 419-1]

Assurance notes

(√) Those indicators marked with the symbol √ have been included in the verification process carried out, considering the omissions described in the table.

1) The information relating to contractors is partial and is subject to estimations, therefore it cannot be considered representative. The review consisted of the verification of the data completion process reported by the group's companies.
2) The 2017 materiality analysis was not updated with the incorporation of the companies of India, Italy or Emovis, as detailed in chapter 1 of the annex on "Stakeholders and materiality".
3) The emissions for scope 3 were calculated according to the methodology and estimations specified on page 38 of the Report Annex, in accordance with the information available. In said scope, the emissions corresponding to all the investments and purchase of products and services were not included.
4) Qualitatively reported.
5) Information estimated from the discharge capacity.
6) The verification of the types of waste was carried out based on the revision of the waste management reports, where the estimation of the type of waste managed is detailed.
7) The turnover rates do not consider seasonal contract completions.
8) Not broken down by region
9) It has not been verified that the information of contractors is integral. The review consisted of the verification of the data completion process of the group's companies.
10) Information verified through the communications received in the reporting channel.
11) The analysis limitations and participation of vendors in the poll/assessment processes do not allow for the extrapolation of the results to the organisation's entire supply chain.
12) The Group's policy on contributions to political parties is reported.

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 Labor Practices and Decent Work: Labor/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 Labor.
Principle 5. Businesses should uphold the effective abolition of child labour.	Sub-category Human Rights: Child Labor.
Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-10 Sub-category Labor 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.

General Index
GRI Content Index

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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 Labor Practices and Decent Work: all Aspects. Sub-category Human Rights: Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor and Forced and Compulsory Labor. Sub-category Society: Local Communities.
VI. Environment	Category Environmental: all Aspects. Sub-category Labor 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 Labor Practices and Decent Work: Labor 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 Labor Practices and Decent Work: Supplier Assessment for Labor Practices (G4-LA14, G4-LA15, Aspect-specific DMA Guidance) and Labor 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
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

Sustainable Development Goals	Topic	Equivalence with the GRI (SRS)
	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

Equivalencies with the European Directive on non-financial information (2017)

Following the instructions prepared by GRI in the document, "Linking GRI Standards and the European Directive on non-financial and diversity disclosure" and the equivalence tables included therein, a summary of the main links between the requirements of the directive and the GRI content is outlined below.

European Directive	Relevant GRI standards and content
General content (Article 19)	
Art. 19a (1)(a) Description of the business model	GRI 102 (Section 1, organisational profile, and section 2, strategy)
Art. 19a (1) If there are no policies in place, this must be indicated	GRI 101 (Clause 3.2, reasons for omission) GRI 103 (General requirements for the management approach, clause 1.2)
Art. 19a (5) (6) y Art. 20 (b) External verification policy and practice	GRI 102 (102-56)
Art. 20 (1) (g) Description of the diversity policy	GRI 101 (Clause 3.2, reasons for omission) GRI 102 (102-22, 102-24) GRI 401 (401-1) GRI 405 (405-1) GRI 103 (jointly applicable for GRI 401 and GRI 405)
Environmental matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the 300 standard series) GRI 103 (103-3 jointly applicable for the 300 standard series) GRI 102 (102-15) GRI 103 (jointly applicable for the 300 standard series) Specific content of the 300 standard series applied for each material topic.
Other related specifications	
(7) Use of renewable and non-renewable energies, greenhouse gas emissions, water usage and air pollution; (17) Land and material usage	GRI 302; GRI 305; GRI 303; GRI 304; GRI 301 GRI 103 (jointly applicable for GRI 302, GRI 305, GRI 303, GRI 304 and GRI 301)
Social matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the 400 standard series) GRI 103 (103-3 jointly applicable for the 400 standard series) GRI 102 (102-15) GRI 103 (jointly applicable for the 400 standard series) Specific content of the 400 standard series applied for each material topic.
Other related specifications	
(7) Dialogue with the local communities and actions developed to ensure the protection and development of these communities.	GRI 413 GRI 103 (jointly applicable for standard 413)
Employee matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the standards relating to Employees, specifically 401, 402, 403, 404, 405 and 414) GRI 103 (103-3 jointly applicable for the standards relating to employees, specifically 401, 402, 403, 404, 405 and 414) GRI 102 (102-15) GRI 103 (jointly applicable for the standards relating to employees, specifically 401, 402, 403, 404, 405 and 414)

European Directive	Relevant GRI standards and content
	Specific content of the standards relating to Employees, specifically 401, 402, 403, 404, 405 and 414.
Other related specifications	
(7) Actions implemented to ensure gender equality, implementation of general ILO agreements, working conditions, social dialogue, respect for the right of workers to be informed and consulted, respect for trade union rights and health and safety at work; (18) (19) Diversity of competencies and visions in the governing bodies and work team.	GRI 405; GRI 406 GRI 102 (102-12, 102-21, 102-43, 102-22, 102-24) GRI 401; GRI 402; GRI 403; GRI 404 GRI 101 (Stakeholder inclusiveness principle) GRI 407 GRI 103 (jointly applicable for standards 405, 406, 401, 402, 403, 404 and 407)
Human Rights matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the standards relating to Human Rights, specifically 406, 407, 408, 409, 410, 411, 412 and 414) GRI 103 (103-3 jointly applicable for the standards relating to Human Rights, specifically 406, 407, 408, 409, 410, 411, 412 and 414) GRI 102 (102-15) GRI 103 (jointly applicable for the standards relating to Human Rights, specifically 406, 407, 408, 409, 410, 411, 412 and 414) Specific content of the standard relating to Human Rights, expressly 406, 407, 408, 409, 410, 411, 412 and 414.
Other related specifications	
(7) Prevention of Human Rights abuses	GRI 406; GRI 407; GRI 408; GRI 409; GRI 410; GRI 411; GRI 412; GRI 414 GRI 103 (jointly applicable for standards 406, 407, 408, 409, 410, 411, 412 and 414)
Anti-corruption and bribery matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the related standards, specifically 205 and 415) GRI 103 (103-3, jointly applicable for the related standards, specifically 205 and 415) GRI 102 (102-15) GRI 103 (jointly applicable for the related standards, specifically 205 and 415) Specific content of the related standards, specifically 205 and 415.
Other related specifications	
(7) Instruments in place to fight corruption and bribery.	GRI 205; GRI 415 GRI 103 (jointly applicable for standards 205 and 415)

i The Autostrada (one of the dealerships in Italy) and Emovis S.A.S (central services of the Abertis Mobility Services activity) information was not included due to being unavailable.

ii The Autostrada (one of the dealerships in Italy) information was not included due to being unavailable.

iii The Autostrada (one of the dealerships in Italy) information was not included due to being unavailable.

iv The information for India was not included due to being unavailable.

v The information for Ausol (Argentina), Centrovias e Intervias (Brazil) and dealerships of India was not included due to being unavailable.

vi 2016 accident data for Chile has been changed due to the detection of an error in the published data

vii Some of the 2016 indicators have been changed to ensure comparability with data from 2017 financial year.

viii The information for India was not included due to being unavailable

ix The information for India was not included due to being unavailable.

Abertis Infraestructuras, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2017 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 28). 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 28). 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 2017, 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 2017, 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.

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.

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	Procedures applied in the audit
The accompanying consolidated balance sheet includes intangible assets totalling EUR 15,285 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 4,422 million associated mainly with cash-generating units (CGUs) relating to concession arrangements (see Note 8). 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.	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 and verified the clerical accuracy of the calculations performed, as well as an assessment of the reasonableness of the main assumptions considered therein, basically those relating to future cash flow forecasts and discount rates. We also involved our internal valuation specialists in the process to assess the assumptions and methodologies used by management of the Parent and, in particular, those related to the discount rates used. We also analysed the reasonableness of the operating assumptions projected (primarily, traffic, tolls, operating costs and reinvestment disbursements), as well as whether the assumptions included in the impairment test for the previous year are consistent 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 analysis 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 assessed whether Note 8 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, in particular, the detail of the main assumptions used in the preparation of the impairment tests, as well as a an analysis of the degree of sensitivity thereof to changes in the key assumptions used in the tests.

Litigation and contingencies

Description

As indicated in Notes 9.i, 12.i and 22.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 2017, there were no balances receivable recognised in the accompanying consolidated financial statements (see Note 12.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 all the borrowings secured together with the related interest and court costs, as described in Notes 9.i and 20.i.

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.

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 the assessment of whether the information included in Notes 9.i, 12.i, 20.i and 22.i to the accompanying consolidated financial statements in connection with these matters is that required by the applicable accounting regulations.

Litigation and contingencies	
Description	**Procedures applied in the audit**
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.	

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2017, 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 of review:

a) A specific level that applies to the consolidated non-financial information statement, as well as to certain information included in the Corporate Governance Report, as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the consolidated directors' report 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 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 in the preceding paragraphs, we have checked that the specific information described in section a) above has been provided and that the other information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2017 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and Audit and Control Committee of the Parent 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.

The Parent's audit and control committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

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 Appendix I to this auditor's report. This description, which is on pages 8 and 9, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Parent's Audit and Control Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit and control committee dated 6 February 2018.

Engagement Period

The Annual General Meeting held on 3 April 2017 appointed us as auditors for a period of one year from the year ended 31 December 2016.

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

6 February 2018

Appendix I 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 audit and control committee 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 audit and control committee 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 audit and control committee, 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 2017
(prepared in accordance with International Financial Reporting Standards)

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 28). 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	31/12/17	31/12/16
ASSETS			
Non-current assets			
Property, plant and equipment	7	420,843	1,603,169
Goodwill	8	4,422,125	4,550,461
Other intangible assets	8	15,285,119	16,352,802
Investments in associates and interests in joint ventures	9	1,314,536	1,370,528
Deferred tax assets	18-c	896,836	1,050,593
Available-for-sale financial assets	10	118,348	103,948
Derivative financial instruments	11	24,312	45,417
Trade and other receivables	12	1,721,354	1,710,749
Non-current assets		**24,203,473**	**26,787,667**
Current assets			
Inventories	-	12,958	16,482
Derivative financial instruments	11	41,825	6,683
Trade and other receivables	12	1,318,656	1,796,109
Cash and cash equivalents	13	2,458,101	2,529,129
Current assets		**3,831,540**	**4,348,403**
Non-current assets classified as held for sale and discontinued operations	3-h/6	1,795,764	49,552
Assets		**29,830,777**	**31,185,622**

The accompanying consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 259.

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 28). 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	31/12/17	31/12/16
EQUITY			
Share capital and reserves attributable to shareholders of the Parent			
Share capital	14-a	2,971,144	2,971,144
Treasury shares	14-a	(1,168,679)	(1,211,544)
Reserves	14	(301,044)	(157,944)
Retained earnings and other reserves	14	1,027,438	1,974,557
		2,528,859	**3,576,213**
Non-controlling interests	14-d	**2,247,815**	**3,324,422**
Equity		**4,776,674**	**6,900,635**
LIABILITIES			
Non-current liabilities			
Bond issues and bank borrowings	15	16,716,438	15,693,141
Derivative financial instruments	11	272,041	340,616
Deferred income	16	28,495	35,581
Deferred tax liabilities	18-c	1,647,162	1,937,316
Employee benefit obligations	19	133,651	160,628
Provisions and other liabilities	20	2,407,036	2,390,641
Non-current liabilities		**21,204,823**	**20,557,923**
Current liabilities			
Bond issues and bank borrowings	15	1,808,829	1,955,233
Derivative financial instruments	11	41,642	34,842
Payable to suppliers and other payables	17	672,028	761,744
Current tax liabilities	18-d	264,931	325,112
Employee benefit obligations	19	60,519	37,249
Provisions and other liabilities	20	373,092	569,105
Current liabilities		**3,221,041**	**3,683,285**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	3-h/6	628,239	43,779
Liabilities		**25,054,103**	**24,284,987**
Equity and liabilities		**29,830,777**	**31,185,622**

The accompanying consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 259.

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 28). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

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

	Notes	2017	2016 (*)
Services	21-a	5,136,016	4,532,698
Other operating income	21-b	168,456	156,416
In-house work on non-current assets	-	16,095	13,453
Other income	21-b	2,130	4,110
Operating income		5,322,697	4,706,677
Infrastructure upgrade revenue	3-o	696,175	663,832
Income from operations		6,018,872	5,370,509
Staff costs	21-c	(636,886)	(581,081)
Other operating expenses	-	(1,199,299)	(1,069,190)
Changes in operating provisions and allowances	-	(5,054)	9,521
Changes in impairment losses on assets	8	(543)	(211)
Depreciation and amortisation charge	7/8	(1,421,197)	(1,192,083)
Other expenses	-	(1,495)	(1,295)
Operating expenses		(3,264,474)	(2,834,339)
Infrastructure upgrade expenses	3-o	(696,175)	(663,832)
Expenses from operations		(3,960,649)	(3,498,171)
Profit from operations		2,058,223	1,872,338
Changes in fair value of financial instruments	21-d	20,118	277,182
Net gains on disposals of financial instruments	21-d	18,259	48,619
Finance income	21-d	203,502	211,644
Finance costs	21-d	(1,027,971)	(1,148,630)
Net financial loss		(786,092)	(611,185)
Result of companies accounted for using the equity method	9/ 14-c.iii	19,096	29,944
Profit before tax		1,291,227	1,291,097
Income tax	18-b	(364,570)	(287,324)
Profit from continuing operations		926,657	1,003,773
Profit from discontinued operations	6	72,318	7,388
Profit for the year		**998,975**	**1,011,161**
Profit attributable to non-controlling interests	14-c.iii	101,562	215,585
Profit attributable to shareholders of the Parent		**897,413**	**795,576**
Earnings per share (in euros per share)			
- basic earnings per share from continuing operations	14-f	0.933	0.872
- basic earnings per share from discontinued operations	14-f	0.052	0.004
- diluted earnings per share from continuing operations	14-f	0.933	0.872
- diluted earnings per share from discontinued operations	14-f	0.052	0.004

The accompanying consolidated statements of profit or loss should be read in conjunction with the Notes included on pages 8 to 259.

(*) Consolidated statement of profit or loss for 2016 adjusted to include the impact of the classification of the discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

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 28). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of comprehensive income
(in thousands of euros)

	Notes	2017	2016 (*)
Profit for the year		**998,975**	**1,011,161**
Income and expense recognised directly in equity transferable to the consolidated statement of profit or loss:			
Net increase in the fair value (before tax) of available-for-sale financial assets		28,929	(17)
Transfers to the consolidated statement of profit or loss		-	-
	10/14	28,929	(17)
Changes in cash flow hedges of the Parent and of fully consolidated companies		(11,831)	(50,075)
Transfers to the consolidated statement of profit or loss		12,188	3,296
	-	357	(46,779)
Hedges of net investments in foreign operations of the Parent and of fully consolidated companies		46,873	(239,557)
Transfers to the consolidated statement of profit or loss		51,910	158,171
	-	98,783	(81,386)
Cash flow hedges / Hedges of net investments in foreign operations of companies accounted for using the equity method	9/14	1,394	(294)
Foreign currency translation differences		(434,309)	448,417
Transfers to the consolidated statement of profit or loss		-	(59,354)
	14	(434,309)	389,063
Other	-	39,189	52,606
Tax effect of income and expense recognised in equity	-	(23,839)	23,667
		(289,496)	336,860
Income and expense recognised directly in equity not transferable to the consolidated statement of profit or loss:			
Actuarial gains and losses	19-a	7,402	(14,795)
Tax effect of income and expense recognised in equity		(2,487)	5,894
		4,915	(8,901)
Other comprehensive income		**(284,581)**	**327,959**
Total comprehensive income		**714,394**	**1,339,120**
Attributable to:			
– shareholders of the Parent:			
– from continuing operations		797,416	925,655
– from discontinued operations		21,351	18,596
		818,767	944,251
– non-controlling interests		(104,373)	394,869
		714,394	**1,339,120**

The accompanying consolidated statements of comprehensive income should be read in conjunction with the Notes included on pages 8 to 259.

(*) Consolidated statement of comprehensive income for 2016 adjusted to include the impact of the classification of the discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

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 28). In the event of a discrepancy, the Spanish-language version prevails.

**ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

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

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	14-a	14-b	14-c	14-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**

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	14-a	14-b	14-c	14-d	
At 1 January 2016	1,617,739	(223,392)	1,866,684	2,088,145	5,349,176
Comprehensive income for the year	-	106,386	837,865	394,869	1,339,120
2015 final dividend	-	-	(339,559)	(99,401)	(438,960)
1st payment of 2016 dividend	-	-	(356,537)	(4,488)	(361,025)
Treasury shares	378	-	(29)	-	349
Reimbursement of shareholder contributions	-	-	-	(21,025)	(21,025)
Capital increase	141,483	-	(141,483)	399,628	399,628
Changes in the scope of consolidation and other	-	(40,938)	107,616	566,694	633,372
At 31 December 2016	**1,759,600**	**(157,944)**	**1,974,557**	**3,324,422**	**6,900,635**

The accompanying consolidated statements of changes in equity should be read in conjunction with the Notes included on pages 8 to 259.

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 28). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of cash flows
(in thousands of euros)

	Notes	2017	2016 (*)
Net cash flows from operating activities:			
Profit for the year from continuing operations		926,657	1,003,773
Adjustments:			
Taxes	18-b	364,570	287,324
Depreciation and amortisation charge	7/8	1,421,197	1,192,083
Changes in impairment losses on assets	7/8/10	13,173	641
Net (gains) losses on disposals of property, plant and equipment, intangible assets and other assets	-	(635)	(2,815)
(Gains) Losses on financial instruments	21-d	(20,118)	(277,182)
Net (gains) losses on disposals of financial instruments	-	(18,259)	(48,619)
Changes in provisions for pensions and other obligations	-	28,801	15,407
Changes in provisions required under IFRIC 12 and other provisions	-	138,181	202,008
Dividend income	21-d	(1,521)	(1,078)
Interest and other income	21-d	(201,981)	(210,566)
Interest and other expenses	21-d	1,015,340	1,148,200
Transfer of deferred income to profit or loss	16	(5,467)	(5,776)
Other net adjustments to profit or loss	12	3,769	21,584
Share of profits (losses) of companies accounted for using the equity method	14-c.iii	(19,096)	(29,944)
		3,644,611	3,295,040
Changes in current assets and liabilities:			
Inventories	-	2,202	1,744
Trade and other receivables	-	(133,017)	(6,680)
Payable to suppliers and other payables	-	6,187	11,998
Other current liabilities	-	(12,713)	(16,136)
		(137,341)	(9,074)
Cash flows from operating activities		**3,507,270**	**3,285,966**
Income tax paid	-	(204,121)	(427,097)
Interest paid and hedges settled	-	(882,336)	(974,457)
Interest received and hedges settled	-	74,154	117,827
Provisions for pensions and other obligations used	-	(11,380)	(6,634)
Other provisions used	-	(95,910)	(73,662)
Other payables	-	3,237	389
Grants and other deferred income received/refunded	-	716	3,387
Non-current trade and other receivables	-	(189)	(24,519)
(A) Total net cash flows from operating activities		**2,391,441**	**1,901,200**

The accompanying consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 259.

(*) Consolidated statement of cash flows for 2016 adjusted to include the impact of the classification of the discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

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 28). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of cash flows
(in thousands of euros)

	Notes	2017	2016 (*)
Net cash flows from investing activities:			
Business combinations and changes in the scope of consolidation	2-h/5	(61,907)	(536,519)
Other changes in the scope of consolidation (1)	14-d/15	(2,292,887)	271,555
Net acquisition of investments in associates and interests in joint ventures	9	(384)	-
Proceeds from disposals of investments in associates and/or available-for-sale financial assets	-	1,062	49,486
Proceeds from disposals of non-current assets	-	28,189	13,157
Purchases of property, plant and equipment, intangible assets and other concession infrastructure	7/8/12	(1,132,727)	(948,627)
Dividends received from financial investments, associates and joint ventures	9/21-d/ 25-c	18,528	13,611
Provisions required under IFRIC 12 used	20	(260,300)	(186,636)
Other (2)	-	104,057	(155,679)
Amounts received arising from discontinuation of the airports businesses (3)	6	15,430	-
(B) Total net cash flows from investing activities		**(3,580,939)**	**(1,479,652)**
Net cash flows from financing activities:			
Borrowings obtained in the year	15	3,966,730	2,246,202
Repayment of borrowings in the year	15	(2,388,697)	(2,050,918)
Repayment of borrowings granted to associates		4,497	41,334
Dividends paid to the shareholders of the Parent (net of the amounts corresponding to treasury shares and share-based payment)	-	(658,355)	(638,668)
Treasury shares	14-a	375	378
Reimbursement of share premium/ Dividends / Other payments to non-controlling interests	14-d	(57,636)	(119,797)
Capital increase / Other amounts received from non-controlling interests	14-d	325,590	399,628
(C) Total cash flows from financing activities		**1,192,504**	**(121,841)**
(D) Effect of foreign exchange rate changes		**(49,265)**	**53,957**
Net (decrease)/increase in cash and cash equivalents of continuing operations (A)+(B)+(C)+(D)		**(46,259)**	**353,664**
Beginning balance of cash and cash equivalents of continuing operations		2,529,129	2,222,243
Cash and cash equivalents transferred to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"	-	(24,769)	(46,778)
Ending balance of cash and cash equivalents of continuing operations	**13**	**2,458,101**	**2,529,129**
Net (decrease)/increase in cash and cash equivalents of discontinued operations	**6**	**5,990**	**(45,395)**
Beginning balance of cash and cash equivalents of discontinued operations		1,383	-
Cash and cash equivalents transferred to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"		24,769	46,778
Ending balance of cash and cash equivalents of discontinued operations	**6**	**32,142**	**1,383**

The accompanying consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 259.

(*) Consolidated statement of cash flows for 2016 adjusted to include the impact of the classification of the discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

(1) Including in 2017 EUR-2,214,385 thousand relating to the acquisition of non-controlling interests in **HIT**, EUR -179.080 thousand in relation to the acquisition of non-controlling interests in **A4** and EUR +100,578 associated with the collection of the outstanding balance from the other shareholder of Invin (see Note 12-v). Including in 2016 EUR -133,319 thousand relating to the acquisition of non-controlling interests in **Arteris** and EUR 404,874 thousand as a result of the inclusion of a third shareholder in **Abertis**'s business in Chile (see Note 2-h).

(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 (see Note 9.i). Including in 2016 the payment of EUR 150,492 thousand relating to the settlement of cross currency interest rate swaps performed in the year (see Note 11).

(3) Relating to the collection of the compensation for the nationalisation in 2013 of the airports operated by the Group in Bolivia (see Note 6).

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 28). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2017

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Parent") was incorporated in Barcelona on 24 February 1967. In 2017 its registered office was relocated from Avenida Pedralbes no. 17 (Barcelona) to 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 2017, as detailed in Note 6, the Group decided to discontinue the satellite telecommunications business, carried on by part of the Group of which the parent is Hispasat, S.A. (**Hispasat**) and, therefore, at 31 December 2017 the assets and liabilities associated with the aforementioned subgroup, which have not yet been disposed of, are presented as held for sale and the results of the subgroup are presented as discontinued operations in accordance with IFRS 5, Non-Current Assets Classified as Held for Sale and Discontinued Operations.

The detail of the Group's subsidiaries, joint ventures and associates at 31 December 2017 is shown in Appendices I, II and III, respectively.

Lastly, Note 26-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 2017, 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 6 February 2018.

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 2017 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 2017 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, and it is considered that they will be approved without any changes 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 2016 were approved by the shareholders at the Annual General Meeting of the Parent held on 3 April 2017.

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 2017

The following new accounting standards amendments and interpretations came into force in 2017:

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Amendments to IAS 7, Disclosure Initiative (issued in January 2016)	Introduce additional disclosure requirements in order to improve the information provided to users.	1 January 2017
Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses (issued in January 2016)	Clarification of the principles established for recognition of deferred tax assets for unrealised losses.	1 January 2017
Improvements to IFRSs, 2014-2016 cycle, Clarification of IFRS 12	The clarification of the scope of IFRS 12 within the scope of IFRS 5 became effective in the first half of 2017.	1 January 2017

Since their entry into force on 1 January 2017, the Group has applied the aforementioned standards and interpretations, which did not have a significant impact on the Group.

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	
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
IFRS 16, Leases (issued in January 2016)	Supersedes IAS 17 and the associated interpretations. The main development 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 statement of financial position 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

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Not yet approved for use in the European Union		
Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions (issued in June 2016)	Limited amendments that clarify specific issues such as the effects of vesting conditions on cash-settled share-based payments, the classification of share-based payment transactions with a net settlement feature and certain issues relating to modifications of the type of share-based payment arrangement.	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
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 (various effective dates).	1 January 2018
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
Amendments to IFRS 9, Prepayment Features with Negative Compensation (issued in November 2017)	Aim to clarify how to classify certain financial assets that can be repaid early in accordance with IFRS 9.	1 January 2019
Amendments to IAS 28, Investments in Associates and Joint Ventures (issued in November 2017)	Clarify how to account for investments in associates and joint ventures to which the equity method is not applied.	1 January 2019
Improvements to IFRSs, 2015-2017 cycle (issued in December 2017)	Minor amendments to a series of standards.	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		
IFRS 17, Insurance Contracts (issued in May 2017)	Supersedes IFRS 4. It establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts 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
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)	Clarification in relation to the gain or loss resulting from such transactions involving a business or assets.	No set date

(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.

For the standards which it is estimated may have a more significant impact (IFRS 15, IFRS 9 and IFRS 16), management assessed the potential impact of applying these standards in the future and considers that their entry into force will not have a material effect. In this regard, the results of the assessment carried out are as follows:

IFRS 15, Revenue from Contracts with Customers

IFRS 15 is the new comprehensive standard on the recognition of revenue from contracts with customers which, in periods beginning on or after 1 January 2018, will supersede the following standards and interpretations currently 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 new 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:

- 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.

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 following the discontinuation of the satellite telecommunications operating segment detailed in Note 6), the application of the criteria provided for in IFRS 15 will not change the revenue recognition method significantly with respect to that currently applied.

Lastly, it should be noted that management did not apply IFRS 15 early in 2017 and, that, in relation to the transition methods, the Group intends to apply IFRS 15 retrospectively without restating the comparative information.

IFRS 9, Financial Instruments

From the annual reporting period beginning on 1 January 2018, IFRS 9 has superseded IAS 39 and will affect both financial assets and financial liabilities, in three main phases: (i) Classification and measurement; (ii) impairment methodology; and (iii) hedge accounting. The Group analysed the impacts that IFRS 9 would have on the consolidated financial statements for the year ended 31 December 2017.

There are very significant differences with respect to the current standard for the recognition and measurement of financial instruments, the most important being 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, the new IFRS 9 requires the application of a model based on expected credit loss, as opposed to the model in the current IAS 39 which is based on incurred credit losses. Under this model, the entity will update 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.
- The new 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 with the “economic relationship” principle. Retrospective assessment of hedge effectiveness is no longer necessary.

The Group intends to apply IFRS 9 retrospectively, without restating the comparative information. By reference to an analysis of the Group's financial assets and liabilities at 31 December 2017, performed on the basis of the facts and circumstances that existed at that date, management of the Group conducted an assessment of the effect of IFRS 9 on the consolidated financial statements, the most relevant conclusions of the possible effects on the Group obtained from the assessment conducted being 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 12, 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 will continue to be measured at amortised cost under IFRS 9.

Quoted and unquoted equity instruments currently classified as available-for-sale financial assets (see Note 10) whose changes in fair value are recognised in equity but are reclassified to profit or loss when they are sold, will continue to be measured at fair value, although at the reporting date the Group has not yet decided whether it will classify them as at fair value through profit or loss, which could increase the volatility thereof, or whether it will make use of the irrevocable election to classify them in the new category (at fair value through equity), which would will not permit the subsequent reclassification of those amounts to profit or loss. In this regard, the related accumulated gains and losses amount to a net gain of EUR 24 million (see Note 14).

The Group has renegotiated its financial liabilities which under the current 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 provided for in the new IFRS 9 requires a change in the carrying amount of the amortised cost of these financial liabilities at the date of the change, the estimated impact at the date of first-time application (1 January 2018) being EUR 60 million (increase in "Retained Earnings and Other Reserves" in the consolidated balance sheet and decrease in “Bond Issues and Bank Borrowings”).

All the other financial assets and liabilities will continue to be measured on the same basis as that currently adopted in application of IAS 39.

ii) Impairment of financial assets

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

The new standard replaces the current 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 12 months after the reporting date 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 31 December 2017, the Group had recognised write-downs on trade receivables and certain concession assets or loans; however, it must increase the balance thereof by the amount of the expected credit losses of the other assets subject to the new IFRS 9 model.

The Group expects to adopt the simplified approach for recognising the expected credit loss and is finalising the general expected loss model. In this context, the preliminary estimate, and a sensitivity analysis thereof, of the additional impairment losses required as a result of the application of the new "expected credit loss" model on the balances of financial assets at 1 January 2018 show that the additional impairment losses at that date (decrease in "Retained Earnings and Other Reserves" in the consolidated balance sheet) were estimated at a maximum of EUR 50 million.

iii) Hedge accounting

Given that 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 will comply with the relevant requirements, a preliminary assessment of the Group's current hedging relationships indicates that they will meet the conditions to continue as hedging relationships on application of IFRS 9.

The accounting treatment and methodology for accounting for fair value changes are maintained, the impacts on profit or loss of hedge ineffectiveness being particularly worthy of mention. In this context, taking into consideration the derivative financial instruments held by the Group and the existing hedging relationships, no significant impact is expected at the date of first-time application. In relation to the possible new treatment of changes in the forward component of derivative financial instruments which, under the new standard, may be recognised in equity as a cost of the hedging relationships, changes in the forward component of the hedges designated as such at the Group would not be material.

IFRS 16, Leases

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 statement of financial position 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 is assessing the total effect that application of IFRS 16 will have on the Group's 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, which is scheduled for 1 January 2019, and since the entity currently does not intend to apply the standard early, the assessment of its potential effect is subject to change. Also, no decision has yet been made as to the option that will be applied at the date of transition.

c) 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.

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, 7, 8 and 9).

- 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 12).
- The fair value of derivative financial instruments, available-for-sale financial assets and other financial instruments (see Notes 3-d, 3-e, 10 and 11).
- The estimate of the maintenance cycles in determining the provisions recognised in accordance with IFRIC 12 (see Notes 3-n and 20).
- The assessment of litigation, provisions, obligations and contingent assets and liabilities at year-end (see Notes 20 and 22).

- The assumptions used in determining pension and other obligations to employees (see Notes 3-l and 19).
- The estimate of the income tax expense and the recoverable amount of the deferred tax assets (see Notes 3-k and 18).
- The fair value of the assets and liabilities acquired and assumed in business combinations (see Note 5), and of non-current assets and liabilities classified as held for sale (see Notes 3-h and 6).
- The impact of the changes in the scope of consolidation of the Group (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.

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 2016 contained in these consolidated financial statements for 2017 is presented solely for comparison purposes. In this respect, the Group adjusted the consolidated statement of profit or loss (and the related disclosures), the consolidated statement of comprehensive income and the consolidated statement of cash flows for the comparative period (2016) to include the impact of the classification of the discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

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 2017.

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 2017 and 2016 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 rights. Specifically, it exercises effective control over **Gco** as a result of the latter's structure and shareholder structure, which gives it the majority of the voting rights and, in accordance with applicable accounting legislation, the Group holds de facto control over **Ausol** as a result of its structure, shareholder structure and the historic quorums of its shareholders' meetings.

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 2017 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 2017 are detailed in Appendix III to these Notes.

ii) Uniformity of timing and measurement

Except in the case of Trichy Tollway Private Limited (**TTPL**) and Jadcherla Expressways Private Limited (**JEPL**), which were acquired in the first quarter of 2017 (see Note 2-h), whose annual reporting period ends 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, adjusted on the basis of the effective date control was obtained, 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 twelve 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, none of which operate in a hyperinflationary economy, 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 translated to euros using the year-end exchange rate method, whereby:

- Equity is translated at the historical exchange rate;
- Statement of profit or loss 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.

In relation to the translation of the figures of **Gco** and **Ausol** and the potential consideration of Argentina as a hyperinflationary economy, the country's economic situation was assessed in accordance with the provisions of IAS 29, and it was considered that the current economic environment should not be considered to be hyperinflationary for, inter alia, the following reasons: i) the new Government of Argentina has undertaken to adopt stringent measures to improve economic policy and reduce inflation; ii) continued progress is expected in terms of the slowdown in the country's inflation; and iii) although certain figures indicate that the cumulative inflation rate in the last three years was approximately slightly over 100% at 31 December 2017, there are other estimates based on public figures and numerous inflation measurement indexes that did not calculate an inflation rate in the last three years in excess of 100%.

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.

Goodwill and fair value adjustments to the fair value of assets and liabilities that arise on the acquisition of a foreign company are treated as assets and liabilities of the foreign company and are translated at the closing rate.

h) Changes in the scope of consolidation

i) 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'Infrastructures 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 (see Note 14-c.ii).

  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** 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** 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%, respectively, 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**, through various purchase transactions, completed the acquisition of an additional 32.16% of the share capital of A4 Holding, S.p.A. (**A4**) for a total of 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 (see Note 14-c.ii).

  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 Venice 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** now indirectly owns 83.56% of the shares of **A4**.
  - In addition, there are commitments to purchase an additional 6.47% of the share capital of **A4** which, once fulfilled in January 2018 (see Note 22-ii), 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. See Note 5.

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'Infrastructures de Transport 2, S.A.S (**Hit 2**) (1)	Abertis Infraestructuras, S.A.	47.45%	Full consolidation	Feb-Apr 2017	-	47.45%	100%
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%
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%	-

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
Disposals (cont.):							
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 way 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:			
Société des Autoroutes Paris Normandie, S.A. (**Sapn**) SEA 14	Société des Autoroutes Paris Normandie, S.A. (**Sapn**)	Merger by absorption of **Sapn** (absorbing company) and SEA 14 (absorbed 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** (absorbing company) and Sanef Concession (absorbed 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 **Reconsult** (absorbing company) and **Abertis Italia** (absorbed 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 **Abauchi III** (absorbing company) and **I2000** (absorbed company).	29/12/17
Disposals:			
Société des Autoroutes du Nord-Est de la France, S.A. (**Sanef**)	Abertis Infraestructuras, S.A.	Sale of the investments in Eurotoll and Eurotoll Central Europe, Zrt by **Sanef**.	16/05/17

ii) Changes in the scope of consolidation in 2016

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 2016 is as follows:

- On 21 January 2016, **Abertis** (acting through its wholly-owned Spanish subsidiary Inversora de Infraestructuras, S.A., **Invin**) concluded a purchase and sale agreement with Alberta Investment Management Corporation (Aimco) to acquire an additional 50% of the share capital of Autopista Central, S.A. (**Autopista Central**) for EUR 948 million. With the acquisition of this additional shareholding, **Abertis** achieved full ownership of **Autopista Central**, which started to be fully consolidated in January 2016 (until that date the 50% ownership interest which **Abertis** held in that company had been accounted for using the equity method).

- On 17 May 2016, the tender offer for all the shares of Arteris, S.A. (**Arteris**) was completed with an acceptance level of 96%; this gave rise to the acquisition by Partícipes en Brasil II, S.L., a company wholly-owned by Partícipes en Brasil, S.A. (**Partícipes**), of 52,380,129 shares of **Arteris** representing 15.21% of its share capital. This gave rise to a payment of BRL 526,944 thousand (approximately EUR 68 million) by **Abertis**, which has a 51% ownership interest in **Partícipes**). With this and other more minor transactions, **Partícipes** came to own, directly and indirectly, 85.06% of **Arteris** (its ownership interest until then had been 69.26%).
- On 10 August 2015, **Abertis** entered into an exclusivity agreement with the consortium that held control over the Italian company A4 Holding, S.p.A. (made up of Intesa, Astaldi and Tabacchi) for the possible acquisition of that industrial group, whose main assets are the Italian toll road concession operators A4 (Brescia - Padova) and A31 (Vicenza - Piovene - Rocchette). In this connection, on 8 September 2016 the aforementioned agreement was formalised, and **Abertis** (acting through its wholly-owned Spanish subsidiary Abertis Internacional, S.A., **Abertis Internacional**) concluded the purchase and sale agreement with Intesa, Astaldi and Tabacchi for the acquisition of 100% of Reconsult Infrastrutture, S.p.A. (**Reconsult**) and Equiter, S.p.A (**Equiter**, now Abertis Italia, S.r.l.), which jointly controlled 51.4% of the share capital of A4 Holding, S.p.A. (**A4**, the head of the Italian A4 subgroup) for EUR 594 million, of which EUR 589 million will be paid in 2023.

  The acquisition of this ownership interest resulted in **Abertis** becoming the majority and controlling shareholder of the A4 subgroup with a 51.4% ownership interest, which started to be fully consolidated from September 2016.
- On 12 October 2016, an agreement was finalised with Abu Dhabi Investment Authority (Adia) to include it, for a total of CLP 386,000 million (approximately EUR 519 million at the transaction date), in **Abertis**'s business in Chile, with a non-controlling ownership interest equalling 20% of the dividend rights thereof, through a capital increase of CLP 182,453 million (approximately EUR 250 million) performed by the consolidated company Inversora de Infraestructuras, S.L. (**Invin**) and fully subscribed by Adia and, in addition, the assumption by Adia of a portion of **Invin**'s borrowings from Group companies (CLP 113,547 million, approximately EUR 155 million). Together these transactions resulted in the payment of CLP 296,000 million (approximately EUR 405 million) by Adia, leaving outstanding the assumption of future payments amounting to CLP 90,000 million (approximately EUR 114 million, of which EUR 77 million were recognised as an account receivable by the Group) and EUR 37 million, subject to the occurrence of certain future events.

By virtue of this transaction, **Abertis** maintained its position as majority and controlling shareholder of its business in Chile, with an 80% share of the dividend rights thereof. In this connection, this transaction was accounted for as a transaction with non-controlling interests, given that **Abertis**'s position of control over the aforementioned business did not change.

The summary of these changes and the detail of other changes in 2016 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 31/12/16
Acquisitions:							
Central Korbana, S.a.r.L. (1)	Inversora de Infraestructuras, S.L. (Invin)	100%	Full consolidation	21/01/16	948	100%	77.51%
Arteris Brasil, S.A. (2)	Partícipes en Brasil II, S.L.	15.21%	Full consolidation	17/05/16	68	7.76%	43.38%
Reconsult Infrastrutture, S.p.A. (3)	Abertis Internacional, S.A.	100%	Full consolidation	08/09/16	413	100%	100%
Equiter, S.p.A. (3) (now Abertis Italia, S.r.l.)	Abertis Internacional, S.A.	100%	Full consolidation	08/09/16	61	100%	100%
Incorporations:							
Holding d'Infrastructures de Transport 2, S.A.S. (HIT 2)	Abertis Infraestructuras, S.A.	100%	Full consolidation	18/07/16	-	100%	52.55%
Serenissima PST, S.r.l.	Serenissima Costruzioni, S.p.A.	70%	Full consolidation	22/09/16	-	70%	35.98%
Maqpie JVCo Limited (5)	Abertis Infraestructuras, S.A. (4)	51%	Full consolidation	15/11/16	-	51%	51%
Maqpie Junior HoldCo Ltd. (5)	Maqpie JVCo Ltd.	100%	Full consolidation	15/11/16	-	100%	51%
Maqpie Junior Ltd. (5)	Maqpie Junior HoldCo Ltd.	100%	Full consolidation	15/11/16	-	100%	51%
Maqpie MidCo Ltd. (5)	Maqpie Junior Ltd.	100%	Full consolidation	15/11/16	-	100%	51%
Maqpie BidCo Ltd. (5)	Maqpie MidCo Ltd.	100%	Full consolidation	15/11/16	-	100%	51%
Abertis India, S.L. (5)	Abertis Internacional, S.A.	100%	Full consolidation	09/12/16	-	100%	100%

(1) Luxembourg-based company which, through the wholly-owned investees Central Korbana AB, Central Korbana Sweden Holdings AB and Central Korbana Chile, S.A., holds 50% of the shares of Autopista Central, S.A. (a toll road concession operator in Chile), in which **Abertis** achieved at the reporting date a 100% indirect ownership interest.

(2) At 31 December 2016, **Abertis** held an indirect ownership interest of 43.38% following the final settlement of the tender offer detailed, and other less significant purchases performed.

(3) Italian companies which hold 51.4% of the shares of A4 Holding, S.p.A (44.9% held by **Reconsult** and 6.5% by **Equiter**, now **Abertis Italia**), in which **Abertis** came to hold an indirect ownership interest of 51.4%.

(4) On 6 December 2016, ownership of the interest in Maqpie JVCo Ltd. was transferred from Abertis Infraestructuras, S.A. to Abertis Internacional, S.A.

(5) Companies incorporated in the framework of the future obtainment of control of two toll road concession operators in India.

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 / 16
Disposals / Capital increases:							
Inversora de Infraestructuras, S.L. **(Invin)** [(1)]	Abertis Infraestructuras, S.A.	100%	Full consolidation	12/10/16	519	22.49%	77.51%
Holding d'Infrastructures de Transport 2, S.A.S. **(HIT 2)**	Abertis Infraestructuras, S.A.	100%	Full consolidation	27/07/16	-	47.45%	52.55%
Alazor Inversiones, S.A.	Iberpistas S.A.	35.12%	Equity method	26/10/16	33	3.90%	31.22%
PPRO, S.r.l.	A4 Mobility, S.p.A.	51%	Full consolidation	10/11/16	-	51%	-
Liquidations:							
Abertis Netherlands BV	Abertis Overseas UK Ltd.	100%	Full consolidation	11/02/16	-	100%	-
Gestión Integral de Concesiones, S.A.	Abertis	100%	Full consolidation	20/05/16	-	100%	-
Abertis Airports, S.A.	Abertis	100%	Full consolidation	31/05/16	-	100%	-
Societa Delle Tangenziali Lombardo Venete S.r.l.	Autostrada Brescia Verona Vicenza Padova, S.p.A.	100%	Full consolidation	19/12/16	-	100%	-
Abano Terme Soc. Cons. A.R.L.	Serenissima Costruzioni, S.p.A.	50%	Equity method	23/12/16	-	50%	-
Euganea Est Soc. Cons. A.R.L.	Serenissima Costruzioni, S.p.A.	50%	Equity method	23/12/16	-	50%	-
Ponte Adige S.c.a.r.l.	Serenissima Costruzioni, S.p.A.	50%	Equity method	23/12/16	-	50%	-

(1) Performed, as indicated above, through the capital increase fully subscribed by Abu Dhabi Investment Authority (Adia).

In addition, the following transactions were carried out in 2016 between consolidated companies which, therefore, did not have any impact on the Group's consolidated financial statements for 2016:

Selling / Spun-off company	Buying / Resulting company	Comments	Date
Merger:			
Latina Manutenção de Rodovias Ltda. **(Latina M.)** Latina Sinalização de Rodovias, S.A. **(Latina S.)**	Latina Manutenção de Rodovias Ltda. **(Latina M.)**	Merger by absorption of **Latina M.** (absorbing company) and **Latina S.** (absorbed company).	04/03/16

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 pursuant to IAS 11, Construction Contracts; and a second phase, in which the concession operator provides a series of maintenance and/or operation services in relation to the aforementioned infrastructure, which are recognised in accordance with IAS 18, Revenue.

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 "Trade and Other Receivables - Receivables from Public Authorities" (see Note 3-d.ii), 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 26-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 Note 8.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. 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, using the straight-line method for such purpose.

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 to sell) 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.

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.

As indicated above, substantially all of these assets correspond to the **Hispasat** subgroup, which was discontinued in 2017 and, therefore, at 31 December 2017 they are included under “Non-Current Assets Classified as Held for Sale and Discontinued Operations” in the consolidated balance sheet (see Note 6).

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 to sell 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 to sell.

Where the asset itself does not generate cash flows that are independent from 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 investments and other 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.

The Group determines the classification of its financial assets when they are initially recognised. At 31 December 2017, financial assets were classified into the following categories:

i) Available-for-sale financial assets

This line item in the consolidated balance sheet includes investments over which the Group does not have significant influence or control and that are not held for trading or classified as held-to-maturity investments. These are classified as non-current assets, except for investments that the Group intends to dispose of within twelve months of the reporting date, which are classified as current assets.

Available-for-sale financial assets are subsequently measured at fair value, with any revaluation gains or losses recognised in other comprehensive income until the investment is sold or determined to be effectively impaired.

At each reporting date, the Group assesses whether these investments have suffered an effective impairment loss, based, inter alia, on whether there has been any significant or prolonged decline in the fair value of the securities below their cost. In the event of any such decline, the accumulated loss previously recognised in equity under "Reserves - Available-for-Sale Financial Assets" is transferred to profit or loss as a gain or loss on the corresponding financial assets.

The fair value of the investments traded actively on organised financial markets is determined by reference to the closing quoted market price at the reporting date. The fair value of investments for which there is no active market is determined by using valuation techniques such as discounted cash flow projections. If their market value cannot be reliably determined, they are measured at cost or at a lower amount if there is any evidence of impairment.

To identify indications of impairment, the Group generally presumes that an available-for-sale financial asset has become impaired when its market value has declined for a year and a half or by forty per cent of its quoted price with no recovery in value. In any case, where necessary a specific analysis is conducted on those values of the instrument deemed essential to confirm or refute the need to recognise an impairment loss on the equity instrument.

Dividend income from available-for-sale financial assets is recognised under "Finance Income" (see Note 21-d) in the consolidated statement of profit or loss when the Group's right to receive payment is established.

ii) Trade and other receivables

"Trade and Other Receivables" relates mainly to:

- Loans granted to associates, joint ventures and related parties, which are measured at amortised cost using the effective interest method. This value is reduced by the corresponding valuation adjustment for any impairment of the asset.
- Deposits and guarantees recognised at amortised cost, which does not differ significantly from nominal value.
- Trade receivables, which are measured at their face value, which approximates their fair value on initial recognition. This value is reduced, where necessary, by the corresponding allowance for doubtful debts (impairment loss on the asset) whenever there is objective evidence that the amount owed will only be partially collected or will not be collected at all, and this amount is charged to the consolidated statement of profit or loss for the year.
- Accounts receivable resulting from the application of the bifurcated model when accounting for certain concession arrangements falling within the scope of IFRIC 12 (see Note 3-b.ii). This right is initially recognised at fair value and is subsequently measured at amortised cost, and during the term of the concession arrangement financial income calculated using an effective interest rate is recognised at the reporting date under "Other Operating Income" in the accompanying consolidated statement of profit or loss.

  Also, revenue and expenses associated with concession infrastructure classified as financial assets relating to the provision of operation and maintenance services are recognised in profit or loss in accordance with IAS 18, Revenue, and the finance costs relating to the concession are recognised in the accompanying consolidated statement of profit or loss according to their nature.

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.

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.

e) Derivative financial instruments

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.

Under IAS 39, a derivative financial instrument 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 11, and the change in the related valuation adjustments recognised in consolidated equity is disclosed in Note 14.

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 valuation models are significant in 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 to sell.

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 to sell, 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.

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) Borrowings

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

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.

The Group considers the terms and conditions of financial liabilities to differ substantially whenever the present value of the cash flows discounted under 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 in discounting the flows, differs by at least 10% from the discounted present value of the cash flows still remaining from the original financial liability.

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 bond repurchases or exchange transactions, when the requirements included in IAS 39 regarding the derecognition of financial liabilities are fulfilled, the transaction is accounted for as a non-significant modification of a pre-existing liability and, accordingly, the impact of the exchange is treated as an adjustment to the carrying amount of the liability and taken to the consolidated statement of profit or loss on a time proportion basis in the period up to the new maturity of the liability.

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 two medium-term incentive plans ("2015-2017 Incentive Plan", which ended on 31 December 2017, and “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, see section e) of this Note.

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; and
- 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 from the rendering of services is recognised when it is probable that the economic benefits associated with the transaction will be received by the Group and can be measured reliably (when the users use the infrastructure). In addition, revenue accrued as financial compensation for the various arrangements entered into by the Group companies with the grantors is recognised under “Operating Income" (see Note 12).

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

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 the satellite telecommunications business detailed in Note 6, substantially all of the Group's revenue is now generated by its toll roads segment and relates primarily to toll revenue, which is recognised 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, and the infrastructure is recognised at fair value.

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 2017 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 2017	Functional currency	Revenue	%	Gross profit from operations	%	Net profit (loss)	%
Mainly Arteris subgroup (Brazil)	BRL	851,255	16.0%	428,780	12.3%	6,781	0.7%
Mainly Invin subgroup and Abertis Chile (Chile)	CLP	513,638	9.6%	402,548	11.6%	36,460	4.1%
GCO and Ausol (Argentina)	ARS	227,238	4.3%	71,061	2.0%	17,720	2.0%
Mainly APR and Metropistas (Puerto Rico) and Central Korbana (Luxembourg) (1)	USD	137,721	2.6%	88,317	2.5%	(42,500)	(4.7%)
Other (2)	Other	74,580	1.4%	35,036	1.1%	5,890	0.6%
Contribution in foreign currency		1,804,432	33.9%	1,025,742	29.5%	24,351	2.7%
Total Abertis		5,322,697		3,479,963		897,413	

(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 (2016: USD -54,685 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.

31 December 2016 (*)

	Functional currency	Revenue	%	Gross profit from operations	%	Net profit (loss)	%
Mainly Arteris subgroup (Brazil)	BRL	718,227	15.3%	365,200	11.9%	11,707	1.5%
Mainly Invin subgroup and Abertis Chile (Chile)	CLP	464,855	9.9%	351,174	11.5%	67,376	8.5%
GCO and Ausol (Argentina)	ARS	189,458	4.0%	56,134	1.8%	11,869	1.4%
Mainly APR and Metropistas (Puerto Rico) and Central Korbana (Luxembourg) [1]	USD	136,613	2.9%	85,040	2.8%	(58,428)	(7.3%)
Other [2]	Other	41,472	0.9%	9,486	0.3%	8,221	1.0%
Contribution in foreign currency		1,550,625	33.0%	867,034	28.3%	40,745	5.1%
Total Abertis		4,706,677		3,064,632		795,576	

(*) Aggregates for 2016 including the impact of the classification of the satellite telecommunications business as a discontinued operation in accordance with IFRS 5, as indicated in Notes 1 and 6.

(1) The contribution to the consolidated statement of profit or loss for 2016 of the companies that operate in US dollars includes USD -54,685 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 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:

		2017				2016			
	Functional currency	Total assets	%	Equity	%	Total assets	%	Equity	%
Mainly Arteris subgroup (Brazil) [1]	BRL	2,700,691	9.1%	(81,774)	(1.7%)	2,957,913	9.5%	65,929	0.9%
Mainly Invin subgroup and Abertis Chile (Chile) [1]	CLP	4,205,700	14.1%	945,252	19.8%	4,604,703	14.8%	1,007,352	14.6%
Other [2]	Other	902,057	3.0%	(122,553)	(2.6%)	826,217	2.6%	(218,349)	(3.1%)
Contribution in foreign currency		7,808,448	26.2%	740,925	15.5%	8,388,833	26.9%	854,932	12.4%
Total Abertis		29,830,777		4,776,674		31,185,622		6,900,635	

(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 2017 consolidated statement of profit or loss of the companies that operate in Brazilian reais and Chilean pesos was affected by the appreciation in the average value of the aforementioned currencies against the euro in 2017 (in 2016 the Brazilian real and the Chilean peso decreased in value). Conversely, the contribution of the companies that operate in Argentine pesos and US dollars was affected by the depreciation in the average value of the aforementioned currencies against the euro in 2017 (in 2016 the Argentine peso also decreased in value, whereas the US dollar increased in value).

The contribution to the consolidated balance sheet at 31 December 2017 of the companies that operate in Brazilian reais, Chilean pesos and US dollars was affected by the depreciation in the year-end exchange rate of the aforementioned currencies in 2017 (in 2016 the Brazilian real, the Chilean peso and the US dollar appreciated 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 €	**2017**				**2016 [1]**			
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	85.1	43.0	0.7	132.6	71.8	36.5	1.2	97.0
CLP	51.4	40.3	3.6	209.6	46.5	35.1	6.7	90.2
ARS	22.7	7.1	1.8	2.2	18.9	5.6	1.2	2.8
USD	13.4	8.8	(4.3)	1.8	13.7	8.5	(5.8)	8.4

(1) Estimated sensitivity of aggregates for 2016 including the impact of the classification of the satellite telecommunications business as a discontinued operation in accordance with IFRS 5, as indicated in Notes 1 and 6.

(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 11 and 15.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 2017 79% of borrowings were at fixed interest rates or fixed through hedging (31 December 2016: 90%), 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 14.6 million in 2017 (2016: EUR 5.7 million) (see Note 15), 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 11).

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 11).

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 15.

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 26-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 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**

(*) Corresponding to equity securities.

31 December 2016	Level 1	Level 2	Level 3	2016
Assets				
Available-for-sale financial assets (*)	-	-	103,948	103,948
Derivative financial instruments:				
Cash flow hedges	-	119	-	119
Fair value hedges	-	24,361	-	24,361
Hedges of a net investment in a foreign operation	-	26,429	-	26,429
Derivatives not designated as hedges	-	1,191	-	1,191
Total derivative financial instruments	-	52,100	-	52,100
Total assets	**-**	**52,100**	**103,948**	**156,048**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	238,231	-	238,231
Fair value hedges	-	1,484	-	1,484
Hedges of a net investment in a foreign operation	-	132,306	-	132,306
Derivatives not designated as hedges	-	3,437	-	3,437
Total derivative financial instruments	-	375,458	-	375,458
Borrowings subject to fair value hedging	-	128,326	-	128,326
Other liabilities at fair value	-	315,125	-	315,125
Total liabilities	**-**	**818,909**	**-**	**818,909**

(*) Corresponding to equity securities.

In 2017 and 2016 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 offer 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 2017 and 2016 is detailed in Note 15.

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 (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.

In 2017 the Group's strategy in this connection did not change significantly. In this regard, the increase in Group's net bond issues and bank borrowings in 2017, due mainly to the acquisitions of assets (see Note 15), together with a decrease in the Group's equity, mainly as a result of the negative impact on equity recognised, relating to both reserves attributable to shareholders of the Parent and non-controlling interests, arising basically from the acquisitions of **Hit** and **A4** performed in the year (see Note 14), made it possible to increase the leverage ratio at 31 December 2017 in comparison with that at 2016 year-end.

At 31 December, the leverage ratios were as follows:

	31 December 2017	**31 December 2016**
Bond issues and bank borrowings (*) (Note 15)	18,525,267	17,648,374
Cash and cash equivalents (Note 13)	(2,458,101)	(2,529,129)
Net bond issues and bank borrowings	16,067,166	15,119,245
Equity (Note 14)	4,776,674	6,900,635
Total capital	20,843,840	22,019,880
Leverage ratio	**77%**	**69%**

(*) 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. BUSINESS COMBINATIONS

The most significant business combinations in 2017 relate to the acquisition of all the shares of Trichy Tollway Private Limited (**TTPL**) and of 74% of the share capital of Jadcherla Expressways Private Limited (**JEPL**) by **Abertis** through its wholly-owned investee **Abertis India**.

i) Acquisition of all the shares of **TTPL** and of 74.00% of the share capital of **JEPL**

As described in Note 2-h, 2 March 2017 saw the completion of the acquisition by **Abertis** of all the shares of the Indian company Trichy Tollway Private Limited (**TTPL**) and of 74% of the shares of the Indian company Jadcherla Expressways Private Limited (**JEPL**) from the funds MSIIPL and SMIT (controlled by Macquarie and State Bank of India, respectively) for an aggregate amount of EUR 133 million, through the consolidated company Abertis India, S.L.U. (**Abertis India**).

The main assets of these companies are the respective toll road concessions located in key Indian states with high levels of growth; more specifically:

- **TTPL** is the concession operator of the 94 km NH-45 toll road located in the state of Tamil Nadu, connecting the main industrial corridor between the Trichy-Madurai area and Chennai as well as the port of Tuticorin. The toll road channels the traffic in this region with average daily traffic (ADT) of around 18,000 vehicles, consisting of two lanes in each direction.
- **JEPL** is the concession operator of the NH-44 toll road located in the state of Telengana, which forms part of the main north-south corridor in India. Along its 58 km it connects the northern states of Uttar Pradesh, Madhya Pradesh and eastern Maharashtra with the southern states of Telengana and Karanataka, and is the primary link between Hyderabad and Bengaluru, India's two main technology hubs. The toll road has average daily traffic (ADT) of around 22,000 vehicles and consists of two lanes in each direction.

As indicated in Note 2-h, these acquisitions made the Group the sole shareholder of **TTPL** and the majority and controlling shareholder of **JEPL** with an ownership interest of 74%, as a result of which the two companies have been fully consolidated since March 2017. Therefore, the consolidated balance sheet as at 31 December 2017 includes the value of all of their respective assets and liabilities and the consolidated statement of profit or loss for the year reflects the impact of nine months of all of their respective transactions.

The detail of the net assets acquired and of the goodwill generated by the acquisition of **TTPL** and **JEPL** at the acquisition date is as follows:

	TTPL	**JEPL**
Purchase price	100%	74.0%
Total purchase price [1]	83,367	41,815
Fair value of the net assets acquired	57,490	34,554
Resulting goodwill [2]	25,877	7,261

(1) Relating to the cash paid (EUR 88,700 thousand for **TTPL** and EUR 44,370 thousand for **JEPL**) net of the related impact of derivative financial instruments due to the currency hedge arranged which, pursuant to IAS 39, was treated as a "highly probable forecast transaction".

(2) In the case of **JEPL**, goodwill recognised at the acquisition date in accordance with IFRS 3 for 100% of the net assets acquired amounting to EUR 9,812 thousand.

The acquisition-date fair value of the assets and liabilities of the business acquired was determined basically using valuation techniques. The main valuation technique used was an analysis of the discounted cash flows generated by the identified assets of the business acquired, using criteria similar to those discussed in Note 8.

In relation to the acquisition of **TTPL** and **JEPL**, the purchase price allocation (PPA) process was conducted internally, as was the case with other business combinations carried out by **Abertis** in previous years, without the involvement of an independent third-party valuer, since:

- IFRS 3 (Revised) does not require that PPA processes be carried out with an independent valuer;
- The Group has an internal team with sufficient knowledge and experience in the industry in which the acquired business operates and in PPA processes.

In any event, the transaction was analysed with the cooperation of advisers on certain, more specific matters.

The fair value of the net assets acquired includes the value of the identified intangible assets, consisting of the respective concession arrangements for the construction, maintenance and operation of the aforementioned NH-45 and NH44 toll roads which expire on 25 December 2026 and 18 August 2026, respectively.

The resulting goodwill includes, on the one hand, the net recognition of the deferred taxes corresponding to the higher fair value attributed to the net assets acquired with respect to their tax bases (EUR 14,078 thousand for **TTPL** and EUR 5,342 thousand for **JEPL**) and, on the other, the additional future cash flows expected to arise following the acquisition by the Group, which, inter alia, have led to the establishment of a presence in India, specifically states with growth rates above the Indian average, which should make it possible for the Group to develop new businesses.

The respective assets and liabilities of **TTPL** and **JEPL** arising from the aforementioned acquisitions are as follows:

	TTPL Value acquired (100%)			**JEPL** Value acquired (100%)		
Debit/(Credit)	Fair value	Carrying amount	Revaluation	Fair value	Carrying amount	Revaluation
Cash and cash equivalents	2,873	2,873	-	12,201	12,201	-
Property, plant and equipment and returnable assets	398	398	-	68	68	-
Concessions and other intangible assets	132,715	66,742	65,973	77,704	52,672	25,032
Other financial assets	258	258	-	5,499	5,499	-
Accounts receivable and other current assets	3,142	3,142	-	537	537	-
Accounts payable	(1,434)	(1,434)	-	(8,039)	(8,039)	-
Gross borrowings	(61,461)	(61,461)	-	(32,458)	(32,458)	-
Provisions	(4,923)	(4,923)	-	(3,475)	(3,475)	-
Net deferred tax assets / (liabilities)	(14,078)	-	(14,078)	(5,342)	-	(5,342)
Net assets	57,490	5,595	51,895	46,695	27,005	19,690
Non-controlling interests	-	-	-	-	-	-
Net assets acquired	**57,490**	**5,595**	**51,895**	**46,695**	**27,005**	**19,690**
Total purchase price	83,367	83,367		41,815	41,815	
Cash and cash equivalents	(2,873)	(2,873)		(12,201)	(12,201)	
Cash outflow on acquisition	**80,494**	**80,494**		**29,614**	**29,614**	

The detail of the impact of the **TTPL** and **JEPL** businesses acquired on the consolidated statement of profit or loss of the **Abertis** Group is as follows:

	TTPL		JEPL	
	2017 contribution (10 months)	Pro forma 2017 [2]	2017 contribution (10 months)	Pro forma 2017 [2]
Operating income	13,903	16,684	10,514	12,617
Operating expenses	(4,695)	(5,634)	(3,027)	(3,632)
EBITDA	9,208	11,050	7,487	8,985
Net loss [1]	(6,232)	(7,478)	(1,074)	(1,288)

(1) Net loss attributable to the shareholders, including the additional amortisation of the revalued assets, but excluding the financial burden at **Abertis India** associated with the acquisition of these businesses and its own operating expenses.

(2) Assuming that the acquisition of **TTPL** and **JEPL** had been made effective 1 January 2017 and, accordingly, these companies would have been fully consolidated (**TTPL** 100% and **JEPL** 74%) for the whole of 2017.

Lastly, it should be noted that in view of the date of completion of the acquisition of **TTPL** and **JEPL** (March 2017), at the date of authorisation for issue of these consolidated financial statements **Abertis** was in the process of completing the allocation of the resulting goodwill to the CGUs identified and of the acquisition-date fair value of the assets and liabilities acquired, measuring them by analysing the discounted cash flows generated by the identified assets. In accordance with IFRS 3, **Abertis** has one year from the date of the transaction to complete the initial accounting for the business combination.

iii) Other

The initial accounting for the business combination involving **A4** described in Note 5 to the consolidated financial statements for 2016 is considered to have been completed, since one year has elapsed since the acquisitions were made in September 2016.

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

The detail of the profit 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 2017 and 2016 is as follows:

		2017			2016		
		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	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.	55,565	1,785,054	622,449	7,029	-	-
Costruzioni, S.p.A. and Globalcar Service S.p.A.	ii.	1,323	10,710	5,790	359	49,552	43,779
Sabsa compulsory purchase compensation (Bolivia)	ii.	15,430	-	-	-	-	-
		72,318	**1,795,764**	**628,239**	**7,388**	**49,552**	**43,779**

(*) Breakdown of “Profit from Discontinued Operations” in the consolidated statement of profit or loss for 2016 including the impact of the classification of the satellite telecommunications business as discontinued operations in accordance with IFRS 5, as indicated in Note 1.

i) Hispasat (satellite telecommunications)

In 2017 **Abertis** received expressions of interest for the acquisition of the controlling interest currently held by it in **Hispasat** (57.05%), and for the ownership interest held by Eutelsat (33.69%), assuming the contractual position that **Abertis** holds in the agreement reached with Eutelsat on 18 May 2017 for the acquisition of its holding (see Note 20.ii).

In this regard, and in the framework of the Group’s 2015-17 Strategic Plan which, inter alia, seeks to focus the Group on the toll roads business, on 28 November 2017 the Board of Directors of **Abertis** (considering all the matters relating to the current tender offer process in progress, see Note 14-a.i) resolved to initiate a process for the orderly divestment of the satellite telecommunications business (**Hispasat** subgroup) in order to focus the growth of **Abertis** solely on the toll roads operating segment.

Accordingly, at 31 December 2017 the Group considers that the requirements established in IFRS 5 have been met in order to classify the satellite telecommunications business as a discontinued operation. 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. In addition, since this is a unit business, all the income and expenses for the year are presented under “Profit from Discontinued Operations”. The carrying amounts of the assets and liabilities at the time the operations were discontinued (effective for accounting purposes from 1 December 2017) were EUR 1,782,284 thousand and EUR 619,900 thousand, respectively.

In relation to the aforementioned asset, at the date of authorisation for issue of these consolidated financial statements, **Abertis** was in negotiations to reach an agreement for the sale of **Hispasat** which would entail, on the one hand, the direct sale of the 57.05% of **Hispasat** that **Abertis** currently holds and, on the other, subrogation to the contractual position of **Abertis** in the purchase and sale agreement entered into with Eutelsat on 18 May 2017 in relation to 33.69% of **Hispasat** and therefore, as a result, **Abertis** would not acquire this ownership interest. In this context, once the agreement was concluded, the liability recognised in this connection (see Note 20.ii) will be reclassified to equity as described in IAS 32.23, since the obligation has expired without it having to be met.

It should be noted in this regard that as a result of the divestment process initiated at **Hispasat** discussed above, no gains or losses associated therewith are expected to arise.

The main financial aggregates relating to the discontinued operations arising from the discontinuation performed in the satellite telecommunications business at 31 December 2017 and the corresponding comparative figures at 2016 year-end are as follows:

Statement of profit or loss	**2017**	**2016**
Services	219,813	225,546
Other income	16,258	3,318
Operating income	**236,071**	**228,864**
Operating expenses	(41,801)	(52,675)
Operating provisions and allowances	(1,164)	(540)
Gross profit from operations	**193,106**	**175,649**
Depreciation and amortisation charge and changes in impairment losses on assets	(109,673)	(102,455)
Profit from operations	**83,433**	**73,194**
Financial loss	(16,684)	(8,822)
Share of profit for the year	-	(40,420)
Pre-tax profit from discontinued operations	**66,749**	**23,952**
Income tax [1]	(11,184)	(16,923)
Profit from discontinued operations	**55,565**	**7,029**
Gain or loss relating to the divestment of the satellite telecommunications business	-	-
Profit from discontinued operations	**55,565**	**7,029**

[1] **Hispasat** acts as the parent of a 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 associated with disposal groups classified as held for sale	31/12/17	01/12/17
Non-current assets		
Property, plant and equipment	1,049,603	1,047,765
Goodwill	134,568	134,568
Other intangible assets	395,595	400,423
Investments in associates	63,721	63,622
Deferred tax assets	6,816	5,220
Trade and other receivables	11,583	13,251
Non-current assets	**1,661,886**	**1,664,849**
Current assets		
Inventories	-	14
Trade and other receivables	86,367	82,071
Derivative financial instruments	4,920	3,447
Cash and cash equivalents	31,881	31,903
Current assets	**123,168**	**117,435**
Non-current assets classified as held for sale and discontinued operations	**1,785,054**	**1,782,284**
Non-current liabilities		
Borrowings	306,857	306,702
Derivative financial instruments	3,453	3,695
Deferred income	382	457
Deferred tax liabilities	88,180	87,283
Provisions and other liabilities	63,259	59,204
Non-current liabilities	**462,131**	**457,341**
Current liabilities		
Borrowings	76,827	76,052
Payable to suppliers and other payables	28,479	20,633
Current tax liabilities	2,975	9,423
Provisions and other liabilities	52,037	56,451
Current liabilities	**160,318**	**162,559**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	**622,449**	**619,900**

Cash flows from discontinued operations	2017	2016
Net cash flows from operating activities	142,461	131,061
Net cash flows from investing activities	(122,217)	(182,495)
Net cash flows from financing activities	(13,171)	6,734
Effect on cash flows	**7,073**	**(44,700)**

At 31 December 2017, Abertis Telecom Satélites, S.A. (which directly holds 57.05% of **Hispasat** and is wholly-owned by **Abertis**) owed **Abertis** a total of EUR 199,608 thousand (1 December 2017: EUR 199,251 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 accompanying consolidated 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 decreased and increased by EUR -4,917 thousand and EUR 7,456 thousand, respectively, in 2017.

Also, at 31 December 2017 the **Hispasat** subgroup had property, plant and equipment purchase commitments for the development of new satellites amounting to EUR 27,320 thousand (2016: EUR 72,000 thousand).

ii) Other

At 2016 year-end "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 related to the operations and respective assets and liabilities of Serenissima Costruzioni, S.p.A. and Globalcar Service S.p.A. (included in the Group upon acquisition of the **A4** subgroup in September 2016), the assets and liabilities of which at 2016 year-end amounted to EUR 49,552 thousand and EUR 43,779 thousand, respectively.

In relation to the aforementioned assets, it should be noted that, as indicated in Note 2-h, in 2017 the sale of Serenissima Costruzioni, S.p.A. was completed, without any impact on these consolidated financial statements.

Therefore, 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 include in addition to the items detailed in section i) above, the operations and respective assets and liabilities of Globalcar Service S.p.A., the assets and liabilities of which amounted to EUR 10,710 thousand and EUR 5,790 thousand, respectively, at 31 December 2017.

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 assets 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 from Discontinued Operations” in the consolidated statement of profit or loss for the year ended 31 December 2017.

7. 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 [(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 (see Note 6)	-	(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 Notes 1 and 6).

(2) Including depreciation of EUR -68,169 thousand associated with the **Hispasat** subgroup, prior to the discontinuation thereof in 2017 (see Notes 1 and 6).

	Toll road management assets	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Other [1]	Total
1 January 2016						
Cost	535,031	35,462	131,584	2,198,729	377,028	3,277,834
Accumulated depreciation and impairment losses	(399,523)	(8,064)	(94,390)	(1,360,287)	(40,597)	(1,902,861)
Carrying amount	**135,508**	**27,398**	**37,194**	**838,442**	**336,431**	**1,374,973**
2016						
Beginning carrying amount	135,508	27,398	37,194	838,442	336,431	1,374,973
Exchange differences	-	590	1,371	1,353	2,091	5,405
Additions	8,861	692	14,960	44,766	183,231	252,510
Disposals (net)	(17)	(1,171)	(7,819)	(668)	(1,196)	(10,871)
Transfers	10,060	1,053	4,007	102	(16,112)	(890)
Changes in the scope of consolidation and business combinations	10	31,183	116,182	500	3,557	151,432
Depreciation charge	(34,589)	(1,088)	(14,934)	(107,932)	(7,853)	(166,396)
Impairment losses	-	-	-	194	-	194
Other	(3)	(169)	496	(101)	3,837	4,060
Transfers to assets classified as held for sale and discontinued operations	-	(1,437)	(32)	(4)	(5,775)	(7,248)
Ending carrying amount	**119,830**	**57,051**	**151,425**	**776,652**	**498,211**	**1,603,169**
At 31 December 2016						
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**

[1] Including basically satellite assets.

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

	31 December 2017		31 December 2016	
	Currency	Euros	Currency	Euros
France (euro)	181,866	181,866	182,151	182,151
Puerto Rico (US dollar, USD)	38,565	32,156	33,289	31,580
Italy (euro)	31,076	31,076	141,044	141,044
Chile (Chilean peso, CLP)	13,641,647	18,483	14,483,303	20,487
Brazil (Brazilian real, BRL)	60,019	15,107	116,658	34,006
Other	-	6,497	-	7,291
Net property, plant and equipment owned by Group companies located abroad	**-**	**285,185**	**-**	**416,559**

The exchange differences that arose in 2017 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, the Chilean peso and the US dollar. In 2016 the exchange differences related mainly to the rise in the year-end exchange rates of the Brazilian real, the Chilean peso and the US dollar.

The additions in 2017 (as in 2016) relate mainly to advances paid for the acquisition of non-current assets (new satellites) by the **Hispasat** subgroup amounting to EUR 89 million until the date of discontinuation thereof in 2017 (2016: EUR 162 million).

The interest capitalised in 2017 amounted to EUR 5,022 thousand (2016: EUR 4,979 thousand).

The changes in 2017 arising from changes in the scope of consolidation and business combinations relate to:

- The impact associated with the sale in July 2017 of the investee Infracom (EUR -92,785 thousand, see Note 2-h).
- The impact of the acquisition of 100% and 74% of the share capital of the Indian companies TTPL and JEPL, respectively (EUR 466 thousand, see Notes 2-h and 5).

The changes in 2016 arising from changes in the scope of consolidation and business combinations related to:

- The impact of the obtainment of control of the Chilean company Autopista Central (EUR 2,154 thousand).
- The impact of the acquisition of 51.4% of the share capital of the Italian company A4 Holding, S.p.A. (EUR 149,278 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:

	2017		2016	
	Net grant (balance)	Amount allocated to profit or loss	Net grant	Amount allocated to profit or loss (adjusted)
Of the telecommunications segment [1]	-	-	62,475	-
Other	65	61	60	33
	65	**61**	**62,535**	**33**

[1] Relating at 2016 year-end to grants from the European Space Agency. These grants related to satellites under construction and, therefore, they were not recognised in profit or loss.

At 31 December 2017 (as at 31 December 2016), property, plant and equipment did not include returnable assets of material net amounts.

The detail of "Other" is as follows:

	31 December 2017	**31 December 2016**
Property, plant and equipment in the course of construction [1]	13,303	462,480
Other items of property, plant and equipment, net	35,178	35,731
	48,481	**498,211**

[1] In 2016, primarily **Hispasat** subgroup companies (EUR 437,127 thousand) and, to a lesser extent, toll road concession operators, both in 2017 and in 2016.

The changes in “Other” are due to the discontinuation in 2017 of the satellite telecommunications business (see Note 6).

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 2017 did not reveal any indications of impairment or, therefore, the need to recognise an impairment loss (as was also the case at 2016 year-end).

Also, at 31 December 2017 the Group had property, plant and equipment purchase commitments amounting to EUR 2,522 thousand (2016 year-end: EUR 184,594 thousand, EUR 112.594 thousand when those associated with the satellite telecommunications business are disregarded, of which EUR 99,745 thousand related to Infracom, a company disposed of in 2017).

In addition, at 31 December 2017 certain items of property, plant and equipment amounting to EUR 11,218 thousand (2016 year-end: EUR 10,950 thousand) were subject to restrictions and others amounting to EUR 2,359 thousand (2016 year-end: EUR 12,035 thousand), associated with **A4** subgroup companies.

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.

8. 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 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 (see Note 6)	(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 Notes 1 and 6).

		Other intangible assets			
	Goodwill	Administrative concessions	Computer software	Other	Total
At 1 January 2016					
Cost	3,816,290	24,942,361	154,365	519,549	25,616,275
Accumulated amortisation and impairment losses	-	(13,022,570)	(130,972)	(70,841)	(13,224,383)
Carrying amount	**3,816,290**	**11,919,791**	**23,393**	**448,708**	**12,391,892**
2016					
Beginning carrying amount	3,816,290	11,919,791	23,393	448,708	12,391,892
Translation differences	51,898	852,725	(92)	8,578	861,211
Additions	-	836,588	16,310	2,412	855,310
Disposals (net)	-	(544)	(251)	(59)	(854)
Transfers	-	(7,238)	8,536	(408)	890
Changes in the scope of consolidation and business combinations	682,273	3,319,051	2,194	60,209	3,381,454
Depreciation charge	-	(1,085,550)	(10,380)	(32,406)	(1,128,336)
Impairment losses	-	-	-	(211)	(211)
Other	-	(9,253)	14,036	(13,232)	(8,449)
Transfers to assets classified as held for sale and discontinued operations	-	-	-	(105)	(105)
Ending carrying amount	**4,550,461**	**15,825,570**	**53,746**	**473,486**	**16,352,802**
At 31 December 2016					
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**

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

(in thousands)	**31 December 2017**		**31 December 2016**	
	Currency	Euro	Currency	Euro
France (euro)	7,627,682	7,627,682	7,818,115	7,818,115
Italy (euro)	1,322,643	1,322,643	1,447,104	1,447,104
Brazil (Brazilian real, BRL)	14,045,452	3,535,315	11,744,481	3,423,548
Chile (Chilean peso, CLP)	2,287,444,141	3,099,311	2,356,913,143	3,333,853
Puerto Rico (US dollar, USD)	1,188,527	991,017	1,219,282	1,156,705
India (rupee, INR)	15,723,935	205,259	-	-
Other	-	12,163	-	22,441
Intangible assets (net) at companies located abroad	**-**	**16,793,390**	**-**	**17,201,766**

The exchange differences that arose in 2017 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, the Chilean peso and the US dollar. In 2016 the exchange differences related mainly to the rise in the year-end exchange rates of the Brazilian real, the Chilean peso and the US dollar.

The additions in 2017 (as in 2016) to “Administrative Concessions” relate mainly to the **Arteris** subgroup (BRL 3,488 million in 2017 and BRL 1,902 million in 2016, or approximately EUR 878 million and EUR 554 million, respectively), the **Sanef** subgroup (EUR 141 million in 2017 and EUR 115 million in 2016) and several Chilean concession operators (CLP 58,160 thousand in 2017 and CLP 42,545 thousand in 2016, or approximately EUR 79 million and EUR 60 million, respectively), as a result of investments made in the year to expand the capacity of the toll road networks owned by them, which in the case of **Arteris** include the impact of the tender for the new Via Paulista concession (BRL 1,516 million, approximately EUR 396 million at 2017 year-end).

Also, in 2016 **Metropistas** entered into an agreement 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, including the extension of the concession term for an additional ten years in exchange for a payment of USD 115 million (approximately EUR 104 million), of which USD 100 million were paid in 2016.

In 2017 the capitalised borrowing costs amounted to EUR 48,902 thousand (2016: EUR 74,660 thousand) and related mainly to the extension and upgrade work carried out by the **Arteris** subgroup (EUR 43,723 thousand in 2016 and EUR 64,837 thousand in 2016).

The changes in 2017 arising from changes in the scope of consolidation and business combinations relate to:

- The impact associated with the sale in July 2017 of the investee Infracom (EUR -15,087 thousand, see Note 2-h).
- 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, see Notes 2-h and 5).

The changes in 2016 arising from changes in the scope of consolidation and business combinations related to:

- The impact of the obtainment of control of the Chilean company **Autopista Central** (concession infrastructure of EUR 2,066,300 thousand and goodwill of EUR 500,968 thousand).
- The impact of the acquisition of 51.4% of the share capital of the Italian company **A4 Holding, S.p.A.** (concession infrastructure and other intangible assets of EUR 1,315,154 thousand and goodwill of EUR 181,305 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 2017	**31 December 2016**
Toll roads		
HIT/Sanef subgroup	2,824,087	2,824,087
Autopista Central [1]	523,640	546,665
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
Rutas del Pacífico [1]	26,337	27,495
TTPL (see Note 5.i) [1]	23,754	-
Los Andes [1]	20,347	21,242
Libertadores [1]	17,064	17,814
JEPL (see Note 5.i) [1]	9,007	-
Aulesa	9,985	9,985
Autopista del Sol [1]	8,914	9,306
Emovis subgroup	6,711	6,716
Other [1]	1,554	1,858
	4,422,125	4,415,893
Telecommunications [2]		
Hispasat subgroup	-	134,568
	-	134,568
Goodwill	**4,422,125**	**4,550,461**

[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.

[2] Assets included at 31 December 2017 under "Assets Classified as Held For Sale and Discontinued Operations" in the consolidated balance sheet following the discontinuation of the satellite telecommunications business in 2017 (see Notes 1 and 6).

ii) Administrative concessions

The detail of the main administrative concessions (see Note 26-c), by operating segment, is as follows:

	31 December 2017	31 December 2016
Toll roads		
HIT/Sanef subgroup	4,777,993	4,965,294
Arteris subgroup (1)	3,405,529	3,336,064
Autopista Central (1)	1,934,770	2,130,105
A4 subgroup	1,101,592	1,206,647
Metropistas (1)	956,069	1,113,793
Avasa	712,223	792,432
Túnels	444,073	461,920
Iberpistas/Castellana	294,650	316,666
Acesa	214,734	273,468
Los Andes (1)	197,376	170,263
Aucat	185,791	197,734
Rutas del Pacífico (1)	165,525	202,954
Aumar	114,297	171,607
TTPL (see Note 5.i) (1)	107,837	-
Invicat	80,937	103,202
Libertadores (1)	78,942	90,148
Aulesa	77,268	79,357
JEPL (see Note 5.i) (1)	64,651	-
Autopista del Sol (1)	50,477	29,978
Ausol (1)	6,920	12,309
GCO (1)	3,799	8,173
Other (1)	106,569	124,090
	15,082,022	15,786,204
Telecommunications (2)		
Hispasat subgroup	-	39,366
	-	39,366
Administrative concessions (carrying amount)	**15,082,022**	**15,825,570**

(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.

(2) Assets included at 31 December 2017 under "Assets Classified as Held for Sale and Discontinued Operations" in the consolidated balance sheet following the discontinuation of the satellite telecommunications business in 2017 (see Notes 1 and 6).

iii) Other intangible assets

“Other" included mainly the intangible assets of the **Hispasat** subgroup (EUR 382,609 thousand (net) in 2016) relating primarily to the orbital positions owned by it and its commercial relationships with customers, which were recognised at fair value following the acquisition of the company in November 2013. These assets were discontinued in 2017, as detailed in Notes 1 and 6.

iv) Impairment

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 3 and 43 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 2016, and the achievement of the key assumptions used in that test, against the results obtained in 2017, in order to assess any possible variances.

  The comparison of the projections for 2017 included in the impairment tests of 2016 and the actual results for 2017 did not disclose any significant variances.

- Revenue and expense projections were prepared using the following general criteria:
  - o 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.
  - o 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.
  - o 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 company or cash-generating unit.

The projections are generally based on the budget for 2018 and on the most recent long-term projection approved by management.

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

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%

(*) Formerly known as the I2000 subgroup (see Note 2-h).

2016

Cash-generating unit	Last year projected (concession term)	Cumulative annual growth (2016 - end of concession) CPI	Tolls	Activity (*)	Expenses	Discount rate
Avasa	2026	2.20%	2.20%	3.72%	1.07%	6.06%
Iberpistas/Castellana	2029	2.11%	1.82%	2.33%	0.83%	5.99%
Aucat	2039	2.15%	1.92%	2.66%	2.35%	6.65%
Túnels	2037	2.25%	2.00%	2.25%	3.49%	6.77%
HIT/Sanef subgroup	2031-33	1.78%	1.25%	1.67%	1.19%	5.23%
A4 subgroup	2026	1.61%	6.19%	2.58%	0.57%	5.90%
Arteris subgroup	2033	5.01%	7.35%	4.66%	4.35%	11.30%
Autopista Central	2031	3.26%	7.12%	3.03%	2.19%	7.62%
I2000 subgroup	2026	3.55%	3.51%	4.43%	1.63%	7.07%
Metropistas	2061	1.97%	3.49%	1.28%	2.47%	13.49%
Hispasat subgroup	2022	2.01%	2.01%	3.87%	5.01%	7.44%

(*) ADT in the case of toll roads and revenue in the case of **Hispasat**, the latter being associated with the satellite telecommunications business that was discontinued in 2017 (see Notes 1 and 6).

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 2017 are as follows:

HIT/Sanef subgroup (France)

As regards the goodwill of **Hit/Sanef**, it should be noted that the revenue recognised in 2017 exceeds the amounts budgeted and included in the impairment test of 2016 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, (on which impairment losses were recognised in 2015), it should be stated that, as mentioned above, the changes in 2017 are in line with those envisaged in the 2016 impairment test and, on the other, in 2017 traffic, tolls and the main macroeconomic assumptions were slightly higher than those budgeted for that year and higher than those for 2016. 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 2016, given the strong performance of traffic during the year.

Chilean concession operators

Based on the impairment tests on the goodwill and allocated assets of **Autopista Central** (of which control was obtained in January 2016), its 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, since these assets were acquired recently, they are less resistant to changes in the key assumptions used (around 5%). The projections considered are slightly above those analysed at the time of the acquisition, due above all to the strong performance of traffic during the year.

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 above those considered in 2016, given the strong performance of traffic during the year.

A4 (Italy)

Based on the impairment tests on the goodwill and allocated assets of the **A4** subgroup (of which control was obtained in September 2016), its 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, since these assets were acquired recently, they are less resistant to changes in the key assumptions used (around 5%). The projections considered are slightly above those analysed at the time of the acquisition, due above all to the strong performance of traffic during the year.

Metropistas (Puerto Rico)

The Group's investment in Puerto Rico has been affected by the worsening macroeconomic situation in the country since 2015, and was further affected by the hurricanes that afflicted the island in 2017. Despite this, the main macroeconomic assumptions were in line with those budgeted for the year (in this connection it should be highlighted that as a result of 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, inter alia, in June there was an additional increase in the effective toll), while the company maintained a sound 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.

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 2017 and, therefore, no impairment losses were recognised at 2016 year-end (as at 2016 year-end).

v) 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:

	2017		**2016**	
	Net grant	Amount allocated to profit or loss	Net grant	Amount allocated to profit or loss (adjusted)
Hit/Sanef subgroup [1]	103,613	6,629	101,720	6,457
Ausol [2]	6,920	2,752	12,309	3,150
Other	30	40	42	17
	110,563	**9,421**	**114,071**	**9,624**

(1) Granted by the French Government.

(2) A change also affected by the depreciation of the Argentine peso at 31 December 2017.

Investment commitments

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 2017		**31 December 2016**	
(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]	2,323	585	3,103	904
Concession operators dependent on the State of São Paulo [2]	3,158	795	500	146
	5,481	**1,380**	**3,603**	**1,050**

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

(2) Including BRL 2,589 million (approximately EUR 650 million) associated with the new Via Paulista concession that was tendered in 2017.

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

- In January 2017 **Sanef** reached an agreement in principle with the French Government to launch a new investment plan to modernise its network. Under the agreement, **Sanef** will invest EUR 147 million in various projects in exchange for an additional annual increase in tolls for 2019-2021 (0.27% for Sanef and 0.40% 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 151 million had been made.
- 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 extension of the concession arrangements for the A4 and A31 toll roads until December 2026 (see Note 26-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 estimated total investments of around EUR 1,400 million in the period from 2018 to 2026 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.
- 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 CLP 375 thousand of millions (approximately EUR 500 million at 2017 year-end), which in return would entail the extension of the concession arrangement from July 2031 to March 2035 (see Note 26-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 2016 the company entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating mainly to the construction of third lanes until Talagante (the estimated maximum investment would be around CLP 80 thousand of millions, approximately EUR 105 million at 2017 year-end), which in return would entail the extension of the concession arrangement from May 2019 to March 2021 (see Note 26-c). The resolution ordering the performance of the engineering work associated with the project was received in August 2016; this engineering work was tendered and is being executed. This memorandum of understanding was executed at the end of 2017 by means of an ad referendum agreement which, at the date these consolidated financial statements were authorised for issue, had not yet been published in the Chilean Official Gazette (when it will be fully effective).

  In this regard, it should be stated that at the same time as the execution of the aforementioned memorandum of understanding, the company formally waived the guaranteed minimum revenue and other guarantees established in the related concession arrangement and, therefore, the concession arrangement began to be accounted for in full as an intangible asset (until then **Sol** held an account receivable in relation to the guaranteed minimum revenue and other guarantees established in the related concession arrangement, accounted for as a financial asset as a result of applying the bifurcated model provided for in IFRIC 12, as described in Note 3-b.ii. See Note 12.

- In June 2017 the Argentine company Grupo Concesionario del Oeste, S.A. (**Gco**), together with the Argentine National Directorate of Roads (an agency reporting to the Ministry of Transport), entered into an agreement to initiate the process to extend the concession arrangement until the end of 2030. This agreement entails the acknowledgment of the measures to restore the economic and financial balance of the concession, a more favorable tariff review scheme, the abandonment of the proceedings between the parties and includes a plan for additional investment of USD 250 million (approximately EUR 210 million at 2017 year-end) to improve the existing network.

