

## 1Q17 RESULTS

### **Abertis' net profit totalled €130Mn in the first quarter, up 13% in like-for-like terms**

The company strengthens its presence in France, after the takeover of 100% of its subsidiary Sanef in April, investing over €2,100Mn

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- A solid set of first-quarter results: revenue totalled €1,281Mn (+18% year-on-year) and EBITDA amounted to €807Mn (+13%).
  - Traffic increased by 2.3% between January and April, a period comparable with the previous year as it includes the effects of the Easter week holiday. Especially noteworthy were the traffic increases in Spain (+6%) and Chile (+6.4%).
  - Road safety: particular improvements in Puerto Rico, Chile and especially in Spain, where the number of accident fatalities fell by 75%.
  - Efficient balance sheet management: the net debt/EBITDA ratio decreased from 4.4x in 2016 to 4.2x in the first quarter of 2017.
  - Investments in the first quarter of the year totalled €1,278Mn.
  - Shareholder remuneration: a dividend of €0.37 per share (+11% compared with 2015) was paid on 24 April.
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#### **Barcelona, 26 April, 2017**

Abertis reported growth in its key indicators in the first quarter of 2017: revenue amounted to €1,281Mn (+18%) whilst EBITDA totalled €807Mn (+13%), largely thanks to the growth in traffic and the inclusion of new assets in the consolidation scope. Net profit totalled €130Mn, up 13% in like-for-like terms, since comparison of net profit between 2016 and 2015 is shaped mainly by the impact of the consolidation of the Chilean concessionaire Autopista Central in January 2016.

olidated figures in this period were also boosted by the positive exchange rate trends in the Americas, most notably the performances of the Brazilian real, the Chilean peso and the US dollar.



## **Income statement**

Revenue between January and March 2017 totalled €1,281Mn, up 18% year-on-year, thanks to the increase in traffic, the inclusion in the consolidation scope of the A4 and A31 toll roads in Italy and of the two concessions in India, along with the positive exchange rate trends in Brazil and Chile.

EBITDA totalled €807Mn in the period (+13% like-for-like) thanks, among other factors, to the strong performance of operating margins. Excluding the incorporation of new assets into the consolidation scope, EBITDA advanced 7%. Abertis' net profit totalled €130Mn, up 13% in like-for-like terms.

## **Traffic performance**

The Group's ADT grew by 2.3% between 1 January and 17 April (comparable to the previous year as it includes the effects of the Easter week holiday). Traffic grew in all European markets, with notable increases in Spain (+6%), Italy (+3.7%) and France (+1.4%). In Latin America marked increases were posted in Chile (+6.4%) and Brazil (+1.1%).

In the sphere of road safety, the Group as a whole reduced its accident frequency rate by 21%. Especially striking were the improvements in Spain, where both the number of deaths and the accident mortality rate fell by 75% in the period, and in Puerto Rico and Chile.

## **Debt management**

Abertis' consolidated net debt at 31 March 2017 stood at €14,994Mn, compared with €14,377Mn at 31 December 2016. This increase was the result of the buy of minority stakes in the French subsidiary Sanef and the inclusion of the new assets in the consolidation scope. However, the net debt/EBITDA ratio was reduced from 4.4x in 2016 to 4.2x in the first quarter of 2017. Of this, two thirds is secured with the company's own projects (i.e. non-recourse). The percentage of debt at fixed rates fell to 86% (90% in December 2016) and average maturity is 5.7 years (compared with 5.9 in 2016).

## **Investment in growth**

Investments in the first quarter totalled €1,278Mn, with the acquisition of additional shareholdings in HIT, the company which controls 100% of the Group's French subsidiary, Sanef, accounting for around €1,000Mn of this total, while €134Mn was spent on two toll roads in India.



The main investment in growth in the period related to improvements and lane expansions on toll roads in Brazil (€145Mn).

### **Consolidation in France**

Since the beginning of the year, Abertis has strengthened its presence in France, its main market. In April the Group has completed the takeover of 100% of HIT, which controls 100% of Sanef.

After consecutive acquisitions from Caisse de Dépôts et Consignations (CDC), AXA, and the recently announced ones from Predica, FFP Invest and CNP, Abertis has invested over €2,100Mn in these deals, which will increase by net profit around €135Mn in the 2017 results.

These transactions underscore the Group's ability to grow its current asset portfolio whilst maintaining financial discipline, reducing its operational risk profile and balancing its global presence with a larger weighting of the developed markets where it has been operating and obtaining strong results for many years.

Furthermore, the Group has extended the average length of its concessions, ensuring greater flow of dividends from France, which will help offset the impact of some concessions coming to an end over the coming years.

