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ANNEX I

GENERAL

1st	HALF-YEARLY FINANCIAL REPORT FOR FINANCIAL YEAR	2017

REPORTING DATE 06/30/2017

PUBLICATION DATE 07/26/2017

CONTENT OF THE HALF-YEARLY FINANCIAL REPORT (mark those included with an X)

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I. IDENTIFICATION DATA

Registered Company Name: ABERTIS INFRAESTRUCTURAS, S.A

Registered Address: Avenida de Pedralbes, 17 08034 Barcelona	**Tax Identification Number** A-08209769

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Explanation of the main modifications with respect to the previously released periodic information:
(complete only in the situations indicated in Section B) of the instructions)

III. STATEMENT(S) BY THE PERSON(S) RESPONSIBLE FOR THE INFORMATION

To the best of our knowledge, the accompanying condensed annual financial statements, which have been prepared in accordance with applicable accounting principles, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or of the undertakings included in the consolidated financial statements taken as a whole, and the interim management report includes a fair review of the information required.

Comments on the above statement(s):

All members of the Board of Directors have signed the Interim Condensed Consolidated Financial Statements in accordance with Article 253.2 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), with the exception of the following Directors: Mrs. Monica Lopez-Monis Gallego, Mr. Antonio Viana-Baptista and Mr. Luis G. Fortuño who attended the Board of Directors' Meeting by videoconference, the first two, and by teleconference, the last. Those Directors have delegated their power to sign these Financial Statements to the President. None of the Directors have expressed disagreement with its content.

Person(s) responsible for this information:

Name/Company Name	Tax Identification Number (*)	Office
Salvador Alemany Mas		President
Francisco Reynés Massanet		Vice-President - CEO
Marcelino Armentel Vidal		Director
Francisco Javier Brossa Galofré		Director
Carlos Colomer Casellas		Director
María Teresa Costa Campi		Director
Susana Gallardo Torrededia		Director
G3T,S.L		Director
Sandra Lagumina		Director
Juan-José López Burniol		Director
Marina Serrano González		Director
Enrico Letta		Director

Date this half-yearly financial report was signed by the corresponding governing body: 07/25/2017

(*) This information will not be made public but is required for the purposes of the review of the information performed by the CNMV.

IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL BALANCE SHEET (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

ASSETS		CURRENT P. 06/30/2017	PREVIOUS P. 12/31/2016
A) NON-CURRENT ASSETS	0040	12,769,317	10,622,104
1. Intangible assets:	0030	2,242	2,992
a) Goodwill	0031	0	0
b) Other intangible assets	0032	2,242	2,992
2. Property, plant and equipment	0033	14,873	15,768
3. Investment property	0034		
4. Long-term investments in group companies and associates	0035	12,621,491	10,519,811
5. Long-term financial investments	0036	44,326	22,299
6. Deferred tax assets	0037	86,385	61,234
7. Other non-current assets	0038		
B) CURRENT ASSETS	0085	621,328	1,507,048
1. Non-current assets held for sale	0050	0	0
2. Inventories	0055		
3. Trade and other receivables:	0060	96,707	414,599
a) Trade receivables	0061	10,946	6,678
b) Other receivables	0062	1,306	2,259
c) Current tax assets	0063	84,455	405,662
4. Short-term investments in group companies and associates	0064	501,336	437,736
5. Short-term financial investments	0070	11,323	8,113
6. Prepayments for current assets	0071	456	46
7. Cash and cash equivalents	0072	11,506	686,554
TOTAL ASSETS (A + B)	0100	13,390,645	12,169,152

EQUITY AND LIABILITIES		CURRENT P. 06/30/2017	PREVIOUS P. 12/31/2016
A) EQUITY (A.1 + A.2 + A.3)	0195	5,437,227	5,523,274
A.1) CAPITAL AND RESERVES	0180	5,436,859	5,523,185
1. Capital:	0171	2,971,144	2,971,144
a) Registered capital	0161	2,971,144	2,971,144
b) *Less: Uncalled capital*	0162		
2. Share premium	0172		
3. Reserves	0173	3,403,051	3,741,137
4. *Own shares and equity holdings*	0174	(1,168,679)	(1,211,544)
5. Prior periods' profit and loss	0178		
6. Other shareholder contributions	0179		
7. Profit (loss) for the period	0175	231,343	159,262
8. *Less: Interim dividend*	0176	0	(136,814)
9. Other equity instruments	0177		
A.2) VALUATION ADJUSTMENTS	0188	368	89
1. Available-for-sale financial assets	0181		
2. Hedging transactions	0182	368	89
A.3) GRANTS, DONATIONS AND BEQUESTS RECEIVED	0194		
B) NON-CURRENT LIABILITIES	0120	7,670,393	5,464,226
1. Long-term provisions	0115	9,230	29,730
2. Long-term debts:	0116	7,161,295	4,943,503
a) Debt with financial institutions and bonds and other marketable securities	0131	6,821,285	4,563,613
b) Other financial liabilities	0132	340,010	379,890
3. Long-term payables to group companies and associates	0117	344,496	345,085
4. Deferred tax liabilities	0118	155,372	145,908
5. Other non-current liabilities	0135		
6. Long-term accrual accounts	0119		
C) CURRENT LIABILITIES	0130	283,025	1,181,652
1. Liabilities associated with non-current assets held for sale	0121		0
2. Short-term provisions	0122	20,500	0
3. Short-term debts:	0123	119,198	941,547
a) Bank borrowings and bonds and other negotiable securities	0133	100,768	909,833
b) Other financial liabilities	0134	18,430	31,714
4. Short-term payables to group companies and associates	0129	71,606	157,099
5. Trade and other payables:	0124	47,671	61,702
a) Suppliers	0125		
b) Other payables	0126	47,671	61,702
c) Current tax liabilities	0127		
6. Other current liabilities	0136	19,690	15,159
7. Current accrual accounts	0128	4,360	6,145
TOTAL EQUITY AND LIABILITIES (A + B + C)	0200	13,390,645	12,169,152

IV. SELECTED FINANCIAL INFORMATION

2. INDIVIDUAL PROFIT AND LOSS ACCOUNT
(PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

			PRESENT CURR. PERIOD (2nd HALF YEAR)		PREVIOUS CURR. PERIOD (2nd HALF YEAR)		CURRENT CUMULATIVE 06/30/2017		PREVIOUS CUMULATIVE 06/30/2016	
			Amount	%	Amount	%	Amount	%	Amount	%
(+)	Revenue	0205					291,740	100	187,257	100
(+/-)	Change in inventories of finished products and work in progress	0206								0.00
(+)	Own work capitalised	0207								0.00
(-)	Supplies	0208								0,00
(+)	Other operating revenue	0209					23,541	8,07	830	0.44
(-)	Personnel expenses	0217					(15,377)	(5.27)	(16,316)	(8.71)
(-)	Other operating expenses	0210					(19,077)	(6.54)	(24,830)	(13.26)
(-)	Depreciation and amortisation charge	0211					(1,730)	(0.59)	(1,841)	(0.98)
(+)	Allocation of grants for non-financial assets and other grants	0212						0.00		
(+)	Reversal of provisions	0213						0.00		
(+/-)	Impairment and gain (loss) on disposal of fixed assets	0214						0.00	1,688	0.90
(+/-)	Other profit (loss)	0215						0.00		
=	**OPERATING PROFIT (LOSS)**	0245					279,097	95.67	146,788	78.39
(+)	Finance income	0250					107,766	36.94	146,517	78.24
(-)	Finance costs	0251					(131,804)	(45.18)	(167,396)	(89.39)
(+/-)	Changes in fair value of financial instruments	0252					11,634	3.99	11,561	6.17
(+/-)	Exchange differences	0254					(50,671)	(17.37)	21,504	11.48
(+/-)	Impairment and gain (loss) on disposal of financial instruments	0255						0.00	28,858	15.41
=	**NET FINANCE INCOME (COSTS)**	0256					(63,075)	(21.62)	41,044	21.92
=	**PROFIT (LOSS) BEFORE TAX**	0265					216,022	74.05	187,832	100.31
(+/-)	Income tax expense	0270					15,321	5.25	4,075	2.18
=	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES**	0280					231,343	79.30	191,907	102.48
(+/-)	Profit (loss) from discontinued operations, net of tax	0285					0.00	0.00	0.00	0.00
=	**PROFIT (LOSS) FOR THE PERIOD**	0300					231,343	79.30	191,907	102.48

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290			0.25	0.21
Diluted	0295			0.25	0.21

In the half-yearly financial report for the first half of the year, the data relating to the present period match the cumulative data, which do not therefore need to be completed.