- Similarly, in August 2017 the Argentine company Autopistas del Sol, S.A. (**Ausol**), together with the Argentine National Directorate of Roads (an agency reporting to the Ministry of Transport), entered into an agreement to initiate the process to extend the concession arrangement until the end of 2030. This agreement entails the acknowledgment of the measures to restore the economic and financial balance of the concession, a more favorable tariff review scheme, the abandonment of the proceedings between the parties and includes a plan for additional investment of USD 430 million (approximately EUR 360 million at 2017 year-end) to improve the existing network.

- The Group also has various investment obligations under agreements entered into with the grantors (see Note 12.i).

On 25 January 2018, the subsidiary **Rutas del Pacífico** has entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works related to the possible execution of works with an estimated maximum investment around CLP 120 thousands of millions (approximately EUR 160 million at 2017 year-end). On the same date the subsidiary Autopista del Sol (**Sol**) has also entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the construction of the new access to the Puerto de San Antonio ("NAPSA"), the estimated maximum investment would be around CLP 26 thousands of millions (approximately EUR 35 million at 2017 year-end). These memorandums of understanding which, at the date these consolidated financial statements were authorised for issue, had not yet been executed, will result in an extension of the concession arrangements.

Guarantees

The companies listed below have provided guarantees to creditor banks in relation to their administrative concessions (see Note 15):

	"Administrative Concessions" - carrying amount, net of accumulated amortisation and impairment losses	
	31 December 2017	**31 December 2016**
Consolidated Arteris subgroup companies	3,405,529	3,336,064
Autopista Central, S.A.	1,934,770	2,130,105
Autostrada Brescia Verona Vicenza Padova S.p.A.	1,101,592	1,206,647
Autopistas Metropolitanas de Puerto Rico, Llc.	956,069	1,113,793
Túnels de Barcelona i Cadí concesionaria de la Generalitat de Cataluña, S.A.	444,073	461,920
Sociedad Concesionaria Autopista de Los Andes, S.A.	197,376	170,263
Trichy Tollway Private Limited	107,837	-
Jadcherla Expressways Private Limited	64,651	-
Sociedad Concesionaria Autopista Los Libertadores, S.A.	-	90,148
Sociedad Concesionaria Autopista del Sol, S.A.	-	29,978

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 26-c).

9. INVESTMENTS IN ASSOCIATES AND INTERESTS IN JOINT VENTURES

The changes in 2017 and 2016 in "Investments in Associates and Interests in Joint Ventures" in the consolidated balance sheet were as follows:

	2017			2016		
	Interests in joint ventures	Investments in associates	Total	Interests in joint ventures	Investments in associates	Total
At 1 January	67,088	1,303,440	1,370,528	574,570	1,332,730	1,907,300
Increase	-	384	384	-	-	-
Changes in the scope of consolidation and business combinations	-	(2,030)	(2,030)	(511,774)	4,765	(507,009)
Share of (loss)/ profit [1] (Note 14-c.iii)	7,645	11,451	19,096	9,332	(1,400)	7,932
Impairment losses	-	-	-	-	(18,408)	(18,408)
Translation differences	(37)	(2,199)	(2,236)	43	211	254
Dividends accrued (Note 25-c)	(5,540)	(7,050)	(12,590)	(4,977)	(11,973)	(16,950)
Cash flow hedges (Note 14)	-	1,394	1,394	-	(559)	(559)
Other	(270)	3,882	3,612	(76)	(1,926)	(2,002)
Transfers to assets classified as held for sale and discontinued operations (Note 6)	-	(63,622)	(63,622)	(30)	-	(30)
At 31 December	**68,886**	**1,245,650**	**1,314,536**	**67,088**	**1,303,440**	**1,370,528**

(1) The share of (loss)/profit is stated after tax and non-controlling interests.

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

	31 December 2017		31 December 2016	
	Currency	Euro	Currency	Euro
France (euro)	57,596	57,596	53,654	53,654
Italy (euro)	2,594	2,594	5,438	5,438
Colombia (Colombian peso, COP)	52,119,240	14,565	54,203,449	17,136
Other (mainly in the UK)	-	14,188	-	13,664
Investments in associates and joint ventures located abroad	**-**	**88,943**	**-**	**89,892**

The exchange differences that arose in 2017 relate primarily to assets in Colombia and were a result of the decrease in the year-end exchange rate of the Colombian peso (appreciated at year-end 2016).

The most noteworthy changes in 2017 were as follows:

- The increases in the year relate 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 relate to the impact associated with the sale of the investee Infracom (see Note 2-h) in relation to the associates in which Infracom held an ownership interest.
- The translation differences relate mainly to Coviandes and Coninvial (as a result of the increase 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).

In addition, the following significant changes occurred in 2016:

- The changes in the scope of consolidation and business combinations related, on the one hand, to the impact of the obtainment of control of **Autopista Central** (EUR -512,407 thousand) and, on the other, to the impact of the acquisition of the **A4** subgroup (EUR 5,398 thousand).
- The translation differences related mainly to Coviandes and Coninvial (as a result of the increase 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 share in the 2016 profit or loss of associates and joint ventures included an impairment loss on the investment in Hisdesat amounting to EUR 18,408 thousand (a company related to the satellite telecommunications business discontinued in 2017).

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 2017		31 December 2016	
	Value of the investment	Goodwill (1)	Value of the investment	Goodwill (1)
Toll roads				
Trados 45	61,518	29,872	58,542	29,872
Areamed	6,797	-	7,273	-
Tc Flow	571	-	670	-
Rio dei Vetrai	-	-	603	-
Interests in joint ventures	68,886	29,872	67,088	29,872
A'lienor	55,291	-	51,427	-
Autema	50,877	-	48,031	-
RMG	13,617	1,346	12,994	1,395
Coninvial	10,732	-	11,521	-
Coviandes	3,834	107	5,615	121
Alis/Routalis	2,291	1,950	2,213	1,950
Bip&Drive	2,281	-	2,093	-
Pedemontana Veneta	1,862	-	2,048	-
Estracom (2)	-	-	1,725	-
G.R.A. di Padova	732	-	757	-
Servizi Utenza Stradale(2)	-	-	295	-
Leonord	14	-	14	-
Pronet (2)	-	-	10	-
Investments in associates (3)	141,531	3,403	138,743	3,466
	210,417	33,275	205,831	33,338
Telecommunications				
Cellnex subgroup	1,104,119	690,639	1,100,940	690,639
Hisdesat and other (4)	-	-	63,757	-
Investments in associates	1,104,119	690,639	1,164,697	690,639
Investments in associates and interests in jointly controlled entities	**1,314,536**		**1,370,528**	

(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) Associates that are subsidiaries of Infracom disposed of in July 2017.

(3) Also included are the Spanish companies Irasa, Alazor and Ciralsa, and the Italian companies Italian Golf Development, Rio de Vetrai and CIS, the value of which at both 2017 year-end and 2016 year-end (except in the case of Rio de Vetrai) was EUR 0 thousand.

(4) Investments included at 31 December 2017 under "Assets Classified as Held for Sale and Discontinued Operations" in the consolidated balance sheet following the discontinuation of the satellite telecommunications business in 2017 (see Notes 1 and 6).

As indicated in a 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 Irasa, Alazor and Ciralsa, which are involved in insolvency proceedings, or in the case of Alis, Italian Golf Development, Rio de Vetrai and C.I.S (in 2016 also Exdo and Sherpatv, disposed of in 2017 with no effect on equity), the carrying amount of all of which has been reduced to zero (in the case of the first three companies the carrying amount of the loans to them have also been reduced to zero). Also, in the case of Alazor, as detailed in point i) below, the Group recognised provisions in previous years in order to meet the obligations or commitments incurred.

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

	31 December 2017 [1]			**31 December 2016**		
	Loss for the year	Prior years' accumulated losses [2]	Total	Loss for the year	Prior years' accumulated losses	Total
Irasa	5,420	94,337	99,757	13,266	81,071	94,337
Alazor	4,508	72,039	76,547	6,229	65,830	72,059
Ciralsa	3,788	84,391	88,179	7,826	76,658	84,484
Alis [3]	(1,736)	23,273	21,537	(468)	29,023	28,555
Italian Golf Development [4]	-	151	151	-	151	151
Exdo [4]	-	1,315	1,315	-	1,315	1,315
Sherpatv [4]	-	565	565	-	565	565
C.I.S. [4]	-	232	232	-	232	232
	11,980	**276,303**	**288,283**	**26,853**	**254,845**	**281,698**

(1) Equity values at 31 December 2017 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 2017 include a total impact of EUR 5,395 thousand relating mainly to Alis (2016: EUR -12,143 thousand corresponding mainly to Alazor) relating to transactions recognised directly in other comprehensive income.

(3) Associate of the **Hit/Sanef** subgroup wholly owned by **Abertis** at 2017 year-end following the purchase of non-controlling interests (52.55% at 2016 year-end).

(4) Associate of the **Hit/Sanef** subgroup in which **Abertis** holds an ownership interest of 83.56% at 2017 year-end following the purchase of non-controlling interests (51.4% at 2016 year-end).

i) Investments in Irasa, Alazor and Ciralsa

At 31 December 2017, in connection with the Group's investments in Irasa, Alazor and Ciralsa, since at 2017 year-end the circumstances that led to the reduction of the carrying amounts of the investments and the related loans to zero through the recognition of impairment losses still persisted, it was decided not to alter the impairment losses recognised in prior years.

As regards Alazor, on 3 May 2016 a court order was handed down barring the debt composition and rescheduling proposal filed and the initiation of liquidation proceedings, both of which had been appealed both by the investees and the Spanish Ministry of Public Works, and it was requested that the proceedings associated with the liquidation ordered be stayed. Subsequently, the Madrid Provincial Appellate Court set aside the initiation of the liquidation phase and established 13 September 2017 as the date for voting on the debt composition and rescheduling proposal of Alazor. Although the debt composition and rescheduling proposal of the concession operator Accesos was approved on 28 July, in September, Alazor's financial creditors, downgraded its privilege and voted against the debt composition and rescheduling proposal of Alazor. On 2 November 2017, a court order was handed down ordering the initiation of liquidation proceedings at Alazor.

In relation to the insolvency proceedings at Madrid Commercial Court no. 10 affecting Irasa, on 14 October 2016 the court granted leave to proceed with the debt composition and rescheduling proposal, whereas it dismissed the debt composition and rescheduling proposal submitted by Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (Seittsa). The creditors' meeting initially scheduled for 23 May 17 was postponed until 26 September 2017, when sufficient creditor approval was not obtained for the arrangement with creditors. On 18 October a court order was handed down ordering the initiation of liquidation proceedings at Irasa.

As regards Ciralsa, Madrid Commercial Court no. 6 handed down a judgment on 14 June 2017 re-opening the liquidation proceeding as a result of the request received from the General Meeting of Ciralsa following the manifest refusal of the financial creditors to accept the debt composition and rescheduling proposal and in the light of the unfavourable report of the insolvency administrators regarding said proposal.

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, in 2016 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 (see Note 20.i). 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, which has been registered with the aforementioned provisions. In this context, despite the aforementioned decision, as the risks giving rise to the recognition in prior years of the provisions by the Group, it was considered reasonable to maintain them to cater for probable future payments as a result of the guarantees given.

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 2017	31 December 2016
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 2017 (as at 31 December 2016) 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 2017 and 2016, 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 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			
Income	15,947	7,972	23,919
Expenses	(8,696)	(7,579)	(16,275)
Profit attributable to shareholders of the Parent	**7,251**	**393**	**7,644**

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 2016

	Trados 45	Other	Total
ASSETS			
Non-current assets	59,222	7,357	66,579
Current assets	36,988	3,822	40,810
	96,210	11,179	107,389
LIABILITIES			
Non-current liabilities	60,741	1,123	61,864
Current liabilities	6,800	1,510	8,310
	67,541	2,633	70,174
NET ASSETS	**28,669**	**8,546**	**37,215**
STATEMENT OF PROFIT OR LOSS			
Income	18,171	7,821	25,992
Expenses	(9,071)	(7,589)	(16,660)
Profit attributable to shareholders of the Parent	**9,100**	**232**	**9,332**

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:

2017		Cumulative annual growth (2017 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tolls	Activity (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.

2016		Cumulative annual growth (2016 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tolls	Activity (ADT) (*)	Expenses	Discount rate
Autema [1]	2037	2.25%	2.02%	0.97%	2.78%	7.98%
Cellnex [2]	-	1.95%	1.95%	4.84%	3.75%	8.08%
Hisdesat [3]	-	2.28%	2.28%	2.28%	1.04%	9.00%

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

(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.

(3) The recoverable amount of Hisdesat (investment relating to the satellite communications business discontinued in 2017, see Notes 1 and 6) was assessed using the valuation method established in the shareholders agreement in force and, in addition, an impairment test was carried out for comparison purposes, as indicated in Note 2-g.i, which was reviewed by an independent third party.

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 2017:

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 2016 (which already took into account the new terms and conditions 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.

Cellnex

The recoverable amount of the 34% investment in the share capital of Cellnex (measured at fair value following the completion in May 2015 of the placement of 66% of the shares of Cellnex with institutional investors with the concomitant loss of control by **Abertis**), exceeds its carrying amount. In any case, the market value of this investment is significantly higher than its carrying amount.

iv) Other disclosures

Also, as at 2016 year-end, at the end of 2017 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.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The changes in "Available-for-Sale Financial Assets" in 2017 and 2016 were as follows:

	2017	2016
At 1 January	103,948	2,786
Disposals	(1,899)	(867)
Changes in the scope of consolidation and business combinations	-	102,634
Revaluation gains/(losses) recognised in other comprehensive income (see Note 14-b)	28,929	(17)
Impairment losses	(12,630)	(430)
Transfers to assets classified as held for sale and discontinued operations (see Note 6)	-	(219)
Translation differences	-	61
At 31 December	**118,348**	**103,948**

The most noteworthy changes in 2017 were as follows:

- "Revaluation Gains/(Losses) Recognised in Other Comprehensive Income" relate mainly to the change in value of the interest held in Autostrada del Brennero, S.p.A. from 31 December 2016 to 31 December 2017.
- 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.

In addition, the following significant changes occurred in 2016:

- The changes in the scope of consolidation and business combinations related to the impact of the acquisition of the **A4** subgroup.
- The period disposals included the sale of 4.68% of the share capital of the Brazilian company Serviço e Tecnologia de Pagamento, S.A. (STP) held by **Arteris** for BRL 193,544 thousand (approximately EUR 50 million), which gave rise to a gain, before tax and after transaction costs, of BRL 187,616 thousand (approximately EUR 48 million).

The detail of the available-for-sale financial assets at 31 December 2017 and 2016 is as follows:

	31 December 2017		**31 December 2016**	
	%	Carrying amount	%	Carrying amount
"Serenissima Vitruvio" property fund	35.29%	26,705	35.29%	29,249
Autostrade Lombarde, S.p.A.	4.90%	23,074	4.90%	23,074
"Sansovino" property fund	25.71%	10,969	25.71%	21,055
Autostrada del Brennero, S.p.A.	4.23%	50,001	4.23%	20,865
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%	1,412	16.67%	1,412
Veneto Strade, S.p.A.	5.00%	258	5.00%	258
Stradivaria, S.p.A.	1.00%	-	1.00%	200
Edulife, S.p.A.	-	-	10.00%	397
Linea Com, S.r.l.	-	-	3.83%	223
Polesine, Tlc	-	-	9.43%	199
Other	-	933	-	2,020
Available-for-sale financial assets	**-**	**118,348**	**-**	**103,948**

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

	31 December 2017		31 December 2016	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	423	62,989	119	79,632
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	1,191	-
Interest rate and/or cross currency swaps:				
Cash flow hedges	-	177,886	-	158,599
Hedges of a net investment in a foreign operation	65,714	72,808	26,429	132,306
Fair value hedges	-	-	24,361	1,484
Derivatives not designated as hedges	-	-	-	3,437
Derivative financial instruments	**66,137**	**313,683**	**52,100**	**375,458**
Interest rate swaps and cross currency interest rate swaps:				
Cash flow hedges	423	241,344	119	238,118
Hedges of a net investment in a foreign operation	23,889	30,697	20,937	101,014
Fair value hedges	-	-	24,361	1,484
Derivatives not designated as hedges	-	-	-	-
Non-current portion	**24,312**	**272,041**	**45,417**	**340,616**
Current portion	**41,825**	**41,642**	**6,683**	**34,842**

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 2017 and 2016, by type of swap, showing their notional or contractual values, expiry dates and fair values, is as follows:

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							**(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							**(184,980)**

31 December 2016

	Notional amount	2017	2018	2019	2020	2021	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	1,303,944	-	-	57,200	50,000	106,244	1,090,500	(79,513)
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	25,094	25,094	-	-	-	-	-	1,191
	1,329,038							**(78,322)**
Interest rate and/or cross currency swaps:								
Cash flow hedges	920,876	92,522	40,487	15,061	-	-	772,806	(158,599)
Hedges of a net investment in a foreign operation	864,386	177,377	414,250	162,759	110,000	-	-	(105,877)
Fair value hedges	128,326	47,434	-	80,892	-	-	-	22,877
Derivatives not designated as hedges	126,471	126,471	-	-	-	-	-	(3,437)
	2,040,059							**(245,036)**

a) Interest rate swaps

The notional principal amount of the interest rate swaps outstanding at 31 December 2017 totalled EUR 1,122,125 thousand (2016: EUR 1,329,038 thousand), and the fixed interest rates ranged from 0.65% to 4.11% (2016: also from 0.65% to 4.11%) with the Euribor as the main floating interest reference rate.

b) Cross currency interest rate swaps

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 and changes in the scope of consolidation.

In this regard, 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 now 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 now 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 the period. 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.

In addition, the interest rate and/or cross currency swap transactions carried out in 2016 included most notably the following:

- An increase was recognised in the notional amount of the derivative financial instruments as a result of changes in the scope of consolidation arising from the obtainment of control of Autopista Central, following which the Group included in its consolidated financial statements the interest rate and cross currency swap (expiring in 2026) held by Autopista Central in order to eliminate the currency risk associated with the US dollar bond issue amounting to USD 225,000 thousand at 2016 year-end (EUR 213,452 thousand).
- **Abertis** arranged hedges in Chilean pesos amounting to CLP 738,762,500 thousand and an equivalent euro value of EUR 950,000 thousand. The hedges were instrumented around several interest rate and cross currency swaps, which were designated as hedges of the net investment made with the purchase of a further 50% of **Autopista Central** in 2016. These hedges expire between April 2017 and April 2019.

  In this regard, in the framework of the acquisition by third parties in 2016 of non-controlling interests in the operations of **Abertis** in Chile, CLP 606,485,000 thousand (EUR 780,000 thousand) of the aforementioned hedges were settled.
- **Abertis** terminated US dollar hedges amounting to USD 130,000 thousand (EUR 95,518 thousand) that had been hedging a portion of the net investment in **Metropistas**.
- In 2016 **Arteris** arranged two interest rate and foreign currency swaps for a nominal value of EUR 108,293 thousand, whereby it converted two loans of USD 50 million bearing fixed interest into an account payable in Brazilian reais and bearing floating interest tied to the CDI rate (fair value hedge). At 31 December 2016, after one of the loans had matured only one of the hedges, with a nominal value of EUR 47,434 thousand, still existed.

Also, the interest rate and/or cross currency swap transactions that expired in 2016 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 132,088,573 thousand (EUR 142,750 thousand) expired.
- In relation to the hedge of a portion of the net investment in the **Arteris** subgroup, BRL 149,250 thousand (EUR 50,000 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 2017 and 2016 is as follows:

			31 December 2017			**31 December 2016**		
			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	2018-2020	296,782,797	326,627	2017-2020
Abertis	A portion of the net investment in the Arteris subgroup[(1)]	Brazilian real (BRL)	912,979	295,000	2018-2022	987,654	320,000	2017-2020
Abertis	A portion of the net investment in Metropistas[(1)]	US dollar (USD)	37,780	27,759	2019	65,000	47,759	2019
Abertis	A portion of the net investment in Autopista Central[(1)]	Chilean peso (CLP)	132,277,500	170,000	2018-2019	132,277,500	170,000	2018-2019
Abertis India	A portion of the net investment in TTPL and JEP[(1)]	Rupia India (INR)	6,341,800	90,000	2022	-	-	-
Abertis Finance	Conversion of a USD fixed-interest bond issue into a EUR debt bearing floating interest tied to Euribor.	US dollar (USD)	-	-	-	103,000	80,892	Associated with the maturity of the debt in 2019
Abertis Finance	Conversion of a JPY fixed-interest issue into a EUR fixed-interest debt	Japanese yen (JPY)	20,000,000	153,526	Associated with the maturity of the debt in 2039	20,000,000	153,526	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	47,434	Associated with the maturity of the debt in 2018	50,000	47,434	Associated with the maturity of the debt in 2017
Los Andes	Conversion of a loan in CLP into a loan in CLF (CLF 5,279).	Chilean peso (CLP)	121,019,368	163,972	2034	121,180,267	171,481	2034
Metropistas	Various cash flow hedges	US dollar (USD)	236,194	205,901	2026	246,937	234,263	2026
Autopista Central	Eliminates the currency risk associated with a USD bond issue	US dollar (USD)	216,250	180,314	2026	225,000	213,452	2026

(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 2017			31 December 2016		
	2018	2019-20	Subsequent years	2017	2018-19	Subsequent years
Projected net settlements (collections/payments) (*)	(30,000)	(37,182)	(126,183)	(94,994)	(12,659)	(281,234)

(*) Excluding adjustments for credit risk.

12. TRADE AND OTHER RECEIVABLES

The detail of "Trade and Other Receivables" at 31 December 2017 and 2016 is as follows:

		31 December 2017			31 December 2016		
		Non-current	Current	Total	Non-current	Current	Total
Receivable from public authorities	i)	1,583,010	261,698	1,844,708	1,571,928	242,576	1,814,504
Receivables from companies accounted for using the equity method:	ii)						
Accounts receivable		-	13,678	13,678	-	10,348	10,348
Loans		116,982	689	117,671	122,161	5,379	127,540
Impairment		(82,472)	-	(82,472)	(81,649)	-	(81,649)
		34,510	14,367	48,877	40,512	15,727	56,239
Trade receivables		-	602,403	602,403	-	642,667	642,667
Allowance for doubtful debts (impairment loss)		-	(55,059)	(55,059)	-	(59,139)	(59,139)
Trade receivables, net	iii)	-	547,344	547,344	-	583,528	583,528
Current tax assets	iv)	-	300,138	300,138	-	582,163	582,163
Other receivables - related parties (Note 19-a.ii)		-	-	-	3,014	-	3,014
Other accounts receivable	v)	103,834	195,109	298,943	95,295	372,115	467,410
Trade and other receivables		**1,721,354**	**1,318,656**	**3,040,010**	**1,710,749**	**1,796,109**	**3,506,858**

Receivables are recognised at amortised cost, which does not differ significantly from fair value.

At 31 December 2017 (as at the end of 2016), the financial assets of **Abertis** did not include any sovereign debt.

i) Receivable from public authorities

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

	Non-current receivables from public authorities	
	2017	**2016**
At 1 January	1,571,928	1,459,966
Additions due to investments made in the year	4,240	10,827
Charge to the consolidated statement of profit or loss:		
- Due to economic compensation (revenue)	56,558	65,989
- Due to financial compensation (see Note 21-d)	83,243	75,538
- Due to compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006 (see Note 21-d)	12,751	11,959
Transfers [1]	(85,029)	(6,258)
Amounts used in the year	(60,327)	(87,573)
Other	5,555	7,657
Exchange differences	(5,909)	33,823
At 31 December	**1,583,010**	**1,571,928**

[1] Transfers in the year relate mainly to EUR 55,909 thousand associated with Royal Decree 1467/2008 (**Iberpistas**) falling due in 2018, which were transferred to "Current Receivables from Public Authorities", and EUR 28,947 thousand relating to **Sol** which following its waiver of the minimum guaranteed revenue (see Note12-g), were transferred to "Other Intangible Assets - Administrative Concessions" in the consolidated balance sheet (see Note 8).

"Receivable from Public Authorities" 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 2017			31 December 2016		
		Non-current receivables from public authorities	Economic compensation (revenue) for the year (1)	Financial compensation for the year (1)	Non-current receivables from public authorities	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)	835,953	-	51,004	784,674	-	47,837
Royal Decree 483/1995 (**Invicat**)	c)	179,439	18,840	9,678	148,660	17,902	7,938
GOV. 185/2013 (**Invicat**) and GOV. 186/2013 (**Aucat**)	d)	136,746	20,750	7,443	109,172	20,105	5,253
Royal Decree 1467/2008 (**Iberpistas**)(2)	e)	-	(7,220)	4,566	58,493	(6,892)	4,602
Royal Decree 971/2011 (**Castellana**)	f)	172,893	-	10,552	162,341	-	9,908
Arising from minimum guaranteed revenue and other guarantees in the concession arrangement (application of the bifurcated model):							
Elqui	g)	77,459	10,073	-	102,267	10,915	-
Libertadores	g)	86,933	14,115	-	95,266	13,896	-
Sol	g)	-	-	-	30,219	10,063	-
Other:							
Other	h)	93,587	-	12,751	80,836	-	11,959
		1,583,010	**56,558**	**95,994**	**1,571,928**	**65,989**	**87,497**

(1) Amounts included under “Non-Current Receivables from Public Authorities”.

(2) Agreement expiring in 2018 and, therefore, the related balance was transferred to “Current Receivables from Public Authorities”.

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 2017 and 2016 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 2016	Additions	Compensation for guaranteed traffic	Interest cost relating to the compensation balance	**31 December 2017**
Investments made since 2006	557,518	275	-	-	557,793
Interest cost relating to the investments	227,156	-	-	51,004	278,160
Balance of compensation for investments	**784,674**	**275**	**-**	**51,004**	**835,953**
Compensation for guaranteed traffic	1,226,321	-	176,393	-	1,402,714
Interest cost relating to the guaranteed traffic balance	267,340	-	-	97,088	364,428
Balance of compensation for guaranteed traffic [(1)]	**1,493,661**	**-**	**176,393**	**97,088**	**1,767,142**
Balance relating to Royal Decree 457/2006 (Acesa)	**2,278,335**	**275**	**176,393**	**148,092**	**2,603,095**

[(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 2017 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 resolution 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 this judgment at the Supreme Court on which a judgment had not been handed down at the date these consolidated financial statements were authorised for issue. **Acesa** intends to contest this judgment.

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 and 2015 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, which were not expressly resolved by the Government by the corresponding deadline. Accordingly, on 6 May 2016 and 27 April 2017 **Acesa** filed respective appeals for judicial review at the Madrid High Court on which judgments had not been handed down at the date these consolidated financial statements were authorised for issue.

Also, it should be noted that on 20 July 2017 **Acesa** received the proposed Administrative Review of 2016, which is in line with the Administrative Reviews of 2014 and 2015 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 12-h). **Acesa** filed an administrative appeal against that Review of 2016 to a superior administrative body; however, at the date these consolidated financial statements were authorised for issue, 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 a 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 did not accept the compensation balance for guaranteed traffic, which at 31 December 2017 stood at EUR 1,767 million, excluding the related tax effect (31 December 2016: EUR 1,494 million).

However, the Government Advisory Council did emphasise that the concession operator could authorise for issue and approve its financial statements as it considered fit, although the review would be unfavourable if it continued to apply the same accounting policy, 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 it approved 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. A judgment had not yet been handed down on the appeal at the date of authorisation for issue of these consolidated financial statements. 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, 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 signing 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 2017 (as at 31 December 2016), 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 26-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 12-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 aforementioned appeal for judicial review was extended to this express decision and this appeal was at the evidence stage and no decision had yet been handed down at the date of authorisation for issue of these consolidated financial statements.

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 2017, the investment made amounted to EUR 26,508 thousand, as compared with EUR 24,245 thousand at 2016 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 of EUR 100 million (at 2014 prices) (at 31 December 2017, the investment made amounted to EUR 23,436 thousand, as compared with EUR 21,804 thousand at 2016 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, provides 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 estimates 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 2017, the value of the investment amounted to EUR 77,095 thousand and to EUR 77,025 thousand at 31 December 2016).

As with the other agreements, this Agreement provides 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 26-c, the concession arrangement involving the Villalba-Adanero (AP-6) toll road for which **Iberpistas** is the concession operator expires 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 at 2017 year-end.

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.

In this respect, it should also be noted that until 2016, **Sol** also held an account receivable in relation to the guaranteed minimum revenue and other guarantees established in the related concession arrangement (accounted for as a financial asset as a result of applying the bifurcated model provided for in IFRIC 12). However, as part of the memorandum of understanding that **Sol** signed with the Chilean Ministry for Public Works for the performance of building works relating mainly to the construction of third lanes until Talagante, in 2017 this company formally waived these guarantees, with the result that the corresponding concession arrangement was accounted for in full as an intangible asset (see Note 8.iv).

h) Other

“Non-Current Receivables from Public Authorities - Other” 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 2017 “Current Receivables from Public Authorities” includes a past-due balance of EUR 9,123 thousand (primarily at toll road concession operators). A provision has not been recognised for this amount, since the Group expects it to be paid by the related authorities (2016 year-end: EUR 16,533 thousand, for which, similarly, no provision 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 2017			31 December 2016		
	Non-current	Current	Total	Non-current	Current	Total
Areamed	-	3,403	3,403	-	1,360	1,360
CIS	-	4,380	4,380	-	1,717	1,717
A'lienor	-	1,604	1,604	-	1,577	1,577
Rio de Vetrai	-	1,411	1,411	-	1,122	1,122
Routalis	-	856	856	-	421	421
Bip&Drive	-	663	663	-	955	955
Pedemontana Veneta	-	546	546	-	546	546
Ciralsa	-	135	135	-	140	140
Coviandes	-	113	113	-	65	65
Leonord	-	61	61	-	-	-
Cellnex	-	54	54	-	1,705	1,705
Hisdesat	-	-	-	-	121	121
Other investments	-	452	452	-	619	619
Accounts receivable	**-**	**13,678**	**13,678**	**-**	**10,348**	**10,348**
Irasa	35,296	-	35,296	35,296	-	35,296
Ciralsa	30,570	-	30,570	29,747	-	29,747
Alazor	16,606	-	16,606	16,606	-	16,606
RMG	13,460	73	13,533	12,443	76	12,519
Alis	10,840	349	11,189	15,337	-	15,337
Rio de Vetrai	9,756	-	9,756	11,275	-	11,275
CIS	-	150	150	-	125	125
A'lienor	38	-	38	38	-	38
Trados 45	-	-	-	1,052	-	1,052
Coninvial	-	-	-	-	4,417	4,417
Gra di Padova	-	-	-	-	707	707
Other investments	416	117	533	367	54	421
Loans granted	**116,982**	**689**	**117,671**	**122,161**	**5,379**	**127,540**
Impairment loss						
Irasa	(35,296)	-	(35,296)	(35,296)	-	(35,296)
Ciralsa	(30,570)	-	(30,570)	(29,747)	-	(29,747)
Alazor	(16,606)	-	(16,606)	(16,606)	-	(16,606)
	(82,472)	**-**	**(82,472)**	**(81,649)**	**-**	**(81,649)**
Total	**34,510**	**14,367**	**48,877**	**40,512**	**15,727**	**56,239**

At 31 December 2017 (as at the end of 2016 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 2016 year-end, were fully provisioned (see Note 9.i).

iii) Trade receivables

At 31 December 2017 and 2016, 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 2017 and 2016 is as follows:

	2017	**2016**
VAT refundable	42,977	48,981
Tax withholdings and pre-payments	92,782	83,817
Other taxes	164,379	449,365
Current tax assets	**300,138**	**582,163**

“Current Tax Assets - Other Taxes” includes the amount to be recovered by **Abertis**, as the parent of the Spanish consolidated tax group, in relation to income tax for 2017 amounting to EUR 113,148 thousand.

Also, at 2016 year-end this heading included, for 2016 and 2015, EUR 84,531 thousand and EUR 321.274 thousand, respectively, in this connection, both amounts having been collected in 2017.

v) Other accounts receivable

The detail of "Other Accounts Receivable" at 31 December 2017 and 2016 is as follows:

	31 December 2017			31 December 2016		
	Non-current	Current	Total	Non-current	Current	Total
Accounts receivable from third parties	-	-	-	-	76,865	76,865
Guarantees and court deposits	-	-	-	-	41,138	41,138
Current financial assets maturing at more than three months	26,032	62,706	88,738	-	143,749	143,749
Other	77,802	132,403	210,205	95,295	110,363	205,658
Accounts receivable	**103,834**	**195,109**	**298,943**	**95,295**	**372,115**	**467,410**

In 2017 the balance of "Accounts Receivable from Third Parties" at 31 December 2016 (CLP 54,340,954 thousand) was collected. This balance related to the account receivable from the other shareholder of **Invin**, Abu Dhabi Investment Authority, in relation to its inclusion in 2016 in **Abertis'** business in Chile with a non-controlling ownership interest equal to a 20% share of the dividend rights of the aforementioned.

At 31 December 2016, the balance classified under "Guarantees and Court Deposits" related to the court deposit made in relation to the lawsuits filed by the creditor banks of Alazor that had not been executed, which was reimbursed in full in 2017 (including the portion executed in 2016), after the corresponding appeal filed by the Group in this connection was upheld (see Note 9-i).

13. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December 2017 and 2016 is as follows:

	2017	2016
Cash on hand and at banks	1,268,870	1,124,733
Bank deposits maturing within three months	1,189,231	1,404,396
Cash and cash equivalents	**2,458,101**	**2,529,129**

The balance of this heading at 31 December 2017 and 2016 relates mainly to the following companies/subgroups:

	2017	2016
Abertis Infraestructuras	10,787	686,419
Abertis Chile subgroup (Chile)	541,186	640,929
HIT/Sanef subgroup (France)	1,393,435	652,354
A4 subgroup (Italy)	165,074	253,509
Arteris subgroup (Brazil)	177,404	113,420
Other	170,215	182,498
Cash and cash equivalents	**2,458,101**	**2,529,129**

Despite the significant investments in 2017 (most notably the purchases of non-controlling interests of **Hit** and **A4** for EUR 2,393 million, see Note 2-h) and the payment of dividends, the balance of "Cash and Cash Equivalents" decreased slightly in 2017 due mainly to the impact of the various financing transactions performed in the year (see Note 15), which had not been drawn down in full at 2017 year-end.

In this regard, the increase in cash at the **Hit** subgroup was aided by the issue towards the end of 2017 of various bonds for a total of EUR 1,000 million (see Note 15). The decrease in cash at Abertis Infraestructuras, S.A. was due mainly to a portion of the payment for the purchases of non-controlling interests mentioned above.

14. EQUITY

The changes in consolidated equity in the 2017 and 2016 were as follows:

	Share capital and treasury shares (a)	Reserves (b) 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 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 2nd payment of the dividend for 2016 and EUR 31,517 thousand for the payment of the 1st payment of the dividend for 2017).

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

	Share capital and treasury shares (a)	Reserves (b)				Retained earnings and other reserves (c)	Non-controlling interests (d)	Equity
		Valuation adjustments relating to hedges	Available-for-sale financial assets	Translation differences	Total			
At 1 January 2016	1,617,739	(100,379)	-	(123,013)	(223,392)	1,866,684	2,088,145	5,349,176
Income (expense) recognised in equity:								
Available-for-sale financial assets	-	-	(9)	-	(9)	-	(8)	(17)
Cash flow hedges and/or hedges of a net investment in a foreign operation	-	(93,008)	-	-	(93,008)	(8,096)	(8,207)	(109,311)
Translation differences	-	-	-	199,403	199,403	-	189,660	389,063
Actuarial gains and losses	-	-	-	-	-	(4,700)	(4,201)	(8,901)
Other [(1)]	-	-	-	-	-	55,085	2,040	57,125
Profit for the year	**-**	**-**	**-**	**-**	**-**	**795,576**	**215,585**	**1,011,161**
2015 final dividend	-	-	-	-	-	(339,559)	(99,401)	(438,960)
1st payment of 2016 dividend	-	-	-	-	-	(356,537)	(4,488)	(361,025)
Treasury shares	378	-	-	-	-	(29)	-	349
Reimbursement of shareholder contributions	-	-	-	-	-	-	(21,025)	(21,025)
Capital increase	141,483	-	-	-	-	(141,483)	399,628	399,628
Changes in the scope of consolidation and other	-	5,063	-	(46,001)	(40,938)	107,616	566,694	633,372
At 31 December 2016	**1,759,600**	**(188,324)**	**(9)**	**30,389**	**(157,944)**	**1,974,557**	**3,324,422**	**6,900,635**

(1) Including a positive impact of EUR 57,428 thousand under "Retained Earnings and Other Reserves" in relation to the dividends paid corresponding to treasury shares held at the time of distribution (EUR 28,014 thousand for the final dividend for 2015 and EUR 29,414 thousand for the 1st payment of the dividend for 2016).

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 2017 and 2016 is as follows:

	Share capital	Treasury shares	Total
At 1 January 2017	2,971,144	(1,211,544)	1,759,600
Net change in treasury shares	-	42,865	42,865
Increases/(Decreases)	-	-	-
At 31 December 2017	**2,971,144**	**(1,168,679)**	**1,802,465**

	Share capital	Treasury shares	Total
At 1 January 2016	2,829,661	(1,211,922)	1,617,739
Net change in treasury shares	-	378	378
Increases/(Decreases)	141,483	-	141,483
At 31 December 2016	**2,971,144**	**(1,211,544)**	**1,759,600**

i) Share capital

At 31 December 2017 (as at 2016 year-end), the share capital of **Abertis** consisted of 990,381,308 fully subscribed and paid ordinary shares, all of the same class and series, represented by book entries, of EUR 3 par value each.

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 2017 the Annual General Meeting of **Abertis** held on 3 April 2017 did not approve any capital increases through scrip issues; however, in 2016, on 12 April the Annual General Meeting of **Abertis** approved a capital increase through a scrip issue, with a charge to voluntary reserves, in the proportion of 1 new share for every 20 existing shares, amounting to EUR 141,483 thousand corresponding to 47,161,014 ordinary shares. Therefore, the changes in the number of shares of **Abertis** in 2017 and 2016 were as follows:

	Number of ordinary shares	
	2017	**2016**
At 1 January	990,381,308	943,220,294
Capital increase through scrip issue	-	47,161,014
At 31 December	**990,381,308**	**990,381,308**

All the shares of **Abertis** are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges, are traded on the Spanish Stock Market Interconnection System and are included in the IBEX-35 index.

The shares of **Abertis** are represented by book entries and, according to the information available, at 31 December 2017 and 2016 the shareholdings that had given rise to the appointment of proprietary directors were as follows:

	31 December 2017	**31 December 2016**
Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" (1)	21.55%	22.25%
Inmobiliaria Espacio, S.A.	-	4.24%
	21.55%	**26.49%**

(1) Per notifications sent to **Abertis** in December 2017 and December 2016:

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%) (2016 year-end: 15.08% through Criteria Caixa, S.A.U. and 7.17% through Inversiones Autopistas, S.A.).

In addition to the ownership interests indicated, per notifications issued by the Spanish National Securities Market Commission (CNMV), at 31 December 2017 and 2016 the following entities held significant ownership interests:

	31 December 2017 [*]	**31 December 2016** [*]
Blackrock, Inc. [1]	3.82%	3.02%
Davidson Kempner Capital Management LP [2]	3.32%	-
Lazard Asset Management LLC [3]	2.87%	3.54%
Capital Research and Management Company [3]	2.85%	12.07%
	12.86%	**18.63%**

[*] 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 31/12/2017.

[2] Per notification to the CNMV until the date of 31/12/2017. 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 31/12/2017.

In relation to these shareholdings, it should be note that being the Parent Company engaged in a public tender procedure for the acquisition of its shares (detailed below), all those shareholders whose percentage of voting rights reaches or exceeds 1% at 31 December 2017 are being identified as significant shareholders. All of this in accordance with what is established in section 6 of article 30 of Royal Decree 1362/2007, by which the Securities Market Law is developed, in relation to transparency requirements related to information on issuers whose securities are admitted to trading on an official secondary market or on another regulated market of the European Union.

In 2017, it should be noted that 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 holds 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.

Also, of particular note in 2016 were the sales made on 28 June and 3 October 2016 by Inmobiliaria Espacio, S.A. (through its investee OHL Emisiones, S.A.U.) via two private placements among qualified investors of 69,326,692 and 43,826,542 shares of Abertis Infraestructuras, S.A., representing 7.0% and 4.425%, respectively, of its share capital.

Also, it should be noted that 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 are described in the prospectus authorised by the Spanish National Securities Market Commission (CNMV) on 9 October 2017. Also, the period for accepting the tender offer was suspended on 18 October 2017, when the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer also for all the shares of Abertis Infraestructuras, S.A. At the date of authorisation for issue of these consolidated financial statements, this rival offer is awaiting authorisation by the CNMV and, therefore, the prospectus has not been published and is not known.

In relation to the aforementioned tender offers, it should be noted that:

- On the one hand, Atlantia is offering the possibility of choosing between three alternative types of consideration to the shareholders of **Abertis**: (i) a cash consideration consisting on the payment of EUR 16.50 per share of **Abertis**, (ii) a consideration in the form of special shares of Atlantia (nominal value of one euro per share) determined on the basis of a share exchange ratio of 0.697 special shares of Atlantia for every share of **Abertis** held by the shareholders that accept the offer and, (iii) a combination of (i) and (ii) alternatives. However, only the holders of a maximum of 230,000,000 shares of **Abertis** (23.22% of the total) may opt to receive the consideration in the form of special shares of Atlantia. Also, the effectiveness of Atlantia’s offer is 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 is making the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

In this regard, 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 and attractive from an industrial standpoint and believed that the amount of the cash consideration was reasonable based on an assessment of **Abertis'** fundamentals (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 margin for improvement in Atlantia's offer, as also evidenced by the positive performance from the time the offer was announced: (i) of the price of the shares of **Abertis** and (ii) the difference in the share exchange ratio relative to the cash consideration.

- Also, Hochtief has announced that, subject to approval from the CNMV, it will offer three alternative types to choose of consideration to the shareholders of **Abertis**: (i) a cash consideration would consist of a payment of EUR 18.76 per share of **Abertis**, (ii) a consideration in the form of shares that would consist of 0.1281 ordinary shares of Hochtief for each share of **Abertis** and, (iii) a combination of (i) and (ii) alternatives. In this case, only 193,530,179 shares of **Abertis** (19.54% of the total) will be able to opt for the shares of Hochtief, this being the maximum and minimum of acceptances in shares of Hochtief that Hochtief would permit. That is to say, if the shares of **Abertis** that opted for shares of Hochtief exceeded 193,530,179 there would be a proration and if there were fewer, Hochtief could withdraw its offer. Hochtief has announced that it will also make the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

It should be noted in this connection that the Board of Directors of **Abertis** must also draft a detailed and reasoned report on the tender offer of Hochtief explaining, among other things, its opinion regarding the pros and cons of the offer and the reasonableness of the price offered by Hochtief. **Abertis** must publish this report within ten calendar days from the date of commencement of the tender offer acceptance period.

ii) Treasury shares

Using the powers granted by the shareholders at the Annual General Meeting, in 2017 **Abertis** delivered certain treasury shares to employees (as it did in 2016).

As a result of the transactions carried out, the treasury shares held at 31 December 2017 represented 7.96% of the share capital of Abertis Infraestructuras, S.A. (8.25% at 2016 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 2017 and 2016 were as follows:

	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 in relation to 2016 dividend with a charge to voluntary reserves	(2,865,558)	(8,596)	(42,490)
At 31 December 2017	**78,815,937**	**236,448**	**1,168,679**

	Number	Par value	Acquisition cost / Sales proceeds
At 1 January 2016	77,840,233	233,521	1,211,922
Capital increase through scrip issue [1]	3,890,798	11,672	-
Shares sold / shares delivered / other	(24,256)	(73)	(378)
At 31 December 2016	**81,706,775**	**245,120**	**1,211,544**

[1] Capital increase through scrip issue with a charge to reserves in the proportion of 1 new share for every 20 existing shares approved by the shareholders at the Annual General Meeting held on 12 April 2016.

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 Company 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.

Lastly, it should be noted that at 2016 year-end, the Group held call options on 1,882,501 treasury shares representing 0.19% of the share capital of Abertis Infraestructuras, S.A., which in 2017 were sold with a positive impact before tax of EUR 8,792 thousand, recognised under "Changes in Fair Value of Financial Instruments" in the consolidated statement of profit or loss for the year (see Note 21-d).

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

These relate to the unrealised gains or losses that arise from changes in the fair value of the financial assets classified as available for sale and, as in 2016, relate to changes in the fair value of various financial investments held by the **A4** subgroup (see Note 10).

iii) Translation differences

The detail of "Translation Differences" at 31 December 2017 and 2016 is as follows:

	31 December 2017	**31 December 2016**
Invin subgroup/Abertis Chile (*) (Chilean peso)	86,356	149,876
Metropistas (US dollar)	16,317	39,877
APR (US dollar)	(13,244)	(17,967)
Arteris subgroup (Brazilian real)	(233,642)	(121,529)
TTPL/JEPL (Indian rupee)	(8,260)	-
Other subsidiaries	(26,803)	(11,865)
Group	(179,276)	38,392
Coviandes (Colombian peso)	(4,481)	(3,895)
Other associates	(5,536)	(4,108)
Associates and joint ventures	(10,017)	(8,003)
	(189,293)	**30,389**

(*) Relating mainly to the translation differences of **Autopista Central** (EUR 81,055 thousand at 31 December 2017 and EUR 138,039 thousand at 31 December 2016).

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. The changes in the translation differences in 2016, in addition to the impact of the obtainment of control of **Autopista Central**, were due mainly to the appreciation at year end 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 2017 and 2016 is as follows:

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 2nd of the dividend for 2016 and EUR 31,517 thousand for the 1st payment of the dividend for 2017).

31 December 2016

	1 January 2016	Actuarial gains and losses	Distribution of profit	Profit	1st payment of 2016 dividend	Treasury shares	Capital increase/ reduction and changes in the scope of consolidation [1]	Other [2]	31 December 2016
Legal reserve	538,983	-	26,949	-	-	-	-	-	565,932
Retained earnings (excluding profit) and other reserves	(240,948)	(4,700)	1,202,141	-	(219,723)	(29)	(33,867)	46,989	749,863
Profit	1,879,912	-	(1,879,912)	795,576	-	-	-	-	795,576
Interim dividend	(311,263)	-	311,263	-	(136,814)	-	-	-	(136,814)
	1,866,684	**(4,700)**	**(339,559)**	**795,576**	**(356,537)**	**(29)**	**(33,867)**	**46,989**	**1,974,557**

(1) Including EUR -141,483 thousand due to the impact of the capital increase through a scrip issue with a charge to voluntary reserves approved at the Annual General Meeting held on 12 April 2016 and EUR 107,616 thousand due to changes in the scope of consolidation which relate, on the one hand, to the acquisition of non-controlling interests in **Arteris** (EUR 30,157 thousand) and, on the other, to the impact of the inclusion of Abu Dhabi Investment Authority (Adia) in the business that **Abertis** has in Chile, with a non-controlling ownership interest equal to 20% of the dividend rights (EUR 77,459 thousand).

(2) Including EUR 57,428 thousand in relation to the dividends paid corresponding to treasury shares held at the time of distribution (EUR 28,014 thousand for the final dividend for 2015 and EUR 29,414 thousand for the 1st payment of the dividend for 2016).

On 3 April 2017, the Annual General Meeting of **Abertis** approved the payment of a dividend out of voluntary reserves of EUR 0.37 gross per share of Abertis Infraestructuras, S.A., representing a total amount of EUR 366,441 thousand (31 December 2016: EUR 339,559 thousand relating to a final dividend for 2015 of EUR 0.36 gross per share). In this regard, as detailed in Note 14-a.ii, the aforementioned Annual General Meeting 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 dividend for 2016 totalled EUR 0.73 gross per share, representing EUR 723 million (EUR 651 million relating to the distribution of a dividend of EUR 0.69 gross per share out of the profit for 2015).

The detail of the dividends paid in 2016 and 2015 is as follows:

	2016		**2015**	
Dividends	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment	0.14	136,814	0.33	311,263
2nd payment	-	-	0.36	339,559
With a charge to profit	0.14	136,814	0.69	650,822
1st payment	0.22	219,723	-	-
2nd payment	0.37	366,441	-	-
With a charge to unrestricted reserves	0.59	586,164	-	-
1st payment	**0.36**	**356,537**	**0.33**	**311,263**
2nd payment	**0.37**	**366,441**	**0.36**	**339,559**
Total dividend	**0.73**	**722,978**	**0.69**	**650,822**

i) Legal reserve of the Parent Company

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.

Except as mentioned above, 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.

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

In addition to the recognition of the dividend paid in the year, as shown above, 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** described in Note 2-h and in section d) of this Note, amounting to EUR -1,275,335 thousand (of which EUR 17,986 thousand relate to valuation adjustments relating to hedges) and EUR 122,442 miles 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** (see Note 5), 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 (see Note 20.ii).
- 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.

The most significant changes in this line item in 2016 were as follows:

- The impact recognised in equity as a result of the transactions carried out with non-controlling interests in the **Arteris** subgroup and **Invin** amounting to EUR 30,157 thousand and EUR 77,459 thousand, respectively.
- The positive impact on reserves of EUR 57,428 thousand of the dividend paid relating to treasury shares.
- The negative impact of EUR -29 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
Sanef (1)/(4)	307,329	(34,866)	272,463
Acesa	283,353	-	283,353
Aumar	135,937	-	135,937
Sapn (4)	111,383	(12,546)	98,837
Invicat	61,989	-	61,989
Aucat	50,805	-	50,805
Iberpistas	40,993	-	40,993
Rutas del Pacífico (3)	39,801	(7,960)	31,841
Autostrada Br-Vr-Vi-Pd	29,622	(6,988)	22,634
Intervias	24,597	(14,017)	10,580
Ausol	23,623	(16,161)	7,462
GCO	21,106	(10,849)	10,257
Centrovías	20,070	(11,450)	8,620
Elqui (3)	20,050	(4,010)	16,040
Avasa	19,391	-	19,391
Autovías	14,386	(8,223)	6,163
Autopista del Sol (3)	12,970	(2,594)	10,376
Serenissima Partecipazioni	12,397	(2,004)	10,393
Vianorte	12,012	(6,798)	5,214
Abertis Telecom Satélites	8,668	-	8,668
APR	8,660	-	8,660
Túnels de Barcelona i del Cadí	8,487	(4,243)	4,244
Emovis Operations Leeds	6,760	-	6,760
Bip&Go (4)	5,928	(564)	5,364
Emovis Operations Mersey Ltd.	5,671	-	5,671
A4 Mobility	3,321	(791)	2,530
Abertis Autopistas España	3,451	-	3,451
Abertis Autopistas Chile III (3)	2,201	(440)	1,761
Emovis Operations Ireland	2,126	-	2,126
Autopista Los Andes (3)	2,112	(422)	1,690
Régis Bittencourt	1,704	(954)	750
Emovis Technologies Ireland	1,549	-	1,549
Abertis Motorway UK Ltd.	1,288	-	1,288
Operadora del Pacífico (3)	929	(186)	743
Serenissima Trading	906	(223)	683
Gesa (3)	827	(165)	662
Emovis Technologies Caribe	533	-	533
SE BPNL SAS (4)	519	22	541
Emovis Technologies Croatia	495	-	495
Partícipes en Brasil II	428	(209)	219
Abertis Finance	347	-	347

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Emovis Technologies BC	331	-	331
Operadora Sol [3]	235	(47)	188
Sanef Aquitane [4]	230	(69)	161
Emovis Tag UK	180	-	180
Operadora Los Andes [3]	51	(10)	41
Invin [3]	44	(9)	35
Santoll	18	-	18
Softher [5]	16	(3)	13
Leonord Explotation SAS [4]	14	8	22
SPI	14	(7)	7
Abertis USA	6	-	6
HIT 2	(2)	-	(2)
Eurotoll	(4)	(46)	(50)
Abertis Mobility Services	(5)	-	(5)
Abertis APDC	(5)	-	(5)
Multilink Friuti [5]	(9)	2	(7)
Eurotoll Central Europe [4]	(11)	(7)	(18)
Abertis Chile	(25)	5	(20)
PDC	(26)	13	(13)
TBI Limited	(75)	4	(71)
Central Korbana Sweden Holdings [3]	(108)	22	(86)
Acufon	(114)	19	(95)
Technologie Emovis Quebec	(124)	-	(124)
Emovis Technologies UK	(182)	-	(182)
Abertis India Toll Road Services	(242)	-	(242)
Operadora Los Libertadores [3]	(293)	59	(234)
Emovis Technologies Chile	(326)	-	(326)
Central Korbana Chile [3]	(626)	125	(501)
Abertis Italia	(627)	-	(627)
Arteris Participações	(724)	491	(233)
Latina Manuntenção de Rodovias	(814)	476	(338)
JEPL [2]	(1,452)	378	(1,074)
Partícipes en Brasil	(1,641)	804	(837)
Aulesa	(1,743)	-	(1,743)
A4 Holding	(2,014)	481	(1,533)
Central Korbana Sweden AB [3]	(2,131)	426	(1,705)
Arteris Via Paulista [2]	(2,319)	1,346	(973)
Abertis India [2]	(2,472)	-	(2,472)
Infracom Italia [5]	(2,922)	624	(2,298)
Emovis	(3,586)	-	(3,586)
Castellana	(3,832)	-	(3,832)
Emovis Technologies US	(4,908)	-	(4,908)
Autopista Los Libertadores [3]	(4,993)	999	(3,994)
Autopista Central [3]	(5,696)	1,139	(4,557)
Societat d'Autopistes Catalanes	(5,781)	-	(5,781)
TTPL [2]	(6,232)	-	(6,232)
Metropistas	(6,717)	3,291	(3,426)
Litoral Sul	(6,768)	3,842	(2,926)

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Fernão Dias	(7,045)	3,989	(3,056)
Abertis Internacional	(12,947)	-	(12,947)
Arteris	(13,408)	8,261	(5,147)
Planalto Sul	(13,854)	7,892	(5,962)
Fluminense	(18,317)	10,497	(7,820)
Abertis Autopistas Chile [(3)]	(21,559)	4,312	(17,247)
Central Korbana [(3)]	(54,208)	10,842	(43,366)
HIT [(4)]	(48,399)	9,495	(38,904)
Abertis	(143,016)	-	(143,016)
Group profit attributable to subsidiaries from continuing operations	**907,561**	**(76,997)**	**830,564**
Group profit from discontinued operations	72,318	(24,565)	47,753
Group profit attributable to subsidiaries	**979,879**	**(101,562)**	**878,317**

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

(2) The profits of **TTPL** and **JEPL** have been included in Group profit since control of these companies was obtained in March 2017 (see Note 2-h). In the case of **Arteris Via Paulista** the profit is that earned since its incorporation in July 2017.

(3) 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.

(4) In the case of the companies in the **Hit** subgroup, the profit or loss generated up to their acquisition is included as profit or loss attributable to non-controlling interests (see Note 2-h)

(5) In the case of **Infracom** (and its investees) the profit or loss generated up to its disposal in July 2017 is included in Group profit.

Associates and joint ventures	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Cellnex Telecom	5,082	-	5,082
Autema	2,846	-	2,846
A'lienor	2,651	-	2,651
RMG	1,279	-	1,279
Coninvial	602	-	602
Routalis	328	-	328
Bip&Drive	(207)	-	(207)
Coviandes	(1,131)	-	(1,131)
Profit of associates	11,450	-	11,450
Trados 45	7,251	-	7,251
Areamed	437	-	437
Tc-Flow	(42)	-	(42)
Profit of joint ventures	7,646	-	7,646
Profit of associates and joint ventures from continuing operations	**19,096**	**-**	**19,096**
Profit of associates from discontinued operations	-	-	-
Profit of associates and joint ventures	**19,096**	**-**	**19,096**
Profit for the year from continuing operations	**926,657**	**(76,997)**	**849,660**
Profit for the year from discontinued operations	72,318	(24,565)	47,753
Profit for the year	**998,975**	**(101,562)**	**897,413**

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 2017	31 December 2016
Partícipes en Brasil, S.A. (**Partícipes**)	Toll roads	Brazil	51.00%	1,088,624	925,102
Hispasat, S.A. (**Hispasat**) [(3)]	Satellites	Spain	57.05%	506,728	493,320
A4 Holding, S.p.A. (**A4**)	Toll roads	Italy	83.56%	156,549	452,289
Inversora de Infraestructuras, S.L. (**Invin**) [(1)]	Toll roads	Spain	71.84%	219,794	251,057
Autopistas Metropolitanas Llc. (**Metropistas**)	Toll roads	P. Rico	51.00%	163,926	186,022
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	Toll roads	Spain	50.01%	90,265	95,560
Jadcherla Expressways Private Limited (**Jepl**)	Toll roads	India	74.00%	10,276	-
Grupo Concesionario del Oeste, S.A. (**Gco**) [(2)]	Toll roads	Argentina	48.60%	8,148	6,266
Infraestructuras Dos Mil, S.A. (**I2000**) [(1)]	Toll roads	Chile	80.53%	-	333
Autopista del Sol, S.A. (**Ausol**) [(2)]	Toll roads	Argentina	31.59%	3,230	10,866
Holding d'Infrastructures de Transport S.A.S (**Hit**)	Toll roads	France	100.00%	275	901,401
Holding d'Infrastructures de Transport 2 S.A.S (**Hit 2**)	Toll roads	France	100.00%	-	2,268
Airport Concession & Development Ltd. (**Acdl**) [(3)]	Airports	UK	-	-	(62)
				2,247,815	**3,324,422**

(1) Following the merger of **Invin** and **IA** (see Note 2-h), in the case of **Invin**, the percentage of direct ownership fell from 77.51% to 71.84% and, in the case of **I2000**, it dropped from 84.45% to 80.53%, although the effective percentage of ownership held for the purposes of the consolidated financial statements did not change.

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

(3) In 2017, in the case of **Hispasat**, a company/subgroup associated with the satellite telecommunications business that was discontinued in 2017 (see Notes 1 and 6). In 2016 in the case of **Acdl**, a Company/subgroup associated with the airport operating segment that was discontinued in prior years.

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 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**
Income	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 (see Notes 1 and 6).

31 December 2016

	Hit	A4 (*)	Partícipes	Hispasat	Invin	Túnels	Metropistas
Non-current assets	8,226,160	1,336,179	3,054,643	1,170,111	3,851,712	356,910	1,150,248
Current assets	965,051	399,761	279,355	101,618	1,044,145	19,111	34,632
ASSETS	9,191,211	1,735,940	3,333,998	1,271,729	4,895,857	376,021	1,184,880
Non-current liabilities	6,469,549	967,055	1,230,983	377,185	3,083,894	323,396	757,706
Current liabilities	824,226	189,605	767,317	165,304	323,432	4,335	44,244
LIABILITIES	7,293,775	1,156,660	1,998,300	542,489	3,407,326	327,731	801,950
NET ASSETS	**1,897,436**	**579,280**	**1,335,698**	**729,240**	**1,488,531**	**48,290**	**382,930**
Income	1,658,783	448,931	718,227	228,864	462,100	57,925	110,642
Expenses	(546,673)	(238,222)	(354,926)	(53,216)	(113,564)	(14,349)	(36,248)
Gross profit from operations	**1,112,110**	**210,709**	**363,301**	**175,648**	**348,536**	**43,576**	**74,394**
Profit attributable to shareholders of the Parent	**386,213**	**12,347**	**51,345**	**26,646**	**222,932**	**11,802**	**(9,671)**
Operating activities	910,670	157,006	277,044	125,880	262,470	31,917	34,317
Investing activities	(188,313)	(37,816)	(499,256)	(175,811)	(864,904)	(19,227)	(114,610)
Financing activities	(307,862)	(21,767)	221,970	5,231	1,072,207	(17,179)	81,472
CASH FLOWS	**414,495**	**97,423**	**(242)**	**(44,700)**	**469,773**	**(4,489)**	**1,179**

(*) Company over which control was obtained in September 2016; hence, only four months of the aggregates of its income and cash flows was included in the consolidated statement of profit or loss and the consolidated statement of cash flows for 2016, respectively.

Also, at 31 December 2017 and 2016 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:

	2017		2016	
	Non-controlling shareholder(s)	**%**	**Non-controlling shareholder(s)**	**%**
Partícipes en Brasil, S.A. (**Partícipes**)	Brookfield Brazil Motorways Holding, S.L.	49.00%	Brookfield Asset Management, Inc.	49.00%
Hispasat, S.A. (**Hispasat**)	Eutelsat	33.69%	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]	22.49%
Holding d'Infrastructures de Transport S.A.S (**Hit**)		-	CDC Infrastructure	10.00%
		-	Predica	12.42%

[1] Although in share ownership terms Abu Dhabi Investment Authority (Adia) holds a stake of 28.16% in Invin (2016: 22.49%), its ownership interest in the two years is equal to 20% of the dividend rights of Abertis's business in Chile.

The most noteworthy changes in 2017 were as follows:

Dividends

The detail of "2016 Final Dividend" for a total amount of EUR 37,086 thousand and of "2017 Interim Dividend" for a total amount of EUR 16,611 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	
	2017	**2016**	**2017**	**2016**
Autopista del Sol, S.A. (**Ausol**)	14,970	-	9,004	-
Partícipes en Brasil, S.A. (**Partícipes**)	-	2,845	2,767	2,308
A4 Holding, S.p.A. (**A4**)	8,220	2,430	-	-
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	6,018	6,407	4,840	2,180
Hispasat, S.A. (**Hispasat**)	2,159	5,380	-	-
Holding d'Infrastructures de Transport S.A.S (**Hit**)	119	78,131	-	-
Other non-controlling interests	5,600	4,208	-	-
	37,086	**99,401**	**16,611**	**4,488**

Reimbursement of shareholder contributions

The detail of “Reimbursement of Shareholder Contributions”, totalling EUR 3,939 thousand and relating to the payments made in this connection to the rest of the respective shareholders, is as follows:

	Reimbursement of shareholder contributions	
	2017	**2016**
Holding d’Infrastructures de Transport S.A.S (**Hit**) [(1)]	-	16,779
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**) [(1)]	3,939	-
Other non-controlling interests [(2)]	-	4,246
	3,939	**21,025**

(1) At the end of December 2017, due to the reimbursement of the share capital in the case of Metropistas (in December 2016 due to the reimbursement of the share premium in the case of **Hit**).

(2) Corresponding to the reimbursement of contributions of ACDL.

Capital increases

The detail of "Capital Increases" totalling EUR 325,590 thousand corresponding to the contribution subscribed in this connection by the non-controlling interest is as follows:

	Capital increases	
	2017	**2016**
Partícipes en Brasil S.A. (**Partícipes**) [(1)]	182,564	300,958
Arteris, S.A. (**Arteris**) [(2)]	136,585	52,748
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**) [(3)]	6,441	43,544
Other non-controlling interests [(4)]	-	2,378
	325,590	**399,628**

(1) Corresponding to 49.00% of the capital increase subscribed by Brookfield.

(2) Corresponding to 14.94% of the capital increase subscribed by Brookfield Aylesbury (2016: 15.42%).

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

(4) In 2016 corresponding to 47.45% of the capital increase at Holding d’Infrastructures de Transport 2, S.A.S. (**Hit 2**).

Changes in the scope of consolidation and other

"Changes in the Scope of Consolidation and Other", totalling EUR -1,234,610 thousand, relates to the impact of the following:

		Changes in the scope of consolidation and other	
		2017	**2016**
Acquisition of an additional 47.5% of Holding d'Infrastructures de Transport S.A.S (**Hit**)	i.	(939,050)	-
Acquisition of an additional 32.16% of A4 Holding, S.p.A. (**A4**)	ii.	(301,519)	-
Acquisition of 74% of Jadcherla Expressways Private Ltd. (**Jepl**) (Notes 5 and 20.ii)	iii.	14,692	-
Acquisition of an additional 15.21% of Arteris, S.A. (**Arteris**)		-	(122,784)
Acquisition of 51.4% of A4 Holding, S.p.A. (**A4**)		-	450,445
Inclusion of Adia in the share capital of Inversora de Infraestructuras, S.L. (22.49% of **Invin**)		-	239,033
Other [1]		(14,311)	-
		(1,240,188)	**566,694**

[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 derecognition of non-controlling interests relating to the **Infracom** subgroup sold in July.

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

As indicated in Note 2-h, 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 was derecognised.

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 on "Reserves - Valuation Adjustments Relating to Hedges").

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

As indicated in Note 2-h, in 2017 **Abertis**, through various purchase transactions, acquired 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). This company 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 (see Note 5.i).

Also, “Changes in the Scope of Consolidation and Other” in 2016 related mainly to the impact of the following:

i) Acquisition of an additional 15.21% of the share capital of **Arteris**.

In relation to the non-controlling interest of the **Arteris** subgroup (controlled through the subsidiary Partícipes en Brasil, S.A., **Partícipes**), as detailed in Note 8.iv to the consolidated financial statements for 2015, it should be noted that on 1 May 2015 **Abertis** announced its intention to launch (through **Partícipes**) a tender offer for all the shares of **Arteris**, offering a price per share of BRL 10.15 (not significantly different from the net asset value at 2015 year-end).

In this respect, on 17 May 2016, the aforementioned tender offer for all the shares of Arteris, S.A. (**Arteris**) was completed with an acceptance level of 96%; this gave rise to the acquisition by Partícipes en Brasil II, S.L., a company wholly-owned by Partícipes en Brasil, S.A. (**Partícipes**), of 52,380,129 shares of **Arteris**, representing 15.21% of its share capital at a final price of BRL 10.06 per share. This gave rise to a payment of BRL 526,944 thousand (approximately EUR 68 million) by **Abertis**, which had a 51% ownership interest in **Partícipes**). With this and other less significant transactions, **Partícipes** came to own, directly and indirectly, 85.06% of **Arteris** (its ownership interest until then had been 69.26%), which led to a reduction of EUR 122,784 thousand in the non-controlling interest.

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 **Arteris** subgroup, it gave rise to the recognition of a negative impact of EUR -3,336 thousand on reserves attributable to shareholders of the Parent (EUR -33,493 thousand relating to translation differences with an impact on "Reserves" in the consolidated balance sheet, and a positive impact of EUR 30,157 thousand on “Retained Earnings and Other Reserves” in the consolidated balance sheet).

ii) Acquisition with obtainment of control over **A4** as a result of the acquisition of 51.40% of its share capital.

In September 2016 **Abertis** acquired a direct ownership interest of 51.40% of the share capital of **A4** (thereby becoming the majority and controlling shareholder). The **A4** subgroup started to be fully consolidated on 1 September 2016, which at the date of acquisition gave rise to the recognition of a non-controlling interest of EUR 450,445 thousand.

iii) Inclusion of Adia in the shareholder structure of Inversora de Infraestructuras, S.L. (**Invin**) with an ownership interest of 22.49%.

In October 2016 the inclusion of Abu Dhabi Investment Authority (Adia), for a total of EUR 519 million, in **Abertis**'s business in Chile with a non-controlling interest equal to a 20% share of the dividend rights thereof, was completed. The aforementioned transaction was instrumented through a capital increase at the consolidated company Inversora de Infraestructuras, S.L. (**Invin**), subscribed in full by Adia, as a result of which it came to own 22.49% of its share capital. This gave rise to the recognition of a non-controlling interest of EUR 239,033 thousand (EUR 167,209 thousand in respect of the recognition of the reserves attributable thereto and EUR 71,824 thousand in relation to the aforementioned capital increase subscribed by Adia attributable to the non-controlling interest).

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 **Invin** subgroup, it gave rise to the recognition of a positive impact of EUR 64,951 thousand on reserves attributable to shareholders of the Parent (EUR -12,508 thousand relating to translation differences with an impact on "Reserves" in the consolidated balance sheet, and a positive impact of EUR 77,459 thousand on “Retained Earnings and Other Reserves” in the consolidated balance sheet).

e) Interim dividend and dividend proposal

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.

In 2017 a 1st interim dividend for 2017 of EUR 396,153 thousand was paid, equal to EUR 0.40 gross per share of Abertis Infraestructuras, S.A. (2016 year-end: EUR 356,537 thousand, also representing EUR 0.36 gross per share). EUR 206,313 thousand of this dividend were charged to profit for 2017 and EUR 189,840 thousand were charged to unrestricted voluntary reserves.

The provisional accounting statement prepared by Abertis Infraestructuras, S.A., in accordance with legal requirements, evidencing sufficient profit in the period and sufficient liquidity for the distribution of this interim dividend out of the profit for 2017, was as follows:

Provisional accounting statement of Abertis Infraestructuras, S.A. prepared on 30 September 2017 for the distribution of the interim dividend

Net profit for the period from 1 January to 30 September 2017	218,683
To be deducted:	
Legal reserve	(12,370)
Maximum amount for possible distribution	206,313
Amount proposed and distributed	206,313
Available liquidity before payment (*)	2,872,461
Gross amount of the interim dividend	(206,313)
Available liquidity after payment	2,666,148

(*) Including cash and the undrawn balance of credit lines with banks.

Also, in relation to the dividend for 2017 paid with a charge to unrestricted voluntary reserves, it was verified, in accordance with current legislation, that the equity of Abertis Infraestructuras, S.A. after the distribution of reserves exceeds its share capital per the following balance sheet:

Balance sheet of Abertis Infraestructuras, S.A. prepared on 30 September 2017 for the distribution of the interim dividend with a charge to unrestricted voluntary reserves

Millions of euros			
Property, plant and equipment	14	Share capital	2,971
Intangible assets	2	Reserves	3,403
Non-current financial assets	12,580	Profit for the year	219
		Treasury shares	(1,169)
		Equity	**5,424**
Non-current assets	**12,596**	**Non-current liabilities**	**7,454**
Current assets	**671**	**Current liabilities**	**389**
Assets	**13,267**	**Equity and liabilities**	**13,267**

Also, the directors of Abertis Infraestructuras, S.A. will submit for approval by the shareholders at the Annual General Meeting the following distribution of the 2017 profit of **Abertis**:

Basis of distribution (Profit)	**274,897**
Distribution:	
Dividends (*)	206,313
To legal reserve	12,370
To voluntary reserves	56,214
	274,897

(*) Corresponding to the distribution of the aforementioned interim dividend.

Also, the directors of Abertis Infraestructuras, S.A. will submit for approval by the shareholders at the Annual General meeting the distribution of a second and final dividend for 2017 with a charge to unrestricted voluntary reserves amounting to EUR 396,152 miles thousand, equal to EUR 0.40 gross per share of Abertis Infraestructuras, S.A.

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

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

If on the 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.

If on the date of the proposed distribution of the second and final dividend for 2017 (EUR 396,152 thousand) the same number of treasury shares were held as at the end of 2017 (78,815,937 treasury shares, see Note 14-a.ii), the amount charged to voluntary reserves would be EUR 31,527 thousand. Considering the EUR 31,526 thousand already charged to voluntary reserves in 2017 for the 1st payment of the dividend for 2017 already distributed (included in the EUR 61,748 thousand indicated in Note 14-c.ii), the total charged to voluntary reserves in this connection corresponding to the dividend paid out of 2017 profit would be EUR 63,053 thousand.

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.

	2017			2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net profit attributable to the shareholders of the Parent (Note 14-c.iii)	849,660	47,753	897,413	792,366	3,210	795,576
Weighted average number of ordinary shares outstanding (thousands)	910,672	910,672	910,672	908,668	908,668	908,668
Basic earnings per share (euros per share)	0.933	0.052	0.985	0.872	0.004	0.876
Diluted earnings per share (euros per share)	0.933	0.052	0.985	0.872	0.004	0.876

The slight increase in the weighted average number of ordinary shares outstanding in 2017 was due to the impact of the reduction in the average number of treasury shares, associated mainly with the collection of a portion of the dividend of EUR 0.37 gross per share with a charge to voluntary reserves approved on 3 April 2017 by **Abertis**'s Annual General Meeting (see Note 14-a.ii).

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 2017 (as in 2016) **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.

15. BOND ISSUES AND BANK BORROWINGS

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

	31 December 2017			31 December 2016		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans	5,454,794	643,897	6,098,691	4,417,239	586,794	5,004,033
Bond issues and other loans	10,762,267	963,668	11,725,935	10,793,162	1,108,664	11,901,826
	16,217,061	1,607,565	17,824,626	15,210,401	1,695,458	16,905,859
Payables to companies accounted for using the equity method	8,437	1,635	10,072	8,859	2,190	11,049
Interest on loans and bonds	-	199,629	199,629	-	257,585	257,585
Other bank borrowings	490,940	-	490,940	473,881	-	473,881
Bond issues and bank borrowings	**16,716,438**	**1,808,829**	**18,525,267**	**15,693,141**	**1,955,233**	**17,648,374**

Given the Group's cash position indicated in Note 13, in 2017 **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 liabilities) by EUR 989,795 thousand to EUR 15,366,525 thousand.

The increase in 2017 in the Group's net borrowings was due mainly to:

- The impact of the acquisition of an additional 47.45% of **Hit** for EUR 2,214,385 thousand.
- The impact of the acquisition of an additional 32.16% of **A4** for EUR 179,080 thousand.
- The impact of the acquisition of Trichy Tollway Private Limited (**TTPL**) and of Jadcherla Expressways Private Limited (**JEPL**) for an aggregate amount of EUR 133,070 thousand. These companies were fully consolidated in 2017 (see Note 2-h), with the concomitant inclusion of their “Bond Issues and Bank Borrowings” (and the related cash), representing, at the date on which control was obtained, net borrowings of EUR 78,845 thousand.
- The impact of the award of the 30-year Rodovias dos Calçados concession (**Via Paulista**), for BRL 1,516 million (approximately EUR 396 million).
- The effect of the investments (in operations and for expansion purposes) made in the year amounting to EUR 804 million.
- The payment of dividends in the year was as follows:
    - EUR 396,153 thousand relating to the first payment of the dividend for 2017, from which EUR 31,517 thousand, corresponding to the dividend associated with treasury shares, must be deducted (see Note 14-c).
    - EUR 366,441 thousand relating to the second payment of the dividend for 2016, from which must be deducted, on the one hand, EUR 30,231 thousand relating to the dividend associated with treasury shares, see Note 14-c, and on the other hand, EUR 42,490 thousand relating to the dividend paid through the delivery of treasury shares to the shareholders which chose this option, see Note 14-a.ii.

These effects were partially offset by, apart from the cash generated by the Group:

- The exchange rate effect at 31 December 2017, due mainly to the depreciation of the Brazilian real, the Chilean peso and the US dollar at the reporting date, which reduced the Group's net borrowings by EUR 311,184 thousand.
- The collection of income tax for 2015 amounting to EUR 321,274 thousand (2016: EUR 84,531 thousand) (see Note 12.iv).
- The collection of EUR 100,578 thousand associated, as described in Note 2-h to the consolidated financial statements for 2016, with the disbursements still to be made in relation to the inclusion in 2016 of a non-controlling shareholder in the operations of Abertis in Chile with an ownership interest equal to 20% of the voting power of the Chilean company.
- The impact of the sale of Infracom in July 2017 for EUR 57,750 thousand, which also resulted in net borrowings of EUR 66,685 thousand no longer being consolidated.
- The impact of the discontinuation of the satellite telecommunications business, which gave rise to the recognition of net borrowings of EUR 350 million under "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" in the consolidated balance sheet.

Various financing transactions carried out during the year provided new funds for the Group, for a net amount of EUR 3,966,730 thousand (2016: EUR 2,307,059 thousand, EUR 2,246,338 thousand disregarding the funds associated with the satellite telecommunications business which was discontinued in 2017), aimed at allowing it to service part of the debt maturing in 2017, with debt totalling EUR 2,388,697 thousand being serviced and refinanced (2016: EUR 2,100,496 thousand, EUR 2,057,842 thousand disregarding the funds associated with the satellite telecommunications operating segment which was discontinued in 2017), increase its liquidity and improve its debt maturity and cost profile, thereby strengthening its financial position. The transactions 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 commercial paper 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 2017 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 IPCA +5.09%
Autovías	100	25	September 2018	12m CDI +1.40%
Centrovías	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 21-d).

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 (2016: EUR 950 million). Accordingly, the volume of the credit facilities of Abertis Infraestructuras, S.A. at the end of 2017 and 2016 was as follows (see Note 15.i-a):

Millions of euros	**31 December 2017**		**31 December 2016**	
	Total	Amount drawn down	Total	Amount drawn down
Credit facilities of Abertis Infraestructuras, S.A.	2,600	-	2,500	-
Maturing within one year	-		50	
Maturing at more than one year	2,600		2,450	
Average maturity period (years)	2.3		2.9	

Lastly, it should be noted that on 2 January 2018 **Rutas del Pacífico** repurchased in full the outstanding balance (CPL 139,448 million, approximately EUR 190 million at 2017 year-end) of bonds issued by it in previous years, amounting to CPL 305,376 million (approximately EUR 415 million at 2017 year-end), maturing in December 2024 and with an annual coupon rate of UF +5.8%.

On the other side, 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:

	01/01/17	Cash flows	Changes in the scope of consolidation	Exchange rate	Transfers to liabilities held for sale	Other	31/12/17
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 2016 included most notably the following:

- The issue of bonds by **Abertis Infraestructuras, S.A.** amounting to EUR 1,150 million, maturing in May 2026 (ten years) and with a coupon rate of 1.375%, in order to refinance scheduled short-term maturities, as was the case with EUR 550 million that matured in October 2016 with a coupon rate of 4.625%.
- In November 2016 **Abertis Infraestructuras, S.A.** carried out a bond issue of EUR 500 million maturing at more than ten years (February 2027) and with a coupon rate of 1.00%. This amount was used to repurchase bonds issued in previous years by Abertis Infraestructuras, S.A. itself amounting to EUR 435 million, maturing in October 2019 and March 2020, and with annual coupon rates of 4.75% and 4.375%, respectively.
- **Sanef** carried out a public bond issue of EUR 300 million maturing at twelve years (October 2028) and with a coupon rate of 0.95% to make payments of various scheduled short-term maturities of debt payable to the Caisse Nationale des Autoroutes (CNA), specifically, EUR 56 million maturing in November 2016 at an average cost of 5.12%, and EUR 13.5 million maturing in September 2016 at an average cost of 5.48%.

- **Arteris** arranged two loans of USD 50 million (approximately EUR 90 million at the arrangement date) maturing in the same year, one of which has been renewed and had a value of approximately EUR 48 million at 31 December 2016.

  In addition, **Arteris** arranged a loan of BRL 119 million (approximately EUR 35 million at 31 December 2016) maturing in June 2017 and at a cost of 14.9%.
- The issue by **Fernão Dias** of a bond of BRL 65 million (approximately EUR 19 million at 31 December 2016) maturing in December 2025 and with a coupon rate of 15.05%.
- Autopista del Sol, S.A. (**Sol**, an **Abertis** concession operator in Chile) repurchased a bond issue of CLP 27,000 million (approximately EUR 40 million at the date of the transaction), maturing in 2018 and with an annual coupon rate of 5.482%.
- The drawdown by **Hispasat** of EUR 56 million against undrawn loans arranged in prior years maturing in December 2026.

It should be noted in connection with the transactions to repurchase the aforementioned bonds of Abertis Infraestructuras, S.A. and **Sol** that the bond redemption costs amounted to EUR 63 million and EUR 1 million, respectively.

Also, the Parent took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating in 2016 credit facilities amounting to EUR 950 million. Thus, the total and drawable volume of credit facilities at 31 December 2016 was EUR 2,500 million, of which EUR 50 million relate to credit facilities maturing at one year and EUR 2,450 million to facilities maturing at more than one year, with an average overall maturity period of 2.9 years.

i) Bank loans, bonds and other loans

The breakdown of the gross debt 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 2017			31 December 2016		
	Loans	Bonds	Total	Loans	Bonds	Total
Abertis [1]	2,180,733	4,822,080	7,002,813	51,143	5,629,736	5,680,879
Spain	529,362	-	529,362	567,150	-	567,150
France	1,692,356	4,616,679	6,309,035	1,935,288	3,762,376	5,697,664
Italy	87,374	404,398	491,772	219,271	592,962	812,233
Brazil	793,924	703,592	1,497,516	981,501	465,152	1,446,653
Chile	511,300	706,525	1,217,825	562,848	921,396	1,484,244
Puerto Rico	259,148	436,385	695,533	299,150	530,204	829,354
Argentina	-	-	-	-	-	-
Other [2]	44,494	36,276	80,770	387,682	-	387,682
Total	**6,098,691**	**11,725,935**	**17,824,626**	**5,004,033**	**11,901,826**	**16,905,859**

(1) Including at 31 December 2017 EUR 210,920 thousand corresponding to Abertis Infraestructuras Finance B.V., relating in full to bonds (2016 year-end: EUR 331,024 thousand also relating in full to bonds).

Of the total borrowings obtained by the Parent and Abertis Infraestructuras Finance B.V., at 31 December 2017 EUR 2,226,666 thousand had been lent in turn to other Group companies (2016 year-end: EUR 3,281,230 thousand).

(2) In 2017 this relates substantially in full to the gross payables to third parties of the toll roads business in India; in 2016 it related substantially in full to the gross payables to third parties of the satellite telecommunications business discontinued in 2017 (see Notes 1 and 6).

The main changes in gross borrowings in 2017 were as follows:

- The increase in gross borrowings at **Abertis** was due, as indicated above, to the arrangement of new loans totalling EUR 2,140 million maturing between 2018 and 2022 and to commercial paper issues amounting to EUR 100 million, to finance mainly a portion of the acquisition in the period of shares of **Hit** and to cater for the maturity of a bond amounting to EUR 785 million.
- As indicated above, the increase in gross borrowings in France (the **Hit** subgroup) was due to the impact of issues amounting to EUR 1,000 million carried out at the end of 2017.
- The reduction in gross borrowings in Italy (the **A4** subgroup) was due mainly to the aforementioned repurchase of bonds amounting to EUR 200 million.
- Also, the decrease in gross borrowings in Brazil (offset by the issues launched), Chile (where, in addition, bonds amounting to EUR 122 million were repurchased) and Puerto Rico was affected by the decrease in the exchange rate at the reporting date of the Brazilian real (impact of EUR -198 million), the Chilean peso (impact of EUR -63 million) and the US dollar (impact of EUR -100 million) against the euro.

The weighted average interest rate in 2017 on bond issues and bank borrowings was 4.04% (2016: 4.84%).

The Group's borrowings based on the contractually stipulated cash flows, taking into consideration the related hedges referred to Note 11, are denominated in the following currencies:

	2017 (*)	**2016 (*)**
Euro	14,405,777	13,115,055
Brazilian real	1,461,159	1,407,416
Chilean peso	1,127,997	1,392,200
US dollar	972,297	1,205,036
Japanese yen	153,610	162,075
Indian rupee	83,512	-
Bond issues and bank borrowings	**18,204,352**	**17,281,782**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IAS 39 in relation to the borrowings arranged.

As indicated in Note 11, 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 borrowings by maturity based on the amounts payable to maturity at each reporting date, as provided for in the respective agreements, is as follows:

	31 December 2017 (*)			**31 December 2016 (*)**		
	Loans	Bonds	Total	Loans	Bonds	Total
Between one and two years	263,250	871,337	1,134,587	452,104	692,473	1,144,577
Between two and three years	1,202,535	1,120,487	2,323,022	355,161	936,433	1,291,594
Between three and four years	413,441	1,633,471	2,046,912	684,723	1,358,688	2,043,411
Between four and five years	2,208,261	282,003	2,490,264	471,092	1,629,222	2,100,314
After five years	1,433,632	7,161,160	8,594,792	2,567,967	6,446,635	9,014,602
Non-current maturities	**5,521,119**	**11,068,458**	**16,589,577**	**4,531,047**	**11,063,451**	**15,594,498**
Current maturities	**627,517**	**987,258**	**1,614,775**	**566,814**	**1,120,470**	**1,687,284**
Total debt	**6,148,636**	**12,055,716**	**18,204,352**	**5,097,861**	**12,183,921**	**17,281,782**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IAS 39 in relation to the borrowings arranged.

Of the EUR 18,204,352 thousand, 11,051,076 thousand (61%) relate to debt of subsidiaries without recourse to Abertis Infraestructuras, S.A. (2016: EUR 11,488,908 thousand (66%).

At 31 December 2017, the average term to maturity of the debt was 5.3 years (2016 year-end: 5.9 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 2018 interest on the borrowings based on the debt at 31 December 2017 is expected to amount to approximately EUR 686 million (EUR 768 million estimated at 2016 year-end for 2017).

At 31 December 2017, 79% (2016: 90%) 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 decrease was due mainly to the new loans arranged by **Abertis** indicated above.

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:

	2017			**2016** [1]		
	Financing in			Financing in		
(millions of euros)	Euros	Other currencies [*]	Total	Euros	Other currencies [*]	Total
Change of 50 bp:						
Gross impact before tax	14.1	5.3	19.4	3.6	4.0	7.6
Net impact after tax (and before non-controlling interests)	10.6	4.0	14.6	2.7	3.0	5.7

[*] At the end of 2017 and 2016 due mainly to Brazilian reais and Chilean pesos.

[1] Adjusted impact of a change of 50 bp taking into account the impact of the classification of the satellite telecommunications business as a discontinued operation in accordance with IFRS 5, as indicated in Notes 1 and 6.

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 2017 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 29 million (2016: EUR 34 million), with a net impact of EUR 21 million on equity and virtually no impact on profit after tax (2016: impact of EUR 25.5 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 2017 and 2016 is as follows:

	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.

	2016				
		Fair value (*)			
	Carrying amount	Level 1	Level 2	Level 3	Total
Bank loans	4,417,239	-	3,986,616	914,939	4,901,555
Bonds	10,793,162	8,566,224	2,680,862	-	11,247,086
	15,210,401	**8,566,224**	**6,667,478**	**914,939**	**16,148,641**

(*) 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 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:

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 (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IAS 39 in relation to the borrowings arranged.

2016 (*)	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	421	722	-	50,000	-	-	50,722	51,143
Spain	39,600	42,810	45,810	48,810	48,810	349,290	535,530	575,130
France	245,250	120,000	20,000	258,000	221,500	1,083,500	1,703,000	1,948,250
Italy	25,477	75,861	34,988	44,992	9,450	30,611	195,902	221,379
Brazil	163,133	84,127	92,602	101,217	109,711	437,603	825,260	988,393
Chile	45,191	72,560	97,520	91,029	35,952	260,962	558,023	603,214
Puerto Rico	-	-	-	-	-	317,651	317,651	317,651
Argentina	-	-	-	-	-	-	-	-
Other	47,742	56,024	64,241	90,675	45,669	88,350	344,959	392,701
Bank loans	**566,814**	**452,104**	**355,161**	**684,723**	**471,092**	**2,567,967**	**4,531,047**	**5,097,861**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IAS 39 in relation to the borrowings arranged.

At 31 December 2017, the Group's financial debt subject to customary project finance terms and conditions amounted to EUR 1,981 million, as compared with bank loans of EUR 6,149 million at year-end (2016 year-end: EUR 2,590 million as compared with bank loans of EUR 5,098 million; EUR 2,198 million as compared with bank loans of EUR 4,706 million disregarding the amounts relating to the satellite telecommunications business discontinued in 2017).