In January 2016, Sanef reached agreement with the French government to implement a new investment plan (Plan Relance II) for the upgrade of its network under which it will invest €147Mn in various projects in exchange for an increase in tolls from 2019 to 2021.

France is Abertis' biggest market. The business in France generated 34% of the Group's revenues (€1,658Mn) and EBITDA (€1,112Mn) in 2016.

The agreements reached with administrations and ongoing investment in its asset portfolio enabled the company to increase the average life of its portfolio (based on the EBITDA *backlog*) between 2011 and 2017 by 11 years.

### **Shareholder remuneration**

On Monday 24 April Abertis paid the second dividend for 2016 of €0.37 gross per share, which shareholders could choose to collect in cash or in treasury shares (with a 3% discount).

This second dividend payment, together with the first dividend paid in November, brings the total gross ordinary dividend per share to €0.73, an increase of 11% compared with 2015.



## Appendix 1 – Income statement and balance sheet

INCOME STATEMENT		January-March 2017		(€Mn)
	Mar. 2017	Mar. 2016	Change	
<b>Total revenues</b>	<b>1,281</b>	<b>1,082</b>	<b>18%</b>	
Operating expenses	-474	-368		
<b>Ebitda</b>	<b>807</b>	<b>714</b>	<b>13%</b>	
<i>Ebitda L-F-L</i>			<b>7%</b>	
Depreciation	-369	-299		
<b>Operating profit (Ebit)</b>	<b>438</b>	<b>415</b>		
Financial result	-192	65		
Equity method result	5	16		
Income tax expense	-74	-72		
Non-controlling interests	-48	-39		
<b>Net profit</b>	<b>130</b>	<b>385</b>		
<i>Net profit L-F-L</i>			<b>13%</b>	

BALANCE SHEET		January-March 2017		(€Mn)
	Mar. 2017	Dec. 2016		
Property, plant and equipment and intangible assets	22,682	22,506		
Financial assets	4,384	4,281		
Current assets	1,540	1,819		
Cash	1,824	2,529		
Assets held for sale	11	50		
<b>Total assets</b>	<b>30,406</b>	<b>31,186</b>		
Shareholders' equity	6,229	6,901		
Non-current financial debt	14,797	15,210		
Non-current liabilities	5,387	5,348		
Current financial debt	2,022	1,695		
Current liabilities	1,965	1,988		
Liabilities held for sale	6	44		
<b>Total equity and liabilities</b>	<b>30,406</b>	<b>31,186</b>		

## Appendix 2 – Relevant facts in the period

### January

- Abertis increases its controlling interest in its French subsidiary Sanef to 63.07%. The transaction enabled Abertis to increase its shareholding in HIT from 52.55% to 63.07%, and entails a cash outflow of €491Mn for Abertis.
- Sanef reaches agreement with the French government to invest €147Mn in its network. Abertis' subsidiary in France reached agreement with the French government to implement a new investment plan for the upgrade of its network under which Sanef will invest €147Mn in various projects in exchange for an increase in tolls.

### February

- Abertis underscores its commitment to the Italian market with the acquisition of an additional 8.53% of its subsidiary A4 Holding. Following this transaction, Abertis controls around 60% of A4 Holding, which manages the A-4 Brescia-Padova and A-31 toll roads.

### March

- Abertis' net profit totals €796Mn, up 13% in like-for-like terms. The Group's results in 2016 surpassed forecasts.
- Abertis reaches agreement with AXA to acquire 9.65% of HIT for €450Mn. The transaction, which followed the acquisition of 10.52% of HIT from CDC, increased Abertis' controlling interest in HIT from 63.07% to 72.72%.
- Abertis completes the €128Mn acquisition of two toll roads in India. Abertis reached agreement with the MSIIPL and SMIT funds, controlled by Macquarie and State Bank of India, to acquire two of India's most important toll roads, the NH-44 and the NH-45, for a total amount of €128Mn.
- Abertis' Board of Directors appoints António Viana-Baptista as a new independent director. Following his appointment, the Board has 9 independent directors, 60% of the total.
- Abertis will control approximately 90% of its French subsidiary. Abertis reached agreement with Predica to acquire an additional shareholding of between 15% and 17% in Holding d'Infrastructures de Transport (HIT), depending on the exercise of pre-emptive acquisition rights by the other shareholders.

## Relevant facts subsequent to the period

### April

- 2017 General Shareholders' Meeting. Abertis held its General Shareholders' Meeting, during which it reviewed its performance in 2016 and announced the payment of a second dividend for the year.
- Significant event in relation to Atlantia. Abertis announced that Atlantia has expressed an interest in exploring a possible corporate transaction without the terms having been agreed to date.
- Abertis rises 100% of stake in its subsidiray in France. The company reaches two agreements with FFP Invest and CNP to acquire both 5.1% stakes each in HIT, for €238Mn each one.

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