IV. SELECTED FINANCIAL INFORMATION

3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

INDIVIDUAL STATEMENT OF RECOGNISED INCOME AND EXPENSE (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

			CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
A)	**PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account)**	0305	231,343	191,907
B)	**INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY**	0310	249	(902)
1.	**From measurement of financial instruments:**	0320	0	0
	a) Available-for-sale financial assets	0321		
	b) Other income/(expenses)	0323		
2.	**From cash flow hedges**	0330	332	(1,144)
3.	**Grants, donations and bequests received**	0340		
4.	**From actuarial gains and losses and other adjustments**	0344	0	(44)
5.	**Other income and expense recognised directly in equity**	0343		
6.	**Tax effect**	0345	(83)	286
C)	**TRANSFERS TO PROFIT OR LOSS**	0350	30	496
1.	**From measurement of financial instruments:**	0355		0
	a) Available-for-sale financial assets	0356		
	b) Other income/(expenses)	0358		
2.	**From cash flow hedges**	0360	39	661
3.	**Grants, donations and bequests received**	0366		
4.	**Other income and expense recognised directly in equity**	0365		
5.	**Tax effect**	0370	(9)	(165)
TOTAL RECOGNISED INCOME/(EXPENSE) (A + B + C)		0400	231,622	191,501

IV. SELECTED FINANCIAL INFORMATION

4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (1/2)

INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

CURRENT PERIOD		Capital and reserves					Valuation adjustments	Grants, donations and bequests received	Total equity
		Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Closing balance at 01/01/2017	3010	2,971,144	3,604,323	(1,211,544)	159,262	0	89	0	5,523,274
Adjustments for changes in accounting policy	3011								
Adjustment for errors	3012								
Adjusted opening balance	3015	2,971,144	3,604,323	(1,211,544)	159,262	0	89	0	5,523,274
I. Total recognised income/(expense)	3020				231,343		279		231,622
II. Transactions with shareholders or owners	3025	0	(360,534)	42,865	0	0	0	0	(317,669)
1. Capital increases/ (reductions)	3026		0						0
2. Conversion of financial liabilities into equity	3027								0
3. Distribution of dividends	3028		(366,441)						(366,641)
4. Net trading with treasury stock	3029			42,865					42,865
5. Increases/ (reductions) for business combinations	3030								0
6. Other transactions with shareholders or owners	3032		5,907						5,907
III. Other changes in equity	3035	0	159,262	0	(159,262)	0	0	0	0
1. Equity-settled share-based payment	3036								
2. Transfers between equity accounts	3037		159,262		(159,262)				
3. Other changes	3038								
Closing balance at 06/30/2017	3040	2,971,144	3,403,051	(1,168,679)	231,343	0	368	0	5,437,227

(1) The column of **Share premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. *Less: Interim dividend.*

IV. SELECTED FINANCIAL INFORMATION

4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (2/2)

INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

PREVIOUS PERIOD		Capital and reserves					Valuation adjustments	Grants, donations and bequests received	Total equity
		Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Closing balance at 01/01/2016 (comparative period)	3050	2,829,661	3,010,927	(1,211,922)	1,373,621	0	(27)	0	6,002,260
Adjustments for changes in accounting policy	3051								0
Adjustment for errors	3052								0
Adjusted opening balance (comparative period)	3055	2,829,661	3,010,927	(1,211,922)	1,373,621	0	(27)	0	6,002,260
I. Total recognised income/(expense)	3060		(44)		191,907		(362)		191,501
II. Transactions with shareholders or owners	3065	141,483	(453,063)	378	0	0	0	0	(311,202)
1. Capital increases/ (reductions)	3066	141,483	(141,483)						0
2. Conversion of financial liabilities into equity	3067								0
3. Distribution of dividends	3068		(339,559)						(339,559)
4. Net trading with treasury stock	3069			378					378
5. Increases/ (reductions) for business combinations	3070								0
6. Other transactions with shareholders or owners	3072		27,979						27,979
III. Other changes in equity	3075	0	1,373,621	0	(1,373,621)	0	0	0	0
1. Equity-settled share-based payment	3076								
2. Transfers between equity accounts	3077		1,373,621		(1,373,621)				
3. Other changes	3078								
Closing balance at 06/30/2016 (comparative period)	3080	2,971,144	3,931,441	(1,211,544)	191,907	0	(389)	0	5,882,559

(1) The column of **Share premium and Reserves,** for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. *Less: Interim dividend.*

IV. SELECTED FINANCIAL INFORMATION

5. INDIVIDUAL STATEMENT OF CASH FLOWS
(PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

			CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
A)	CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)	0435	140,943	111,758
1.	**Profit (loss) before tax**	0405	216,022	187,832
2.	**Adjustments to profit (loss):**	0410	(197,132)	(39,656)
(+)	Depreciation and amortisation charge	0411	1,730	1,841
(+/-)	Other net adjustments to profit (loss)	0412	(198,862)	(41,497)
3.	**Changes in working capital**	0415	6,033	47,092
4.	**Other cash flows from operating activities:**	0420	116,020	(83,510)
(-)	Interest paid	0421	(202,061)	(190,388)
(+)	Dividends received	0422		
(+)	Interest received	0423	114,327	118,834
(+/-)	Income tax recovered/(paid)	0430	216,625	0
(+/-)	Other sums received/(paid) from operating activities	0425	(12,871)	(11,506)
B)	CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	0460	(1,996,762)	(624,458)
1.	**Payments for investments:**	0440	(2,580,884)	(1,188,806)
(-)	Group companies, associates and business units	0441	(2,574,335)	(1,188,742)
(-)	Property, plant and equipment, intangible assets and investment property	0442	(85)	(64)
(-)	Other financial assets	0443	(25)	0
(-)	Other assets	0444	(6,439)	0
2.	**Proceeds from sale of investments**	0450	584,122	564,348
(+)	Group companies, associates and business units	0451	577,034	519,285
(+)	Property, plant and equipment, intangible assets and investment property	0452	1	6
(+)	Other financial assets	0453	7	353
(+)	Other assets	0454	7,080	44,704
C)	CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3)	0490	1,231,442	549,016
1.	**Sums received/(paid) in respect of equity instruments**	0470	375	378
(+)	Issuance	0471		
(-)	Redemption	0472		
(-)	Acquisition	0473	0	0
(+)	Disposal	0474	375	378
(+)	Grants, donations and bequests received	0475		
2.	**Sums received/(paid) in respect of financial liability instruments:**	0480	1,524,787	860,183
(+)	Issuance	0481	2,315,767	1,164,433
(-)	Repayment and redemption	0482	(790,980)	(304,250)
3.	**Payment of dividends and remuneration on other equity instruments**	0485	(293,720)	(311,545)
D)	EFFECT OF FOREIGN EXCHANGE RATE CHANGES	0492	(50,671)	21,504
E)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	0495	(675,048)	57,820
F)	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0499	686,554	1,225,316
G)	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F)	0500	11,506	1,283,136

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		CURRENT PERIOD XX/XX/XXXX	PREVIOUS PERIOD XX/XX/XXXX
(+)	Cash on hand and at banks	0550	11,506	882,911
(+)	Other financial assets	0552	0	400,225
(-)	*Less: Bank overdrafts repayable on demand*	0553	0	0
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	0600	11,506	1,283,136

IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED BALANCE SHEET (ADOPTED IFRS) (1/2)

Units: Thousand euros

ASSETS		CURRENT P. XX/XX/XXXX	PREVIOUS P. XX/XX/XXXX
A) NON-CURRENT ASSETS	1040	26,161,382	26,787,667
1. Intangible assets:	1030	20,277,076	20,903,263
a) Goodwill	1031	4,542,690	4,550,461
b) Other intangible assets	1032	15,734,386	16,352,802
2. Property, plant and equipment	1033	1,560,676	1,603,169
3. Investment property	1034		
4. Investments accounted for using the equity method	1035	1,372,459	1,370,528
5. Non-current financial assets	1036	183,177	149,365
6. Deferred tax assets	1037	1,028,457	1,050,593
7. Other non-current assets	1038	1,739,537	1,710,749
B) CURRENT ASSETS	1085	3,259,430	4,397,955
1. Non-current assets held for sale	1050	9,552	49,552
2. Inventories	1055	16,292	16,482
3. Trade and other receivables:	1060	1,127,035	1,435,863
a) Trade receivables	1061	620,968	583,528
b) Other receivables	1062	267,380	372,579
c) Current tax assets	1063	238,687	479,756
4. Other current financial assets	1070	233,730	366,929
5. Other current assets	1075	0	0
6. Cash and cash equivalents	1072	1,872,821	2,529,129
TOTAL ASSETS (A + B)	1100	29,420,812	31,185,622

IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED BALANCE SHEET (ADOPTED IFRS) (2/2)

Units: Thousand euros

EQUITY AND LIABILITIES		CURRENT P. XX/XX/XXXX	PREVIOUS P. XX/XX/XXXX
A) EQUITY (A.1 + A.2 + A.3)	**1195**	4,617,623	6,900,635
A.1) CAPITAL AND RESERVES	**1180**	2,640,282	3,734,157
1. Capital	**1171**	2,971,144	2,971,144
a) Registered capital	**1161**	2,971,144	2,971,144
b) *Less: Uncalled capital*	**1162**	0	0
2. Share premium	**1172**	0	0
3. Reserves	**1173**	581,861	554,610
4. *Own shares and equity holdings*	**1174**	(1,168,679)	(1,211544)
5. Prior periods' profit and loss	**1178**	(159,145)	761,185
6. Other shareholder contributions	**1179**	0	0
7. Profit (loss) for the period attributable to the parent company	**1175**	415,101	795,576
8. *Less: Interim dividend*	**1176**	0	(136,814)
9. Other equity instruments	**1177**	0	0
A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME	**1188**	(308,589)	(157,944)
1. Items that are not reclassified to profit or loss	**1186**		
2. Items that may subsequently be reclassified to profit or loss	**1187**	(308,589)	(157,944)
a) Available-for-sale financial assets	**1181**	12,133	(9)
b) Hedging transactions	**1182**	(144,011)	(188,324)
c) Translation differences	**1184**	(176,711)	30,389
d) Other	**1183**		
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (A.1 + A.2)	**1189**	2,331,693	3,576,213
A.3) NON-CONTROLLING INTERESTS	**1193**	2,285,930	3,324,422
B) NON-CURRENT LIABILITIES	**1120**	21,843,719	20,557,923
1. Grants	**1117**	0	0
2. Long-term provisions	**1115**	1,497,287	1,546,449
3. Long-term financial liabilities:	**1116**	17,419,839	15,559,876
a) Debt with financial institutions and bonds and other marketable securities	**1131**	16,658,269	15,210,401
b) Other financial liabilities	**1132**	761,570	349,475
4. Deferred tax liabilities	**1118**	1,894,593	1,937,316
5. Other non-current liabilities	**1135**	1,032,000	1,514,282
C) CURRENT LIABILITIES	**1130**	2,959,470	3,727,064
1. Liabilities associated with non-current assets held for sale	**1121**	4,883	43,779
2. Short-term provisions	**1122**	344,500	343,688
3. Short-term financial liabilities:	**1123**	1,383,838	1,987,885
a) Debt with financial institutions and bonds and other marketable securities	**1133**	1,365,624	1,953,043
b) Other financial liabilities	**1134**	18,214	34,842
4. Trade and other payables:	**1124**	897,135	961,845
a) Suppliers	**1125**	0	0
b) Other payables	**1126**	585,792	784,898
c) Current tax liabilities	**1127**	311,343	176,947
5. Other current liabilities	**1136**	329,114	389,867
TOTAL EQUITY AND LIABILITIES (A + B + C)	**1200**	29,420,812	31,185,622