In general, these project financing arrangements include pledges of concession operator assets (demand deposits, credit rights derived from the concession arrangement, credit rights on insurance contracts, etc.), forming a package of guarantees for lenders. In certain cases a security interest in the concession operator's shares is also included as a guarantee. In addition, most of the agreements include a series of financial and non-financial terms and conditions which if breached give rise to obligations for the borrower. In this regard, the financial obligations usually relate to the achievement of certain ratios related to financial aggregates, such as EBITDA, net debt, equity or cash resources for debt servicing.

In relation to the previous point, the main financing agreements affected that were in force at 2017 year-end (as at 2016 year-end except in the case of **TTPL** and **JEPL**, which were included in the scope of consolidation in 2017 and contributed financing agreements amounting to EUR 49 million) were those corresponding to certain financing arrangements: i) Arteris subgroup (**Arteris**) ii) Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Cataluña, S.A. (**Túnels**), iii) Sociedad Concesionaria Autopista de los Andes, S.A. (**Andes**), iv) Sociedad Concesionaria del Elqui, S.A. (**Elqui**) and v) Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**). These financing agreements involve pledging certain of their assets (mainly concession infrastructure, see Note 8) to secure EUR 1,555 million of a total of EUR 1.981 million of secured borrowings by assets (EUR 1,489 million of a total of EUR 2,055 million in 2016, in which the contribution of **TTPL** and **JEPL** did not exist). In this connection, the financing obtained by **Elqui** entails pledging its shares as security for borrowings of EUR 112 million (2016: EUR 143 million).

At 31 December 2017, and additionally to the project financing agreements, **Sanef** (**Hit** subgroup) had bank borrowings amounting to EUR 1,703 million (EUR 1,948 million at 31 December 2016) subject to maintenance of certain guarantees and compliance with certain financial and non-financial obligations. The non-financial obligations relate mainly to the achievement of certain ratios associated related with the financial aggregates of this subgroup.

Finally, according to what is indicated in the same note, during the current year the parent arranged loans of EUR 2,140 million approximately.

In this regard, at the date of authorisation for issue of these consolidated financial statements, the clauses or obligations included in the financing agreements did not lead to any disbursement.

In addition, in order to cater for its cash needs, the Group has the following undrawn credit facilities and 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**

	31 December 2016							
	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	50,000	150,000	600,000	850,000	850,000	-	2,450,000	2,500,000
Spain	-	-	-	-	-	-	-	-
France	-	-	-	350,000	-	200,000	550,000	550,000
Italy	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	69,723	69,723	69,723
Chile	5,433	-	-	-	-	-	-	5,433
Puerto Rico	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-
Other (*)	-	-	-	155,000	-	151,198	306,198	306,198
Undrawn credit facilities and loans	**55,433**	**150,000**	**600,000**	**1,355,000**	**850,000**	**420,921**	**3,375,921**	**3,431,354**

(*) Credit facilities relating to the **Hispasat** subgroup the assets of which were discontinued in 2017 (see Notes 1 and 6).

Lastly, the weighted average interest rate in 2017 on bank borrowings was 3.74% (2016: 5.35%).

i.b) Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2017 and 2016 is as follows:

	2017	2016
Bond issues	11,625,935	11,901,826
Promissory notes and commercial paper	100,000	-
Other marketable debt securities	-	-
Bond issues and other loans	**11,725,935**	**11,901,826**

The breakdown by maturity (as stipulated in the respective agreements) and country is as follows:

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 (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IAS 39 in relation to the borrowings arranged.

2016 (*)	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	785,100	-	444,992	640,900	-	3,838,610	4,924,502	5,709,602
Spain	-	-	-	-	-	-	-	-
France	-	500,000	300,000	-	1,500,000	1,550,000	3,850,000	3,850,000
Italy	-	-	-	600,000	-	-	600,000	600,000
Brazil	237,161	90,738	80,562	2,098	3,839	52,196	229,433	466,594
Chile	82,518	86,513	93,186	96,570	96,950	559,498	932,717	1,015,235
Puerto Rico	15,691	15,222	17,693	19,120	28,433	446,331	526,799	542,490
Argentina	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Bond issues and other loans	**1,120,470**	**692,473**	**936,433**	**1,358,688**	**1,629,222**	**6,446,635**	**11,063,451**	**12,183,921**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IAS 39 in relation to the borrowings arranged.

The weighted average interest rate in 2017 on the bond issues was 3.78% (2016: 4.07%).

The issues of **Abertis** and **Hit** (France), totalling EUR 9,553 million (2016: EUR 9,560 million), do not include guarantees for the lenders other than the guarantee of the debtor itself.

At 31 December 2017, the bond issues subject to customary project bond issue clauses amounted to EUR 1,779 million (2016: EUR 2,624 million). In general, these financing arrangements include pledges of concession operator assets (demand deposits, credit rights derived from the concession arrangement, credit rights on insurance contracts, etc.), forming a package of guarantees for bondholders. In certain cases a security interest in the concession operator's shares and/or the requirement to maintain sufficient cash balances to meet the next interest payment are also included as a guarantee.

In relation to the previous point, the main issues affected that were in force at 2017 year-end (as at 2016 year-end except in the case of **TTPL** and **JEPL**, which were included in the scope of consolidation in 2017 and contributed issues amounting to EUR 35 million) were those corresponding to the issues of the A4 subgroup (**A4**) and to Autopista Central, S.A. (**Autopista Central**) and Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**), which involve pledging certain of their assets (mainly concession infrastructure, see Note 8) to secure EUR 1,368 million of a total of EUR 1,779 million of secured issues (2016: EUR 1,694 million of a total of EUR 2,282 million, in which the contribution of **TTPL** and **JEPL** was zero, although **Libertadores** contributed EUR 121 million.

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

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 on 20 April 2017 Abertis Infraestructuras, S.A. registered a EUR 500 million commercial paper issue programme (in force at 2017 year-end), EUR 100 million of which had been drawn down at 31 December 2017.

ii) Payables to companies accounted for using the equity method

The detail of the balances with associates is as follows:

	31 December 2017			31 December 2016		
	Non-current	Current	Total	Non-current	Current	Total
Road Management Group	8,437	-	8,437	8,859	-	8,859
Alis	-	940	940	-	1,047	1,047
Alienor	-	642	642	-	626	626
Other investments	-	53	53	-	517	517
Total	**8,437**	**1,635**	**10,072**	**8,859**	**2,190**	**11,049**

iii) Other bank borrowings

As at 2016 year-end, at 2017 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 491 million at 31 December 2017 and EUR 474 million at 31 December 2016).

In this regard, it should be noted that the seller has factored the receivables from **Abertis** to a syndicate of banks with **Abertis** as a party to the arrangement and therefore, at 31 December 2016 the aforementioned banks had become 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 2017, the “BBB” rating was ratified, and the outlook was revised from positive to “developing”.

In addition, **Abertis** holds a long-term “BBB+” Good credit quality rating with a stable outlook, awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term “F2” high credit rating. In the latest report, dated October 2017, both ratings were ratified and the outlook was revised from stable to “credit watch negative”.

16. DEFERRED INCOME

The changes in 2017 and 2016 were as follows:

	2017	2016
At 1 January	35,581	27,937
Changes in the scope of consolidation and business combinations	-	8,465
Additions	716	3,387
Disposals	(5,577)	(5,914)
Transfers	(94)	657
Transfers to liabilities associated with disposal groups classified as held for sale (Note 6)	(457)	-
Translation differences	(1,674)	1,049
At 31 December	**28,495**	**35,581**

At 31 December 2017, "Deferred Income" included mainly:

- Compensation to **Aumar** from the government for work performed in Sagunto, amounting to EUR 2,623 thousand (2016: EUR 3,927 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 1,959 thousand (2016: EUR 2,466 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 4,503 thousand in 2017 and EUR 4,969 thousand in 2016), the **Sol** toll road (EUR 453 thousand in 2017 and EUR 1,862 thousand in 2016) and the **Autopista Central** toll road (EUR 10,645 thousand in 2017 and EUR 12,144 in 2016) 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 1,977 thousand (2016: EUR 2,870 thousand), which are recognised in profit or loss on an accrual basis.

The changes in the scope of consolidation and business combinations in 2016 were due to the inclusion in the scope of consolidation of **Autopista Central** and related to the aforementioned payment received by the latter.

17. PAYABLE TO SUPPLIERS AND OTHER PAYABLES

The detail of "Payable to Suppliers and Other Payables" at 31 December 2017 and 2016 is as follows:

	2017	2016
Trade payables	542,110	631,957
Payable to related parties	1,683	2,202
Remuneration payable	111,361	115,535
Other payables	16,874	12,050
Payable to suppliers and other payables	**672,028**	**761,744**

The decrease in “Trade Payables” includes the impact of the discontinuation in 2017 of the satellite telecommunications business, the balance relating to which amounted to EUR 24 million at 2016 year-end.

Also, the increase in “Other Payables” was due mainly to the impact of the obtainment of control of **TTPL** and **JEPL** (see Note 2-h).

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:

	2017	2016
Average period of payment to suppliers (no. of days) (1)	35	37
Ratio of transactions settled (no. of days)	37	38
Ratio of transactions not yet settled (no. of days)	26	25
Total payments made	154,592	159,715
Total payments outstanding	17,560	14,705

(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.

18. INCOME TAX

a) Tax-related disclosures

Abertis files 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. 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 6).

At 31 December 2017, 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 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 tax assessments were signed on a contested basis and were appealed, although they have not had a significant impact on equity.
- In France, tax audits were completed at **Sapn** for all the taxes applicable to it for 2012 to 2014, without them having a significant impact on its equity. **Hit** also received a tax assessment for income tax for 2014, which did not have a significant impact on equity. The company is currently preparing to file the corresponding appeal in relation to this assessment.
- In Italy, tax audits were completed for income tax for 2011 at A4 Holding, S.p.A. (**A4**) and tax audits were completed at Autostrada Brescia Verona Vicenza Padova, S.p.A. for income tax for 2012 and 2013, without them having a significant impact on equity.

In this regard, **Abertis** considers that the tax audits under way, the processes associated with tax assessments signed on a contested basis or 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 on acquisitions within the EU and Decision 2011/282/EU of 12 January 2011 on foreign shareholding acquisitions, stating that the deduction regulated by Article 12.5 constituted unlawful State aid. In addition to the foregoing, the Commission adopted Decision 2015/314/EU of 15 October 2014 also classifying as State aid the deductions that applied under Article 12.5 in the case of indirect acquisitions (Third Decision). On 1 April 2015, **Abertis** filed an action for annulment at the General Court of the European Union against the Third Decision of the Commission, a proceeding that was immediately stayed by the Court until judgments had been handed down on the appeals filed by the Commission against two decisions of the General Court on the Decisions of 2009 and 2011 on this issue.

Since the appeals against the 2009 and 2011 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 decision analysing the solid legal grounds presented by **Abertis** against the Third Decision.

In addition, as a result of the re-admission of the action for annulment at the General Court and, at the initiative of the Commission, on 17 June 2017 the Spanish State initiated a proceeding for the recovery of the financial goodwill deducted by **Abertis** from 2006 to 2015. On 11 November 2017, **Abertis** was notified of the assessment arising from that proceeding which did not have a significant impact on equity since the Company had already recognised a deferred tax liability associated with the goodwill deducted to date. The aforementioned assessment amounting to EUR 33,666 thousand was paid in 2017 and was appealed in the economic-administrative jurisdiction.

b) Income tax expense

The standard income tax rates in the main countries in which **Abertis** carries on its operations are as follows:

	2017	**2016**
Spain	25%	25%
France [(1)]	39.4%	34.4%
Italy [(2)]	24% + 3.9%	27.5% + 3.9%
Brazil	34%	34%
Chile [(3)]	25.5%	24%

(1) An amendment to the French General State Budget Law for 2017 approved in December 2017 establishes an increase in the income tax rate for large companies from the current 34.43% to 39.43% solely for 2017. In addition, the income tax rate in France envisaged for 2020 remains at 28% and an additional reduction of the rate to 25% in 2022 has been 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.

In this respect, it should be noted that the French General State Budget Law for 2018 approved in December 2017 establishes, on the one hand, an increase solely for 2017 of the current income tax rate from 34.43% to 39.43% (maintaining the envisaged reduction to 28% in 2020) and, on the other, includes an additional reduction to 25% in 2022.

The reconciliation of the theoretical tax expense or benefit to the tax expense or benefit recognised in the consolidated statement of profit or loss for the year is as follows:

	2017	**2016** [(1)]
Profit before tax	1,291,227	1,291,097
Theoretical tax rate - 25% in 2017 and 2016 [(2)]	322,807	322,774
Effect on the tax expense or benefit of:		
Non-taxable income	(22,526)	(86,275)
Non-deductible expenses	6,459	11,682
Tax losses and other tax assets	13,099	2,177
Change in tax rate [(3)]	(20,831)	(49,700)
Other tax effects	65,562	86,666
Tax expense (continuing operations)	**364,570**	**287,324**

(1) Reconciliation of the income tax expense for 2016 including the impact of the classification of the satellite telecommunications business as a discontinued operation in accordance with IFRS 5, as indicated in Notes 1 and 6.

(2) 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").

(3) Relates to France in 2017 and the reduction in the tax rate from 28% to 25% from 2022 onwards. In 2016 it related substantially in full to France (from 34.4% to 28% from 2020 onwards).

"Non-Taxable Income" and "Non-Deductible Expenses" in 2017 and 2016 include items that, in accordance with the tax legislation applicable to the respective consolidated companies, are not taxable or deductible, respectively.

In this regard, in 2016 "Non-Taxable Income" included EUR 73,009 thousand relating, on the one hand, to the impact recognised of the net revaluation of assets and liabilities of **Autopista Central** already held by **Abertis** prior to the acquisition of an additional 50% of its share capital (50% held previously) amounting to EUR 314,060 thousand and, on the other, to the impact of the transfer to the consolidated statement of profit or loss for the year of the impacts recognised up to the date on which control of **Autopista Central** was obtained in the consolidated statement of comprehensive income amounting to EUR -20,719 thousand.

The main components of the income tax expense or benefit for the year (for the fully consolidated companies) are as follows:

	2017	**2016** [(1)]
Current tax	450,375	415,046
Deferred taxes:		
Change in tax rate [(2)]	(20,831)	(49,700)
Changes in deferred taxes [(3)]	(36,029)	(82,818)
Other	(28,945)	4,796
Tax expense (continuing operations)	**364,570**	**287,324**
Tax expense (discontinued operations)	**11,184**	**16,923**
Tax effects recognised in equity	**26,326**	**(29,561)**
	402,080	**274,686**

(1) Composition of the income tax expense for 2016 including the impact of the classification of the satellite telecommunications business as a discontinued operation in accordance with IFRS 5, as indicated in Notes 1 and 6.

(2) Relates to France in 2017 due to the reduction from 28% to 25% from 2022. In 2016 it related substantially in full to France (from 34.4% to 28% from 2020 onwards).

(3) In addition, in 2017 a EUR -1,759 thousand change associated with the terrestrial telecommunications business until it was discontinued must be taken into account.

As a result of the one-off increase for 2017 of 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 of 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 current 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.

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.

In addition, in 2016 the current tax expense also included the effect of the reversal of the deferred tax liabilities associated with business combinations, a reduction of EUR 49,756 thousand in the current income tax expense of the Group companies with tax residence in France due mainly to the decrease in net deferred tax liabilities expected to reverse in 2020 and subsequent years, as a result of the reduction in the standard income tax rate in France from 34.4% to 28% from 2020.

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 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 Note 18-c.i).

c) Deferred taxes

The detail of the deferred tax assets and liabilities recognised and of the changes therein in 2017 and 2016 is as follows:

	2017		2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	1,050,593	(1,937,316)	916,603	(1,437,803)
Amount charged/(credited) to profit or loss [(1)]	(87,345)	145,964	(27,222)	160,868
Debit/(credit) due to inclusions in the scope of consolidation and business combinations	(6,494)	(6,329)	103,082	(563,615)
Amount charged/(credited) to equity	(21,538)	(4,788)	8,282	21,279
Exchange differences	(27,412)	62,276	38,286	(104,427)
Transfers	(5,748)	5,748	13,779	(13,779)
Net transfer to assets/liabilities associated with disposal groups classified as held for sale (Note 3-h)	(5,220)	87,283	(2,217)	161
At 31 December	**896,836**	**(1,647,162)**	**1,050,593**	**(1,937,316)**
Deferred taxes expected to reverse in the following year	(76,661)	274,135	(130,414)	217,519

(1) Including in 2017 the impact indicated in section b) above of the change in the tax rate in France (EUR 20,831 thousand). Including in 2016 the impact of the change in the tax rate also in France (EUR 49,700 thousand).

The exchange differences arising in the year relate mainly to deferred tax assets and liabilities of companies with tax residence in Brazil (BRL 447,481 thousand and BRL 539,483 thousand, respectively, in 2017, and BRL 453,522 thousand and BRL 681,777 thousand, respectively, in 2016), and to deferred tax assets and liabilities of Chilean companies (CLP 123,334,616 thousand and CLP 449,121,122 thousand, respectively, in 2017, and CLP 102,591,276 thousand and CLP 466,889,661 thousand, respectively, in 2016), as a result of the depreciation of the Brazilian real and Chilean peso at year-end (2016 year-end appreciation of the Brazilian real and Chilean peso).

The changes in 2017 arising from changes in the scope of consolidation and business combinations relate 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, see Notes 2-h and 5).

i) Deferred tax assets

The detail of the deferred tax assets is as follows:

	2017	2016
Tax loss carryforwards	254,273	303,603
Reversal of financial charge (1)	60,406	59,149
Non-deductible provisions (2)	365,639	391,470
Revaluation of derivative financial instruments	39,810	78,805
Other	176,708	217,566
Deferred tax assets	**896,836**	**1,050,593**

(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 2017 amount to EUR 1,292,495 thousand (2016: EUR 1,406,818 thousand), of which EUR 675,350 thousand (2016: EUR 732,710 thousand) relate to tax loss carryforwards generated in 2015 by the tax group in Spain (with no statute of limitations and associated mainly with the impairment of the traffic guarantee under the AP-7 arrangement), EUR 311,709 thousand (2016: EUR 374,440 thousand) to Chilean companies (with no statute of limitations) and the remainder to tax losses that must be offset between 2023 and 2027.

The decrease in “Deferred Tax Assets - Other” is due mainly to the impact of the exchange rate, relating mainly to the depreciation of the Brazilian real and the Chilean peso, and to the application of Royal Decree-Law 3/2016, of 2 December, mentioned above (see Note 18-b).

ii) Deferred tax liabilities

The detail of the deferred tax liabilities is as follows:

	2017	2016
Due to business combinations [1]	1,117,470	1,384,313
Revaluation of derivative financial instruments	18,778	18,315
Different depreciation and amortisation rates for tax and accounting purposes [2]	259,291	275,122
Other [3]	251,623	259,566
Deferred tax liabilities	**1,647,162**	**1,937,316**

(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) EUR 94,058 thousand (2016: EUR 60,407 thousand) due to the application of the “cash” criteria in the income for the arrangements entered into with the grantors in Spain.

The detail of the deferred tax liabilities recognised at 31 December 2017 and 2016 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	2017	2016
Acquisition of 100% of TTPL [1]	2017	11,819	-
Acquisition of 74% of JEPL [1]	2017	4,470	-
Acquisition of 51.4% of the A4 subgroup	2016	88,258	103,800
Acquisition of Autopista Central (additional 50%) [1]	2016	381,887	426,570
Acquisition of Túnels	2015	33,577	35,257
Acquisition of the Arteris Group [1]	2012	123,265	172,303
Acquisition of Autopista Libertadores [1]	2012	13,919	16,211
Acquisition of Autopista del Sol [1]	2012	2,478	4,419
Acquisition of Los Andes [1]	2012	6,121	6,716
Acquisition of Avasa (additional 50%)	2009	125,484	139,621
Acquisition of Rutas del Pacífico (additional 50%) [1]	2009	6,147	7,275
Acquisition of the Invin Group [1]	2008	5,727	7,266
Acquisition of the HIT/Sanef Group [2]	2006	312,854	369,513
Acquisition of 57.05% of the Hispasat Group [3]	2013	-	93,507
Other	-	1,464	1,855
		1,117,470	**1,384,313**

(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 the **Hit/Sanef** subgroup, the change was brought about by the amendment to the French General State Budget Law for 2017, approved in December 2017 which established, inter alia, an additional reduction in the income tax rate in France to 25% in 2022.

(3) Deferred tax liabilities associated with the satellite telecommunications business discontinued in 2017 (see Note 6).

d) Current tax liabilities

The detail of "Current Tax Liabilities" at 31 December 2017 and 2016 is as follows:

	2017	2016
VAT payable	115,074	113,248
Income tax payable	122,584	176,947
Deferred output VAT	12,869	1,826
Accrued social security taxes payable	3,615	3,791
Personal income tax withholdings	2,416	2,812
Other taxes	8,373	26,488
Current tax liabilities	**264,931**	**325,112**

19. EMPLOYEE BENEFIT OBLIGATIONS

The detail of "Employee Benefit Obligations" is as follows:

		31 December 2017			31 December 2016		
		Non-current	Current	Total	Non-current	Current	Total
Pension obligations	a	69,432	-	69,432	83,682	-	83,682
Other obligations	b	9,276	27,040	36,316	29,945	2,627	32,572
Employee termination plan obligations	c	54,943	33,479	88,422	47,001	34,622	81,623
Employee benefit obligations		**133,651**	**60,519**	**194,170**	**160,628**	**37,249**	**197,877**

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 7,699 thousand (2016: EUR 5,517 thousand). See Note 21-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 2017 (as at 31 December 2016), **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** (the latter still belonging to the **Hit/Sanef** subgroup in 2016) offer retirement bonuses corresponding to a legal obligation (IFC: *Indemnité de Fin de Carrière*). 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:

	2017	2016
At 1 January	83,682	46,946
Current service cost	2,892	2,580
Interest cost	969	993
Effects of changes in demographic assumptions	(4,077)	11,256
Effects of changes in financial assumptions	(3,334)	6,408
Experience adjustments	(9)	(2,862)
Benefits paid	(4,485)	(4,043)
Curtailments/settlements	-	(2,749)
Changes in the scope of consolidation (1)	(4,008)	25,632
Transfers to liabilities associated with disposal groups classified as held for sale	-	(479)
At 31 December	**71,630**	**83,682**

(1) Impact in 2017 due to the sale of Infracom (see Note 2-h) and in 2016 due to the acquisition of 51.4% of the **A4** subgroup.

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

	2017	2016
At 1 January	3,014	5,863
Expected return on plan assets	6	70
Actual return on plan assets (minus the expected return)	(18)	7
Sponsor contributions	3,681	1,117
Benefits paid	(4,485)	(4,043)
At 31 December	**2,198**	**3,014**

At 31 December 2017, the Group had not recognised any plan assets relating to insurance policies taken out with related entities (at 31 December 2016 it had recognised EUR 3,014 thousand under “Trade and Other Receivables - Other”).

The changes in 2017 and 2016 in the liability recognised in the consolidated balance sheet were as follows:

	2017	2016
At 1 January	83,682	45,328
Plan assets at related companies	(3,014)	(4,245)
Net obligation at 1 January	80,668	41,083
Increase with a charge to:		
profit or loss (see Note 21-c)	3,855	754
Equity	(7,402)	14,795
Sponsor contributions	(3,681)	(1,117)
Changes in the scope of consolidation [1]	(4,008)	25,632
Transfers to assets and liabilities associated with disposal groups classified as held for sale	-	(479)
Net obligation at 31 December	**69,432**	**80,668**
Plan assets at related companies	-	3,014
At 31 December	**69,432**	**83,682**

[1] Impact in 2017 due to the sale of Infracom (see Note 2-h) and in 2016 due to the acquisition of 51.4% of the **A4** subgroup.

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 a accumulated loss of EUR 43,818 thousand in 2017 (2016: accumulated loss of EUR 51,220 thousand).

The detail of the wholly or partly funded obligations and of the unfunded obligations at 31 December is as follows:

	2017	2016
Wholly or partly funded obligations	2,550	3,783
Unfunded obligations	69,080	79,899
Obligations	**71,630**	**83,682**

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:

	2017	2016
Current service cost	2,892	(169)
Net interest cost	963	923
Past service cost	-	-
Total expense / (income) recognised in the consolidated statement of profit or loss (see Note 21-c)	**3,855**	**754**
Effects of changes in demographic assumptions	(4,077)	11,256
Effects of changes in financial assumptions	(3,334)	6,408
Experience adjustments	(9)	(2,862)
Actual return on assets (minus expected return)	18	(7)
Total expense / (income) recognised in the consolidated statement of comprehensive income	**(7,402)**	**14,795**
Total expense / (income) recognised for accounting purposes	**(3,547)**	**15,549**

The detail of the proportion of the fair value of the plan assets represented by each asset is as follows:

	2017	2016
Asset-backed securities - insurance policies	100%	100%
	100%	**100%**

At 31 December 2017 (as at 31 December 2016), 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:

	2017	2016
Discount rate (based on type of obligation and currency)	1.41%	1.21%
Percentage salary increase (based on type of obligation and currency)	2.70%	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 2017, depending on the duration of the obligations (as in 2016).

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:

	2017	2016
Discount rate	4.1% - 3.1%	6.1% - 5.5%
Percentage salary increase	3.3% - 3.6%	2.9% - 3.1%

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 2018 amount to EUR 68 million (EUR 77 million estimated at the end of 2016 for 2017).

Lastly, the weighted average duration of the defined benefit obligations at year-end is 16.6 years (2016 year-end: 11.5 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 2015-17 Strategic 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 36,316 thousand (2016: EUR 32,572 thousand) is included under this heading in the consolidated balance sheet, and the non-current liability recognised in this connection amounts to EUR 9,276 thousand (2016: EUR 29,945 thousand).

The change in these obligations includes the provision for the corresponding portion of the obligation associated with the "2015-2017 Incentive Plan", as indicated in Note 25-a, which will be settled in the first quarter of 2018.

The staff costs recognised in 2017 in relation to these obligations amounted to EUR 3,744 thousand (2016: EUR 7,432 thousand). See Note 21-c.

c) Employee termination plan obligations

The changes in the provisions for employee termination plan obligations were as follows:

	2017			2016		
	Non-current	Current	Total	Non-current	Current	Total
At 1 January	47,001	34,622	81,623	48,974	34,989	83,963
Charge to consolidated statement of profit or loss (period provisions)	14,466	-	14,466	1,997	-	1,997
Amounts used in the year	-	(7,667)	(7,667)	-	(4,337)	(4,337)
Transfers	(6,524)	6,524	-	(3,970)	3,970	-
At 31 December	**54,943**	**33,479**	**88,422**	**47,001**	**34,622**	**81,623**

It should be noted in relation to the obligations assumed by the Group to employees for work termination plans that at 31 December 2017 provisions had been recognised amounting to EUR 88 million (31 December 2016: EUR 82 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.

20. PROVISIONS AND OTHER LIABILITIES

The breakdown of "Non-Current Liabilities - Provisions and Other Liabilities" and "Current Liabilities - Provisions and Other Liabilities" is as follows:

	31 December 2017		31 December 2016	
	Non-current	Current	Non-current	Current
Provisions required under IFRIC 12 (*)	575,207	187,015	610,824	240,896
Other provisions	755,010	43,862	774,997	65,544
Provisions	1,330,217	230,877	1,385,821	306,440
Other payables	1,076,819	142,215	1,004,820	262,665
Provisions and other liabilities	**2,407,036**	**373,092**	**2,390,641**	**569,105**

(*) Mainly provisions for road surfaces, maintenance cycles and major overhauls.

i) Provisions

The changes in the long- and short-term provisions in 2017 and 2016 were as follows:

	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	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 (see Note 21-d)	34,281	16,367	50,648	1,671	885	2,556
Transfers	(223,149)	(52,926)	(276,075)	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**	**755,010**	**1,330,217**	**187,015**	**43,862**	**230,877**

	2016					
	Long-term			**Short-term**		
	Provisions required under IFRIC 12	Other provisions	Total	Provisions required under IFRIC 12	Other provisions	Total
At 1 January	582,641	683,109	1,265,750	178,169	52,856	231,025
Changes in the scope of consolidation and business combinations	68,299	97,214	165,513	26,634	5,646	32,280
Charge to the consolidated statement of profit or loss:						
- Period provisions	135,706	59,538	195,244	2,685	3,957	6,642
- Interest cost (Note 21-d)	32,464	19,135	51,599	629	1,184	1,813
Transfers	(245,755)	2,467	(243,288)	210,141	33,147	243,288
Amounts used in the year	-	(110,465)	(110,465)	(186,636)	(42,683)	(229,319)
Other	(8,429)	12,487	4,058	(4,426)	5,032	606
Exchange differences	45,898	22,834	68,732	13,700	6,405	20,105
Transfers to liabilities associated with disposal groups classified as held for sale (Note 3-h)	-	(11,322)	(11,322)	-	-	-
At 31 December	**610,824**	**774,997**	**1,385,821**	**240,896**	**65,544**	**306,440**

The additions in 2017 due to "Changes in the Scope of Consolidation and Business Combinations" relate to the impact of the obtainment of control of **TTPL** and **JEPL** (see Notes 2-h and 5). The decreases due to "Changes in the Scope of Consolidation and Business Combinations" relate to the impact associated with the sale in July 2017 of the investee Infracom (see Note 2-h).

The changes in 2016 arising from changes in the scope of consolidation and business combinations related to:

- The impact of the obtainment of control of **Autopista Central** (EUR 19,083 thousand).
- The impact of the acquisition of 51.4% of the share capital of the Italian company A4 Holding, S.p.A. (**A4**, EUR 178,710 thousand).

The exchange differences that arose in 2017 were due mainly to the decrease in the year-end exchange rate of the Brazilian real, the Chilean peso and the US dollar (2016: due mainly to the increase in the year-end exchange rate of those currencies).

"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 situation 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 198 million (EUR 253 million estimated at 2016 year-end to be used in 2017).

The other long-term provisions at 31 December 2017 (as at 31 December 2016) 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 investee Alazor (see Note 9.i), the balance of which at 31 December 2017 amounted to EUR 228 million following the refund in 2017 of the amounts executed in 2016. 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.
- 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 123 million at 31 December 2017 and EUR 133 million at 31 December 2016).

ii) Other liabilities

"Non-Current Liabilities - Other Payables" includes mainly:

- A liability for the acquisition in 2014 of all the shares of Infraestructuras Americanas, S.L.U. (**IA**, merged this year with **Invin**) for EUR 295 million payable in August 2019 (EUR 282 million at 31 December 2017 and EUR 275 million at 31 December 2016 at the net present values at the respective reporting dates).
- A liability of EUR 302 million (2016: EUR 315 million) for the contingent commitment to purchase **Hispasat** shares from third-party shareholders of the latter, whose interests in this consolidated company are reflected at 31 December 2017 under "Non-Controlling Interests" (see Note 22.ii).

  In this regard, on 12 July 2016, the third-party shareholders notified **Abertis** of their intention to exercise their put option on 33.69% of the shares of **Hispasat**, to which **Abertis** replied that the effectiveness of that put option was limited by the content of the agreement signed by all the shareholders in 2013 and the rights acknowledged as a result of that agreement and was subject to authorisation by the Spanish Cabinet. On 18 May 2017, an agreement was reached with the third-party shareholders on the price (EUR 302 million) and on the other terms and conditions of the put option and the purchase and sale agreement was signed, under which **Abertis**, or a third party designated by it, undertook to acquire 33.69% of **Hispasat**, all subject to, among other conditions, the obtainment of the aforementioned authorisation of the Spanish Cabinet.

  In this respect, as part of the divestment of **Hispasat** initiated at the end of 2017, the Group is considering the possibility of transferring to the interested third party the aforementioned commitment to acquire 33.69% of **Hispasat** (see Note 6). In accordance with IAS 32.23, in the event of such a transfer, since the Group considers that this obligation would expire (the agreement would expire without any type of delivery taking place), consequently it would reclassify the liability of EUR 302 million recognised in this connection to equity.

- A liability recognised following the obtainment of control of **JEPL** (see Note 2-h) in the amount of EUR 14 million relating to the contingent commitment to purchase shares of **JEPL** from third-party shareholders of the latter, the ultimate strike price of which would be the market value of the aforementioned shares, which must be determined, using generally accepted pricing techniques, on the date on which the related option is exercised.

  In this regard, the aforementioned liability was recognised in accordance with IAS 32.23, and was measured on the basis of the purchase price for 74% of the shares of the company (see Note 5) relating to the payment obligation under the forward contract to purchase the aforementioned shares held by non-controlling interests.
- The amount payable by **Túnels** to the Catalonia Autonomous Community Government, the present value of which at 31 December 2017 was EUR 50 million (31 December 2016: EUR 46 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 amount payable by **Arteris Via Paulista** to the Agencia de Transporte do Estado de São Paulo (ARTESP), the value of which at 31 December 2017 was EUR 60 million, in relation to the fee of BRL 239 million payable in 2019, in accordance with the concession arrangement of the Rodovias dos Calçados toll road awarded in 2017.
- 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 2017 and 2016).
- It also includes payables to non-current asset suppliers amounting to EUR 8,590 million (2016: EUR 27,259 thousand) relating to the satellite telecommunications business discontinued in 2017).

The decrease in "Current Liabilities - Other Payables" is due mainly to the impact of the discontinuation of the **Hispasat** subgroup, which at 31 December 2016 included payables (basically to non-current asset suppliers amounting to EUR 74 million).

21. INCOME AND EXPENSES

a) Services

The breakdown of "Services" by category is as follows:

	2017	2016 (*)
Toll road revenue	4,973,892	4,416,895
Toll reductions and volume rebates	(37,896)	(30,344)
Other services	200,020	146,147
Services	**5,136,016**	**4,532,698**

(*) Breakdown of “Services” in the consolidated statement of profit or loss for 2016 including the impact of the classification of the satellite telecommunications business as discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

The toll road toll revenue in 2017 was boosted mainly by the full consolidation of the **A4** subgroup from September 2016, of **TTPL** and **JEPL** from March (see Notes 2-h and 5), by the increase in traffic and higher tolls and by the exchange gains arising in the period as a result of the rise in the average exchange rate of the Brazilian real and the Chilean peso in 2017, offset in part by the drop in the average exchange rate of the Argentine peso (and to a lesser extent of the US dollar) at 31 December 2016.

The revenue from “Other Services” was also boosted by the changes in the scope of consolidation described above.

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.

“Other Income” includes mainly the gain on the disposal of property, plant and equipment.

c) Staff costs

The detail of "Staff Costs" is as follows:

	2017	2016 (*)
Wages and salaries	416,716	379,812
Social security contributions	133,421	121,025
Pension costs:		
Defined contribution plans (Note 19-a.i)	7,699	5,517
Defined benefit plans (Note 19-a.ii)	3,855	754
Cost of other long-term obligations (Note 19-b)	3,744	7,432
Other employee welfare costs (1)	71,451	66,541
Staff costs	**636,886**	**581,081**

(*) Breakdown of "Staff Costs" in the consolidated statement of profit or loss for 2016 including the impact of the classification of the satellite telecommunications business as discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

(1) Including at 2017 year-end the impact of the provision for the estimated cost of the new modernisation plan announced within the framework of the 2015-17 Strategic Plan detailed in Note 19-c.

The increases in staff costs were affected mainly by the impact of the full consolidation of the **A4** subgroup from September 2016 onwards and of **TTPL** and **JEPL** from March (see Notes 2-h and 5).

The average number of employees at **Abertis** and its subsidiaries in 2017 and 2016, by category and gender, is as follows:

	2017			2016		
Employees (average)	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Chairman and CEO	2	-	2	2	-	2
- Senior managers	108	22	130	106	16	122
- Middle management and junior managers	759	245	1,004	741	255	996
- Other employees	8,723	5,014	13,737	8,610	5,217	13,827
Temporary employees	96	77	173	78	97	175
Average number of employees	**9,688**	**5,358**	**15,046**	**9,537**	**5,585**	**15,122**

Note: The average number of **Abertis** employees at 31 December 2017 includes 216 employees associated with non-current assets classified as held for sale (31 December 2016: 233 employees). Therefore, the average number of employees excluding those associated with those assets and/or businesses discontinued in 2017 or in prior years, was 14,830 in 2017 (2016: 14,889).

In addition, the final number of employees at **Abertis** and its subsidiaries at 31 December 2017 and 2016, by category and gender, is as follows:

	2017			2016		
Employees (final)	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Chairman and CEO	2	-	2	2	-	2
- Senior managers	104	22	126	117	19	136
- Middle management and junior managers	745	243	988	812	271	1,083
- Other employees	8,530	5,185	13,715	9,356	5,881	15,237
Temporary employees	155	113	268	109	126	235
Average number of employees	**9,536**	**5,563**	**15,099**	**10,396**	**6,297**	**16,693**

Note: The final number of **Abertis** employees at 31 December 2017 includes 203 employees associated with non-current assets classified as held for sale (31 December 2016: 300 employees). Therefore, the number of employees at 31 December 2017 excluding those associated with those assets and/or businesses discontinued in 2017 or in prior years, was 14,896 in 2017 (2016: 16,393).

Also, it should be noted that the shareholders at the Annual General Meeting of 12 April 2016 set the maximum number of members of **Abertis**'s Board of Directors at 15. At 31 December 2017, the aforementioned Board of Directors consisted of 15 members, with all the seats on the Board occupied by 9 men and 6 women, of whom 9 are independent directors.

d) Finance income and costs

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

	2017	2016 (*)
- Interest and other income [1]	66,184	59,036
- Derivative financial instruments:		
Cash flow hedges	10,690	11,946
Fair value hedges	4,651	6,028
Hedges of a net investment in a foreign operation	-	27
- Dividends	1,521	1,078
- Financial compensation and other income (Note 12.i)	83,243	75,538
- Income from compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006 (Note 12.i)	12,751	11,959
- Exchange gains	24,462	46,032
Finance income	**203,502**	**211,644**
- Interest on bank loans and other	(794,476)	(846,447)
- Derivative financial instruments:		
Cash flow hedges	(19,606)	(14,514)
Fair value hedges	(69)	(231)
Hedges of a net investment in a foreign operation	(51,910)	(104,874)
- Interest cost relating to provisions required under IFRIC 12 and other provisions (Note 20)	(54,172)	(53,412)
- Termination costs due to refinancing (Note 15)	(52,520)	(64,201)
- Provision for loans and guarantees granted to associates and other financial assets (Notes 10 and 12.ii)	(13,453)	(1,257)
- Provision for loss of value of financial compensation pursuant to Royal Decree 457/2006	-	-
- Exchange losses	(41,765)	(63,694)
Finance costs	**(1,027,971)**	**(1,148,630)**

(*) Breakdown of the net financial loss for 2016 including the impact of the classification of the satellite telecommunications business as discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

(1) Including in 2016 the net impact of EUR 1,368 thousand associated with the shares of Alazor.

Also, the detail of "Changes in Fair Value of Financial Instruments" in the consolidated statement of profit or loss is as follows:

	2017				2016			
	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	2,022	(40,752)	8,792	(29,938)	(4,560)	(31,841)	(4,640)	(41,041)
- Changes in the fair value of hedged debt	-	36,931	-	36,931	-	22,612	-	22,612
- Changes in the fair value of equity instruments and other (2)	-	-	13,125	13,125	-	-	295,611	295,611
	2,022	**(3,821)**	**21,917**	**20,118**	**(4,560)**	**(9,229)**	**290,971**	**277,182**

(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 contingent commitment to purchase shares of **Hispasat** amounting to EUR 13,125 thousand (see Note 20.ii).

In 2016 relating, on the one hand, to the net revaluation of assets and liabilities already held by **Abertis** in "step acquisitions" performed in 2016 following the acquisition in January 2016 of an additional 50.00% stake in **Autopista Central** (50.00% held previously) amounting to EUR 314,060 thousand, and, on the other, to the impact of the transfer to the consolidated statement of profit or loss for the year of the impacts recognised up to the date on which control of **Autopista Central** was obtained on the consolidated statement of comprehensive income amounting to EUR -20,719 thousand and relating to translation differences and valuation adjustments relating to hedges. Also including the impact of the valuation adjustment to the liability corresponding to the contingent commitment to purchase shares of **Hispasat** amounting to EUR 2,270 thousand.

Lastly, it should be noted that the net financial loss for 2017 includes 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**).

It should also be noted that the net financial loss for 2016 included a positive gross impact, including the costs associated with the transactions, of EUR 48,619 thousand associated with the sale in the year of 4.68% of the share capital of STP held by **Arteris**, recognised under "Net Gains on Disposals of Financial Instruments" in the consolidated statement of profit or loss (a net impact of EUR 21,091 thousand on the profit or loss of **Abertis**).

22. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

i) Contingencies

The detail of the Group's guarantees to third parties, which are not expected to give rise to significant costs, is as follows:

	31 December 2017	31 December 2016 [1]
For operating obligations and commitments	307,345	276,707
For other obligations and commitments [2]	194,518	179,158
	501,863	**455,865**

[1] Excluding those associated with the satellite telecommunications business discontinued in 2017, EUR 445,310 thousand with EUR 266,152 thousand for operating obligations and commitments and EUR 179,158 for other obligations and commitments.

[2] Basically for obligations and commitments associated with investments and financing, etc.

The subsidiary **Aumar** has undertaken to provide guarantees for its investee Ciralsa amounting to EUR 4,987 thousand (2016: 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 28 million in relation to a financing agreement entered into by the latter (2016: EUR 32 million). In addition, **Abertis** guarantees the settlement of derivatives arranged by **Abertis India**, the fair value of which at 31 December 2017 amounted to an asset of EUR 4,854 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 9.i).

Lastly, it should be noted that at 31 December 2017 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 838 million (approximately EUR 215 million), as well as other various legal proceedings, the unfavourable resolution of which to the interests of the Group is deemed possible, in an amount of BRL 48 million (approximately EUR 12 million), and it is considered that there are no other contingent 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 Notes 9.i and 18 in relation to the investment in Alazor and possible tax contingencies, respectively, should also be taken into account.

ii) Commitments and obligations

In addition to the property, plant and equipment and intangible assets investment commitments indicated in Notes 7 and 8, respectively, and to the **Hispasat** and **JEPL** share purchase commitments detailed in Note 20.ii, at 31 December 2017 the Group had the following commitments and obligations:

- Also, as part of the agreement with the French Government for the "Plan Relance" for French toll roads, the shareholders of the French concession operators resolved to create a fund to develop infrastructure of a clearly environmental nature (“Fonds de Modernisation Ecologique des Transports”, FMET). In this regard, having obtained full ownership of the French subgroup **Hit/Sanef**, the contribution of **Abertis** as a shareholder thereof is estimated at around EUR 52 million, which will be paid as the various investment projects to be carried out are approved. In the year ended 31 December 2017, a contribution of EUR 1,375 thousand was made in this connection (no contribution was made in 2016).

- **Abertis** also has various agreements with certain of the non-controlling interests of **A4** (Provincia di Verona and Provincia di Vicenza) to acquire an additional 6.47% of the share capital (up to 90.03%) for EUR 34 million.

  These agreements, which were completed on 16 January 2018, will be recognised as transactions with non-controlling interests since they do not modify the position of control that **Abertis** already holds over that subgroup, which is expected to lead to the recognition of a positive impact of around EUR 30 million on the reserves attributable to the shareholders of the Parent (with the concomitant reduction of the non-controlling interest existing at the acquisition date, estimated at a total of approximately EUR 60 million).

23. 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 2017 the Group's expenditure on improving the environment amounted to EUR 22,609 thousand (2016: EUR 22,026 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.

24. 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, 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 them) 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 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	396,133	820,611	464,396	127,335	212,076	110,784	5,134,816	1,200	5,136,016
Other income	28,772	26,581	26,543	30,644	49,118	3,913	15,162	4,644	185,377	1,304	186,681
Operating income	**1,362,077**	**1,696,757**	**422,676**	**851,255**	**513,514**	**131,248**	**227,238**	**115,428**	**5,320,193**	**2,504**	**5,322,697**
Operating expenses	(255,129)	(534,841)	(210,341)	(409,317)	(111,492)	(39,469)	(156,177)	(81,711)	(1,798,477)	(39,203)	(1,837,680)
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**	**402,022**	**91,779**	**71,061**	**33,777**	**3,516,661**	**(36,698)**	**3,479,963**
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**	**123,420**	**164,417**	**63,911**	**62,032**	**13,803**	**2,098,324**	**(40,101)**	**2,058,223**
Share of profit of associates and joint ventures [1]	10,326	2,979	-	-	-	-	-	709	14,014	5,082	19,096
Unallocated profits and losses [2]											(786,092)
Profit before tax											**1,291,227**

[1] The profit 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 a 74%, respectively, of their share capital in March 2017.

31 December 2016 (*)

	Toll roads Spain	Toll roads France	Toll roads Italy (3)	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	1,287,267	1,623,979	143,258	683,436	406,538	128,399	181,259	76,553	4,530,689	2,009	4,532,698
Other income	26,765	34,103	6,058	34,792	55,551	1,490	8,199	4,526	171,484	2,495	173,979
Operating income	**1,314,032**	**1,658,082**	**149,316**	**718,228**	**462,089**	**129,889**	**189,458**	**81,079**	**4,702,173**	**4,504**	**4,706,677**
Operating expenses	(240,894)	(548,651)	(80,823)	(351,192)	(113,641)	(39,842)	(133,324)	(76,802)	(1,585,169)	(66,397)	(1,651,566)
Operating provisions and allowances	6,161	2,448	2,249	(3,766)	-	-	-	716	7,808	1,713	9,521
Gross profit (loss) from operations	**1,079,299**	**1,111,879**	**70,742**	**363,270**	**348,448**	**90,047**	**56,134**	**4,993**	**3,124,812**	**(60,180)**	**3,064,632**
Depreciation and amortisation charge	(315,908)	(348,424)	(47,316)	(231,938)	(205,846)	(28,258)	(8,710)	(2,033)	(1,188,433)	(3,650)	(1,192,083)
Impairment losses on assets	(206)	-	-	-	-	-	-	(6)	(212)	1	(211)
Profit (Loss) from operations	**763,185**	**763,455**	**23,426**	**131,332**	**142,602**	**61,789**	**47,424**	**2,954**	**1,936,167**	**(63,829)**	**1,872,338**
Share of profit of associates and joint ventures (1)	11,026	4,443	-	-	-	-	-	3,640	19,109	10,835	29,944
Unallocated profits and losses (2)											(611,185)
Profit before tax											**1,291,097**

(*) Consolidated statement of profit or loss for 2016 including the impact of the classification of the satellite telecommunications business as discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

(1) The profit 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 mainly managed by corporate central services; the financial impact of the application of IFRIC 12; and the positive impact on profits of EUR 293 million associated with the obtainment of control of **Autopista Central**.

(3) Corresponding to the four-month contribution of the **A4** subgroup, after **Abertis** acquired 51.4% of its share capital in September 2016.

The increase in the operating figures of the toll roads operating segment was boosted by the sound performance of operations, the impact of the full consolidation of the **A4** subgroup from September 2016 and the full consolidation of **TTPL** and **JEPL** (included in the Toll roads rest of the world operating segment) from March 2017.

Also, the positive changes in the figures of the toll roads operating segments in Brazil and Chile include the impact of the appreciation in the average exchange rate at the end of December of the Brazilian real and the Chilean peso. However, the similarly positive evolution of the toll roads segment in Argentina was partially offset by the impact of the depreciation of the average exchange rate at the end of December of the Argentine peso.

The detail of the assets and liabilities of the segments at 31 December 2017 and 2016 and of the investments in fixed assets made in each year is as follows:

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	Telecommunications	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	-	-	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**	**600,071**	**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 Telecom segment relate to the value of the 34% interest in Cellnex held at 31 December 2017.

(2) Including 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 (see Note 6).

31 December 2016

	Toll roads Spain	Toll roads France	Toll roads Italy [2]	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world	Total toll roads	Telecommunications	Other	Total
Assets	4,901,398	9,145,645	2,201,999	3,865,210	4,841,697	1,271,545	98,414	57,059	26,382,967	1,722,028	1,660,547	29,765,542
Associates and joint ventures [1]	115,939	53,654	5,438	-	-	-	-	30,800	205,831	1,164,697	-	1,370,528
Non-current assets classified as held for sale and discontinued operations	-	-	49,552	-	-	-	-	-	49,552	-	-	49,552
Total assets	**5,017,337**	**9,199,299**	**2,256,989**	**3,865,210**	**4,841,697**	**1,271,545**	**98,414**	**87,859**	**26,638,350**	**2,886,725**	**1,660,547**	**31,185,622**
Liabilities	3,947,752	7,291,212	1,763,864	2,225,923	3,657,420	937,847	66,801	37,618	19,928,437	1,166,617	3,146,154	24,241,208
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-	43,779	-	-	-	-	-	43,779	-	-	43,779
Total liabilities	**3,947,752**	**7,291,212**	**1,807,643**	**2,225,923**	**3,657,420**	**937,847**	**66,801**	**37,618**	**19,972,216**	**1,166,617**	**3,146,154**	**24,284,987**
Period investment in non-current assets [*]	**31,375**	**149,029**	**5,873**	**556,770**	**70,618**	**123,534**	**2,121**	**759**	**940,079**	**170,587**	**7,981**	**1,118,647**

[1] The assets at associates and joint ventures of the Telecommunications segment include the value of the 34% interest in Cellnex held at 31 December 2016 (EUR 1,100,940 thousand).

[2] This relates to the assets and liabilities contributed by the **A4** subgroup at 31 December 2016, after **Abertis** acquired 51.4% of its share capital in September 2016.

[*] Excluding the additions due to business combinations.

In addition to the impact of the depreciation at the reporting date of the Brazilian real, the Chilean peso, the US dollar and the Argentine peso, the changes in the balance sheet figures of the toll roads segment were mainly affected in 2017 by the impact of the acquisition of **TTPL** and **JEPL** (see Notes 2-h and 5) and, in the case of the toll roads in Brazil, by the acquisition of the new **Via Paulista** concession. In addition, the change in "Other" was due mainly to the purchase of non-controlling interests in **Hit** and **A4** (see Note 2-h).

Also, it should be noted that there were no significant inter-segment transactions in 2017 or 2016.

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 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.

25. 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.

The remuneration received by the directors of **Abertis** in 2017, in accordance with the remuneration policy approved by the shareholders at the Annual General Meeting of 24 May 2015, was as follows:

i. The members of the Board of Directors, for discharging the duties inherent to their status as directors of Abertis Infraestructuras, S.A., earned EUR 2,595 thousand (2016: EUR 2,204 thousand), and earned EUR 251 thousand as members of the Board of Directors of other Group companies (2016: EUR 223 thousand).

ii. For performing senior management duties, the Chief Executive Officer, the only director with executive functions, earned EUR 2,486 thousand corresponding to his annual fixed and variable remuneration received in cash (2016: EUR 1,636 thousand), and EUR 8,250 thousand for attaining the multi-year targets set out in the 2015-2017 Incentive Plan, vesting over the last three years, which will be paid out in the first quarter of 2018 as a contribution to the employee welfare plan of which he is a beneficiary (2016 and 2015: EUR 0 thousand settled). He also earned EUR 660 thousand in social welfare obligation contributions (2016: EUR 1,146 thousand).

iii. In addition, the directors of Abertis Infraestructuras, S.A. earned, EUR 64 thousand (2016: EUR 55 thousand) as other remuneration in kind in relation to life and medical insurance policies.

The remuneration in 2017 of the senior executives, understood to be the general managers and similar employees of the **Abertis** Group who carry out management duties while reporting directly to the Board of Directors, the Executive Committee, the Chairman or the CEO of Abertis Infraestructuras, S.A., amounted to EUR 6,509 thousand (2016: EUR 5,933 thousand) and EUR 10,673 thousand for attainment of the multi-year targets set out in the 2015-2017 Incentive Plan, vesting over the last three years, which will be paid out in the first quarter of 2018 (2016 and 2015: EUR 0 thousand settled).

Also, the senior executives earned as other benefits contributions related to social welfare obligations and other remuneration in kind amounting to EUR 596 thousand and EUR 315 thousand, respectively (2016: EUR 580 thousand and EUR 308 thousand, respectively).

The post-employment benefits received by former senior executives totalled EUR 36 thousand in 2017 (2016: EUR 66 thousand).

Also, in accordance with the Company’s remuneration policy for 2018, 2019 and 2020, a new multi-year incentive plan named “ILP 2018-2020” was approved, 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, 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 63 thousand (2016: EUR 75 thousand), are included.

b) Significant shareholders

A shareholder with significant influence at the Parent is defined as a shareholder that has the right to nominate a director or that holds an ownership interest exceeding 3% (see Note 14-a).

In this connection, on 26 September 2017 there was a change of control at CaixaBank (a company with which **Abertis** holds balances and performs transactions) and, as a result, CriteriaCaixa, a significant shareholder of **Abertis**, no longer exercises either control or a significant influence over CaixaBank. Therefore, from that date onwards, CaixaBank is no longer considered to be an entity related to **Abertis**. However, in accordance with the disclosures required by IAS 34, the transactions performed with CaixaBank until 26 September 2017 are detailed below. Accordingly, at 31 December 2017 **Abertis** does not hold any balances with the related entity “la Caixa” in relation to: (i) bond issues, loans and credit lines received; (ii) financial swaps arranged; (iii) financing of retirement obligations; (iv) assets purchased and services received; (v) obligations and contingencies; and (vi) other items.

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

i) Bond issues, loans and credit lines received

	31 December 2017		**31 December 2016**	
	Debt	Limit	Debt	Limit
Loans	-	-	257,756	283,641
Credit lines	-	-	-	350,000
Loans and credit lines	**-**	**-**	**257,756**	**633,641**
Bonds (debt securities)	**-**	**-**	**380,000**	**-**

Note: In 2016 all the loans, credit lines and bonds detailed were held with the related entity "la Caixa" through CaixaBank.

Also, in contrast to 2016, until 26 September 2017 the Parent used transitional cash financing (for a non-material average daily amount) provided by the related entity “la Caixa” (through CaixaBank) to cover cash needs arising from its operations.

The financing was provided on an arm's length basis.

In 2017 (until 26 September 2017) finance income and costs received from and paid to the related entity "la Caixa" (through CaixaBank) amounting to EUR 3,657 thousand and EUR -17,385 thousand, respectively, were recognised (2016: EUR 7,488 thousand and EUR -26,913 thousand, respectively).

Also, at 31 December 2016 the Group held balances totalling EUR 69,888 thousand with “la Caixa” Group companies in deposits and current accounts, which earn interest at market rates.

ii) Financial swaps arranged

Although at 31 December 2017 the Group had not arranged financial swaps with related banks in relation to foreign currency and/or interest rate hedges, at 31 December 2016 it held balances of EUR 407,147 thousand in this connection (EUR 387,107 thousand excluding the amounts related to the satellite telecommunications business discontinued in 2017). In addition, financial swaps amounting to EUR 2,746 thousand were arranged and settled in 2016.

iii) Financing of retirement obligations

In 2017 the Group did not make net contributions to the various insurance policies that it had arranged with the related entity "la Caixa" in order to meet its defined benefit obligations to its employees (2016: EUR -71 thousand in net contributions). Also, at 31 December 2016, the plan assets associated with those policies amounted to EUR 3,014 thousand. The amount relating to defined contribution obligations totals EUR 2,988 thousand (2016: EUR 4,472 thousand).

iv) Assets purchased and services received

	2017	**2016**
Services received: [1]		
Services received	857	1,767
Card collection fees	3,979	2,872
Other fees	-	575
	4,836	**5,214**

[1] Until February 2017 and in 2016 the services received related mainly to Inmobiliaria Colonial, S.A. (an Inmobiliaria Espacio Group company), whereas in both 2017 (until 26 September) and 2016 the card collection and other fees relate in full to “la Caixa”.

v) Obligations and contingencies

At 31 December 2017, the Group had not arranged credit lines with related banks. In 2016 the undrawn limit granted by the related entity “la Caixa” through CaixaBank for the credit lines and loans in force at 31 December 2016 was EUR 375,885 thousand (EUR 350,000 thousand excluding amounts related to the satellite telecommunications business which was discontinued in 2017).

Also, at 31 December 2017 there were no guarantee lines with related banks (in 2016, there were guarantee lines with a limit of EUR 81,592 thousand, against which EUR 41,874 thousand had been drawn down at 31 December 2016).

vi) Other

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 15.iii, the seller has factored the receivables from **Abertis** to a syndicate of Banks (with **Abertis** as a party to the arrangement) including the related entity “la Caixa” (until 26 September 2017), to which EUR 100 million of the total EUR 589 million indicated will have to be paid at that date.

c) Associates and joint ventures

The most significant transactions with associates and joint ventures relate to accrued dividends (EUR 7,050 thousand and EUR 5,540 thousand, respectively, in 2017 -collected in full in 2017-, and 11,973 thousand and EUR 4,977 thousand in 2016, of which EUR 4,417 thousand were collected in 2017, see Note 9). The balances with these companies at the end of 2017 and 2016 are detailed in Notes 12 and 15.

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.

26. OTHER RELEVANT INFORMATION

a) Fees paid to auditors

	2017			2016		
	Audit of financial statements(1)	Tax advisory services	Other services	Audit of financial statements(1)	Tax advisory services	Other services
Deloitte, S.L.	820	-	151	805	-	193
Other Deloitte (*)	2,078	59	602	1,994	72	867
Total Deloitte	2,898	59	753	2,799	72	1,060
Other auditors	74	316	1,511	60	263	1,598
Total	**2,972**	**375**	**2,264**	**2,859**	**335**	**2,658**

(*) Other companies that use the Deloitte trademark.

(1) In 2017 the fees of "Other Deloitte" relating to the audit of the financial statements of Group companies include the cost of the complete annual audit of **TTPL** and **JEPL**, over which **Abertis** obtained control in March 2017; the aforementioned companies are fully consolidated.

In 2016 the fees of "Other Deloitte" relating to the audit of the financial statements of Group companies include the cost of the complete annual audit of the **A4** subgroup over which **Abertis** obtained control in September 2016; the aforementioned subgroup is fully consolidated. It also included the cost of the audit of **Autopista Central**, a company over which **Abertis** obtained control in January 2016, when the company started to be fully consolidated (thitherto it had been accounted for using the equity method).

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 upkeep 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 12).

- Concession arrangement for the construction, maintenance and operation of the C-32, C-31 and C-33 toll roads of the Catalonia Autonomous Community Government 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 12).

  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 authorities dated 23 December 2013 (which comes 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 Vallvidrera 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 AP7 (Tarragona-Valencia and Valencia-Alicante) and AP4 (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 12).
- 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 currently operated 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 has been 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) has been 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, subsequent to the approval of the A31 toll road extension project by the Inter-ministerial Committee for Economic Planning "CIPE" in September 2016, has been extended to 31 December 2026 (granted in 1956).

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 França, 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 **Autovías** (DER/SP no. 18/CIC/97, governed by State Decree no. 42,646 of 18 December 1997, modified by Amendment [Termo Aditivo e Modificativo] no. 19/14 of 16 January 2015), which expires in December 2018 (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 **Centrovías** (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 modified by Amendment no. 14/06 of 21 December 2006), and which expires in April 2028 following the three-month extension agreed on 14 January 2016 (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), which expires 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 **Régis 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**, ending in July 2031. 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 8-v 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.
- 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-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 expires in May 2019. 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 8-v that, once the memorandum is formalised through its publication in the official journal of the corresponding Ad-Referendum Agreement entered into in 2017, the concession term will be extended until March 2021.
- 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 3 April 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 Highways and Transportation Authority and Autopistas Metropolitanas de Puerto Rico Llc. (**Metropistas**), which expires on 22 September 2051. Subsequently, on 21 April 2016 **Metropistas** entered into an agreement with the Puerto Rico Highways 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 Government of Argentina and **GCO**, which expires on 31 December 2018. Subsequently, 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.
- 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, which expires on 31 December 2020. Subsequently, 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, that would end on 31 December 2030.

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).

27. EVENTS AFTER THE REPORTING PERIOD

In addition to what is indicated in Notes 8, 15 and 22 regarding, respectively, the protocols signed by Rutas del Pacífico and Autopista del Sol with the Ministry of Public Works of Chile, the bonds repurchase performed by Rutas del Pacífico and the acquisition of an additional 6.47% of the share capital of A4 Holding, S.p.A. (A4), there have not been subsequent events, at the date of authorisation for issue of these consolidated financial statements.

28. 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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Barcelona, 6 February 2018

APPENDIX I. Subsidiaries included in the scope of consolidation

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
DIRECT OWNERSHIP INTEREST							
Abertis Infraestructuras Finance, B.V.	Prins Bernhardptin, 200 1097JB Amsterdam (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)	3	100%	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.

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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)	% (*)				
Abertis USA Corp.	1737 H ST NW, 2nd floor, Washington DC 2006 (US)	5	100%	Abertis	Full consolidation	Transport and communications infrastructure development and management	-
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellanos Sector Embalse San José - San Juan de Puerto Rico 00923 (Puerto Rico)	25,073	100%	Abertis	Full consolidation	Infrastructure concession operator	Deloitte
Inversora de Infraestructuras, S.L. (INVIN)	Paseo de la Castellana, 39, 28046-Madrid	770,136	71.84%	Abertis	Full consolidation	Holding company	Deloitte
Holding d'Infrastructures de Transport, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	3,080,236	100%	Abertis	Full consolidation	Holding company	Deloitte
Holding d'Infrastructures de Transport, 2 S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	1,757	100%	Abertis	Full consolidation	Holding company	Deloitte
Abertis Mobility Services, S.L.	Avinguda Pedralbes, 17 08034 Barcelona	28,408	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.	Avenida Presidente Juscelino Kubitschek, 1455, 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	0	51.00%	Abertis	full consolidation	Operation of concessions	Deloitte

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		Cost (thousands of euros)	% (*)				
Partícipes en Brasil, S.A.	Paseo de la Castellana, 39, 28046-Madrid	810,780	51.00%	Abertis	full consolidation	Holding company	Deloitte
Abertis PDC, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	0	100%	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)	253,503	51.00%	Abertis	full consolidation	Toll road concession operator	Deloitte
Autopistas del Sol, S.A. (AUSOL) (1)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	0	31.59%	Abertis	full consolidation	Toll road concession operator	Deloitte
Abertis Internacional, S.A.	Paseo de la Castellana 39, 28046 Madrid	315,110	100%	Abertis	full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte

Telecommunications

Abertis Telecom Satélites, S.A.	Paseo de la Castellana, 39, 28046-Madrid	193,924	100%	Abertis	Full consolidation	Holding (satellite telecommunications)	Deloitte

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				

INDIRECT OWNERSHIP INTEREST

Through Abertis Autopistas España

Autopistas, Concesionaria Española S.A. (ACESA)	Av. Parc Logístic, 12-20 08040 Barcelona	1,220,352	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	573,000	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

(1) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2017 was ARS 107.63. At 2017 year-end, the market price was ARS 106.55. 49.92% of the voting rights are held.

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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)	% (*)				
Grupo Concesionario del Oeste, S.A. (GCO) (2)	Ruta Nacional nº7, km25,92 Ituzaingó (Argentina)	8,900	48.60%	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	54,752	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	541,947	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte

Through Societat d'Autopistes Catalanes, S.A.

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

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Túnels de Barcelona i Cadí Concesionària de la Generalitat de Catalunya, 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

(2) The shares of GCO are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2017 was ARS 38.14. At 2017 year-end, the market price was ARS 34.90. 57.6% of the voting rights are held.

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Through Abertis Infraestructuras Chile e Inversora de Infraestructuras							
Abertis Autopistas Chile, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	41,011	80.53%	Abertis Chile / INVIN	Full consolidation	Holding company	Deloitte
Gestora de Autopistas, S.A. (GESA)	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1,413	80.53%	Abertis Autopistas Chile / Abauchi III	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)	111,256	80.53%	Abertis Autopistas Chile / Abauchi III	Full consolidation	Toll road concession operator	Deloitte
Abertis Autopistas III, Spa	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	321,585	80.53%	Abertis Autopistas Chile	Full consolidation	Development of roads and toll roads	Deloitte
Sociedad Concesionaria Autopista del Sol S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	74,291	80.53%	GESA / Abauchi III	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista Los Libertadores S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	32,798	80.53%	GESA / Abauchi III	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	46,458	80.53%	Abertis Autopistas Chile / Abauchi III	Full consolidation	Toll road concession operator	Deloitte

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Operadora Sol, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	2,542	80.53%	Abauchi III	Full consolidation	Upkeep, management and operation of transport infrastructure	Deloitte
Operadora los Libertadores, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1,658	80.53%	Abauchi III	Full consolidation	Upkeep, management and operation of transport infrastructure	Deloitte
Operadora Andes, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	3,060	80.53%	Abertis Autopistas Chile / Abauchi III	Full consolidation	Upkeep, management and operation of transport infrastructure	Deloitte
Operadora del Pacífico, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1,139	80.53%	Abertis Autopistas Chile / Abauchi III	Full consolidation	Maintenance, operation and upkeep of roads	Deloitte
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	133,090	80.53%	Abertis Autopistas Chile / Abauchi III	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista Central, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	122,344	76.18%	Abertis Autopistas Chile / CK Chile	Full consolidation	Toll road concession operator	Deloitte
Central Korbana Chile, S.A.	El Bosque Central nº 92, Las Condes, Santiago (Chile)	75,423	71.84%	CK Sweden AB / CK Sweden Holdings AB	Full consolidation	Holding company	Deloitte
Central Korbana Sweden Holdings, AB.	Norra Vallgatan 70, 211 22 Malmo (Sweden)	191,249	71.84%	Central Korbana S.a.r.l.	Full consolidation	Holding company	Deloitte

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Central Korbana Sweden, AB.	Norra Vallgatan 70, 211 22 Malmo, Sweden	552,327	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	125,906	71.84%	Invin SL	Full consolidation	Holding company	Deloitte

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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	Toll road operator	Deloitte
Emovis S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	21,528	100%	Abertis Mobility Services	Full consolidation	Toll road operator	Deloitte
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15 (Ireland)	11,632	100%	Emovis SAS	Full consolidation	Toll road operator	Deloitte
Eurotoll Central Europe zrt	H-1152 Budapest Szentmihalyi ut 137. (Hungary)	18	100%	Eurotoll, SAS	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)	7,443	100%	Emovis SAS	Full consolidation	Toll road systems provider	Deloitte
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

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
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
Emovis Technologies Chile, S.A.	4557 Calle El Rosal Huechurraba, Santiago (Chile)	2,272	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
CS Polska SP. Z O. O.	c/o KKS Legal Sp. k. Ul.Zurawia, 45 00-680 Warsaw (Poland)	402	100%	Emovis SAS	Full consolidation	Upkeep of toll road systems	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)	11,459	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

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Emovis TAG UK Limited	St John Offices Albion Street Leeds L52 8LQ (UK)	0	100%	Emovis SAS	Full consolidation	Marketer of Tags in the UK (from 03/16)	Deloitte

Through Holding d'Infrastructures de Transport, S.A.S

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
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

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Through Abertis Internacional							
Abertis India, S.L.	Paseo de la Castellana, 39, Madrid	137,683	100%	Abertis Internacional	Full consolidation	Holding company	Deloitte
Abertis India Toll-Road Services LLP	801, Nirmal Nest, Vayudevta Mandir Complex, Devidas Road, Borivali, Mumbai - 400103	1,419	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	83,506	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	39,992	74%	Abertis India	Full consolidation	Toll road concession operator	Other auditors
Abertis Italia S.r.l.	Via Lodovico Mancini 5, Milan	650,907	100%	Abertis Internacional	Full consolidation	Holding company	Deloitte
A4 Holding S.p.A.	Via Flavio Gioia 71, Verona	719,201	83.56%	Abertis Italia	Full consolidation	Holding company	Deloitte
Autostrada Bs Vr Vi Pd S.p.A	Via Flavio Gioia 71, Verona	510,404	83.56%	A4 Holding S.p.A.	Full consolidation	Toll road concession operator	Deloitte

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This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2017 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)	% (*)				
Serenissima Partecipazioni S.p.A	Via Flavio Gioia 71, Verona	73,506	83.56%	A4 Holding S.p.A.	Full consolidation	Construction and maintenance	Deloitte
A4 Trading S.r.l.	Via Enrico Fermi 4, Verona	4,875	83.56%	Serenissima Partecipazioni S.p.A	Full consolidation	Parking facility maintenance and development consulting services	Deloitte
Acufon S.p.A	Via Pignolo 27, Bergamo	0	83.56%	Serenissima Partecipazioni S.p.A	Full consolidation	Construction	Other auditors
Globalcar Services S.p.A	Via Enrico Fermi 4, Verona	1,845	55.15%	Serenissima Partecipazioni S.p.A	Full consolidation	Lease of vehicles	Deloitte
A4 Mobility S.r.l.	Via Antonio Meucci 14, Verona	7,000	83.56%	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)	150,733	51.00%	Partícipes en 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)	1,443,921	41.97%	Partícipes en Brasil, S.A. / PDC Participações, S.A.	full consolidation	Holdings of non-financial institutions	Deloitte

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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	835,285	51.00%	Partícipes en 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 Kubitschek, 1.455 9º Andar - CEP 04543-011 - São Paulo / SP (Brazil)	18,586	41.97%	Arteris Brasil, S.A.	full consolidation	Holding company	Deloitte
Autovías, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	34,252	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)	24,063	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)	36,600	41.97%	Arteris Brasil, S.A. / Arteris Participações, S.A.	full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Vianorte, S.A.	Rodovia Atílio Balbo - SP 322 - km 327,5 - Praça Pedágio - Sertaozinho - SP - CP 88 - CEP - 14173 - 000. (Brazil)	29,532	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 Preto - (state) SP. (Brazil)	1,091,386	41.97%	Arteris Brasil, S.A.	full consolidation	Road construction and operation	Deloitte
Autopista Planalto Sul, S.A.	Avda. Afonso Petschow nº 4040 - Barrio Industrial - Rio Negro - CEP 83880-000 - PR (Brazil)	230,696	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)	223,210	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)	309,065	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)	346,418	41.97%	Arteris Brasil, S.A.	full consolidation	Road construction and operation	Deloitte

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Autopista Litoral Sul, S.A.	Avenida Santos Dumont, nº 935 - Edifício Neogrid - Bairro Santo Antônio - CEP 89218-105 - Joinville - SC (Brazil)	299,100	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)	967	41.97%	Arteris Brasil, S.A.	full consolidation	Upkeep and repair of dual carriageways in São Paulo (Brazil)	Deloitte

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Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				

Through Abertis Telecom Satélites

Hispasat, S.A.	Paseo de la Castellana 39, 28046 Madrid	502,575	57.05%	Abertis Telecom Satélites, S.A.	Full consolidation	Operation of satellite communications systems	Deloitte
Hispasat Brasil, Ltda	Praia do Flamengo 200. Rio de Janeiro - (Brazil)	43,066	57.05%	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	57.05%	Hispasat, S.A.	Full consolidation	Sale and lease of satellites, and their space capacity	Deloitte
Consultek Inc.	1550 Cowper st. Palo Alto (US)	16	57.05%	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)	0	57.05%	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)	5,948	46.19%	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	46.19%	Hispamar Satélites	Full consolidation	Satellite telecommunications	Deloitte

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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.

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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)	18,564	40.00%	177,479	39,118	119,396	(2,842)	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%	35,392	8,563	53,788	1,505	Abertis	Equity method	Construction	Deloitte
Cellnex Telecom, S.A.	Juan Esplandiú, 11-13 28007 Madrid	138,969	34.00%	4,038,520	3,393,970	789,365	30,446	Abertis	Equity method	Holding company (terrestrial telecommunications)	Deloitte
INDIRECT OWNERSHIP INTEREST											
Through Abertis Autopistas España, S.A.											
Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA) (3)	Autopista C-16, km 41. Barcelona	49,568	23.72%	1,034,834	414,608	91,452	47,698	Acesa	Equity method	Toll road concession operator	Deloitte
Ciralsa, S.A.C.E.	Av. Maisonnave, 41. Alicante	0 (4)	25.00%	231,217	575,652	6,502	(15,151)	Aumar	Equity method	Construction, upkeep 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		Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)								
Alazor Inversiones, S.A.	Carretera M-50, Km. 67,5 Área de Servicio la Atalaya Villaviciosa de Odón (Madrid)	0 (4)	31.22%	1,090,645	1,320,726	-	(12,836)	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	0 (5)	30.0%	553,517	756,529	-	(18,067)	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%	916	296	1,579	55	Trados-45	Equity method	Upkeep and maintenance of toll roads	Deloitte
Bip&Drive, S.A.	Paseo de la Castellana 95, Torre Europa, Planta 16, 28046 Madrid	3,703	35.00%	15,432	8,914	171,393	(593)	Abertis Autopistas España	Equity method	Marketing of tags	Other auditors
Accesos de Madrid, C.E.S.A. (6)	Carretera M-50, Km. 67,5 Área de Servicio la Atalaya Villaviciosa de Odón (Madrid)	0 (5)	31.22%	1,095,840	1,313,139	25,091	(17,735)	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	0 (5)	30.00%	758,817	1,152,749	15,371	(38,072)	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	0 (5)	30.00%	41	11	-	(1)	Infraestructuras y Radiales	Equity method	Administration and management of infrastructure	Deloitte

(3) Financial statements at 31 December 2016, latest information available.

(4) Carrying amount of ownership interest zero at 31 December 2017 due to impairment losses recognised.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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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 Motorways UK Ltd.											
Road Management Group Ltd. (RMG)	Cannon Place 78 Cannon Street London EC4N 6AF (UK)	13,195	33.33%	212,621	180,418	45,003	4,428	Abertis Motorways UK Limited	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%	1,106,863	851,454	58,675	8,475	Sanef	Equity method	Toll road concession operator	Deloitte
Alis S.A.	Lieu-dit Le Haut Groth 27310 Bourg-Achard, (France)	2,258	19.67%	1,138,818	938,455	81,204	8,827	Sanef / Sapn	Equity method	Toll road concession operator	Deloitte
Routalis S.A.S	11, avenue du Centre 78280 Guyancourt. (France)	12	30%	3,581	2,444	10,928	1,093	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%	73,374	73,333	13,947	-	Sanef	Equity method	Management of operating contracts	Other auditors

(5) Carrying amount of ownership interest zero at 31 December 2017 due to impairment losses recognised.

(6) 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.

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Company	Registered office	Ownership interest		Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)								
Through Cellnex Telecom											
Retevisión-I, S.A.U.	Av. Del Parc Logístic, 12-20 08040 Barcelona	368,938	34.00%	540,060	132,870	280,084	63.556	Cellnex Telecom, S.A.	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Av. Del Parc Logístic, 12-20 08040 Barcelona	127,121	34.00%	198,729	23,801	85,584	23.135	Cellnex Telecom, S.A.	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
OnTower Infraestructuras, S.A.U.	Av. Del Parc Logístic, 12-20 08040 Barcelona	28,457	34.00%	443,644	44,535	103,568	9.415	Cellnex Telecom, S.A.	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex Italia, S.r.L (formerly Smartowers Italy, S.r.L.)	Via Carlo Veneziani 58, 00148 Roma, (Italy)	789,610	34.00%	938,892	120,136	2,907	30.557	Cellnex Telecom, S.A.	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Limited	55 Old Broad Street, London, EC2M 1RX, (UK)	-	34.00%	391	349	540	38	Cellnex Telecom, S.A.	Equity method	Holding company	-
Cellnex Netherlands, BV (formerly Protelindo Netherlands, BV)	Dr. Lelykade 22, Unit 9, 2583Cm's - Gravenhage	515,151	34.00%	479,274	11,796	0	(127)	Cellnex Telecom, S.A.	Equity method	Holding company	Deloitte
Cellnex France, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	518,091	34.00%	549,645	41,735	22,776	(9,626)	Cellnex Telecom, S.A.	Equity method	Holding company	Deloitte
Shere Group Limited	River Court, Albert Dr,Woking GU21 5RP, UK	130,551	34.00%	73,093	5,267	0	163,263	Cellnex Telecom, S.A.	Equity method	Holding company	Deloitte

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		Cost (thousands of euros)	% (*)								
Cellnex France Groupe, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	1,050	34.00%	257	101	0	(895)	Cellnex Telecom, S.A.	Equity method	Holding company	-
Cellnex Telecom España, S.L.U.	Av. Del Parc Logístic, 12-20 08040 Barcelona	3	34.00%	3,233,711	2,767,639	6,643	29,538	Cellnex Telecom, S.A.	Equity method	Holding company	-
Cellnex Switzerland AG	CH-6301, Zug, Switzerland	170,483	13.36%	432,310	130,985	0	(3,492)	Cellnex Telecom, S.A.	Equity method	Holding company	Deloitte
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,439	14.20%	17,118	11,430	4,280	8	Retevisión I, S.A.U.	Equity method	Construction and operation of telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	10.03%	3,734	666	1,909	314	Tradia Telecom, S.A.U.	Equity method	Provision of services associated with telecommunications operators and concessions	Other auditors
TowerCo, S.P.A.	Via Alberto Bergammini 50, Roma, (Italy)	94,600	34.00%	43,246	10,748	23,056	6,572	Cellnex Italia, S.r.L	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Galata, S.p.A.	Via Carlo Veneziani 56L, 00148 Roma, (Italy)	780,518	30.60%	353,339	60,527	211,204	25,132	Cellnex Italia, S.r.L	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	4,464	20.43%	11,436	4,790	7,050	1,179	Tradia Telecom, S.A.U.	Equity method	Construction and operation of telecommunications infrastructure	Deloitte

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Company	Registered office	Ownership interest		Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)								
Gestora del Espectro, S.L.	Av. Del Parc Logístic, 12-20 08040 Barcelona	3	34.00%	-	-	-	-	Retevisión I, S.A.U.	Equity method	Development, setup, management and marketing of terrestrial telecommunications services	-
Towerlink Italia, S.r.l.	Via Carlo Veneziani 58, Roma (Italy)	10	34.00%	-	-	-	-	Cellnex Italia, S.r.L.	Equity method	Terrestrial telecommunications infrastructure operator	-
Commscon Italia, Sr.L.	Via Carducci 32, 20123 Milano (Italy)	24,904	34.00%	10,133	7,499	9,447	739	Cellnex Italia, S.r.L	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Netherlands, BV (formerly Protelindo Towers, BV)	Dr. Lelykade 22, Unit 9, 2583Cm's - Gravenhage	63,634	34.00%	74,730	5,356	9,290	2,990	Cellnex Netherlands, BV	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Italia, S.r.L.	Via Carlo Veneziani 56L, 00148 Rome, Italy	1,978	34.00%	943	663	287	142	Cellnex Italia, S.r.L	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Shere Midco Ltd	River Court, Albert Dr,Woking GU21 5RP, United Kingdom	188,161	34.00%	72,900	5,332	1,142	165,577	Shere Group Limited	Equity method	Holding company	Deloitte
Shere Group Netherlands BV	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	115,113	34.00%	14,754	1,571	243	89,913	Shere Midco Ltd	Equity method	Holding company	Deloitte
Shere Masten BV	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	278,085	34.00%	226,394	24,736	19,603	10,280	Shere Group Netherlands BV	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte

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Company	Registered office	Ownership interest		Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)								
Watersite Holding Limited	River Court, Albert Dr,Woking GU21 5RP, United Kingdom	29,704	34.00%	17,495	1,056	2,451	(130)	Shere Midco Ltd	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	River Court, Albert Dr,Woking GU21 5RP, United Kingdom	31,879	34.00%	26,115	2,929	5,111	1,649	Shere Midco Ltd	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
QS4 Limited	River Court, Albert Dr,Woking GU21 5RP, United Kingdom	1,977	34.00%	8,266	4,817	1,367	370	Shere Midco Ltd	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Shere Consulting Limited	River Court, Albert Dr,Woking GU21 5RP, United Kingdom	2,598	34.00%	226	40	1,371	(16)	Shere Midco Ltd	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Infr'asset Management, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	870	34.00%	87	256	44	(118)	Cellnex France Groupe, S.A.S.	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
Infracapital Alticom BV	Branderweg 7, 8042 PD, Zwolle	132,726	34.00%	71,735	592	-	565	Cellnex Netherlands, BV	Equity method	Holding company	-
Alticom Holding BV	Branderweg 7, 8042 PD, Zwolle	36,012	34.00%	46,696	756	-	13	Infracapital Alticom BV	Equity method	Holding company	-
Alticom BV	Branderweg 7, 8042 PD, Zwolle	45,622	34.00%	48,647	2,551	5.084	473	Alticom Holding BV	Equity method	Terrestrial telecommunications infrastructure 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 2017 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		Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)								
Breedlink BV	Branderweg 7, 8042 PD, Zwolle	470	34.00%	420	118	18	(167)	Alticom Holding BV	Equity method	Terrestrial telecommunications infrastructure operator	-
Swiss Towers AG	Binzmühlestrasse 130, 8050 Zúrich, Switzerland	498,054	34.00%	138,181	80,992	22,651	3,084	Cellnex Switzerland AG	Equity method	Terrestrial telecommunications infrastructure operator	Deloitte
TMI, S.r.L.	Via Carlo Veneziani 56L, 00148 Rome, Italy	1,375	18.36%	-	-	-	-	Cellnex Italia, S.r.L	Equity method	Terrestrial telecommunications infrastructure operator	-

Through Abertis Telecom Satélites

Hisdesat Servicios Estratégicos, S.A.	Paseo de la Castellana, 143 - Madrid	62,100	24.53%	297,514	105,743	40,088	4,976	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	0	8.15%	1,295	360	-	-	Hispasat, S.A.	Equity method	Operation of satellite systems	-

(*) 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 2017 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		Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)								
Through Abertis Internacional											
Pedemontana Veneta S.p.A. [7]	Verona (VR) Via Flavio Gioia 71	1,916	26.67%	9,279	3,446	85	(7)	Autostrada Bs Vr Vi Pd SpA	Equity method	Infrastructure management	Other auditors
G.R.A. di Padova S.p.A. [8]	Venezia (VE) Viale Ancona 26	1,000	28.33%	3,958	1,798	-	(72)	Autostrada Bs Vr Vi Pd SpA	Equity method	Infrastructure management	Other auditors
Italian Golf Development S.r.l. [9]	Brescia (BS) Via Aurelio Saffi 16	0[9]	37.53%	19,265	19,600	48	(830)	Acufon Spa	Equity method	Construction and maintenance of golf facilities	Other auditors
Rio dei Vetrai S.r.l.	Milano (MI) Via Crocefisso 8	0[9]	41.78%	37,050	35,959	5	(116)	Serenissima Partecipazioni S.p.A	Equity method	Construction and maintenance	Other auditors
C.I.S. S.p.A. in liquidaz. in concordato preventivo	Vicenza (VI) Contra' Gazzolle 1	0[9]	21.08%	10,940	11,713	271	(37,852)	A4 Holding S.p.A.	Equity method	Construction and maintenance	Other auditors

[7] Financial statements at 31 December 2015, latest information available.

[8] Financial statements at 31 December 2016, latest information available.

[9] Carrying amount of ownership interest zero at 31 December 2017 due to impairment losses recognised.

(*) 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 2017 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 originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2017

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

1.1. Situation of the entity

Abertis in 2017

Abertis is the world's leading toll road management group in terms of kilometres managed, with more than 8,600 km of high-capacity, quality roads in 15 countries in Europe, the Americas and Asia, of which close to 8,000 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 600 km of roads in France, the UK and Colombia.

Abertis Infraestructuras, S.A. (a company listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges) 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 2017 is summarised as follows:

Spain	France	Italy	Brazil	Chile	Puerto Rico	Argentina	India	UK	Ireland	US	Colombia	
Acesa	Sanef	Abertis Italia	Arteris	Gesa	Metropistas	GCO	Abertis India	RMG	Emovis Op. Ireland Ltd.	Emovis Technologies US, Inc.	Coviandes	Hispasat G.
Aucat	Sapn	A4 Holding	Autovias	Elqui	APR	Ausol	JEPL	Dartford Crossing	Emovis Tech. Ireland Ltd.			Cellnex G.
Invicat	Alis	Autostrada BsVrViPd	Centrovias	Rutas			TTPL	Mersey Gateway				
Aumar	Routalis	Serenissima Partecipazioni	Intervias	Autopista del Sol			Abertis India Toll Road Services					
Iberpistas	Aliénor	A4 Trading	Vianorte	Autopista Los Andes								
Castellana	Emovis	Acufon	Litoral Sul	Autopista Libertadores								
Avasa	Eurotoll	A4 Mobility	Planalto Sul	Autopista Central								
Aulesa			Fluminense									
Túnels de Barcelona i del Cadí			Fernao Dias									
Autema			Régis Bittencourt									
			Via Paulista									
			Arteris Participações									

The detail of the Group's subsidiaries, joint ventures and associates at 31 December 2017 and of the percentages of ownership is shown in Appendices I, II and III, respectively, to the consolidated financial statements.

The **Abertis** Group provides services in the area of infrastructure management serving mobility and communications and, in accordance with the 2015-17 Strategic Plan, focuses its activities and growth on the toll roads industry.

Moreover, the Group has a 34% ownership interest in Cellnex Telecom, S.A. (Cellnex), the largest neutral European operator of telecommunications infrastructure for mobile telephony and audiovisual broadcasting, with a network at the end of 2017 of more than 21,000 masts.

In addition, **Abertis** decided to discontinue the satellite telecommunications business carried on by part of the Group of which the parent is Hispasat, S.A. (**Hispasat**) and, therefore, at 31 December 2017 the assets and liabilities associated with the aforementioned subgroup, which have not yet been disposed of, are presented discontinued operations and the results of the subgroup are presented as discontinued operations.

Milestones in 2017

January

- Agreement with the French Government to invest EUR 147 million in the modernisation of the network in exchange for an annual increase in tolls for 2019-2021.
- **Abertis** was included in the FTSE4Good indexes for the first time.

February

- Agreement for the acquisition of an additional 8.53% of A4 Holding.

March

- Completion of the acquisition of all of the shares of the Indian company Trichy Tollway Private Limited (**TTPL**) and of 74% of the Indian company Jadcherla Expressways Private Limited (**JEPL**) for EUR 133 million.

April

- Following successive acquisitions, **Abertis** attained an ownership interest of 100% in Holding d'Infrastructures de Transports (**Hit**), its subsidiary in France, which in turn controls 100% of **Sanef**.
- Award to **Arteris** in Brazil of the 30-year Rodovias dos Calçados concession (**Via Paulista**) for BRL 1,516 million.
- The Toll Roads Division opens the first free-flow toll station in Spain on the AP-7 toll road.

June

- Agreement with the Argentine Government (in the course of formalization) to invest USD 250 million in Grupo Concesionario del Oeste, S.A. (**GCO**) in exchange for the extension of the concession term until 2030 (+12 years).
- Global agreement with Waze in seven countries to join its Connected Citizens Program.

July

- **Abertis**, following successive acquisitions, achieves an ownership interest of 84% in A4 Holding.

August

- New agreement with the Argentine Government (in the course of formalization) to invest USD 430 million in **Ausol** in exchange for the extension of the concession term until 2030 (+10 years).

October

- **Emovis** launches the free-flow toll system on the Mersey Gateway bridge in the UK.
- Repurchase of a portion of the bonds issued by the concession operator Autoestrada Brescia Verona Vicenza (EUR 200 million) maturing in 2020.
- Partnership with UNICEF to prevent child road traffic injuries.

November

- Issue of two EUR 500 million bonds by **Hit** maturing in 2023 and 2027 and bearing coupon rates of 0.625% and 1.625%, respectively, with the repurchase of bonds totalling EUR 140 million issued by **Hit** maturing in 2021.

December

- The additional lanes on the **Régis Bittencourt** toll road in Serra do Cafezal were inaugurated with an investment of EUR 330 million.
- Renewal, for the second consecutive year, in the indicators FTSE4Good.

Also, on 15 May 2017 Atlantia announced its decision to launch a tender offer for all the shares of Abertis Infraestructuras. The period for accepting this tender offer was suspended on 18 October when Hochtief presented a rival tender offer, also for all the shares of Abertis Infraestructuras. At 2017 year-end this rival offer had not yet been authorised by the Spanish National Securities Market Commission (CNMV).

Achievement of the 2015-2017 Strategic Plan

At the end of 2017 **Abertis** had more than satisfactorily achieved the 2015-2017 Strategic Plan, exceeding the initial objectives established in the four strategic areas, for both the year and the entire period covered by the Plan: (i) achieving international growth; (ii) promoting the strategy of focusing on key areas; (iii) seeking efficiencies; and (iv) increasing shareholder returns.

i) Promoting growth

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

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

In this regard, in 2017 the Group invested more than EUR 3,700 million, bringing the total up to more than EUR 7,400 million in 2015-2017.

Growth in the existing asset base

In 2017 **Abertis**, through successive acquisitions of capital from the other non-controlling shareholders, obtained control of 100% of Holding d'Infrastructures de Transport (**Hit**), which in turn owns all the shares of **Sanef**. With this operation, which involved an investment of more than EUR 2,200 million, **Abertis** has reinforced its position in France, the Group's main market.

In 2018 **Abertis** has concluded several agreements to acquire various non-controlling interests in its Italian subsidiary A4 Holding (which in turn owns all the shares of concession operator of the A4 and A31 toll roads) to push its ownership interest up to just over 90%. At 2017 year-end it had achieved an ownership interest of 84% in **A4**, and the aforementioned acquisitions were completed in January 2018.

The Group has also strengthened its position in Brazil. Thus, in October **Arteris** (the Brazilian subsidiary of **Abertis**) signed in São Paulo the concession arrangement for Via Paulista (previously called Rodovias dos Calçados). The arrangement was awarded by the State of São Paulo in April for a period of 30 years and the concession started to operate in November.

The concession is for a toll road of 718 km, which includes 317 km managed by **Autovías** (currently an **Arteris** subgroup company whose concession was to expire at the end of 2018) plus an additional 401 km that until the concession was awarded had been under the direct management of the State of São Paulo

Through these transactions **Abertis** has achieved 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.

New acquisitions

In March **Abertis** concluded the agreement with the MSIIPL and SMIT funds, controlled by Macquarie and State Bank of India, for the acquisition of two of India's main toll roads, the NH-45 and the NH-44, for a total amount of EUR 133 million.

As a result of this transaction, **Abertis** now controls 100% of the concession operator Trichy Tollway Private Limited (**TTPL**), which manages the NH-45, and 74% of Jadcherla Expressways Private Limited (**JEPL**), which operates the concession for the NH-44. These toll roads are located in the States of Tamil Nadu and Telangana, respectively, which are regions with economic growth exceeding the average for India as a whole and whose GDP per capita is among the highest in the country.

This transaction, which marks the Group’s entry into the Asian market, represents an important step in **Abertis**'s commitment to geographical diversification, with its arrival in a continent that is on the up from the economic standpoint and in one of the countries with the highest growth potential in the world, thereby reinforcing the Group's leadership and balancing out its exposure to different markets at world level.

Public-private partnership agreements

In January 2017 **Sanef**, **Abertis**'s subsidiary in France, reached an agreement with the French Government to launch a new investment plan to modernise its network. Under the agreement, **Sanef** will invest EUR 147 million in various projects in exchange for an annual increase in tolls for 2019-2021 (0.27% for **Sanef** and 0.40% 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.

In August **Ausol**, a subsidiary of the **Abertis** Group in Argentina, entered into an agreement with the Argentine Ministry of Transport for new investments in the country's toll road network. This agreement, in the course of formalization, envisages an additional investment plan to improve the current road network for a total amount of USD 430 million, which will be financed in full by the future revenue from the concession as a result of the extension of the current arrangement, which was to end in 2020, until the end of 2030.

In mid-June 2017 the Group reached a similar agreement, in the course of formalization, with the Argentine Government regarding its other concession operator in Argentina, Grupo Concesionario del Oeste, S.A. (**Gco**), which also provides for an investment plan worth USD 250 million and an extension of the concession term by twelve years until 2030.

Abertis has thus reinforced 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, during the 2015-17 three-year period the Group has entered into important agreements in most of the countries in which it operates, such as France, Italy, Brazil, Chile, Puerto Rico and Argentina. In addition, these agreements show the Group's capacity to grow its portfolio of existing assets, increasing the average term of its concessions.

ii) Focusing on key areas

Since the commencement of the previous Strategic Plan in 2011, **Abertis** has stepped up its focus on its business in the toll roads industry, which at 2017 year-end accounted for 100% of its revenue.

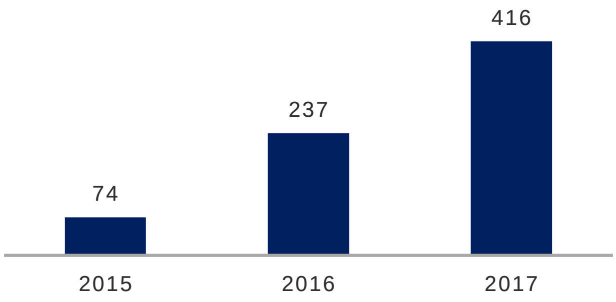
The initial drive behind this approach was evidenced by the IPO in 2015 of Cellnex Telecom, which outstripped expectations and gave rise to a gain of almost EUR 2,700 million for **Abertis** in 2015.

In 2017, in line with this objective, **Abertis** began the process of selling the operations of **Hispasat**, discontinuing, at year-end, the satellite telecommunications business. This process is expected to be able to be completed in 2018.

iii) Efficiencies

In 2015 **Abertis** implemented a new efficiency plan for the three-year period ending in 2017, which focused on the Group's businesses in France, Brazil and Spain. By the end of 2017 this plan had generated accumulated savings totalling EUR 416 million in the period, which contributed to improving the EBITDA margin.

Accumulated savings - Efficiency (millions of euros)



iv) Shareholder returns

On 3 April 2017, the shareholders at the General Meeting of **Abertis** resolved to pay a second and final dividend out of the profit for 2016 with a charge to unrestricted voluntary reserves of EUR 0.37 gross per share, which was paid in April 2017. Accordingly, the total 2016 dividend amounted to EUR 0.73 gross per share, representing EUR 722.9 million and an increase of 11% with respect to the total amount distributed out of the profit for the preceding year.

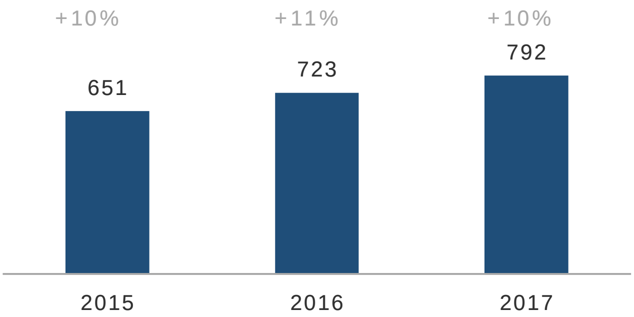
In this regard, the General Meeting resolved to offer the shareholders the possibility of opting for either receiving the second payment of the 2016 dividend of EUR 0.37 gross per share in cash or the award of shares of Abertis Infraestructuras, S.A. from the treasury shares and cash held by the Company. Lastly, 15.3% of the share capital of Abertis Infraestructuras, S.A. opted for the payment of the aforementioned dividend in the form of the Parent's treasury shares, which entailed the delivery of 2.9 million treasury shares representing 0.29% of Abertis Infraestructuras, S.A.'s share capital.

Also, a first dividend payment for 2017 of EUR 0.40 gross per share was made which, together with the proposal submitted by the Board of Directors of **Abertis** to the Annual General Meeting for the distribution of a second and final dividend payment for 2017 also of EUR 0.40 gross per share, represents a total dividend for 2017 of EUR 792.3 million, an increase of 10% with respect to the total dividend paid for 2016.

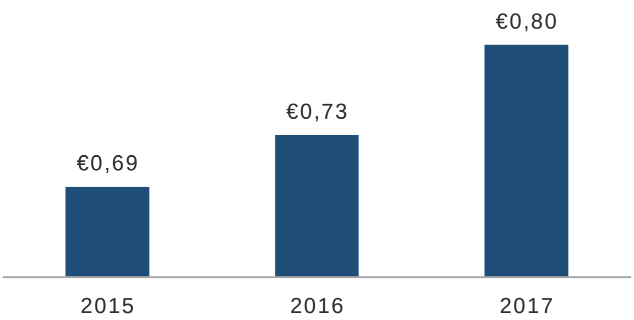
Therefore, fulfilling the commitment established in the 2015-2017 Strategic Plan, shareholder remuneration increased by an annual average of 10% in the period (specifically by 10% in 2017, by 11% in 2016 and by 10% in 2015).

With this shareholder remuneration policy, **Abertis** will have distributed EUR 2,166 million in 2015-2017, and almost EUR 5,000 million euros (only in ordinary dividends) in 2010-2017.

Accrued dividend (millions of euros)



Dividend per share (millions of euros)



The detail of the dividends in 2017, 2016 and 2015 is as follows:

	2017		2016		2015	
Dividends paid	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment	0.21	206,313	0.14	136,814	0.33	311,263
2nd payment	-	-	-	-	0.36	339,559
With a charge to profit	0.21	206,313	0.14	136,814	0.69	650,822
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**	**0.33**	**311,263**
2nd payment	**0.40**	**396,152**	**0.37**	**366,441**	**0.36**	**339,559**
Total dividend	**0.80**	**792,305**	**0.73**	**722,978**	**0.69**	**650,822**

Stock market performance and profitability

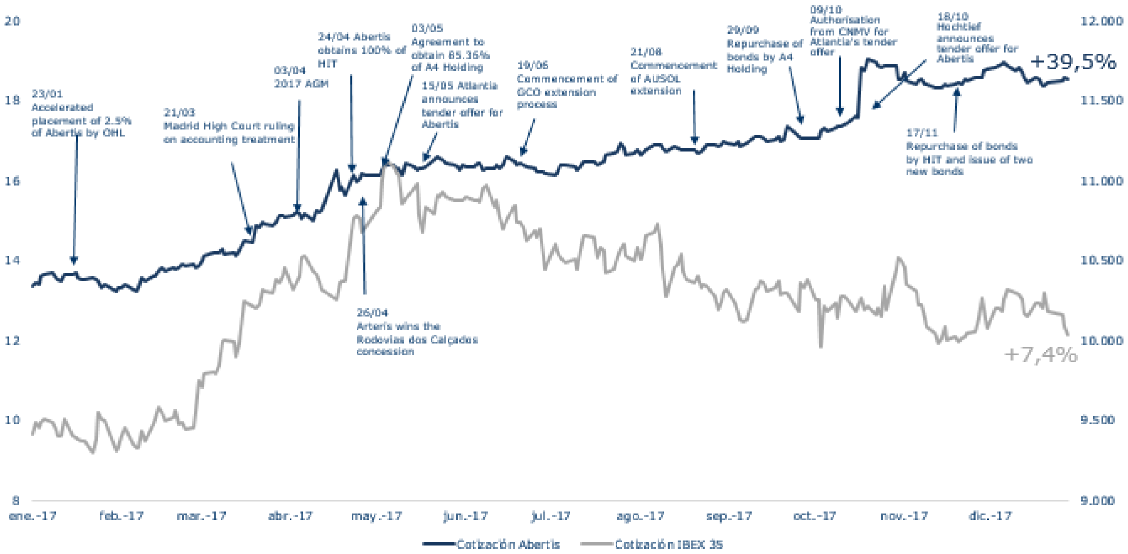
In 2017 the stock markets were characterised by growth in the main European stock indexes. In this regard, the German (DAX: +12.5%), French (CAC 40: +9.3%) and UK (FTSE 100: +7.6%) indexes rose alongside the main US indexes (S&P: +19.4% and Dow Jones (+25.1%).

In the case of Spain, the Ibex 35 index rose by 7.4% in a year marked by the political instability in Catalonia. This index moved within a broad range of values in 2017, between a high for the year on 5 May (11,135.4 points) and a low on 23 January (9,304.8 points).

Abertis's shares are listed on the four Spanish Stock Exchanges (Barcelona, Bilbao, Madrid and Valencia) and are traded on the Spanish Stock Market Interconnection System, forming part of the selective Spanish Ibex 35 index, which groups together the 35 leading listed companies.

Specifically, **Abertis**'s shares ended 2017 positively with an increase of 39.5% (well above that of the Ibex 35), at a price of EUR 18.55/share. In 2017 the share price ranged from a high of EUR 19.06 on 20 October, coinciding with the all-time high adjusted by the scrip issues carried out, to a low of EUR 13.245 on 31 January.

Abertis ended 2017 with a market capitalisation of EUR 18,372 million, i.e. 13th in the Ibex 35 index in terms of market capitalisation.



The detail of the main stock market data of **Abertis** in 2017, 2016 and 2015 is as follows:

	2017	2016	2015 [(1)]
Closing price (EUR/share)	18.55	13.295	13.72
Share performance	+39.5%	-3.1%	-7.9%
High (EUR/share)	19.06	14.33	16.29
Date of highest share price in the year	20/10/17	08/09/16	26/01/15
Low (EUR/share)	13.245	11.64	12.79
Date of lowest share price in the year	31/01/17	20/01/16	14/12/15
Average for the year (EUR/share)	16.298	13.38	14.47
Total volume traded (shares)	931,968,372	875,197,881	1,034,376,232
Average daily volume of trading (shares)	3,654,778	3,070,870	4,040,532
Effective total volume traded (millions of euros)	15,812	11,806	15,661
Effective average daily volume traded (millions of euros)	62	41	61
Number of shares	990,381,308	990,381,308	943,220,294
Stock market capitalisation at year-end (millions of euros)	18,372	13,167	13,592

(1) Share price data corrected for the impact of the capital increase through bonus share issue with a charge to reserves in the proportion of 1 new share for every 20 existing shares approved by the shareholders at the Annual General Meeting held on 12 April 2016.

(*) Taking into account BME volume, disregarding alternative platforms.

Abertis aims to offer its shareholders the best combination of growth and profitability in the long term and, therefore, the Parent's business actions and strategic decisions focus on creating value for its shareholders. Thus, in the last five years, for a shareholder that had bought shares at 31 December 2012 and had not sold them at 31 December 2017, **Abertis**'s accumulated profitability would have been 113% and its annual profitability 16%, including the rise in the value of its shares on the stock exchange, capital increases with scrip issues and dividend yield.

Shareholders: tender offers

Lastly, it should be noted that, as detailed in Note 14-a.i, 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 are described in the prospectus authorised by the CNMV on 9 October 2017. The period for accepting the tender offer was suspended on 18 October 2017, when the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer also for all the shares of Abertis Infraestructuras, S.A., the effectiveness of which will be subject, if so authorised by the CNMV, to the obtainment by Hochtief of various regulatory authorisations.

The following should be noted in relation to the aforementioned tender offers:

- On the one hand, as indicated in the prospectus authorised by the CNMV, in which Atlantia makes the effectiveness of its tender offer conditional upon the acquisition of a minimum stake of 50% plus one share in **Abertis**, Atlantia is offering an alternative to the shareholders of **Abertis** (at their choice) of either a cash consideration consisting of a payment of EUR 16.50 per **Abertis** share, or a consideration of special shares of Atlantia based on an exchange ratio calculation which foresees that for each share of **Abertis** that accepts the offer, 0.697 special shares of Atlantia will be delivered (subject to a minimum of 100,000,000 and a maximum of 230,000,000 shares of **Abertis** opting for the consideration in special shares of Atlantia) or a combination of both considerations.

  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 Atlantia’s cash offer.

- On the other hand, based on what has been announced, Hochtief will make its tender offer conditional on its acquiring a minimum of 50% plus one share of the shares of **Abertis** and is offering the shareholders of **Abertis** the alternative (at their choice) of either cash consideration of EUR 18.76 per share of **Abertis** or a consideration of shares of Hochtief based on an exchange ratio of 0.1281 ordinary shares of Hochtief for every share of **Abertis** , although only the holders of 193,530,179 shares of **Abertis** may opt for the shares of Hochtief (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 both considerations.

  It should be noted in this connection that the Board of Directors of **Abertis** must also 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. **Abertis** must publish this report within ten calendar days from the date of commencement of the tender offer acceptance period.

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.

Against this backdrop, **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 achieving transparency and implementing the best international good corporate governance practices.

Since 2009 the Board has reduced the number of its members from 21 to 15 and independent directors now make up 60% of the total. At the same time the number of women on the Board has risen from one to six, putting into practice the Parent's aim to incorporate experts of renowned standing, who have different profiles and enrich the management of the Group.

1.3. Compliance and effective risk management

Ethics and compliance

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

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

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 from achieving its objectives. Therefore, **Abertis** has implemented a risk management model, approved and monitored by the Audit and Control Committee, 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 share value and shareholder remuneration; (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. • Entry of new competitors in certain economic sectors. • Regulatory and socio-political changes. • Catastrophic 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 2017 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 most of the countries in which the Group operates).

1.4. Value creation in 2017

Business performance

In the toll road management business which, following the discontinuation of the satellite telecommunications business during the year, now represents the only line of business with a contribution to consolidated revenue, the average daily traffic (ADT), the main indicator of the level of activity, saw a like-for-like increase in 2017 of +2.5% to 24,368 vehicles, positively impacting the Group's revenue.

In 2017 the volume of business of most of the Group's toll road concession operators improved, the detail of their ADT being as follows:

	km	ADT 2017	% change 2017-2016
Toll roads Spain	1,559	20,876	3.9%
Toll roads France	1,761	24,836	1.5%
Toll roads Italy	236	64,589	3.2%
Toll roads Brazil	3,250	18,255	3.2%
Toll roads Chile	771	26,810	4.0%
Toll roads Puerto Rico	90	64,645	(2.9%)
Toll roads Argentina	175	82,825	(1.7%)
Toll roads India	152	19,613	9.6%
Abertis	**7,994**	**24,368**	**2.5%**

It can be seen that at 2017 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 (maintaining the growth trend seen in 2016), the growth of traffic in France and the contribution to growth of Italy and Chile.

Also of note was the recovery of activity in Brazil after the drop in traffic witnessed in 2016 and 2015, which was due mainly to a significant fall in heavy vehicle traffic as a consequence of the poor performance of the Brazilian economy.

Lastly, it should be noted that the negative evolution of the activity in Puerto Rico was due mainly to the impact of hurricanes suffered by the island last September, especially Hurricane Maria.

The main figures in the consolidated statements of profit or loss for 2017 and 2016 are as follows:

Millions of euros	**2017**	**2016 (*)**
Operating income	5,323	4,707
Operating expenses	(1,843)	(1,642)
Gross profit from operations	**3,480**	**3,065**
Depreciation and amortisation charge	(1,421)	(1,192)
Impairment losses on assets	(1)	(1)
Profit from operations	**2,058**	**1,872**
Financial loss	(786)	(611)
Result of companies accounted for using the equity method	19	30
Profit before tax	**1,291**	**1,291**
Income tax	(364)	(287)
Profit from continuing operations	**927**	**1,004**
Profit from discontinued operations	72	7
Profit for the year	**999**	**1,011**
Profit attributable to non-controlling interests	102	215
Profit attributable to shareholders of the Parent	**897**	**796**

(*) Consolidated statement of profit or loss for 2016 adjusted to include the impact of the classification of the discontinued operations in accordance with IFRS 5, as indicated in Notes 1 and 6.

Operating income amounted to EUR 5,323 million in 2017, up +13.1% on 2016, due mainly to:

- The full consolidation of the **A4** subgroup from September 2016 onwards.
- The impact of the acquisition of 100% of the shares of **TTPL** and 74% of **JEPL** in March 2017 and the concomitant full consolidation thereof (see Notes 2-h and 5.i).
- The upturn in activity and the impact of the revision of the average tolls at the toll road concession operators.
- The positive performance of the Brazilian real and the Chilean peso, the average exchange rates of which against the euro rose by 7% and 2%, respectively, with respect to the average exchange rates for 2016. This impact was partially offset by the negative performance of the Argentine peso and the US dollar, the average exchange rates of which against the euro fell by 15% and 2%, respectively, with respect to the average exchange rates of the past 2016.

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 this connection, having exceeded initial expectations on completion of the 2011-2014 efficiency plan, the Group completed on schedule the efficiency plan for 2015-2017, which made it possible to consolidate the efficiencies achieved to date while continuing to improve operating efficiency and optimise costs.

As a result, profit from operations amounted to EUR 2,058 million (2016: EUR 1,872 million).

The financial loss was due mainly to the fact that at 31 December 2016 it included the positive impact of EUR 293 million associated with the obtainment of control of **Autopista Central** which, pursuant to IFRS 3, made it necessary to remeasure the previously held equity interest in this company. This amply offset the costs of EUR 64 million incurred in 2016 in the repurchase of bonds carried out by **Abertis Infraestructuras, S.A.** and **Sol**, costs that in 2017 amounted to EUR 53 million in relation to the bond repurchases made 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 as a result of the refinancing transactions carried out in 2016.

As a result of all the foregoing, the consolidated profit for 2017 attributable to the shareholders of the Parent amounted to EUR 897 million.

Lastly, it should be noted that, following the discontinuation of the satellite telecommunications business, all of the Group's revenue is generated by the toll road sector, which before the aforementioned discontinuation of satellite operations represented 95% of total revenue.

Changes in the consolidated balance sheet

The main figures in the consolidated balance sheets as at 31 December 2017 and 2016 are as follows:

Millions of euros	31 December 2017	31 December 2016		31 December 2017	31 December 2016
Property, plant and equipment	421	1,603	Share capital and reserves attributable to shareholders of the Parent	2,529	3,576
Goodwill	4,422	4,550	Non-controlling interests	2,248	3,325
Other intangible assets	15,285	16,353	**Equity**	**4,777**	**6,901**
Investments in associates and interests in joint ventures	1,315	1,371	Bond issues and bank borrowings	16,716	15,693
Other non-current assets	2,760	2,911	Other non-current liabilities	4,489	4,865
Non-current assets	**24,203**	**26,788**	**Non-current liabilities**	**21,205**	**20,558**
Other current assets	1,374	1,819	Bond issues and bank borrowings	1,809	1,955
Cash and cash equivalents	2,458	2,529	Other current liabilities	1,412	1,728
Current assets	**3,832**	**4,348**	**Current liabilities**	**3,221**	**3,683**
Non-current assets classified as held for sale and discontinued operations	1,796	50	Liabilities associated with non-current assets classified as held for sale and discontinued operations	628	44
Assets	**29,831**	**31,186**	**Equity and liabilities**	**29,831**	**31,186**

Total assets at 31 December 2017 amounted to EUR 29,831 million, down -4.3% from 2016 year-end, due mainly to the impact of the acquisition in the year of non-controlling interests in **Hit** and **A4** for a total of EUR 2,393 million (see Note 2-h) and to the impact of the depreciation at year-end of the Brazilian real, the Chilean peso and the US dollar.

Around 53% 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 3,728 million in 2017, relating substantially in full to investments for expansion purposes (98% of the total), mainly in:

- Expanding the capacity of the toll roads, especially those located in Brazil (EUR 458 million) and in France for the improvement and extension of the network (EUR 151 million).
- The acquisition of 100% and 74% of the Indian concession operators **TTPL** and **JEPL**, respectively (EUR 133 million).
- The acquisition of non-controlling interests in **Hit** (EUR 2,214 million) and **A4** (EUR 179 million).
- The acquisition of Via Paulista, the Group's new concession in Brazil (EUR 396 million).

Consolidated equity amounted to EUR 4,777 million, -30.8% lower than at 2016 year-end, due, in addition to the profit for the year and the dividends paid, to the following factors:

- The changes in the scope of consolidation with effects on both Group’s accumulated reserves and non-controlling interests, as a result of the acquisition of non-controlling interests in **Hit** (EUR -1,275 million on the Group’s reserves and EUR -939 million on non-controlling interests), and on **A4** (EUR +122 million on the Group’s reserves and EUR -302 million on non-controlling interests).
- The decrease in translation differences (EUR -408 million, of which EUR -203 million correspond to non-controlling interests), due mainly to the depreciation of the Brazilian real, the Chilean peso and the US dollar.
- The portion assumed by the non-controlling interests of the capital increases performed by **Partícipes** (EUR 183 million) and **Arteris** (EUR 137 million).

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 800 million in 2017 (excluding its investment in new inorganic growth projects), of which it invested approximately 60% in Brazil, 24% in France, 10% in Chile and 2% in Spain.

The main transactions in 2017 were as follows:

Toll roads

2017 was characterised by the consolidation of the organic and inorganic growth of activity in Europe and the Americas. This was achieved, on the one hand, through transactions to consolidate and strengthen its position in existing investees and, on the other hand, through acquisitions of new assets. Against the backdrop of the transactions to consolidate and strengthen the Group's position as a controlling shareholder with an industrial role and to achieve selective growth, the following transactions are worthy of mention:

- In 2017, **Abertis**, through various purchase transactions, completed the acquisition of an additional 47.45% of the share capital of Holding d'Infrastructures de Transport (**Hit**, a company that controls 100% of Sanef) for a total amount of EUR 2,214 million, thereby achieving a 100% ownership interest in **Hit**.
- In March **Abertis**, acting through its wholly-owned Spanish subsidiary Abertis India, S.L.U., completed the purchase of all of the shares of the Indian company Trichy Tollway Private Limited (**TTPL**) and 74% of the Indian company Jadcherla Expressways Private Limited (**JEPL**), for an aggregate amount of EUR 133 million, a transaction that led to the entry of **Abertis** in the very high growth potential Indian market.
- Also 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**) for a total of EUR 179 million, as a result of which it holds 83.56% of its share capital.

  It should be noted in this connection that agreements have been reached for the acquisition of an additional 6.47% for EUR 34 million, which were completed in January 2018, as a result of which **Abertis** now has an ownership interest of 90.03% in the share capital of **A4**.
- Also, as discussed previously, at the end of April **Abertis** (through its subsidiary in Brazil **Arteris**) was the successful bidder for the 30-year Rodovias dos Calçados (Via Paulista) concession, for an amount of BRL 1,516 million (31 December 2017: approximately EUR 396 million). The new concession, which will begin operations in early 2019, includes the 317 kilometres currently managed by the Group company **Autovías** (whose concession ends in December 2018), and a further 401 kilometres currently under the direct management of the State of São Paulo.

At the same time, and in order to increase the average term of the current portfolio of concessions, **Abertis** (through its subsidiary in Argentina Grupo Concesionario del Oeste, S.A. (**Gco**) and Autopistas del Sol, S.A. (**Ausol**), together with the Argentine National Directorate of Roads (an agency reporting to the Ministry of Transport), entered into agreements to initiate the process to extend the respective concession arrangements until the end of 2030. These agreements, in the course of formalization, entail the acknowledgment of the measures to restore the economic and financial feasibility of the concession and includes an improved tariff framework and a plan for additional investment of USD 680 million to improve the existing network (approximately EUR 565 million at 2017 year-end).

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 2016 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 151 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. Under the agreement, **Sanef** will invest EUR 147 million in various projects in exchange for an additional annual increase in tolls for 2019-2021 (0.27% for **Sanef** and 0.40% 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 restore road surfaces, the completion of the widening of the Régis Bittencourt toll road in Serra do Cafezal (opened to traffic in December), the work to add lanes in Fluminense (work on which continues to progress), and the work on the Florianópolis perimeter road in Litoral Sul, under the terms of the respective concession arrangements.

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 12.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 12.i).

Liquidity and capital resources

The gross financial debt at 31 December 2017 (excluding payables to companies accounted for using the equity method and interest on loans and bonds and other liabilities) amounts to EUR 17,825 million and represents, on the one hand, 373% of equity, higher than at the end of 2016 (245%), due to the increase in gross financial debt detailed below and the aforementioned reduction in equity, and, on the other, 60% of liabilities and equity, higher than at 2016 year-end (54%) as a result of the aforementioned impacts on equity associated with the acquisition of non-controlling interests in **Hit** and **A4**.

Also, the net financial debt of **Abertis** (excluding payables to companies accounted for using the equity method and interest on loans and bonds and other liabilities) in 2017 increased by EUR 990 million to EUR 15,367 million.

This increase in gross and net borrowings was due mainly due to:

- The effect of the investments in operations and for organic expansion purposes made in the year amounting to EUR 804 million.
- The second payment of shareholder remuneration for 2016 (EUR 294 million considering the dividend associated with the treasury shares and the dividend paid by delivering treasury shares to shareholders who chose this option).
- The first payment of shareholder remuneration for 2017 (EUR 365 million considering the dividend associated with the treasury shares).
- The impact of the acquisition of non-controlling interests in **Hit** (EUR 2,214 million) and in the **A4** subgroup (EUR 179 million).
- The impact of the acquisition for EUR 133 million of the Indian concession operators **TTPL** and **JEPL** and the concomitant full consolidation thereof (EUR 79 million of debt included).
- The impact of the award of the 30-year Rodovias dos Calçados concession (**Via Paulista**), for BRL 1,516 million (approximately EUR 396 million).

These effects were partially offset by, apart from the cash generated by the Group, the following:

- The exchange rate effect at the end of 2017, which led to a decrease in the Group's net debt of EUR 311 million (due basically to the depreciation of the Brazilian real, the Chilean peso and the US dollar at 2017 year-end).
- Income tax recoveries amounting to EUR 321 million (2015) and EUR 85 million (2016).
- The collection of EUR 101 million that had remained outstanding in relation to the entry in 2016 of a non-controlling shareholder in the business that **Abertis** has in Chile with an ownership interest equal to 20% of the related dividend rights.
- The impact of the sale of Infracom for EUR 58 million, which resulted in net borrowings of EUR 67 million no longer being consolidated.
- The impact of the discontinuation of the Hispasat subgroup, which resulted in net borrowings of EUR 350 million no longer being consolidated.

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 (5.3 years at 2017 year-end as compared with 5.9 years at the end of 2016) 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 (79% at 2017 year-end as compared with 90% at 2016 year-end), the reduction being due to the financing tied to floating rates obtained at a cost below 1% arranged to make a portion of the purchases of non-controlling interests in **Hit**), 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 2017:

- The arrangement by Abertis Infraestructuras, S.A. of loans amounting to EUR 2,140 million (maturing between 3 and 5 years) and a commercial paper issue of 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 non-controlling interests in **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%.
- The arrangement of a loan of EUR 40 million (maturing in 2018) by **Arteris**, which also launched several new bond issues, as follows:
    - EUR 18 million maturing in January 2018 and with a coupon rate of 12m CDI +1.80%.
    - EUR 366 million maturing in October 2022 and with a coupon rate of 12m CDI +1.60%.
    - EUR 162 million maturing in October 2024 and with a coupon rate of IPCA +5.09%.
- The issue by **Autovías** of a bond of approximately EUR 25 million maturing in September 2018 and with a coupon rate of 12m CDI +1.40%.
- The issue by **Centrovías** of a bond of approximately EUR 25 million maturing in March 2019 and with a coupon rate of 12m CDI +1.25%.
- The issue by **Via Paulista** of a bond of approximately EUR 50 million maturing in October 2019 and with a coupon rate of 12m CDI +2.10%.
- The repurchase by **Libertadores** of bonds of EUR 122 million set to mature in 2025 and with an annual coupon rate of UF +5.07%.
- The repurchase by **Abertis Finance** of bonds of EUR 85 million set to mature in 2019 and with an annual coupon rate of 5.26%.

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, this year alone, the Group has carried out financing transactions (both corporate and at its subsidiaries) exceeding EUR 4,000 million, meaning that it has financed more than EUR 10,000 million since 2014.

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 2017, the “BBB” rating was ratified, and the Company's outlook was revised from positive to “developing”.

In addition, **Abertis** holds a long-term “BBB+” good credit quality rating with a stable outlook, awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term “F2” high credit quality rating. In the latest report, dated October 2017, both ratings were ratified and the outlook was revised from stable to “credit watch negative”.

Abertis's policy is to maintain an Investment-grade credit rating.

1.5. Safe and innovative infrastructure

As the world's leading toll road operator, **Abertis** manages its infrastructure under four basic principles that interact with each other and make up its industrial model: 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 its stakeholders.

Safety

Road safety

Through the global "Road Safety” 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.

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 has achieved in recent years constant improvement in accident and mortality rates in the main units of the Group. It should be noted that 2017 is not readily comparable with previous years as a result of the inclusion in the scope of consolidation in 2017 of India, a country where there is huge scope for growth in the coming years.

	2017	% Change 2017 - 2016	% Change 2016 - 2015	% Change 2015 - 2014
IF1 index (accidents with vict./100 mill veh.km)	21.3	-3.2%	-2.6%	-3.6%
IF3 index (fatalities/100 mill veh.km)	1.3	-6.1%	-5.4%	-15.8%

(*) Data calculated homogenizing the scope of consolidation in the respective years.

Abertis is working 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.

i) Safe infrastructure

In 2017 efforts were made to standardise best internal practices among all the Group's units in order to achieve a global stance on road safety.

- Drafting of several documents such as the White Paper on Tunnel Safety Strategy, the White Paper on the Quality Management System and the White Paper on Crisis Management.
- The Group has continued to promote the road safety training of its employees to ensure optimum operation and maintenance through safety drills at most of the concessions, such as those in France, Spain and Chile.
- Partnerships with allies to develop programs for safer mobility.
- Continuous evaluation of all aspects of road safety management, through proprietary management software, as well as third parties, conducting road audits.

ii) Road safety management

With a view to systematising practices and monitoring performance on an ongoing basis, in a cycle of continuous improvement, the Group has initiated the implementation of a formal road safety management system. Thus, 31.9% of the toll roads business (Spain, Chile and Argentina) has a management system compliant with the international ISO 39001 standard that has been implemented and/or certified.

iii) Safer vehicles

Advances in autonomous driving, the increasing use of Big Data and the Internet of Things, or the collaborative economy, to name but a few factors, will undoubtedly have an effect on road safety. To this end, **Abertis** is participating in important international projects together with automotive companies to improve the safety of the cars of the future.

iv) 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.

v) 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 highways 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 launched the "Road Tech" programme through which it 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).
- 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 our 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

As a result of the continuous evolution of new technologies and the quest for solutions for safer, more efficient, smarter and more sustainable mobility and the need to achieve a global vision in this field, Abertis Mobility Services, the Group's multimodal mobility services division, was launched in 2017 with the mission of:

- Managing, with a single vision and common strategy, the assets of the Group relating to these services, in order to build a value proposal that is in tune with market trends.
- Developing business opportunities in the field of mobility services, complementing the Group's current strategy.
- Acting as the centre of excellence for the **Abertis** Group's mobility solutions.

The creation of the Abertis Mobility Services division is fruit of the Group's renewed drive for innovation, strengthening the human team dedicated to the search for new business in the concession industry, which is also mirrored by the creation of the Innovation Committees, made up of members of the technology departments of all the business units.

In this regard, MaaS has established three strategic lines for channelling 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 (Dartford Crossing with an ADT of 160,000 vehicles), Ireland (M-50 with an ADT of 145,000 vehicles), 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 (in 2017) and, soon, Germany.
- **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 2017 **Bip&Drive** launched the first Vía-T exclusively for motorcyclists. It is a Vía-T armband that is valid for all toll roads in Spain, France and Portugal.
- **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 2017 include most notably:

- The "stop-&-go" electronic payment system on the **Libertadores** and **Rutas del Pacífico** toll roads.
- The prepaid toll system linked to users through their mobile phones in Argentina.
- An application that allows toll payments on the M-50 Dublin bypass using a mobile app and, in the case of **Sanef** in France, on the A13 toll road.

As a result of these improvements, the percentage of automatic or electronic toll transactions has increased at the Group to 76.4% of the total, including most notably Puerto Rico (99.5%), France (96.4%), Chile (85.4%), Spain (83.7%) and Italy (83.1%).

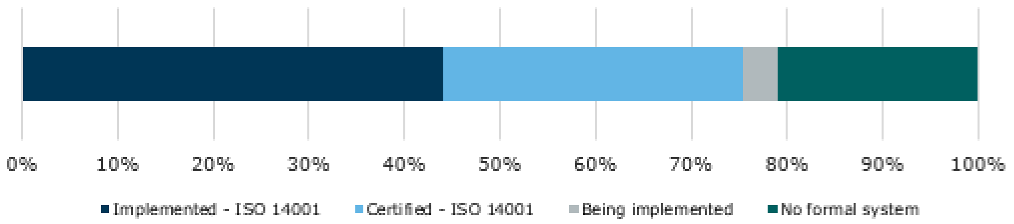
1.6. Environmental contribution

Abertis has established a demanding commitment to reducing its environmental impact through the implementation of preventative measures to preserve the environment and reduce pollution, ensuring a more efficient, responsible and sustainable operating model.

This commitment is structured through the CSR policy and Master Plan and the environmental management system. The policy and Plan set the strategic and operational objectives related to the management of environmental issues, focusing especially on the achievement of high levels of operational eco-efficiency through the reduction of the carbon footprint, the development of products and services with a positive environmental impact and innovation based on circular economy principles.

Also, the environmental management system based on the ISO14001 standard makes it possible to establish a management model for monitoring the main impacts arising from the performance of the Group's business activities.

Environmental management by revenue



Environmental expenditure totalled EUR 22.6 million, up 2.6% on 2016, and the main environmental awareness programmes carried out in the various countries continued, in addition to the environmental monitoring and surveillance activities related to the activities carried on by suppliers.

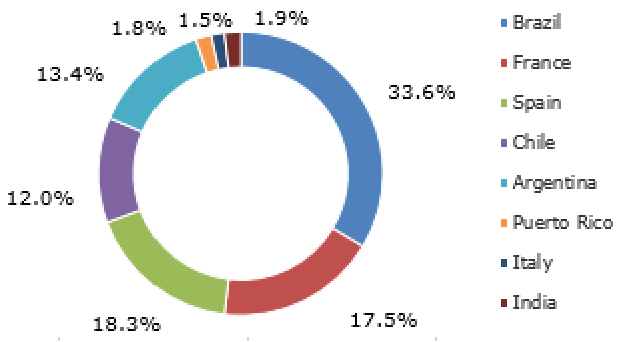
In order to respond to the most significant aspects of the organisation's activities, **Abertis** has structured its projects in five areas of action: (i) climate change; (ii) environmental impact reduction; (iii) noise reduction; (iv) preservation of biodiversity; and (v) the circular economy.

i) Climate change

In order to combat climate change, **Abertis** participates in the Carbon Disclosure Project (CDP) and constantly monitors the emissions it generates in carrying on its activities.

The calculation of the footprint, expressed in tCO_2e, is for **Abertis** a fundamental element for determining and focusing on the areas and processes in which priority action must be taken, as well for defining the organisation's future carbon management strategy. For the Group, reducing CO_2 equivalent emissions is one of its ever-present challenges. In 2017, the CO_2e emissions of scope 1 and 2 have decreased by 13% in relative terms to the revenue with respect 2016, in a non-constant scope. If an estimate of the CO_2e, scope 1 and 2, of new incorporations (India and Italy) in the year 2016, the evolution would represent an increase of 3.5%. Total emissions in relation to revenue have increase by 16.6%.

CO_2e emissions (scope 1 and 2) by country



Also, of the Group's total emissions in 2017, most of the polluting emissions stemmed from vehicles traveling on its toll road network. In this regard, **Abertis** is working to facilitate the circulation and implementation of more ecological, quieter and safer vehicles on its roads.

ii) Environmental impact reduction

The **Abertis** Group applies a set of measures aimed at minimising environmental impact, beginning even as far back as the infrastructure design phase, in which a balance between sustainability and economic and technical viability is sought. This makes it possible to define and implement preventative measures to preserve the environment and reduce pollution, establishing a more efficient, responsible and sustainable operating model.

iii) Noise reduction

One of the main impacts of the toll roads managed by **Abertis** is the noise generated by the use of the infrastructure. With this in mind, **Abertis** has established a series of environmental impact prevention measures by installing acoustic screens and measuring acoustic impact at control points.

iv) Preservation of biodiversity

In 2017 1,418 km of **Abertis**'s toll roads were located in special biodiversity protection areas, mainly in France, Brazil and Spain. In order to generate the least possible environmental impact in such areas, **Abertis** has established the following preventative measures on its toll roads:

- emergency plans
- conservation and cleaning plans
- environmental monitoring programmes
- environmental liability recovery programmes
- awareness-raising and information campaigns
- installation of fauna crossing points and enclosures

v) The circular economy

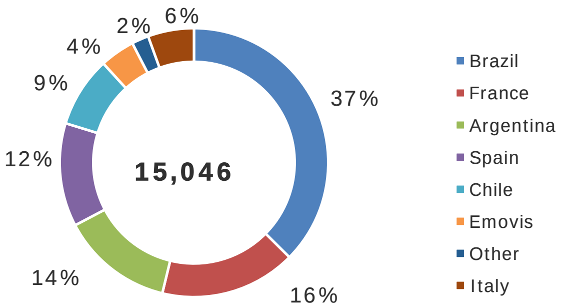
Abertis is aware that road maintenance, as well as the proper management of the waste generated by the operation of the infrastructure, reduces its environmental footprint. Accordingly, work is in progress to identify the possibility of reusing materials and waste for the upkeep of road surfaces, in order to foster circular economy processes.

In 2017 the waste generated related mainly to the consumption of materials directly related to the nature and volume of the work carried out.

1.7. Human capital

The Code of Ethics and human resources policies define the management framework of the organisation's human capital. Professional development, health, occupational safety, diversity and equal opportunities are the key aspects for the activity related to the human capital and the management of the impacts in this area. In this regard, the priority objective of both the human resources strategy defined by the Group and the Corporate Social Responsibility (CSR) Master Plan is to guarantee occupational health and safety, enhance job quality and ensure equal opportunities for the entire workforce of **Abertis**.

Average headcount 2017



Employees at the year-end	2017			2016		
	Men	Women	Total	Men	Women	Total
Total headcount	63.2%	36.8%	15,099	62.3%	37.7%	16,693
Permanent employees	97.1%	94.1%	95.3%	96.1%	92.4%	94.6%
Full-time employees	94.7%	85.2%	91.2%	93.7%	83.4%	89.7%
Staff turnover	17.1%	24.8%	19.9%	13.6%	15.8%	14.5%

Safety and health

The safety and health of the employees of **Abertis** is at the heart of its human resources management strategies. In this regard, analysing the risks involved in each job, systematising preventative practices and developing procedures and tools aimed at minimising risk are the main areas of occupational safety. With this in mind, the Group has launched the Global Occupational Safety Programme aimed at reducing accidents in the workplace.

In this regard, Group companies accounting for 92.3% of revenue have an occupational risk management system in place, based on both the international standards applicable in this connection (OHSAS 18001) and the systems provided for in the regulatory framework applicable in each country (as in the case of Brazil and Chile).

As a result of the ongoing efforts to prevent risks and the measures implemented at all of the Group's concession operators, in 2017 occupational accidents were reduced drastically, with decreases in the main indicators.

Job quality

To ensure an adequate working environment for employee development and talent growth at **Abertis**, the main pillars of the human resources policies include:

i) Succession and development plans

In 2017 **Abertis** started to implement its succession plan for both Corporate and the subsidiaries. This plan makes it possible to identify the successors of 100% of the critical positions for **Abertis** ("high potentials") and provide a global and transversal vision to get the most out of the organisation's talent. In order to standardise development objectives and the improvement of the HR departments of all the business units, the HR Standards tool was implemented in 2017.

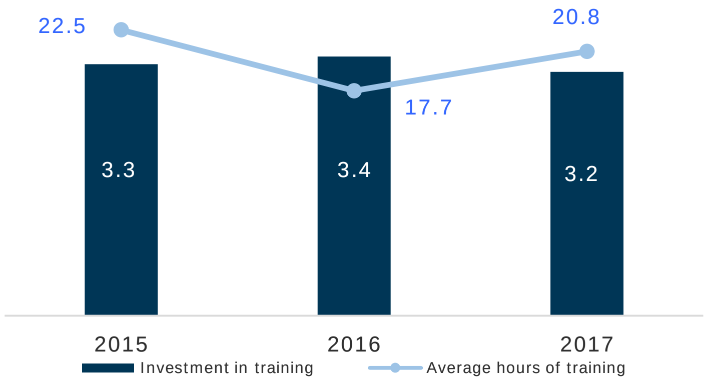
ii) Promotion of talent

The promotion and loyalty-building of talent are the main elements that make up the professional development policy of **Abertis**. Therefore, the commitment to junior levels of the workforce is a fundamental pillar of our people management policy. Thus, in the last five years, 39 executive positions have been renewed in the Group, 32% of the global total of Abertis executives. 90% of these new management positions have been carried out by internal promotion, in vertical or horizontal movements. In addition, more than 48% of the employees who have gone through the Talent program are currently occupying a leading position in the Group.

iii) Training

Training plans are another of the pillars of professional development and promotion, and its planning is aligned with the achievement of the organisation's strategic objectives. **Abertis** has set itself as a goal for the coming years to ensure that every Group employee receives a minimum of one training session per year.

Total investment in training and average hours per employee



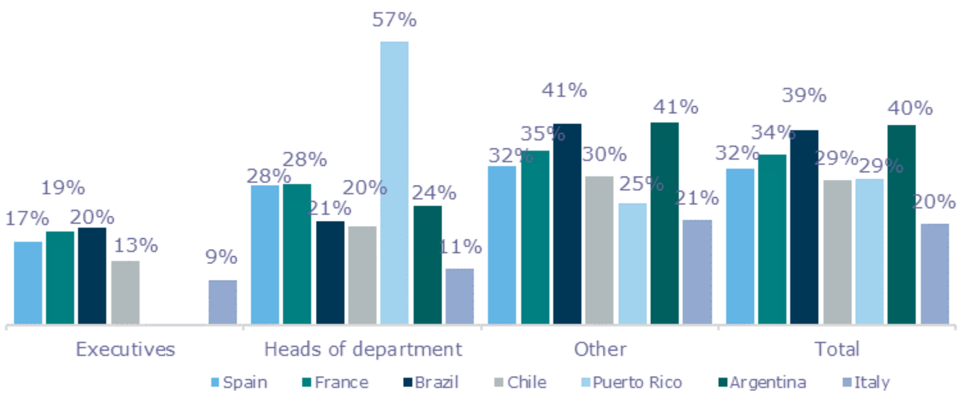
Equal opportunities

The human capital of **Abertis** is made up of more than 15,000 people, who are endowed with the talent to ensure that the Group's roads are high-quality highways for its customers.

Therefore, the **Abertis** Group strives to create a culture of respect, inclusion, collaboration, safety and health in the workplace. The vision of the human resources teams is to create a positive environment in which people can share the values of the Group and harness their abilities to the full (experience, knowledge and skills) to achieve the excellence with which to contribute to the consolidation of **Abertis** as a benchmark in the industry.

The Group promotes diversity through hiring, internal promotion and training and development programmes.

Percentage of women by professional category and country



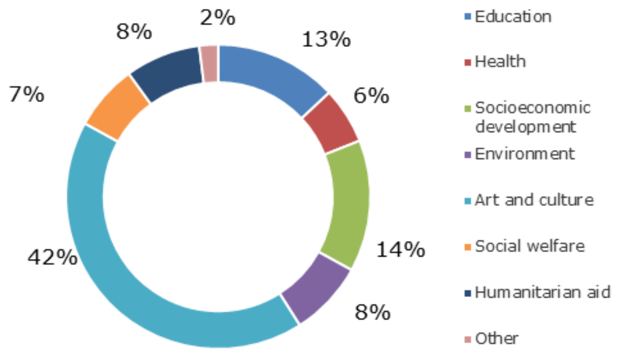
1.8. Contribution to the community

Abertis actively participates in the local community in which it operates by various means, including direct communication and relationship channels, involvement in industry and transversal associations and the coordination and implementation of sponsorship and social welfare projects.

In 2017 the Group companies in the various countries participated in a total of 82 associations.

Also worthy of mention are the actions of the **Abertis** Foundation as an institutional representative of the organisation's commitment to the environment and the local community, and as coordinator of the actions taken in the various different countries. Each year it publishes its annual report, in which it provides details of the actions carried out.

Percentage breakdown of contributions by line of business



1.9. Other disclosures

The non-financial information is presented in greater detail in the Integrated Annual Report, which is available as an Appendix to this directors' report. That report was prepared in accordance with the standards of the Global Reporting Initiative (GRI) and of the International Integrated Reporting Council (IIRC).

Treasury shares

In accordance with the authorisation approved by the shareholders at the Annual General Meeting, at year-end the Parent held 78,815,937 treasury shares (7.96% 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 2017 are disclosed in Note 14-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), the definition and determination of the main APMs employed are disclosed in Appendix II of the "2017 Results" document dated 7 February 2018: EBITDA, EBIT, Gross and Net Financial Debt, OPEX and CAPEX and Discretionary Cash Flow.

Events after the reporting period

There were no events after the reporting period other than those indicated in Note 27 to the consolidated financial statements.

Outlook

2018 will be marked by the completion of the tender offers for all the shares of Abertis Infraestructuras, S.A. launched by Atlantia and Hochtief (the latter pending authorisation at the date of preparation of these consolidated financial statements) and is the year in which the Group will initiate its next three-year plan, identifying new challenges and opportunities.

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 the leading and benchmark Group 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.

A second means of achieving growth will be through public-private partnerships and agreements with public authorities for investments in existing concessions in exchange for new extensions or toll increases. This is the case of the following agreements reached in 2017 that are expected to be completed in 2018:

- In Argentina, where the bases have been put in place to extend the current concession arrangements of **Gco** and **Ausol**, while improving road infrastructure to make it safer, more sustainable, with greater capacity and better suited to citizens' needs.
- In France, where a new Plan Relance has been agreed upon with a view to continuing with the work to boost the French economy and job market, while improving road infrastructure to make it safer, more sustainable, with greater capacity and better suited to citizens' needs.

In addition, the Group will continue to work on the ambitious investment plans currently under way for improvements in Brazil, France and Italy.

In any case, in terms of activity, 2018 consolidation, and the concomitant continuation of the growth path taken by the Spanish, French, Italian, Brazilian and Chilean 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.

In addition, 2018 will offer an opportunity to continue to improve the Group's best practices in the management area, through the implementation of the CSR Master Plan.

In any case, the main challenges facing the various business units in 2018 will be:

Business unit	**Main challenges**
Toll roads Spain	• Through the new Development Office, analysis of new lines of business in Spain. • Study of new concession tenders that may be launched in the coming months. • Work with public authorities and other social agents to make progress on initiatives to improve mobility. • Environmental sustainability and CSR plan.
Toll roads France (Sanef)	• Continuation of the Plan Relance investment plan. • Analysis of the new investment plan (Grand Paris). • Specific plan of CSR.
Toll roads Italy (A4)	• Completion of the integration with the Group. • Extension of the Open Space model in the Verona offices. • Progress on the North Connection project: commencement of construction work on the Veneto section and obtainment of the go-ahead for the Trento section. • Progress on the lane widening project on the Brescia-Verona section. • Analysis of new concessions. • Specific plan of CSR.
Toll roads Brazil (Arteris)	• Start-up of Via Paulista and implementation of the Group's best practices. • 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 the negotiation of new investments. • Analysis of new concessions that may be released on the market within the framework of the Programa de Parcerias de Investimentos (PPI) programme. • Strategic sustainability plan.
Toll roads Chile (VíasChile)	• Commencement of work on the Quilicura junction (Autopista Central) and the third lane for Autopista del Sol. • Negotiations with the authorities for new investments in Ruta Los Libertadores and Ruta 68. • Repeat offer of Elqui concession and analysis of repeat offers for new concessions. • Specific plan of CSR.
Toll roads Puerto Rico (Metropistas and APR)	• New CAPEX programme to repair the damage caused by Hurricane Maria and reassessment of the medium-term model. • Management of the insurance claim presented as a result of Hurricane Maria. • Under study the implementation of the free-flow system on the Teodoro Moscoso Bridge (APR). • Specific plan of CSR.

Business unit	Main challenges
Toll roads Argentina (GCO and Ausol)	• Design of the project for new investments to be made in the concessions (ARP 700 million): widening of lanes, network improvements, etc. • Analysis of new public-private partnership opportunities for road concessions.
Toll roads India	• Progress on integration with the Group. • Creation of organisation teams, with local experts who can be integrated into the international diversity of the Group. • Standardisation and integration of the two assets, unifying management criteria. • Analysis of new growth opportunities in India, taking advantage of the infrastructure plan announced by the Indian Government. • Specific plan of CSR.
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 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-related businesses. • Continue promoting innovation in advanced and non-intrusive free-flow technological solutions, for their application and deployment within the business units of the Group of new markets. • Specific plan of CSR.
Corporate	• Analysis, adaptation and harnessing of the new industry and corporate situation. • Analysis of new public-private partnership opportunities in the various business units. • Strengthening of the Group's strategic programmes: Road Safety and Road Tech (applicable to all the Group's business units). • 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 2017 presented by the Board of Directors of Abertis Infraestructuras, S.A., consisting of 59 pages, numbered from 1 to 59, inclusive, and 129 pages, numbered from 1 to 129, inclusive, respectively.

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Barcelona, 6 February 2018

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

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES

ISSUER'S PARTICULARS

END DATE OF REFERENCE FINANCIAL YEAR	31/12/2017
EMPLOYER ID NO. (C.I.F.)	A-08209769

COMPANY NAME
ABERTIS INFRAESTRUCTURAS, S.A.

REGISTERED OFFICE
PASEO DE LA CASTELLANA, 39, MADRID

ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Fill out the following table on the company's share capital:

Date of last change	Share capital (EUR)	Number of shares	Number of voting rights
14/06/2016	2,971,143,924.00	990,381,308	990,381,308

Indicate whether there are different classes of shares carrying different rights:

Yes ☐ No ☒

A.2 List the direct and indirect holders of significant ownership interests in the company at year-end, excluding directors:

Shareholder's name or company name	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	0	213,437,829	21.55%
BLACKROCK, INC.	0	37,841,638	3.82%
DAVIDSON KEMPNER CAPITAL MANAGEMENT LP	0	32,926,153	3.32%
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0	28,192,080	2.85%
LAZARD ASSET MANAGEMENT LLC	0	28,461,300	2.87%

Name or company name of indirect shareholder	Through: Name or company name of direct shareholder	Number of voting rights
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	CRITERIA CAIXA, S.A.U.	149,265,272
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	INVERSIONES AUTOPISTAS, S.A.	60,123,057
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	G3T, S.L.	2,590,000
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)	BCN GODIA, S.L.	1,459,500
BLACKROCK, INC.	BLACKROCK GROUP	37,841,638
DAVIDSON KEMPNER CAPITAL MANAGEMENT LP	BURLINGTON LOAN MANAGEMENT DAC	32,926,153
CAPITAL RESEARCH AND MANAGEMENT COMPANY	CAPITAL RESEARCH AND MANAGEMENT COMPANY	28,192,080
LAZARD ASSET MANAGEMENT LLC	LAZARD ASSET MANAGEMENT LLC	28,461,300

Detail the most significant changes in shareholder structure during the year:

Shareholder's name or company name	Transaction date	Transaction description
CAPITAL RESEARCH AND MANAGEMENT COMPANY	29/06/2017	Ownership interest has fallen below 10% of share capital
CAPITAL RESEARCH AND MANAGEMENT COMPANY	29/09/2017	Ownership interest has fallen below 5% of share capital

Shareholder's name or company name	Transaction date	Transaction description
CAPITAL RESEARCH AND MANAGEMENT COMPANY	02/10/2017	Ownership interest has fallen below 3% of share capital
LAZARD ASSET MANAGEMENT LLC	13/11/2017	Ownership interest has fallen below 3% of share capital
SOCIETE GENERALE	13/11/2017	Ownership interest has risen above 3% of share capital
SOCIETE GENERALE	16/11/2017	Ownership interest has fallen below 3% of share capital
DAVIDSON KEMPNER CAPITAL MANAGEMENT LP	15/12/2017	Ownership interest has risen above 3% of share capital

A.3 Fill out the following tables on the members of the company's Board of Directors who own shares in the company:

Name or company name of director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
SANDRINE LAGUMINA	0	0	0.00%
MARINA SERRANO GONZÁLEZ	0	0	0.00%
MÓNICA LÓPEZ-MONÍS GALLEGO	24	0	0.00%
MARCELINO ARMENTER VIDAL	10,500	0	0.00%
JUAN-JOSÉ LÓPEZ BURNIOL	0	0	0.00%
SALVADOR ALEMANY MAS	227,792	0	0.02%
MARIA TERESA COSTA CAMPI	879	0	0.00%
CARLOS COLOMER CASELLAS	1	1,000	0.00%
FRANCISCO REYNÉS MASSANET	0	35,405	0.00%
SUSANA GALLARDO TORREDEDIA	694	0	0.00%
LUIS GUILLERMO FORTUÑO	0	0	0.00%
G3T, S.L.	2,590,000	0	0.26%
ENRICO LETTA	0	0	0.00%
FRANCISCO JAVIER BROSSA GALOFRÉ	1,000	0	0.00%
ANTONIO VIANA BAPTISTA	0	0	0.00%

Name or company name of indirect shareholder	Through: Name or company name of direct shareholder	Number of voting rights
CARLOS COLOMER CASELLAS	AHORRO BURSÁTIL, S.A. SICAV	1,000
FRANCISCO REYNÉS MASSANET	FRINYCO, S.L.	35,405

% of total voting rights held by the Board of Directors	0.28%

Fill out the following tables on the members of the company's Board of Directors that hold rights over company shares.

A.4 Indicate, as appropriate, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant ownership interests, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business:

A.5 Indicate, as appropriate, any relationships of a commercial, contractual or corporate nature existing between the holders of significant ownership interests and the company and/or its group, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related persons
FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)
ABERTIS INFRAESTRUCTURAS, S.A.

Type of relationship: Commercial

Brief description:

The existing relationships arise from the ordinary course of business. See section D.2.

A.6 Indicate any shareholders agreements that have been disclosed to the company pursuant to Articles 530 and 531 of the Spanish Limited Liability Companies Law. Provide a brief description of the shareholders agreement and list the shareholders bound by the agreement, as appropriate:

Yes ☒ No ☐

Parties to the shareholders agreement
BCN GODIA, S.L.
CRITERIA CAIXA, S.A.U.

Percentage of share capital affected: 0.15%

Brief agreement description:

On 01/12/2016 (significant event 246251), Criteria Caixa, S.A.U. entered into a voting trust agreement relating to Abertis shares with BCN Godia, S.L.U., whereby Criteria Caixa obtained the voting rights corresponding to 1,459,500 Abertis shares. The agreement has been in force since 01/01/2017.

Parties to the shareholders agreement
G3T, S.L.
CRITERIA CAIXA, S.A.U.

Percentage of share capital affected: 0.26%

Brief agreement description:

On 01/12/2016 (significant event 246251), Criteria Caixa, S.A.U. entered into a voting trust agreement relating to Abertis shares with G3T, S.L., whereby Criteria Caixa obtained the voting rights corresponding to 2,887,500 Abertis shares (2,590,000 shares at 31/12/2017). This agreement has been in force since 01/01/2017.

Indicate, as appropriate, any concerted action among the company's shareholders that is known to the company. Give a brief description, if applicable:

Yes ☐ No ☒

Expressly indicate any amendment to or termination of such agreements or concerted action during the year:

-

A.7 Indicate whether there is any individual or legal entity that exercises, or can exercise, control over the company, in accordance with Article 4 of the Securities Market Law. Identify if appropriate:

Yes ☐ No ☒

Observations

A.8 Fill out the following tables on the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
78,815,937	0	7.96%

(*) Through:

Explain any significant changes during the year pursuant to Spanish Royal Decree 1362/2007:

Explain any significant changes

With regard to the 8.25% of treasury shares at 31 December 2016, the main and most important change that resulted in the current 7.96% interest is:
On 3 April 2017, the General Shareholders' Meeting resolved to offer shareholders a dividend charged to voluntary reserves, with the option of receiving the dividend in cash or in Abertis Infraestructuras, S.A. shares from the treasury share portfolio. Lastly, 15.3% of the share capital of Abertis Infraestructuras, S.A. opted to collect this dividend in the company's shares. This resulted in the delivery of 2.9 million treasury shares, representing 0.29% of the share capital of Abertis Infraestructuras, S.A.

A.9 Specify the conditions and period of the current authorisation granted by the shareholders' meeting to the Board of Directors to issue, repurchase or transfer treasury shares.

In accordance with the resolutions adopted by the shareholders at the Annual General Meeting of 1 April 2014, the Company's Board Directors is authorised to carry out the derivative acquisition of the Company's treasury shares, directly or indirectly through other companies, and exercise pre-emption rights over them by any of the means permitted by law (including, by way of example, but not limited to, purchase and sale, exchange and award in payment). Under no circumstances may the par value of the treasury shares acquired under this authorisation, which are added to those already held by the Company and its subsidiaries, exceed 10% of the Company's share capital at the date of acquisition, for a price equal to the market price at the close of the trading day immediately preceding the day on which the acquisition takes place, within a maximum range of 10% above or below the aforementioned closing market price, and within five (5) years from the date on which this resolution was passed by the shareholders at the Company's General Meeting. All of the above shall be carried out within the other limits and requirements pursuant to the current Consolidated Spanish Limited Liabilities Companies Law, rendering null and void the unused part of the previous authorisation resolved upon by the Company's General Meeting of 27 April 2010.

This authorisation to acquire treasury shares may be used in full or in part for the acquisition of shares of the Company that the latter is required to deliver or transfer to directors, executives or employees of the Company and/or other Abertis Group companies as a consequence of the implementation of remuneration systems based on the delivery of shares and/or grant of share options.

The General Meeting also empowered the Company's Board of Directors to exercise, in the broadest terms, the authorisation granted under this resolution and to carry out the remaining provisions thereof. In turn, if it considers it appropriate, it may delegate the exercise of this authorisation and the performance of the other provisions, in the manner and under the regime it considers appropriate, to the Chairman, the CEO, to any other director, to the Secretary or to the Deputy Secretary of the Board of Directors or any other person(s) empowered expressly by the Board of Directors for that purpose.

The shareholders at the Annual General Meeting also authorised the Board of Directors to reduce the Company's share capital in order to retire any treasury shares held on the balance sheet, with a charge to profit for the year or to unrestricted reserves, for the amount deemed at any time to be appropriate or necessary, up to the maximum number of treasury shares held at any given time.

Lastly, the General Meeting has delegated the Board of Directors with implementing the preceding resolution to reduce share capital, which may be carried out once or several times and within the maximum time limit of five years following the date of approval of this resolution, carrying out such procedures, steps and authorisations as may be needed or required by the Spanish Limited Liability

Companies Law and other provisions that may be applicable. In particular, authority is delegated to the Board of Directors so that, within the deadlines and limits indicated for such implementation, it may establish the date(s) of the specific capital reduction(s), where appropriate; set the amount of the reduction; determine the use of the amount of the reduction and provide, as applicable, any guarantees and comply with the legal requirements; adapt Article 5 of the bylaws to the new share capital figure; apply for the de-listing of the retired securities; adopt, in general, such resolutions as may be required for the purposes of the aforementioned retirement and subsequent capital reduction; and appoint the persons that may be involved in the execution thereof

A.9 bis Estimated free float:

	%
Estimated free float	57.63

A.10 Indicate any restriction 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.

Yes ☐ No ☒

A.11 Indicate whether the General Meeting has resolved to take measures to neutralise a takeover bid under Law 6/2007.

Yes ☐ No ☒

If applicable, explain the measures adopted and the terms under which the restrictions shall be rendered ineffective:

A.12 Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes ☐ No ☒

If applicable, identify the various classes of shares and, for each class of shares, the rights and obligations they carry.

B GENERAL MEETING

B.1 Indicate and give details, where appropriate, if the quorums for convening the General Meeting differ from the system of minimum quorums established in the Spanish Limited Liability Companies Law (LSC).

Yes ☐ No ☒

B.2 Indicate and give details, where appropriate of any differences between the company's system for adopting corporate resolutions and the system established in the Spanish Limited Liability Companies Law (LSC).

Yes ☐ No ☒

Describe the differences with respect to the rules established in the LSC.

B.3 Indicate the applicable rules on amendments to the company's bylaws. In particular, indicate the majorities required to amend the bylaws and, where applicable, the rules provided for safeguarding shareholders' rights when amending the bylaws.

The provisions of the Spanish Limited Liability Companies Law on the majorities for amending the Company's bylaws are applied.

B.4 Indicate the data on attendance at the General Meetings held in the year to which this report refers and in the preceding year.

Date of General Meeting	Attendance data				
	% attendance in person	% attendance by proxy	% remote voting		Total
			Electronic voting	Other	
12/04/2016	0.72%	64.93%	0.00%	0.20%	65.85%
03/04/2017	23.19%	39.15%	0.00%	1.88%	64.22%

B.5 Indicate whether there are any restrictions in the bylaws establishing a minimum number of shares needed to attend General Meetings:

Yes ☒ No ☐

Number of shares required to attend General Meetings	1,000

B.6 Section annulled

B.7 Indicate the URL and the means of accessing corporate governance content and other information on General Meetings that must be made available to the shareholders on the company's website.

The "Investor Relations" section of the website www.abertis.com contains the information required under Article 539.2 of the Spanish Limited Liability Companies Law, Article 13.1 of Ministry of Economy and Competitiveness Order ECC/461/2013, of 20 March, and Spanish National Securities Market Commission (CNMV) Circular 3/2015, of 23 June.
The information on the website is available in three languages: Spanish, Catalan and English.

C MANAGEMENT STRUCTURE OF THE COMPANY

C.1 Board of Directors

C.1.1 Give details of the maximum and minimum number of directors as per the bylaws:

Maximum number of directors	15
Minimum number of directors	6

C.1.2 Fill out the following table with directors' particulars:

Name or company name of director	Representative	Category of director	Position on the Board	Date of first appoint	Date of last appoint	Appointment procedure
SANDRINE LAGUMINA		Independent	DIRECTOR	28/06/2016	03/04/2017	RESOLUTION OF GENERAL MEETING
MARINA SERRANO GONZÁLEZ		Independent	DIRECTOR	28/06/2016	03/04/2017	RESOLUTION OF GENERAL MEETING

MÓNICA LÓPEZ- MONÍS GALLEGO		Independent	DIRECTOR	20/03/2013	20/03/2013	RESOLUTION OF GENERAL MEETING
MARCELINO ARMENTER VIDAL		Proprietary	DIRECTOR	18/09/2007	20/03/2013	RESOLUTION OF GENERAL MEETING
JUAN-JOSÉ LÓPEZ BURNIOL		Proprietary	DIRECTOR	28/07/2015	12/04/2016	RESOLUTION OF GENERAL MEETING
SALVADOR ALEMANY MAS		Proprietary	CHAIRMAN	21/07/1998	20/03/2013	RESOLUTION OF GENERAL MEETING
MARIA TERESA COSTA CAMPI		Independent	DIRECTOR	20/03/2013	20/03/2013	RESOLUTION OF GENERAL MEETING
CARLOS COLOMER CASELLAS		Independent	DIRECTOR	24/07/2012	20/03/2013	RESOLUTION OF GENERAL MEETING
FRANCISCO REYNÉS MASSANET		Executive	DEPUTY CHAIRMAN CEO	26/05/2009	24/03/2015	RESOLUTION OF GENERAL MEETING
SUSANA GALLARDO TORREDEDIA		Proprietary	DIRECTOR	13/03/2014	01/04/2014	RESOLUTION OF GENERAL MEETING
LUIS GUILLERMO FORTUÑO		Independent	DIRECTOR	29/11/2016	03/04/2017	RESOLUTION OF GENERAL MEETING
G3T, S.L.	CARMEN GODIA BULL	Proprietary	DIRECTOR	29/11/2005	03/04/2017	RESOLUTION OF GENERAL MEETING
ENRICO LETTA		Independent	DIRECTOR	29/11/2016	03/04/2017	RESOLUTION OF GENERAL MEETING
ANTONIO VIANA BAPTISTA		Independent	DIRECTOR	09/03/2017	03/04/2017	RESOLUTION OF GENERAL MEETING
FRANCISCO JAVIER BROSSA GALOFRÉ		Independent	DIRECTOR	28/02/2017	03/04/2017	RESOLUTION OF GENERAL MEETING

Total number of directors	15

Indicate any vacation of office by Board members during the year:

Name or company name of director	Category of director on date of vacation of office	Date of departure
MIGUEL ÁNGEL GUTIÉRREZ MÉNDEZ	Independent	04/01/2017
GRUPO VILLAR MIR, S.A.	Proprietary	31/01/2017

C.1.3 Fill out the following tables on the members of the Board and their status:

EXECUTIVE DIRECTORS

Name or company name of director	Position per company organisational chart
FRANCISCO REYNÉS MASSANET	DEPUTY CHAIRMAN-CEO

Total executive directors	1
% of total members of Board of Directors	6.67%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of significant shareholder represented or proposing appointment
MARCELINO ARMENTER VIDAL	CRITERIA CAIXA, S.A.U.
JUAN-JOSÉ LÓPEZ BURNIOL	CRITERIA CAIXA, S.A.U.

Name or company name of director	Name or company name of significant shareholder represented or proposing appointment
SALVADOR ALEMANY MAS	CRITERIA CAIXA, S.A.U.
SUSANA GALLARDO TORREDEDIA	CRITERIA CAIXA, S.A.U.
G3T, S.L.	INVERSIONES AUTOPISTAS, S.A.

Total proprietary directors	5
% of total members of Board of Directors	33.33%

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director:

SANDRINE LAGUMINA

Profile:

Graduate of the French Ecole Nationale d'Administration (ENA) and has an extensive educational background in political sciences and law.
Occupied various posts in the Gaz de France-Suez Group (now, Engie) from 2005 to 2017. Prior to this, she worked for the French Ministry of Economy, Finance and Industry (2000-2005) as the Director of International Public Law in the Directorate of Legal Affairs. Currently she exercises functions as Chief Operating Officer, Assist Management for Meridiam.

Name or company name of director:

MARINA SERRANO GONZÁLEZ

Profile:

Government lawyer (1982 graduating class) and Graduate in Law and in Philosophy and Arts from Universidad de Zaragoza.
Her professional career has been developed in the energy field, through the Spanish National Electricity System Commission and the Spanish National Energy Commission (CNE), where she was a member of the Board (1995-2013), and as the secretary of the Board of Directors and manager of the Legal Advisory Department of Red Eléctrica de España (1988-1995). She has been the Director-General of the Spanish Directorate General for State Assets (Ministry of Finance). She is currently the “of counsel” lawyer for the Public Law and Regulated Sectors Department at the Pérez Llorca law firm and Chair of the Spanish Electricity Industry Association (Asociación Española de la Industria Eléctrica - UNESA).

Name or company name of director:

MÓNICA LÓPEZ-MONÍS GALLEGO

Profile:

Graduate in Law, Economics and Business from Universidad Pontificia de Comillas. Spanish government lawyer.
General Manager and Chief Compliance Officer at Banco Santander.

Name or company name of director:

MARIA TERESA COSTA CAMPI

Profile:

PhD in Economics from Universidad de Barcelona.
Professor of Applied Economics at the School of Economic Sciences of Universidad de Barcelona.
Director of the Chair of Sustainable Energy at Universidad de Barcelona.
Ex-chair of the National Energy Commission.

Name or company name of director:

CARLOS COLOMER CASELLAS

Profile:

Graduate in Economics from Universidad de Barcelona.
Master's degree in Business Administration from the IESE Business School (Barcelona).
Chairman and CEO of Ahorro Bursátil, S.A. SICAV
Chairman and CEO of Inversiones Mobiliarias Urquiola, S.A. SICAV.
Chairman and CEO of Haugron Capital SCR de Régimen Simplificado, S.A.
Chairman and CEO of Haugron Holdings, S.L.
Chairman and CEO of Staubinus España, S.L.
Director of MDEF Partners, S.L.
Director acting severally of Romol Hair & Beauty Group, S.L.
Director acting severally of Norvo Haugron Capital Venture, S.L.

Name or company name of director:

LUIS GUILLERMO FORTUÑO

Profile:

Graduate in Law from the University of Virginia (US). He was the 9th Governor of the Commonwealth of Puerto Rico from 2009 to 2012. He is a former president of the New Progressive Party (PNP) and a member of the US Republican Party.

Name or company name of director:

ENRICO LETTA

Profile:

Graduate in Political Sciences from Università di Pisa and Doctor in Community Law from Scuola Superiore Sant'Anna di Studi Universitari e di Perfezionamento (SSSUP). He was the Prime Minister of Italy from 2013 to 2014, and a Member of the European Parliament from 2004 to 2006, among other posts.

Name or company name of director:

FRANCISCO JAVIER BROSSA GALOFRÉ

Profile:

Xavier Brossa was the partner responsible for the Barcelona office of PricewaterhouseCoopers for 10 years, until he stepped down in July 2016.

He ceased being a partner in and employee of that company in January 2017.

He currently works as a freelance economist.

Name or company name of director:

ANTONIO VIANA BAPTISTA

Profile:

Graduate in Economics from Universidade Católica Portuguesa and holds an MBA from INSEAD.
He has held the posts of Executive Chairman of Telefónica Spain and CEO of Crédit Suisse Spain and Portugal, among other posts. He was previously a Principal Partner in the Madrid and Lisbon offices of McKinsey & Co, and was the Director of the Portuguese Investment Bank (BPI).

Total independent directors	9
% of total members of Board of Directors	60.00%

Indicate whether any director classified as independent receives from the company or the group any payment or benefits other than directors' remuneration, or having business dealings with the company or any group company or who have held such dealings in the preceding year on their own account or as a significant shareholder, director or senior executive of a company that has or has had such dealings.

-

Where applicable, include a statement from the Board detailing the reasons why the director(s) in question may carry on duties as an independent director.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and explain the reasons why they cannot be considered independent or proprietary, and detail their relationships with the company, its executives or shareholders.

Indicate any changes in the category of each director during the year:

C.1.4 Fill out the following table on the number of female directors at year-end in the past four years and their respective category:

	Number of female directors				**% of total directors in each category**			
	2017	**2016**	**2015**	**2014**	**2017**	**2016**	**2015**	**2014**
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	2	2	2	33.33%	33.33%	22.22%	18.18%
Independent	4	4	2	2	50.00%	50.00%	50.00%	50.00%
Other external directors	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	6	6	4	4	40.00%	40.00%	28.57%	23.53%

C.1.5 Explain the measures, where applicable, taken by the company to try to include enough female members on the Board of Directors to ensure an equal representation of men and women.

Explanation of measures

The Board's intention over recent years has been to increase the number of female directors on the Board. To this end, the Board Regulations establish that priority shall be given to diversity of gender, experience and knowledge when filling a vacancy.

Additionally, the Company's Director Selection and Appointment Policy approved by the Board of Directors on 15 December 2015 aims, among other objectives, to promote equal representation of women and men on the Board, while avoiding any kind of inherent bias that might imply discrimination in any way.

Application of the Board Regulations and the Director Selection and Appointment Policy has led to the number of female directors on the Board increasing to 40% of total members.

C.1.6 Explain the measures agreed upon, where applicable, by the Nomination Committee to ensure that the selection procedures are not subject to any implicit bias that would make it difficult to select female directors, and that women with the target profile are deliberately sought and included as potential candidates:

Explanation of measures

The Company has made a conscious effort over recent years to include women possessing the target profile among the candidates for vacancies on the Board of Directors.

If despite the measures implemented, as the case may be, the number of female board members is still scant or non-existent, explain the reasons for this situation:

Explanation of the reasons

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C.1.6 bis Explain the Nomination Committee's conclusions regarding the verification of compliance with the director selection policy. And, in particular, how that policy is encouraging the achievement of the target for women directors to represent at least 30% of the total members of the Board of Directors by 2020.

Explanation of the conclusions

No women were appointed as directors in 2017, as the number of female directors on the Board has stood at 40% since 2016, easily complying with the target set in the Spanish Code of Good Governance for Listed Companies.

C.1.7 Explain how shareholders that hold significant ownership interests are represented on the Board.

The only significant shareholder is “la Caixa”, which is represented by five proprietary directors, of whom four are individuals and one is a legal entity.

C.1.8 Explain, where applicable, the reasons why proprietary directors were appointed at the request of shareholders holding ownership interests of less than 3% of the share capital:

Detail any failure to address formal requests for Board representation from shareholders with ownership interests equal to or exceeding those of others at whose request proprietary directors were appointed. If so, explain the reasons why the request was not entertained:

Yes ☐ No ☒

C.1.9 Indicate whether any Board member has resigned from his/her post before the end of his/her term of office, whether reasons were given to the Board and by what means. If they were given in writing, explain at least the reasons given by the Board member:

Name of director:

GRUPO VILLAR MIR, S.A.

Reasons for resignation:

Significant reduction of almost all of their ownership interest.

C.1.10 Indicate, if any, the powers delegated to the chief executive officer(s):

Name or company name of director:

FRANCISCO REYNÉS MASSANET

Brief description:

All delegable powers of representation, management, and disposal.

C.1.11 Identify, as appropriate, the Board members who hold office as directors or executives at other companies forming part of the listed company's group:

Name or company name of director	Company name of group company	Position	Does the Board member perform executive
FRANCISCO REYNÉS MASSANET	ARTERIS, S.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	A4 HOLDING, S.P.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	HOLDING D'INFRAESTRUCTURES DE TRANSPORT, S.A.S.	SOLE DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	SANEF, S.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	HOLDING D'INFRAESTRUCTURES DE TRANSPORT 2, S.A.S.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	VIAS CHILE, S.A.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	AUTOPISTAS AUMAR, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	AUTOPISTES DE CATALUNYA, S.A. CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS TELECOM SATELITES, S.A.	DIRECTOR ACTING SEVERALLY	NO

FRANCISCO REYNÉS MASSANET	AUTOPISTAS, CONCESIONARIA ESPAÑOLA, S.A.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	CELLNEX TELECOM, S.A.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	INFRAESTRUCTURES VIÀRIES DE CATALUNYA, S.A. CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS INTERNACIONAL, S.A.U.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	SOCIETAT D AUTOPISTES CATALANES, S.A.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	HISPASAT, S.A.	DIRECTOR	NO
FRANCISCO REYNÉS MASSANET	ABERTIS AUTOPISTAS ESPAÑA, S.A.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	AUTOPISTAS DE LEÓN, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	IBERPISTAS, S.A. CONCESIONARIA DEL ESTADO	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	PARTICIPES EN BRASIL, S.A.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	INVERSORA DE INFRAESTRUCTURAS, S.L.	CHAIRMAN	NO
FRANCISCO REYNÉS MASSANET	PARTICIPES EN BRASIL II, S.L.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS INDIA, S.L.	DIRECTOR ACTING SEVERALLY	NO
FRANCISCO REYNÉS MASSANET	ABERTIS MOBILITY SERVICES, S.L.	DIRECTOR ACTING SEVERALLY	NO

C.1.12 Give details, as appropriate, of any directors of the company who are members of the Boards of Directors of other non-group companies that are listed on official securities markets, as disclosed to the company:

Name or company name of director	Company name of group company	Position
MARCELINO ARMENTER VIDAL	GAS NATURAL SDG, S.A.	DIRECTOR
CARLOS COLOMER CASELLAS	AHORRO BURSÁTIL, S.A. SICAV	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
CARLOS COLOMER CASELLAS	INVERSIONES MOBILIARIAS URQUIOLA, S.A. SICAV	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
CARLOS COLOMER CASELLAS	HAUGRON CAPITAL SCR DE RÉGIMEN SIMPLIFICADO, S.A.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
G3T, S.L.	ECOLUMBER, S.A.	DIRECTOR
MARCELINO ARMENTER VIDAL	GRUPO FINANCIERO INBURSA	DIRECTOR
SANDRINE LAGUMINA	FNAC DARTY	DIRECTOR
ANTONIO VIANA BAPTISTA	SEMAPA	DIRECTOR
ANTONIO VIANA BAPTISTA	JERONIMO MARTINS	DIRECTOR

C.1.13 Indicate and, where appropriate, explain whether the company has established rules on the number of boards on which its directors may sit:

Yes ☒ No ☐

Explanation of rules

In accordance with Article 19 of the Board Regulations, the directors may not be members of more than five boards of listed companies or of a total of ten companies. For these purposes, the positions held on the boards of companies in the same group and of companies in which the company has a significant ownership interest, or those appointments made on the proposal of the same significant shareholder or entities in its group, shall count as one appointment. The calculation shall not include the directors of professional companies, asset-holding companies or corporate vehicles, or the collective bodies of not-for-profit entities.

C.1.14 Section annulled

C.1.15 Indicate the total remuneration of the Board of Directors:

Remuneration of the Board of Directors (in thousands of euros)	5,081
Amount of the accumulated pension rights held by the current directors (in thousands of euros)	18,142
Amount of the accumulated pension rights held by former directors (in thousands of euros)	0

C.1.16 Identify the senior executives who are not executive directors and indicate the total remuneration paid to them during the year:

Name or company name	Position
FRANCISCO JOSÉ ALJARO NAVARRO	CHIEF FINANCIAL OFFICER
DAVID DÍAZ ALMAZÁN	CEO OF ARTERIS - BRAZIL
JORDI LAGARES PUIG	HEAD OF AUDIT, RISK AND COMPLIANCE
CARLOS ESPINÓS GÓMEZ	CEO OF HISPASAT
JOSÉ LUIS GIMÉNEZ SEVILLA	GENERAL MANAGER, INDUSTRIAL
MARTA CASAS CABA	HEAD OF LEGAL ADVISORY AND GENERAL DEPUTY SECRETARY
LUIS DEULOFEU FUGUET	GENERAL MANAGER OF SANEF FRANCE
ANNA BONET OLIVART	GENERAL MANAGER OF TOLL ROADS - SPAIN
JOSEP MARIA CORONAS GUINART	GENERAL SECRETARY AND CORPORATE GENERAL MANAGER
JOAN RAFEL HERRERO	HEAD OF PEOPLE AND ORGANISATION
CARLOS FRANCISCO DEL RÍO CARCAÑO	EXECUTIVE CHAIRMAN OF A4 HOLDING - ITALY
LUIS MIGUEL DE PABLO RUIZ	GENERAL MANAGER OF TOLL ROADS - CHILE
SEBASTIÁN MORALES MENA	HEAD OF DEVELOPMENT

Total remuneration for senior executives (in thousands of euros)	17,181

C.1.17 Indicate, as appropriate, which members of the Board are, in turn, members of the boards of directors of companies that hold significant ownership interests in the listed company and/or group companies:

Name or company name of director	Name or company name of significant shareholder	Position
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL RISC, S.G.E.I.C., S.A.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
MARCELINO ARMENTER VIDAL	CAIXA INNVIERTE INDUSTRIA S.C.R. DE REGIMEN SIMPLIFICADO, S.A.	CHAIRMAN
JUAN-JOSÉ LÓPEZ BURNIOL	CRITERIA CAIXA, S.A.U.	DIRECTOR
SALVADOR ALEMANY MAS	SABA INFRAESTRUCTURAS, S.A.	CHAIRMAN

Name or company name of director	Name or company name of significant shareholder	Position
MARCELINO ARMENTER VIDAL	INMO CRITERIA CAIXA, S.A.	DIRECTOR
MARCELINO ARMENTER VIDAL	MEDITERRÁNEA BEACH & GOLF COMMUNITY, S.A.U.	CHAIRMAN
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL FONDOS, S.C.R., S.A.U.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL MICRO, S.C.R., S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA EMPRENDEDOR XXI, S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CRITERIA VENTURE CAPITAL, S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL BIOMED, S.C.R., S.A.	SOLE DIRECTOR
MARCELINO ARMENTER VIDAL	CAIXA CAPITAL TIC, S.C.R., S.A.	SOLE DIRECTOR

Give details, as appropriate, of any material relationships, other than those envisaged under the preceding heading, of the members of the Board of Directors with significant shareholders and/or at group companies:

Name or company name of related director:

MARCELINO ARMENTER VIDAL

Name or company name of related significant shareholder:

CRITERIA CAIXA, S.A.U.

Relationship:

General Manager

Name or company name of related director:

MARCELINO ARMENTER VIDAL

Name or company name of related significant shareholder:

CAIXA INNVIERTE INDUSTRIA S.C.R. DE REGIMEN SIMPLIFICADO, S.A.

Relationship:

General attorney-in-fact

Name or company name of related director:

JUAN-JOSÉ LÓPEZ BURNIOL

Name or company name of related significant shareholder:

FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)

Relationship:

Deputy Chairman and Trustee

Name or company name of related director:

SALVADOR ALEMANY MAS

Name or company name of related significant shareholder:

FUNDACIÓN BANCARIA CAJA DE AHORROS Y PENSIONES DE BARCELONA (LA CAIXA)

Relationship:

Trustee

Name or company name of related director:

G3T, S.L.

Name or company name of related significant shareholder:

CRITERIA CAIXA, S.A.U.

Relationship:

G3T, S.L. is a minority shareholder of INVERSIONES AUTOPISTAS, S.L.

C.1.18 Indicate the amendments, if any, to the Board Regulations during the year:

Yes ☐ No ☒

C.1.19 Indicate the procedures for the selection, appointment, re-election, evaluation and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

In accordance with Article 529.4 decies of the Spanish Limited Liability Companies Law and Article 19 of the Board Regulations, proposals for the appointment or re-election of members of the Board of Directors must be submitted by the Nomination and Remuneration Committee, in the case of independent directors, and by the Board of Directors itself in all other cases. These appointment or re-election proposals must be accompanied by a supporting report from the Board that assesses the competence, experience and merits of the proposed candidates. The proposal for appointment or re-election of any non-independent director must also be preceded by a report from the Nomination and Remuneration Committee.

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, 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.

Directors are appointed by the Annual General Meeting, or by the Board of Directors through co-optation.

Directors cease to hold office once their period of tenure has expired and when decided by the Annual General Meeting by virtue of the powers vested in it by law or the Company bylaws.

Directors must tender their resignation to the Board of Directors and, if the latter considers it appropriate, shall formally resign in the following cases:

a) When they cease to hold the executive positions with which their appointment as director was associated. In the case of independent directors, once they have completed twelve (12) years in office.

b) If they are subject to any of the grounds for conflict of interest or prohibition provided for by law.

c) If they are tried for an alleged criminal act, or are subject to a disciplinary proceeding conducted by supervisory authorities for a serious or very serious infringement.

d) When their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist. The latter circumstance shall be deemed to occur in the case of proprietary directors when the total ownership interest they own or represent is divested, or when the reduction of their interest requires a reduction in the number of proprietary directors.

Executive directors must tender their resignation to the Board once they have reached the age of 70, and the Board shall decide whether they may continue to discharge the executive functions delegated to them or simply continue as director.

In accordance with the Spanish Limited Liability Companies Law and the Spanish Code of Good Governance for Listed Companies, the Board of Directors performs an annual assessment of its functioning and that of its committees, proposing, where necessary and based on its findings, an action plan to correct any deficiencies found.

The various committees shall be assessed based on their reports to the Board of Directors, while the Nomination and Remuneration Committee's report shall be used to assess the Board of Directors.