IV. SELECTED FINANCIAL INFORMATION

7. CONSOLIDATED PROFIT AND LOSS ACCOUNT (ADOPTED IFRS)

Units: Thousand euros

			PRESENT CURR. PERIOD (2nd HALF YEAR)		PREVIOUS CURR. PERIOD (2nd HALF YEAR)		CURRENT CUMULATIVE 06/30/2017		PREVIOUS CUMULATIVE 06/30/2016	
			Amount	%	Amount	%	Amount	%	Amount	%
(+)	Revenue	1205					2,591,118	100.00	2,167,270	100.00
(+/-)	Change in inventories of finished products and work in progress	1206					0	0.00	0	0.00
(+)	Own work capitalised	1207					10,190	0.39	6,199	0.29
(-)	Supplies	1208					0	0.00	0	000
(+)	Other operating revenue	1209					95,073	3.67	68,619	3.17
(-)	Personnel expenses	1217					(336,484)	(12.99)	(276,421)	(12.75)
(-)	Other operating expenses	1210					(604,322)	(23.32)	(464,088)	(21.41)
(-)	Depreciation and amortisation charge	1211					(736.670)	(28.43)	(605,680)	(27.95)
(+)	Allocation of grants for non-financial assets and other grants	1212					0	0.00	0	0,00
(+/-)	Impairment and gain (loss) on disposal of fixed assets	1214					1,132	0.04	447	0.02
(+/-)	Other profit (loss)	1215					0	0.00	0	0.00
=	**OPERATING PROFIT (LOSS)**	1245					1,020,037	39.37	896,346	41.36
(+)	Finance income	1250					92,399	3.57	88,561	4.09
(-)	Finance costs	1251					(467,319)	(18.04)	(501,490)	(23.14)
(+/-)	Changes in fair value of financial instruments	1252					13,589	0.52	273,356	12.61
(+/-)	Exchange differences	1254					(7,367)	(0.28)	(14,195)	(0.65)
(+/-)	Impairment and gain (loss) on disposal of financial instruments	1255					0	0.00	0	0.00
=	**NET FINANCE INCOME (COSTS)**	1256					(368,698)	(14.23)	(153,768)	(7.10)
(+/-)	Profit (loss) of equity-accounted investees	1253					9,520	0.37	20,543	0.95
=	**PROFIT (LOSS) BEFORE TAX**	1265					660,859	25.50	763,721	35.21
(+/-)	Income tax expense	1270					(185,063)	(7.14)	(164,674)	(7.60)
=	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES**	1280					475,796	18.36	598.447	27.61
(+/-)	Profit (loss) from discontinued operations, net of tax	1285					16,500	0.64	0	0.00
=	**CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD**	1288					492,296	19.00	598,447	27.61
	A) Profit (loss) for the period attributable to the parent company	1300					415,101	16.02	510,248	23.54
	B) Profit (loss) attributable to non-controlling interests	1289					77,195	2.98	88,199	4.07

		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
EARNINGS PER SHARE					
Basic	1290			0.46	0.56
Diluted	1295			0.46	0.56

In the half-yearly financial report for the first half of the year, the data relating to the present period match the cumulative data, which do not therefore need to be completed.

IV. SELECTED FINANCIAL INFORMATION

8. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (ADOPTED IFRS)

Units: Thousand euros

			CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
A)	**CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account)**	**1305**	492,296	598,447
B)	**OTHER COMPREHENSIVE INCOME – ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS:**	**1310**	0	0
1.	**From revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets**	**1311**		
2.	**From actuarial gains and losses**	**1344**		
3.	**Share in other comprehensive income of investments in joint ventures and associates**	**1342**		
4.	**Other income and expenses that are not reclassified to profit or loss**	**1343**		
5.	**Tax effect**	**1345**		
C)	**OTHER COMPREHENSIVE INCOME – ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS:**	**1350**	(254,962)	210,782
1.	**Available-for-sale financial assets:**	**1355**	18,666	0
	a) Valuation gains/(losses) taken to equity	**1356**	18,666	0
	b) Amounts transferred to profit or loss	**1357**	0	0
	c) Other reclassifications	**1358**	0	0
2.	**Cash flow hedges:**	**1360**	96,229	(33,085)
	a) Valuation gains/(losses) taken to equity	**1361**	58,604	(33,277)
	b) Amounts transferred to profit or loss	**1362**	37,625	192
	c) Amounts transferred at initial carrying amount of hedged items	**1363**		
	d) Other reclassifications	**1364**		
3.	**Foreign currency translation:**	**1365**	(346,187)	159,047
	a) Valuation gains/(losses)	**1366**	(346,187)	112,760
	b) Amounts transferred to profit or loss	**1367**	0	46,287
	c) Other reclassifications	**1368**		0
4.	**Share in other comprehensive income of investments in joint ventures and associates:**	**1370**	878	(923)
	a) Valuation gains/(losses) taken to equity	**1371**	878	(923)
	b) Amounts transferred to profit or loss	**1372**		
	c) Other reclassifications	**1373**		
5.	**Other income and expenses that may subsequently be reclassified to profit or loss**	**1375**	1,357	45,274
	a) Valuation gains/(losses) taken to equity	**1376**	1,357	45,274
	b) Amounts transferred to profit or loss	**1377**		
	c) Other reclassifications	**1378**		
6.	**Tax effect**	**1380**	(25,905)	40,469
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A + B + C)		**1400**	237,334	809,229
	a) Attributable to the parent company	**1398**	295,031	618,445
	b) Attributable to non-controlling interests	**1399**	(57,697)	190,784

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (1/2)

Units: Thousand euros

CURRENT PERIOD		Equity attributable to the parent company						Non-controlling interests	Total equity
		Capital and reserves					Valuation adjustments		
		Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period attributable to the parent company	Other equity instruments			
Closing balance at 01/01/2017	3110	2,971,144	1,178,981	(1,211,544)	795,576	0	(157,944)	3,324,422	6,900,635
Adjustments for changes in accounting policy	3111								
Adjustment for errors	3112								
Adjusted opening balance	3115	2,971,144	1,178,981	(1,211,544)	795,576	0	(157,944)	3,324,422	6,900,635
I. Total comprehensive income/(expense) for the period	3120		12,586		415,101		(132,656)	(57,697)	237,334
II. Transactions with shareholders or owners	3125	0	(1,564,427)	42,865	0	0	(17,989)	(980,795)	(2,520,346)
1. Capital increases/ (reductions)	3126		0					115,374	115,374
2. Conversion of financial liabilities into equity	3127								0
3. Distribution of dividends	3128		(366,441)					(26,049)	(392,490)
4. Purchase / sale of treasury stock	3129		(770)	42,865					42,095
5. Equity increase/ (decrease) resulting from business combinations	3130		(1,197,216)				(17,989)	(1,070,120)	(2,285,325)
6. Other transactions with shareholders or owners	3132								0
III. Other changes in equity	3135	0	795,576	0	(795,576)	0	0	0	0
1. Equity-settled share-based payment	3136								0
2. Transfers among components of equity	3137		795,576	0	(795,576)				0
3. Other changes	3138								0
Closing balance at 06/30/2017	3140	2,971,144	422,716	(1,168,679)	415,101	0	(308,589)	2,285,930	4,617,623

(1) The column of **Share premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. *Less: Interim dividend*

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (2/2)

Units: Thousand euros

		Equity attributable to the parent company							
		Capital and reserves							
PREVIOUS PERIOD		Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period attributable to the parent company	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity
Closing balance at 01/01/2016 (comparative period)	3150	2,829,661	(13,228)	(1,211,922)	1,879,912	0	(223,392)	2,088,145	5,349,176
Adjustments for changes in accounting policy	3151								0
Adjustment for errors	3152								0
Adjusted opening balance (comparative period)	3155	2,829,661	(13,228)	(1,211,922)	1,879,912	0	(223.392)	2,088,145	5,349,176
I. Total comprehensive income/(expense) for the period	3160		26,922		510,248		81,275	190,784	809,229
II. Transactions with shareholders or owners	3165	141,483	(452,039)	378	0	0	(35,072)	(58,884)	(404,764)
1. Capital increases/ (reductions)	3166	141,483	(141,483)					169,057	169,057
2. Conversion of financial liabilities into equity	3167								0
3. Distribution of dividends	3168		(339,559)					(101,293)	(440,852)
4. Purchase / sale of treasury stock	3169		(28)	378					350
5. Equity increase/ (decrease) resulting from business combinations	3170		29,031				(35,702)	(126,648)	(133,319)
6. Other transactions with shareholders or owners	3172								
III. Other changes in equity	3175	0	1,879,912	0	(1,879,912)	0	0	0	0
1. Equity-settled share-based payment	3176								
2. Transfers among components of equity	3177		1,879,912		(1,879,912)				
3. Other changes	3178								
Closing balance at 06/30/2016 (comparative period)	3180	2,971,144	1,441,567	(1,211,544)	510,248	0	(177,819)	2,220,045	5,753,641

(1) The column of **Share premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. *Less: Interim dividend*

IV. SELECTED FINANCIAL INFORMATION

10.A. CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) (ADOPTED IFRS)