The annual assessment of the Board of Directors for 2017 was conducted with the assistance of an external consultant, the independence of which was verified by the Nomination Committee. The result of the aforementioned assessment was satisfactory, indicating that virtually all of the recommendations of the Spanish Code of Good Governance for Listed Companies are fulfilled.

C.1.20 Explain to what extent the annual assessment of the Board has given rise to important changes in its internal organisation and on the procedures applicable to its activities:

Description of amendments
The Board of Directors evaluates its own functioning on a yearly basis. The 2017 annual assessment was conducted with the assistance of an independent external consultant, in accordance with Recommendation 36 of the Spanish Code of Good Governance for Listed Companies. Their report will be taken into consideration in 2018. The annual assessment of the Board of Directors for 2016 identified a requirement to improve the content of information and to provide it to directors earlier. Favourable progress has been made in this regard.

C.1.20 bis Describe the assessment and the areas assessed by the Board of Directors, aided, where applicable, by an external consultant, in relation to the diversity of its composition and its responsibilities, of the functioning and composition of its committees, of the performance of the Chairman of the Board and the chief executive of the company and the performance and contribution of each director.

The Board of Directors carries out a self-assessment on a yearly basis. To this end, it sends the directors a checklist in order for them to assess their own performance. In addition, the Board includes on the agenda of one of its meetings a point relating to its own assessment, in order for the Board to constructively discuss the way it functions.

The findings of the self-assessment are included in writing in the "Assessment of the functioning of the Board of Directors and its committees" document.

The assessment of the functioning of the Board and its committees is based on the aspects indicated in Recommendation 36 of the Spanish Code of Good Governance for Listed Companies, and analyses matters such as the composition of the Board and the structure of its committees, the frequency and duration of, and attendance at, meetings, the call notice, agenda, documentation and information furnished for the meetings and the matters discussed. The evaluation also analyses the performances and contributions of directors and, in particular, the chairman, chief executive officer, secretary and deputy secretary.

Pursuant to this recommendation, every three years the Board is assisted in this self-assessment by an external consultant. As a result, in 2017 the Board of Directors was assisted in its self-assessment by an external consultant whose independence was verified by the Nomination and Remuneration Committee.

The external consultant appointed by this Committee has no business relationship with the company or any Group subsidiary.

In order to perform this assessment, the external consultant met the Secretary and Deputy Secretary of the Board, and held individual interviews with all of the directors, who first completed a form sent to them by the consultant. The consultant reviewed the minutes of the Board of Directors and its Committees for 2017, and studied the documents pertaining to corporate governance on the company's website. The consultant also examined 139 items relating to the functioning of the Board and the monitoring of the Good Corporate Governance Recommendations, and adaptation to the prevailing legal framework.

The areas assessed mainly related to: (i) the functioning of the Board of Directors, including its composition, the frequency and duration of, and attendance at, its meetings; the call notice, agenda, documentation and information provided for the meetings; and the issues addressed in the meetings; (ii) the functioning, composition and structure of Board Committees; (iii) the performance of the Chairman and CEO; (iv) the performance of the Secretary and Deputy Secretary; and (v) the performance and contribution of the directors.

The conclusions of this assessment were presented to the Board of Directors on 6 February 2018.

C.1.20.ter Disclosure, if any, of the business relationships that the adviser or any company from its group has with the company or any company from its group.

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C.1.21 Indicate the cases in which the directors must resign.

Pursuant to Article 22 of the Board Regulations, directors shall cease to hold office once their period of tenure has expired and when decided by the Annual General Meeting by virtue of the powers vested in it by law or the Company bylaws.

In addition, directors must tender their resignation to the Board of Directors and, if the latter considers it appropriate, shall formally resign in the following cases:

a)When they cease to hold the executive positions with which their appointment as director was associated. In the case of independent directors, once they have completed twelve (12) years in office.

b)If they are subject to any of the grounds for conflict of interest or prohibition provided for by law.

c)If they are tried for an alleged criminal act, or are subject to a disciplinary proceeding conducted by supervisory authorities for a serious or very serious infringement.

d)When their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist. The latter circumstance shall be deemed to occur in the case of proprietary directors when the total ownership interest they own or represent is divested, or when the reduction of their interest requires a reduction in the number of proprietary directors.

Executive directors must tender their resignation to the Board once they have reached the age of 70, and the Board shall decide whether they may continue to discharge the executive functions delegated to them or simply continue as director.

C.1.22 Section annulled

C.1.23 Are qualified majorities, other than statutory majorities, required for any type of decision?

Yes ☒ No ☐

If so, describe the differences.

Description of the differences
i) The affirmative vote of more than two-thirds of directors present or represented is required to adopt the following resolutions: proposed transformation, merger, spin-off or dissolution of the Company; transfer en bloc of the Company's assets and liabilities; contribution of lines of business; change of Company object; increase or decrease of share capital; proposed approval and amendment of the Board Regulations; proposed investment and divestment in excess of the greater of the following two amounts: a) EUR 200 million or b) an amount equal to 5% of the Company's equity; and proposed resolutions affecting the number of directors, the creation of committees of the Board of Directors, appointments thereto and proposed board appointments at subsidiaries and investees of the Company. ii) The affirmative vote of two-thirds of the Board members is required for the permanent delegation of any power by the Board of Directors to the Executive Committee or the chief executive officer and the appointment of directors who will hold such positions, as well as the appointment of the Company's general managers.

C.1.24 Explain whether there are any specific requirements, apart from those relating to directors, to be appointed chairman of the Board of Directors.

Yes ☐ No ☒

C.1.25 State whether the chairman has a casting vote:

Yes ☐ No ☒

C.1.26 Indicate whether the bylaws or the Board Regulations set any age limit for directors:

Yes ☒ No ☐

Age limit for chairman: 0

Age limit for CEO: 70

Age limit for director: 0

C.1.27 Indicate whether the bylaws or Board Regulations set a limited term of office for independent directors, other than that established in legislation:

Yes ☐ No ☒

C.1.28 Indicate whether the bylaws or the Board Regulations establish specific rules for appointing proxies to vote at Board meetings, how they are granted and, in particular, the maximum number of proxies that a single director may hold, and whether any limit has been established in relation to the categories to which it is possible appoint proxies, beyond the limitations imposed by legislation. If so, provide a brief description of the rules.

Article 23.a) of the bylaws and Article 529 quater. 2 of the Spanish Limited Liability Companies Law provide that any director may, in writing, by fax, e-mail or any other similar method, appoint another director as proxy, and that non-executive directors may only appoint other non-executive directors as their proxy.

C.1.29 Indicate how many Board of Directors meetings were held during the year. Also indicate any occasions on which the Board held meetings in which the Chairman was not present. The calculation of attendance shall include proxies granted with specific instructions.

Number of Board meetings	14
Number of Board meetings without chairman's attendance	0

If the chairman is an executive director, indicate the number of meetings held without the attendance or representation of an executive director and chaired by the lead director.

Number of meetings	0

Indicate how many meetings of the various Board committees were held during the year:

Committee	No. of meetings
EXECUTIVE OR DELEGATED COMMITTEE	1
NOMINATION AND REMUNERATION COMMITTEE	10
AUDIT AND CONTROL COMMITTEE	13
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	5

C.1.30 Indicate the number of Board meetings held during the year that were attended by all its members. The calculation of attendance shall include proxies granted with specific instructions:

Number of meetings attended by all the directors	9
% of attendances of the total votes cast during the year	97.56%

C.1.31 Indicate whether the separate and consolidated financial statements submitted for approval by the Board are certified previously:

Yes ☒ No ☐

Indicate, as appropriate, the person(s) who certified the company's separate and consolidated financial statements for authorisation for issue by the Board:

Name	Position
FRANCISCO JOSÉ ALJARO NAVARRO	CHIEF FINANCIAL OFFICER
FRANCISCO REYNÉS MASSANET	DEPUTY CHAIRMAN-CEO
JOSEP MARIA CORONAS GUINART	GENERAL SECRETARY

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent qualified auditor's reports on the separate and consolidated financial statements prepared by it from being submitted at the General Meeting.

The functions of the Audit and Control Committee, a specialist committee of the Board of Directors, include ensuring 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.

The Audit and Control Committee holds regular meetings with the Company's external auditors to avoid discrepancies in the criteria to be followed in preparing the financial statements. However, should the case arise, the report on the functions and activities of the Audit and Control Committee shall include any discrepancies between the Board of Directors and the external auditors and publicly explain the content and extent of the discrepancies.

C.1.33 Is the Board secretary a director?

Yes ☐ No ☒

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MIQUEL ROCA JUNYENT	

C.1.34 Section annulled

C.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the external auditors, financial analysts, investment banks and rating agencies.

The Company's bylaws (Art. 23.c.2) and the Board Regulations of Abertis (Art. 15.2) stipulate that one of the responsibilities of the Audit and Control Committee is to receive information on issues that may jeopardise the independence of the external auditor. Also, the Committee oversees that the remuneration of the auditors for their work does not compromise its quality or independence. In particular, the Committee 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.

Each year, prior to the issue of the auditor's report, the Audit and Control Committee issues a report in which it expresses an opinion on the independence of the auditors or audit firms. In any event, this report contains the value of the provision of the aforementioned additional services, taken on an individual basis and as a whole, other than statutory audit services and on the independence regime or on the audit regulations.

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.1.36 Indicate whether the company changed its external auditors during the year. If so, specify the outgoing and incoming auditors.

Yes ☐ No ☒

In the event of any disagreement with the outgoing auditors, specify the substance thereof:

C.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group:

Yes ☒ No ☐

	Company	Group	Total
Amount received for other non-audit work (thousands of euros)	254	558	812
Amount received for other non-audit work / Total amount billed by audit firm (as a %)	44.96%	17.74%	21.89%

C.1.38 Indicate whether the auditor's report for the previous year included any reservations or qualifications. If so, specify the reasons given by the chairman of the Audit Committee to explain the content and scope of the reservations or qualifications.

Yes ☐ No ☒

C.1.39 Indicate the number of years that the current audit firm has been uninterruptedly auditing the financial statements of the company and/or its group. Also indicate the number of years audited by the current audit firm as a percentage of the total number of years during which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	6	6
Number of years audited by current audit firm/Number of years the company has been audited (as a %)	13.33%	25.00%

C.1.40 Indicate whether there is a procedure for directors to be able to receive outside advisory services, and if so, give details:

Yes ☒ No ☐

Details of the procedure
Pursuant to Article 24 of the Board Regulations, on expert assistance, in order to receive assistance in discharging their functions, external directors may request the engagement of legal, accounting, financial or other experts at the Company's expense, should special circumstances so require. The engagement must concern specific problems of sufficient significance and complexity that arise in the performance of a director's duties. The Company's chief executive officer must be informed of any decision to engage external consultants, and that decision may be vetoed by the Board of Directors, if it demonstrated that: (i) it is not necessary for the proper discharge of the functions entrusted to the external directors; (ii) the importance of the problem and/or the Company's assets and revenue do not justify the associated costs; and (iii) the technical assistance requested can be adequately provided by the Company's internal experts and technical staff.

C.1.41 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

Yes ☒ No ☐

Details of the procedure
The procedure for directors to be furnished with the information required to prepare for the meetings of the governing bodies sufficiently in advance consists mainly of the provision of documentation prior to the Board meeting, and responding to requests for additional information from the directors. This documentation is posted on a website created in conformity with the strictest security measures for the exclusive and personal use of the Company's directors, called the Abertis Directors' Information System; this also contains documented information on the minutes of the Board of Directors and various committee meetings, corporate governance provisions, annual reports and significant events, inter alia.

C.1.42 Indicate whether the company has established rules obliging directors to report and, if applicable, resign, in situations which could harm the Company's good name and reputation and if so, give details:

Yes ☒ No ☐

Explain the rules
Article 22.2 of the Board Regulations states that directors must tender their resignation to the Board of Directors and, if the latter considers it appropriate in view of the adverse effect on the Company's good standing and reputation, formally resign in the following cases: [...] b) If they are subject to any of the grounds for conflict of interest or prohibition provided for by law. c) If they are tried for an alleged criminal act, or are subject to a disciplinary proceeding conducted by supervisory authorities for a serious or very serious infringement. d) When their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist. The latter circumstance shall be deemed to occur in the case of proprietary directors when the total ownership interest they own or represent is divested, or when the reduction of their interest requires a reduction in the number of proprietary directors.

C.1.43 Indicate whether any of the directors have informed the company of any trials or the commencement of oral proceedings against him/her for any of the offences specified in Article 213 of the Spanish Limited Liability Companies Law:

Yes ☐ No ☒

Indicate whether the Board of Directors has examined the matter. If so, give reasons for the decision taken for the continuation or otherwise of the director in his/her position or, where applicable, detail the actions undertaken, or intended to be undertaken, by the Board of Directors at the date of this report.

C.1.44 Give details of the significant agreements entered into by the company which take effect, are amended or terminated in the event of a change of control of the company following a takeover bid and the effects thereof.

The Company has not entered into significant agreements which take effect, are amended or terminated in the event of a change of control of the Company following a takeover bid.

C.1.45 Identify in aggregate terms and indicate in detail the agreements between the company and its directors, executives or employees which provide for termination benefits, guarantee or golden parachute clauses upon resignation or dismissal without justification or upon termination of the employment relationship as a result of a takeover bid or other kinds of transactions.

Number of beneficiaries: 16

Type of beneficiary:

Chief executive officer and executives

Description of agreement:

An indemnity payment equal to the higher of the following amounts is established in the event of termination by mutual agreement, termination by the employer, unjustified dismissal on disciplinary grounds or dismissal held to be null and void with no reinstatement, or pursuant to any of the clauses specified in Article 10.3 of Royal Decree 1385/1985, of 1 August: (i) the indemnity payment that would have been payable in an ordinary employment relationship in the event of unjustified dismissal or three (3) years' salary for the chief executive officer and two of the managing directors; or (ii) two (2) years' salary in the case of the other general managers.

An indemnity payment to the other executives equal to the higher of the following amounts is established in the event of termination other than by the employee's resignation, declaration of permanent disability, retirement or dismissal on disciplinary grounds held to be justified: (i) the indemnity payment amount provided for under current employment legislation, or (ii) one (1) year's salary.

Cases in which the legal indemnity payment exceeds the indemnity guaranteed by contract are not included in the number of beneficiaries indicated (16).

Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the company or of its group:

	Board of Directors	**General Meeting**
Body authorising the clauses	**Yes**	**No**

	Yes	No
Is the General Meeting informed of the clauses?		X

C.2 Committees of the Board of Directors

C.2.1 Give details of all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other directors that form them:

EXECUTIVE OR DELEGATED COMMITTEE

Name	Position	Professional
SALVADOR ALEMANY MAS	CHAIRMAN	Proprietary
MARCELINO ARMENTER VIDAL	MEMBER	Proprietary
CARLOS COLOMER CASELLAS	MEMBER	Independent
MARIA TERESA COSTA CAMPI	MEMBER	Independent
MÓNICA LÓPEZ-MONÍS GALLEGO	MEMBER	Independent
FRANCISCO JAVIER BROSSA GALOFRÉ	MEMBER	Independent
LUIS GUILLERMO FORTUÑO	MEMBER	Independent
JUAN-JOSÉ LÓPEZ BURNIOL	MEMBER	Proprietary
FRANCISCO REYNÉS MASSANET	MEMBER	Executive

% of executive directors	11.11%
% of proprietary directors	33.33%
% of independent directors	55.56%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The Executive Committee undertakes all the functions attributed to it by virtue of Spanish law, the applicable regulations and the Company bylaws, primarily in relation to the ordinary course of business, such as the volume of activity of the various business areas, financial reporting and new projects, and it records in its minutes the resolutions it adopts at the various committee meetings.

The rules governing the organisation and functioning of the Executive Committee are contained in Article 23.c.1 of the Company bylaws, Article 14 of the Board Regulations and the provisions of the Spanish Limited Liability Companies Law.

The Executive Committee meets whenever it is convened by its chairman by letter, which may be sent by fax or other traceable electronic means.

The Committee is deemed to be validly convened when the majority of its members attend, either in person or by proxy. The Executive Committee members may appoint another member as proxy.

The decisions of the Executive Committee shall be adopted by the favourable vote of the absolute majority of those attending the meeting, present or represented, except when these refer to the following matters, in which case the favourable vote of over two thirds of the Committee members present or represented at the meeting shall be necessary:

a) proposed transformation, merger, spin-off or dissolution of the Company; transfer en bloc of the Company's assets and liabilities; contribution of lines of business; change of Company object; increase or decrease of share capital;
b) proposed resolutions affecting the number of directors, the creation of committees of the Board of Directors, appointments thereto and the proposed board appointments at subsidiaries and investees of the Company; and
c) proposed investment and divestment in excess of the greater of the following two amounts: a) EUR 200 million or b) an amount equal to 5% of the Company's equity.

The Board is always kept fully informed of the matters discussed and the resolutions adopted by the Executive Committee. The minutes of the Committee meetings are made available to all of the Board members.

Indicate whether the composition of the Delegated Committee reflects the participation of the various directors on the Board according to their category:

Yes ☒ No ☐

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Professional
MÓNICA LÓPEZ-MONÍS GALLEGO	CHAIRMAN	Independent
MARIA TERESA COSTA CAMPI	MEMBER	Independent
JUAN-JOSÉ LÓPEZ BURNIOL	MEMBER	Proprietary
MARINA SERRANO GONZÁLEZ	MEMBER	Independent
MARCELINO ARMENTER VIDAL	MEMBER	Proprietary

% of proprietary directors	40.00%
% of independent directors	60.00%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The functions entrusted to the Nomination and Remuneration Committee and the rules governing the organisation and functioning thereof are described in Article 23 c) c.3) of the Bylaws and Article 16 of the Board Regulations, and in the Spanish Limited Liability Companies Law.

The Nomination and Remuneration Committee shall meet whenever the Board or its chairman requests that a report be issued or a proposal be adopted and, in any case, whenever it is deemed necessary for the proper performance of its functions. It is convened by the Committee Chairman, whether on his own motion or at the behest of the Chairman of the Board of Directors or of three Committee members.

The Board appointed a chairman from among the independent directors sitting on the Committee. The Committee appointed a Secretary and may designate a Deputy Secretary, neither of whom needs to be a director.

The minutes of the Committee meetings are made available to all of the Board members.

Following is a summary of the most significant actions performed by the Committee in 2017:

- Appointments of directors and composition of the Committees:

A) Independent director selection process:

The Committee actively participated in the process of selecting several independent directors, and defined the candidates' necessary functions and skills based on a prior analysis of the Board's needs, in accordance with the criteria established in the Company's Director Selection Policy. This process prioritised at all times diversity of knowledge, experience and gender, as well as international diversity.

In the selection process for these independent directors, the Committee took into account the selection of independent candidates that Egon Zehnder submitted to the Committee at its meeting on 27 April 2016, and the independence criteria set forth in Article 7 of the Board Regulations and section 4 of Article 529 duodecies of the Consolidated Spanish Limited Liability Companies Law.

B) Composition of the Executive Committee:

In order for the composition of the Executive Committee to be an appropriate reflection of the Board, and in accordance with Recommendation 37 of the Spanish Code of Good Governance for Listed Companies, the Nomination and Remuneration Committee submitted to the Board a proposal to increase the number of independent directors on that Executive Committee, proposing two independent directors for this purpose. The Committee also submitted a proposal for appointment of a proprietary director to the Board.

C) Other Committees:

The Committee proposed to the Board the appointment of members for the various Committees to fill the vacancies on those Committees.

- Appointments of directors of investees:

The Committee reported on the proposals to appoint directors on the boards of the investees.

- Director and senior executive remuneration:

The Committee reviewed the director and senior executive remuneration policy contained in the various corporate documents, and reported to the Board on the establishment of objectives for the CEO and senior executives, the level of compliance with these and a quantitative and qualitative assessment.

The Committee also submitted a proposal for the approval of the 2018-2020 Remuneration Policy, along with a specific explanatory report, to the Board of Directors, which in turn will submit it to the shareholders at the General Meeting for approval.

- Organisational changes and senior executive appointments:

The Committee reported to the Board on the organisational changes at the Company and its investees.

- Corporate governance:

A) Annual Report on Directors' Remuneration:

The Committee proposed to the Board that the 2016 Annual Report on Directors' Remuneration be submitted to an advisory vote by the Annual General Meeting.Annual Corporate Governance Report:

B) Annual Corporate Governance

The Committee reported favourably on the 2016,except for the part that comes under the responsibility of the Audit and Control Committee.

C) Report on application of the Internal Code of Conduct:

The Committee's gave a favourable account of the Report on the application of the Internal Code of Conduct in matters relating to the securities market in 2016.

D) Assessment of the functioning of the Board of Directors and of the Nomination and Remuneration Committee:

The Committee was assisted in its assessment of the Board of Directors and its Committees in 2017 by an independent external consultant, who issued a favourable report.

The Committee proposed amendments to Articles 21, 23 and 29 of the Company bylaws to the Board.

There were no changes to the Board Regulations in 2017. However, at its meeting on 23 January 2018, the Committee resolved to propose to the Board the amendment of Article 15 of the Board Regulations, to bring it into line with the bylaws.

AUDIT AND CONTROL COMMITTEE

Name	Position	Professional
CARLOS COLOMER CASELLAS	CHAIRMAN	Independent
MARCELINO ARMENTER VIDAL	MEMBER	Proprietary
SUSANA GALLARDO TORREDEDIA	MEMBER	Proprietary
FRANCISCO JAVIER BROSSA GALOFRÉ	MEMBER	Independent
ANTONIO VIANA BAPTISTA	MEMBER	Independent

% of proprietary directors	40.00%
% of independent directors	60.00%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The functions entrusted to the Audit and Control Committee and the rules governing the organisation and functioning thereof are described in Article 23 c) c.2) of the Company bylaws, the Board Regulations, the Spanish Limited Liability Companies Law and audit regulations.

The Audit and Control Committee is an informative and advisory body, with no executive functions, with powers to inform, supervise, advise and propose within the scope of its activities.

The Committee meets as often as is necessary for it to perform its duties, and is convened by its Chairman, whether on his own motion or at the behest of the Chairman of the Board or of three Committee members.

The Committee shall be deemed to be validly convened when the majority of its members attend, either in person or by proxy. Resolutions are adopted when agreed upon by the majority of the members attending, whether in person or by proxy.

The Board shall appoint one of the independent members of the Committee as its chairman; this person shall be replaced every four years and may be re-elected after a full year has elapsed since the end of his tenure. The Committee shall appoint a Secretary and may designate a Deputy Secretary, who must not be the same person.

The majority of its members are classified as independent directors and all members, in particular its chairman, are appointed with regard to their knowledge and experience in accounting, auditing and/or risk management. The committee members, as a group, have the pertinent technical knowledge regarding the Company's sector of activity.

The Committee may request any Company executive or staff member to attend the Committee meetings in order to cooperate with it or furnish it with information they may have. The Committee may also request the attendance of the Company's auditors at its sessions.

(Continued in the Clarification Note to this section.)

Identify the director who is a member of the Audit Committee who has been appointed taking into consideration his/her knowledge and experience in matters relating to accounting, audits or both, and provide information about the number of years the Chairman has held this position.

Name of experienced director	CARLOS COLOMER CASELLAS
No. of years as Chairman	2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name	Position	Professional category
MARIA TERESA COSTA CAMPI	CHAIRMAN	Independent
CARLOS COLOMER CASELLAS	MEMBER	Independent
G3T, S.L.	MEMBER	Proprietary
LUIS GUILLERMO FORTUÑO	MEMBER	Independent
SANDRINE LAGUMINA	MEMBER	Independent

% of proprietary directors	20.00%
% of independent directors	80.00%
% of external directors	0.00%

Explain the functions entrusted to this committee, describe the procedures and rules governing the organisation and functioning thereof, and summarise its most significant actions in the year.

The functions entrusted to the Corporate Social Responsibility Committee and the rules governing the organisation and functioning thereof are described in Article 17 of the Board Regulations and of Article 23 c) c.4) of the Company bylaws.

The Corporate Social Responsibility Committee meets each time the Board or its chairman requests the submission of a report or the adoption of proposals and whenever it is considered appropriate for the smooth performance of its duties. The Committee meetings shall be convened by the Committee Chairman or by three members of the Committee itself.

The Committee has appointed a secretary and may designate a deputy secretary, neither of whom need to be members of the Committee.

Following is a summary of the most significant actions performed by the Committee in 2017:

- ESG accountability: The Committee was involved in preparing the contents of the Integrated Annual Report for relevant aspects of the CSR Master Plan, focusing on non-financial information and the organisation's performance in such areas.

The 2016 Integrated Annual Report was the first report of this type by Abertis. It seeks to gradually integrate the information published by the organisation on its performance in both financial and non-financial areas. The report follows the standard format for preparing integrated reporting of the IIRC, and the latest standards published by the Global Reporting Initiative (GRI - SRS), in addition to other recognised benchmarks for calculating and compiling information on specific issues, such as the carbon footprint, social activities and sponsorship.

The 2016 Integrated Annual Report was reviewed by an external auditor and by the GRI in accordance with the Comprehensive option. It was also rated by the United Nations Global Compact as Advanced, and met the requirements for notification of this initiative to the IDP, in addition to the SDGs.

It has also been involved in preparing the same content for the 2017 version, which retains the same structure, so as to consolidate the internal integration process and meet the disclosure challenges faced this year. The transposition of the European Directive on Non-Financial Reporting into Spanish law affects the timing and form of disclosure of such information, and brings it into line with the financial information included in the management report of the financial statements.

- Results of the audit of the 2016 Integrated Annual Report: Following publication of the 2016 Integrated Annual Report and the monitoring appendix of the CSR Master Plan, the process was assessed, including assessment of the results of the audit of the report. Proposals for improvement and the main projects to be focused on were identified, which include the international roll out of the CSR Master Plan and updating of the materiality analysis.

- Participation in and monitoring of external ESG analyses: Requests to participate in various external assessment and analyst initiatives in the year were answered, including the Dow Jones Sustainability Indexes, FTSE4Good, Carbon Disclosure Project, Trucost, Sustainalytics, MSCI, STOXX and Corporate Knights (Global 100 Leaders ranking). Likewise, monitoring was carried out in relation to the return of the assessment performed by these agencies and the ESG performance analysis initiatives.

One highlight was the arrangement of a sustainable loan during the year, in which the interest rate applied is linked to the assessment of ESG performance by one of the rating agencies that assesses Abertis. This establishes a direct financial connection between improving ESG performance and financial returns.

- CSR master plan: In connection with the international roll out of the CSR Master Plan, the Committee has monitored the working sessions of Abertis' CSR team in Brazil, Argentina and Chile, including all people directly and indirectly involved in implementing measures that will contribute to achieving the quantitative objectives of the CSR Master Plan. In 2017, all business units were involved in preparing specific local plans, including actions planned for the coming years, which will be analysed and assessed during the first half of 2018.

- Other related issues: Planning of the Committee's tasks and specific CSR work agenda for the year; Membership of the We mean Business Coalition; Involvement and participation in the official presentation of the new GRI standards in Spain; Participation, through the Spanish Green Growth Group, in the public consultation on the Spanish Climate Change Law.

- Foundation activities: The Committee has monitored the actions of all areas of the Foundation's activities. These road safety, environmental, social and cultural projects included strategic alliances and agreements, such as those with the Institut Guttmann, UNICEF and UNESCO.

The minutes of the Committee meetings are made available to all of the Board members.

C.2.2 Fill in the following table with the information relating to the number of female directors sitting on the Board of Directors' committees in the last four years:

	Number of female directors							
	2017		**2016**		**2015**		**2014**	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
EXECUTIVE OR DELEGATED COMMITTEE	2	22.22%	2	28.57%	1	16.66%	1	11.11%
NOMINATION AND REMUNERATION COMMITTEE	3	60.00%	3	60.00%	2	40.00%	3	60.00%
AUDIT AND CONTROL COMMITTEE	1	20.00%	2	40.00%	1	20.00%	0	0.00%

	Number of female directors							
	2017		2016		2015		2014	
	Number	%	Number	%	Number	%	Number	%
COMISIÓN DE RESPONSABILIDAD SOCIAL CORPORATIVA	3	60.00%	4	80.00%	2	50.00%	2	40.00%

C.2.3 Section annulled

C.2.4 Section annulled

C.2.5 Indicate, as appropriate, whether there are any regulations for the Board committees; if so, indicate where they can be consulted and whether any amendments have been made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

The Board committees do not have their own separate regulations; instead, their operations are governed by the Board Regulations, which are available on the Company's website.

Each of these committees prepared a self-assessment report, which is submitted to the Board of Directors in plenary session and endorsed by it.

The Nomination and Remuneration Committee, the Audit and Control Committee and the Corporate Social Responsibility Committee all prepared reports on their own functions and activities in 2017.

C.2.6 Section annulled

D RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1 Explain the procedure for approval of any related-party and intra-group transactions.

Procedure for reporting on the approval of related-party transactions
Article 4.3 t) of the Board Regulations establishes that the Board, following a report from the Audit Committee, is responsible for approving the transactions performed by the Company or Group companies with directors, significant shareholders or shareholders represented on the Board of the Company or of other companies in the same group, or with persons related to them, unless such transactions simultaneously meet the following three conditions: 1) they are governed by standard form agreements applied on an across-the-board basis to a large number of customers. 2) they are performed, in general, at market rates. 3) their amount is no more than 1% of the Company's consolidated annual revenue. In addition, Article 34 of the Board Regulations establishes that the Board of Directors formally reserves knowledge of any relevanttransaction by the Company with a significant shareholder and in the case of ordinary transactions, general authorisation of the line of operations and the conditions of performance will be sufficient.

D.2 Give details of transactions that are material, with regard to the amount thereof or the matter involved, between the company or group companies and the significant shareholders of the company.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of relationship	Type of transaction	Amount (thousands of euros)
CRITERIA CAIXA, S.A.U.	Abertis Infraestructuras, S.A.	Corporate	Dividends and other profit distributed	115.004
INVERSIONES AUTOPISTAS, S.A.	Abertis Infraestructuras, S.A.	Corporate	Dividends and other profit distributed	53.586

D.3 Give details of the transactions that are material, with regard to the amount thereof or the matter involved, between the company or group companies and the directors or executives of the company:

D.4 Give details of material transactions performed by the company with other entities of the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and from the standpoint of their subject-matter or terms and conditions are not part of the company's ordinary business:

In any event, details shall be provided on any intra-group transactions performed with entities resident in countries or jurisdictions considered to be tax havens:

D.5 Give details of the amount of the transactions performed with other related parties.

4,611 (in thousands of euros)

D.6 Give details of the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its directors, executives or significant shareholders.

Articles 28 et seq of the Board Regulations contains 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 situations 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 any 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 involved in conflicts of interest 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.

D.7 Is more than one group company listed in Spain?

Yes ☐ No ☒

Identify the listed subsidiaries in Spain:

Listed subsidiaries

Indicate whether the respective business lines and any possible business dealings between them, as well as those of the listed subsidiary with the other Group companies have been clearly and publicly defined:

Define the possible business dealings between the parent and the listed subsidiary and between the listed subsidiary and the other group companies

Identify the mechanisms established to resolve any possible conflicts of interest between the listed subsidiary and the other group companies:

Mechanisms to resolve any possible conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's risk management system, including tax risks.

The Board of Directors of Abertis Infraestructuras, S.A. is allocated the task of preparing the risk strategy and defining the tax strategy, entrusting this function to the Audit and Control Committee, which establishes the Risk Control and Management Policy of the Abertis Group as well as its Tax Policy, and supervises the risk management system and its commitment to the application of best tax practices.

The Abertis Group implements a risk management model, approved and monitored by the Audit and Control Committee, and applicable to all business and corporate units in all countries where the Group carries on its activities. The risk management model covers all the Group's possible risks, including tax risks, to ensure the Group's main objectives are achieved.

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 cross-checked and approved by the general managers of the business unit or the corporate area managers, as is the tax risk map, which is subject to follow-up and monitoring by Abertis' tax advisory department. 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 company's bodies in charge of preparing and executing the risk management system,including the tax 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:

- Sustainable growth in the value of the share and in shareholder remuneration.
- Protection of the Group's reputation, fostering good Corporate Governance practices and commitment through the application of best tax practices.

- Provision of a quality service in all Group-operated infrastructure.

The bodies responsible for definition, execution and oversight are as follows:

Board of Directors: retains ultimate responsibility for defining the risk strategy and 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 preparing and updating 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.

General Managers of business/corporate units: 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.

Coordinators of business/corporate risk units: are responsible for coordinating the implementation of the risk management model in each unit or area, which includes the identification and assessment of risks, as well as the implementation of a system for controlling, monitoring and communicating 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 details of control activities, as well as information on the status of action plans.

Function supervisors: are responsible for identifying risks in their respective areas and notifying their unit's risk coordinator appropriately. They are also responsible for the identification and implementation of control activities aimed at mitigating risks.

The responsibilities defined in the previous sections are detailed in the "Risk Control and Management Policy", which is subject to review by and the approval of the Audit and Control Committee.

E.3 Give details of the main risks, including any tax risks, that might affect the achievement of the business objectives.

The business objectives may be adversely affected by the following main risks:

- Risks in the business environment, arising from changes in the economy that could lead to lower demand in some countries, changes in tax, legal and environmental regulations, social and political changes, and adverse weather conditions (snowfalls…).

- Risks arising from the specific nature of the Group's business, which mainly relate to the maturity and time limits of concessions, agreements with public authorities, conducting operations in regulated markets, meeting concessionary obligations and investment commitments, and bringing into service alternative infrastructures.

- Financial risks arising from growth operations and investment financing processes, from fluctuations in interest and exchange rates, rating reviews and refinancing.

- Operational risks arising from the integration of acquisitions, the safety of users and employees, adaptation and rapid response to technological changes in operating systems, control over construction projects, infrastructure maintenance, the security, integrity and confidentiality of financial and corporate information and business know-how, the hiring and performance of personnel, training and retaining talent, fraud, dependency on suppliers and business interruptions.

E.4 Identify whether the entity has a risk tolerance level, including the tax risk tolerance where applicable.

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 liabilities.

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, terms 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 Give details of any risks, including any tax risks, that arose during the year.

The risks identified in the risk maps of the various business or corporate units are mainly those risks inherent to the business model and 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 some of the countries in which the Group operates creates uncertainty about potential impacts on the course of our activity. However, the flexibility of our decision making and the internationalisation and geographic diversification of our businesses resulted in the Group suffering no major impacts.

- 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 (funding of new growth operations and investment commitments), but have been mitigated by the Group's strict financial discipline, with guidelines and limits defined by the governing bodies and comprehensive monitoring of the entire organisation.

- Hurricane Maria, which was classified as catastrophic, caused significant damage to infrastructure in Puerto Rico. However, there was no damage to the personnel or critical damage to the infrastructure of Metropistas, the Group's motorway business. The damage identified was covered by the insurance policies contracted, and the contingency plans activated to mitigate the risks of losses, and protect service quality and the safety of people.

- Major maturities of toll-road concessions in the short and medium term are being offset by the addition of new concessions (Rodovias dos Calçados for 30 years in Brazil) and agreements with the administrative bodies that awarded concessions (extension of concession terms in exchange for previously unplanned investment).

- The purchase share's agreements reached by Abertis with the other shareholder of Hispasat (which has exercised its right to sell) are pending authorization, which warns that this sale authorization affects the possible availability from the investment.

E.6 Explain the response and oversight plans for the entity's main risks, including any tax risks.

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, 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 this group of priority-monitoring risks are part of the specific initiatives implemented for each of these 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 and regulatory changes, and those specifically relating to the concession business, are monitored by management committees, while financial and operating risks are generally monitored by corporate committees, in conjunction with specific committees of the business units (safety committees, operating committees, technological committees, etc.).

Response plans vary based on each risk type and address aspects such as:

- The internationalisation and geographical diversification strategy, due to the economic downturn in certain countries and periods, which is offset by increased demand from growth in other countries. In 2017, Abertis continued to enhance its international presence with the acquisition of two motorways in India and new public-private agreements and/or acquisitions in most of the countries in which it operates.

- Cost optimisation, with the definition, implementation and monitoring of efficiency plans, focusing in particular on the optimisation of operating costs and control of operating investments in all Abertis Group business units.

- Dialogue with the parties involved in providing tailor-made solutions for each country in the infrastructure industry and in negotiations with public authorities, under which the Group sometimes undertakes to make specific investments. In 2017, Abertis agreed to acquire Rodovía dos Calçados in Brazil (for around EUR 420 million). Through the Abertis Group companies GCO and Ausol in Argentina, it also signed an agreement for the extension of the concession arrangement and recognition of pending rebalancing. This included a plan for additional investment to improve the current road network, amounting to EUR 224 million and EUR 420 million, in GCO and Ausol, respectively, in exchange for 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 corporate responsibility in Abertis Group companies, and bringing greater stability to its economic results and greater legal certainty. The Abertis Group has implemented the contents 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 IN CONNECTION WITH FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the risk control and management systems in relation to the entity's internal control over financial reporting (ICFR).

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 in the markets 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, 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 ICFR system, 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 2017 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 2017 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 2017 specific training was provided in the following areas:

- Accounting training on "International Financial Reporting Standards (IFRSs) and the Spanish National Chart of Accounts" (2017). Course given by external auditors to the Consolidation and Accounting Regulations Department.

- Tax courses given by the Corporate Tax Department, in particular, on the latest tax developments in 2017 in the main countries in which Abertis has a presence and international taxation.

- Courses given by the Compliance Department, specifically:

  - Classroom-based training on the prevention of workplace harassment
  - Online training on the misuse of information for non-managerial staff
  - Refresher campaign on topics such as corruption, conflicts of interest, ethical channel, ethical and crime prevention committees, and information management

- Training with regard to IFRS accounting and regulatory matters at Group subsidiaries.

- Training on accounting and control tools taught at subsidiaries in India.

- 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, evaluations 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, control of changes, system operation, 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 2017 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 ICFR.

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 2017”) 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 monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit department whose responsibilities include supporting the Audit Committee in its role of overseeing the internal control system, including ICFR. Also describe the scope of the ICFR 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 2017 the ACC performed the following activities in relation to the ICFR system:

- Review of the risk and control matrix updates.
- Monitoring (at each quarterly close) of the certifications of the application of controls by the personnel responsible for preparing the financial reporting.
- Validation of the scheduled ICFR reviews by Internal Audit in the annual approval of the review plan for the following years.
- 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.

With regard to financial reporting and the general ICFR model, in 2017 two reviews were carried out (one at the interim reporting date and another at year-end), with the following scope:

- Review of the 2017 risk and control matrix updates in accordance with the changes in the scope of consolidation.
- Review of the functioning of the controls on significant transactions, judgements and estimates and financial reporting preparation.
- Controls on general risks and risks relating to IT systems are reviewed at the intervals determined in accordance with the general criteria for Internal Audit reviews.

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 2017, which were submitted to the ACC, no material weaknesses were detected which might have a material impact on the Group's financial reporting for 2017, 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 TAS), 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.

The action plans relating to the weaknesses detected in 2017 were implemented using recommendations which follow the prioritisation, supervisor assignment and monitoring process described in section F.5.1.

F.6 Other relevant information

No additional aspects were identified for disclosure.

F.7 External auditor's report

Report on:

F.7.1. Whether the ICFR 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. If "no", give reasons.

The external auditor reviewed Abertis' ICFR information that was reported to the markets for 2017. 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 DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the Spanish Code of Good Governance for Listed Companies.

If a recommendation is not followed or only partially followed, a detailed explanation of the reasons should be provided so that the shareholders, investors and the market in general have sufficient information to evaluate the company's performance. Explanations of a general nature are not accepted.

1. The bylaws of listed companies should not place an upper limit on the votes that may be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Followed ☒ Explain ☐

2. When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:

a) The type of activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.

b) The mechanisms in place to resolve possible conflicts of interest.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

3. At the Annual General Meeting, in addition to the communication in writing of the Annual Corporate Governance Report, the Chairman of the Board of Directors should orally inform the shareholders, in sufficient detail, of the most important matters in relation to the company's corporate governance and, in particular, of:

c) Changes since the previous Annual General Meeting.

d) The specific reasons why the company does not follow certain recommendations of the Corporate Governance Code and the alternative rules applied in this connection, should any exist.

Followed ☒ Partially followed ☐ Explain ☐

4. The company should define and promote a policy of communication and contact with shareholders, institutional investors and voting advisers that fully complies with regulations against market abuse and treats shareholders in the same position in a similar manner.

   The company should publish this policy on its website, including information on how it has been implemented, identifying the liaison personnel or staff in charge of implementing it.

Followed ☒ Partially followed ☐ Explain ☐

5. The Board of Directors should not put forward to the Annual General Meeting a proposal to delegate powers in order to issue shares or convertible securities with disapplication of pre-emption rights for an amount exceeding 20% of share capital upon delegation.

   When the Board of Directors approves any share or convertible security issue with disapplication of pre-emption rights, the company should immediately publish on its website the reports on such disapplication referred to in corporate legislation.

Followed ☒ Partially followed ☐ Explain ☐

6. The listed companies that prepare the reports indicated below, whether obligatorily or voluntarily, should publish them on their respective websites sufficiently in advance of the Annual General Meeting, whether or not they are required to disseminate them:

   e) Report on auditor independence.

   f) Reports on the functioning of the Audit Committee and the Nomination and Remuneration Committee.

   g) Audit Committee report on related party transactions.

   h) Report on the corporate social responsibility policy.

Followed ☒ Partially followed ☐ Explain ☐

7. The company should stream a live broadcast of the Annual General Meetings on its website.

Followed ☒ Explain ☐

8. The Audit Committee should ensure that the Board of Directors seeks to present the financial statements to the Annual General Meeting without any limitations or qualifications in the auditor's report. Should such qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to the shareholders of the related matters and scope limitations or qualifications.

Followed ☒ Partially followed ☐ Explain ☐

9. The company should have a permanent, public record on its website of the requirements and procedures that it will accept in order to evidence the ownership of shares, the right to attend the Annual General Meeting and the exercise or delegation of the right to vote.

   Such requirements and procedures should prioritise the attendance and the exercise of the rights of the shareholders and should be applied in a non-discriminatory manner.

Followed ☒ Partially followed ☐ Explain ☐

10. When any legitimate shareholder has exercised, prior to the Annual General Meeting, the right to complete the agenda or present new proposals, the company should:

a) Immediately make such supplementary points and new resolution proposals public;

b) Make public the attendance card model or vote delegation/proxy vote form with the modifications necessary so that new items on the agenda and alternative resolution proposals can be voted on under the same terms as those proposed by the Board of Directors;

c) Submit all those points or alternative proposals to vote and apply the same voting rules to them as are applied to the points and proposals prepared by the Board of Directors, including, specifically, the assumptions or deductions on which way to vote; and

d) After the Annual General Meeting, communicate the breakdown of the vote on those supplementary points or alternative proposals.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

11. If the company plans to pay attendance bonuses to the Annual General Meeting, it should establish beforehand a general policy on such bonuses, and the policy should be stable.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

12. The Board of Directors should perform its duties with unity of purpose and independence of judgement, according all shareholders in the same position the same treatment. It should be guided by the corporate interest, understood as securing long-term, profitable and sustainable business that fosters its own continuity and maximises the company's economic value.

In pursuit of corporate interest, in addition to respect for laws and rules and behaviour based on good faith, ethics and respect for customs and generally accepted good practice, the company should attempt to reconcile, where applicable, corporate interest with the legitimate interests of its employees, suppliers, customers and those of the other stakeholders that may be affected, as well as with the impact of the company's activities on the community as a whole and on the environment.

Followed ☒ Partially followed ☐ Explain ☐

13. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise between five and fifteen members.

Followed ☒ Explain ☐

14. The Board of Directors should approve a director selection policy that:

a) Is specific and verifiable.

b) Ensures that appointment or re-election proposals are based on a preliminary analysis of the needs of the Board of Directors.

c) Favours diversity of knowledge, experience and gender.

The findings of the preliminary analysis of the needs of the Board of Directors should be included in the Nomination Committee's supporting report, which should be published when calling the Annual General Meeting to which the ratification, appointment or re-election of each director will be submitted.

The director selection policy should encourage the achievement of the target of at least 30% of the total members of the Board of Directors being female in 2020.

Each year the Nomination Committee shall verify compliance with the director selection policy and this shall be reported on in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐

15. Proprietary and independent directors should occupy an ample majority of Board places, while the number of executive directors should be the minimum number required, bearing in mind the complexity of the corporate group and the ownership interests held by the executive directors.

Followed ☒ Partially followed ☐ Explain ☐

16. The proportion of proprietary directors as a percentage of the total non-executive directors should not exceed the proportion of the company's capital they represent.

This criterion may be relaxed:

a) At large cap companies where few equity stakes attain the legal threshold for significant shareholdings.

b) At companies with multiple shareholders represented on the Board of Directors but not otherwise related.

Followed ☐ Explain ☒

Since 2015, the Company has given independent directors such a significant representation on the Board of Directors that they make up the majority of the Board, thereby avoiding the disproportionate influence of proprietary directors. However, the proportion is slightly higher than that indicated in the recommendation, despite having fallen in 2017. This should be considered reasonable taking into account that the company has few major shareholders and the significant size of the treasury share portfolio.

17. The number of independent directors should represent at least one half of all Board members.

However, if the company is not a large cap company or, even if it is but has one shareholder or various shareholders acting collectively controlling more than 30% of the share capital, the number of independent directors should represent at least a third of the total number of directors.

Followed ☒ Explain ☐

18. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional experience and background

b) Directorships held in other companies, listed or otherwise, and other paid activities carried out by the directors, regardless of their nature.

c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.

d) The date of their first appointments as a company director, and subsequent re-elections.

e) Shares held in the company and any options thereon.

Followed ☒ Partially followed ☐ Explain ☐

19. After verification by the Nomination Committee, the Annual Corporate Governance Report should also disclose the reasons for the appointment of proprietary directors at the request of shareholders controlling less than 3% of capital and explain any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others applying successfully for a proprietary directorship.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

20. Proprietary directors should resign when the shareholders they represent transfer their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board of Directors, based on a proposal from the Nomination Committee. In particular, just cause shall be presumed to exist when a director is appointed to a new post or undertakes new obligations that prevent him or her from devoting the necessary time to the duties required of a director, is in breach of the duties inherent to his or her position or comes under one of the grounds which result in the loss of his or her position as an independent director in accordance with the applicable legislation.

The removal of independent directors may also be proposed as a result of a takeover bid, merger or similar corporate transaction producing changes in the company's capital structure, when such changes in the structure of the Board of Directors are made in order to meet the proportionality criterion set out in Recommendation 16.

Followed ☒ Explain ☐

22. Companies should establish rules obliging directors to inform the Board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

When a director is sued or tried for any of the offences established in corporate legislation the Board of Directors should examine the matter forthwith and, in view of the particular circumstances, decide whether or not he/she should be called on to resign. The Board of Directors should also disclose all such determinations in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐

23. All directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.

When the Board of Directors makes material or reiterated decisions about which a director has expressed serious reservations, then he/she must draw the pertinent conclusions. Directors resigning on such grounds should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the Secretary of the Board, director or otherwise.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board of Directors. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

25. The Nomination Committee should ensure that the non-executive directors have enough time available to correctly discharge their functions.

The Board Regulations should establish the maximum number of company directorships the Board members can hold.

Followed ☒ Partially followed ☐ Explain ☐

26. The Board of Directors should meet with the necessary frequency to properly perform its functions (at least eight times a year), in accordance with a calendar and agenda set at the beginning of the year, to which each director may individually propose the addition of other items.

Followed ☒ Partially followed ☐ Explain ☐

27. Directors' absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

Followed ☒ Partially followed ☐ Explain ☐

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minutes.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

29. The company should establish the appropriate channels in order for the directors to be able to obtain the advisory services required for the fulfilment of their functions, including, as the circumstances may require, external advisory services charged to the company.

Followed ☒ Partially followed ☐ Explain ☐

30. Companies should also offer the directors refresher programmes when the circumstances so advise, regardless of the knowledge required of the directors to discharge their functions.

Followed ☒ Explain ☐ Not applicable ☐

31. The agenda of the meetings should clearly indicate the items on which the Board of Directors must adopt a decision or resolution so that the directors can first study them or find the information required to adopt them.

Exceptionally, in urgent cases when the chairman wishes to submit decisions or resolutions that do not appear in the agenda for approval to the Board of Directors, the prior and express consent of the majority of the directors present shall be required, and this shall be duly recorded in the minutes.

Followed ☒ Partially followed ☐ Explain ☐

32. The directors shall be regularly informed of the changes in the shareholder structure and of the opinion that the significant shareholders, investors and credit rating agencies have of the company and its group.

Followed ☒ Partially followed ☐ Explain ☐

33. In addition to performing his or her functions as stipulated in the law and the bylaws, the chairman, as the person responsible for the proper functioning of the Board of Directors, should prepare and submit to the Board of Directors a programme of dates and business to be transacted; should organise and coordinate regular evaluations of the Board and, as appropriate, the evaluation of the chief executive of the company; should be responsible for managing the Board and its effective operation; should ensure sufficient time is devoted to discussing strategic matters; and should agree and review the refresher programmes for each director when the circumstances so advise.

Followed ☒ Partially followed ☐ Explain ☐

34. Should there be a lead director, in addition to the powers legally attributed to them, the company bylaws or Board Regulations should also confer the following powers on them: to chair meetings of the Board of Directors should the chairman (and deputy chairman, if there is one) not be available; express the concerns of non-executive directors; contact investors and shareholders to learn their views in order to be able to form an opinion on their concerns, in particular in relation to the corporate governance of the company; and coordinate the succession plan for the chairmanship.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

35. The Secretary of the Board of Directors should take special care to ensure the Board's actions and decisions take into account the good governance recommendations included in this Good Governance Code that might be applicable to the company.

Followed ☒ Explain ☐

36. The Board of Directors in plenary session should evaluate the following points on a yearly basis and, if appropriate, adopt an action plan to correct any deficiencies detected in relation to the following:

a) The quality and efficiency of the Board's operation.

b) The operation and composition of its committees.

c) Diversity in the composition and responsibilities of the Board of Directors.

d) The performance of the chairman of the Board of Directors and the chief executive of the company.

e) The performance and contribution of each director, placing particular emphasis on the persons responsible for the various committees of the Board.

The various committees shall be assessed based on their reports to the Board of Directors, while the Nomination and Remuneration Committee's report shall be used to assess the Board of Directors.

Every three years, the Board of Directors shall be assisted in the evaluation by an external consultant, the independence of which shall be verified by the Nomination Committee.

The business relationships that the consultant or any company from its group has with the company or any company from its group must be disclosed in the Annual Corporate Governance Report.

The process and the areas evaluated shall be disclosed in the Annual Corporate Governance Report.

Followed ☒ Partially followed ☐ Explain ☐

37. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the Board itself. The Secretary of the Board should also act as secretary to the Executive Committee.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

38. The Board of Directors should be kept fully informed of the business transacted and resolutions adopted by the Executive Committee. To this end, all Board members should receive a copy of the Committee's minutes.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

39. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters and the majority of these members should be independent directors.

Followed ☒ Partially followed ☐ Explain ☐

40. Under the supervision of the Audit Committee, there should be a unit responsible for the internal audit function which ensures the systems of internal control and financial reporting function correctly, and which reports to the non-executive chairman of the Board or the chairman of the Audit Committee.

Followed ☒ Partially followed ☐ Explain ☐

41. The head of the internal audit function should present an annual work programme to the Audit Committee, report directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

42. The Audit Committee should have the following tasks in addition to those provided for by law: 1. With respect to internal control and reporting systems:

   a) Oversee the preparation and integrity of the financial information of the company and, if applicable, of the group, and check compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards.

b) Monitor the independence of the internal audit function; proposing the selection, appointment, re-appointment and removal of the head of internal audit; proposing the internal audit department's budget; approving its work plans and methods, ensuring that its activity focuses primarily on the company's significant risks; receiving periodic information on its activities; and checking that senior management acts on the findings and recommendations of its reports.

c) Establish and monitor a mechanism whereby employees can report, in a confidential or, where possible and if appropriate, anonymous manner, any potentially significant irregularities within the company, particularly of a financial and accounting nature.

2. In relation to external audit:

a) The Committee should investigate the circumstances giving rise to the resignation of any external auditor.
b) Oversee the remuneration of the work of the external auditor to ensure its quality and its independence are not compromised.
c) Supervise that the company reports any change of auditors to the Spanish National Securities Market Commission (CNMV) as a significant event, with an accompanying statement of any disagreements arising with the outgoing auditors and the reasons behind them.
d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session to inform it of the work performed and the changes in the accounting situation and risks of the company.
e) Ensure the company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence.

Followed ☒ Partially followed ☐ Explain ☐

43. The Audit Committee may call on any company employee or executive to be present at its meeting, even ordering their presence without another senior executive.

Followed ☒ Partially followed ☐ Explain ☐

44. The Audit Committee should be informed of the structural and corporate changes expected to be made by the company for analysis and reporting thereof prior to the Board of Directors meeting on their economic conditions and their accounting impact and, especially, as appropriate, on the proposed exchange ratio.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

45. The control and risk management policy should specify at least:

a) The different types of financial and non-financial risk (operational, technological, legal, social, environmental, political and reputational, among others) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
b) The determination of the risk level the company sees as acceptable.
c) Measures in place to mitigate the impact of identified risks, should they occur.
d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

Followed ☒ Partially followed ☐ Explain ☐

46. An internal control and management function should exist under the direct supervision of the Audit Committee, or as appropriate, of a specialist committee of the Board of Directors, for the management of risks, performed by a unit or internal department of the company, which would have the following functions allocated to it:

a) Ensure the risk control and management systems function correctly and, in particular, all the major risks affecting the company are adequately identified, managed and quantified.

b) Actively participate in preparing the risk strategy and in major decisions regarding risk management.

c) Ensure the risk control and management systems adequately mitigate risks in the framework of the policy defined by the Board of Directors.

Followed ☒ Partially followed ☐ Explain ☐

47. The members of the Nomination and Remuneration Committee -or of the Nomination Committee and the Remuneration Committee, if they are separate- should be appointed with regard to their having the knowledge, skills and experience appropriate to the functions they would have to perform, and the majority of the members should be independent directors.

Followed ☒ Partially followed ☐ Explain ☐

48. Large cap companies should have separate nomination and remuneration committees.

Followed ☐ Explain ☒ Not applicable ☐

Since the members of the Nomination and Remuneration Committee were selected from among the members of the Board of Directors due to their experience, specialisation and dedication in nomination and remuneration matters, the creation of two separate committees with an identical composition would be inadvisable.

49. The Nomination Committee should consult with the company's chairman of the Board of Directors and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Followed ☒ Partially followed ☐ Explain ☐

50. The Remuneration Committee should carry out its duties independently, and should have the following duties in addition to those attributed to it by law:

a) Propose to the Board of Directors the standard conditions for senior executive employment contracts.

b) Check compliance with the remuneration policy set by the company.

c) Review the remuneration policy applied to directors and senior executives on a regular basis, including remuneration systems with shares and their application, and ensure their individual remuneration is proportionate to what is paid to the other directors and senior executives of the company.

d) Ensure possible conflicts of interest do not infringe upon the independence of the external advisory services provided to the committee.

e) Verify the information on the remuneration of the directors and senior executives contained in the various corporate documents including the annual report on the remuneration of the directors.

Followed ☒ Partially followed ☐ Explain ☐

51. The Remuneration Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior executives.

Followed ☒ Partially followed ☐ Explain ☐

52. The rules governing the composition and operation of the supervisory and control committees should be included in the Board Regulations and should be consistent with those applicable to statutory committees according to the aforementioned recommendations, including the following:

a) The committees should be formed exclusively of non-executive directors, with a majority of independent directors.

b) The committees should be chaired by an independent director.

c) The Board of Directors should appoint the members of such committees having regard to the knowledge, aptitudes and experience of its directors and the remit of each committee and should discuss their proposals and reports. The committees should report the business transacted and account for the work performed at the first plenary session of the Board following each committee meeting.

d) Committees may engage external consultants, when they feel this is necessary for the discharge of their duties.

e) Meetings should be recorded in minutes and should be made available to all Board members.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

53. The supervision of fulfilment of the corporate governance rules, the internal codes of conduct and the corporate social responsibility policy should be entrusted to one, or shared between several, committees of the Board of Directors, which could include the Audit Committee, the Nomination Committee, the Corporate Social Responsibility Committee, if it exists, or a specialist committee the Board of Directors might decide to create through the exercise of its self-governing powers, to which the following minimum functions would be specifically assigned:

a) The supervision of fulfilment of the company's internal codes of conduct and corporate governance rules.

b) The supervision of the communication strategy and the relationship with shareholders and investors, including small and medium-sized shareholders.

c) The regular evaluation of the suitability of the company's corporate governance system, in order to ensure it fulfils its mission to promote the corporate interest, and takes into account, as applicable, the legitimate interests of the other stakeholders.

d) The review of the company's corporate responsibility policy to ensure it is centred on value creation.

e) The monitoring of the corporate social responsibility strategy and practices, and the evaluation of their degree of fulfilment.

f) The supervision and evaluation of the processes in relation to the various stakeholders.

g) The evaluation of all the company's non-financial risks, including operational, technological, legal, corporate, environmental, political and reputational risk.

h) The coordination of the process of reporting non-financial and diversity information in accordance with the applicable legislation and the international standards of reference.

Followed ☒ Partially followed ☐ Explain ☐

54. The corporate social responsibility policy should include the principles or commitments taken on by the company on a voluntary basis in its relationship with the various stakeholders and should identify at least the following:

a) The objectives of the corporate social responsibility policy and the development of support mechanisms.

b) The corporate strategy in relation to sustainability, the environment and social matters.

c) Specific practices in matters related to: shareholders, employees, customers, suppliers, corporate matters, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.

d) The methods or systems for monitoring the results of the application of the specific practices mentioned in the previous letter, the associated risks and the management thereof.

e) The mechanisms to supervise non-financial risks, ethics and business conduct.

f) The company's communication, participation and dialogue channels with stakeholders.

g) Responsible communication practices that prevent the manipulation of information and protect integrity and reputations.

Followed ☒ Partially followed ☐ Explain ☐

55. The company should disclose information on matters related to corporate social responsibility using an internationally accepted methodology in a separate document or in the directors' report.

Followed ☒ Partially followed ☐ Explain ☐

56. The directors' remuneration should be sufficient to attract and retain directors with the required profile and to compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise the independent judgement of the non-executive directors.

Followed ☒ Explain ☐

57. Variable remuneration linked to the company's and personal performance, and remuneration comprising the delivery of shares, share options or other share-based instruments referenced to the share value and the long-term saving schemes such as pension plans, retirement systems or other employee welfare systems should be confined to executive directors.

The delivery of shares as remuneration for non-executive directors may be included provided the directors retain them until the end of their tenure. The foregoing shall not apply to shares the directors need to dispose of, as the case may be, to satisfy the costs of their purchase.

Followed ☒ Partially followed ☐ Explain ☐

58. In the case of variable remuneration, remuneration policies should include technical limits and safeguards to ensure they reflect the professional performance of the recipients and not simply the general progress of the markets or the company's industry or other similar circumstances.

And, in particular, the variable components of the remuneration:

a) Should be linked to performance criteria that are predetermined and measurable, and these criteria should take into account the risk assumed to achieve a profit.
b) Should promote the sustainability of the company and include non-financial criteria that are suited to the creation of value in the long term, such as compliance with the internal rules and procedures of the company and with its risk control and management policies.
c) Should be established on the basis of a balance between compliance with the short-, medium- and long-term objectives, which enables the remuneration of performance over a period of time that is long enough to evaluate their contribution to the sustainable creation of value, where the elements of performance being measured are not limited to specific, occasional or extraordinary events.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

59. The payment of a significant portion of the variable components of the remuneration should be deferred for a sufficient minimum period of time to ensure the pre-established performance conditions are met.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report entailing a decrease in such earnings.

Followed ☒ Partially followed ☐ Explain ☐ Not applicable ☐

61. A significant portion of the variable remuneration of the executive directors should be linked to the delivery of shares or financial instruments referenced to their value.

Followed ☐ Partially followed ☐ Explain ☒ Not applicable ☐

The remuneration policy approved at the Annual General Meeting on 24 March 2015 and in force for a period of three years allows for the annual and pluriannual variable remuneration to be paid in cash, shares or as an extraordinary contribution to the retirement scheme, with the executive director required to notify the way of payment to the Company previously to the accrual of such remuneration.

Accordingly, a significant portion of executive directors' annual and pluriannual variable remuneration is linked to share performance.

62. Once the shares, share options or rights over shares relating to remuneration systems have been allocated, the directors should not be able to transfer the ownership of a number of shares equal to twice their fixed annual remuneration, and neither should they be able to exercise the options or rights until a term of at least three years from allocation has elapsed.

The foregoing shall not apply to shares the directors need to dispose of, as the case may be, to satisfy the costs of their purchase.

Followed ☐ Partially followed ☐ Explain ☐ Not applicable ☒

63. The contractual agreements should include a clause to enable the company to claim repayment of the variable components of the remuneration when the payment was not adjusted to the performance conditions, or when the payment was made in line with data subsequently proven to be inaccurate.

Followed ☐ Partially followed ☐ Explain ☒ Not applicable ☐

Although there is no specific repayment clause in the agreement enabling repayment of variable remuneration based on the achievement of previously established goals to be claimed when such remuneration has been paid as a result of information that has later proven to be clearly inaccurate, it should be noted that:

i. The Nomination and Remuneration Committee is empowered to propose to the Board of Directors that variable remuneration be cancelled under such circumstances.

ii. Furthermore, the Nomination and Remuneration Committee should assess whether exceptional circumstances of this kind may not only imply claiming amounts wrongfully received, but also the termination of the employment relationship with the manager(s) in question, proposing the adoption of appropriate measures to the Board of Directors.

The Company considers that the current agreement should not be amended.

64. Payments for contract termination should not exceed an amount established as equal to two years' total annual remuneration, and should not be paid until the company is able to check the director has met the pre-established performance criteria.

Followed ☐ Partially followed ☐ Explain ☒ Not applicable ☐

The contract between the Company and the chief executive officer is for an indefinite term and does not establish the right to receive any termination benefits.

In the event of termination of this contract, the special senior management employment relationship agreed to in 2009, before the implementation of this recommendation, shall be reinstated.

If the aforementioned special senior management relationship is extinguished by mutual agreement between the parties, through withdrawal by the employer, through a disciplinary dismissal being held to be unjustified or null and void without reinstatement or on any of the grounds specified in Article 10.3 of Royal Decree 1382/1985, the executive shall be entitled to receive the agreed termination benefits consisting of three years' salary.

The Company has analysed this situation and considers that the current situation should not be altered.

Notwithstanding the above, it should be noted that for new hires, it is Company policy not to include a clause stipulating termination benefits exceeding two years' salary in any senior management employment contract. In addition, a hypothetical payment for the termination of the chief executive officer's contract would not be made until the Company had verified that the chief executive officer had met the previously established requirements.

H OTHER INFORMATION OF INTEREST

1. 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.

2. 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 company 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.

3. The company 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.

CODE OF GOOD TAX PRACTICES.

On 25 November 2014, the Board of Directors of Abertis Infraestructuras, S.A. resolved to comply with the Code of Good Tax Practices, drafted within the Forum of Large Companies in collaboration with the Spanish Tax Agency. This resolution applies to all companies belonging to the tax group for income tax purposes in Spain. It is expressly stated that Abertis has effectively implemented the content of this Code.

CLARIFICATION NOTE ON SECTION A.2

As Abertis Infraestructuras, S.A. is involved in a public offer procedure to acquire its shares, in section A.2, have been identified as significant shareholders all those whose percentage of voting rights reaches or exceeds 1% on December 31, 2017. All of this, in accordance as set out in section 6 of article 30 of Royal Decree 1362/2007 which enacts the Securities Market Law, in relation to transparency requirements relating to information on issuers whose securities are admitted to trading on an official secondary market or in another Regulated market of the European Union.

CLARIFICATION NOTE ON SECTION C.1.15

The pension rights accumulated by current directors include the contribution accrued in 2015, 2016 and 2017.

CLARIFICATION NOTE ON SECTION C.1.16

The total remuneration corresponds to the remuneration received by all senior executives in 2017, although some were not considered to fall into that category at year-end, and includes the amount received as a result of obtaining the multi-year bonus earned in 2015, 2016 and 2017.

CLARIFICATION NOTE ON SECTION C.1.17

Marcelino Armenter Vidal is the individual representative of CAIXA CAPITAL RISC, S.G.E.I.C., S.A., the sole director of CAIXA CAPITAL FONDOS, S.C.R., S.A.U., CAIXA CAPITAL BIOMED, S.C.R., S.A., CAIXA CAPITAL TIC, S.C.R., S.A., CAIXA CAPITAL MICRO, S.C.R., S.A. and CAIXA VENTURE CAPITAL, S.A.

Marcelino Armenter Vidal is also the individual representative of CAIXA CAPITAL FONDOS S.G.E.I.C, S.A.U, the sole director of CAIXA EMPRENDEDOR XXI, S.A.

CLARIFICATION NOTE ON SECTION C.1.45

The number of beneficiaries shown corresponds to the total number of employees who are guaranteed termination benefits in the event of dismissal in excess of the statutory amount.

CLARIFICATION NOTE ON SECTION C.2.1

Continuation of the text of the Audit and Control Committee's functions:

The minutes of the Committee meetings are made available to all of the Board members.

Following is a summary of the most significant actions performed by the Committee in 2017:

a) Review of economic and financial information, specifically:

- The Company's separate and consolidated financial statements for 2016, the half-yearly financial statements and quarterly economic and financial information. The Company was also notified of the requirements of the CNMV in matters within its remit.

- The effective application of the ICFR system controls at each close and notification of the results of the reviews performed by the external auditor and the Internal Audit unit.
- The results of the impairment tests carried out on the Group's main assets.
- Illustrative tables showing that the Company has generated sufficient profit, and the preliminary financial statements evidencing the existence of sufficient cash and cash equivalents to be able to distribute interim dividends.
- Monthly monitoring of the Company's treasury shares.
- Monitoring of the regulatory and best practice developments (including tax regulations and best practices applied by Abertis since Abertis since 2014).

b) Relationship with the auditors:

- The Committee received information on issues that could potentially jeopardise the independence of the auditors, as well as on other matters concerning the audit process. Specifically, it monitored audit fees, including those relating to other professional services rendered to the Company and its Group.
- The Committee verified that no grounds exist for calling the auditors' independence into question, and issued a report on their independence.

c) Overseeing the internal audit:

One of the Audit and Control Committee's duties is to oversee the effectiveness of the internal control system at the Abertis Group. This function is undertaken mainly by Internal Audit. The main activities carried out by Internal Audit and supervised by the Audit and Control Committee in 2017 were as follows:

- Performance of the reviews included in the 2017 Audit Plan, and of other reviews arising at the request of certain Company departments or at the behest of the Internal Audit unit itself, and systematic and periodic monitoring of the recommendations proposed in the reviews.
- Approval of the 2018 Audit Plan. To this end, the companies under the Group's control were classified on the basis of risk and materiality criteria, determining the activities to be reviewed (revenue, purchases, non-current assets, staff, financial management, technology, travel expenses, maintenance and warehousing and ICFR, inter alia) and how often they should be reviewed.

d) Supervision of risk control:

One of the functions of the Audit and Control Committee is to oversee the risk management systems of the Abertis Group. This is carried out by the Risk Control Area.
The activities performed by the Risk Control Area in 2017, under the supervision of the Audit and Control Committee, most notably include the monitoring of priority risks, review of risk maps (including control activities and action plans), monitoring of changes in risks and identification of emerging risks, implementation of the GRC tool to automate and simplify the process, analysis of risks at the local level and periodic monitoring of the main risks arising from litigation at the Group.

e) Supervision of compliance systems:

One of the functions of the Audit and Control Committee is to oversee compliance with the Company's Code of Ethics and to oversee the compliance system's surveillance and control measures to prevent the commission of criminal offences, which is performed as part of the activities of the Compliance Area.
In 2016 the Committee monitored the activities implemented by the function and received information on the process of updating the management and organisational model for the prevention of crimes, the results of the work involving the preparation of a criminal risk map and changes in internal regulations on compliance, the code of ethics and crime prevention.

f) Assessment of the Audit and Control Committee's operations:

The Committee held a meeting to discuss its operations and activities in view of international best practices, changes in regulations and its own experience.

In order to comply with the provisions of Article 529 nonies of the Spanish Limited Liability Companies Law and Recommendation 36 of the Spanish Code of Good Governance for Listed Companies, the Nomination and Remuneration Committee at its meeting on 23 January 2018 appointed, after verifying their independence, an external consultant to assist the Board in carrying out its annual assessment and that of its committees. On 26 January 2018, the external consultant issued its assessment report on the functioning of the Board and its committees, which it classified as satisfactory.

CLARIFICATION NOTE ON SECTION D.2

On September 26, 2017, there was a change in control in CaixaBank (a company with which Abertis maintains balances and transactions) so that CriteriaCaixa, significant shareholder of Abertis, no longer exercises control or a dominant influence over CaixaBank. In this sense, from the aforementioned date, CaixaBank is no longer considered a related company of Abertis. Therefore, only transactions made with CaixaBank up to September 26, 2017 have been included.

In addition to the operations that are significant due to their amount or relevant for their subject matter detailed in section D.2., the following must also be indicated:
-CaixaBank, S.A.-Abertis Infraestructuras, S.A.-Nature of Contract-Type of operation: Interest charged-Amount: 2,421 thousand of euros.
-CaixaBank, S.A.-Abertis Infraestructuras Finance BV-Nature Contract-Type of operation: Interest paid-Amount: 3,628 thousands of euros.
-CaixaBank, S.A.-Autopistas, Spanish Concessionaire, S.A.-Commercial Nature-Type of operation: Reception of services-Amount: 1,634 thousand euros.
-CaixaBank, S.A.-Aumaristas Aumar, S.A.C.E.-Commercial Nature-Type of operation: Reception of services-Amount: 1,013 miles of euros.
-CaixaBank, S.A.-Vasco Aragonesa Highway, S.A.-Nature of Contract-Type of operation: Interest charged-Amount: 3,374 thousands of euros.
-CaixaBank, S.A.-Túnels de Barcelona i Cadí Concessionaire of the Generalitat de Catalunya, S.A.-Nature Contractual-Type of operation: Interest charged-Amount: 4,101 thousand euros.
-VidaCaixa, S.A. of Insurance and Reinsurance-Abertis Infraestructuras, S.A.-Nature Contractual-Type of operation: Reception of services-Amount: 1,325 thousand euros.
-VidaCaixa, S.A. of Insurance and Reinsurance-Abertis Infraestructuras, S.A.-Nature of Contract-Type of operation: Interests charged-Amount: 6,510 thousand euros.

CLARIFICATION NOTE ON SECTION D.5

The amount indicated includes the operations that are not significant due to their amount or relevant for their nature made between the Company or entities of its group and significant shareholders of the Company.

This annual corporate governance report was approved by the Company's Board of Directors at its meeting held on 06/02/2018.

Indicate whether any directors voted against or abstained in relation to the approval of this report.

Yes ☐ No ☒

Abertis Infraestructuras, S.A. and Subsidiaries

Auditor's report on the system of Internal Control over Financial Reporting (ICFR) of the Abertis Group for 2017

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

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

AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE ABERTIS GROUP FOR 2017

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 of 22 November 2017, 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 2017, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is 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, 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, that 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 Auditing Standards, 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 Auditors' 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 establishes 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 2017 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 Spanish Audit Law 22/2015, of 20 July, we do not express an audit opinion in the terms provided for in that Law.

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. 7/2015, of 22 December 2015.

2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Abertis Group.

3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR system descriptive information. In this regard, the aforementioned documents include reports prepared for the Audit and Control Committee by internal audit, senior management and other internal or external specialists.

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 in connection with the work performed, signed by those 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 established by article 540 of Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Spanish Securities Market Law, and by CNMV Circular no. 7/2015, of 22 December, and for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Iván Rubio Borrallo

6 February 2018

2017 integrated annual report

abertis
commitment & delivery

Index

Letter from the Chairman

Dear shareholders,

It is my pleasure to present you the Integrated Annual Report for the 2017 financial year. A report which, according to the requirements established in the current accountability regulations, contains financial and non-financial information that allow consolidating an integrated vision of the economic, environmental, social and good governance performance of our organization, thus meeting the expectations of our various stakeholders. The Integrated Annual Report and its annex have been prepared according to the main international standards on the matter and have been reviewed externally.

The results of our activity throughout the year 2017 reflect the good performance of the business, driven by the growth of traffic in our main markets. In turn, the increase of our stake in Sanef in France and A4 Holding in Italy together with the new Via Paulista concession granted to Arteris in Brazil and the agreement reached with the Argentine government for the extension of the concessions of Ausol and GCO, are elements that allow us to embrace the future with optimism. These operations contribute to the renewal of our concessions portfolio, with new additions that replace those that will end their journey in the coming years. A strategy focused on achieving stability in the generation of cash flow, which is necessary to achieve our commitment to generate value for our shareholders.

The behavior of the Abertis share throughout 2017 can be described as exceptional, in the strictest sense of the word. The announcement of the Takeover Offer made by Atlantia last May, and the subsequent competing offer announced by Hochtief in October reveal an unprecedented situation for our company.

The interest shown by these two business groups to achieve a controlling position in the shareholding of Abertis is an example of the attractiveness that our company has today, endorsing a track record of success that has allowed us to position ourselves as world leaders in the industry. This, together with the high liquidity of our stock market value, has allowed them to compose two offers that have had a very positive reception from the markets.

This situation has benefited our shareholders, who have seen the value of their shares increase by nearly 40% over the entire year. A return that is added to the total dividend of 80 cents per share for the year 2017, which the Board of Directors has agreed to propose to the General Shareholders' Meeting.

Since Abertis’ inception in 2003, and until the end of 2017, the average annual return of the share was 10.28%, including stock market appreciation, bonus issues and dividend yield. Likewise, during the last five years the cumulative yield rose to 113% with an annual average of 16%, for a shareholder who had bought his or her shares on December 31, 2012 and did not sell them until December 31 of 2017.

In the area of corporate governance, 2017 saw the incorporation as independent directors of Mr. Xavier Brossa Galofré and Mr. Antonio Viana-Baptista. With these appointments, ratified by the General Meeting in March, the Board has 9 independent directors or 60% of the total.

Also in this area, last October the Board of Directors agreed to the move our registered office. A temporary decision that seeks to protect the general interests of the company and its shareholders avoiding any uncertainty that could impact the current circumstances.

With respect to corporate social responsibility matters, Abertis has once again renewed its commitment with the United Nations Global Compact and the Sustainable Development Goals, known as the 2030 Agenda. In this sense, it has joined the initiative developed by the Spanish Network of the United Nations Global Compact to promote knowledge and contribute to the achievement of the Sustainable Development Goals in the business world.

Throughout 2017, work has continued on the development of specific CSR plans in each country and progress has been made to include the new activities and countries in the materiality analysis. Actions have been developed to promote eco-efficiency and the circular economy that will contribute to achieving the objectives of reducing greenhouse gas emissions and recovering construction waste. And the objectives that we have set ourselves in terms of equal opportunities and diversity, as well as in the field of occupational health and safety, are equally ambitious.

I would also like to highlight the collaboration agreement signed with UNICEF to combat the main cause of death of school-age children, road accidents, offering children a safe journey to and from school. With this agreement, UNICEF recognizes our commitment to road safety and our program of campaigns adapted to the needs of the most vulnerable groups.

More and more agencies and entities are evaluating our compliance in economic, environmental, social and good governance matters. These external evaluations allow us to continue working permanently to improve the systemic performance of the organization, which has led us to remain in the main sustainability indices one more year.

To conclude, on behalf of the Board of Directors, I wish to thank you for the trust you have placed in us and in the work of the thousands of people who, from the companies that make up the Abertis group, strive every day to provide a service of the highest quality to users through modern, safe and sustainable infrastructures.

Thank you very much.

Salvador Alemany Mas

Chairman

Letter from the Vice-Chairman and Chief Executive Officer

Dear shareholders,

2017 has been an important year for Abertis. On the one hand, in the last twelve months the Group has entered a new market -India- and has strengthened its position in the markets where it was already present - France, Italy and Brazil - with an investment in growth of about 3,700 million euros. On the other hand, the period of the 2015-2017 Strategic Plan has been successfully completed, and it is the result of a significant collective effort by the entire team of the Group.

2017, investment and growth

Abertis has recorded double-digit growth in its main figures in 2017, closing the year with a net profit of nearly 900 million euros, and revenues that, for the first time in history, have exceeded 5,000 million euros.

These figures have been boosted by the improvement in the operating margin and also by the inclusion of the results of minority interests, following a broad participation purchase plan executed during the year.

Thus, in France, Abertis has assumed 100% control of Sanef (from 52% at the end of 2016); and in Italy, the company has increased its stake in A4Holding with the purchase of minority interests, from the initial 51.4% to more than 90% (until January 2018).

In the last 12 months, the Group has invested more than 3,700 million euros, allowing it to increase its concessional average life and consolidate its strategy of continuous investment in its network, and with an eye set on two clear objectives: road safety - through the Road Safety program - and the adaptation of our infrastructures to an increasingly digitized and interconnected world - through the Road Tech program - both of which are strategic for the Group.

2015-2017 Strategic Plan: fulfilling our commitments

The year 2017 is also special for Abertis since it closes the period linked to the 2015-2017 Strategic Plan which has been successfully completed, exceeding its commitments across its four strategic pillars: growth, focus, efficiencies and shareholder remuneration.

Between 2015 and 2017 Abertis has entered new countries with new subsidiaries, such as Emovis or Eurotoll, and through the purchase of new concessions in countries such as Italy, Brazil or India, consolidating its position as a world leader in the industry with a presence in 15 countries in Europe, America and Asia.

In turn, the company has completed its process of focusing on the toll road sector, which accounts for 100% of the business in the consolidated accounts of the Group.

In terms of efficiencies, Abertis has strengthened its efforts to search for synergies in our operations and among the Group's various companies. Three years later, our international subsidiaries stand out for their efficiency, their adaptation to the needs of the industry in their respective countries, and their management excellence, by leveraging and sharing the Group's know-how and best practices throughout the world.

Lastly, Abertis has continued to improve shareholder remuneration with an annual increase in remuneration of 10%.

Abertis' broad - international and institutional - shareholder base and the latest shareholding shifts are another example of the growing attraction offered by the Group's industrial and business project, which in 2017 was placed at the center of attention of the infrastructure sector in the world.

A team committed to the project

At Abertis, we fulfill our commitments, and this is possible thanks to the daily collaborative effort of the entire team of the Group. Their commitment to the project, their enthusiasm for continuous improvement, their resolve before the day-to-day challenges, and their ability to adapt to change in a constantly-changing industrial environment have allowed us to meet all the objectives we had set ourselves more than three years ago today.

Today, Abertis has consolidated itself as the international leader in the toll road industry, a more internationalized, competitive, efficient, sustainable and attractive group for its employees, customers and shareholders. In short, a better company for society.

Thank you very much for trusting the entire Abertis team.

Francisco Reynés Massanet

Vice-chairman-CEO

Abertis in 2017

Global Leader

Kilometers (directly managed)	**Kilometers (indirectly managed)**	**Concessions**	**Kilometers travelled**
7.994	654 km	43	75 million

Financial strength

Net Profit	**Revenue**	**Ebitda**	**Total investments**
€897Mn +13%	€5,323 Mn +13%	€3,480 Mn +14%	€3,728 Mn
Discretionary Cashflow	**Accrued dividends**	**Net Debt**	**Corporate rating**
€1,987 Mn +20%	€792Mn **+** 10%	€15,367Mn 4.4x Ebitda	BBB+ (Fitch Ratings) BBB (Standard & Poor's)

Safe and innovative roads

Total ADT	**Accident rate**	**Fatality rate**	**Electronic Toll transactions**
24,368 +2.5%	21,3 - 3%	1.3 - 6%	62.9% (+2)

Value creation for society

Tax contribution	**Final workforce**	**Work-related accidents**[1]	**Occupational Health & Safety Training**
€1,832Mn	15,099 people	-32%	106,934 hours[1] -27%
CO_2e emissions / revenue (scopes 1 and 2) [1]	**Community**[1]	**Local supplier purchases**[1]	**Index FTSE4GOOD**
-13%	315 initiatives developed	91%	Two consecutive years

[1] As per the scope of non-financial information (specified in Chapter 7 of this report)

2017 Milestones

JANUARY

- Sanef agrees with the French government a €147Mn investment in exchange for an increase in tariffs.

FEBRUARY

- Abertis purchases an additional 8.53% of A4 Holding.

MARCH

- Abertis closes the purchase of two toll roads in India for €133Mn.

APRIL

- Abertis reaches 100% stake in Sanef, its French subsidiary.
- Arteris wins the Via Paulista concession in Brazil.
- Autopistas opens the first free flow toll in Spanish AP-7 toll road.

JUNE

- Grupo Concesionario del Oeste agrees with Argentina Government a US$250Mn investment in exchange for an extension of the term of the concession.
- Abertis reaches global agreement with Waze in 7 countries to join its Connected Citizens program.

JULY

- Abertis reaches 84% ownership of A4 Holding after several acquisitions from minority stakeholders.

AUGUST

- Ausol reaches new agreement with Argentina for a US$430Mn investment in exchange for an extension of the term of the concession.

OCTOBER

- Emovis launches free-flow toll in the Mersey Gateway Bridge in the United Kingdom.
- Repurchase of part of the bonds issued by Autostrada Brescia-Verona-Vincenza (€200Mn) with maturity in 2020
- Global partnership with UNICEF to prevent damages caused to children as a result of car accidents.
- The Group signs its first “sustainable credit” for €100Mn.

NOVEMBER

- HIT, owner of French subsidiary Sanef, issues bonds for €1,000Mn and repurchases €140Mn of bonds from a previous issue.

DECEMBER

- Arteris opens the duplication of the Régis Bittencourt toll road in the Serra do Cafezal after a total investment of €330Mn.
- Abertis renews its presence in the FTSE4Good indices for the second year in a row.

Additionally, on May 15, 2017, Atlantia announced its decision to make a public takeover offer on all Abertis Infraestructuras shares. The acceptance period of this takeover offer was suspended on October 18 when the company Hochtief submitted a competing offer to acquire also 100% of the shares of Abertis Infraestructuras. This competing offer is pending authorization from the National Securities Market Commission at the close of fiscal year 2017.

1

Strategy

Abertis is the global leader in toll road management with over 8,600 kilometers managed and a presence in 15 countries in Europe, America and Asia.

Abertis is the leading international road infrastructure management group by kilometers managed, with 8,648 kilometers of high capacity and quality roads and presence in 15 countries in Europe, America and Asia.

Abertis is the leading national road operator in countries such as Spain, Chile, and Brazil, and has an important presence in France, Italy and Puerto Rico. The company has stakes in the management of more than 650 kilometers indirectly managed.

Thanks to the internationalization strategy developed by the Group in recent years, today more than 70% of Abertis' revenues comes from outside Spain, with significant contributions from France, Brazil and Chile.

Abertis' top priority is driver safety. The company invests continuously in smart technology and engineering to ensure that its customers experience a safe, comfortable, fast and easy journey when they choose to travel on the Group's toll roads.

Fueled by its commitment to research and innovation, Abertis combines advances in high capacity infrastructures with new technologies to drive innovative solutions to meet the challenges of the future of mobility.

Abertis is listed on the Spanish Stock Exchange and is part of the selective Ibex 35, as well as of international indices FTSEurofirst 300 and Standard & Poor's Europe 350.

Abertis' vision is to be the world's leading operator in infrastructure management at the service of mobility and communications. Our mission: to promote and manage toll roads in a sustainable and efficient way, contributing to the development of the infrastructures of society in harmony with the well-being of our employees, and to create long-term value for our shareholders.

Basis for value creation

- Be the reference company in the industry. Nobody is better placed than Abertis to set the pace on quality and innovation.

- Our long-term commitment and the high quality of our services make us a great partner for the Governments.

- Continuous investment in technology and smart engineering, which allows us to maintain maximum levels of service in our toll road networks day after day, guaranteeing clients a fast, comfortable, easy and safe journey.

- By combining financial strength and industrial experience: we have a strong financing capacity in world markets and have the best know-how in the industry.

- By being part of the solution to problems associated with the increase of world traffic, such as congestion and climate change.

Industrial vision

Engineering

Our team of engineers is committed to keeping the highest levels of service, quality and technology in our toll roads; to guarantee their optimized maintenance in order to contribute to extending their lifecycle; and to control construction risks in all expansion and renovation projects in order to ensure compliance with planned schedules.

Technology

Abertis' experts promote the use of innovative solutions geared at increasing efficiency, safety and quality of service. All of the above with the goal of ensuring efficient and safe traffic management through diligent monitoring of traffic conditions, efficient control of traffic flows, etc., while providing continuous information to the client.

Operations

Abertis' industrial team develops and deploys best practices and policies that are based on the Group's broad experience and know-how.

Industry opportunities and challenges

The toll road management industry offers several opportunities and poses a number of challenges of different nature that will have an impact on the future business prospects in the coming years.

Opportunities

Mobility as a service

Big data and the collaborative economy are driving mobility as a service, a new transport paradigm centered on the user. 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.

Digitization and connectivity

Road infrastructure should incorporate new digital components such as wireless networking technologies, digitization, the Internet of Things and artificial intelligence, which will be vital for better managing the new generation of autonomous and connected vehicles.

New payment systems

The demand for free-flow tolling systems is growing due to the advantages they bring through both the reduction in travel times and carbon emissions and the ease of payment.

Road infrastructure deficit

Globally, the estimated infrastructure deficit is set in trillions of dollars, corresponding a significant part to road transport infrastructure. In the coming years, plenty of opportunities will arise both in new roads designing in developing markets such as India or Latin America, and in the upgrading of existing ones in mature markets such as Europe and the United States.

Generating financial resources

There are multiple road transportation costs, including construction, maintenance, congestion and pollution. At a time when investment in infrastructure is paramount as a driver for economic growth, the private sector can contribute to the much-needed investments in infrastructure. The implementation of pay-per-use schemes in toll roads can be a way to transfer the risk of demand of infrastructure projects.

Challenges

Traffic growth management

The increase in traffic (it is estimated that the number of vehicles in the world will grow 4 times by 2050) will pose important challenges such as pollution, congestion and other externalities on road safety and public health, imposting new ways of traffic management that seek a more sustainable, efficient and safe mobility.

Evolution of the economic situation

The uncertainty in the evolution of macroeconomic data and the collapse of prices of raw material along with other elements such as stalling investments and weak improvement of the productivity can contribute to discouraging consumption and road transportation.

Increasing competition

In recent years, a number of new international players with interest in assets such as toll roads have appeared in the market. These are fundamentally infrastructure investment funds and pension funds. The current scenario, which is marked by low interest rates, have led these funds to increasingly invest in infrastructure assets due to their attractive profitability.

Regulations and legal security

The majority of the Group’s businesses are in the form of concessions, and thus, limited in time, based on agreements with governments, and carrying the duty to guarantee the concessional obligations and the investment commitments. The legal security that protects bilateral contracts is a cornerstone of the industry.

Adapting to society’s new expectations

Toll road clients and other stakeholders have new expectations related to services, customer care, new technologies, transparency and flexibility, among others.

Strategic Plan

In 2017 Abertis has invested over €3,600 Mn in growth transactions.

Growth deals in 2017

Growth in the existing asset base

In 2017 Abertis gained control of 100% of the Holding d'Infraestructures de Transport (HIT) holding, a company controlling 100% of Sanef, after successive acquisitions of capital from the rest of the minority shareholders. Abertis has invested more than 2,200 million euros throughout the year in this process, which strengthens the Group's presence in its biggest market.

Abertis has also increased its stake in A4 Holding, its Italian subsidiary. The Group has closed agreements to acquire several minority interests until reaching close to 90% of the capital of the A4 and A31 toll roads concessionaire, which has been already completed in January 2018.

The Group has also strengthened its position in Brazil. In October, Arteris - a subsidiary of Abertis - signed the concession contract for Via Paulista in São Paulo. The concession was awarded by the State of São Paulo in April for a period of 30 years.

It is a concession totalling 720 kilometers, which includes 317 kilometers managed by Autovias (belonging to the Arteris Group) and other additional 401 kilometers, which, up to the time of the bidding process, were under direct management by the State of São Paulo.

With these operations, Abertis has achieved a greater balance of its global portfolio by growing in economies with stable concessional frameworks and a clear commitment to public-private partnerships in the toll road sector.

New acquisitions

In March, Abertis closed the agreement with the MSIIPL and SMIT funds, controlled by Macquarie and State Bank of India, for the acquisition of two of India's main toll roads, NH-44 and NH-45, for a total of 133 million euros.

After this deal, Abertis controls 100% of concessionaire Trichy Tollway Private Limited (TTPL), which manages the NH-45 toll road (State of Tamil Nadu), and 74% of Jadcherla Expressways Private Limited (JEPL), which holds the concession of the NH-44 toll road (State of Talangana). These two toll roads are located in regions that are experiencing an economic growth that is above the average of the whole of India and both have GDP levels that are among the highest in the country.

This transaction, which represents the Group’s entry into the Asian market, is an important step in Abertis' commitment to geographical diversification, with presence in an expanding continent and in one of the countries with the highest potential growth in the world, reinforcing the Group's leadership and balancing its global exposure to different markets.

Private-public partnership agreements

In January, Abertis’ French subsidiary Sanef reached an agreement with the French Government for the implementation of a new investment plan for the upgrade of its network. Under the agreement, Sanef will invest 147 million euros in various projects in exchange for a rate increase of between 0.27% (Sanef) and 0.40% (Sapn) per year from 2019 to 2021.

This new plan will improve the French road network around four basic objectives: road safety, traffic flow, quality of service and environmental sustainability, while giving a new boost to the French economy through large-scale work aimed at promoting the activity and employment of the country's businesses network.

In August, Ausol, a subsidiary of the Abertis Group in Argentina, agreed with the Ministry of Transportation on new investments in its toll road network. This agreement contemplates an additional investment plan to improve the current road network for a total of US$430 million, which will be fully financed with future revenues of the concession thanks to the extension of the current contract, set to end in 2020, until the end of 2030.

Two months earlier, in mid-June of this year, the Group had reached a similar agreement with the Argentine Government regarding its other concessionaire in the country, Grupo Concesionario del Oeste S.A. (GCO), which also contemplates an investment plan of US$250 million and an extension of the concession term until the year 2030.

Abertis thus reinforces its commitment to public-private partnerships with the goal of achieving solutions aimed at creating future value for the territories through agreements with governments for new investments in exchange for extensions of the term of concessions or through rate increases.

In this sense, the Group has reached important agreements in the majority of countries where it operates, including Argentina, France, Italy, Brazil, Chile and Puerto Rico. In addition, the operation shows the Group's ability to grow its portfolio of existing assets, by increasing the average term of its concessions.

Continuous search for new opportunities

In 2017, the Abertis Business Development area analyzed more than 40 projects in 18 countries, of which seven projects have been successfully completed, enabling Abertis to consolidate its presence in countries where it already conducts business (France, Brazil, Italy and Argentina) and to gain access to new countries with high potential in the field of road concessions (India).

Without prejudice of the passivity duty due to the takeover offers on Abertis, the company keeps on working on a business-as-usual basis, and it is in a position to leverage all the opportunities that may arise.

Targeted markets

North America

Western Europe

Latin America

Australia

India

Shareholder remuneration in 2017

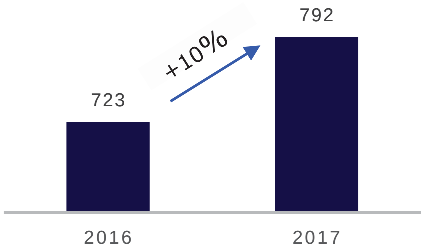
+10%

2017 shareholder remuneration

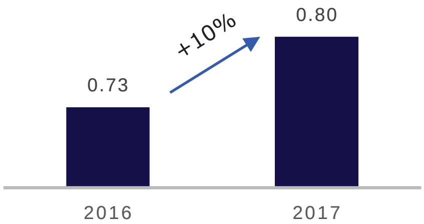
Delivering on the commitment stablished in the 2015-2017 Strategic Plan, the dividend per share has grown 10% in 2017. With this policy of shareholder remuneration, Abertis will have distributed nearly 2,166 million euros in the 2015-2017 period in ordinary dividends alone.

For more information, see the Shareholder Remuneration section in this report.

Ordinary accrued dividends (€Mn)

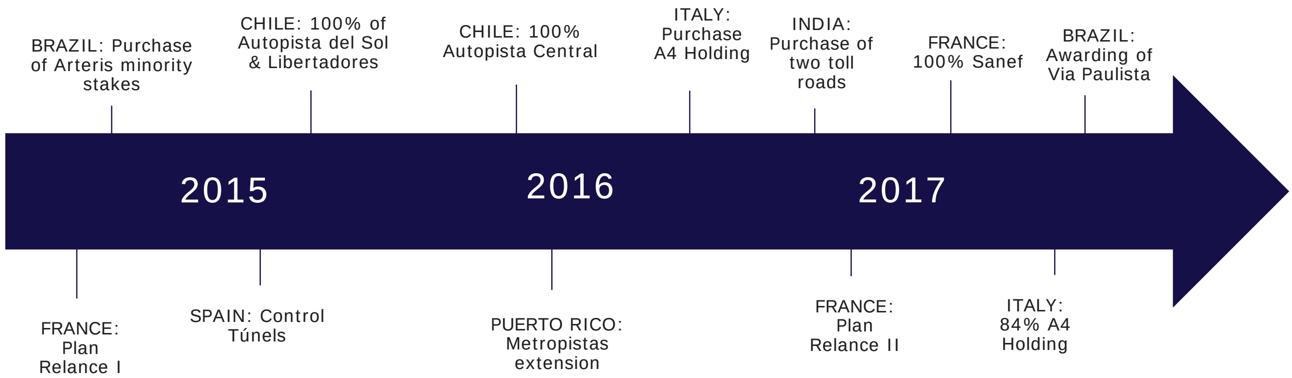


Dividend per share (€)



2015-2017 STRATEGIC PLAN: COMMITMENT AND DELIVERY

1. DRIVERS FOR GROWTH



More than €7,000 Mn invested in growth since 2015

INVESTMENT AGREEMENTS WITH GOVERNMENTS

FRANCE	BRAZIL	CHILE	PUERTO RICO	ITALY	ARGENTINA
Plan Relance I and II	Network upgrade	Autopista Central (under negotiation) and Autopista del Sol	Extension of PR-22 and PR-5	North Connection project	Upgrade of GCO and Ausol
€750 Mn	€2,000 Mn	€800 Mn	€125 Mn	€1,500 Mn	€565 Mn

2. FOCUS

Cellnex Telecom IPO

2015

Disposal last assets in airports

MBJ (Jamaica) and Santiago de Chile

2015

A pure toll road operator

3. EFFICIENCIES

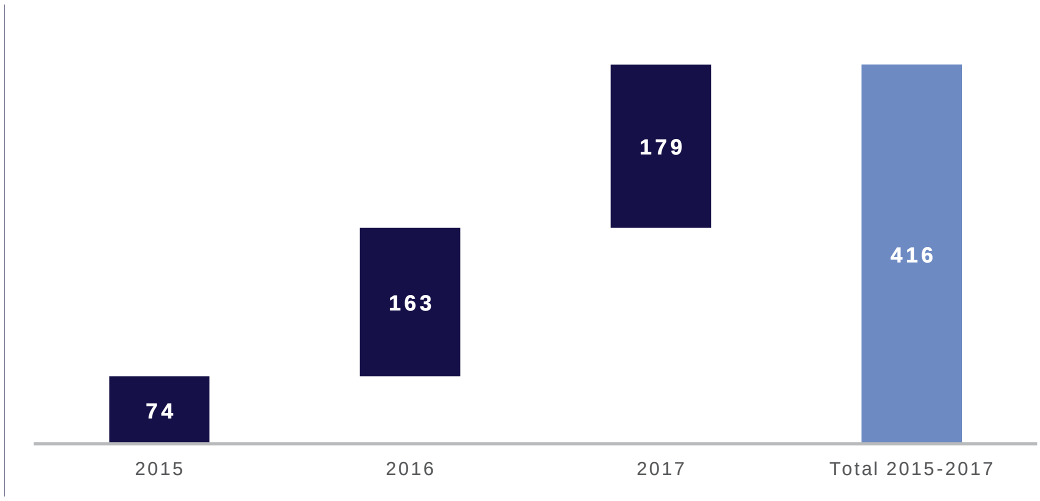
France, Brazil and Spain

New efficiency plans

Over €2,000 Mn

Cumulative savings **2010-2017**

Annual and cumulative savings - Efficiencies (€Mn)



Over €400 Mn of cumulative savings since 2015

4. INCREASED SHAREHOLDER REMUNERATION

+10%

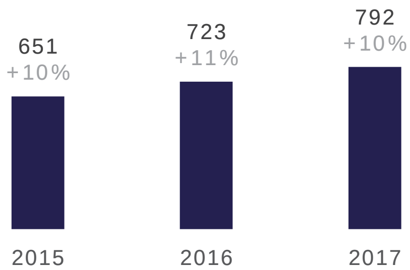
Shareholder remuneration

2015-2017

Over €2,166 Mn

Ordinary dividends paid 2015-2017

Paid dividends (€Mn)



Dividend per share

Over €2,100 Mn in ordinary dividends

Strategic programs

The Group's two strategic programs seek to respond to the main challenges of future mobility, such as road safety, congestion and pollution.

Road Safety

Abertis' Road Safety program builds on more than 60 years of knowledge and experience in toll road construction and management with the highest international standards.

The Group invests in smart technology and engineering to ensure that its customers have the best experience when traveling on our roads.

Abertis applies advanced construction and management practices and collaborates with reference institutions and organizations worldwide.

Looking ahead, Abertis conducts awareness-raising initiatives every year aimed at groups such as children and young people, and promotes university research.

Road Tech

Abertis is concerned about the mobility of the future. The company manages roads in an efficient and state-of-the-art way, innovating in technology and investing in smart engineering programs for a sustainable future.

Abertis' Road Tech program promotes projects aimed at the new challenges of mobility, such as electric, connected or autonomous vehicles.

Abertis also leads innovation in the digitalization of road payment methods and promotes mobility solutions with the implementation of free-flow toll projects in many countries.

Collaborative projects
Electric vehicles

Connected vehicles

Company businesses
Payment systems issuers

Free-flow and tolling technology

Road Tech Report

For more information about these strategic programs, see the Safe and Innovative Roads section in this report.

CSR Master Plan

The Corporate Social Responsibility (CSR) policy and the materiality analysis constitute the basis for the definition of the CSR Master Plan.

Master Plan

The Board of Directors' CSR Committee is responsible for the follow-up and development of the CSR Master Plan, with the Corporation's CSR Department acting as the global coordinator; and the different business departments involved in all the activities and countries, acting as the operating parties.

➲ In 2017 the 2016-2020 CSR Master Plan was deployed internationally, with the goal of building action plans available in each country, that would centralize and deploy all actions related to the achievement of the different objectives set in the Master Plan.

➲ Work was undertaken for the progressive inclusion of Italy, India and Emovis in the existing CSR formal management processes, the initial result of which is their direct participation in the ESG (Environment, Social and Good Governance) accountability exercise.

➲ Abertis' CSR Department has conducted workshop sessions in Brazil, Chile and Argentina. The sessions have identified specific management and operational aspects that affect the deployment of actions related to the management of ESG impacts, as well as contextual facts that help explain and adapt the management approach of each of the aspects.

The development of the Road Tech and Road Safety strategic programs together with the deployment of the best corporate governance practices and the management of the rest of the environmental and social aspects through the CSR Master Plan centralize the management approach of the material ESG aspects in connection with the organization's activities. The direct link with the Strategic Plan is formalized through the inclusion of shared monitoring indicators for both the Strategic Plan and the CSR Master Plan.

Data related to detailed performance by activity and country for each of the strategic objectives of the CSR Master Plan are detailed in the Annex linked to this report.

External evaluations

The frequency and significance of external evaluations of environmental, social and good governance matters have increased, as have their degree of systematization and procedure. This is partially due to the relevance and inclusion of the results in the decision-making process of the different stakeholders, including the investment and finance sector.

Participation in different evaluations has secured Abertis' continued presence in different reference indices, such as the STOXX, MSCI and FTSE4Good families of the ESG indices. On the other hand, CDP has evaluated the performance of the organization and ranked it under the B category. After several years of Abertis' presence in the DJSI indices, the results obtained in the evaluation of 2017 have not allowed the company's maintenance in them.

Strategic pillars and objectives

The CSR Master Plan is based on Human Rights as a prevention and risk management principle spanning the entire plan. This consists of four pillars and 13 strategic objectives that are deployed into 38 quantitative common objectives spanning the entire organization (the details about these objectives can be consulted in the Annex to this report).

2016-2020 CSR Master Plan Follow-up Summary

STRATEGIC PILLAR	ASSESSMENT OF QUANTITATIVE GOALS FOLLOW-UP
Good governance, transparency and accountability	-The number of breaches of the code of ethics has increased in relation to the previous year, although the number of complaints has decreased. -All claims have been addressed, with a positive trend with respect to compliance with the recommendations of the Code of Good Governance. -Training in the code of ethics and prevention of corruption together with awareness-raising actions have continued to involve different stakeholders. -The systematization of the supplier ESG evaluation is in the process of being implemented, although progress made in Brazil points to a significant increase in the tracking indicator in terms of the number of suppliers evaluated and approved according to CSR (applicable to the 4 pillars). -We must continue with the deployment of actions for the inclusion of human right aspects in due diligence processes.
Ecoefficiency	-Scopes 1 and 2 CO2e emissions have increased by 15% in absolute values and have decreased by 13% in relative values in according to revenue in relation to the base year (2015). The calculation methodology for scope 3 has been refined and will be shared for extensive use by the rest of the countries and activities. Actions are being carried out to manage the emissions of the company's own fleet of vehicles and vehicles transitting the toll roads. The assessment of energy management systematization to be conducted by the different activities and countries is pending. -The usage percentage of electronic toll payment collection has exceeded 60% due to its extensive use in some countries. This objective will be reviewed next year in order to assess its modification. -The development of products and services with positive ESG impacts is pending, which relate directly to the goal of favoring the use of less polluting vehicles and focusing further on construction waste management and related actions.
Integration with the community	-The number of projects and the volume of resources allocated to the relationships with the communities have remained constant, as has the volume of local purchases. -All claims have been addressed and actions have been continued in terms of biodiversity enhancement. The identification of natural species is in the process of being systematized across the board, and the assessment of the services provided by ecosystems in relation to noise is still pending.
Safety and quality	-The number of road accidents has remained constant, although the number of fatalities has decreased in comparable terms. The increase in absolute terms results from the inclusion of India data. Accident and fatality rates have improved, although in the latter case India's incidence on the global figure does not reflect this improvement. -All claims have been addressed, and road safety campaigns and related education and research projects have continued. -Workplace accidents have evolved positively, and the number of health and safety training hours and other skills/competence training hours has also increased. -The trend towards gender balance is maintained, and work must continue to achieve equal pay. -The number of people with functional disabilities has increased through direct contracting.

Global footprint

GLOBAL LEADER IN ROAD MANAGEMENT

Spain

Control: Abertis Infraestructuras, Autopistas, Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Túnels, Aulesa

Non-control: Autema, Accesos de Madrid, Henarsa, Ciralsa, Trados 45

14 concessions

1,778 kilometers (directly managed) + **219** kilometers (indirectly managed)

2.058 collaborators

20.876 ADT vehicles **+3.9%**

22,361.2 Tn of CO_2 (scopes 1 and 2) **-9.3%**

France

Control: Sanef, Sapn, Abertis Mobility Services

Non-control: Alis, Aliénor, Léonord

4 concessions

2,036 kilometers (directly managed) + **275** (indirectly managed)

2.756 collaborators

24.836 ADT vehicles **+1.5%**

23,456.8 Tn of CO_2 (scopes 1 and 2) **+13.4%**

Italy

Control: A4 Holding

1 concession

236 kilometers

609 collaborators

64.589 ADT vehicles +**3.2%**

1,903.2 Tn of CO_2 (scopes 1 and 2)

Brazil

Control: Arteris, Autovias, Centrovias, Intervias, Vianorte, Fernão Dias, Fluminense, Régis Bittencourt, Litoral Sul, Planalto Sul, Latina Manutençao

9 concessions

3,250 kilometers

5,375 collaborators

18,255 ADT vehicles **+3.2%**

42,781.9 Tn of CO_2 (scopes 1 and 2) **+12.1%**

Chile

Control: VíasChile, Autopista Central, Rutas del Elqui, Rutas del Pacífico, Autopista del Sol, Autopista Los Libertadores, Autopista de los Andes

6 concessions

771 kilometers

1,231 collaborators

26.810 ADT vehicles +**4.0%**

15,251 Tn of CO_2 (scopes 1 and 2) **+2.0%**

Puerto Rico

Control: Metropistas, Autopistas de Puerto Rico, Abertis Mobility Services

2 concessions :

90 kilometers

80 collaborators

64.645 ADT vehicles **-2.9%**

2,334.1 Tn of CO_2 (scopes 1 and 2) **-29.5%**

Argentina

Control: Ausol, Grupo Concesionario del Oeste

2 concessions

175 kilometers

2,160 collaborators

82.825 ADT vehicles **-1.7%**

17,087.8 Tn of CO_2 (scopes 1 and 2) **+8.7%**

India

Control: Trichy Tollway Private Limited, Jadcherla Expressways Private Limited

2 concessions

152 kilometers

53 collaborators

19,613 ADT vehicles **+9.6%**

2,417.6 Tn of CO_2 (scopes 1 and 2)

Ireland

Control: Abertis Mobility Services

M-50 (Dublin) – Free-flow operation

86 collaborators

United Kingdom

Control: Abertis Mobility Services

Dartford Crossing (London) and Mersey Gateway (Liverpool) - Free-flow operation

427 collaborators (Emovis)

Financial stake: RMG

A1-M Alconbury-Peterborough

A419/417 Swindon-Gloucester

74 kilometers

United States

Control: Abertis Mobility Services

Research and Development Center (New York)

43 collaborators

Canada

Control: Abertis Mobility Services

Golden Ears Bridge, Port Mann Bridge- Free-flow operation

36 collaborators

Croatia

Control: Abertis Mobility Services

Research and Development Center

42 collaborators

Hungary

Control: Abertis Mobility Services

Operations office

10 collaborators

Colombia

Financial stake: Coviandes

Bogotá-Villavicencio toll road

86 kilometers

Abertis Mobility Services

Presence in 8 countries: USA, Canada, Puerto Rico, United Kingdom, Ireland, Croatia, France, Hungary

715 collaborators

341 million transactions per year (Emovis)

3.8 million electronic toll accounts (Emovis)

150,000 devices (Eurotoll)

55,000 km network (Eurotoll)

Other non-consolidated stakes

Hispasat 57% stake

Cellnex 34% stake

Awards and recognitions

- The Legal 500 Spain awards the Abertis Corporate Legal Advisor Department, led by Marta Casas
- “Women and Traffic management” Award by the Spanish Association of Traffic Engineers and Mobility Experts, for Lourdes Roquet, Autopistas Operations Director
- Bronze Leon at the Cannes Creativity Festival for the Speed-o-track app by Arteris (Brazil)
- Valor Carreira Best People Management Award for Arteris (Brazil)
- Highest qualification (three stars) for the Autopistas’ Truck Parks, by the European Professional Association ESPORG (Spain)
- 1st and 2nd place for Rutas del Pacífico and Autopista del Sol respectively, as the toll roads with the best reputation in the industry, by the Reputation Institute (Chile)
- 4 COPSA Awards (in the CSR, Innovation and Road Safety categories) for ViasChile’ projects on social action, reintegration and accident prediction
- Centrovias, Autovias, Intervias, Vianorte and Litoral Sul, at the Top 20 by the Brazilian National Transport Confederation
- Grandes e Líderes “500 Maiores do Sul” (Revista Amanhã y PwC) Award to Litoral Sul (Arteris)
- The Arteris’ Process Intelligencee Analytics Project, awarded by the KofaxInspire 2017
- Valor Compartido Award from Sustainability Hub to VíasChile for its project on the scouting and social rehabilitation of imprisoned women (Chile)
- Recognition to VíasChile from the Global Compact Global Network as one of the 5 best companies in the field of anti-corruption, with an emphasis on its voluntary adhesion to the Code of Good Tax Practices (Chile)

2

Corporate governance

Compliance with the Code of Good Governance

For Abertis, a good Corporate Governance is an essential factor for sustainability and long-term growth

Strategic goals

. Achieve excellence in Good Governance

. Foster Corporate Social Responsibility and good Corporate Governance practices

15	**60%**
Board members	independent board members
40%	**53**
women	recommendations fulfilled

Good Governance Best Practices

Abertis follows a Corporate Governance policy of promoting diversity within its decision-making bodies. In recent years, the company has increased the number of independent directors, gender diversity and the diversity of geographical and industry origins of the members of its Board of Directors and its Committees.

In 2017, the Board of Directors approved the appointment of two new directors: Xavier Brossa Galofré and Antonio Viana-Baptista, as independent directors. These appointments have contributed to increase the percentage of independent members and broaden the international profile within the Board.

As of December 31, 2017, Abertis' Board of Directors has 9 independent directors, representing 60% of its members, thus in alignment with Corporate Governance best practices.

Commited to transparency, Abertis complies with Good Governance regulations applicable to listed companies and with most of the recommendations of the Code of Good Governance.

Of the 64 recommendations (58 of which apply), Abertis complies with 53. Furthermore, the Chairman reports to the General Shareholders Meeting on the compliance with these recommendations and provides justification in the case of the unfulfilled ones.

For more information, please consult Abertis' Annual Corporate Governance Report (AGCR)

Corporate Governance Structure

The functioning of the Group's management bodies is described in detail in the ACGR, which highlights the functions of the Board of Directors as the top governance body at the company.

Board of Directors

Executive Committee

Audit and Control Committee

Appointments and Remunerations Committee

Corporate Social Responsibility Committee

Board of Directors

Chairman: Salvador Alemany Mas (Proprietary)

Vice-chairman and Chief Executive Officer: Francisco Reynés Massanet (Executive)

Members:

Marcelino Armenter Vidal (Proprietary)

Xavier Brossa Galofré (Independent)

Carlos Colomer Casellas (Independent)

María Teresa Costa Campi (Independent)

Luis Guillermo Fortuño (Independent)

Susana Gallardo Torrededia (Proprietary)

Carmen Godia Bull representing G3T, S.L. (Proprietary)

Sandra Lagumina (Independent)

Enrico Letta (Independent)

Juan-José López Burniol (Proprietary)

Mónica López-Monís Gallego (Independent)

Marina Serrano González (Independent)

Antonio Viana-Baptista (Independent)

Secretary, non-Board Member: Miquel Roca Junyent

Vice-secretary, non-Board Member: Josep Maria Coronas Guinart

Board Committees

Executive Committee

Chairman: Salvador Alemany Mas

Members:

Francisco Reynés Massanet

Marcelino Armenter Vidal

Xavier Brossa Galofré

Carlos Colomer Casellas

María Teresa Costa Campi

Luis Guillermo Fortuño

Juan-José López Burniol

Mónica López-Monís Gallego

Secretary, non-Board Member: Miquel Roca Junyent

Vice-secretary, non-Board Member: Josep Maria Coronas Guinart

Audit and Control Committee

Chairman: Carlos Colomer Casellas

Members:

Marcelino Armenter Vidal

Xavier Brossa Galofré

Susana Gallardo Torrededia

Antonio Viana-Baptista

Secretary, non-Board Member: Marta Casas Caba

Appointments and Remunerations Committee

Chairman: Mónica López-Monís Gallego

Members:

Marcelino Armenter Vidal

María Teresa Costa Campi

Juan-José López Burniol

Marina Serrano González

Secretary, non-Board Member: Josep Maria Coronas Guinart

Corporate Social Responsibility Committee

Chairman: María Teresa Costa Campi

Members:

Carlos Colomer Casellas

Luis Guillermo Fortuño

Carmen Godia Bull representing GT3, S.L.

Sandra Lagumina

Secretary, non-Board Member: Josep Maria Coronas Guinart

Group’s Management Committee

Vice-chairman – Chief Executive Officer	Francisco Reynés Massanet
General Secretary and Corporate Affairs Managing Director	Josep Maria Coronas Guinart
Chief Financial Officer	José Aljaro Navarro
Chief Industrial Officer	Josep Lluís Giménez Sevilla
Business Development Director	Sebastián Morales Mena
People and Organization Director	Joan Rafel Herrero
Autopistas (Spain)	
Managing Director	Anna Bonet Olivart
Sanef (France)	
Managing Director	Lluís Deulofeu Fuguet
Arteris (Brazil)	
Chief Executive Officer	David Díaz Almazán
VíasChile (Chile)	
Managing Director	Luis Miguel de Pablo Ruiz
A4 Holding (Italy)	
Executive Chairman	Carlos del Río Carcaño

3

Compliance and risk management

Ethics and compliance

The Abertis Group is fully committed to conducting its activities with honesty, integrity and in compliance with the law, in its relationships with all its stakeholders.

Strategic goals

. Develop an organizational culture based on ethical principles

. Reject all forms of corruption

211 reports received in 2017 (**-11.3%**)

84% resolved

Code of Ethics

The Abertis Group is fully committed to conducting business with honesty, integrity and in accordance with the law, be it in its relations with its employees or with the rest of the individuals that are part of its stakeholders.

These guidelines of conduct are reflected in the Code of Ethics of the Abertis Group, a core code of the Group, whose principles are deployed in all the internal regulations. This Code of Ethics captures the principles and values that must guide the behavior of employees, as well as suppliers, customers, distributors, external professionals and representatives of governments.

The Group does not tolerate any act that is contrary to the Code of Ethics and formally and expressly condemns any form of corruption and its firm commitment to comply with the law. Any infringement carries penalties of a contractual nature for infringing employees, as well as sanctions of a commercial or administrative nature for the rest of the individuals who are part of the stakeholders.

The Ethics and Criminal Prevention Committees are entrusted with managing ethics and the criminal prevention model. The design, implementation and supervision of regulatory compliance processes and the rollout of the criminal prevention model are carried out by the Compliance functions of the Abertis Group. Abertis' Audit and Control Committee regularly monitors all complaints and irregularities arising in all Group companies.

Main initiatives in 2017

➲ Training:

- delivered in-person, covering workplace harassment aspects
- delivered online, on the improper use of information by non-executive staff
- reminder campaigns in matters related to corruption, conflicts of interest, ethics channel, ethics and criminal prevention committees of the Abertis Group, workplace harassment and information management.

➲ Deployment of a common methodology for the assessment of criminal risks.

➲ Streamlining of the Criminal Prevention model in all of the Group's business units.

➲ French companies have adapted to the requirements of the Loi Sapin II Act.

➲ Preparation of Abertis' risk and legal enforcement matrices with respect to Environment, Labor and Prevention of Occupational Risks, which reinforce responsible management and the respect for the environment and the physical safety of employees and suppliers.

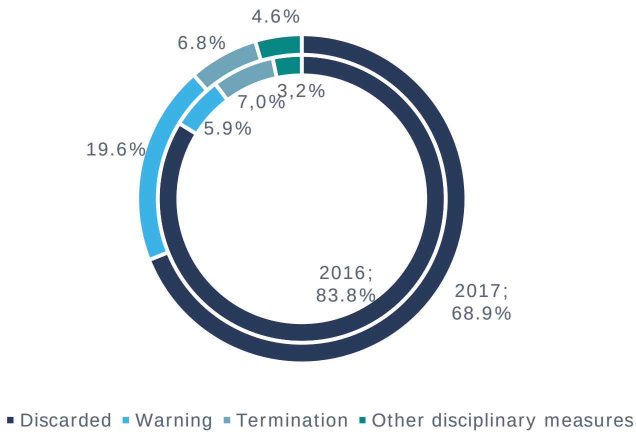
➲ Improvement and permanent updating of the Group's policies and rules as per Compliance requirements.

Ethics channel

All Group companies, except Italy and India, have mechanisms for reporting irregularities of any kind that guarantee confidentiality in the investigation and the analysis of all communications received.

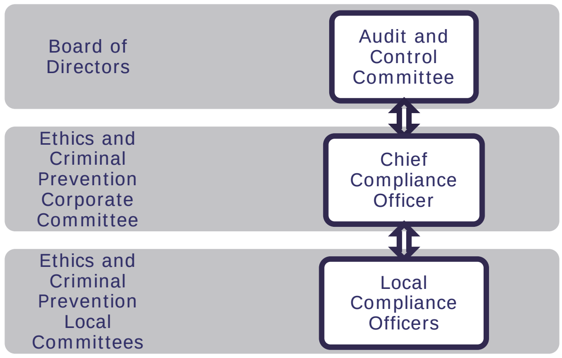
The corresponding Ethics and Criminal Prevention Committees are responsible for investigating and proposing solutions in the event of any complaint or question regarding the Code of Ethics of the Abertis Group and / or its Local Codes of Ethics.

Reports resolved by type of resolution



Abertis' ethics channel as well as the Group's Code of Ethics and Compliance standards are available at the company's website www.abertis.com.

Compliance Management Model



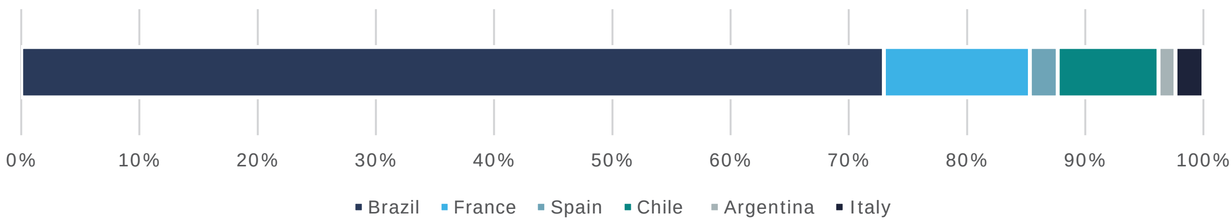
Brazil Integrity Program

In 2017 Arteris launched its Integrity Program (Compliance) with the aim of guaranteeing and promoting an ethical environment in the company, among its collaborators and third parties. The program is structured into five pillars that support the set of measures, instruments and responsibilities for preventing, detecting and extinguishing or mitigating potential risks. The launch of the program has been accompanied by an awareness campaign and mandatory training on the Arteris Code of Conduct.

The reduction in the number of complaints received and discarded with respect to 2016 indicates an improvement in the level of knowledge about the use of the system and the implementation of awareness and training procedures related to the Code of Ethics.

During the course of 2017 and in addition to the resolution of all reports received during the year, all reports that were still pending from the previous fiscal year have also been handled. Of these, 85.7% have already been resolved.

Breakdown of reports received by country



Risk control

The Abertis Group has implemented a risk management model 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. Therefore, it has implemented a risk management model – approved and monitored by the Audit and Control Committee – that applies to all business and corporate units in all countries where it operates.

Risk type	Main risks	Control measures
Context and regulatory risks and risks deriving from the specific nature of the Group's business	• Decrease in demand due to the economic situation of some countries • Creation of alternative infrastructures • Risks deriving from the integration of acquired businesses • Mobility changes • Entry of new competitors in some sectors of activity • Regulatory changes and socio-political changes • Catastrophic risks	• Internationalization and selective growth policy and Investment Committees • Collaboration with governments • Efficiency plans • Coordination for ensuring adequate compliance with the existing local legislation and anticipation to regulatory changes • Insurance coverage
Financial risks	• Foreign exchange risk • Liquidity risk • Cash flow interest rate risk • Debt refinancing risk and credit rating variations	• Interests rates and foreign exchange rates management policy • Monitoring and extension of debt maturity and monitoring of potential impacts on credit ratings
Industrial risks	• Client and employee safety • Adaptation risks and rapid response to technological changes in operational systems and the onset of new technologies • Control risks in construction projects • Risks associated with the correct maintenance and quality of infrastructures • Training and talent retention risks • Supplier dependency • Business disruption • Environmental risks	• Specific policies, procedures, plans and control systems for each area • Investment program monitoring and control (opex and capex committees) • Road safety, operations and management system improvement plans (traffic, tunnels) • Risk monitoring and analysis and implementation of Corporate insurance programs • Environmental management system
Financial information risks, fraud and compliance	• Integrity and security of financial and operations related information • Information manipulation fraud, corruption and embezzlement • Tax • Legal compliance and compliance with internal and contractual regulations	• Internal Financial Information Control System (IFICS) organizational and supervision model • Compliance model implemented at the Group

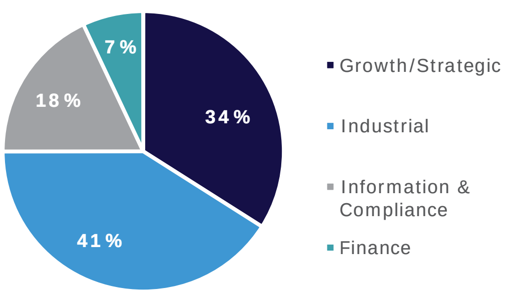
Comprehensive risk control

The members of the company's government bodies commit to ensuring that all company-relevant risks are duly identified, appraised and prioritized. As well, they are commited to establish the mechanisms and basic principles required to achieve a level of risk that allows a sustainable growth of our share value and shareholder remuneration, protect the Group's reputation, promote good Corporate Governance practices and provide quality service in all infrastructures operated by the Group.

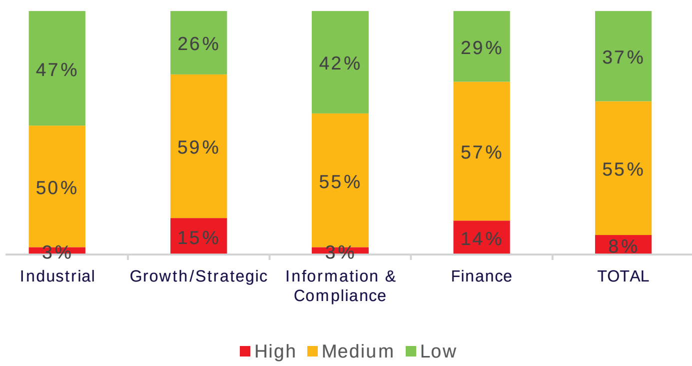
In 2017, the main materialized risks are those related to: political and social instability in some of the countries in which the Group operates (mitigated by internationalization and geographical diversification), the persistence to restrict availability and the public and private financing terms of some countries (mitigated by strict financial discipline), damages as a result of adverse climatic conditions (mitigated by a corporate policy of insurance coverage and contingency plans), and the reduction of the average life of road concessions (mitigated through the achievement of new public-private agreements in most of the countries in which the Group operates).

Abertis' risk control and management model

Risk categories volume



Risk assessment by category



4

Safe and innovative roads

Road Safety

As the global leader in the toll road management industry, road safety is our priority.

Strategic goals

. Guarantee and promote road safety

. Develop products and services with a positive environmental, social and good governance (ESG) impact

Accident rate (FR1)	Fatality rate (FR3)	Investment in road safety
21.3 -3.2%	**1.3** -6.1%	**€43 Mn**

Road Safety Program

Through the Global Road Safety program, cross-functional teams from all disciplines and geographical locations work together in the Group to ensure road safety best practices are known and applied in all Abertis toll roads.

We work in interdisciplinary groups in all business units creating a single global vision for the Group, bringing together both the most operations-intensive units and those closest to the client, their environment and society in general.

We share this global vision with an ambition: reaching the zero fatalities goal on all Abertis roads, with 100% safe 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.

Accident rate (FR1)[2] 2017: 21.3 (-3.2%)

Fatality rate (FR3)[3] 2017: 1.3 (-6.1%)

Year-on-year change

	2017	2016	2015
FR1	-3.2%	-2.6%	-3.6%
FR3	-6.1%	-5.4%	-15.8%

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, which focuses on 5 pillars: Safe infrastructures, road safety management, safer vehicles, safer users and post-crash response.

[2] FR1 = Number of accidents with victims / Traffic in 10^8 veh x Km

[3] FR3 = Number of fatalities / Traffic in 10^8 veh x Km

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.

Application of the best planning, design and construction practices

➲ **Enlargement to double capacity of the Serra do Cafezal section in the Régis Bittencourt toll road (BR-116).** Arteris has completed this ambitious project in December 2017 after successfully completing 7 years of work. The enlargement of this road has resulted in:

- Improvements in the level of service;
- The handling of more than 80 critical points identified by the Strategic Accident Reduction Group;
- The adoption of new methodologies and practices such as the use of more adherent asphalt, preventive signage, new concrete barriers, pedestrian walkways and wildlife crossings.
- Innovative tunnels, reaching quality levels that exceed the country's standards, with a new pedestrian emergency tunnel and a modern automation and safety system, featuring the duplication of ventilation devices, specific lighting devices, fire prevention and mitigation systems and an intelligent flammable liquid drainage system.

Project figures

- 30 kilometers of enlarged toll road

- 4 tunnels, 3 bridges and 36 viaducts

- 12 wildlife crossings

- 2 pedestrian walkways

- More than 2,000 workers involved

➲ **Guerville viaduct (France)**. Declared a public interest, the construction of a third structure in the Guerville viaduct is under way using the most advanced techniques, with the goal of causing no inconvenience to the existing traffic.

Project figures

- 30 months of work

- 180,000 cubic meters of earthworks

- Work on 2 kilometers of roads

- Length of the new structure: 360 meters

-3,000 tons of steel.

Other initiatives for the application of management and operations best practices

Autopistas	-New Road Safety Center which seeks to position itself as a Center for Studies and Analysis and a Road Safety Center of Excellence (CoE) for governments and public and private institutions. - Seat Cone Project, which entails retrofitting a van for lane closing, placing and removing cones on the lanes, in order to improve the working conditions of our employees and the quality of service for our customers. -Cardio-protected Road Project: Installation of 33 semiautomatic defibrillators at toll stations and in service areas and a training plan for all staff to promote the knowledge on the use of cardioprotective devices.
Arteris	Speed-o-Track: Arteris has created the Speed-o-Track app in Brazil together with Spotify and Google Maps, an app that alerts drivers if they exceed the speed limit. Drivers enter their Spotify account and select a song list. Thanks to the GPS data provided by Google Maps, the device detects the speed allowed on the road and the speed of the driver. If the allowed speed limit is exceeded, the music accelerates.
A4 Holding	Use of a sound-absorbing draining layer of pavement along 100% of the toll road, which has led to an improvement in the indeces that measure the quality of the pavement in terms of roughness and regularity by more than 20% in the last ten years.

Abertis Argentina	Toll booth reinforcement. Installation of new speed radars.
VíasChile	- The new Maipo bridge of Autopista Central, featuring anti-seismic technology and LED lamps. - Implementation of Gate-Guard for making transfers and traffic management in Rutas del Pacífico.
Abertis India	Improvement of crossing or intersection signage through the installation of light posts and the use of rough paint on the pavement.
Metropistas	Installation of new LED lighting: 2,674 lamps. 48.5% reduction in energy consumption. Improved maintenance, quality of lighting, visibility and safety.

Optimal safety management

Standardizing actions and training: In 2017 efforts were made to standardize best internal practices from across all of the Group's units in order to achieve a global vision on road safety.

- Several documents began to be drafted in 2017 such as the White Paper on Tunnel Safety Strategy, the White Paper on the Quality Management System, and the White Paper on Crisis Management.
- The Group has continued to promote employee training on road safety to ensure the best operation and maintenance through drills in most of the concessions, such as France, Spain or Chile.

➲ In Argentina, a special drill was conducted involving the transport of dangerous goods. The drill sequence consisted of a fuel spill from a bulk transport in the fuel pump sector, primary assistance, relevant notices in the face of imminent fire, evacuation and receiving the different representatives including the transfer of a wounded person.

For more information on safety training for Group employees please see the "Safety and Health" section.

Agreement for a safer mobility

The commitment to the road safety of our customers also drives us to look for partners whom we believe can add more value to our mission.

➲ A4 Holding (Italy) works in collaboration with Autovie Venete and CAV to offer integrated information to drivers in the north of the country. Thus, through a single source, it is possible to obtain real-time information of all the toll roads linking the north of Italy (from Brescia to Udine, Gorizia and Trieste, including the Mestre ring road (Venice)).

Connected Citizens Program

In 2017 Abertis has signed a global agreement to join Waze's Connected Citizens Program, the pioneering social navigation application and mobile technology that offers free real-time traffic information, fed by the largest community of drivers in the world. Abertis thus becomes the first company to adhere to the program in seven countries: Spain, France, Italy, Argentina, Brazil, Chile and Puerto Rico.

Abertis uses the application as a sensor to understand traffic in real time as well as as another communication channel to inform its customers. The company receives anonymous information in real time directly from the source: the drivers.

On the other hand, users of the application obtain updated information from Abertis from the traffic management centers the Group has in each business unit, as well as the roadwork program information or information on other incidents that could affect travel.

Research and development of accident prediction systems

➲ VíasChile works together with the Institute of Complex Systems of the University of Chile on an accident prediction model, which has obtained the COPSA Award in the Innovation category.

The project, which began 2 years ago, takes place along 2 kilometers of the Central toll road as a test, seeks to prevent risk situations and alert users promptly, leveraging many possibilities offered by real-time information collected by the toll road's electronic systems.

A first phase has enabled the identification of the variables that have an impact on the occurrence of accidents, and even predict 70% of occurrences. In 2017 we have worked on creating a software that allows sending the information to the toll road control center for processing, with the aim of developing better actions geared at alerting users adequately and try to prevent accidents.

Continuous evaluation of all aspects of road safety management

- Through its own management software that monitors both the state of the pavement and structures and retaining walls.

- Through independent security 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 carries out safety audits of roads.

IRAP is a non-profit institution based in the United Kingdom dedicated to saving lives on the road. They develop a scientific methodology and predictive tools recognized by higher-level institutions such as the United Nations, the World Bank or the Asian Development Bank, among others, with projects in more than 80 countries.

In 2017, Abertis has become the first private road operator to cooperate globally with iRAP. This methodology will allow Abertis to know the level of safety of its toll roads in a standardized and highly professional manner, identifying all areas of improvement that can help define the Group's future investment plans.

Safer cars

In 2017 the Group has seen its Road Tech and Road Safety strategic programs converge more and more, setting a trend toward using new technologies in the sector to enhance road safety. Advances in autonomous driving, the increasing use of Big Data and the Internet of Things, or the collaborative economy, to name but a few factors, will undoubtedly have an effect on road safety. For this reason, Abertis participates in important international projects together with automobile companies to improve the safety of the cars of the future.

For more information about these and other projects, please see the "Road Tech" section.

Post-crash response

The Group continues to work to offer the best possible solutions in the event of an accident. Our recent innovations include advanced intelligent transport systems and an application that automatically detects irregular situations in tunnels.

➲ In Chile, the fleet of emergency vehicles has been modernized with the new incorporation of electric motorcycles for paramedic personnel.

➲ In Argentina, it has been reached an agreement with the ambulance service provider to obtain data of each medical assistance given: time delay data and injury category (severity). This way, the Quality area produces statistical control charts, analyzes cases that are outside the control limits and takes improvement actions.

Safer users

At Abertis, we not only focus on infrastructures, but also dedicate a special effort to our customers through studies and observatories to assess their driving habits with the goal to knowing them better, as well as through safe driving awareness campaigns.

Driving Observatory

In 2017, the Sanef Driving Observatory became internationalized. Thus, Autopistas (Spain), Arteris (Brazil), VíasChile (Chile), Metropistas (Puerto Rico) and Argentina (Ausol and GCO) have conducted Driving Observations in their respective territories.

Using a similar methodology, observations of toll road drivers' behavior are made through detailed observation and analysis in those sections of the network that, due to their characteristics, allow us to analyze behaviors and draw general conclusions. They focus on specific analysis factors such as speed, safety distances, lane occupation, use of the turn signal or use of the telephone behind the wheel.

By 2018, the Abertis Global Observatory will be launched, which will allow us to understand the global trends accross the world and the specific characteristics in each of our markets, with the aim of applying this knowledge to better adjust our awareness campaigns. The creation in Spain of an Observatory focusing on heavy vehicles is also planned for 2018.

Main awareness campaigns developed in 2017

Autopistas	-Behind the barrier campaign: Communication plan and distribution of road safety kits, including the necessary material to deal with emergency situations and increase maximum safety and comfort. -Adventure on the Road: A family day to provide insights into road management and road safety through Autopistas' mobile application. -Summer playrooms, to favor and foster resting times of families in service areas.
Sanef	-Speeding campaigns: *Vous me voyez? Ralentissez!* -Campaigns against sleepiness. -Alternatives to fines: actions whereby fines in case of violation are replaced by road safety training. -Instagram campaign to favor periodic rests: *#OnPoseporlaPause*
Arteris	-Celebration of the 4th Road Safety Forum, with a greater international outreach. -Celebration of the 2nd Youth Forum (90 young people between 12 and 17 years old from 4 states). -Awareness campaign on nightlife venues addressed to young people. -Campaign to promote adequate vehicle maintenance, including inspections and sharing. -*Projeto Escola* (590 schools, more than 287,000 students and more than 16,000 teachers in its 16-year history). -Action *Tô de Cinto*, *Tô Seguro* (2 workshops, 11 meetings, with an impact on more than 5,000 people).
VíasChile	- Campaigns against the stoning of vehicles that use roads and toll roads; educational talks were held on the toll roads with the highest number of incidents, in addition to educational film activities in communities (COPSA 2017 prize in the Road Safety category). - The School Project, which supports the training of basic education children, reaching 131 schools on the 6 toll roads.
Puerto Rico	- *No Texteo* (I don't text), against the use of mobile while driving. - Driver's Education with the Transportation Safety Education Park (PESET) - Road Safety Education Program in an interactive park to raise awareness among children about the importance of prevention. -Other campaigns on the use of safety belts, protective seats or on the observance of speed limits.
India	- National program on eye exams of heavy vehicle drivers, in collaboration with the Government and various NGOs. -Driver's education campaigns in schools.
Argentina	-Campaign against alcohol at the wheel: *Manejá sin alcohol* (Drive without alcohol). -Campaign against the use of technological devices at the wheel. -Awareness campaign on nightlife venues addressed to young people.

Commitment to global road safety

Abertis' commitment to road safety goes beyond our toll roads. We understand that it is a global problem, and we want to contribute our know-how and experience to face this challenge, which is already one of the Millennium Development Goals.

The Abertis Foundation has also played an important role in raising awareness among society through responsible driving. Its activities seek to accompany citizens throughout their lives, with actions adapted to all ages.

Likewise, in 2017 Abertis granted the first Road Safety Awards, which recognize PhD theses or Master's final projects that focus on road safety aspects. In October, the First International Road Safety Award was also awarded, recognizing the best work among the winners of the national prizes in this category of each academic Chair (Brazil, Chile, Spain, France and Puerto Rico).

UNICEF and Abertis, together for child road safety

In October, Abertis and UNICEF reached a ground-breaking collaboration agreement to combat the main cause of death in school-age children: road accidents.

The alliance focuses on the prevention of road traffic injuries in children and will strengthen and expand UNICEF's existing work to protect children on the world's roads and provide a safe route to school.

In order to help develop national responses to this global challenge, the program will first be implemented in the Philippines and Jamaica, which, like many low- and middle-income countries, experience a severe health burden from child road traffic injury.

This agreement marks the first global corporate contribution to UNICEF programs to prevent road traffic injuries in children. It is the largest agreement on road safety focusing on children.

Goal: Safe Journey to School

US$3 Mn contributed between 2017-2019

The Philippines and Jamaica with plans to extend to other countries soon.

For more information on the Foundation and the Abertis Academic Chairs see the "Contribution to the Community" section.

In 2017 the Group has intensified its work with other institutions with the purpose of sharing its experience and knowledge for the preparation of studies on road safety. This is the case of the webinar organized with the International Road Federation on "Forgiving Roads." In addition, it collaborates with the International Transportation Forum and companies from the sector in the report "Safety and Security on the road to automated transport", to define the policies that must regulate road safety and digital security before the challenges of the new connected and autonomous mobility.

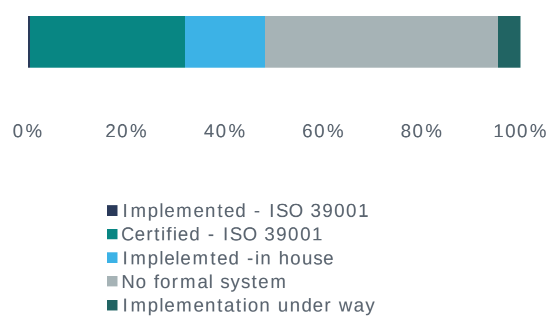
The new Road Safety Center (CESVI) of Autopistas has triggered two more studies on other aspects of road safety:

- The analysis of heavy vehicle accidents
- Study of free velocities in toll roads

ISO as a tool and framework for global road safety management

The implementation of a formal road safety management system allows the permanent systematization of practices and performance monitoring within a cycle of continuous improvement. Thus, 31.9% of the toll roads business (Spain, Chile and Argentina) has an implemented and / or certified management system according to international standard ISO 39001.

Road safety management based on revenue



The case of Chile stands out where, following Autopista Central's ISO 39001 certification, a pilot project is being developed for the implementation of an accident prediction and emergency management model according to international standard ISO 22320.

Road Tech

The intersection between new technologies and road infrastructure.

Strategic goals

. Innovate and incorporate the best technological practices

. Development of products and services with a positive ESG impact

Road Tech Projects

More than 10

At Abertis, we know that managing the mobility of the future will bring about important challenges but also great opportunities. Through our "Road Tech" strategic program, we work at the crossroads between road infrastructure and new technologies. Our ambition is to become the platform for a safer, smarter and more sustainable mobility.

Innovative roads

Solutions for smart roads and integrated mobility:

➲ **C-Roads Project:** a project promoted by the European Union that analyzes the possibilities of intelligent systems in cooperative transport and autonomous driving systems. One of the five projects in Spain is the one carried out in the Mediterranean Corridor in several sections of the AP-7 toll road of 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 in their own countries.

➲ **V2I Connectivity (Vehicle to Infrastructure):** Autopistas (Spain) works on the development and implementation of advanced communication solutions applied to mobility between vehicle and infrastructure. In Italy, A4 Holding participates in the Smart Road Project, a pilot program to equip 10km of toll road with road units for DSRC (Dedicated short-range communications) communications in the 5.9Ghz frequency for traffic and safety information.

➲ **Implementation of the Internet of Things (IoT):** A4 Holding (Italy) researches the connectivity of different sensors and network technology to monitor the state of the infrastructure.

Sanef (France) also works with an IoT sensor system to improve service and optimize operations. In the Reims region, there is the first stretch of toll road that has been fully equipped with connected solutions in the country. The project, which involves the installation of 250 IoT devices, will optimize toll road operation and maitenance equipment routes and improve service quality.

➲ **Wireless connections:** Several Group concessionaires, such as A4Holding or 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 the user and the concessionaire.

Solutions for connected and autonomous vehicles:

➲ **SCOOP@F Project:** A 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) has begun to collaborate with Renault to improve the range of autonomous cars in construction works and toll lane passing zones.

➲ **Inframix:** this is a 3-year research project of the European Commission 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) has offered a section of the 20-kilometer 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), together with 22 partners, is studying the feasibility and development of wireless road charging solutions for electric vehicles. We analyze the technological developments required in the pavements, as well as the operational restrictions once implemented.

➲ **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. Abertis' subsidiary in France, Sanef, participates together with other companies to analyze which of the different solutions - power rail, induction or directly contactless charging- will be more convenient in the future.

➲ **Corri-door (France):** A consortium with multiple agents - EDF, Sodetrel, Renault, Nissan, BMW, Volkswagen, ParisTech and toll road operators, including Sanef - joining forces in the development of the electric vehicle. The project consists in the installation of fast-charging electric devices across the road network in France, making chargers available every 80km that allow users to charge 80% of the battery in 30 minutes.

Abertis Mobility Services

At Abertis, innovation extends across many areas. On the one hand, through the analysis of how new trends in mobility can impact our traditional business. On the other, through the commitment to a new line of business based on Mobility as a Service (MasS), which shifts the focus of attention of mobility from the mode of transport to the individual who understands mobility as a point-to-point service with new and different needs.

In 2017 Abertis Mobility Services, the Group's multimodal mobility services division, was born as a result of the continuous evolution of new technologies and the search for solutions for safer, more efficient, smarter and more sustainable mobility and the need to reflect a global vision on the subject, with the mission to:

- Manage the Group's assets related to these services under a single vision and common strategy, in order to build a value proposition aligned with market trends.
- Develop business opportunities in the field of mobility services, complementing the Group's current strategy.
- Act as the center of excellence for mobility solutions of the Abertis Group.

The creation of the Abertis Mobility Services division responds to the Group's renewed drive for innovation, by reinforcing the human team dedicated to the search for new businesses within the concession industry, as well as the creation of Innovation Committees consisting of members of the technology departments from across all business units.

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:

On the one hand, road managers and operators (B2A), through the subsidiary Emovis. On the other, vehicle fleet companies (B2B), through Eurotoll, which has joined the Abertis Group 100% in 2017. It is one of the largest issuers of electronic payment devices, or OBUs (On-Board-Unit) in Europe.

Eurotoll

In 2017, Abertis has formalized the purchase of 100% of Eurotoll. This acquisition seeks to boost the development of a business, that of electronic toll payment management for heavy vehicles, complementary to the toll concessions. Also, this acquisition will improve Abertis' position before the implementation of the new EETS standard (European Electronic Tolling Service) in several European countries.

8,000 client accounts

150,000 devices in Europe

Services across a **55,000-kilometer** network in **16** countries

Offices in France, Belgium, Poland and Hungary

Lastly, citizens are the direct client of subsidiaries such as Bip & Go and Bip & Drive, the toll payment devices industry.

Free-flow systems

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 largest electronic toll infrastructures in the world in the United Kingdom (Dartford Crossing - 160,000 vehicles per day), Ireland (M-50 (145,000 vehicles per day), the United States and Canada. It is present in 7 countries: Canada, United States, Puerto Rico, United Kingdom, Ireland, France and Croatia.

Main projects in 2017

➲ Implementation and management of free-flow electronic toll on the Mersey Bridge (United Kingdom).

The Mersey Gateway Project is one of the largest infrastructure initiatives in the United Kingdom in recent years and is considered one of the 40 major projects of the National Infrastructure Plan and one of the top 100 infrastructure projects in the world (KPMG).

Inauguration: October 14

Characteristics: 6-lane bridge over the Mersey River between the towns of Runcorn and Widnes

Expected number of vehicles: + 65,000 / day

Up to 1,000 payment devices issued each day (before its opening)

More than 80,000 registered users before its inauguration, 60% online

Travel time savings: from 10 min to 1 hour in moments of great affluence

➲ Modernization of the electronic toll systems of the A25 toll road, a strategic axis in the Montréal metropolitan region (Canada). The project was executed without affecting the infrastructure's traffic flow.

➲ After completing the pilot program, Autopistas has finally installed the free-flow lane at La Roca toll plaza on the AP-7 toll road. This technology enables automatic toll payments, without gates and without the need to stop, and traveling at a speed of up to 60 km per hour.

➲ Installation of the first automatic reversible bidirectional electronic gantry in Puerto Rico. The gantry has 10 lanes, two of them reversible that allow changing the direction of the lanes automatically without human intervention and without interrupting traffic, therefore speeding the journeys on the toll road. At present, analyses are under way to transfer this technology to other concessions of the Group.

➲ Road Usage Charge Pilot Project (RUC), a pay-per-use pilot project for road use in the state of Washington (USA). The RUC system establishes payments based on the distance traveled, so that drivers can pay based on how much they use the Washington State road network based on the number of miles travelled. Emovis will be responsible for implementing a back-office system that will store the information in the cloud, as well as providing an on-board device (OBD-II) and app technology that will record user mileage and charge the amount established based on the route taken. This project adds to the pilot project that is currently in operation in the State of Oregon, which counts with the participation of 1,000 volunteers.

In addition, Emovis continues to promote its research and development in other technologies such as thermal cameras for calculating the number of vehicles through heat; or "fingerprint" technologies to recognize the shape of the vehicle and facilitate its recognition.

Interoperability and payment devices

The Abertis Group works to make road travel a comfortable and easy experience for the client.

➲ Eurotoll continues to increase the interoperability of its Tribox Air device, equipped with DSRC / GNSS / GSM and "over the air" technology, a single device for traveling in France, Spain, Portugal, Austria, Belgium (in 2017), and soon, Germany.

➲ Bip & Go and Bip & Drive, issuers of payment devices owned by Abertis, are also making progress in the interoperability of their devices not only between countries, but also for their use beyond the toll road (shopping centers, gas stations, car parks...).

➲ Bip & Drive has launched in 2017 the first exclusive VíaT for motorcyclists, consisting of a bracelet that incorporates the Vía-T pass, valid for all toll roads in Spain, France and Portugal.

➲ Through Autopase, its issuer of payment devices, 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 to innovate in the field of payment systems and models.

➲ Autopistas has launched the Ronda Gi, a free device designed to facilitate the mobility to enter and exit tolls on the Girona ring road of the AP-7 toll road. With this device, vehicles traveling on this free section do not have to stop at the tolls. In addition, customers who have the device can enjoy a number of advantages and are provided with information to plan their journeys.

➲ VíasChile has installed the "stop and go" electronic payment service on the Libertadores and Rutas del Pacífico toll roads. The device allows vehicles to pass through the tollgate without the need to manually pay the toll. These are the only two inter-urban toll roads in the country featuring these multifunction tolls, which do not require registration or an additional contract and have a single invoice.

Los Libertadores toll road figures:

Increase in road capacity from 250 vehicles / hour to 650.

Average toll drive-through time of less than 6 seconds

➲ In Argentina, an agreement has been reached with Banco Nación to create a prepaid toll system linked to each user through their mobile phones.

➲ Emovis has launched an application that allows paying the toll in the M-50 ring road in Dublin via a mobile application. In France, Sanef is also experimenting with payments via mobile on the A13 toll road, with Autopistas currently studying this as well.

As a result of these improvements, the percentage of automatic or electronic toll transactions has increased in the Group up to 76.4% (+2.9pp) of the total, of which 62.9% are electronic toll (+2.8pp) only, with Argentina (+8.6pp) and Italy (+5pp) among the countries that have grown the most.

Road Tech: A collaborative sandbox

Through partnership and collaboration with governments and innovators large and small, the Group seeks to accelerate the evolution of new technologies and develop its full potential in the field of infrastructures.

➲ **Open Innovation project**: which seeks to create a platform for better mobility, greater security and better service. The Abertis Group has begun to search for new partners to create a hub for companies in the Road Tech ecosystem.

In France, through the Open Innovation project, a start-up company selection process has been opened allowing them to test their innovations in Sanef.

Open Innovation

20 selected companies

14 submitted projects

4 selected for collaboration

5 projects in deep assessment phase

The Group also works on a study on the future of mobility with experts from the World Economic Forum.

Road Tech Report, by the Intelligence Economist Unit

This year, Abertis has worked with the The Economist Group's studies division on the *Road Tech report: Addressing the challenges of traffic growth*, based on detailed interviews with key experts in infrastructures, technologies and transportation from different sectors and geographical areas, to assess the challenges of the mobility of the future. The report was presented this year in cities such as Barcelona, Madrid, Brussels or Dubai and has served to open the debate on how new road technologies (Road Tech) are transforming the transportation sector and are the key to a smarter and more sustainable mobility in the future.

www.abertis.com/es/roadtechreport

Quality management and customer focus

Our commitment to road safety and new technologies has a clear objective: the satisfaction of our customers.

Strategic goals

. Provide quality services (fluidity, comfort and information to the customer)

. Quality products and services with a positive ESG impact

ISO 9001

92.6% of revenue

Quality management

Our commitment to road safety and new technologies has a clear objective: the satisfaction of our customers. All our initiatives have in our customers our *raison d'être*.

Our customer focus drives us to work on the quality management of our roads through different lines of action: road safety, information security, and obtaining and maintaining international certificates that back our management performance.

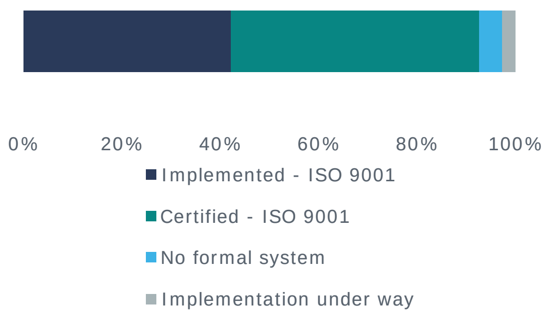
The Group is currently working on the definition of a new White Paper on the Quality Management System that seeks to unify all of the Group's quality-related policies and standardize the processes of each business unit to create a common vision into quality management throughout the entire Group.

92.6% of the revenue has a quality management system implemented and/or certified according to the ISO 9001 international standard. This percentage includes all activities except those developed in India. In the case of Chile, the system has been implemented in Autopista Central, which represents more than 50% of the business' turnover of the activity in the country; in the rest of the roads, it is in the process of being implemented.

In some cases such as Puerto Rico (Metropistas) and Argentina (GCO), the certification was renewed during the course of 2017 based on the most recent version of the standard (2015).

Likewise, the activities in Spain have a specific information security management system based on the international standard ISO 27001.

Quality management according to revenue



Customer quality surveys

Satisfaction surveys are conducted periodically for both general and specific users of the infrastructures.

Result of different customer satisfaction surveys conducted among customers (scale from 1 to 10)

	2016	2017
Spain	6.95	6.7
France	8	7.9
Brazil	8.04	8.2
Italy	7.3	7.2
Chile	6.5	7.5
Puerto Rico	7.6 (bi-annual)	

➲ In 2017 Autopistas presented the "Customer's Voice", which monitors customer satisfaction in service areas by conducting surveys using QR codes in customers' restaurant sales receipts.

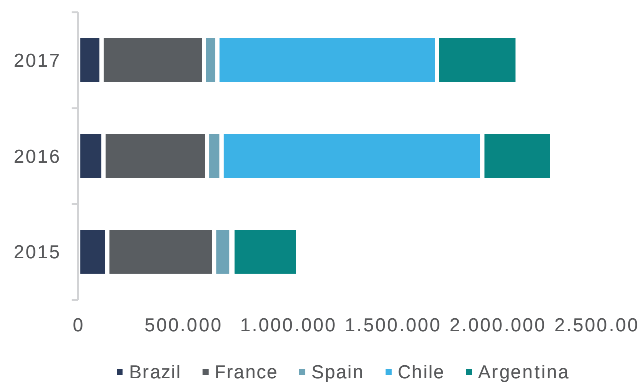
Progress was also made in obtaining a customer satisfaction index and a recommendation index or NPS (Net Promoter Score). The results obtained will allow identifying the strengths that must be preserved and analyze opportunities for improvement.

➲ In turn, Sanef (France) ranked first in the Customer Quality survey conducted by the Ministry of Environment, Energy and Sea in 2017.

➲ In addition to the general surveys, in 2017 Argentina has carried out a specific exercise to measure the level of satisfaction among tow-truck users.

In 2017, 2.1 million queries, complaints and suggestions were received, of which almost 100% have been resolved. Brazil, Chile and Argentina are the countries that concentrate the highest volume of communications received.

Evolution of the total number of queries, complaints and suggestions received



Customer communications

In 2017 the use of information channels has intnsified by improving existing ones and creating new ones by leveraging social networks. The goal is to consolidate an ecosystem of relationships and dialogue with customers and citizens.

Internet

➲ A4 Holding (Italy) and Eurotoll have launched a new website in 2017, with renewed contents and services.

➲ Autopistas' new blog (blog.autopistas.com), a content space on topics related to road safety and the driving industry, offering reports, driving tips, industry-related articles, updated information and publications related to the results of studies from the Road Safety Center (CESVI) in Autopistas.

➲ In Brazil, the use of Artificial Intelligence is currently under study for the customer service chat.

Social media

➲ Use of Instagram to approach the user and promote responsible driving through the hashtags #onposepourlapause (Sanef) and #ContigoHastaDondeQuierasllegar (Autopistas).

➲ On the occasion of the summer vacation campaign, Arteris offered a live broadcast through its Twitter account of surveillance camera images of the Litoral Sul.

➲ Autopistas has created its customer service Twitter account and activated its corporate profile in LinkedIn.

TV and radio

➲ A4 Holding (Italy) opens its operations center every week to a local television team (Brescia, Verona, Vicenza and Padua) for the recording of the "Qui Centro Operativo" program, which reports on everything that can help ensure the fluidity and road safety of drivers during their journey on the A-4 toll road (traffic forecasts, work schedules, incidents due to anticipated events, etc.).

➲ Radio Sanef reinforced its content this summer, constantly informing about the summer vacation campaign. In 2017, Sanef 107.7 was chosen for the second year in a row as the best thematic radio of the year in the Salon de la Radio.

On-site

➲ VíasChile reinforced its mobile customer service offices to facilitate electronic payment in areas located far from urban centers.

➲ Autopistas: open days at the control and customer service centers in Segovia and Logroño including an educational session on road safety for children.

5

Value creation

Shareholders

Figures and results

Strategic goals

. Grow in new concessions profitably and with financial discipline

. Promote agreements with Governments to increase the average life and optimize tariffs

. Increase revenues and efficiently manage expenses, making recurrent cash flow grow

€5,323 Mn +13%
Revenues

€2,058 Mn +10%
Ebit

€3,480 Mn +14%
Ebitda

€897 Mn +13%
Net profit

Main figures

In 2017, the positive evolution of traffic on the Group's toll roads continued, which continues to grow at a good pace in the company's main markets. The consistent levels of activity achieved in Spain, Chile and Italy stand out, as well as the continued growth in France and the change of trend in Brazil. India, a market that has joined the Group in 2017, has also experienced a significant growth in traffic. The negative evolution of the activity in Puerto Rico is mainly due to the impact of Hurricane Maria last September.

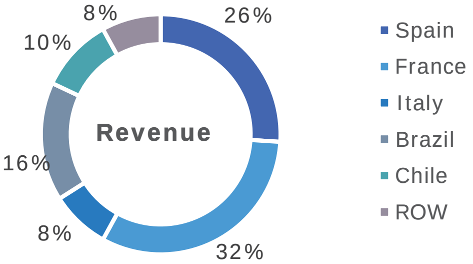
Traffic 2017	ADT	Var.
Spain	20,876	+3.9%
France	24,836	+1.5%
Italy	64,589	+3.2%
Brazil	18,255	+3.2%
Chile	26,810	+4.0%
Puerto Rico	64,645	-2.9%
Argentina	82,825	-1.7%
India	19,613	+9.6%
Total Abertis	**24,368**	**+2.5%**

PROFIT AND LOSS ACCOUNT [4] January - December 2017 (Mn€)	Dec. 2017	Dec. 2016	Variation
Operating revenue	5,323	4,707	13%
Operating expenses	-1,843	-1,642	
Ebitda	**3,480**	**3,065**	**14%**
Ebitda (like-for-like)			**7%**
Depreciation and amortization of revalued assets	-1,422	-1,192	
Operating result (Ebit)	**2,058**	**1,872**	**10%**
Draf effect Autopista Central	0	293	
Net financial result	-786	-611	
Shares of profits (losses) of associates	19	30	
Income tax	-365	-287	
Discontinued operations	72	7	
Minority interests	-102	-216	
Net profit	**897**	**796**	**13%**
Net profit (like-for-like)			**24%**

Revenues

Revenues have increased 13% up to 5,323 million euros, mainly due to consolidation from the global integration of A4 and the two toll roads in India, the positive evolution of the activity and the favorable impact of the exchange rate of the Brazilian real and the Chilean peso.

Seventy-four percent of Abertis' revenues comes from outside Spain. The French market has consolidated as the largest for the Group (32%), followed by Spain (26%).



Revenue 2017	€Mn
Spain	1,362
France	1,690
Italy	423
Brazil	851
Chile	514
Puerto Rico	131
Argentina	227
Rest of the world (ROW)	122
Holding	5
Total Abertis	**5,323**

[4] 2016 consolidated profit and loss account restated considering the impact of the classification of the discontinued activities pursuant to NIF 5.

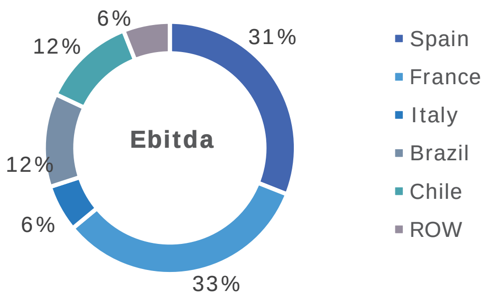
EBITDA

The gross operating margin (EBITDA) reached 3,480 million euros (+14%), although when discounting perimeter and other non-recurrent impacts, the like-for-like EBITDA grew 7% more than in the previous year.

Likewise, the results of the Group have been favored 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.

The result of operations (EBIT) of the year grew 9.9%, 9.2% in like-for-like terms.

Ebitda 2017	**€Mn**
Spain	1,112
France	1,161
Italy	215
Brazil	429
Chile	402
Puerto Rico	92
Argentina	71
ROW	35
Holding	-36
Total Abertis	**3,480**



Financial result

The net financial result amounts to -786 million euros, of which -677 million euros correspond to the financial cost of the debt and the rest amounted to -109 million euros.

Share of profits from associates

The contribution of registered companies using the equity method amounts to 19 million euros.

Income tax

The income tax expense amounts to 365 million euros, with the following tax rates in the main countries where Abertis operates: Spain, 25%; France, 39.4% (compared to a prior of 34.4%); Italy, 27.9% (compared to a prior 31.4%); Brazil, 34% and Chile, 25.5% (compared to a prior of 24%).

Result

The consolidated result for the year 2017 attributable to the shareholders has reached 897 million euros, which represents an increase with respect to 2016 of 13% and 24% in like-for-like terms.

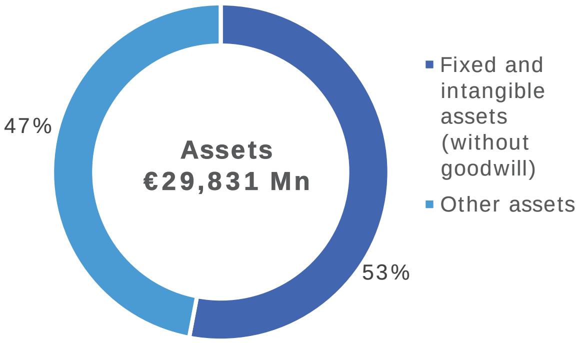
Cash flow

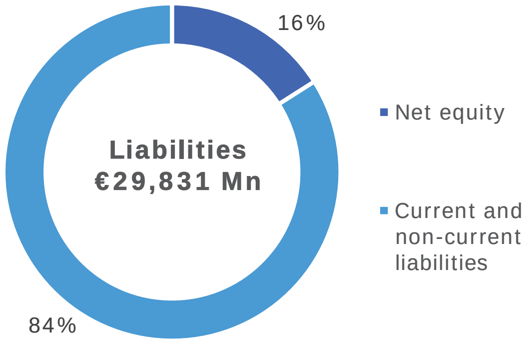
During 2017 Abertis generated a gross cash flow (before investments and dividend payments) of 2.073 million euros. Discretionary cash flow was 1,987 million euros, which in like-for-like terms is 11.5% higher than in 2016. The cash flow of the Group is enough to support the investment plan that the company is undertaking to improve the infrastructure of its assets and also allows the company to maintain one of its main strategic pillars: shareholder remuneration.

Balance Sheet

Total assets as of December 31, 2017 amounted to 29,831 million euros, representing a reduction of 4.3% compared to the close of 2016, mainly due to the impact of the purchase of minority interests of HIT and A4 Holding and the impact of the depreciation of the Brazilian real, the Chilean peso and the US dollar.

On the other hand, consolidated net equity reached 4,777 million euros, 30.8% less than at the end of 2016, due to the impact of the purchase of minority stakes and negative conversion differences, among others.





BALANCE SHEET	January-December 2017	(€Mn)
	Dec. 2017	**Dec. 2016**
Tangible and intangible assets	20,128	22,506
Financial fixed assets	4,075	4,281
Current assets	1,373	1,819
Cash flow	2,458	2,529
Assets held for sale	1,796	50
Total assets	**29,831**	**31,186**
Net equity	4,777	6,901
Non-current financial debt	16,217	15,210
Non-current liabilities	4,988	5,348
Current financial debt	1,608	1,695
Current liabilities	1,613	1,988
Liabilities held for sale	628	44
Total liabilities	**29,831**	**31,186**

Investments

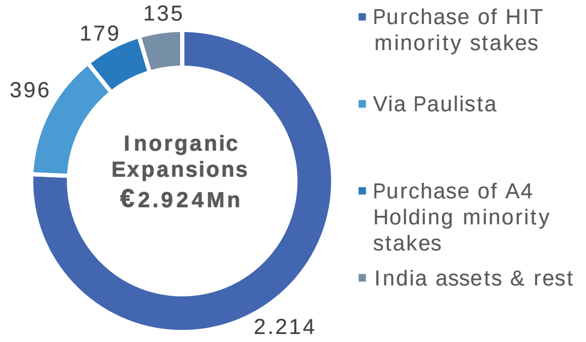
Main investments in 2017

Inorganic growth:

- Acquisition of an additional 47.45% in Holding d'Infraestructures de Transport (HIT), the company that controls 100% of Sanef, reaching 100% of its control (2,214 million euros).
- The closing of the purchase of 100% of two toll roads in India (133 million euros).
- The acquisition of an additional 32.16% of A4 Holding (179 million euros).
- The awarding of the Via Paulista 30-year concession in Brazil (396 million euros).

Organic growth / Increase of road capacity

- In Brazil, Arteris continues to work on the expansion and improvement of the roads. Worth highlighting in 2017 are the pavement recovery works, the completion of the duplication of the Serra do Cafezal in Régis Bittencourt, the duplication of lanes in Fluminense and the works of the Florianópolis ring road in Litoral Sul (458 million euros).
- In France, Sanef has continued working on the improvement of its network as part of the agreement reached in 2016 with the French Government (Plan Relance), highlighting the construction of a third structure in the Guerville viaduct, among others (151 million euros).
- In Chile, the construction of the new Maipo bridge in Autopista Central and the construction of a new section in Autopista Los Andes (80 million euros) stand out.



2017 Investments	Operations	Expansions	Inorganic Expansions	Total
Spain	12	6	0	19
France	39	151	2,214	2,404
Italy	1	15	179	195
Brazil	24	458	396	878
Chile	4	80	0	83
ROW	5	9	135	148
Holding	1	0	0	1
Total Abertis	**85**	**719**	**2,924**	**3,728**

Financial management

Abertis has succeeded in reducing the average cost of consolidated debt down to 4% in 2017.

Strategic goal

. Achieve a healty and efficient financial structure

Refinancing operations

Over **€10,000 Mn**

2015-2017

Key financial deals in 2017

➲ Abertis has signed loan agreements with credit institutions for a total value of 2,140 million euros, and with maturities between 2018 and 2022.

➲ Throughout the year, promissory notes with quarterly maturities were issued, with a promissory note amounting to 100 million euros due in January 2018 remaining at the end of 2017.

➲ HIT, a French subsidiary of Abertis, has issued bonds worth 1,000 million euros: 500 million euros with maturity in 2023, and 500 million euros with maturity in 2027.

➲ HIT has reepurchased bonds for 140 million euros from a previous issue with maturity in October 2021, at an interest rate of 4.875%.

➲ A4 Holding has repurchsed bonds for 200 million euros from an issue with maturity in 2020.

➲ Arteris completed the issuance of new bonds for 1,615 million Brazilian reais (approximately 407 million euros at the close of December 31, 2017) with two tranches, the first one with maturity in October 2022 and a CDI 12m + 1.60% coupon and the second one with maturity in 2024 and a CDI 12m + 5.09% coupon.

➲ Arteris closed also an issue of bonds for 72 million Brazilian reais (approximately 18 million euros) with maturity in January 2018 and a CDI 12m + 1.80% coupon.

➲ Vías Chile has closed the voluntary redemption of bonds of Autopista Los Libertadores for an amount of 120 million euros and of Rutas del Pacífico for an amount of 190 million euros (in the latter case the transaction was completed in January 2018).

With these operations, the Group extends the profile of debt maturities and highlights the efficiency in the active management of the company's balance sheet. It also strengthens its ability to take advantage of the opportunities offered by the credit market to obtain attractive conditions and continues to generate value for its shareholders.

Sustainable credit

Abertis has signed its first sustainable credit with ING for a total of 100 million euros at 3 years with the possibility to extend maturity by an additional year. This loan is characterized by the fact that its cost is indexed to the company's environmental, social and corporate governance (ESG) performance, such that the cost is reduced if there is a positive evolution in these areas.

The measurement of the sustainability rating applicable to the credit subscribed with ING is made by the rating agency Sustainalytics, an independent leader in ESG analysis and assessments, which supports investors around the world in the development and implementation of responsible investment strategies.

Financial structure

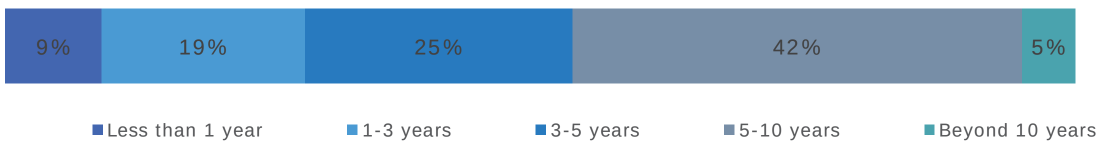
Following the policies defined by the Board of Directors, the financial structure of the Abertis Group seeks to limit the risks to which it is exposed due to the nature of the markets in which it operates.

Abertis maintains a high percentage of debt at a fixed rate or at a rate fixed through hedging, minimizing to a large extent the possible effects of stress in the credit market.

Abertis' net financial debt increased by 990 million euros in 2017, mainly due to the impact of the acquisitions of minority interests in Italy and France, the payment of dividends, the purchase of the toll roads in India and the operating and expansion investments made in the year.

	2017	2016
Net debt	€15,367Mn	€14,377 Mn
Net debt / Ebitda	4.4x	4.7x
Debt maturity	5.3 years	5.9 years
Fixed debt	79%	90%
Average cost of consolidated debt	4.0%	4.8%

Debt maturity



Credit rating

Agency	Date of evaluation	Rating	Outlook
Fitch Ratings			
Long term	25/10/2017	BBB+	Rating Watch Negative
Short term	25/10/2017	F2	Rating Watch Negative
Standard & Poor's			
Long term	24/10/2017	BBB	Developing Outlook

Shareholder remuneration

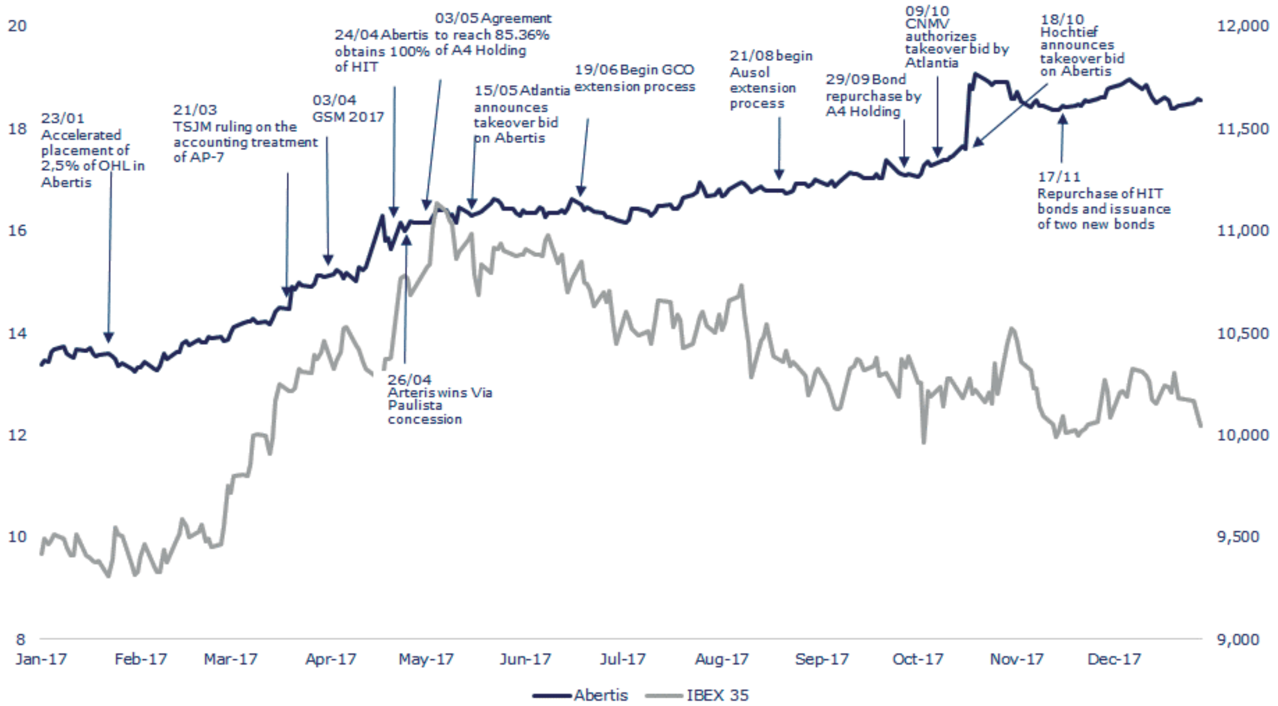
Abertis has increased its shareholder remuneration by 10% in 2017.

Strategic goal

. Sustainable growth in share value and remuneration

Annual yield	Market CAGR	Accrued dividends
+16%	+10%	€792 Mn
2013-2017	2009-2017	2017

Evolution of Abertis share in 2017



	2017
Closing price	18,55 € / share
Maximum price	19,06 €
Minimum price	13,24 €
Number of shares	990,381,308
Capitalization	18,372 Mn€
Annual yield 2013-2017[5]	+16%
Treasury stock	8%

[5] Includes stock appreciation, bonus issues and dividend yield for shareholders who purchased on December 31, 2012 and have not sold their shares until December 31, 2017

Dividend

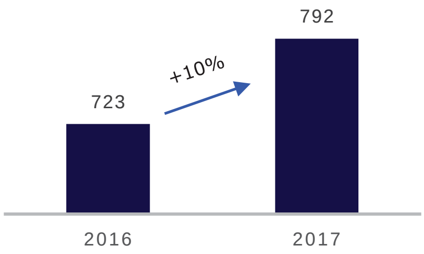
On April 3, 2017, the General Shareholders' Meeting of Abertis agreed to the distribution of a second and final payment of the 2016 dividend charged against available voluntary reserves of 0.37 euros gross per share, which became effective in April of 2017. In this way, the total 2016 dividend was 0.73 gross euros per share, representing 723 million euros and implies an increase of 10% over the total distributed amount against the results of the previous year.

The aforementioned Shareholders' Meeting agreed to offer shareholders the possibility to choose between receiving the second payment of the 2016 dividend of 0.37 euros gross per share in cash or through the awarding of shares of Abertis Infraestructuras, S.A. from shares held by the Company. 15.3% of the share capital of Abertis Infraestructuras, S.A. has opted to collect said dividend in the Company's own shares, which has entailed the delivery of 2.9 million treasury shares representing 0.29% of the share capital of Abertis Infraestructuras, S.A.

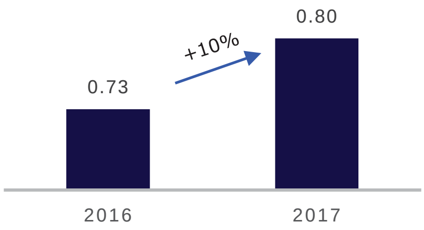
The Board of Directors has agreed to propose to the Ordinary General Shareholders' Meeting the distribution of a second and final dividend payment for 2017 of 0.40 euros gross per share. With all of the above, considering the first dividend payment already distributed of also 0.40 €/share, the total 2017 dividend will amount to 792.3 million euros, and represents an increase of 10% over the total distributed amount in 2016.

Thus, in compliance with the commitment established in the 2015-2017 Strategic Plan, shareholder remuneration has experienced an average increase of 10% per year in the period (specifically 10% in 2017, 11% in 2016 and 10% in 2015).

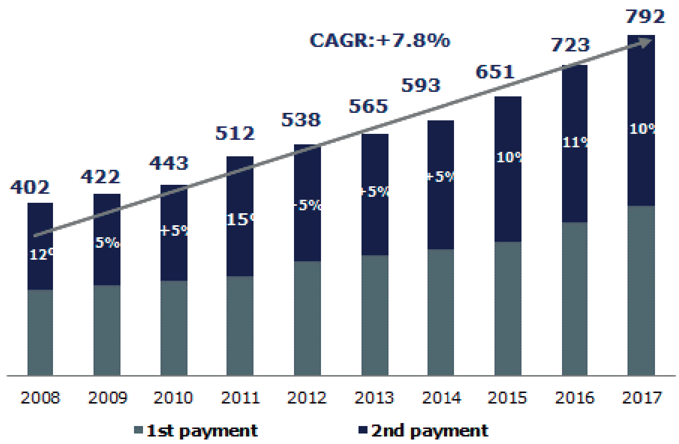
Ordinary accrued dividend (€Mn)

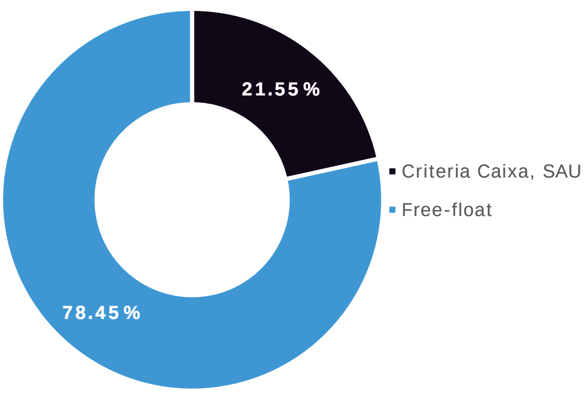


Dividend per share (€)



Ordinary accrued dividend (€Mn)





Shareholder structure

*As per the notification submitted to Abertis in December 2017 and December 2016:

Stake through Criteria Caixa, S.A.U. of 15.07% and Inversiones Autopistas, S.A. of 6.07% and under a syndication agreement with G3T, S.L. and BCN Godia, S.L.U. of 0.26% and 0.15% respectively (15.08% through Criteria Caixa, S.A.U. and 7.17% through Inversiones Autopistas, S.A., as of the close of 2016).