Units: Thousand euros

			CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
)	**CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)**	1435	1,234,939	899,306
1.	**Profit (loss) before tax**	1405	660,859	763,121
2.	**Adjustments to profit (loss):**	1410	1,171,170	816,570
(+)	Depreciation and amortisation charge	1411	736,670	605,680
(+/-)	Other net adjustments to profit (loss)	1412	434,500	210,890
3.	**Changes in working capital**	1415	(273,777)	(113,485)
4.	**Other cash flows from operating activities:**	1420	(323,313)	(566,900)
(-)	Interest paid	1421	(486,355)	(473,151)
(-)	Payment of dividends and remuneration on other equity instruments	1430	0	0
(+)	Dividends received	1422	0	0
(+)	Interest received	1423	39,056	44,735
(+/-)	Income tax recovered/(paid)	1424	154,856	(107,936)
(+/-)	Other sums received/(paid) from operating activities	1425	(30,870)	(30,548)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2 + 3)**	1460	(2,753,567)	(1,199,434)
1.	**Payments for investments:**	1440	(2,686,327)	(1,144,639)
(-)	Group companies, associates and business units	1441	(2,309,930)	(766,852)
(-)	Property, plant and equipment, intangible assets and investment property	1442	(359,377)	(377,757)
(-)	Other financial assets	1443	0	0
(-)	Other assets	1444	(17,020)	0
2.	**Proceeds from sale of investments**	1450	23,616	4,463
(+)	Group companies, associates and business units	1451	15,430	0
(+)	Property, plant and equipment, intangible assets and investment property	1452	7,125	3,861
(+)	Other financial assets	1453	0	0
(+)	Other assets	1454	1,061	602
3.	**Other cash flows from investing activities**	1455	(90,856)	(59,258)
(+)	Dividends received	1456	7,709	2,691
(+)	Interest received	1457	0	0
(+/-)	Other sums received/(paid) from investing activities	1458	(98,565)	(61,949)
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3 + 4)**	1490	914,124	578,192
1.	**Sums received/(paid) in respect of equity instruments**	1470	375	378
(+)	Issuance	1471	0	0
(-)	Redemption	1472	0	0
(-)	Acquisition	1473	375	378
(+)	Disposal	1474	0	0
2.	**Sums received/(paid) in respect of financial liability instruments:**	1480	1,118,144	946,327
(+)	Issuance	1481	2,442,928	1,416,356
(-)	Repayment and redemption	1482	(1,324,784)	(470,029)
3.	**Payment of dividends and remuneration on other equity instruments**	1485	(293,720)	(311,545)
4.	**Other cash flows from financing activities**	1486	89,325	(56,968)
(-)	Interest paid	1487	0	0
(+/-)	Other sums received/(paid) from financing activities	1488	89,325	(56,968)
D)	**EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS HELD**	1492	(51,804)	41,264
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)**	1495	(656,308)	319,328
F)	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD**	1499	2,529,129	2,222,243
G)	**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F)**	1500	1,872,821	2,541,571

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
(+)	Cash on hand and at banks	1550	1,146,805	1,120,224
(+)	Other financial assets	1552	726,016	1,421,347
(-)	*Less: Bank overdrafts repayable on demand*	1553		
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1600	1,872,821	2,541,571

This template of the consolidated statement of cash flows (indirect method) allows the alternatives for classifying interest and dividends, both received and paid, provided for in the adopted IFRS. Each of the above items shall be classified in a single consistent manner, in each period, as operating, investing or financing activities.

IV. SELECTED FINANCIAL INFORMATION

11. CHANGES IN THE COMPOSITION OF THE GROUP

Table 1:

BUSINESS COMBINATIONS AND OTHER ACQUISITIONS OR INCREASES IN HOLDINGS IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES (CURRENT PERIOD).

Name of company (or business line) acquired or merged	Category	Effective date of transaction (dd/mm/yyyy)	(Net) cost of the combination (a) + (b) (thousand euros)		% of voting rights acquired	% of total voting rights in the company after acquisition
			(Net) amount paid in the acquisition + other costs directly attributable to the combination (a)	Fair value of equity instruments issued for the acquisition of the company (b)		
Trichy Tollway Private Limited	Dependent	03/02/2017	88,700	0	100.00	100.00
Jadcherla Expressways Private Limited	Dependent	03/02/2017	44,370	0	74.00	74.00
A4 Holding, S.p.A	Dependent	03/27/2017	42,265	0	7.58	58.98
A4 Holding, S.p.A	Dependent	06/14/2017	43,366	0	7.79	66.77
Holding d'Infraestructures de Transport	Dependent	02/20/2017	491,121	0	10.52	63.07
Holding d'Infraestructures de Transport	Dependent	03/27/2017	450,806	0	9.65	72.72
Holding d'Infraestructures de Transport	Dependent	04/28/2017	1,272,458	0	27.28	100.00

Table 2:

REDUCTION IN HOLDINGS IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES OR OTHER TRANSACTIONS OF A SIMILAR NATURE (CURRENT PERIOD)

Name of company (or business line) sold, spun off or retired	Category	Effective date of transaction (dd/mm/yyyy)	% of voting rights sold or retired	% of total voting rights in the company after disposal	Profit/(Loss) generated (thousand euros)
Serenissima Construzioni S.p.a	Dependent	03/17/2017	51.00	0.00	0
Sherpatv.it S.r.l	Associated	01/30/2017	23.53	0.00	0
Maqpie JVCo Limited	Dependent	05/10/2017	51.00	0.00	0
Maqpie Junior HoldCo Ltd	Dependent	05/10/2017	100.00	0.00	0
Maqpie Junlor Ltd	Dependent	05/10/2017	100.00	0.00	0
Maqpie MidCo Ltd	Dependent	05/10/2017	100.00	0.00	0
Maqpie BidCo Ltd.	Dependent	05/10/2017	100.00	0.00	0
Abertis Overseas UK Ltd	Dependent	03/21/2017	100.00	0.00	0
Exdo, S.r.l	Associated	04/21/2017	23.70	0.00	0
Abertis USA Holding LLc	Dependent	04/28/2017	100.00	0.00	0

IV. SELECTED FINANCIAL INFORMATION

12. DIVIDENDS PAID

		CURRENT PERIOD			PREVIOUS PERIOD		
		% of nominal value	Euros per share (X.XX)	Amount (thousand euros)	% of nominal value	Euros per share (X.XX)	Amount (thousand euros)
Ordinary shares	2158	12.33	0.37	366,441	12.00	0.36	339,559
Other shares (non-voting shares, redeemable shares, etc.)	2159			0			0
Total dividends paid	2160	12.33	0.37	366,441	12.00	0.36	339,559

a) Dividends charged to profit and loss	2155						
b) Dividends charged to reserves or share premium	2156			366,441			339,559
c) Dividends in kind	2157						

IV. SELECTED FINANCIAL INFORMATION

13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (1/2)

Units: Thousand euros

FINANCIAL ASSETS: NATURE/CATEGORY		CURRENT PERIOD					
		Financial assets held for trading	Other financial assets at FVTPL	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives
Equity instruments	2061						
Debt securities	2062						
Derivatives	2063						43,066
Other financial assets	2064				1,260		
Long-term/non-current	2065	0	0	0	1,260	0	43,066
Equity instruments	2066						
Debt securities	2067						
Derivatives	2068						10,112
Other financial assets	2069				1,211		
Short-term/current	2070	0	0	0	1,211	0	10,112
INDIVIDUAL TOTAL	2075	0	0	0	2,471	0	53,178
Equity instruments	2161						
Debt securities	2162						
Derivatives	2163						61,627
Other financial assets	2164			121,550			
Long-term/non-current	2165	0	0	121,550	0	0	61,627
Equity instruments	2166						
Debt securities	2167						12,377
Derivatives	2168						
Other financial assets	2169				221,353		
Short-term/current	2170				221,353	0	12,377
CONSOLIDATED TOTAL	2175	0	0	121,550	221,353	0	74,004

FINANCIAL LIABILITIES: NATURE/CATEGORY		CURRENT PERIOD			
		Financial liabilities held for trading	Other financial liabilities at FVTPL	Debts and payables	Hedging derivatives
Bank borrowings	2076			2,308,832	
Bonds and other negotiable securities	2077			4,512,453	
Derivatives	2078				61,092
Other financial liabilities	2079			278,918	
Long-term debts/Non-current financial liabilities	2080	0	0	7,100,203	61,092
Bank borrowings	2081			67,019	
Bonds and other marketable securities	2082			33,749	
Derivatives	2083				18,016
Other financial liabilities	2084			414	
Short-term debts/Current financial liabilities	2085	0	0	101,182	18,016
INDIVIDUAL TOTAL	2090	0	0	7,201,385	79,108
Bank borrowings	2176			6,490,980	
Bonds and other negotiable securities	2177			10,167,288	
Derivatives	2178				279,230
Other financial liabilities	2179			482,341	
Long-term debts/Non-current financial liabilities	2180	0	0	17,140,609	279,230
Bank borrowings	2181			734,971	
Bonds and other negotiable securities	2182			630,653	
Derivatives	2183				18,214
Other financial liabilities	2184				
Short-term debts/Current financial liabilities	2185	0	0	1,365,624	18,214
CONSOLIDATED TOTAL	2190	0	0	18,506,233	297,444

(FVTPL: fair value through profit or loss)

IV. SELECTED FINANCIAL INFORMATION

13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (2/2)

Units: Thousand euros

FINANCIAL ASSETS: NATURE/CATEGORY		PREVIOUS PERIOD					
		Financial assets held for trading	Other financial assets at FVTPL	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives
Equity instruments	5061						
Debt securities	5062						
Derivatives	5063						21,056
Other financial assets	5064				1,243		
Long-term/non-current	5065	0	0	0	1,243	0	21,056
Equity instruments	5066						
Debt securities	5067						
Derivatives	5068						6,683
Other financial assets	5069				1,430		
Short-term/current	5070	0	0	0	1,430	0	6,683
INDIVIDUAL TOTAL	5075	0	0	0	2,673	0	27,739
Equity instruments	5161						
Debt securities	5162						
Derivatives	5163						45,417
Other financial assets	5164			103,948			
Long-term/non-current	5165	0	0	103,948	0	0	45,417
Equity instruments	5166						
Debt securities	5167						6,683
Derivatives	5168						
Other financial assets	5169				360,246		
Short-term/current	5170	0	0	0	360,246	0	6,683
CONSOLIDATED TOTAL	5175	0	0	103,948	360,246	0	52,100

FINANCIAL LIABILITIES: NATURE/CATEGORY		PREVIOUS PERIOD			
		Financial liabilities held for trading	Other financial liabilities at FVTPL	Debts and payables	Hedging derivatives
Bank borrowings	5076			50,000	
Bonds and other negotiable securities	5077			4,513,613	
Derivatives	5078				104,451
Other financial liabilities	5079			275,439	
Long-term debts/Non-current financial liabilities	5080	0	0	4,839,052	104,451
Bank borrowings	5081			26,909	
Bonds and other negotiable securities	5082			882,924	
Derivatives	5083				31,293
Other financial liabilities	5084			421	
Short-term debts/Current financial liabilities	5085	0	0	910,254	31,293
INDIVIDUAL TOTAL	5090	0	0	5,749,306	135,744
Bank borrowings	5176			10,793,162	
Bonds and other negotiable securities	5177			4,417,239	
Derivatives	5178				340,616
Other financial liabilities	5179			8,859	
Long-term debts/Non-current financial liabilities	5180	0	0	15,219,260	340,616
Bank borrowings	5181			646,874	
Bonds and other negotiable securities	5182			1,306,169	
Derivatives	5183				34,842
Other financial liabilities	5184				
Short-term debts/Current financial liabilities	5185	0	0	1,953,043	34,842
L CONSOLIDATED	5190	0	0	17,172,303	375,458

(FVTPL: fair value through profit or loss)

IV. SELECTED FINANCIAL INFORMATION

14. Segment information

Units: thousand euros

Table 1:

GEOGRAPHIC AREA		Distribution of revenue by geographic area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210	18,520	77,246	679,454	656,531
Exports:	2215	273,220	110,011	1,911,664	1,510,739
a) European Union	2216	261,962	105,980	1,043,756	812,146
b) OECD countries	2217			234,825	209,327
c) Other countries	2218	11,258	4,031	633,083	489,266
TOTAL	2220	291,740	187,257	2,591,118	2,167,270

Table 2:

		Ordinary revenue					
		CONSOLIDATED					
		Ordinary revenue from foreign customers		Ordinary revenue between segments		Total ordinary revenue	
SEGMENTS		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Autopistas España	2221	612,982	583,548			612,982	583,548
Autopistas Francia	2222	796,315	779,696	428		796,743	779,696
Autopistas Brasil	2223	410,735	305,672			410,735	305,672
Autopistas Chile	2224	225,740	195,218		1,076	225,740	196,294
Autopistas Resto del Mundo	2225	218,238	189,389	158	1,593	218,396	190,982
Telecomunicaciones	2226	114,000	112,267			114,000	112,267
Otros	2227	683	1,480	12,740	9,944	13,423	11,424
Autopistas Italia	2228	212,425				212,425	0
	2229					0	0
	2230					0	0
(-) Adjustments and elimination of ordinary revenue between segments	2231			(13,326)	(12,613)	(13,326)	(12,613)
TOTAL	2235	2,591,118	2,167,270	0	0	2,591,118	2,167,270

Table 3:

		Profit (loss)	
		CONSOLIDATED	
SEGMENTS		CURRENT PERIOD	PREVIOUS PERIOD
Autopistas España	2250	336,647	320,377
Autopistas Francia	2251	406,307	393,643
Autopistas Brasil	2252	75,012	53,412
Autopistas Chile	2253	87,548	66,423
Autopistas Resto del Mundo	2254	64,517	59,590
Telecomunicaciones	2255	53,469	49,827
Otros	2256	(17,609)	(26,383)
Autopistas Italia	2257	23,666	
	2258		
	2259		
Total profit (loss) of segments reported	2260	1,029,557	916,889
(+/-) Unallocated profit (loss)	2261	(368,698)	(153,768)
(+/-) Elimination of internal profit (loss) (between segments)	2262		
(+/-) Other profit (loss)	2263		
(+/-) Income tax and/or profit (loss) from discontinued activities	2264		
PROFIT (LOSS) BEFORE TAX	2270	660,859	763,121

IV. SELECTED FINANCIAL INFORMATION

15. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	2295	178	181	15,428	14,912
Men	2296	82	87	9,726	9,477
Women	2297	96	94	5,702	5,435

IV. SELECTED FINANCIAL INFORMATION

16. REMUNERATION RECEIVED BY DIRECTORS AND MANAGING DIRECTORS

DIRECTORS:

Type of remuneration:		Amount (thousand euros) CURRENT PERIOD	Amount (thousand euros) PREVIOUS PERIOD
Fixed remuneration	2310	2,213	1,933
Variable remuneration	2311	348	274
Attendance fees	2312	22	22
Directors' fees	2313	0	0
Options on shares and/or other financial instruments	2314	0	0
Other	2315	0	0
TOTAL	2320	2,583	2,229

Other benefits:

Advances	2326	0	0
Loans granted	2327	0	0
Pension funds and plans: Contributions	2328	330	300
Pension funds and plans: Contracted obligations	2329	0	0
Life insurance premiums	2330	32	28
Guarantees granted to directors	2331	0	0

MANAGING DIRECTORS:		Amount (thousand euros) CURRENT PERIOD	Amount (thousand euros) PREVIOUS PERIOD
Total remuneration paid to managing directors	2325	3,148	2,991

IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (1/2)

Units: Thousand euros

RELATED-PARTY TRANSACTIONS		CURRENT PERIOD				
EXPENSES AND REVENUE		**Significant shareholders**	**Directors and managing directors**	**Group employees, companies and entities**	**Other related parties**	**Total**
1) Finance costs	2340	13,465				13,465
2) Management and cooperation contracts	2341					0
3) R&D transfers and licence agreements	2342					0
4) Leases	2343					0
5) Receipt of services	2344	1,758				1,758
6) Purchase of goods (finished or in progress)	2345					
7) Allowance for bad and doubtful debts	2346					
8) Losses on retirement or disposal of assets	2347					
9) Other expenses	2348	0				0
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	2350	15,223	0	0	0	15,223
10) Finance income	2351	2,634				2,634
11) Management and cooperation contracts	2352					0
12) R&D transfers and licence agreements	2353					0
13) Dividends received	2354			6,311		6,311
14) Leases	2355					0
15) Provision of services	2356					0
16) Sale of goods (finished or in progress)	2357					0
17) Gains on retirement or disposal of assets	2358					0
18) Other revenue	2359					0
REVENUE (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)	2360	2,634	0	6,311	0	8,945

		CURRENT PERIOD				
OTHER TRANSACTIONS:		**Significant shareholders**	**Directors and managing directors**	**Group employees, companies and entities**	**Other related parties**	**Total**
Purchase of property, plant and equipment, intangible assets and other assets	2371					0
Financing agreements: loans and capital contributions (lender)	2372					0
Finance lease arrangements (lessor)	2373					0
Repayment or cancellation of loans and lease arrangements (lessor)	2377					0
Sale of property, plant and equipment, intangible assets and other assets	2374					0
Financing agreements: loans and capital contributions (borrower)	2375	626,509				626,509
Finance lease arrangements (lessee)	2376					0
Repayment or cancellation of loans and lease arrangements (lessee)	2378					0
Collateral and guarantees given	2381					0
Collateral and guarantees received	2382	42,514				42,514
Commitments assumed	2383					0
Commitment/Guarantees cancelled	2384					0
Dividends and other earnings distributed	2386	81,530				81,530
Other transactions	2385	397,564				397,564

IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (2/2)

Units: Thousand euros

RELATED-PARTY TRANSACTIONS EXPENSES AND REVENUE		PREVIOUS PERIOD Significant shareholders	Directors and managing directors	Group employees, companies and entities	Other related parties	Total
1) Finance costs	6340	13,045	0	0	0	13,045
2) Management and cooperation contracts	6341	0	0	0	0	0
3) R&D transfers and licence agreements	6342	0	0	0	0	0
4) Leases	6343	0	0	0	0	0
5) Receipt of services	6344	3,809	0	0	0	3,809
6) Purchase of goods (finished or in progress)	6345	0	0	0	0	0
7) Allowance for bad and doubtful debts	6346	0	0	0	0	0
8) Losses on retirement or disposal of assets	6347	0	0	0	0	0
9) Other expenses	6348	(72)	0	0	0	(72)
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	6350	16,782	0	0	0	16,782
10) Finance income	6351	4,372	0	0	0	4,372
11) Management and cooperation contracts	6352	0	0	0	0	0
12) R&D transfers and licence agreements	6353	0	0	0	0	0
13) Dividends received	6354	0	0	6,392	0	6,392
14) Leases	6355	0	0	0	0	0
15) Provision of services	6356	0	0	0	0	0
16) Sale of goods (finished or in progress)	6357	0	0	0	0	0
17) Gains on retirement or disposal of assets	6358	0	0	0	0	0
18) Other revenue	6359	0	0	0	0	0
REVENUE (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)	6360	4,372	0	6,392	0	10,764

OTHER TRANSACTIONS:		PREVIOUS PERIOD Significant shareholders	Directors and managing directors	Group employees, companies and entities	Other related parties	Total
Purchase of property, plant and equipment, intangible assets and other assets	6371	0	0	0	0	0
Financing agreements: loans and capital contributions (lender)	6372	0	0	0	0	0
Finance lease arrangements (lessor)	6373	0	0	0	0	0
Repayment or cancellation of loans and lease arrangements (lessor)	6377	0	0	0	0	0
Sale of property, plant and equipment, intangible assets and other assets	6374	0	0	0	0	0
Financing agreements: loans and capital contributions (borrower)	6375	643,441	0	0	0	643,441
Finance lease arrangements (lessee)	6376	0	0	0	0	0
Repayment or cancellation of loans and lease arrangements (lessee)	6378	0	0	0	0	0
Collateral and guarantees given	6381	0	0	0	0	0
Collateral and guarantees received	6382	41,874	0	0	0	41,874
Commitments assumed	6383	0	0	0	0	0
Commitment/Guarantees cancelled	6384	0	0	0	0	0
Dividends and other earnings distributed	6386	124,269	0	0	0	124,269
Other transactions	6385	419,313	0	0	0	419,313

V. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS/CONDENSED ANNUAL FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

Annex

Condensed annual financial statements [(2)]

The annex contains the consolidated condensed interim financial statements and the consolidated interim Director's report in addition to the report on limited review of the interim condensed consolidated financial statements.