Society

Tax Contribution

Abertis' tax policy is based on transparency and the responsible and cautious application of tax laws.

Total tax contribution	Tax contribution
1,832 Mn€	**219,339 €** per kilometer of directly managed toll road

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 of the countries in which it operates.

Since 2014, Abertis voluntarily adheres to the Code of Good Tax Practices, which contains a set of recommendations agreed between the Spanish Agencia Tributaria (Tax Agency) and the Foro de Grandes Empresas (Large Company Forum). The company complies with its principles of performance.

Following the principles that have guided its actions 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.

2017 tax contribution

Country[6]	Total contribution
France	€867 Mn
Spain	€237 Mn
Argentina	€216 Mn
Brazil	€215 Mn
Chile	€141 Mn
Italy	€132Mn
Other[7]	€24 Mn
Total	**€1,832 Mn**

[6] Changes in perimeter with respect to 2016: Italy includes Grupo A4 Holding for all of 2017 and section Other includes Trichy Tollway Pvt Ltd and Jadcherla Expressways Pvt Ltd concessionaries of India since the date of acquisition (2/3/17).

[7] Includes United Kingdom, The Netherlands, Puerto Rico, Mexico and India, among others.

Tax contribution in 2017

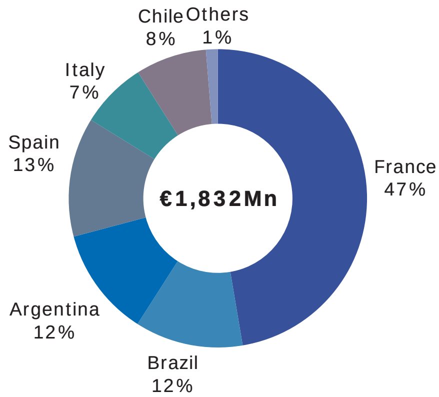
Abertis makes quantifiable economic and social contributions through the payment of public taxes in the different countries in which it operates. Said payments imply a strong effort in order to comply with all formal notification and collaboration obligations before the Spanish Tax Agency as well as with all relevant responsibilities.

Following OCDE's cash basis methodology, the total tax contribution of the Abertis Group in 2017 amounted to 1,832 million euros, 811 and 1,021 of which have corresponded to taxes paid and taxes collected respectively. In this sense, the Abertis Group includes all dependant companies that are consolidated by the global integration method[8].

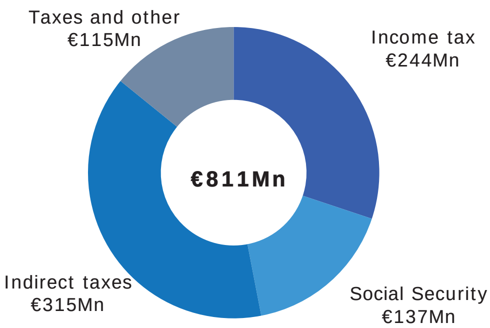
In 2017, for every 100 euros of Abertis' revenue, 34 euros are destined to the payment of taxes. Specifically, 15 euros go to the payment of taxes paid and 19 euros go to the payment of taxes collected.

Likewise, the tax contribution per kilometer of toll roads directly managed by Abertis amounts to 219,339 euros, of which 94,053 euros and 125,286 euros correspond to taxes paid and taxes collected respectively.

Breakdown of total tax contribution

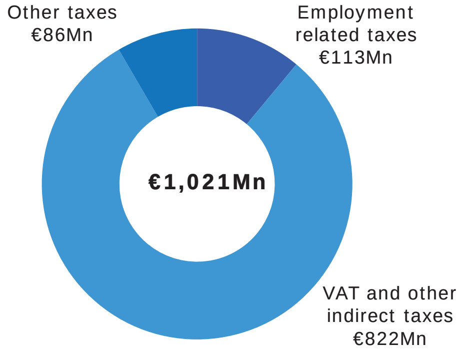


Taxes paid



Taxes paid are those that represent an effective cost for the company (payments of income tax, local taxes, indirect taxes on goods and services and social security for the business quota).

Taxes collected



Taxes collected are those that do not affect the result but are collected by Abertis on behalf of the tax management or are paid on behalf of other taxpayers (value added tax, withholdings and social security for the worker's contribution).

[8] Includes taxes paid by the Hispasat Group that amount to €58 Mn (€43 Mn of taxes paid and €15 Mn of taxes collected).

Contribution to the environment

Abertis applies preventive measures to preserve the environment and reduce pollution, giving shape to a more efficient, responsible and sustainable operations model.

Strategic goals

. Reduce the carbon footprint

. Develop products and services with positive environmental and social criteria

. Innovation based on circular economy criteria of the activity's value chain

. Enhance and preserve the natural capital

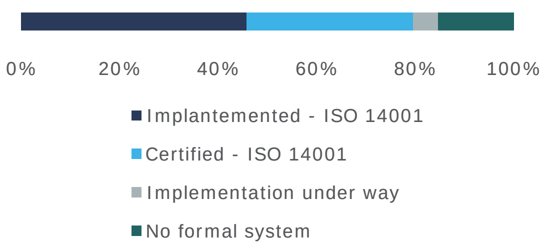
. Enhance and preserve the natural capital

-13%
Emission of CO_2e (scopes 1 & 2) (Tn/€Mn revenue)[9]

€23 Mn +3%
Destined to environment

The Abertis Group applies a set of measures aimed at minimizing environmental impact and which start from the design phase of the infrastructure itself, seeking a balance between sustainability and economic and technical viability. This allows defining and implementing preventive measures to preserve the environment and reduce pollution, giving shape to a more efficient, responsible and sustainable operations model.

79.6% of revenue has an environmental management system implemented and/or certified according to the ISO 14001 international standard.



Climate Change

Abertis has formally identified the risks and opportunities arising from climate change and is currently in the process of conducting an economic assessment of the former as part of its corporate risk management framework and specific projects developed in this area.

The emissions derived from the use of the infrastructures, as well as the intensity related to liquid fuels and materials and energy used during maintenance and construction are Some of the main sources of emissions related to the activity.

Annually, Abertis takes part in the climate change performance and management analysis conducted by the Carbon Disclosure Project, through the preparation of a detailed report on the management of risks and opportunities as well as details of its carbon footprint.

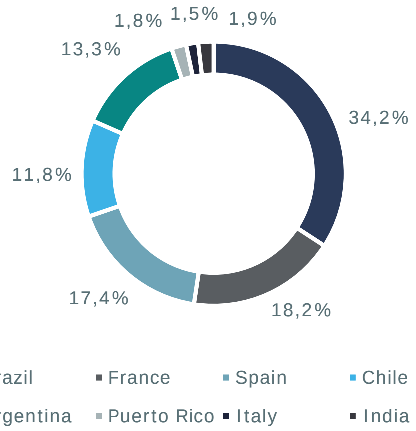
The calculation of the footprint, expressed in tons of CO2e, is a fundamental element for Abertis to

[9] Perimeters 2016 and 2017 non comparable

determine which priority areas and processes the organization must focus on that require action, as well as to evaluate the advances taking place in response to actions implemented in the field of greenhouse gas emissions reduction.

In 2017, scope 1 and 2 CO_2e emissions were reduced by 13% relative to revenue with respect to 2016 in a non-constant perimeter. If an estimate of the scope 1 and 2 CO2e emissions is included from the new additions (India and Italy) in the year 2016, the evolution would represent an increase of 3.5%. Total emissions in relation to revenue have increased 16.6%[10].

CO_2e emissions (scopes 1 and 2) by country



Of the total emissions of the Group in 2017, 86.3% of the contaminating emissions come from the vehicles that transit through its road network. In this sense, Abertis works to facilitate the circulation and implementation of more ecological, quieter and safer vehicles on its toll roads (see Road Tech section).

Likewise, with regard to the management of scope 1 and 2 emissions, different actions have been developed focused on contributing to the established overall emissions reduction target.

➲ In 2017, Autopistas obtained the environmental quality certification granted by the Generalitat de Catalunya, which recognizes Aucat's and Invicat's fleet of environmentally-friendly vehicles that contribute to ecoefficiency and sustainability. This action was developed as part of the deployment of the sustainable mobility plan formalized during the year.

➲ Among the measures implemented by Autopistas through its Electrical Maintenance Master Plan are the regulation of the lighting flux, the optimization of outdoor lighting or the renovation and installation of LED technology lamps.

➲ Photovoltaic panels, recycled material collection systems and a waste segregation center have been installed in Brazil.

Circular economy

Generated waste

346,045.8 Tn

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 2017, work has continued on the development of joint projects with the goal of identifying the feasibility of reusing construction waste for the conservation of pavements.

Likewise, possible collaboration agreements are being explored with different stakeholders for the reuse of the waste generated by the activity, including the potential energy recovery thereof and specific containers have been installed for the recovery of this type of waste during construction work.

Non-hazardous waste

99.7%

Construction waste

77.7%

Hazardous waste

0.3%

[10] The emissions included in the calculation of the carbon footprint are the following: scope 1 emissions: emissions derived from the direct consumption of fuels and refrigerant gases; scope 2 emissions: indirect emissions derived from electricity consumption; scope 3 emissions: other indirect emissions derived from the suppliers of the organization and from the use of the products and services provided by the organization (vehicles traveling on the included roads

Ordinary wet sludge

49.7%

Although 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.

Worth highlighting is the treatment of wastewater through the use of roots and the installation of rainwater collection tanks in Brazil with the aim of optimizing water consumption and promoting actions related to circular production processes.

Sanef (France) advances in it aquifer protection program which, as part of the Relance Plan, will entail a total investment of 55 million euros. In 2017, work has been carried out on the construction of water collection and treatment ponds in 12 locations along the A4 and A1 toll roads, with an investment of 25 million euros.

In Autopista Los Libertadores (VíasChile), where water for irrigation is scarce, a system of reuse of treated water was implemented, allowing to irrigate the landscaping areas of the urban section of this route. This project made it possible to provide water in the sector, reduce the time and cost of moving the water, and reduce transportation related emissions.

Biodiversity and natural capital

1,418.3 kilometers of roads are located in areas of special protection for biodiversity, mainly in France, Brazil, Spain and Italy

Environmental impact prevention measures (biodiversity)

- emergency plans
- conservation and cleaning plans
- environmental monitoring programs
- environmental liability recovery programs
- awareness and education campaigns
- installation of wildlife crossings and enclosures
- compensatory planting

The emissions included in the calculation of the carbon footprint are the following: scope 1 emissions: emissions derived from the direct consumption of fuels and refrigerant gases; scope 2 emissions: indirect emissions derived from electricity consumption; scope 3 emissions: other indirect emissions derived from the suppliers of the organization and from the use of the products and services provided by the organization (vehicles traveling on the included roads).

➲ Awareness-raising is another of the Group's tools to reduce its environmental footprint. In Brazil, through Arteris, the Group conducts awareness campaigns during the holidays as well as other campaigns on the occasion of Water Day, Environment Day, Tree Day and others. Likewise, Spain is also committed to raising awareness among partners and collaborating companies by establishing requirements for better environmental practices. Similarly, France has continued with awareness actions related to the biodiversity of the environment in the vicinity of roads.

➲ In addition, environmental emergency kits have been installed in construction sites in Brazil, and specific supervisory measures have been carried out of environmental matters affecting construction work, together with specific wildlife studies.

➲ In India, the Government is collaborating in the Mission for a clean India campaign, which aims to promote hygiene standards to ensure cleaner roads.

Environmental impact prevention measures (noise)

- installation of acoustic screens
- measurement of the acoustic impact by means of control points

During 2017, acoustic impact studies were conducted in a total of 2,511 kilometers in mostly Spain, Brazil, Chile and Italy, which represents 31% of the total kilometers managed.

France has worked on the isolation of the facades of Roberval Castle (along the A1 toll road), by updating the strategic noise maps (in the same way as Spain) and noise prevention plans for the environment and the noise observatory.

Argentina works both on the use of noise reducing asphalt, as well as on the deployment of reforestation plans.

For more information please see the Annex to this Report.

Contribution to the Community

Abertis collaborates with the community through projects relating to road safety, the environment, culture and social accessibility.

Strategic goal

. Generate positive synergies with local communities

315
initiatives developed in 2017

€6.38 Mn +5%
Destined to social initiatives and sponsorships

Direct relationship with the community

Abertis actively participates in the local communities in which it operates through different mechanisms, including the formalization of communication channels and the establishment of direct relationships, as well as through involvement in industry and generalist associations and coordinating and executing sponsorship and social action projects.

During 2017, the companies of the Group in the different countries have participated in a total of 82 associations. Also worth noting is the continuation of the 1% cultural projects in Spain and the Rouanette Law in Brazil.

➲ Red Viva Program (Chile): Prior to the development of new interventions due to capacity expansion construction work , a mapping of stakeholder groups that are linked to the territory and the local community was carried out, in which their expectations and needs that are to be incorporated into the design and execution of the works are identified. The Red Viva program coordinates the actions geared at building links with the territory, formalizing a systematic direct relationship with the local community and generating positive social impacts of the operations. Once the works are completed and the new infrastructure begins operations, the Red Viva program continues the relationships established in the initial phases.

Hurricane Relife Aid in Puerto Rico

In order to contribute to the recovery efforts following Hurricane Maria in Puerto Rico, Abertis and Goldman Sachs, the Metropistas consortium partners, have donated US$ 1 million toward aid after the hurricane swept through the island.

The donation will be channeled through three non-governmental organizations (NGOs) that have been actively involved in various aspects of post-hurricane relief efforts in Puerto Rico: United for Puerto Rico, the American Red Cross and Team Rubicon, each of which will receive an equal portion of the total.

The Abertis Foundation

The Abertis Foundation represents institutionally and strategically the organization's commitment to the environment and the local community, and coordinates the identification of positive synergies in different countries. On an annual basis, it publishes the activities report, which provides details about the actions that have been conducted.

The Castellet Castle, the Abertis Foundation's headquarters, also hosts the headquarters of the UNESCO International Center for Mediterranean Biosphere Reserves (CIURBN), which coordinates a network of 60 reserves in 15 Mediterranean countries with the aim to build bridges for dialogue, cooperation and the exchange of knowledge and experiences.

Main undertakings in 2017

Road Safety:

• **Te queda una vida ("You have one life left") and "#SumaTuLuz" (Sum up your light):** Awareness actions in nightlife areas in Madrid and Catalonia to alert young people about the risks of driving after having consumed alcohol or drugs, or on the dangers of distractions caused by the use of mobile phones.

• Cooperante Vial (**Road cooperant**): a project taking place in Barcelona and Madrid where young people with Down syndrome observe and take notes of the mobility habits around schools and then provide suggestions for improvement.

• **KanGo!**: The third edition of a project that combines road safety with the inclusion of people with disabilities in Barcelona.

• **Senior Driver Observatory**: A workshop about the subject of driving after 70 held in Madrid in June.

Environment:

• **Italy-Spain collaboration**: The Abertis Foundation, together with the Spanish Embassy in Rome and the Royal Academy of Spain in Rome, has presented in Italy its program to promote collaboration between both countries within the framework of UNESCO's Network of Mediterranean Biosphere Reserves.

• **Mediterranea 2017**: the CIURBN hosted the MEDITERRANEA 2017 convention in September, the first forum for Sustainable Tourism in Mediterranean Biosphere Reserves.

Abertis Academic Chairs

Since 2003, Abertis and the Abertis Foundation have been promoting the creation of different academic chairs in collaboration with renowned universities and national and international academic institutions. Aware of the importance of working with the academic world to ensure social and economic progress, Abertis promotes training, research and the transfer of knowledge between University and Corporations.

The first Academic Chair was established in Spain together with the Polytechnic University of Catalonia - BarcelonaTec, and was subsequently followed by France (IFSTTAR-École des Ponts); Puerto Rico (University of Puerto Rico); Chile (Pontificia Universidad Católica de Chile) and Brazil (University of São Paulo). More recently, the Abertis-UPM Chair (Polytechnic University of Madrid) was also created.

1st Abertis Road Safety Award

The International Network of Abertis Academic Chairs has granted its first International Road Safety Award in 2017, which recognizes the best work among the winners of the national prizes of each Chair (Brazil, Chile, Spain, France and Puerto Rico).

The award went to Dr. Hédi Hamdane, from the Aix-Marseille University (France). In his thesis, the author develops several road safety systems for vehicles to detect pedestrians and thus avoid impact. These systems analyze the trajectory of the vehicle by processing images with sensors; the emergency brake is activated whenever a pedestrian is detected in its path.

Social action and sponsorships

2017 Milestones

➲ VíasChile has received the Valor Compartido Award from Sustainability Hub for its project on the scouting and social rehabilitation of imprisoned women.

➲ Arteris continues to promote the Projeto Escola (School Project) in Brazil. In 2017, the project opened to people with disabilities.

➲ Also in Brazil, the *Jovens Aprendizes* (Young apprentices) project combines volunteering with labor integration. Its aim is to integrate young people living in shelters near the Autopista BR-101 into the work environment of Fluminense.

➲ Thanks to the collaboration of Grupo Abertis, the Sant Joan de Déu Hospital in Barcelona has added to its new hall (a large 600-square meter space joining the external consultations, child hospitalization and women's areas) several interactive games related to the human body to provide fun to children, patients and relatives during their waiting times.

➲ Demos Project: Sanef has signed an agreement with the Paris Philarmonic to finance the musical education of disadvantaged children.

Cultural sponsorship

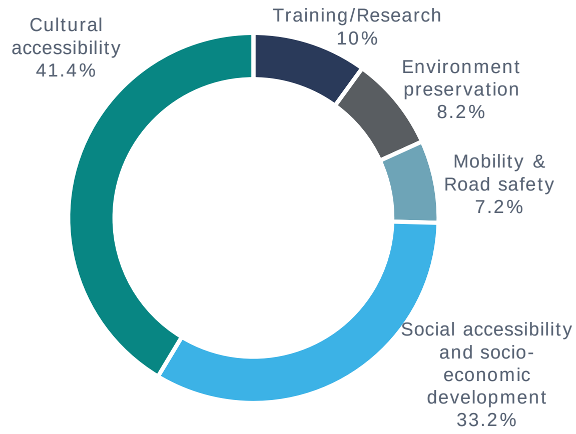
➲ Abertis along with its Foundation and subsidiaries of Grupo Sanef and A4 Holding have sponsored several exhibitions of Pablo Picasso's artwork in Spain, Italy and France.

➲ Abertis' subsidiaries in Argentina, Ausol and GCO, have brought to Buenos Aires unique works from Joan Miró as part of the exhibition "Miró: The experience of watching", open to the public from October 25 until February 25, 2018 at the Buenos Aires National Museum of Fine Arts.

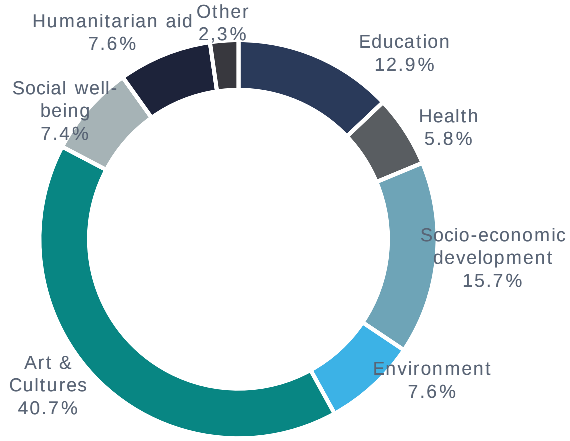
➲ A4 Holding has also sponsored the exhibition "Da Caravaggio a Bernini. Capolavori del Seicento italiano nelle Collezioni Reali di Spagna".

Total investment in social action initiatives and sponsorships in 2017 was 6.3 million euros, for projects of different characteristics according to the Abertis and LBG classification.

Percentage distribution of contributions by area of activity (Abertis classification)



Percentage distribution of contributions by area of activity (LBG classification)



Methodology from the London Benchmarking Group (LBG), which enables item standardization based on different classifications and provides tools for measuring their impact.

Supplier management and supply chain

Abertis works with qualified suppliers with proven technical, financial, ethical and responsible performance credentials.

91% **Purchases from local suppliers**

Contracting policy and procedure

Abertis' supplier policy is based on the principles of competence, long-term relationship, adequate planning, efficiency and control. Abertis has several control mechanisms in place with the purpose of assuring adequate compliance with these principles and their traceability in order to prevent certain risks. Said mechanisms combine committees and management tools that ensure that each and every contract is justified, that describe the implications resulting from not proceeding with them, and that verify their profitability.

The implemented supplier contracting process is electronic and includes a formal assessment and qualification process based on the risk levels associated with the supplier company.

Supplier involvement in the development of products and services with positive ESG (environmental, social and good governance) impacts is important, especially when they participate in activities related to road maintenance and construction. The objectives of the Master Plan in relation to external collaborators are present in the four strategic pillars of the plan, due to the cross-cutting impact they have on each of the aspects. In this sense, 100% of the tenders in 2017 have been formalized under environmental and social clauses (ESG).

The scope of the non-financial information and the main management procedures related to ESG aspects includes external collaborators, and performance in connection with the actions conducted a part of the life cycle of the organization's activity is reflected in the data presented.

The supplier management policy and the implemented contracting procedures establish, among other requirements, the qualification and evaluation of suppliers in matters pertaining to ESG. A formal system

has been implemented in Brazil, Spain and Chile, through a joint evaluation tool that collects information on supplier performance and management in connection with different environmental, social and good governance aspects. Thus, it is possible to obtain an indicator of the performance of each supplier and establish a system of incentives for continuous improvement. In the rest of the countries, work is under way to integrate equivalent supplier evaluation procedures, although 100% of the critical suppliers have already been evaluated.

The increase in the number of evaluated suppliers according to CSR scoring in Brazil stands out, where the evaluation is a prerequisite to participate in the bidding processes. The good performance of this measure makes it a good case for replicability in other countries to encourage the increased participation of suppliers in this type of ESG performance evaluation exercises.

2017 Highlights

➲ 2nd Supplier Convention at Autopistas, which brought together more than 100 people on behalf of 65 suppliers to discuss Road Safety, Risk Prevention, Supplier Evaluations and Customer Service.

➲ VíasChile has launched a training program for its different concessionaries addressed to all personnel involved in the purchase of goods and services. The idea is to showcase the general guidelines of the Procurement processes, the stages of the acquisition of goods and services and the use of the Contracts and Instruments Managemnent System as a support to the management of company contracts.

➲ Arteris has conducted the environmental assessment and monitoring of all construction works in Brazil.

➲ 3rd edition of the Abertis Global Purchasing Meeting, with the participation of all people involved in the Purchases Department of all countries.

Human Team

Committed to talent

Abertis strives to create a culture of respect, inclusion, collaboration, safety and health in the workplace.

Strategic goals

.Guarantee the safety and health of people at the workplace.

.Promote a team that is satisfied, committed and aligned with our goals and values.

.Guarantee equal opportunities

.Boost quality of employment

.Attract, develop and retain professional talent within a multicultural context

15,099
Collaborators (final workforce)

89%
Executives come from the local community

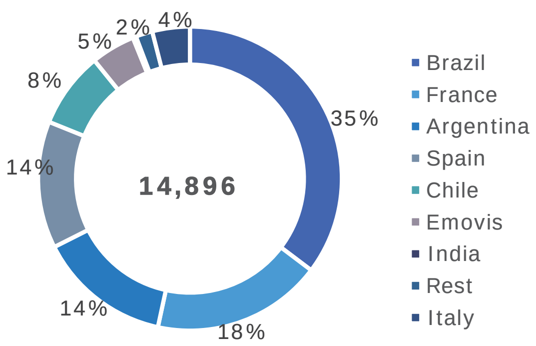
Women

37%
Total workforce

17%
Executives

24%
Heads

2017 final workforce as of Dec 31, 2017[11]



Workforce characteristics

	Men	Women	Total
Workforce	63%	37%	15,099
Permanent contract	97%	94%	95%
Full-time	95%	85%	91%
Turnover	17%	25%	20%

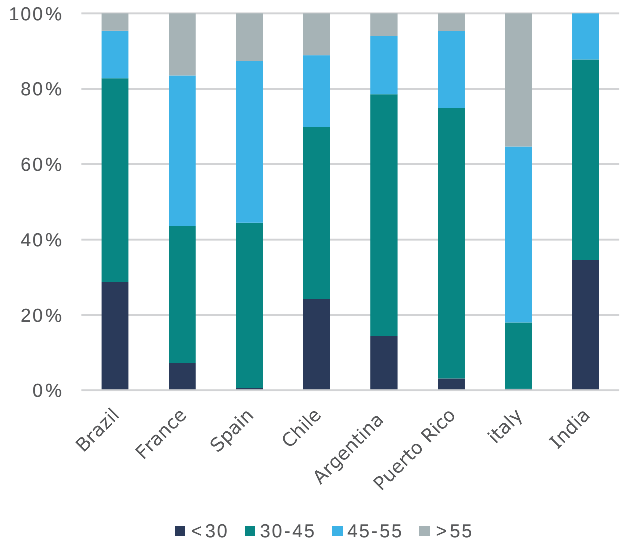
[11] The average number of Abertis employees at the end of December 31, 2017 includes 205 employees associated with non-current assets held for sale (233 employees as of December 31, 2016), which means the average number of employees without considering those associated with these assets and/or businesses discontinued in the current or previous years would amount to 14,841 in 2017 and 14,889 in 2016.

Diversity and equality

The center of the entire Abertis universe is the people that make up its human team. A cross-functional and diverse team whose mission is to consolidate Abertis as the world's leading toll road operator and a global reference in the field of road mobility.

Abertis' team is made up of nearly 15,000 people that combine the talent to ensure that our toll roads become high quality roads for our customers.

Workforce by age groups as of December 31[12]



This way, the Abertis Group strives to create a culture of respect, inclusion, collaboration, safety and health in the workplace. The vision of the Human Resources teams is to create a positive environment in which people can share the Group's values and leverage their capabilities - experience, knowledge and skills - to achieve the levels of excellence with which to contribute to the consolidation of Abertis as a reference company in the industry.

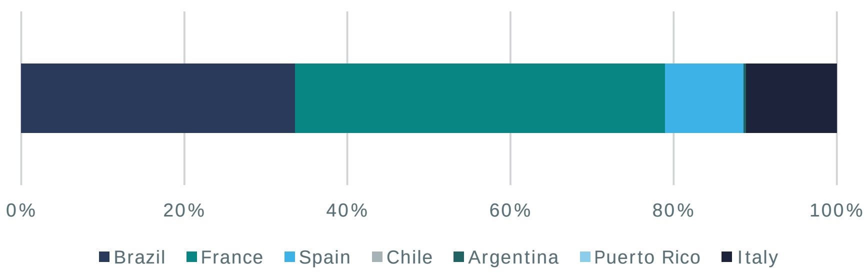
The Group promotes diversity through hiring, internal promotion and training and development programs.

A total of 342 people have taken parental leave during the year, with a retention rate of 99.2% for men and 90% for women.

The presence of women in executive and management positions has increased, thus consolidating a positive trend over time. Nevertheless, it is necessary to keep on working to guarantee the gender balance across all professional categories. All countries have regulations linked to equal opportunities, although 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 and selection, among others. The overall remuneration ratio for women is 83.2%, a slightly higher percentage than the previous year.

Similarly, some countries have specific legislation on the hiring of functional-diverse people. Brazil, France and Spain require the hiring of a percentage of disabled workers, either directly or indirectly, through the use of alternative measures.

Average functional-diverse workforce (direct hiring)



[12] This graph and the following in this chapter are calculated from data with a non-financial information scope (specified in chapter About this report)

Professional Development

Ninety per cent of executive level vacancies in the last five years have been filled via internal promotion.

Succession and development plans

In 2017, Abertis has started the implementation of its Succession Plan for both the Corporation and the subsidiaries. This plan allows to identify the successors of all critical positions at the company ("high potentials") and provide a global and cross-cutting vision to making the most of the organization's talent base.

The Succession Plan is already under way in most of the Group's business units. At present, the training needs of the so-called successors with respect to the responsibilities of the positions to which they are appointed are being analyzed.

Likewise, in 2017 work has continued on a development program for managers and key employees and specific training has been developed in the field of cultural competences as a result of the greater international and cultural diversity conforming the Group's employee base.

➲ In 2017 the HR Standards were created, a tool that helps streamline the development objectives and the improvement of the Human Resources departments of all business units.

Promotion of talent

Talent promotion and retention are the main elements that make up Abertis' professional development policy. Therefore, committing to this talent base is a fundamental pillar of our people management policy. One of the Group's strategic objectives is to ensure that at least 75% of executives and managers positions and management vacancies are filled by internal candidates.

Proof of this is the importance that the company gives to people development initiatives, such as the Abantis program, designed for the executive development of high potential employees within the Group and which is now in its fourth edition, and the "Talent Development Program", both developed in collaboration with top business schools.

In the last five years, 39 executive positions have been renewed in the Group, 32% of the total number of Abertis executives. Ninety per cent of these new management positions have been filled by internal promotion via vertical or horizontal movements. In addition, more than 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 the promotion of talent. Currently, 100% of the executives positions, 96.2% of managers (heads of department) and 60.3% of the remaining positions are under this performance evaluation system.

Open culture

Abertis bases its business corporate culture on the basis of collective intelligence resulting from the sum of the intelligence of the entire team. The company has consolidated the so-called "Open Culture" through various programs:

Open Circles: Participatory sessions to connect with the vision of the Corporation.

Come in!: Short presentations enabling direct and transparent access to knowledge about the organization's relevant issues and projects.

Open Challenges: Participatory and voluntary projects. In 2017, the projects of the 5 teams have been approved. The most advanced one is the Innovation project that seeks the mobilization of 180 people of the corporation through a program consisting of several actions (6 in 2018).

Nice 2 Meet you: Short presentations about each department of the Corporation to promote greater knowledge in the various areas and a greater efficiency. In 2017, 5 units were submitted: Tax, Legal Counsel, Risk Control and Internal Audit, Engineering and Construction and Information and Technology Systems.

Likewise, the Corporation has continued to work with different Open initiatives, such as the second edition of

In Abertis, based on trust; theNice to Meet You meetings; the Open Challenges or the Come In session dedicated to international intelligence presentations.

➲ In 2017 Sanef has completely renewed its corporate headquarters by adapting "open space" criteria. The company is studying the renovation of other corporate buildings with these same criteria. A4 Holding also plans to adapt its Verona offices to this new concept that seeks transparency, participation and teamwork.

➲ Autopistas has launched the Focus project on cultural transformation at the company, with initiatives such as a new intranet with access to all employees, a new workforce rotation policy that gives greater flexibility, and the implementation of process-based management.

➲ In India, an inverse training program was launched whereby country employees were able to learn about the cultural differences between the Asian country and the rest of the countries of the Group.

Knowledge networks

To encourage the efficient use of this collective intelligence, Abertis has created the Connectis knowledge network, a space that allows people involved in the different phases of the operation to share knowledge and work collaboratively with the goal of implementing continuous improvement processes across the entire group.

Toll roads of 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 initiatives identified in Connectis become projects that are implemented by the different activities and countries jointly, thus sharing good practices and the challenges encountered, from a broader perspective that enriches all stages of the project. This allows implementing continuous improvement processes across the entire Group using tools such as e-learning or webinars.

Work environment

The Group periodically conducts work climate surveys to measure employee satisfaction and develop action plans focused on improving the well-being of the staff.

➲ In 2017, actions have been launched that focus on the analysis of the current performance evaluation processes and the promotion criteria for their revision and modification after the results of the work climate survey conducted among central services employees in 2016, which saw a participation of nearly 90%.

➲ Arteris (Brazil) has conducted the satisfaction survey as part of the Valor Carreira project, whose results have been satisfactory and an overall satisfaction rate of 80%.

➲ Vías (Chile) has conducted the "*Yo Opino*" (I give my opinion) survey at the central offices, and it is planned to be rolled out in the toll roads.

Corporate volunteering

Abertis wants to encourage and support volunteering activities with the creation of the Abertis Infraestructuras and the Abertis Foundation Altruis Volunteer Program, through which its professionals can spontaneously donate part of their time, skills, knowledge and economic support to improve society.

This implies carrying out activities of a general interest that meet welfare, social services, civic action, educational, cultural, scientific, sports, health, development cooperation, environmental, defense of the social economy or research criteria oriented to that end, as well as development of associative life, the promotion of volunteering services or any other of similar nature at the national level.

In Brazil and through its Voluntários program, Arteris employees travel around the toll roads to locate homeless youth living near the infrastructures.

Among other corporate volunteering actions, Sanef workers in France give music lessons to small orchestras consisting of children without economic resources.

Likewise, VíasChile’s landscaping professionals in Chile teach classes to women in prison to encourage their re-integration into the workplace. Also in VíasChile, as part of the “Construye tu futuro” (Build Your Future) plan, succeeded in helping more than 170 young people from highly socially vulnerable backgrounds in 2017 obtain state scholarships to pursue higher education careers. Thanks to this program, nearly 500 young people have gained access to technical and professional careers, with the support of tutors and volunteering collaborators of VíasChile.

For more information, please see the Contribution to the Community section.

Training

Investment in training

€4.7 Mn

Almost all countries have specific training plans aligned with the direct needs of workers and the achievement of the strategic objectives of the Group. Abertis has set the goal that, in the coming years, each employee of the Group will receive a minimum of one development action per year, thus increasing the average number of training hours per collaborator.

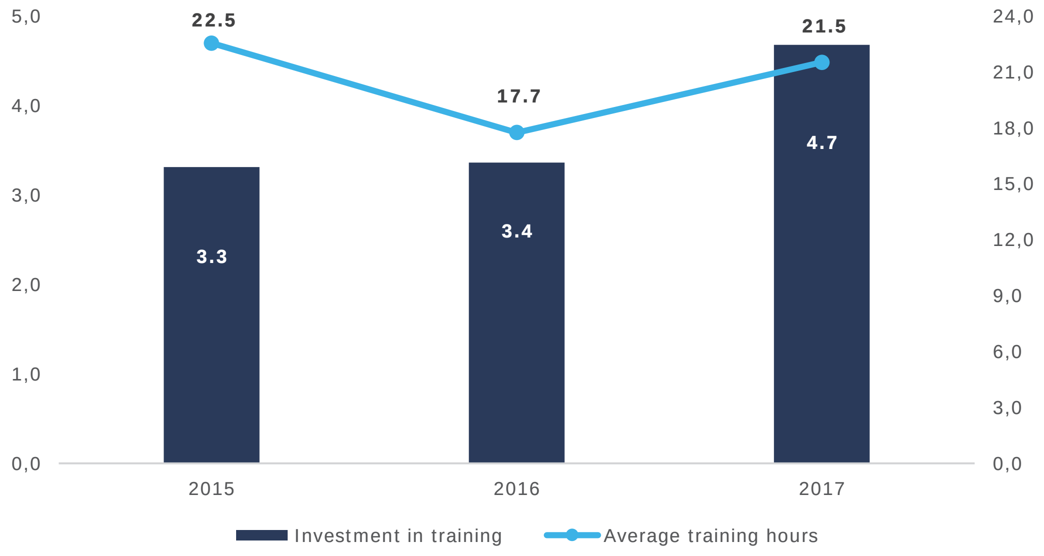
➲ Autopistas has launched the CAMPUS platform with the aim of conducting online training through a platform available on the company's intranet. Due to the geographical dispersion of collaborators, it is a very useful tool that allows reaching out to the entire workforce simultaneously and offer regulatory-required training courses (health and safety, collective agreements and ISO certifications basically) and also required training applicable to the entire staff.

➲ Online Arteris University. The Arteris University was created in 2016 with the goal of sharing the knowledge about the business among internal collaborators, and promoting the professional development among talented company employees. In July 2017, the Arteris University was strengthened through the creation of the Arteris Online University and the Arteris Operations University.

Arteris Online University: 31 published courses; 92% active collaborators in the network

Arteris Operations University: training for 362 collaborators; 54 courses completed.

Total investment in training (€Mn) and average hours per collaborator



Safety and Health

The Group has launched the Global Health and Safety Program with the aim of reducing accidents at work.

Workplace accidents
-32 %

106,934 hours
Health and safety training

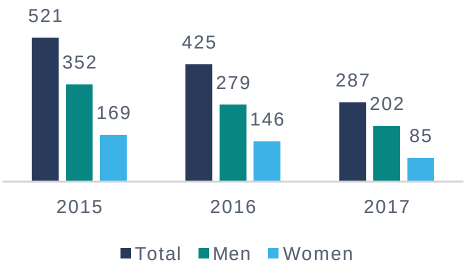
In 2017, work-related accidents were significantly reduced, with drops observed across all main indicators. It is the result of unrelenting work to prevent risks and of the actions implemented in all of the Group's concessionaires.

Evolution of accident rates

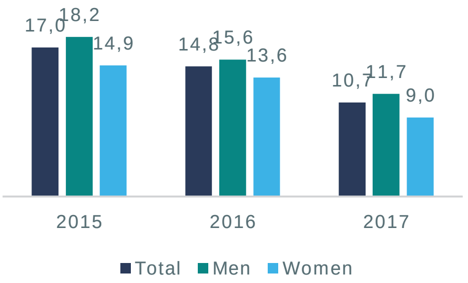
Global accident frequency rate

10.7 (-27.7%)

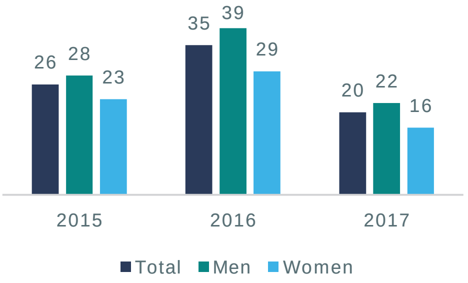
Workplace accidents



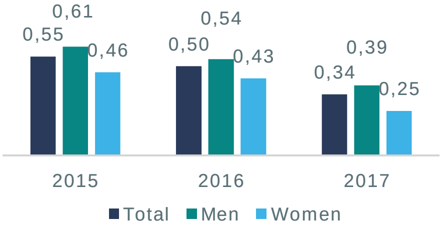
Frequency rate



Incident rate



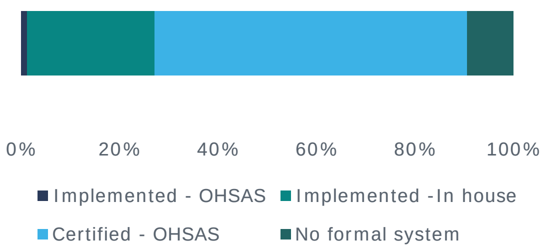
Severity rate



Management System performance appraisal

92.3% of turnover has a formal health and safety implemented and/or certified management system based on the OHSAS 18001 international standard. Operations in India, one of the concessionaires in Puerto Rico and one in Argentina, as well as the operations in Italy lack this type of formalized systems.

Health and safety management systems as a function of revenue



The analysis of workplace risks, the deployment of preventive measures, training and the provision of specific equipment and the monitoring of performance indicators on a permanent basis are some of the actions included in the systems.

Likewise, 85% of the workforce is covered by a health and safety committee, which jointly between the workers and the organization, conduct a specific follow-up of the application plans and the measures aimed at preventing occupational risks. These committees have met on a total of 522 occasions, with the goal of addressing various issues such as training, safety activities, planning monitoring, investigation of events and coordination with contracted companies involving 25,924 employees.

Workplace accidents have continued with a downward trend, as have the related rates, according to the established objective. Nevertheless, the potential incidence of India must be assessed as soon as the procedures and the safety culture are consolidated that allow to obtain related data. During the year 2017, one collaborator died in France due to an accident, and there were a total of 209 accidents among subcontractors, which are not included in the data analyzed in this report.

Main actions in 2017

➲ **Global Occupational Safety Program:** Aligned with the Global Road Safety program, the Global Occupational Safety Program was launched in 2017 with the aim to work together as a Group to reduce accidents at work.

➲ **Ongoing training**: During 2017, 106,934 hours of Health and Safety training were completed at Group level (-27.1%).

➲ **Improved worker safety**: In France, Sanef has driven actions such as the 9 golden rules of prevention and has completely banned the consumption of alcohol among its workers during corporate events, and has conducted several awareness actions as well.

➲ **Implementation of the Workplace Risk Reduction Index (IRR) as a Strategic Objective of Arteris.** In order to have available proactive measures to measure and monitor health and safety at work, the toll roads in Brazil have designed an index that relates the number of accidents that occur to the number of audits or prevention actions that have been developed, since a direct relationship between these two variables has been observed.

➲ **Global Corporate Challenge:** Promotion of physical activity among Sanef employees. For 100 days, employees (divided into 7 teams) wore a pedometer to measure their physical activity. They competed symbolically between teams to see who had gone the furthest. The goal is to encourage employees to make progress, in particular by exceeding the 10,000 step per day threshold recommended by the WHO.

➲ **Other actions performed:**

- Specific monitoring and control audits
- Psycho-social evaluations
- Procedures for continuous improvement
- Workshops and awareness-raising activities.

Sanef's 9 golden rules of prevention

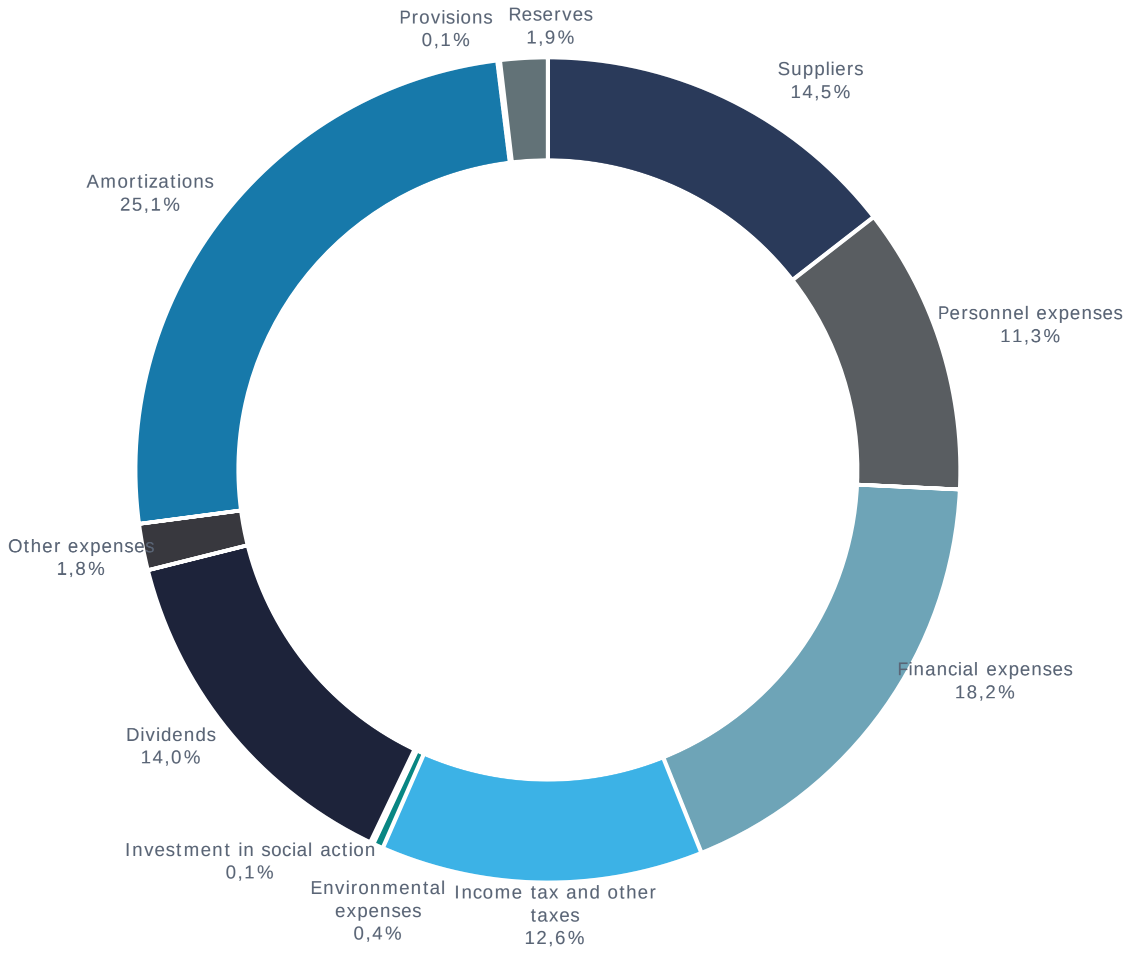
1. Remain aware and be concerned about safety
2. Comply with and enforce safety rules
3. Do not act with haste
4. Keep calm
5. Choose a safe route and do not run
6. Keep workspaces neat and clean
7. Control the vehicle and respect traffic laws
8. Make sure you have the necessary resources, carry/wear the right equipment and know the rules
9. Take care of the material and ensure its proper use

ECONOMIC VALUE ADDED

The Economic Value Added (EVA) shows the economic value generated by the Abertis Group and at the same time describes how that value is distributed among those elements that have contributed to its creation.

The economic value generated by Abertis in the year 2017 has amounted to 5,655.9 million euros, of which 74.9% has been distributed and 25.1% has been retained by the organization.

EVA – Consolidated Annual Accounts



6

Outlook

2018 course of action

Spain	-Analysis of new lines of business in Spain through the new Development office. -Study of new concession tenders that may open up in the near future. -Work with the governments and other local social agents to move forward with initiatives geared at improving mobility. -CSR and sustainability action plan.
France	-Continuation of the Plan Relance investment plan. -Analysis of the new investment plan (Grand Paris). - Deployment of the specfic CSR action plant.
Italy	-Complete the integration with the Group. -Extend the Open Space model at the Verona offices. -Advance with the Northern Connection project: begin construction works at the Veneto section and obtain the green light for the Trento section. -Advance with the lane expansion project for the Brescia-Verona section. -Analysis of new concessions. - Deployment of the specfic CSR action plant.
Brazil	-Commissioning of Via Paulista and implementation of Group best practices. -Continuation of the investment plan with landmark works such as the area surrounding the city of Florianópolis, the duplication of the Fluminense toll road in Rio de Janeiro and the negotiation of new investments. -Analysis of new concessions that may appear in the market as part of the Programa de Parcerias de Investimentos (PPI) Program. -Strategic sustainability plan.
Chile	-Begin construction work of the Nudo Quilicura- Autopista Central intersection and Autopista del Sol's third lane. -Negotiations with the Government for new investments in Ruta Los Libertadores and Ruta-68. -Re-tendering for the Rutas del Elqui concession and analysis of tenders for new concessions. - Deployment of the specfic CSR action plan.

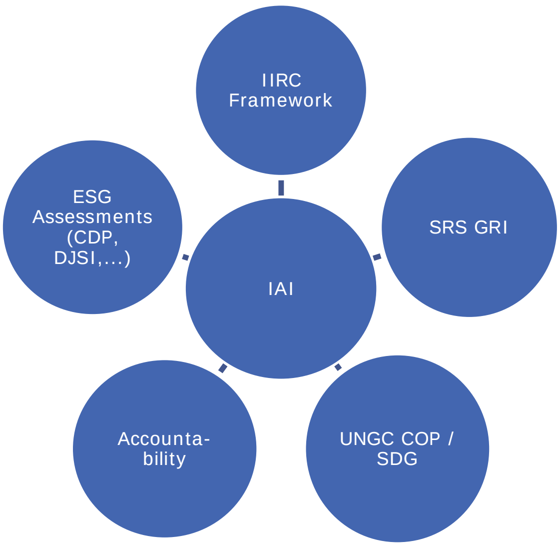
Puerto Rico	-New CapEx program for the rehabilitation of damages caused by hurricane María and re-assessment of the model in the mid term. -Manage insurance claims as a result of hurricane María. -Under study the implementation of the free-flow system in the Teodoro Moscoso bridge. - Deployment of the specific CSR action plant.
Argentina	-Design of the project for new investments in concessions (nearly $700 million): lane expansion, network improvements, etc. -Analysis of new public-private partnership opportunities in road concessions. - Deployment of the specfic CSR action plant.
India	-Advance with the integration with the Group. -Create organizational teams with local collaborators that can become integrated in the international diversity of the Group. -Streamline and integrate the two assets under a common brand and with uniform management criteria. -Analysis of new growth opportunities in the country by leveraging the Infrastructures Plan announced by the country’s Government. - Deployment of the specfic CSR action plan.
Abertis Mobility Services	-Search for new opportunities in free-flow, truck tolling and Road Use Chargning 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 business related to mobility (congestion charging, Maas, etc.). -Continue to promote innovation in advanced and non-intrusive free-flow technological solutions for application in new projects and their deployment within the business units of the Abertis Group. - Deployment of the specfic CSR action plan. -Advance with the integration with the Abertis Group. -Greater impulse to its Tribox Air device with inter-operability in new countries.
Corporation	-Analysis, adaptation and valuation of the new industry and corporate situation. -Analysis of new public-private partnerships in the different business units. -Reinforce the Group’s strategic programs: Road Safety and Road Tech (applicable to all business units of the Group). -Update the materiality analysis including the new activities and geographical locations.

7

About this report

Reporting methodology

This report and its annex have been prepared pursuant to the current legal requirements in terms of accountability, and abiding to the main international standards related to economic, social, environmental and good governance information, specifically:



The framework of the IIRC together with the SRS standards of the Global Reporting Initiative, the policy for the preparation of progress reports and the Sustainable Development Goals of the Global Compact, the relationship standards with Accountability stakeholders and the recommendations for the publication and evaluation of external analysts and evaluators in ESG matters constitute the basis for the definition and development of the contents of the IAI and its annexes.

This methodology includes the international references on non-financial information that are included in the European Non-Financial Information Directive, whose transposition has been made effective through the approval of Royal Decree 18/2017 of 24 November. Other publications of the organization complement the information and the accountability exercise, providing a complete picture of its activity and of its ESG impacts.

The organization's Board of Directors and the CSR Committee are the bodies responsible for the oversight and formulation of the information contained in the Annual Report and its annexes. Likewise, the external audit and review of the financial and non-financial information has been carried out respectively, according to the review reports annexed both to this report and to the financial statements of the organization.

Scope of the information

The financial information in this report includes the total activity of the organization, and the scope of non-financial information includes 96.8% of the total revenue and 94% of the workforce as of December 31, 2017 .

The main changes with respect to the previous year in the scope of non-financial information are the inclusion of activities in Italy and India, as well as the activity of Túnels in Spain, and the Emovis business unit present in different countries, but the inclusion of which in 2017 covers only its central services located in France, and the exclusion of the satellite telecommunications activity. Likewise, any limitation in scope of a specific datum has been detailed in the RSC 2017 Master Plan Monitoring Annex document.

Companies included in the scope of non-financial information

Toll roads	**Spain-** Autopistas, Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Aulesa and Túnels.
	France- Sanef, Sapn and BPNL SAS.
	Italy - A4 Holding, A4 Mobility, Autostrada Bs Vr Vi Pd SpA, A4 Trading SpA.
	Brazil - Arteris, Autovias, Centrovias, Intervias, Vianorte, Planalto Sul, Fluminense, Fernão Dias, Régis Bittencourt, Litoral Sul and Latina Manutenção de Rodovias.
	Chile - VíasChile, 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 y 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 3.2% comprises the following companies:

- Direct participation: Abertis Infraestructuras Finance B.V, Abertis Motorways UK Ltd, Abertis USA Corp, Abertis Mobility Services, S.L. (except Emovis S.A.S), Abertis PDC, S.A. and Abertis Telecom Satélites.
- Indirect participation: Sanef Aquitaine S.A.S, Bip & Go S.A.S, Leonord Exploitation SAS, Acufon Spa, Globalcar Services Spa, A4 Mobility S.r.l. and Via Paulista, S.A.

Calculation methodologies

The calculation methodologies related to non-financial information are determined in the specified standards (especially those of the Global Reporting Initiative) as well as international references related to certain specific areas, such as ISO 14064: 1-2012: "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) together with the Climate Disclosure Standards Board (CDSB), for the calculation of the carbon footprint and the methodology from the London Benchmarking Group for the quantification of the contribution to the community.

abertis
commitment & delivery

Free translation for information purposes

Annex to the 2017 Integrated Annual Report

Monitoring of the CSR Master Plan

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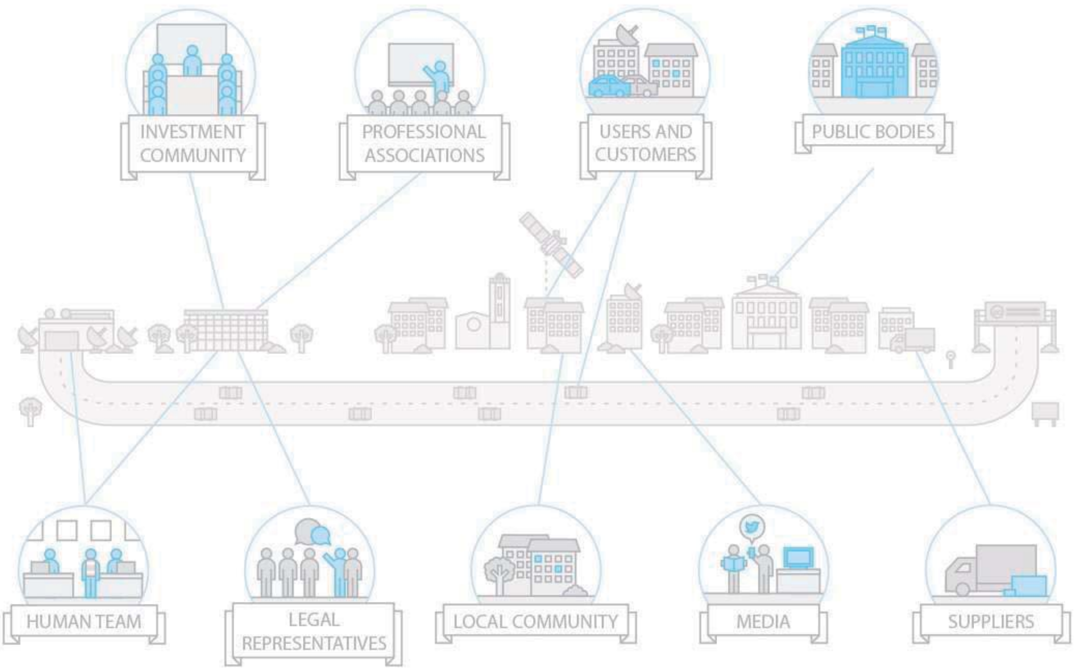
Contents

1

Stakeholders and materiality

The inclusion of the toll road activities in Italy and India together with the activity of Emovis, in addition to the exclusion of satellite telecommunications activity, represent the main changes with a significant impact on the area of stakeholders and materiality.

In general terms, the organisation's stakeholders remain the same, although there have been some minor changes. The main changes will be delivered once an extensive materiality analysis of the new activities and countries is conducted, which will take place next year.



As regards the material aspects, there have been significant changes. Linked to the management of the toll roads, and the development of the connectivity (and the associated big data) of both vehicles and the infrastructure itself, the organisation has created a new business unit, Emovis, whose activity consists of developing products and services that allow connectivity potentialities to be harnessed to increase the positive effects of journeys and contribute towards the new ways mobility infrastructures operate, using an integrated approach.

The organisation may be involved in all stages of the project, or only in some, both those related to physical support, in which the involvement of suppliers is significant since no product with these characteristics is being produced, as well as those related to technological support, in which case a specific product is created, although this also involves the direct participation of suppliers. Equally important are the involvement in innovative traffic management projects and the non-intrusive classification of vehicles.

Products and services are provided in various countries, as detailed in the Integrated Annual Report, and can include all types of customers, organisations, users, and public administrations, although the value chain involved varies depending on each project. The complexity associated with the activity of Emovis will be analysed during the next financial year as part of a materiality updating process which will analyse the details of each of the various activities' value chains and the main environmental, social and governance impacts that are generated at each stage.

The toll roads in Italy, India and Spain, which are included in the scope, share an activity life cycle with the other existing toll roads, although there are some significant differences, particularly in India, when incorporating cultural factors associated with the country that differ from the situation in Spain and Italy. The lasts have a proven track record as regards the management of environmental, social and governance (ESG) impacts, which includes direct involvement in a periodic ESG accountability process by Italy, which has also implemented various certified management systems. This situation is different from that in India, where the procedures are not systematic, and therefore it is necessary to work on creating an ESG culture. As well as the mobility services activity, the two new countries will be included in the updating of the materiality analysis, which will be performed during the next financial year.

Due to the interruption of the satellite telecommunications activity as explained in the Annual Accounts of the 2017 financial year, it has been excluded from the materiality scope and the CSR Master Plan.

RELEVANT ASPECTS IN THE LIFE CYCLE AND SDG

Suppliers · Abertis · Clients

TOLL ROADS

Operation and management

- Material 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

- Material consumption
- Energy and water consumption
- Climate change and emissions
- Material 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

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CSR Master Plan

Implementation status

The strategy and outlooks for the future chapters of the 2017 IAR contain detailed information on the activities relating to the CSR Master Plan during 2017 and also track the progress as regards the objectives established in the Plan and the year's achievements.

The inclusion of content relating to the CSR Master Plan in the 2017 IAR should be noted as it increases the level of consolidation of the information and the synergies among the organisation's various strategic plans. As such the information in this annex mainly presents the breakdown of data by country for the various global indicators presented in the 2017 IAR.

The implementation of the action plans in each country and the updating of materiality constitute the main challenges for the coming financial year, together with the monitoring and formal measurement of the impact of the various projects executed. During 2017 specific action plans for each country were prepared, which included the implementation of work sessions in Brazil, Chile and Argentina.

Work must be continued to finish developing and consolidating a common monitoring system for the actions to be implemented so as to achieve the global objectives, and also to transversally incorporate the new material aspects relating to mobility services and to toll road activities in India into the CSR Plan and the related elements (materiality, life cycle, value chain, stakeholder mapping and reporting).

Furthermore, the advancement of CSR in the organisation and society in general should be highlighted, given that it is now 15 years since the publication of Abertis' first CSR report. The analysis and overview of this period continues to show how the implementation and integration of CSR in the organisation has increased in line with the development and formalisation of a way of understanding economic activity in the context of the systemic impact relationships that characterise complex systems, such as those involved in economic and social development.

This track record establishes a solid base for continuing to formalise and evaluate the environmental, social and governance achievements and integrate them with economic performance.

GRI SRS: 103-1

INTERNAL

CSR EVOLUTION	2002 - 2003	2004 - 2005	2006 - 2007
CSR AT ABERTIS	Creation of the CSR Unit and approval of the Strategic plan. Publication of the first CSRR (90% scope). Creation of the Abertis Foundation.	First CSR Policy and strategic analysis of stakeholders. First CSRR external verification exercise (94% scope). Formulation of alliances with UNGC and GRI.	First Code of Ethics and systemisation of sponsorship management. Adaptation of the CSRR to the GRI G3 guide (97% scope). Methodology and alliances with LBG.

ESG PERFORMANCE

	2002 - 2003	2004 - 2005	2006 - 2007
AREA 1 GOVERNANCE	10% Women on he Board	5% Women on he Board	5% Women on he Board
	20% Independents on the Board	21% Independents on the Board	20% Independents on the Board
AREA 2 ECO-EFFICIENCY		70 TN CO2/M€	54 TN CO2/M€
AREA 3 RELATIONSHIP WITH THE COMMUNITY			
AREA 4 SAFETY AND QUALITY	3,821 EAW	7,752 EAW	10,428 EAW

Acronym legend

ESG: Environmental, social and governance CSR: Corporate Social Responsibility CSRR: CSR Report GRI: Global Reporting Initiative UNGC: United Nations Global Compact LBG: London Benchmarking Group ED: European Directive CDP: Carbon Disclosure Project DJSI: Dow Jones Sustainability Index CR: Complaints received RCR: Resolved CR SAS: Social action and sponsorship IR: Incidence rate FR: Frequency rate SR: Severity rate TA: Traffic accidents D: Deaths in traffic accidents IF1: Accident rate IF3: Mortality rate NAP: National Action Plan CERSE: State Council on CSR WBCSD: World Business Council for Sustainable Development EABIS: European Academy of Business and Society IIRC: International Integrated Reporting Committee

*The ESG performance data published refer to the second year of the indicated period

EXTERNAL

	2002 - 2003	2004 - 2005	2006 - 2007
CSR CONTEXT	First European Commission Communication on CSR. Creation of Multi-stakeholder Forum on CSR, hosted by the EC. Birth of EABIS.	Global Compact Network Spain and the WBCSD are established. Tenth anniversary of CSR Europe.	Second European Commission Communication on CSR. White Paper on CSR in Spain is published Tenth anniversary of GRI.
ESG EVALUATIONS AND INDICES	Birth of CDP.	Fifth anniversary of the launch of DJSI and launch of the first Sustainability Yearbook (SY).	Abertis enters the DJSI and takes part in the EIRIS evaluations for different indices.

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2008 - 2009	2010 - 2011	2012 - 2013	2014 - 2015	2016 - 2017
Implementation of a technological tracking tool and ESG accountability. Approval of standards and procedures related to fraud and corruption.	Updating of the Code of Ethics and creation of a specific monitoring committee. Adaptation of the CSRR to the GRI G3.1 guide and the AOSS (94% scope).	Incorporation of ISO 26000 and performance of materiality analysis. Creation of the UNESCO Centre for Mediterranean Biosphere Reserves.	Creation of Board CRSC. Updating of the CSR Policy and Code of Ethics. Implementation of the compliance system. Adaptation of the CSRR to the ISO 26000 and the GRI G4 guide (98% scope)	Approval of the CSR Master Plan, and start of the deployment of local action plans. Publication of the Annual Integrated Report according to GRI SRS and IIRC framework (97% scope).
			CR: 108 RCR: 90.7%	CR: 211 RCR: 83.9%
5% Women on he Board	5% Women on he Board	17.6% Women on he Board	28.6% Women on he Board	40% Women on he Board
20% Independents on the Board	20% Independents on the Board	23.5% Independents on the Board	28.6% Independents on the Board	60% Independents on the Board
58 TN CO2/M€	42 TN CO2/M€	2,713.4 TN CO2/M€	4,124.9 TN CO2/M€	4,130.4 TN CO2/M€
SAS 7.5M€	SAS 6.2M€	SAS 6.5M€	SAS 5.6M€	SAS 6.3M€
10,832 EAW	10,191 EAW	15,607 EAW	14,722.7 EAW	14,096 EAW
IR 34.4 SR 0.4 FR 17.7	IR 31.9 SR 0.5 FR 16.4	IR 30.2 SR 0.4 FR 16.6	IR 35.7 SR 0.5 FR 17.1	IR 19.5 SR 0.3 FR 10.7
			TA 14,698 IF1 22.2 D 903 IF3 1.4	TA 16,066 IF1 21.3 D 1,007 IF3 1.3
		21.3% women in top management positions	22.7% women in top management positions	23.7% women in top management positions
Creation of Spanish CSR agency CERSE. AA1000AS is published. Birth of IIRC. Tenth anniversary of UNGC.	ISO 26000 is published. Third European Commission Communication on CSR. Publication of the "Protect, Respect and Remedy" Human Rights framework.	Rio + 20. First framework for Integrated Reporting. Transition to G4 and focus on materiality.	Approval of the 2030 Agenda (ODS) and the ED of non-financial information. AA1000SES is published. New Good Governance Code in Spain. COP21 and climate agreements.	Company NAP and Human Rights and Spanish CRS Strategy. Second review of the ISO 26000. Presentation of the new SRS standards in Spain at the 20th anniversary of GRI.
First participation for Abertis in the CDP, continuation in the DJSI and inclusion in the SY (Gold)	Distinction in the CDP, continuation in the DJSI and inclusion in the SY (Bronze). Increase of ESG analysis and requests from different stakeholders.	Participation in new evaluations such as Corporate Knights, Trucost and Sustainalytics and return to the DJSI.	Inclusion of Abertis in new ESG indices such as the MSCI and STOXX families and continuation in the DJSI.	Inclusion and continuation for the first consecutive year in the FTSE4Good index. B rating following inclusion in the A list by CDP.

GRI SRS: 103-1

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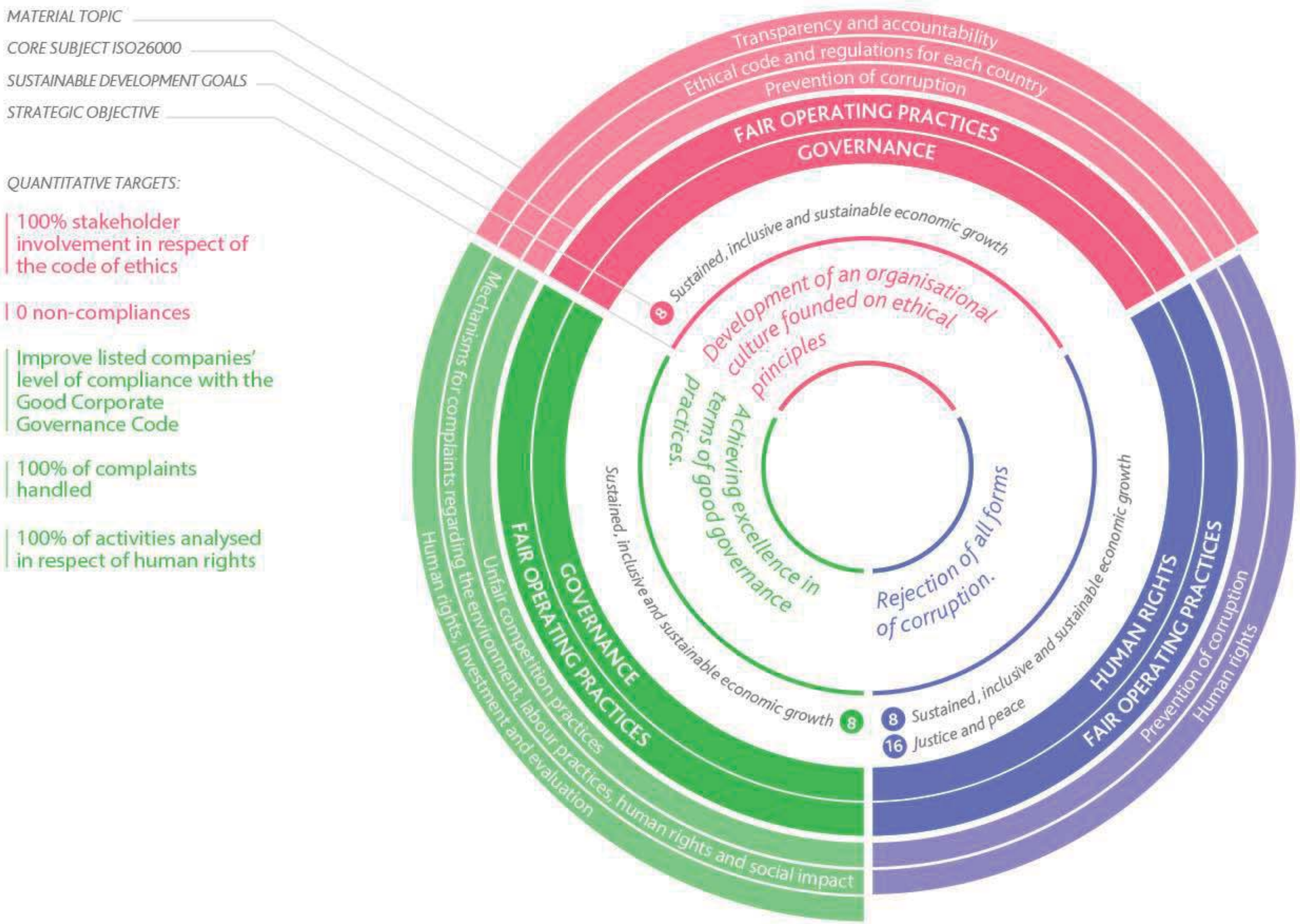
GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY



QUANTITATIVE TARGETS:

- 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

Area 1: Good governance, Transparency and Accountability

Organisational culture

The Compliance and Risk Management chapter of the 2017 IAR contains detailed information on the systems and procedures relating to the development of an organisational culture based on ethical principles.

During 2017 a total of 211 complaints relating to the code of ethics were received, 83.9% of which were resolved, a higher percentage than the previous year. Of the complaints that were pending resolution in 2016, 49, 85.7% were resolved.

Furthermore, 68.9% of the complaints resolved were dismissed, a lower percentage in relation to the previous year. Of the remainder, 68 cases in total, 19.6% were resolved through warnings, 6.8% through dismissals and 4.6% via other disciplinary measures. The number of total non-compliances increased in relation to the previous year, although some of those non-compliances are attributable to the 2016 financial year, thus having an impact on the variation of data.

Rejection of all forms of corruption

The corruption prevention policy of the Abertis Group applies to all its stakeholders, therefore it is extensive and available to the same, both actively and passively. Raising awareness and training with regards to preventing corruption within the Abertis Group is key and must endure systematically and recurrently in the actions and interrelations of the Group with its stakeholders.

Actively, specific training sessions and awareness campaigns have been held in terms of preventing corruption in all countries, except for Italy and India, including members of the executive team and the different governance bodies of the Abertis Group.

Excellence in good governance

The corporate governance chapter of the 2017 IAR includes information about the organisation’s governance bodies and the main actions of the year.

The number of recommendations of the Code of good governance that were fulfilled slightly increased, and the percentage of independent advice reached 60% in 2017. In addition, the presence of women on the Board remained constant (40%) and best practices in other areas continued, as detailed in the Annual Corporate Governance report and the Annual report of payroll of members of the Board for the financial year.

The existing complaint mechanisms continued to be active and as detailed in the 2017 IAR and in this annex, the different complaints were dealt with in their entirety. It is necessary to continue working on training and raising awareness about the incorporation of Human Rights aspects in the due diligence processes in compliance with that established in the CSR Master Plan.

GRI SRS: 103-3, 205-2, 412-1, 412-2

ECO-EFFICIENCY

MATERIAL TOPIC

CORE SUBJECT ISO26000

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- Reduction in category 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 (60% 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

GRI SRS: 103-2

Area 2: Eco-efficiency

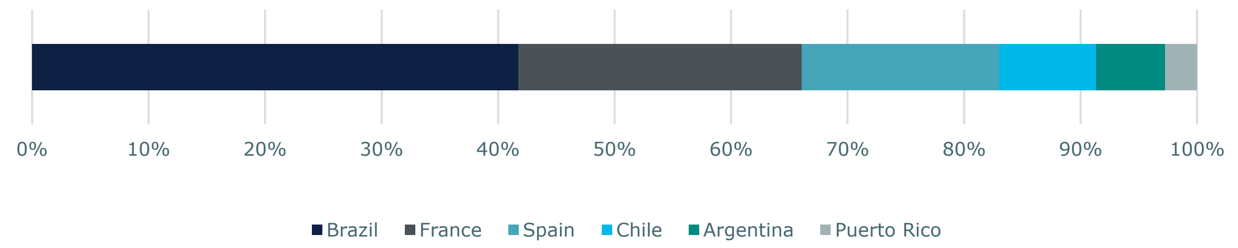
The Contribution to the Environment section of the 2017 IAR contains details on the management approach and the main actions implemented as regards material environmental matters for the organisation's activity.

Reduction of the carbon footprint

Total CO_2 emissions for 2017 amounted to 21.3 million tonnes, which is 25.4% more in absolute values and 0.15% more in values relative to turnover compared to 2015, and 22% more in absolute values and 5.6% in values relative to turnover in relation to last year.

The bulk of the emissions relate to the emissions generated by the vehicles that use the toll roadswhich, together with the remaining categories of scope 3, amount to 99.4% of the total emissions of the organisation's activity. As regards scopes 1 and 2 – direct and indirect emissions from electricity – these have increased by 16.6% in absolute values and have decreased by 12.4% in values relative to the turnover when compared to 2015.

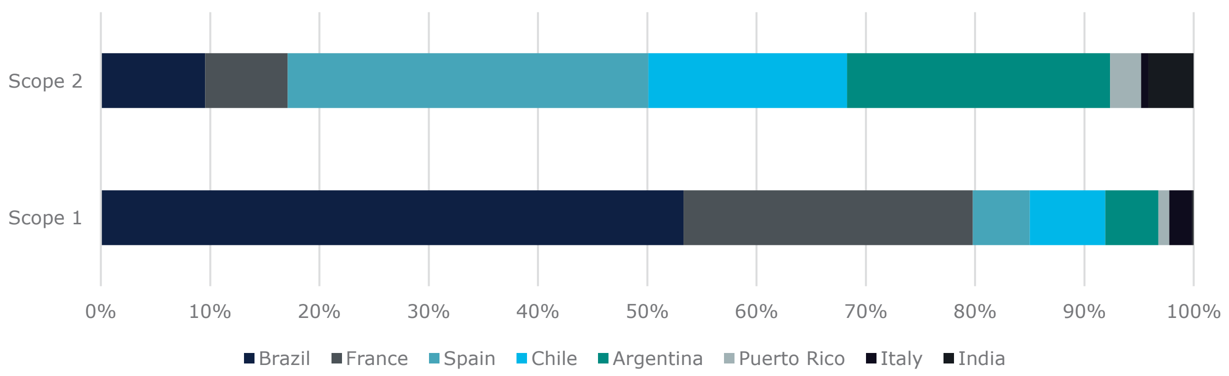
Percentage breakdown of total CO_2 emissions in 2017 by country



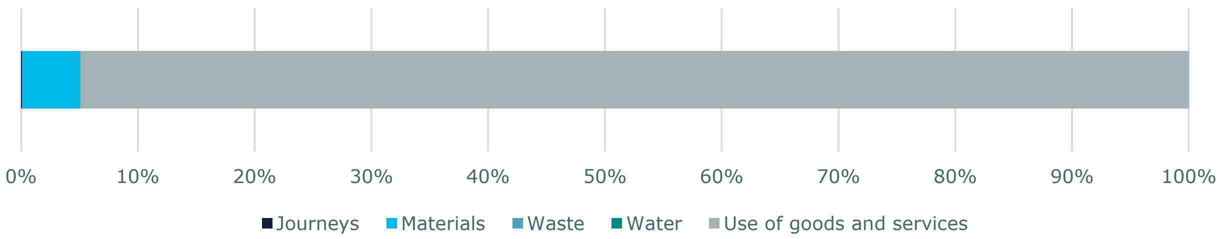
CO_{2e} emissions generated by country (tonnes)

	Scope 1	Scope 2	Scope 3	Total
Brazil	38,685.2	5,377.8	7,360,718.9	7,404,782.0
France	19,200.6	4,256.2	4,388,338.6	4,411,795.4
Spain	3,787.7	18,573.5	3,665,545.2	3,687,906.4
Chile	5,000.3	10,250.7	1,775,150.4	1,790,401.3
Argentina	3,531.0	13,553.0	1,750,954.9	1,768,039.0
Puerto Rico	737.3	1,596.8	428,017.5	430,351.6
Italy	1,529.6	373.6	1,475,147.3	1,477,050.5
India	81.9	2,335.7	356,236.4	358,654.0
Total	**72,553.7**	**56,317.3**	**21,200,109.2**	**21,328,980.3**

Percentage breakdown for Scope 1 and 2 CO_2 emissions by country



Percentage breakdown for Scope 3 emissions by emission source



The emissions from electrical energy consumption decreased by 1.3% in absolute values in relation to the previous year, which is a significant improvement due to the impact of the incorporation of India in the scope of the information whose electrical mix is more polluting than that seen in the rest of the countries included. This reduction was compensated by the increase in direct scope 1 emissions mainly due to the inclusion of information relating to the charging of refrigerant gases whose incidence is significant on the footprint (representing 7.7% of CO_2 emissions for scope 1).

Furthermore, for scope 3, the emissions of all the vehicles driving on toll roads (including those that do not have a direct economic impact on the same) were incorporated, thus completing the scope of this category, which led to a direct increase in emissions of this category by 23.3% in relation to the previous financial year. Similarly, the increased consumption of materials and generation of waste linked to the major works carried out during the year has contributed to the total increase in the organisation's indirect emissions related to scope 3.

Trend in total emissions – Tonnes of CO_{2e}

	2015	2016	2017	Variation with respect to 2016
Scopes 1 and 2	109,977.5	115,846.6	128,871.0	11.2%
Scope 3	16,917,544.1	17,372,534.1	21,200,712.4	22.0%
Total	**17,027,521.6**	**17,488,380.6**	**21,328,980.3**	**22.0%**

Trend in Scope 1 and 2 emissions– Tonnes of CO_{2e} in relation to the activity

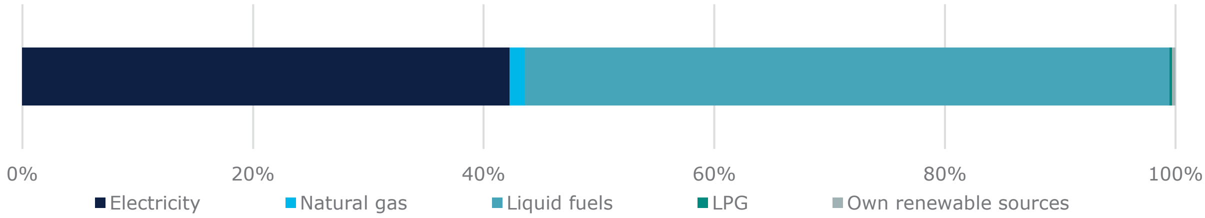
	2015	2016	2017	Variation with respect to 2016
Toll Roads (Tn/ADT)	5.00	5.10	5.26	3.2%

Trend in total emissions – Tonnes of CO_{2e} per million euros of turnover

	2015	2016	2017	Variation with respect to 2016
Scopes 1 and 2	28.4	28.5	25.0	-12.4%
Scope 3	4,097.7	3,884.0	4,105.6	5.7%
Total	**4,124.3**	**3,909.9**	**4,130.4**	**5.6%**

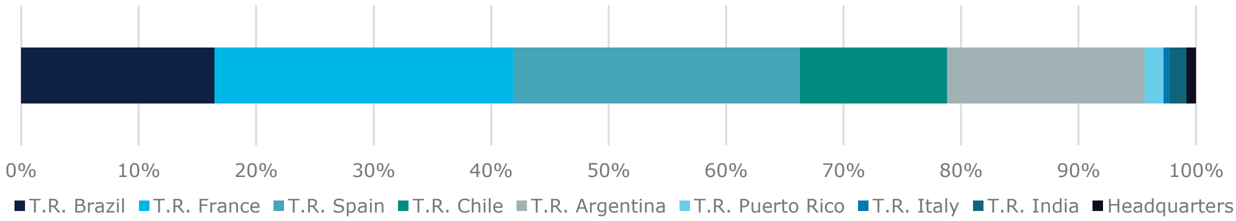
Scope 1 includes natural gas, liquid fuel and LPG consumption from both the fleet of own vehicles and the generator equipment, and scope 2 relates to electricity consumed. Own renewable sources relate mainly to the generation of electricity by toll roads in Spain and France.

Percentage breakdown of energy consumption in 2017 by source (MWh)



The main source of energy consumption is liquid fuel which represents 56.1% of energy consumption of the entire organisation in 2017. Liquid fuel consumption increased by 29.9% in relation to the previous year, while LGP consumption decreased by 87.6% totaling 1,107.8 MWh. The organisation's total energy consumption increased by 12.5% in relation to 2015, amounting to 482,304 MWh.

Percentage breakdown of electrical consumption in 2017 by country (MWh)[i]



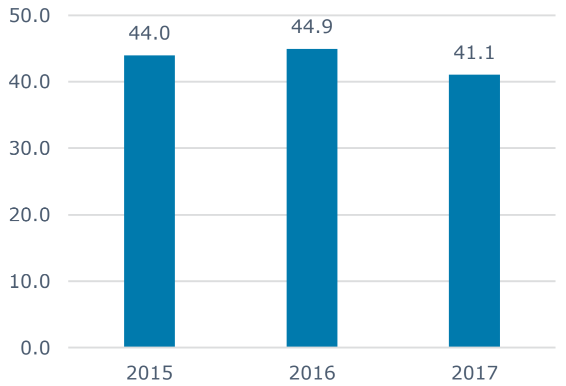
Electrical consumption by country (MWh)

	2015	2016	2017	Variation with respect to 2016
Brazil	33,225	33,590	33,611	0.1%
France	47,319	54,921	51,905	-5.5%
Spain	44,731	44,700	51,593	11.9%
Chile	16,323	26,145	25,499	-2.5%
Argentina	33,335	35,400	34,399	-2.8%
Puerto Rico	6,640	6,130	3,286	-46.4%
Italy	---	---	1,129	---
India	---	---	2,873	---
Total	**181,573**	**200,886**	**204,294**	**1.7%**

Electrical consumption by country in relation to activity (MWh/ADT)

	2015	2016	2017	Variation with respect to 2016
Brazil	1.83	1.90	1.84	-3.1%
France	1.97	2.24	2.09	-6.9%
Spain	2.32	2.22	2.39	7.7%
Chile	0.85	1.01	0.95	-6.2%
Argentina	0.40	0.42	0.42	-1.2%
Puerto Rico	0.10	0.09	0.05	-44.8%
Italy	---	---	0.02	---
India	---	---	0.15	----
Total	**8.26**	**8.84**	**8.38**	**-5.2%**

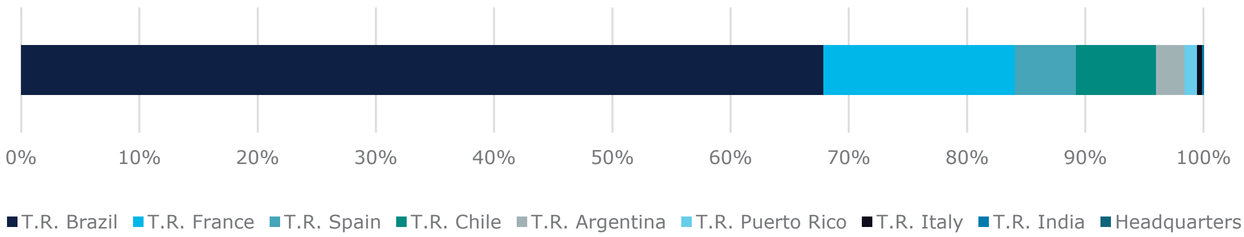
Trend in electrical consumption in relation to turnover (MWh per million euros of turnover)



Electricity consumption decreased in almost all countries, therefore the total volume remained constant (the increased scope of the information from both Italy and India, and the central headquarters is of note).

Although the reductions are due to the implementation of energy efficiency measures, in Puerto Rico there was an interruption in electricity supplies due to Hurricane Maria, which had a direct impact on the consumption of electricity and liquid fuel of the generator equipment for the country's activities. Globally, electricity consumption in terms relative to turnover varied positively in relation to the previous year (-8.5%).

Percentage breakdown of liquid fuel consumption in 2017 by activity and country (litres)



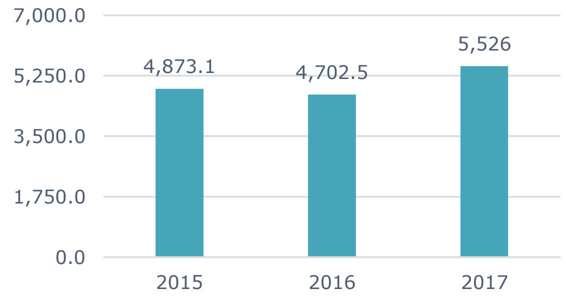
Liquid fuel consumption by country (litres)

	2015	2016	2017	Variation with respect to 2016
Brazil	12,283,627	12,610,533	18,636,824	47.8%
France	4,788,497	4,558,556	4,465,507	-2.0%
Spain	1,786,090	1,361,687	1,417,518	4.1%
Chile	1,707,719	1,650,682	1,869,449	13.3%
Argentina	1,059,405	683,194	653,267	-4.4%
Puerto Rico	171,376	168,827	291,892	72.9%
Italy	---	---	116,844	---
India	---	---	30,630	---
Total	**21,796,714**	**21,033,479**	**27,481,931**	**30.7%**

Liquid fuel consumption by country in relation to activity (l/ADT)

	2015	2016	2017	Variation with respect to 2016
Brazil	675.4	713.2	1,020.9	43.1%
France	199.3	186.3	179.8	-3.5%
Spain	89.8	67.2	67.9	0.2%
Chile	88.7	64.0	69.7	8.9%
Argentina	12.6	8.1	7.9	-2.8%
Puerto Rico	2.6	2.5	4.5	78.0%
Italy	---	---	1.8	---
India	---	---	1.6	---
Total	**989.1**	**925.5**	**1,127.8**	**21.8%**

Trend in liquid fuel consumption in relation to turnover (litres per million euros of turnover)



The average consumption of fuel for every million euros of turnover increased by 17.5% in relation to the previous year mainly due to the increase of consumption in Brazil and Chile, linked to investments for infrastructure improvements. The substitution of electricity consumption for liquid fuels in Puerto Rico also had an impact on the global data.

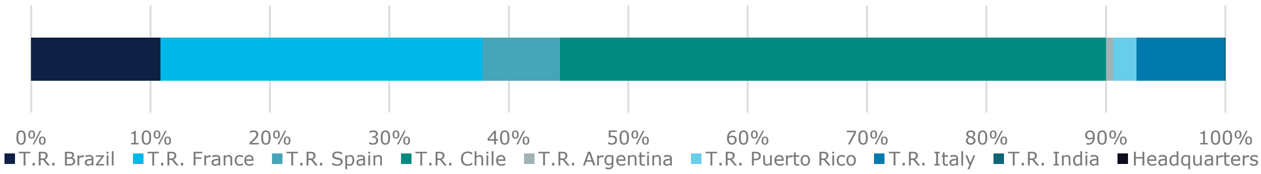
The fleet of vehicles, consisting of a total of 3,216 vehicles of which 63.2% are cars and trucks, slightly varied in relation to the previous year (-6.9%) due to the reduction in the number of own fleet vehicles in Brazil.

Furthermore, the consumption of natural gas remained practically constant, with a certain increase due to the inclusion in the scope of the information from Italy and reduced consumption in France.

Natural gas consumption by country (kWh)[ii]

	2015	2016	2017	Variation with respect to 2016
France	6,127,848	6,161,326	5,447,718	-11.6%
Spain			64,412	---
Argentina	123,398	32	50	54.2%
Italy			875,372	---
Total	**6,251,246**	**6,161,358**	**6,387,552**	**3.7%**

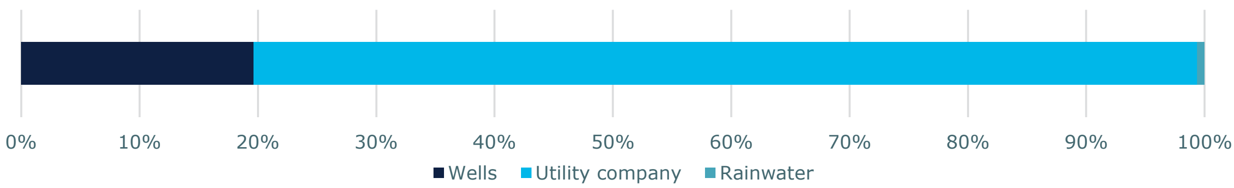
Percentage breakdown of water consumption in 2017 by country (m^3)[iii]



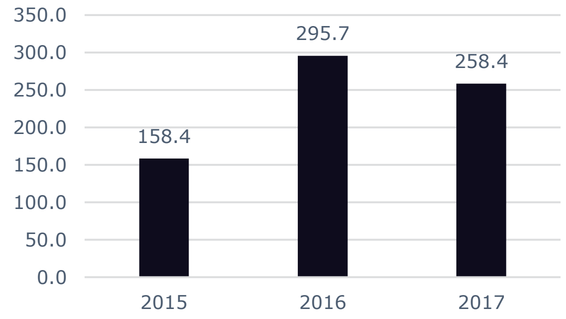
Water consumption by country (m^3)

	2015	2016	2017	Variation with respect to 2016
Brazil	127,276	137,391	139,320	1.4%
France	367,190	303,414	346,474	14.2%
Spain	80,452	74,430	83,677	12.3%
Chile	41,678	748,704	587,526	-21.5%
Argentina	16,145	18,589	7,680	-58.7%
Puerto Rico	21,086	40,070	24,982	-37.7%
Italy			95,285	
India			142	
Total	**653,899**	**1,322,664**	**1,285,086**	**-2.8%**

Percentage breakdown of 2017 water consumption by source (m^3)



Trend in water consumption in relation to turnover (m^3 per million euros of turnover)



19.7% of water consumed comes from wells, a percentage slightly higher than that of the previous year due to the increased scope of the information showing Italy's high consumption of water from wells.