(1) Explanatory notes to the financial statements: *Explanatory notes to the interim financial statements* and other Selected financial information required in Chapter IV of this template should be attached here, and shall contain at least the minimum disclosures required in the instructions for the preparation of the half-yearly financial report.

(2) Condensed annual financial statements:

(2.1) Issuers that prepare condensed consolidated annual financial statements: If the consolidated financial statement templates of Sections 6, 7, 8, 9 and 10.A or 10.B of Chapter IV of the Selected financial information do not meet the requirements established in the adopted international accounting standard applicable to interim financial information, or if the issuer voluntarily chooses to prepare condensed consolidated annual financial statements for the interim period including its own condensed financial statement templates, it shall attach in this section the condensed consolidated annual financial statements for the interim period, which shall contain, at least, all the minimum disclosures required under the adopted international accounting standard applicable to interim financial information, without prejudice to the obligation to additionally complete the financial information contained in Chapter IV on Selected financial information.

(2.2) Issuers that do not prepare condensed consolidated annual financial statements: In the exceptional case that the individual financial statement templates of Sections 1, 2, 3, 4 and 5 of Chapter IV on Selected financial information do not comply with the requirements established by Article 13 of Royal Decree 1362/2007; or if the issuer voluntarily draws up condensed individual annual financial statements for the interim period including its own condensed financial statement templates, it shall attach in this section the condensed individual annual financial statements for the interim period, which shall contain, at least, all the minimum disclosures required under the adopted international accounting standard applicable to interim financial information, without prejudice to the obligation to additionally complete the financial information contained in Chapter IV on Selected financial information.

VI. INTERIM MANAGEMENT REPORT

Annex

Interim management report

The interim management report is included in the consolidated interim financial statements.

VII. AUDIT REPORT

Annex

Audit report

The report on limited review is included in the consolidated interim financial statements.

Deloitte.

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Avda. Diagonal, 654
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Translation of a report originally issued in Spanish and of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Abertis Infraestructuras, S.A.
at the request of the Directors,

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Abertis Infraestructuras, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated balance sheet as at 30 June 2017, and the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for preparing these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2017 are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial statements, pursuant to Article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw attention to Note 2 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016. Our conclusion is not modified in respect of this matter.

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.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2017 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2017. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Abertis Infraestructuras, S.A. and Subsidiaries.

Other Matters

This report was prepared at the request of the Board of Directors of Abertis Infraestructuras, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law, approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Iván Rubio

25 July 2017

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Interim condensed Consolidated Financial Statements and interim consolidated directors' report for the six-month period ended 30 June 2017
(prepared in accordance with IAS 34, Interim Financial Reporting)

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

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ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

Consolidated balance sheets
(in thousands of euros)

	Notes	30 June 2017	31 December 2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,560,676	1,603,169
Goodwill	6	4,542,690	4,550,461
Other intangible assets	6	15,734,386	16,352,802
Investments in associates and interests in joint ventures	7	1,372,459	1,370,528
Deferred tax assets	-	1,028,457	1,050,593
Available-for-sale financial assets	8	121,550	103,948
Derivative financial instruments	9	61,627	45,417
Trade and other receivables	10	1,739,537	1,710,749
Non-current assets		**26,161,382**	**26,787,667**
Current assets			
Inventories	-	16,292	16,482
Derivative financial instruments	9	12,377	6,683
Trade and other receivables	10	1,348,388	1,796,109
Cash and cash equivalents	-	1,872,821	2,529,129
Current assets		**3,249,878**	**4,348,403**
Non-current assets classified as held for sale and discontinued operations	-	9,552	49,552
Assets		**29,420,812**	**31,185,622**

The accompanying consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 112.

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

Consolidated balance sheets
(in thousands of euros)

	Notes	30 June 2017	31 December 2016
EQUITY			
Share capital and reserves attributable to shareholders of the Parent			
Share capital	11-a	2,971,144	2,971,144
Treasury shares	11-a	(1,168,679)	(1,211,544)
Reserves	11	(308,589)	(157,944)
Retained earnings and other reserves	11	837,817	1,974,557
		2,331,693	**3,576,213**
Non-controlling interests	11-d	**2,285,930**	**3,324,422**
Equity		**4,617,623**	**6,900,635**
LIABILITIES			
Non-current liabilities			
Bond issues and bank borrowings	12	17,149,235	15,693,141
Derivative financial instruments	9	279,230	340,616
Deferred income	-	30,738	35,581
Deferred tax liabilities	-	1,894,593	1,937,316
Employee benefit obligations	14	134,075	160,628
Provisions and other liabilities	15	2,355,848	2,390,641
Non-current liabilities		**21,843,719**	**20,557,923**
Current liabilities			
Bond issues and bank borrowings	12	1,367,771	1,955,233
Derivative financial instruments	9	18,214	34,842
Payable to suppliers and other payables	-	714,333	761,744
Current tax liabilities	-	311,343	325,112
Employee benefit obligations	14	54,925	37,249
Provisions and other liabilities	15	488,001	569,105
Current liabilities		**2,954,587**	**3,683,285**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	4,883	43,779
Liabilities		**24,803,189**	**24,284,987**
Equity and liabilities		**29,420,812**	**31,185,622**

The accompanying consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 112.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

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

		Six-month period ended 30 June	
	Notes	**2017**	**2016**
Services	16	2,591,118	2,167,270
Other operating income	-	95,073	68,619
In-house work on non-current assets	-	10,190	6,199
Other income	-	1,828	1,106
Operating income		2,698,209	2,243,194
Infrastructure upgrade revenue	-	329,102	225,900
Income from operations		3,027,311	2,469,094
Staff costs	-	(336,484)	(276,421)
Other operating expenses	-	(602,300)	(467,108)
Changes in operating provisions and allowances	-	(2,022)	3,020
Depreciation and amortisation charge	5 and 6	(736,670)	(605,680)
Other expenses	-	(696)	(659)
Operating expenses		(1,678,172)	(1,346,848)
Infrastructure upgrade expenses	-	(329,102)	(225,900)
Expenses from operations		(2,007,274)	(1,572,748)
Profit from operations		1,020,037	896,346
Changes in fair value of financial instruments	16	13,589	273,356
Finance income	-	119,432	111,178
Finance costs	-	(501,719)	(538,302)
Net financial loss		(368,698)	(153,768)
Result of companies accounted for using the equity method	7	9,520	20,543
Profit before tax		660,859	763,121
Income tax	13	(185,063)	(164,674)
Profit from continuing operations		475,796	598,447
Profit from discontinued operations	16	16,500	-
Profit for the period		**492,296**	**598,447**
Profit attributable to non-controlling interests	11	77,195	88,199
Profit attributable to shareholders of the Parent		**415,101**	**510,248**
Earnings per share (in euros per share)			
- basic earnings per share from continuing operations	-	0.44	0.56
- basic earnings per share from discontinued operations	-	0.02	-
- diluted earnings per share from continuing operations	-	0.44	0.56
- diluted earnings per share from discontinued operations	-	0.02	-

The accompanying consolidated statements of profit or loss should be read in conjunction with the Notes included on pages 8 to 112.

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

Consolidated statements of comprehensive income
(in thousands of euros)

		Six-month period ended 30 June	
	Notes	**2017**	**2016**
Profit for the period		**492,296**	**598,447**
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		18,666	-
Transfers to the consolidated statement of profit or loss		-	-
	8 and 11	18,666	-
Changes in cash flow hedges of the Parent and of fully consolidated companies		11,376	(33,277)
Transfers to the consolidated statement of profit or loss		8,890	192
	9	20,266	(33,085)
Hedges of net investments in foreign operations of the Parent and of fully consolidated companies		47,228	(181,259)
Transfers to the consolidated statement of profit or loss		28,735	105,641
	9	75,963	(75,618)
Cash flow hedges / Hedges of net investments in foreign operations of companies accounted for using the equity method	7 and 11	878	(923)
Foreign currency translation differences		(346,187)	294,019
Transfers to the consolidated statement of profit or loss		-	(59,354)
	11	(346,187)	234,665
Other	-	1,357	45,274
Tax effect of income and expense recognised in equity	-	(25,905)	40,469
		(254,962)	210,782
Income and expense recognised directly in equity not transferable to the consolidated statement of profit or loss:			
Actuarial gains and losses		-	-
Tax effect of income and expense recognised in equity		-	-
		-	-
Other comprehensive income		**(254,962)**	**210,782**
Total comprehensive income		**237,334**	**809,229**
Attributable to:			
– shareholders of the Parent:			
– from continuing operations		278,531	618,445
– from discontinued operations		16,500	-
		295,031	618,445
– non-controlling interests		(57,697)	190,784
		237,334	**809,229**

The accompanying consolidated statements of comprehensive income should be read in conjunction with the Notes included on pages 8 to 112.

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

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

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	11-a	11	11	11-c	
At 1 January 2017	1,759,600	(157,944)	1,974,557	3,324,422	6,900,635
Comprehensive income for the period	-	(132,656)	427,687	(57,697)	237,334
2nd payment of 2016 dividend	-	-	(366,441)	(26,049)	(392,490)
Treasury shares	42,865	-	(770)	-	42,095
Reimbursement of shareholder contributions	-	-	-	(2,380)	(2,380)
Capital increase	-	-	-	117,754	117,754
Changes in the scope of consolidation and other	-	(17,989)	(1,197,216)	(1,070,120)	(2,285,325)
At 30 June 2017	**1,802,465**	**(308,589)**	**837,817**	**2,285,930**	**4,617,623**

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	11-a	11	11	11-c	
At 1 January 2016	1,617,739	(223,392)	1,866,684	2,088,145	5,349,176
Comprehensive income for the period	-	81,275	537,170	190,784	809,229
2015 final dividend	-	-	(339,559)	(99,113)	(438,672)
2016 interim dividend	-	-	-	(2,180)	(2,180)
Treasury shares	378	-	(29)	-	349
Reimbursement of shareholder contributions	-	-	-	(16,779)	(16,779)
Capital increase	141,483	-	(141,483)	185,836	185,836
Changes in the scope of consolidation and other	-	(35,702)	29,031	(126,648)	(133,319)
At 30 June 2016	**1,759,600**	**(177,819)**	**1,951,814**	**2,220,045**	**5,753,640**

The accompanying consolidated statements of changes in equity should be read in conjunction with the Notes included on pages 8 to 112.

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails

Consolidated statements of cash flows
(in thousands of euros)

	Notes	Six-month period ended 30 June 2017	2016
Net cash flows from operating activities:			
Profit from continuing operations		475,796	598,447
Adjustments:			
Taxes	-	185,063	164,674
Depreciation and amortisation charge	5 and 6	736,670	605,680
Net (gain) loss on disposals of property, plant and equipment, intangible assets and other assets	-	(1,132)	(447)
(Gains) losses on financial instruments	-	(13,589)	(273,356)
Changes in provisions for pensions and other obligations	-	1,263	2,732
Changes in provisions required under IFRIC 12 and other provisions	-	73,980	75,741
Dividend income	-	(1,398)	-
Interest and other income	-	(118,034)	(111,178)
Interest and other expenses	-	501,719	538,302
Transfer of deferred income to profit or loss	-	(2,662)	(2,311)
Other net adjustments to profit or loss	10.i	3,874	1,950
Share of profits of companies accounted for using the equity method	7	(9,520)	(20,543)
		1,832,030	1,579,691
Changes in current assets and liabilities:			
Inventories	-	(597)	(2,330)
Trade and other receivables	-	(90,178)	(19,059)
Derivative financial instruments	-	(20,273)	3,689
Payable to suppliers and other payables	-	(30,619)	(96,822)
Other current liabilities	-	(132,110)	1,037
		(273,777)	(113,485)
Cash flows from operating activities		**1,558,253**	**1,466,206**
Income tax recovered (paid)	-	154,856	(107,936)
Interest paid and hedges settled	-	(486,355)	(473,151)
Interest received and hedges settled	-	39,056	44,735
Provisions for pensions and other obligations used	-	(1,263)	(1,269)
Other provisions used	-	(43,627)	(49,208)
Other payables	-	14,871	1,301
Grants and other deferred income received / refunded	-	27	6,324
Non-current trade and other receivables	-	(879)	12,305
(A) Total net cash flows from operating activities		**1,234,939**	**899,307**

The accompanying consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 112.

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

Consolidated statements of cash flows
(in thousands of euros)

		Six-month period ended 30 June	
	Notes	2017	2016
Net cash flows from investing activities:			
Business combinations and changes in the scope of consolidation (net of cash acquired)	4	(110,108)	(766,882)
Other changes in the scope of consolidation[(1)]	-	(2,199,439)	(133,319)
Net acquisition of investments in associates and interests in joint ventures	7	384	-
Proceeds from disposals of investments in associates and/or joint ventures and/or available-for-sale financial assets	8	1,061	-
Proceeds from disposals of non-current assets	-	7,125	3,861
Purchases of property, plant and equipment, intangible assets and other concession infrastructure	-	(359,377)	(377,757)
Dividends received from financial investments, associates and joint ventures	7	7,709	2,691
Provisions required under IFRIC 12 used	-	(98,565)	(61,949)
Other	-	(17,787)	601
Amounts received arising from discontinuation of the airports business[(2)]	16	15,430	-
(B) Total net cash flows from investing activities		**(2,753,567)**	**(1,332,754)**
Net cash flows from financing activities:			
Borrowings obtained in the period	12	2,442,928	1,416,356
Repayment of borrowings in the period	12	(1,324,784)	(470,029)
Dividends paid to the shareholders of the Parent (net of the amounts corresponding to treasury shares and share-based payment)	11	(293,720)	(311,545)
Treasury shares	11	375	378
Reimbursement of share premium / Payments to non-controlling interests	-	(28,429)	(109,485)
Capital increase / Amounts received from non-controlling interests	11	117,754	185,836
(C) Total cash flows from financing activities		**914,124**	**711,511**
(D) Effect of foreign exchange rate changes		**(51,804)**	**41,264**
Net (decrease) / increase in cash and cash equivalents of continuing operations (A)+(B)+(C)+(D)		**(656,308)**	**319,328**
Beginning balance of cash and cash equivalents of continuing operations		2,529,129	2,222,243
Ending balance of cash and cash equivalents of continuing operations		**1,872,821**	**2,541,571**
Net (decrease) / increase in cash and cash equivalents of discontinued operations	**-**	**(686)**	**-**
Beginning balance of cash and cash equivalents of discontinued operations		1,383	-
Ending balance of cash and cash equivalents of discontinued operations	**-**	**697**	**-**

The accompanying consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 112.

(1) In 2017 includes EUR-2,214,385 thousand associated with the purchase of non-controlling interests in **HIT** and EUR -85,632 thousand in relation to the purchase 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 10-v). Related in 2016 to the purchase of non-controlling interests in **Arteris**.

(2) Relates to the collection of the compensation for the nationalisation in 2013 of the airports operated by the Group in Bolivia (see Note 16).

Translation of interim condensed 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 22). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Parent") was incorporated in Barcelona on 24 February 1967 and its registered office is at Avenida Pedralbes, 17 (Barcelona).

Accordingly, 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.

Note 20-c includes information on the concession arrangements that were included in the Group in the six-month period ended 30 June 2017 and on the significant changes that had occurred in the arrangements in force at 31 December 2016.

The figures included in all the interim condensed 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 in the notes to the interim condensed consolidated financial statements are expressed in thousands of euros, unless it is explicitly stated that they are expressed in millions of euros or in other currencies.

The interim condensed consolidated financial statements for the six-month period ended 30 June 2017 are subject to a limited review by the Parent’s auditor in accordance with Royal Decree 1362/2007, of 19 October. Also, the balances corresponding to the year-ended 31 December 2016 were duly audited and an unqualified opinion was issued thereon.

2. BASIS OF PRESENTATION

a) Basis of presentation

These interim condensed consolidated financial statements of Abertis Infraestructuras, S.A. and Subsidiaries for the six-month period ended 30 June 2017, which were obtained from the accounting records kept by the Parent and by the other companies composing the Group, were signed by the Parent’s directors at the Board of Directors meeting held on 25 July 2017.

These interim condensed consolidated financial statements were prepared by the directors of **Abertis** in accordance with IAS 34, Interim Financial Reporting, taking into account all the mandatory accounting principles and rules and measurement bases, so that they present fairly the **Abertis** Group's consolidated equity and consolidated financial position as at 30 June 2017 and the results of its operations, the changes in the consolidated equity and the consolidated cash flows in the six-month period then ended.

As previously indicated, this interim condensed consolidated financial information was prepared in accordance with IAS 34, Interim Financial Reporting and, therefore, it does not include all the information and disclosures required in consolidated financial statements. Consequently, it should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016 prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, which were approved by the shareholders at the Annual General Meeting of the Parent held on 3 April 2017.

b) Adoption of IFRSs

These interim condensed consolidated financial statements of **Abertis** for the six-month period ended 30 June 2017 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, and the obligation to present half-yearly consolidated financial statements in accordance with IFRSs as approved by the European Union was also regulated by Article 12 of Royal Decree 1362/2007.

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 with respect to interests in entities 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 signing of these interim condensed 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 interim condensed 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
Not yet approved for use in the European Union		
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
IFRS 16, Leases (issued in January 2016)	Supersedes IAS 17 and the related 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
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 contracts have on the financial statements.	1 January 2021
Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions (issued in June 2016)	Limited amendments clarifying specific issues such as the effects of vesting conditions on cash-settled share-based payments, the classification of share-based payment transactions with net settlement features and accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018
Amendments to IFRS 4, Insurance Contracts (issued in September 2016)	Provide entities within the scope of IFRS 4 with the option of applying IFRS 9 ("overlay approach") or the temporary exemption therefrom.	1 January 2018
Amendments to 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
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
Improvements to IFRSs, 2014-2016 cycle (issued in December 2016)	Minor amendments to a series of standards (various effective dates).	1 January 2018

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
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 is carrying out a detailed assessment of the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect. In this regard, the results of the preliminary 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 this standard, and taking into account the fact that in the toll road concession management business (the operating segment that accounts for 95% of the Group’s revenue) the application of the IFRS 15 criteria would not give rise to the recognition of significantly different levels of revenue than those resulting from the application of the current criteria, a preliminary assessment was conducted and it was estimated that the application of IFRS 15 could affect the revenue recognition criteria by approximately EUR 20 million of the Group’s total revenue and, as a result, the potential impact would not be significant.

Lastly, it should be noted that management does not intend to apply the standard early and, in addition, with regard to transition methods, at the reporting date it had not decided on the option that will be applied at the transition date.

IFRS 9 Financial Instruments

From the annual reporting period beginning on 1 January 2018, IFRS 9 will supersede 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 performed a preliminary analysis of the impacts that IFRS 9 would have on the consolidated financial statements for the year ended 31 December 2016. The most significant conclusions drawn from the assessment made regarding the possible effects on the Group are as follows:

- Classification and measurement of financial instruments

  The new asset classification approach is based on the contractual cash flow characteristics of the assets and on the entity’s business model. Based on these characteristics, all assets will be classified in one of three measurement categories: (i) amortised cost; (ii) fair value through other comprehensive income (equity) and (iii) fair value through profit or loss.