The total water consumption significantly decreased both in absolute terms and relative to turnover, due to the change of data from Chile. The relevance of this consumption for the activity of one of the toll roads in Chile has given rise to the implementation of tools for its reduction, which led to a clear improvement of consumption in relation to the previous year.

The carbon footprint calculation methodology that was updated during the previous year for the vehicles that use the toll roads has been consolidated this year. However, it will be shared among all the countries for the purpose of agreeing a common methodology that allows improvements to the vehicle fleet to be identified and which impacts on the emissions generated, at the same time as developing the technological developments described in the Safe and Innovative Infrastructures chapter of the 2017 IAR.

The toll roads in Spain have an advanced energy management system that involves the existence of a committee and explicit monitoring of consumption, as well a formal plan to reduce consumption and improve energy efficiency. The extension of these practices to the other countries as part of the implementation of the specific CSR action plans should be evaluated.

Innovation based on circular economy criteria

The bulk of the material consumption relates to construction and maintenance work of the infrastructure, both direct and indirect, and the majority of these materials are non-renewable. 12.7% of the materials consumed during 2017 were of recycled material, a higher percentage than that of the previous year, which needs to increase in order to achieve the objective established in the CSR Master Plan.

Consumption of total materials by country (tonnes)[iv]

	Granules	Asphalt aggregate	Concrete	Metal	Paints	Salt
Brazil	328,533	509,578	108,991	230,033	25,843	0
France	1,003,876	1,085,121	119,277	3,955	446	41,100
Spain	4,849	170,126	5,672	1,404	1,282	19,743
Chile	136,510	80,953	12,829	1,036	245	0
Argentina	38,232	42,573	23,388	358	210	0
Puerto Rico	656	2,849	1,129	178	15	0
Italy	0	129,010	0	785	1,330	6,121
Total	**1,512,657**	**2,020,210**	**271,285**	**237,750**	**29,372**	**66,964**

In addition to those materials, 417.8 tonnes of paper, 840.9 tonnes of de-icing fluid and 148,064 tonnes of topsoil were consumed. Globally, the annual consumption of materials increased in relation to previous years, due to the type and intensity of the work carried out during the period in different countries, particularly in France and Brazil. The specificity of tasks directly impact consumption, as has happened with the changes in the consumption of metal and paint linked to specific maintenance actions in Brazil.

Trend in consumption of total materials (tonnes)

	2015	2016	2017	Variation with respect to 2016
Granules	2,256,084	1,253,188	1,512,657	20.7%
Asphalt aggregate	1,874,874	3,844,109	2,020,210	-47.4%
Concrete	505,593	291,649	271,285	-7.0%
Metal	42,432	23,514	237,750	911.1%
Paint	5,097	14,159	29,372	107.4%
Salt	50,538	41,672	66,964	60.7%

Similarly, the most significant amount of waste generated by the organisation's activity is that linked to construction. 77.7% of the total non-hazardous waste relates to this category. The recovery objective is ambitious, so it is necessary to analyse the existing opportunities and potential alliances with other stakeholders to develop formal circles for the recovery of waste and its reuse as material. Throughout 2017, a total of 56,240.7 tonnes of that waste was recuperated in Spain and Puerto Rico.

Waste generated (tonnes)[v]

	2015		2016		2017	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Brazil	9,561.2	299.3	26,520.1	271.2	7,243.1	90.9
France	89,916.3	663.8	74,665.5	1,531.9	250,000.8	628.1
Spain	110,663.7	229.4	112,071.2	189.0	57,761.2	187.6
Chile	2,049.4	210.6	8,574.9	11.2	19,503.3	7.8
Argentina	1,665.2	11.8	2,028.3	5.7	2,010.0	5.5
Puerto Rico	20,825.9	1.8	9,899.1	6.2	6,713.9	0
Italy	---	---	---	---	1,881.6	11.9
India	---	---	---	---	0	0
Total	**234,681.8**	**1,416.8**	**233,759.1**	**2,015.2**	**345,113.6**	**931.8**

Total non-hazardous waste generated and treated by type

	Tonnes generated	Percentage treated
Tyres and scrap rubber	1,082.1	80.9%
Concrete mix, bricks, etc.	52,232.7	99.9%
Mixed metals (scrap)	1,217.2	19.2%
Construction and demolition waste	268,312.4	92.9%
Scrap (air conditioners, extinguishers)	1,951.3	98.8%
Garden waste	2,746.1	76.1%
Domestic waste (rubbish)	11,748.1	83.2%
Sludge from biological treatment plants (septic tank sludge)	2,603.9	74.3%
Other	3,220.1	96.1%
Total	**345,114**	**93.1%**

Waste management legislation affects the possibilities of recovering certain construction waste due to its pollution load. Similarly, it is important to work with the waste managers as intermediaries with respect to the waste recovery mentioned.

As regards hazardous waste, wet sludge continues to be the most significant category (49.7% of the total hazardous waste generated), and relates to the treatment of the wastewater from the activity. For the most part, this is similar to domestic wastewater, although in some cases it requires specific treatment before being discharged due to the pollution load. During the year, the toll roads in Brazil, Argentina and Spain generated a total of 235,285.8 cubic metres of wastewater, which was duly treated before being discharged. Furthermore, 35,013.55 litres of hazardous substances were spilled as a result of accidents on the roads in Brazil and Spain, which were managed as hazardous waste by authorised waste managers.

The treatment methods vary depending on the type of waste and the authorised waste manager in charge of the process, within the context of the legislation in force as regards this matter in each country. 93.1% of non-hazardous waste and 93.2% of hazardous waste were treated.

Total hazardous waste generated and treated by type

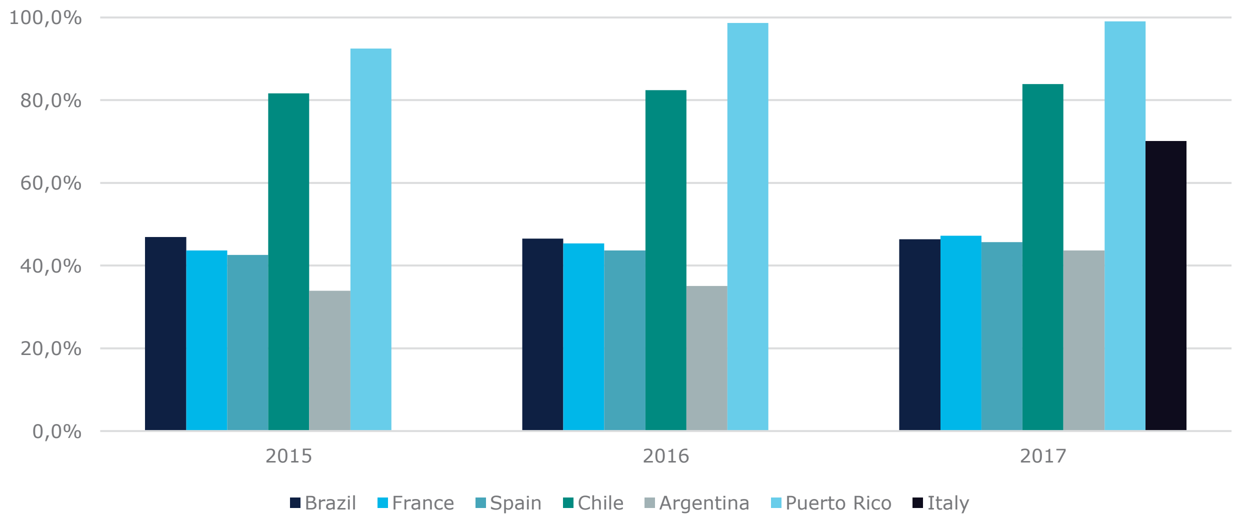
	Tonnes generated	Percentage treated
Used oil	19.2	100%
Contaminated metallic and plastic packaging	25.8	16.5%
Absorbents, Sepiolite (contaminated rags)	15.1	68.2%
Waste containing hydrocarbons	125.4	96.8%
Land contaminated with diesel fuel	63.1	62.9%
Common wet sludge	462.8	100%
Other	220.4	95.7%
Total	**931.8**	**93.2%**

Development of products and services

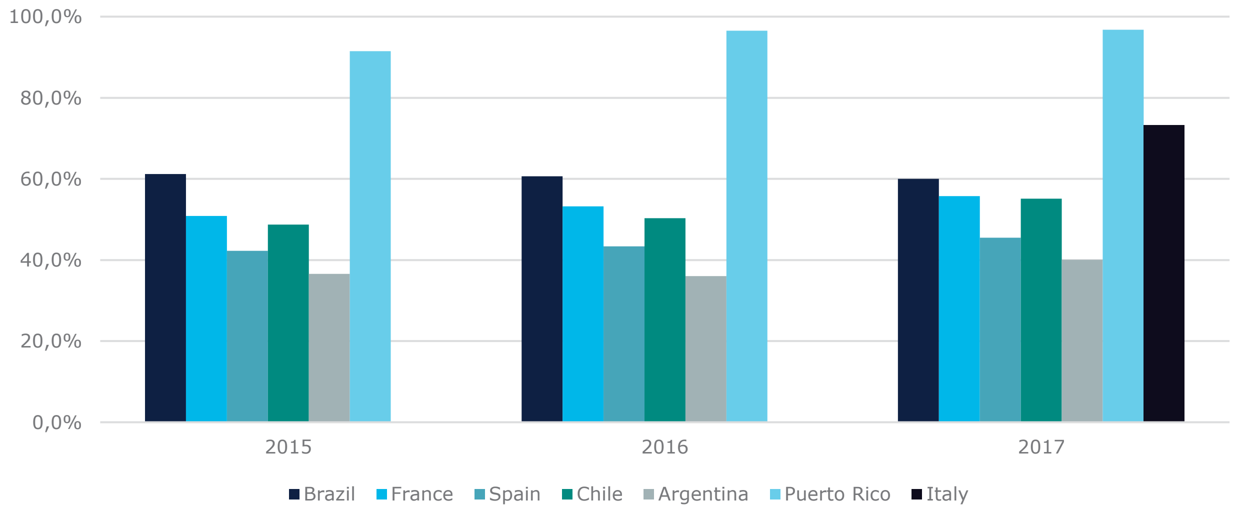
The strategic Road Tech programme described in the 2017 IAR contains details on the activities developed as regards products and services with positive environmental, social and governance impacts, among which the adaptation of infrastructures to encourage the use of electric and autonomous vehicles stands out.

Other activities such as the promotion and use of electronic tolls have positive environmental impacts as they reduce the total emissions that result from stopping and restarting vehicles. The total percentage of electronic toll use increased in 2017, both in terms of transactions (62.9%) and in terms of income (55.2%).

Percentage of electronic toll use (percentage of transactions)



Percentage of electronic toll use (percentage of income)



Collaboration with suppliers is crucial when it comes to developing products and services with positive social and environmental impacts. The section on suppliers in the 2017 IAR describes the policies and procedures relating to supplier involvement in the management of the organisation's material environmental, social and governance impacts.

In addition to the evaluation and approval of suppliers, the inclusion of specific clauses relating to environmental, social and governance matters makes it possible to include these variables in the assessment and execution of the projects. All the tender processes included this type of clauses.

INTEGRATING INTO THE COMMUNITY

QUANTITATIVE TARGETS:

- 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 motorways
- Identify services provided by ecosystems regarding noise
- Identify and contribute to the preservation of natural species in areas around motorways
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

Area 3: Integrating into the community

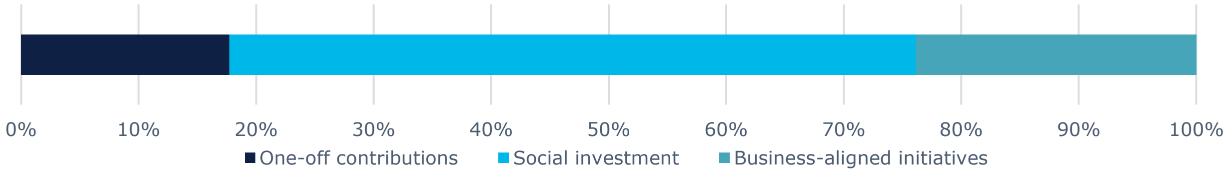
Positive synergies with the local community

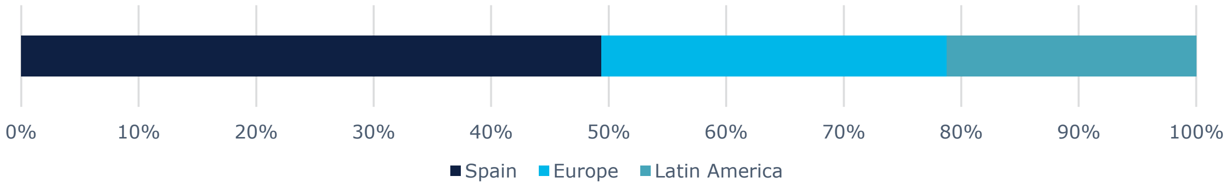
The Community chapter of the 2017 IAR presents the year's main activities as regards local community relations and social action and sponsorships, together with information on acquisition practices.

Involvement with local community associations has remained constant in relation to the previous year since new data for the subsidiaries in India and Italy is not available.

The total contribution to social action projects and sponsorships for the financial year was 6.3 million euros, (7.3 million including management costs), 6.3% higher than that of the previous year. Furthermore, the total number of projects stands at 315 initiatives, a shift which is also aligned with the quantitative objective of the CSR Master Plan. Therefore, we must work on conserving this trend and formalise the measurement of the impact of investments, both for society and for the organisation.

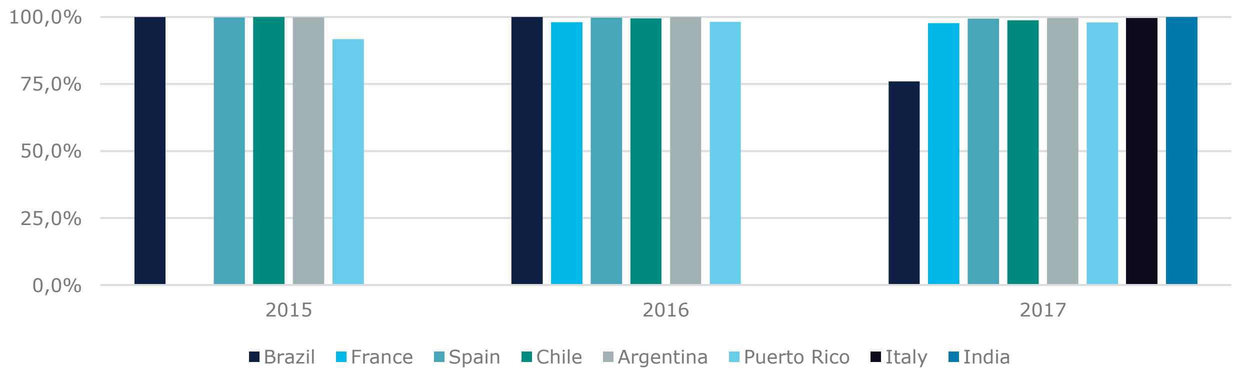
Percentage breakdown of contributions in 2017 by motivation and geographic setting





The local supplier purchasing volume remains high, although it has decreased in relation to the previous year, amounting to 90.9% of the total purchases made. This variation is mainly due to the increased scope of the information and the reduced percentage in Brazil.

Percentage of local purchases



All complaints from the local community were addressed, and were mainly received through the customer care channels and the code of ethics reporting channel.

The Red Viva programme in Chile should also be noted as regards local community relations and stakeholder engagement, as should the development of formal complaint mechanisms. The development of infrastructure projects in Chile requires a social licence to operate, connected to both the relationship with public administrations and the relationship with the communities established in the territories where the work is performed. This licence requires the stakeholders' participation in and approval of the various infrastructure projects. Therefore, before developing new intervention proposals, formal mapping of the stakeholders connected to the territory and the local community is performed, in which their expectations and needs are identified, so that they can be incorporated into both the design and the execution of the work associated with the development of the infrastructures.

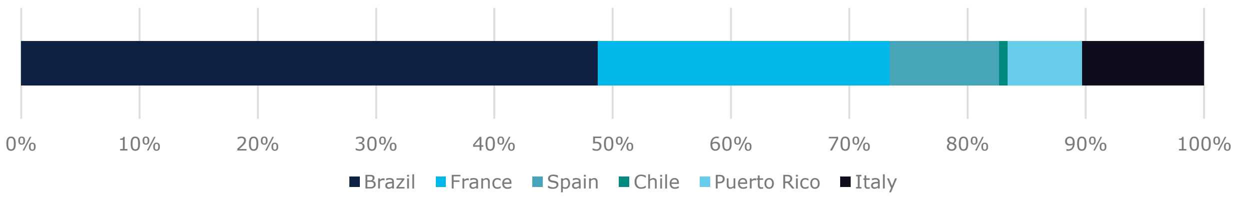
The methodology used includes four stages starting with early insertion, which involves social characterisation and involvement in the territory, followed by a socialisation stage that involves a consultation process and an environmental assessment, followed by a scouting stage and the formalisation of agreements. During these three stages, the Red Viva programme coordinates the territory liaison activities, thereby formalising a systematic procedure for direct relationships with the local community and the generation of positive social impacts from the activity. Once the work is completed and the new infrastructure is implemented, the Red Viva programme will maintain the relationships established in the initial stages.

Fostering and preserving natural capital

The Community chapter of the 2017 IAR contains information on the activities relating to the conservation of diversity around toll roads and the increase in natural capital.

Most of the 1,418.3 kilometres that affect protected areas are concentrated in France, Brazil and Spain. The variation of the data in relation to the previous year is due, on the one hand, to the increased scope of the information, as the inclusion of Túnels in Spain has added a significant protected space; and on the other hand, to the change in value, since an error was detected in the units used in previous years when calculating the area involved, which in 2017 amounted to 6,144.8 hectares.

Percentage breakdown of kilometres affecting protected areas



These spaces are inhabited by protected animal species included in international lists such as those promoted by the IUCN. Among the actions taken for their preservation, notable examples are fauna crossings and the installation of fencing to prevent them from being run over, as well as the awareness campaigns concerning domestic animals. During 2017, a total of 16,713 animals were run over, mainly concentrated in Brazil, Spain and Argentina.

Similarly, the compensatory planting of 127,500 plant species was carried out, mainly in Brazil, and air quality measurements were also taken in Argentina to ensure compliance with the legally established limits. In this regard, and linked to the monitoring of the air quality, the polluting emission values from the organisation's activity were estimated for the first time using its carbon footprint. The values shown below relate to scope 1 emissions linked to both facilities and transport and do not currently include scope 3, which relate to emissions from the vehicles that use the toll roads.

Polluting emissions 2017

	VOC Combustion	NMVOC Combustion	CH_4	NO_x	NO	NO_2
Tonnes	35.4	33.8	2.5	318.4	260.7	51.1
	N_2O	NH_3	PM 2.5	PM10	PM Combustion	SO_x
Tonnes	1.1	1.6	17.3	19.2	14.8	0.5

Related to the acoustic impact, specific studies have been conducted and reforestation has been evaluated as a means of reducing said impact, although these actions should be reinforced across all areas in accordance with the objectives of the CSR Master Plan.

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SAFETY AND QUALITY

MATERIAL TOPIC
CORE SUBJECT ISO26000
SUSTAINABLE DEVELOPMENT GOALS
STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- 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

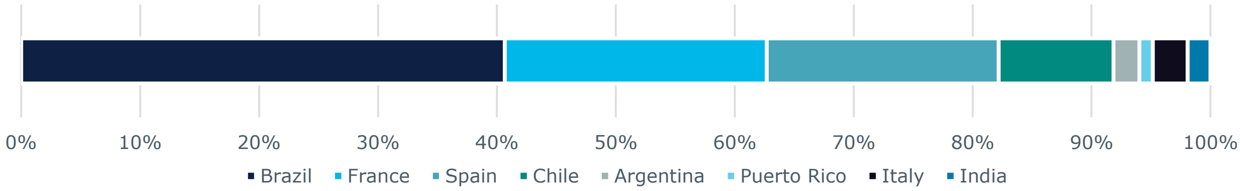
- 0 accidents (direct or indirect)
- Improved talent retention practices
- Increase in the average number of training hours provided
- Analyse and improve job satisfaction
- Achieve gender balance in all professional categories
- Ensure equal pay throughout the entire organisation
- Ensure non-discrimination 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

Area 4: Safety and quality

Ensuring and promoting road safety

The strategic Road Safety programme described in the 2017 IAR presents detailed information on the management approach and the actions taken during the financial year to achieve the established road safety objectives.

Distribution of kilometres by country



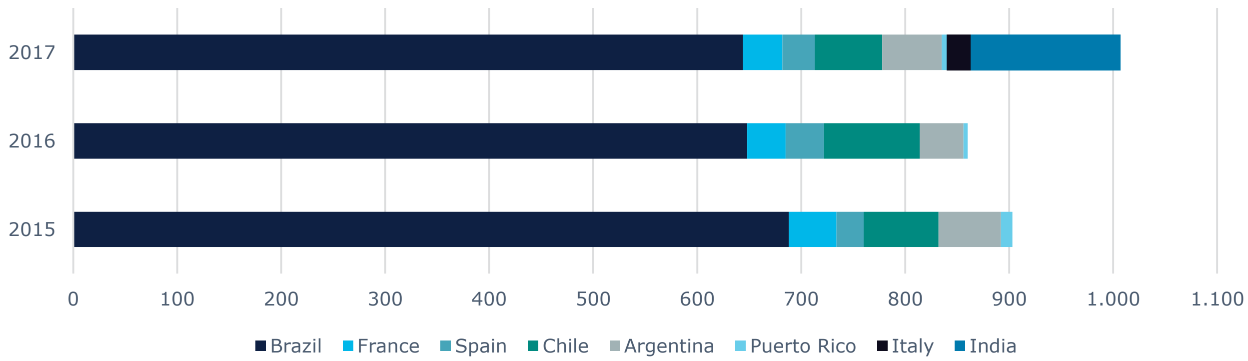
The number of kilometres of infrastructures and the activity of said infrastructures (measured in terms of ADT) enable a contextualised analysis of the data presented, data which is used to calculate the accident and mortality rates by country.

The total number of accidents for the year 2017 was 16,066, which represents an increase of 10.5% in relation to the previous year, mainly due to the inclusion of statistics from Italy and India and an increase in those from Chile, France and Spain. The breakdown of the number of deceased persons was parallel to that of accidents, except that globally the number of deceased persons decreased, although the increase in the total data in affected by the incidence of Italy and India.

Total number of road accidents[vi]

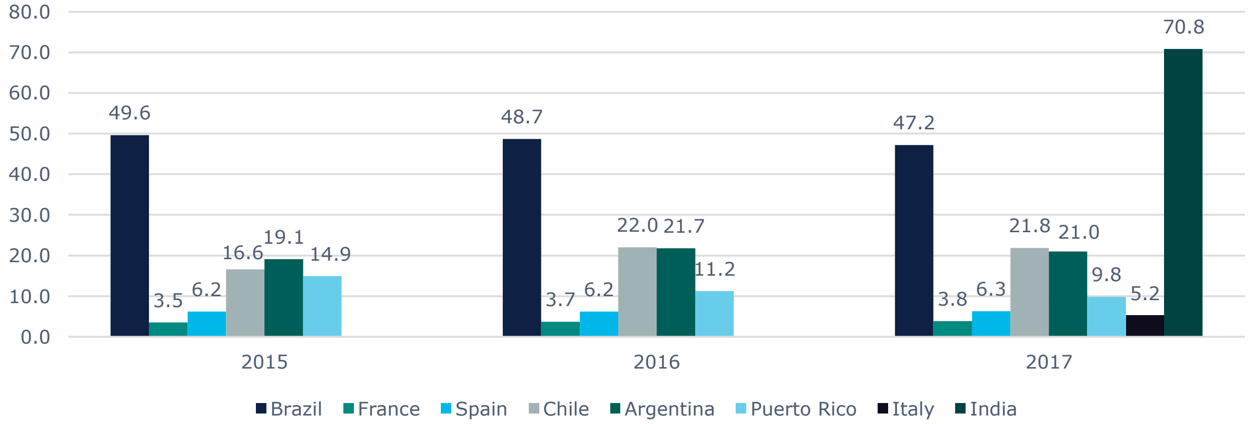
	2015	2016	2017	Variation with respect to 2016
Brazil	10,534	10,084	10,058	-0.3%
France	544	586	615	4.9%
Spain	798	850	890	4.7%
Chile	1,129	1,590	1,639	3.1%
Argentina	1,370	1,528	1,583	3.6%
Puerto Rico	323	270	220	-18.5%
Italy	---	---	291	---
India	---	---	770	---
Total	**14,698**	**14,908**	**16,066**	**7.8%**

Trend in the number of fatalities in traffic accidents

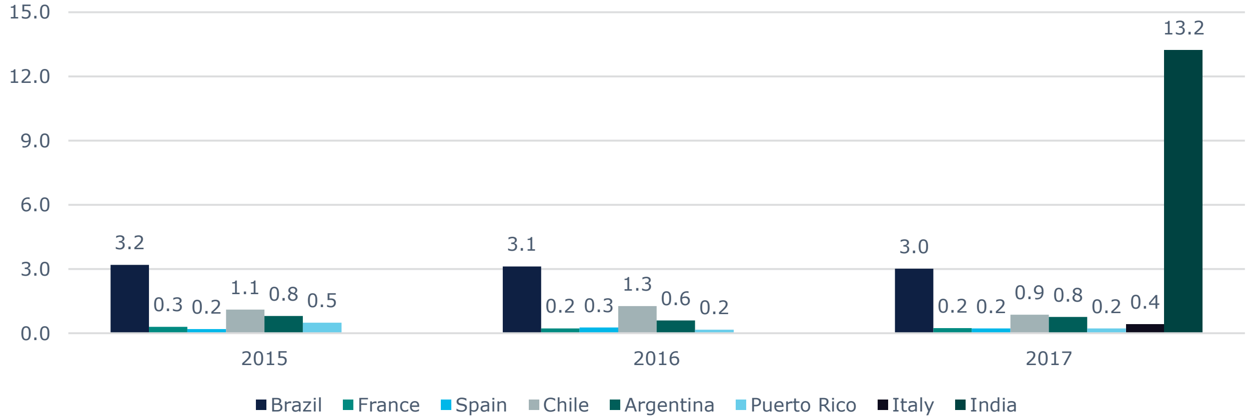


The number of fatalities has decreased in all countries, although the global data has remained constant due to the increased scope of the information. The high number of fatalities in India in relation to the number of accidents caused (similar to those in France or Spain) has a direct influence on the overall mortality rate.

Trend in the accident rate by country[vii]



Trend in the mortality rate by country

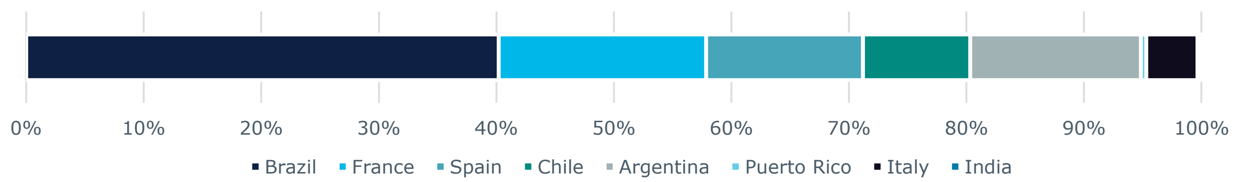


Ensuring workplace health and safety

The Human Team chapter of the 2017 IAR contains detailed information on the actions implemented and the occupational health and safety management approaches.

The total number of employees was 15,099 at 31 December (15,045 employees in terms of average equivalent workforce). This workforce adjusted to the scope of the non-financial information includes 94% of the workforce at 31 December and 92.9% of the average equivalent workforce.

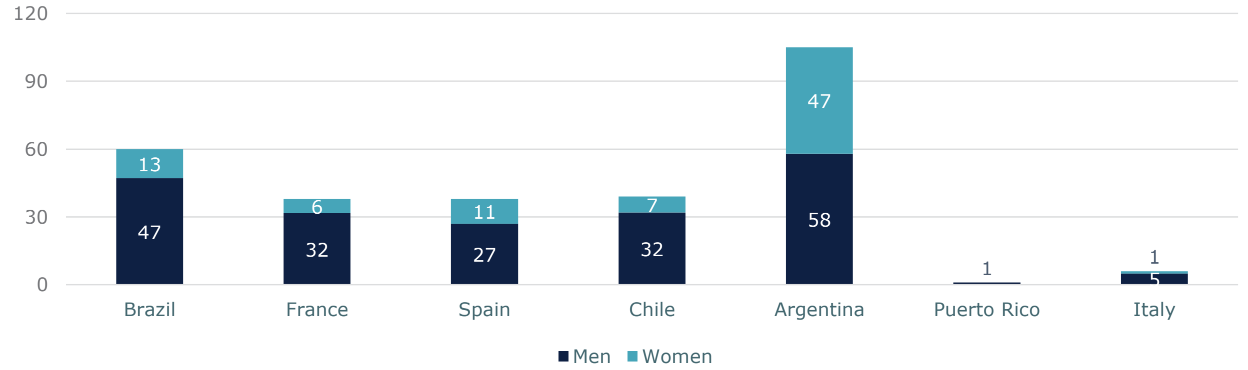
Equivalent average workforce by country



The total number of accidents significantly decreased, by 32.5% in relation to the previous year, amounting to 287 accidents, 70.3% of which took place among men.

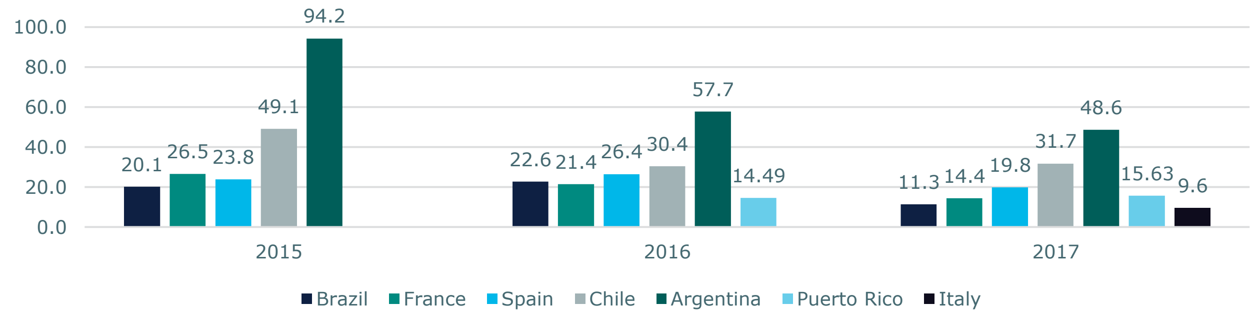
The change occured in both men and women, being higher in women (-41.5%), and was due to improvements in Brazil, France, Chile and Argentina. The impact of new incorporations was low due to the reduced level of accidents in Italy and the unavailabliity of information in India.

Number of accidents in 2017 by gender and country[viii]

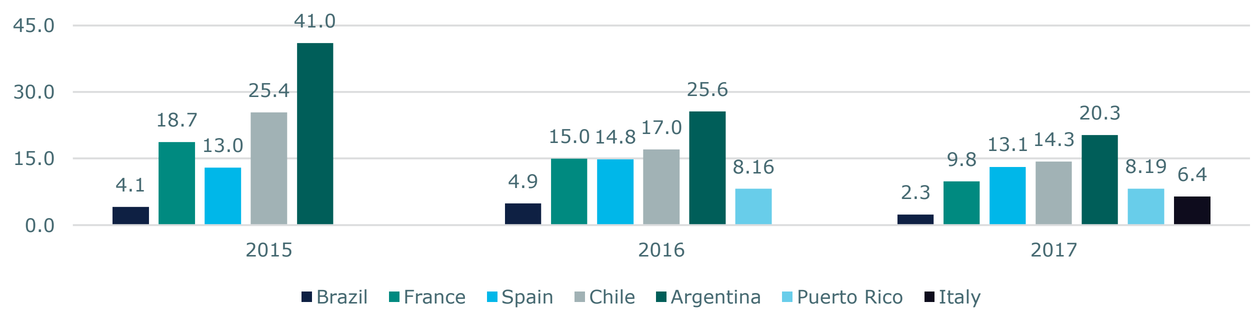


The main reasons for the accidents include: falls on the same level, bruises, reckless behaviour by road users, insect bites, collisions with moving objects and assaults.

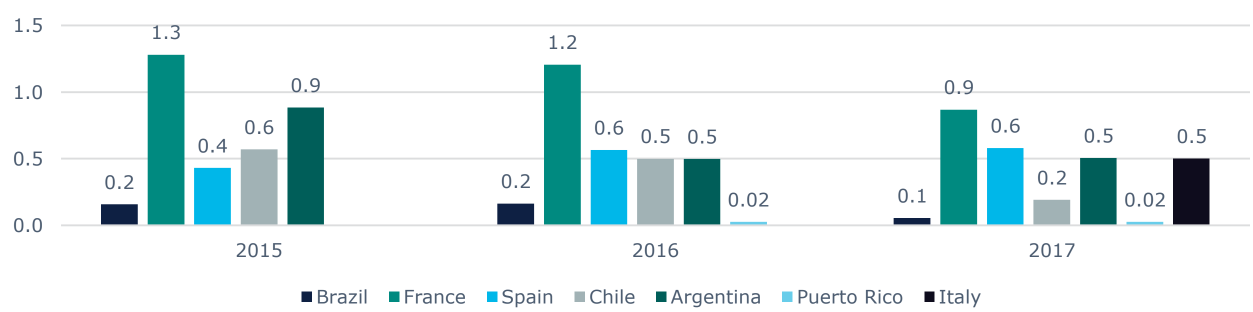
Trend in the incidence rate by country



Trend in the frequency index by country



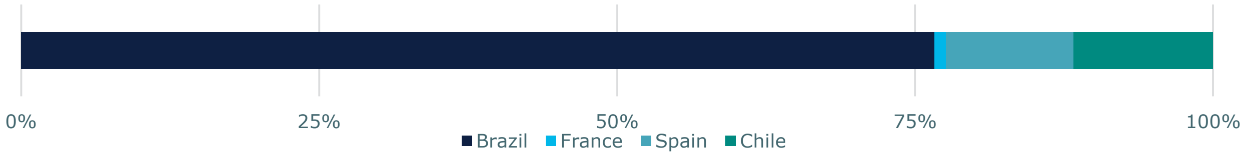
Trend in the severity index by country



The accident rates continued the positive trend initiated and significantly decreased in Brazil, France, Chile and Argentina, which had an impact on the global data which decreased by 44.7% in the case of the incidence rate, 27.7% in the frequency rate and 31.4% in severity rate.

The total number of accidents involving subcontracted workers increased by 15% in relation to the previous year (246 accidents), mainly due to the variation in the figures from Brazil. The main reasons for accidents involving subcontracted individuals include falls on the same level, unsafe behaviour and reckless practices by road users, overexertion and contact with chemicals.

Distribution of accidents involving subcontracted workers by country



Fostering quality employment

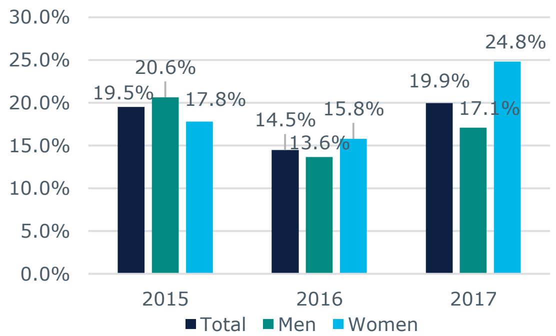
The professional development section of the 2017 IAR describes the activities implemented in relation to talent retention, training and the measurement of job satisfaction.

During 2017, 2,484 new employees were hired, of which 53.2% were men and 51.4% were concentrated in Brazil, followed by France and Chile. The workforce distribution according to working hours remained constant, although the percentage of full-time workers generally increased for both men and women. The total number of temporary contracts formalised during the year amounted to 2,819, of which 59.9% related to women and were concentrated in Spain, Argentina, Chile and Brazil.

Percentage of workforce by working hours

	2016			2017		
	Men	Women	Total	Men	Women	Total
Full time	93.72%	83.41%	89.7%	94.7%	85.2%	91.2%
Part time	6.27%	16.60%	10.3%	5.3%	14.8%	8.8%

Trend in the global turnover rate by gender

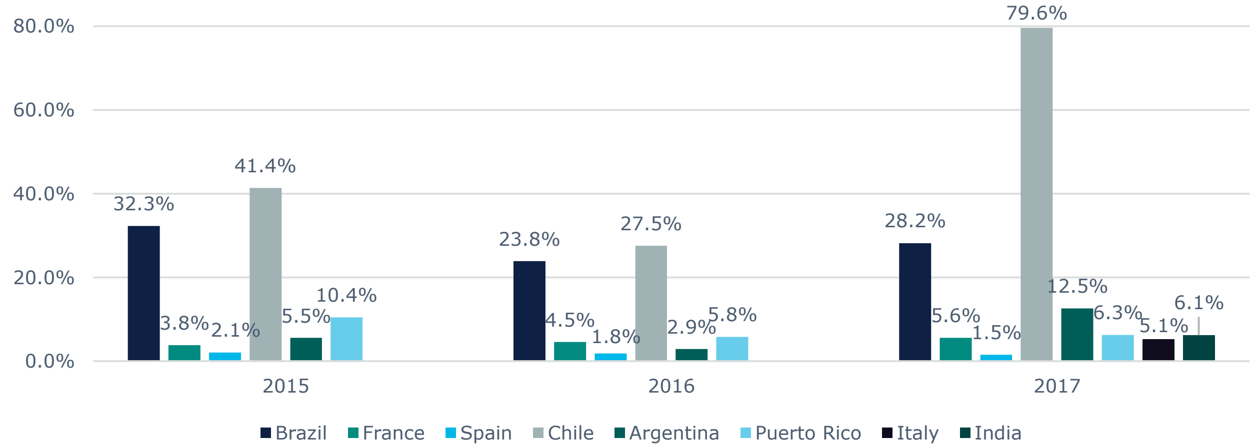


The turnover ratio increased in relation to the previous financial year mainly due to restructuring in Brazil, Chile and Argentina which involved an upward variation in the number of redundancies. The main reasons for turnover include unjustified absences in the case of dismissals and personal and professional improvements in the case of voluntary resignations. It should also be borne in mind that the permanent coverage of the road assistance services involves a high turnover of individuals in order to ensure said assistance, which is why the termination of contracts is not included in the turnover data.

Global turnover rate by employee category and gender

	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Executives	19.4%	20.0%	26.5%	26.7%	14.1%	23.5%
Heads of Department	8.8%	5.7%	16.3%	22.9%	4.9%	6.6%
Other	21.6%	18.2%	13.3%	15.4%	18.2%	25.6%

Trend in the turnover rate by country

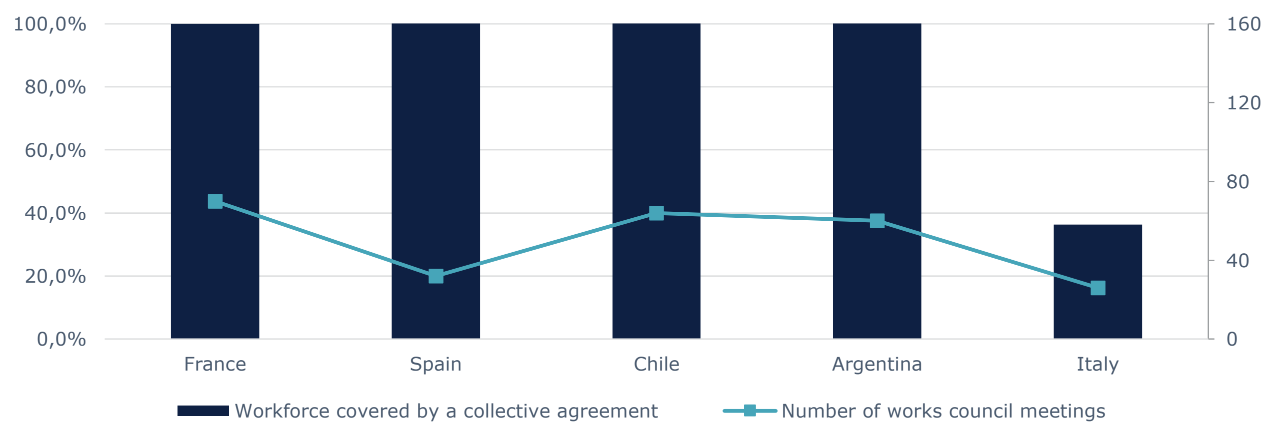


Turnover rate by gender and country

	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Brazil	37.9%	23.3%	23.7%	24.1%	35.6%	18.0%
France	4.2%	3.2%	4.3%	4.3%	5.6%	5.6%
Spain	2.1%	1.9%	2.1%	1.2%	1.3%	1.8%
Chile	32.2	51.0%	25.2%	29.9%	26.2%	246.2%
Argentina	6.3%	4.4%	2.3%	3.7%	10.6%	15.5%
Puerto Rico	12.5%	5.3%	7.8%	0.0%	8.9%	0%
Italy	---	---	---	---	5.6%	3.1%
India	---	---	---	---	6.7%	0%

89.8% of the workforce is covered by a collective bargaining agreement, a percentage lower than the previous year due to the inclusion of information from Italy and India, in which the workforce covered is less. During 2017 a total of 53 works councils met on 263 occasions, an activity level similar to that of the previous year.

Collective bargaining agreement



The entire workforce at central headquarters is included in a management programme by objectives, which is offered to all those included in the professional category of executives and heads of department, in accordance with the established trend. 62.9% of the organisation's total workforce is included in this evaluation and professional development system.

Management by objectives by employee category, gender and country

	Executives		Heads of Department		Other categories	
	Men	Women	Men	Women	Men	Women
Brazil	100%	100%	100%	100%	100%	100%
France	100%	100%	100%	100%	93.9%	86.7%
Spain	100%	100%	100%	100%	9.7%	5.9%
Chile	100%	---	100%	100%	22.8%	45.3%
Argentina	100%	---	100%	100%	8.8%	5.5%
Puerto Rico	100%	---	100%	100%	96.9%	91.7%
Italy	100%	100%	38.5%	75%	0.2%	1.7%
India	100%	100%	0%	0%	0%	0%

Investment in training increased by 39.2% in relation to the previous year, amounting to 4.7 million euros. Likewise, the average training hours per person varied by 21.2%, reaching 21.5 hours.

Average hours of training by employee category, gender and country[ix]

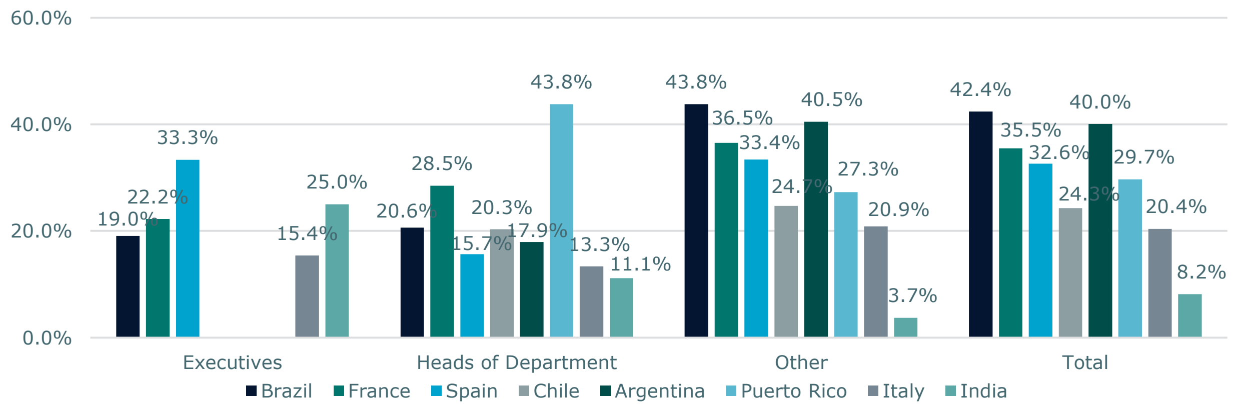
	Executives		Heads of Department		Other categories	
	Men	Women	Men	Women	Men	Women
Brazil	97.9	114.5	77.5	81.6	28.1	23.9
France	10.0	9.5	22.4	15.0	15.5	8.4
Spain	38.1	52.8	26.0	23.8	18.2	18.3
Chile	138.8	0	147.8	118.9	43.8	42.7
Argentina	235	0	8.3	7.1	1.1	0.6
Puerto Rico	0	0	27.7	56.0	19.8	17.0
Italy	20.1	51.0	30.5	5.9	12.1	9.1

Ensuring equal opportunities

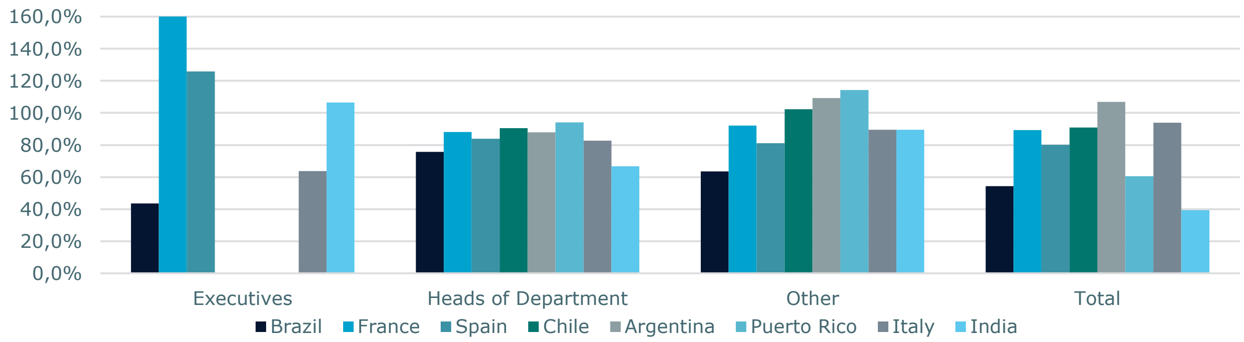
Within the context of professional development, ensuring equal opportunities among the various groups that make up the organisation is one of the cornerstones for managing the human team, and the explicit non-discrimination policy contained in the organisation's code of ethics applies to all of its areas. The Human Team chapter of the 2017 IAR contains details on the management approach and actions implemented during the year.

Globally, the percentage of women in the various employee categories has continued to rise, although the total has remained constant, which is an indicator of a positive trend towards the objective established in the CSR Master Plan.

Percentage of women by employee category and country



Average percentage of remuneration for women with respect to men by employee category and country



The remuneration ratio of women in relation to men amounts to 61.3% for executives, 82.6% for heads of department and 86.6% for the remainder, totalling 37.7% in the case of central services. Globally, the ratio is at 80.1% for executives, 93.7% for heads of department and 92.2% for the remainder of workers, which in aggregated form is 83.2%, a higher percentage than that of the previous year.

The relationship between the starting salary and the minimum local salary remained constant in all countries. Italy does not have a legal minimum salary, which is why it is not included in the table.

Starting salary and minimum local salary by country – Toll Roads

	Men	Women
Brazil	105.5%	105.5%
France	102.7%	100.4%
Spain	119.6%	116.4%
Chile	100.0%	100.0%
Argentina	395.6%	395.6%
Puerto Rico	159.9%	158.9%
India	164.0%	217.5%

Retention rate by gender and country

	Individuals taking parental leave		Individuals returning to work after leave		Individuals who continue in the organisation after 12 months	
	Men	Women	Men	Women	Men	Women
Brazil	70	118	100%	94.3%	83.9%	82.8%
France	0	9	---	88,9%	---	100,0%
Spain	29	23	96.6%	50.0%	91.3%	42.9%
Chile	2	23	100%	100%	100%	56.5%
Argentina	18	44	100%	100%	100%	95.5%
Puerto Rico	0	0	---	---	---	---
Italy	5	2	100%	100%	100%	100%
India	0	0	---	---	---	---

The number of people with parental leave decreased in relation to the previous financial year, an uneven variation in the case of men. The inclusion of people with functional diversity into the workforce has continued its positive trend, amounting to a total of 2% of the Brazilian workforce, 2.7% of the French workforce and 4% of the Spanish workforce. In this last case, the percentage includes both direct hiring and the use of alternative measures, as well as the purchase of goods and services from and donations to special employment centres and placement agencies.

Quality products and services with positive social impacts

The Safe and Efficient Toll Roads chapter of the 2017 IAR contains detailed information on road safety management, the development of tools to adapt the products and services to specific groups and the application of new infrastructure management technologies.

3

Methodology and International Equivalences

Preparation methodology

The second edition of the Integrated Annual Report (IAR) relating to the 2017 financial year includes this annex as a comprehensive breakdown of certain non-financial data related to the monitoring of the CSR Master Plan, for which the preparation methodology is the same as that for the Integrated Annual Report.

The non-financial information contained in the Integrated Annual Report and the annex is prepared and presented following the guidelines set out in the standard for preparing the IIRC (International Integrated Reporting Committee) integrated reports, together with the methodology for preparing GRI (Global Reporting Initiative) sustainability reports and the policy for preparing the UN Global Compact (UNGC) Progress Reports.

A new consideration that should be highlighted is the entry into force of legislation on the publication of non-financial information, and therefore a table of equivalences related to the same has been added and the references to the new GRI standards already used for the first time last year have been updated. Furthermore, the methodology promoted by the Climate Disclosure Standards Board (CDSB) for the calculation and publication of the carbon footprint has been included.

The Integrated Annual Report has been prepared in accordance with the GRI comprehensive compliance option, which involves full application of the standards. Firstly, the IAR meets the following content definition principles established by the GRI in the Foundation standard (101):

Stakeholder engagement	•Continued involvement •Materiality analysis
Sustainability context	•Local-level data •Global management approach
Materiality	•Formal analysis •Approval of matters
Completeness	•Sufficient information •Decision-making

The IAR also complies with the following principles for ensuring the quality of the content established by the GRI in the Foundation standard (101):

Balance	•Performance for the year •Neutral treatment
Comparability, accuracy and reliability	•Traceability and analysis •External review
Timeliness	•Annual publication •Ahead of time
Clarity	•Information synthesis •Conservation of structure

GRI SRS: 101, 102-54

Scope of the information

The non-financial information includes the new toll road activities in India and Italy and Túnels in Spain, together with the central Emovis services in France and the exclusion of satellite telecommunications activities, amounting to 96.8% of the 2017 annual turnover. As it is the first year that non-financial accounts have been issued, there have been limitations with regard to the data for India and Italy, which have been specified in each case.

Calculation methodologies

The calculations performed and presented in the IAR and the annex meet the following standards:

- GRI standards referenced in the content index.
- 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.

External review

According to the external review policy for performance data, the non-financial information included in the Integrated Annual Report and the annex have been verified by the same external auditor involved in the audit of the financial information, in accordance with the details specified in their report and the internationally applicable standards for non-financial information. Similarly, audit notes relating to the external review process have been detailed in the GRI content index.

The annual review usually carried out by the GRI was not performed this year due to the related publication and documentation deadlines, which for the first time were the same for Annual Accounts as for the IAR, thus aspects of confidentiality of the information manifested did not allow for the conduct of this review.

Related documents

The global vision for financial, environmental, social and governance performance is included in the Integrated Annual Report, although both this annex and the organisation's other publications contain specific details that have been explained in the GRI content index, which allows the information to be expanded upon for those stakeholders who require it. These references have been specified and they relate to the following publications:

- 2017 Consolidated Annual Accounts and Directors' Report (CAA)
- 2017 Annual Corporate Governance Report (ACGR)
- 2017 Annual Report on Directors' Remuneration (ARDR)
- 2017 Carbon Disclosure Project (CDP) questionnaire (the questionnaire relating to the 2016 financial year was published during 2017).

The pages indicated in the GRI content index refer firstly to the pages of the annex and then to the pages of the Integrated Annual Report (IAR) and the other publications.

GRI SRS: 101, 102-56

External Assurance Report

Deloitte.

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

Report on Independent Review of the Corporate Responsibility Information included in the 2017 Annual Integrated Report of Abertis Infraestructuras, S.A. and Subsidiaries

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

Scope of our engagement

We have performed the review -with a scope of limited assurance- of the Corporate Responsibility Information (CRI) included in the 2017 Annual Integrated Report ("AIR" or "Report") of Abertis Infraestructuras, S.A. and subsidiaries ("Abertis"), the scope of which is defined in the "About the Report" chapter of the AIR and in the "International methodology and equivalences" section of the Appendix to the AIR. Our engagement consisted of reviewing:

- The adherence of the CRI in the AIR to the Global Reporting Initiative Sustainability Reporting Standards ("GRI-SRSs"), including the reliability and suitability of the content.
- The information provided in the AIR relating to the application of the principles of inclusivity, materiality and responsiveness set out in AccountAbility's AA1000 AccountAbility Principles Standard (2008) (AA1000APS).

Verification standards and procedures

We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for the issuance of limited assurance reports. Also, we applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in AA1000 APS and on the sustainability performance indicators (type 2 moderate assurance).

Our review work consisted of making inquiries to management and the various areas and business units of Abertis, reviewing the processes for gathering and validating the information presented in the AIR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings with staff of Abertis to ascertain the principles, systems and approaches applied in sustainability management.
- Review of the minutes of the meetings held in 2017 by the Corporate Social Responsibility Committee.
- Review of the steps taken in relation to the identification and consideration of stakeholders during the year and of the stakeholder participation processes, based on the analysis of the internal information and third-party reports available.
- Analysis of the coverage, materiality and completeness of the CRI on the basis of Abertis's understanding of the requirements of its stakeholders in relation to the material issues identified by the organisation and described in the "Stakeholders and materiality" section of the Appendix to the AIR.
- Review of the information relating to the management approaches applied and verification of the existence and scope of policies, systems and procedures in corporate social responsibility areas.
- Analysis of the adherence of the CRI to the GRI standards and verification that the content disclosed corresponds to that required by such standards.
- Verification, by means of specific sample-based review tests, of the quantitative and qualitative information relating to the GRI content and the adequate compilation thereof based on the data furnished by the information sources of Abertis from Spain, France, Brazil, Italy, Chile, Argentina and India.

Responsibilities of the Directors of Abertis and of Deloitte

- The preparation and content of the Annual Integrated Report are the responsibility of the directors of Abertis. Management of Abertis is responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent limited assurance review report based on the work performed.
- A review is substantially less in scope than a reasonable assurance engagement. Therefore, the level of assurance provided is also lower and, accordingly, this report may not be considered to be an auditor's report.
- This report has been prepared solely for Abertis in accordance with the terms and conditions of our engagement letter.
- We conducted our work in accordance with the independence standards required by the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.
- In accordance with International Standard on Quality Control (ISQC) 1, Deloitte has in place a global system of quality control which includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.
- Our engagement team consisted of professionals who are experts in Corporate Responsibility Report reviews and, specifically, in reporting on economic, social and environmental performance and in stakeholder dialogue and participation processes.

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.

Conclusions

The GRI Table of Contents in the Appendix to the 2017 AIR provides details of the content reviewed and the scope limitations of the review, and identifies any content that does not cover all the areas required by GRI-SRSs. As a result of the procedures applied and the evidence obtained, except for the matters identified in the aforementioned GRI Table of Contents, nothing came to our attention that might lead us to believe that:

- The CRI included in the AIR was not prepared, in all material respects (including the reliability and suitability of the reviewed information), in accordance with GRI-SRSs.
- Abertis did not apply the principles of inclusivity, materiality and responsiveness as described in the Appendix to the 2017 AIR in accordance with AA1000 APS (2008):
  - Inclusivity: Abertis has developed a stakeholder participation process, enabling stakeholders to be involved 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.

Observations and recommendations

In addition, we presented to management of Abertis our recommendations relating to the areas for improvement in CR management and reporting 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 "Interes Group and Materiality" section of the Appendix to the AIR, 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 broaden the sample of consultations so that it represents both the various businesses and all the countries in which Abertis has a stable presence.

Responsiveness

The international roll-out of the 2016-2020 CSR Master Plan commenced in 2017. The monitoring of this plan using a unified balanced scorecard, including the degree of achievement of the targets set in each area of activity and their contribution to the attainment of the Group's objectives, will facilitate compliance with the plan in the future.

In 2017 Abertis continued to work on the integration of financial and non-financial information, while markedly reducing the length of time required to report its non-financial information. In order to consolidate this process and continue to improve the quality and uniformity of the information, it would be advisable to report on key non-financial indicators on a six-monthly basis.

In recent years, Abertis has broadened the scope of calculation of its carbon footprint, above all in relation to Scope 3 emissions, as well as the coverage of the environmental management systems, gradually adapting them to the changes in its scope of consolidation. The information obtained from these management systems and the carbon footprint, together with other supplementary analyses, such as the simulation of future scenarios, can be very useful in order to measure the risks, opportunities and financial impact of climate change in the medium and long term at each of the concessions and at the Group as a whole.

DELOITTE, S.L.

Helena Redondo

6th February, 2018

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GRI Content Index

Foundation and general disclosures

Free translation for information purposes. Please, note that references made to the pages correspond to original documents drafted in Spanish language for the Annual General Meeting (AGM). In case there is a difference on the page reference, the Spanish version of the AGM document will prevail.

General Disclosures	Page/Direct Answer	Omissions	External assurance
GRI 101 Foundation 2016			
101 Principles	32		√ - 34-35
GRI 102 General disclosures 2016			
Organizational profile			
102-1 Name of the organization	Abertis		√ - 34-35
102-2 Activities, brands, products, and services	IAR 8-10		√ - 34-35
102-3 Location of headquarters	Avenida Pedralbes, 17, Barcelona		√ - 34-35
102-4 Location of operations	IAR 18-21		√ - 34-35
102-5 Ownership and legal form	ACGR 1-2		√ - 34-35
102-6 Markets served	IAR 11-12		√ - 34-35
102-7 Scale of the organization	IAR 6		√ - 34-35
102-8 Information on employees and other workers	26, 28-29		√ (1) - 34-35
102-9 Supply chain	20, IAR 61-62; Content note (a)		√ (2) - 34-35
102-10 Significant changes to the organization and its supply chain	3-4, 7-8; ACGR 2-3		√ - 34-35
102-11 Precautionary Principle or approach	3-4, 7-8; IAR 10, 15-17, 27-30		√ - 34-35
102-12 External initiatives	5, 32; IAR 15, 74; Content note (b)		√ - 34-35
102-13 Membership of associations	22; IAR 58		√ - 34-35
Strategy			
102-14 Statement from senior decision-maker	IAR 3-5		√ - 34-35
102-15 Key impacts, risks, and opportunities	5; IAR 3-5, 10, 15-17, 27-30		√ - 34-35
Ethics and integrity			
102-16 Values, principles, standards, and norms of behaviour	IAR 27-28		√ - 34-35
102-17 Mechanisms for advice and concerns about ethics	IAR 27-28		√ - 34-35
Governance			
102-18 Governance structure	IAR 23-26		√ - 34-35
102-19 Delegating authority	IAR 23-26		√ - 34-35
102-20 Executive-level responsibility for economic, environmental, and social topics	IAR 25		√ - 34-35
102-21 Consulting stakeholders on economic, environmental, and social topics	4-5		√ (2) - 34-35

GRI SRS: 102-55

General Disclosures	Page/Direct Answer	Omissions	External assurance
102-22 Composition of the highest governance body and its committees	IAR 24-26		√ - 34-35
102-23 Chair of the highest governance body	IAR 24; ACGR 8		√ - 34-35
102-24 Nominating and selecting the highest governance body	ACGR 17-18, 26-27; Content note (c)		√ - 34-35
102-25 Conflicts of interest	ACGR 36-37		√ - 34-35
102-26 Role of highest governance body in setting purpose, values, and strategy	IAR 15-16, 23-26; ACGR 28-29		√ - 34-35
102-27 Collective knowledge of highest governance body	ACGR 25-30		√ - 34-35
102-28 Evaluating the highest governance body's performance	ACGR 18-19		√ - 34-35
102-29 Identifying and managing economic, environmental, and social impacts	3-5; IAR 15-17, 27-30		√ - 34-35
102-30 Effectiveness of risk management processes	IAR 27-30		√ - 34-35
102-31 Review of economic, environmental, and social topics	IAR 27-30; ACGR 28-29		√ - 34-35
102-32 Highest governance body's role in sustainability reporting	IAR 74		√ - 34-35
102-33 Communicating critical concerns	ACGR 31-32		√ - 34-35
102-34 Nature and total number of critical concerns	ACGR 31-32		√ - 34-35
102-35 Remuneration policies	ACGR 26-27, ARDR 2-4		√ - 34-35
102-36 Process for determining remuneration	ARDR 2-4		√ - 34-35
102-37 Stakeholders' involvement in remuneration	ARDR 2-4		√ - 34-35
102-38 Annual total compensation ratio	Content note (d)	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.	√ - 34-35
102-39 Percentage increase in annual total compensation ratio	Content note (e)		√ - 34-35
Stakeholder engagement			
102-40 List of stakeholder groups	3		√ - 34-35
102-41 Collective bargaining agreements	29		√ - 34-35
102-42 Identifying and selecting stakeholders	3		√ - 34-35
102-43 Approach to stakeholder engagement	3-4		√ - 34-35
102-44 Key topics and concerns raised	3-5		√ - 34-35
Reporting practice			

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General Disclosures	Page/Direct Answer	Omissions	External assurance
102-45 Entities included in the consolidated financial statements	IAR 75; CAA		√ - 34-35
102-46 Defining report content and topic Boundaries	3-5; IAR 74-75		√ - 34-35
102-47 List of material topics	5		√ - 34-35
102-48 Restatements of information	54; These have been indicated in direct notes in each case.		√ - 34-35
102-49 Changes in reporting	3-5		√ (2) - 34-35
102-50 Reporting period	1 January to 31 December 2017		√ - 34-35
102-51 Date of most recent report	Financial year 2016, published in 2017.		√ - 34-35
102-52 Reporting cycle	Annual		√ - 34-35
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.		√ - 34-35
102-54 Claims of reporting in accordance with the GRI Standards	32		√ - 34-35
102-55 GRI content index	36		√ - 34-35
102-56 External assurance	33-35		√ - 34-35

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	3-6, Content note (f)		√ (2) - 34-35
103-2 The management approach and its components	9, 21; IAR 8-10, 11-12, 15-16, 53		√ - 34-35
103-3 Evaluation of the management approach	IAR 13-14, 17, 27-28, 31-40, 53-54, 61-62, 71-73		√ - 34-35
GRI 201 Economic Performance 2016			

Standard	Page	Omissions	External assurance
201-1 Direct economic value generated and distributed	IAR 71		√ - 34-35
201-2 Financial implications and other risks and opportunities due to climate change	IAR 29-30; CDP 2017 Sections CC2, CC5 and CC6		√ - 34-35
201-3 Defined benefit plan obligations and other retirement plans	Content note (g)		√ - 34-35
201-4 Financial assistance received from government	CAA 106		√ - 34-35
GRI 202 Market Presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	31		√ - 34-35
202-2 Proportion of senior management hired from the local community	IAR 63		√ - 34-35
GRI 203 Indirect Economic Impacts 2016			
203-1 Infrastructure investments and services supported	IAR 31-40, 48		√ - 34-35
203-2 Significant indirect economic impacts	IAR 31-40, 71		√ - 34-35
GRI 204 Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	22; IAR 61		√ - 34-35
GRI 205 Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	IAR 27-30	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.	√ - 34-35
205-2 Communication and training about anti-corruption policies and procedures	10; IAR 27-28		√ - 34-35
205-3 Confirmed incidents of corruption and actions taken	Content note (h)		√ - 34-35
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.		√ - 35-36

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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	3-6; Content note (f)		√ (2) - 34-35
103-2 The management approach and its components	11, 21; IAR 8-10, 11-12, 15-16, 55		√ - 34-35
103-3 Evaluation of the management approach	12, 17, 20; IAR 13-14, 17, 37-40, 56-57, 72-73		√ - 34-35
GRI 301 Materials 2016			
301-1 Materials used by weight or volume	17-18		√ - 34-35
301-2 Recycled input materials used	17-18		√ - 34-35
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	14		√ - 34-35
302-2 Energy consumption outside of the organization	14	The data on external energy consumption are not available 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 as of 2017.	√ (3) - 34-35
302-3 Energy intensity	14-16		√ - 34-35
302-4 Reduction of energy consumption	14-16		√ (4) - 34-35
302-5 Reductions in energy requirements of products and services	19		√ (4) - 34-35
GRI 303 Water 2016			
303-1 Water withdrawal by source	16-17		√ - 34-35
303-2 Water sources significantly affected by withdrawal of water	16		√ (4) - 34-35

Standard	Page	Omissions	External assurance
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	23		√ - 34-35
304-2 Significant impacts of activities, products, and services on biodiversity	23		√ - 34-35
304-3 Habitats protected or restored	23		√ - 34-35
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	12-13		√ - 34-35
305-2 Energy indirect (Scope 2) GHG emissions	12-13		√ - 34-35
305-3 Other indirect (Scope 3) GHG emissions	12-13		√ (3) - 34-35
305-4 GHG emissions intensity	13		√ (3) - 34-35
305-5 Reduction of GHG emissions	13		√ (4) - 34-35
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	23; 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	19		√ (5) - 34-35
306-2 Waste by type and disposal method	18-19	No breakdown for treatment type against waste type. We are working towards obtaining this information and publishing it in future reports, as of 2017.	√ (6) - 34-35
306-3 Significant spills	19		√ - 34-35
306-4 Transport of hazardous waste		Not applicable, as no hazardous waste is transported. This applies to the indicator as a whole.	---

Standard	Page	Omissions	External assurance
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)		√ - 34-35
GRI 308 Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	20; IAR 61-62		√ - 34-35
308-2 Negative environmental impacts in the supply chain and actions taken	5, 20; IAR 61-62		√ - 34-35

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	3-6, Content note (f)		√ (2) - 34-35
103-2 The management approach and its components	21, 24; IAR 8-10, 11-12, 15-16, 31-32, 36-37, 41, 58-59, 61, 63, 65, 68		√ - 34-35
103-3 Evaluation of the management approach	22, 25-31; IAR 13-14, 17, 33-35, 38-40, 42-43, 60, 61-62, 64, 66-67, 69-70, 72-73		√ - 34-35
GRI 401 Employment 2016			
401-1 New employee hires and employee turnover	28-29		√ (8) - 34-35
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Content note (k)		√ (8) - 34-35
401-3 Parental leave	31		√ - 34-35
GRI 402 Labour / Management Relations 2016			

Standard	Page	Omissions	External assurance
402-1 Minimum notice periods regarding operational changes	Content note (l)		√ - 34-35
GRI 403 Occupational Health and Safety 2016			
403-1 Workers representation in formal joint management–worker health and safety committees	IAR 69		√ - 34-35
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	27-28; IAR 68		√ (9) - 34-35
403-3 Workers with high incidence or high risk of diseases related to their occupation	Content note (m)		√ - 34-35
403-4 Health and safety topics covered in formal agreements with trade unions	IAR 69		√ - 34-35
GRI 404 Training and Education 2016			
404-1 Average hours of training per year per employee	30		√ - 34-35
404-2 Programs for upgrading employee skills and transition assistance programs	30; IAR 65-66		√ - 34-35
404-3 Percentage of employees receiving regular performance and career development reviews	30		√ - 34-35
GRI 405 Diversity and Equal Opportunities 2016			
405-1 Diversity of governance bodies and employees	30-31, IAR 24-26, 63		√ - 34-35
405-2 Ratio of basic salary and remuneration of women to men	31		√ - 34-35
GRI 406 Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	There were no incidents of this type.		√ (10) - 34-35
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.		√ - 34-35
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.		√ - 34-35
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	√ - 34-35

Standard	Page	Omissions	External assurance
		information systems required in order to be able to publish this information as of 2017.	
GRI 412 Human Rights Assessment 2016			
412-1 Operations that have been subject to human rights reviews or impact assessments	10		√ - 34-35
412-2 Employee training on human rights policies or procedures	10; IAR 27-28		√ - 34-35
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.		√ (12) - 34-35
GRI 413 Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	22; IAR 58-60		√ - 34-35
413-2 Operations with significant actual and potential negative impacts on local communities	Content note (f)		√ (2) - 34-35
GRI 414 Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	20		√ - 34-35
414-2 Negative social impacts in the supply chain and actions taken	5, 20; IAR 61-62		√ (11)- 34-35
GRI 415 Public Policy 2016			
415-1 Political contributions	Content note (n)		√ (12) - 34-35
GRI 416 Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	25-26; IAR 31-36		√ - 34-35
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of this type.		√ - 34-35
GRI 417 Marketing and Labelling 2016			
417-1 Requirements for product and service information and labelling	IAR 41-43		√ - 34-35
417-2 Incidents of non-compliance concerning product and service information and labelling	There were no incidents of this type.		√ - 34-35
417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of this type.		√ - 34-35

Standard	Page	Omissions	External assurance
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.		√ - 34-35
GRI 419 Socioeconomic Compliance 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	Content note (o)		√ - 34-35
Noise			
Number of toll road kilometres that have been subject to noise impact evaluations	IAR 57		---
Road safety			
Mortality index	25-26		√ - 34-35
Accident index	25-26		√ - 34-35

Content notes

a) The 2015 CSR Report contains details on the organisation's value chain explaining the finer points of the content presented in the 2017 IAR, as these aspects remain valid, taking into account the changes that were made and described in chapter 1 of the report and the 2017 IAR. [GRI SRS 102-9]

b) As well as those mentioned in the IAR and the annex, Abertis is part of the Global Reporting Initiative (Gold Community) and the Carbon Disclosure Project (contributor). [GRI SRS 102-12]

c) See the 'Report on Appointment of Directors' in the documentation from the 2017 General Shareholders' Meeting for further information. [GRI SRS 102-24]

d) The ratio of pay between the person who holds the position of Vice-Chairman and CEO and the average pay in Spain is 37.9 for 2017 and 39.4 for 2016 (without considering the pay of the workforce of Hispasat to maintain the comparable perimeter). To calculate the ratio of pay the arithmetic mean of the wages and salaries, bonuses, incentives and other remunerations paid in the financial year of companies in Spain was carried out, as well as the equivalent average workforce of the companies. The figure for the highest paid person was calculated considering the total pay received in each financial year, without including life insurance premiums and contributions to pension funds or other long-term savings systems. [GRI SRS 102-38]

e) The change in average pay in Spain with regard to 2016 was an increase of 5.09%, and the change in pay of the person who holds the position of Vice-Chairman and CEO was 1.3%. The changes correspond to total pay received, without considering contributions to life insurance and contributions to pension funds or other long-term savings systems. [GRI SRS 102-39]

f) The 2015 CSR Report contains details on the materiality analysis carried out, explaining the finer points of the content presented in the 2016 IAR, as these aspects remain valid. [GRI SRS 103-1, 413-2]

g) The headquarters and the toll roads in France, Spain and Puerto Rico made contributions towards workers' pension plans, funds which are managed by the corresponding committees in each country. [GRI SRS 201-3]

h) During the year there were a total of 15 communications for non-compliance with the code of ethics, relating to corruption, fraud and bribery; all pertinent investigations have been conducted and all corresponding disciplinary measures have been applied, including a dismissal. [GRI SRS 205-3]

i) The following species, listed according to their level of risk, are present in the vicinity of toll roads in Brazil. Endangered: Vinaceous-breasted amazon, yellow boa constrictor, buffy-tufted marmoset. Vulnerable: Oncilla, southern tamandua, small red brocket, white-lipped peccary, tapir, brown howler, Amazon tree boa, Brazilian snake-necked turtle. Least concern: Yellow-bellied trogon, ocelot, cougar, water opossum, howler monkey, armadillo, guaribai, jaguarundi. Near threatened: Margay, maned wolf, lontra, jaguar. Data deficient: Agouti, red brocket. In addition to other species of flora and fauna, such as the lontra, yellow-legged tinamou, buffy-fronted seedeater, jaguarundi, solitary tinamou and Venezuelan red howler. [GRI SRS 304-4]

j) During 2017, a total of six fines in Brazil amounting to 32,572.5 euros were received relating to waste management and administrative non-compliances associated with the maintenance of infrastructure. [GRI SRS 307-1]
k) There is no distinction between full-time and part-time for the social benefits offered. [GRI SRS 401-2]
l) The minimum notice period is 30 days in all activities and countries, except for Chile, where it is 45 days, and France, where it depends on the period for consultation with the corresponding bodies. [GRI SRS 402-1]
m) No diseases of this kind were detected. [GRI SRS 403-3]
n) No contributions of this nature are made. Abertis is registered in the European Union transparency register. [GRI SRS 415-1]
o) During 2017, a number of fines were received in relation to socio-economic matters, specifically: five fines in Brazil amounting to 335,330.5 euros related to the non-compliance with the requirements of the contracts linked to the maintenance of infrastructure, two fines in Brazil amounting to 3,876.3 euros relating to labour risk prevention measures and the conduct of medical examinations, and one fine in France amounting to 7,500 euros. In addition, the Argentine concessionaires have 561 open sanctions proceedings (imposition of fines) of which 61 have been liquidated and in turn recurred whose total amount increases to 173,180.68 euros. In any event, the sanctions proceedings are suspended pending completion of the approval process of the Integral Renegotiation Agreement (*Acuerdo Integral de Renegociación*, "AIR"). [GRI SRS 419-1]

Assurance notes

(√) Those indicators marked with the symbol √ have been included in the verification process carried out, considering the omissions described in the table.

1) The information relating to contractors is partial and is subject to estimations, therefore it cannot be considered representative. The review consisted of the verification of the data completion process reported by the group's companies.
2) The 2017 materiality analysis was not updated with the incorporation of the companies of India, Italy or Emovis, as detailed in chapter 1 of the annex on "Stakeholders and materiality".
3) The emissions for scope 3 were calculated according to the methodology and estimations specified on page 38 of the Report Annex, in accordance with the information available. In said scope, the emissions corresponding to all the investments and purchase of products and services were not included.
4) Qualitatively reported.
5) Information estimated from the discharge capacity.
6) The verification of the types of waste was carried out based on the revision of the waste management reports, where the estimation of the type of waste managed is detailed.
7) The turnover rates do not consider seasonal contract completions.
8) Not broken down by region
9) It has not been verified that the information of contractors is integral. The review consisted of the verification of the data completion process of the group's companies.
10) Information verified through the communications received in the reporting channel.
11) The analysis limitations and participation of vendors in the poll/assessment processes do not allow for the extrapolation of the results to the organisation's entire supply chain.
12) The Group's policy on contributions to political parties is reported.

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 Labor Practices and Decent Work: Labor/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 Labor.
Principle 5. Businesses should uphold the effective abolition of child labour.	Sub-category Human Rights: Child Labor.
Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-10 Sub-category Labor 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 Labor Practices and Decent Work: all Aspects. Sub-category Human Rights: Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor and Forced and Compulsory Labor. Sub-category Society: Local Communities.
VI. Environment	Category Environmental: all Aspects. Sub-category Labor 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 Labor Practices and Decent Work: Labor 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 Labor Practices and Decent Work: Supplier Assessment for Labor Practices (G4-LA14, G4-LA15, Aspect-specific DMA Guidance) and Labor 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
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

Sustainable Development Goals	Topic	Equivalence with the GRI (SRS)
	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

Equivalencies with the European Directive on non-financial information (2017)

Following the instructions prepared by GRI in the document, "Linking GRI Standards and the European Directive on non-financial and diversity disclosure" and the equivalence tables included therein, a summary of the main links between the requirements of the directive and the GRI content is outlined below.

European Directive	Relevant GRI standards and content
General content (Article 19)	
Art. 19a (1)(a) Description of the business model	GRI 102 (Section 1, organisational profile, and section 2, strategy)
Art. 19a (1) If there are no policies in place, this must be indicated	GRI 101 (Clause 3.2, reasons for omission) GRI 103 (General requirements for the management approach, clause 1.2)
Art. 19a (5) (6) y Art. 20 (b) External verification policy and practice	GRI 102 (102-56)
Art. 20 (1) (g) Description of the diversity policy	GRI 101 (Clause 3.2, reasons for omission) GRI 102 (102-22, 102-24) GRI 401 (401-1) GRI 405 (405-1) GRI 103 (jointly applicable for GRI 401 and GRI 405)
Environmental matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the 300 standard series) GRI 103 (103-3 jointly applicable for the 300 standard series) GRI 102 (102-15) GRI 103 (jointly applicable for the 300 standard series) Specific content of the 300 standard series applied for each material topic.
Other related specifications	
(7) Use of renewable and non-renewable energies, greenhouse gas emissions, water usage and air pollution; (17) Land and material usage	GRI 302; GRI 305; GRI 303; GRI 304; GRI 301 GRI 103 (jointly applicable for GRI 302, GRI 305, GRI 303, GRI 304 and GRI 301)
Social matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the 400 standard series) GRI 103 (103-3 jointly applicable for the 400 standard series) GRI 102 (102-15) GRI 103 (jointly applicable for the 400 standard series) Specific content of the 400 standard series applied for each material topic.
Other related specifications	
(7) Dialogue with the local communities and actions developed to ensure the protection and development of these communities.	GRI 413 GRI 103 (jointly applicable for standard 413)
Employee matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the standards relating to Employees, specifically 401, 402, 403, 404, 405 and 414) GRI 103 (103-3 jointly applicable for the standards relating to employees, specifically 401, 402, 403, 404, 405 and 414) GRI 102 (102-15) GRI 103 (jointly applicable for the standards relating to employees, specifically 401, 402, 403, 404, 405 and 414)

European Directive	Relevant GRI standards and content
	Specific content of the standards relating to Employees, specifically 401, 402, 403, 404, 405 and 414.
Other related specifications	
(7) Actions implemented to ensure gender equality, implementation of general ILO agreements, working conditions, social dialogue, respect for the right of workers to be informed and consulted, respect for trade union rights and health and safety at work; (18) (19) Diversity of competencies and visions in the governing bodies and work team.	GRI 405; GRI 406 GRI 102 (102-12, 102-21, 102-43, 102-22, 102-24) GRI 401; GRI 402; GRI 403; GRI 404 GRI 101 (Stakeholder inclusiveness principle) GRI 407 GRI 103 (jointly applicable for standards 405, 406, 401, 402, 403, 404 and 407)
Human Rights matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the standards relating to Human Rights, specifically 406, 407, 408, 409, 410, 411, 412 and 414) GRI 103 (103-3 jointly applicable for the standards relating to Human Rights, specifically 406, 407, 408, 409, 410, 411, 412 and 414) GRI 102 (102-15) GRI 103 (jointly applicable for the standards relating to Human Rights, specifically 406, 407, 408, 409, 410, 411, 412 and 414) Specific content of the standard relating to Human Rights, expressly 406, 407, 408, 409, 410, 411, 412 and 414.
Other related specifications	
(7) Prevention of Human Rights abuses	GRI 406; GRI 407; GRI 408; GRI 409; GRI 410; GRI 411; GRI 412; GRI 414 GRI 103 (jointly applicable for standards 406, 407, 408, 409, 410, 411, 412 and 414)
Anti-corruption and bribery matters	
Art. 19a (1) (a) Description of the business model; (b) Description of the due diligence policy and processes; (c) Outcome of the policies; (d) Principal risks and risk management systems; (e) Relevant key performance indicators.	GRI 102 (Section 1, organisational profile, and section 2, strategy) GRI 103 (103-1 and 103-2, jointly applicable for the related standards, specifically 205 and 415) GRI 103 (103-3, jointly applicable for the related standards, specifically 205 and 415) GRI 102 (102-15) GRI 103 (jointly applicable for the related standards, specifically 205 and 415) Specific content of the related standards, specifically 205 and 415.
Other related specifications	
(7) Instruments in place to fight corruption and bribery.	GRI 205; GRI 415 GRI 103 (jointly applicable for standards 205 and 415)

i The Autostrada (one of the dealerships in Italy) and Emovis S.A.S (central services of the Abertis Mobility Services activity) information was not included due to being unavailable.

ii The Autostrada (one of the dealerships in Italy) information was not included due to being unavailable.

iii The Autostrada (one of the dealerships in Italy) information was not included due to being unavailable.

iv The information for India was not included due to being unavailable.

v The information for Ausol (Argentina), Centrovias e Intervias (Brazil) and dealerships of India was not included due to being unavailable.

vi 2016 accident data for Chile has been changed due to the detection of an error in the published data

vii Some of the 2016 indicators have been changed to ensure comparability with data from 2017 financial year.

viii The information for India was not included due to being unavailable

ix The information for India was not included due to being unavailable.

The undersigned, whose positions appear below, DECLARE, under their responsibility, that the Annual Accounts and Management Report corresponding to year 2017 of Abertis Infraestructuras, S.A. show in all significant aspects the faithful image of the financial situation of Abertis Infraestructuras, S.A. at the end of the year, as well as the results of its operations and changes in its financial situation during the year and contain the necessary and sufficient information for its proper understanding, in accordance with the applicable regulations.

In Madrid, on this 6th day of February, 2018

Francisco Reynés Massanet	Francisco José Aljaro Navarro
Vicepresident-Chief Executive Officer	Chief Financial Officer

Josep Maria Coronas Guinart

General Secretary and Corporate General Manager

STATEMENT OF RESPONSIBILITY OF THE ANNUAL FINANCIAL REPORT OF THE COMPANY ABERTIS INFRAESTRUCTURAS, S.A. CORRESPONDING TO YEAR 2017.

In compliance with the provisions of article 8.1.b) of Royal Decree 1362/2007 of 19 October, which develops the Securities Market Law, the undersigned, members of the Board of Directors of Abertis Infraestructuras, S.A., declare that, to the best of their knowledge, the annual accounts, drawn up under the applicable accounting standards, offer a faithful image of the equity, financial situation and results of Abertis Infraestructuras, S.A. and the management report also contains a fair assessment of the corporate performance and results and the position of Abertis, as well as a description of the principal risks and uncertainties facing them.

In accordance with the provisions of article 253.2 of the Capital Companies Law, the Annual Accounts and the Management Report corresponding to year 2017 of Abertis Infraestructuras, S.A. are spread over 369 sheets of common paper, with the signature of all the Directors in the last two sheets, with the exception of Mrs. María Teresa Costa Campi who has attended the Board of Directors Meeting by videoconference and of G3T, SL, represented by Mrs. Carmen Godia Bull and Mrs. Susana Gallardo Torrededia, who have not attended the meeting and who have delegated their vote to the President.

None of the Directors is in disagreement with the content of the Annual Accounts and the Management Report of Abertis Infraestructuras, S.A. corresponding to year 2017.

In Madrid, on this 6th day of February 2018

Miquel Roca Junyent

Secretary of the Board of Directors

Signature of the Directors:

Salvador Alemany Mas	Francisco Reynés Massanet
President	Vicepresident-Chief Excecutive Officer

Marcelino Armenter Vidal

Director

Francisco Javier Brossa Galofré

Director

Carlos Colomer Casellas

Director

Luis Guillermo Fortuño

Director

Sandrine Lagumina

Director

Enrico Letta

Director

Juan José López Burniol

Director

Mónica López-Monís Gallego

Director

Marina Serrano González

Director

Antonio Viana-Baptista

Director

The undersigned, whose positions appear below, DECLARE, under their responsibility, that the Consolidated Annual Accounts and Management Report corresponding to year 2017 of Abertis Infraestructuras, S.A. and its Subsidiaries include the financial statements of all its national and international subsidiaries within the scope of consolidation in accordance with the applicable mercantile and accounting regulations. These Annual Accounts show in all significant aspects the faithful image of the financial situation of Abertis Infraestructuras, S.A. and its Subsidiaries at the end of the year, as well as the results of their operations and changes in their financial situation during the year and contain the necessary and sufficient information for its proper understanding, in accordance with the applicable regulations.

In Madrid, on this 6th day of February, 2018

Francisco Reynés Massanet

Vicepresident-Chief Executive Officer

Francisco José Aljaro Navarro

Chief Financial Officer

Josep Maria Coronas Guinart

General Secretary and Corporate General Manager

STATEMENT OF RESPONSIBILITY OF THE ANNUAL FINANCIAL REPORT OF ABERTIS INFRAESTRUCTURAS, S.A.'S GROUP CORRESPONDING TO YEAR 2017.

In compliance with the provisions of article 8.1.b) of Royal Decree 1362/2007 of 19 October, which develops the Securities Market Law, the undersigned, members of the Board of Directors of Abertis Infraestructuras, S.A., declare that, to the best of their knowledge, the annual accounts, drawn up under the applicable accounting standards, offer a faithful image of the equity, financial situation and results of Abertis Infraestructuras, S.A. and its Subsidiaries within the scope of consolidation taken as a whole, and the management report also contains a fair assessment of the corporate performance and results and the position of Abertis and its Subsidiaries within the scope of consolidation taken as a whole, as well as a description of the principal risks and uncertainties facing them.

In accordance with the provisions of article 253.2 of the Capital Companies Law, the Consolidated Annual Accounts and the Management Report corresponding to year 2017 of Abertis Infraestructuras, S.A. and its Subsidiary are spread over 531 sheets of common paper, with the signature of all the Directors in the last two sheets, with the exception of Mrs. María Teresa Costa Campi who has attended the Board of Directors Meeting by videoconference and of G3T, SL, represented by Mrs. Carmen Godia Bull and Mrs. Susana Gallardo Torrededia, who have not attended the meeting and who have delegated their vote to the President.

None of the Directors is in disagreement with the content of the Annual Accounts and the Management Report of Abertis Infraestructuras, S.A. and its Subsidiaries corresponding to year 2017.

In Madrid, on this 6th day of February 2018

Miquel Roca Junyent

Secretary of the Board of Directors

Signature of the Directors:

Salvador Alemany Mas | Francisco Reynés Massanet

President	Vicepresident-Chief Excecutive Officer
Marcelino Armenter Vidal Director	Francisco Javier Brossa Galofré Director
Carlos Colomer Casellas Director	Luis Guillermo Fortuño Director
Sandrine Lagumina Director	Enrico Letta Director
Juan José López Burniol Director	Mónica López-Monís Gallego Director
Marina Serrano González	Antonio Viana-Baptista

Director

Director