The preliminary analysis did not disclose any significant changes in the classification and measurement of financial assets based on their characteristics and on the Group's current business model. The transition from the four current IAS 39 categories to the three new IFRS 9 categories will entail a change of nomenclature but will not have any impact on the measurement of the assets at the transition date.

- Changes in the contractual cash flows of a financial liability without derecognition

  IFRS 9 states that changes in the contractual cash flows of a financial instrument not leading to the derecognition of the financial instrument must adjust its carrying amount at the date of the change, maintaining the effective interest rate of the original financial instrument and, therefore, recognising the difference in carrying amount in profit or loss at the date on which the terms and conditions of the financial instrument are changed. This IFRS 9 requirement has been discussed by the IFRIC and is expected to be addressed once again in 2017.

  In this regard, in prior years the Group refinanced certain financial liability instruments, debentures and bonds, which, pursuant to the current IAS 39, were treated as a change in the instrument and, accordingly, did not require the adjustment of the carrying amount of the financial instruments held. In this context, the new accounting treatment would adjust the carrying amount of the amortised cost of those financial instruments at the date of the change and, consequently, at the date of application of the new standard, namely 1 January 2018. The estimated positive impact at 1 January 2018 amounts to approximately EUR 60 million (increase in “Retained Earnings and Other Reserves” and decrease in “Bond Issues and Bank Borrowings” in the consolidated balance sheet).

- Impairment of financial assets

  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 twelve 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.

  The Group has 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. Although the expected credit loss model has not yet been fully developed, a preliminary estimate has been made, together with a sensitivity analysis, of the additional write-down required as a result of the application of the new expected credit loss model to write down the balances of the financial assets held at 1 January 2018. The results of the preliminary estimate show that additional write-downs (decrease in the consolidated balance sheet heading "Retained Earnings and Other Reserves" amounting to between EUR 30 million and EUR 50 million would be required.

- Hedge accounting

  IFRS 9 seeks to align hedge accounting more closely with risk management. In this regard the standard broadens and makes more flexible the requirements relating to the designation of hedged and hedging items and to assessing hedge effectiveness, which is now established on the basis of economic principles, eliminating the thresholds for application and making the assessment prospectively only.

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 account the derivative financial instruments held by the Group and the existing hedging relationships, no significant effects are expected to arise at the date of first-time application, except for the effect of the possible new treatment of the changes in the forward component of the derivative financial instruments which, under the new standard, may be recognised in equity as a cost of the hedging relationships. Since this accounting treatment is optional, the changes in the forward component in the hedges designated as such at the Group would not be material.

Management is still assessing the total effect that application of IFRS 9 will have on the Group's consolidated financial statements. The aforementioned assessment has been made by reference to an analysis of the entity's financial assets and liabilities at 31 December 2016 performed on the basis of the facts and circumstances that existed at that date. Since the facts and circumstances may change in the period until the date of initial application of IFRS 9, which is expected to come into force on 1 January 2018, and since the entity 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.

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 10 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 100 million (recognition of a liability with a balancing entry under property, plant and equipment), generating in the future an annual additional depreciation charge of around EUR 15 million and a finance cost of approximately EUR 3 million, which would offset the decrease of approximately EUR 16 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 events and circumstances. Since these events and circumstances may change in the period until 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) Responsibility for the information and use of accounting estimates and judgements

The preparation of these interim condensed consolidated financial statements requires, as established in IAS 34, the preparation of certain estimates and judgements by the senior executives of the Parent and of the consolidated companies in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein, which do not differ significantly from those considered in the preparation of the consolidated financial statements for the year ended 31 December 2016 detailed in Note 2-d thereto. Accordingly, pursuant to IAS 34, interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the interim period pre-tax earnings.

In the six-month period ended 30 June 2017 there were no significant changes in the estimates that had been made at 2016 year-end. The estimate of the recoverable amount of the financial assets relating to the concession arrangements operated by the Group, and in particular the balance relating to RD 457/2006, is explained in Note 10.i-a.

d) Functional Currency

These interim condensed 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.

e) Comparative information

As required by IFRSs, the information contained in these interim condensed consolidated financial statements for the first half of 2017 is presented, for comparison purposes only, with the information relating to the six-month period ended 30 June 2016 and/or as at 31 December 2016.

f) Materiality

In determining the information to be disclosed in the notes to the consolidated financial statements on the various items in the interim condensed consolidated financial statements or other matters, the Group, in accordance with IAS 34, took into account their materiality in relation to the interim condensed consolidated financial statements for the six-month period ended 30 June 2017.

g) Basis of consolidation

The consolidation bases considered in these interim condensed consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 31 December 2016, which are detailed in Note 2-g thereto.

It should be noted in this regard that the annual reporting period 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) ends on 31 March and, accordingly, the related timing uniformity adjustments were made and their respective financial statements for the six-month period ended 30 June prepared in accordance with IFRSs were used for consolidation purposes.

h) Changes in the scope of consolidation

The most significant changes in the scope of consolidation of the Group in the six-month period ended 30 June 2017 were as follows:

- In the first half of 2017 **Abertis**, through various purchase transactions, completed the acquisition of an additional 47.45% of the share capital of Holding d'Infraestructures de Transport (**Hit**, a 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**. 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 11-c).

  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 the first half of 2017 **Abertis**, by means of various purchase transactions, completed the acquisition of an additional 15.37% of the share capital of A4 Holding, S.p.A. (**A4**) for a total of EUR 86 million. With the acquisition of this additional shareholding, **Abertis** now holds 66.77% 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 60 million on the reserves attributable to the shareholders of the Parent (see Note 11-c).

  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 Popolare and the local administrations of Bergamo 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** now indirectly owns 66.77% of the shares of **A4**.

  - In addition, as detailed in Note 17-ii, there are commitments to purchase an additional 23.26% of the share capital of **A4** which, once fulfilled, will enable **Abertis** to acquire an indirect ownership interest of 90.03% in this company.

- On 2 March 2017, **Abertis** (acting through its Spanish wholly-owned subsidiary Abertis India, S.A., **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 Telengana) from the funds MSIIPL and SMIT (controlled by Macquarie and 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 4).

The summary of these changes and the detail of other changes in the six-month period ended 30 June 2017 that did not have a significant impact are as follows:

Company name	Company with direct shareholding and % acquired / maintained		Consolidation method	Date	Cost / Selling price (Millions of euros)	% acquired / sold / liquidated by Abertis	% owned by Abertis at 30/06/17
Acquisitions:							
Holding d'Infraestructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	10.52%	Full consolidation	20/02/17	491	10.52%	100%
Holding d'Infraestructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	9.65%	Full consolidation	27/03/17	451	9.65%	100%
Holding d'Infraestructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	17.08%	Full consolidation	28/04/17	796	17.08%	100%
Holding d'Infraestructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	5.10%	Full consolidation	28/04/17	238	5.10%	100%
Holding d'Infraestructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	5.10%	Full consolidation	28/04/17	238	5.10%	100%
		47.45%			2,214	47.45%	100%
Holding d'Infraestructures de Transport 2, S.A.S. (**Hit 2**) (1)	Abertis Infraestructuras, S.A.	47.45%	Full consolidation	Feb-Apr 2017	-	47.45%	100%
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%
					85,7	15.37%	66.77%
Trichy Tollway Private Limited (**TTPL**)	Abertis India, S.A.	100%	Full consolidation	02/03/17	89	100%	100%
Jadcherla Expressways Private Limited (**JEPL**)	Abertis India, S.A.	74%	Full consolidation	02/03/17	44	74%	74%

Company name	Company with direct shareholding and % acquired / maintained		Consolidation method	Date	Cost / Selling price (Millions of euros)	% acquired / sold / liquidated by Abertis	% owned by Abertis at 30/06/17
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%	-
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%	Ownership interest	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%	Ownership interest	30/01/17	-	23.53%	-

(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**.

Also, in the six-month period ended 30 June 2017 the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these interim condensed consolidated financial statements:

Selling / Spun-off company	Buying / Resulting company	Comments	Date
Merger:			
Sociétés des Autoroutes Paris Normandie, S.A. (**Sapn**) SEA 14	Sociétés des Autoroutes Paris Normandie, S.A. (**Sapn**)	Merger by absorption of **Sapn** (absorbing company) and SEA 14 (absorbed company).	01/03/17
Sociétés des Autoroutes du Nord-Est de la France, S.A. (**Sanef**) Sanef Concession	Sociétés 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
Disposals:			
Sociétés 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

3. ACCOUNTING POLICIES AND FINANCIAL RISK AND CAPITAL MANAGEMENT

The accounting policies and measurement bases used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2016 (detailed therein), except for the new standards applied effective 1 January 2017 detailed in Nota 2-b.i.

Also, in the six-month period ended 30 June 2017 the Group continued to manage its activities taking into account the financial risk and capital management policy detailed in Note 4 to the consolidated financial statements for 2016.

In this respect, the fair value measurement of assets and liabilities is based on the hierarchy established in IFRSs 7 and 13:

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

The detail of the Group's assets and liabilities measured at fair value according to the aforementioned levels at 30 June 2017 and 31 December 2016 is as follows:

30 June 2017	**Level 1**	**Level 2**	**Level 3**	**2017**
Assets				
Available-for-sale financial assets (*)	-	-	121,550	121,550
Derivative financial instruments:				
Cash flow hedges	-	4,368	-	4,368
Fair value hedges	-	15,386	-	15,386
Hedges of a net investment in a foreign operation	-	49,194	-	49,194
Derivatives not designated as hedges	-	5,056	-	5,056
Total derivative financial instruments	-	74,004	-	74,004
Total assets	**-**	**74,004**	**121,550**	**195,554**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	218,336	-	218,336
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	79,108	-	79,108
Total derivative financial instruments	-	297,444	-	297,444
Borrowings subject to fair value hedging	-	80,892	-	80,892
Other liabilities at fair value	-	302,000	-	302,000
Total liabilities	**-**	**680,336**	**-**	**680,336**

(*) 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 the six-month period ended 30 June 2017 there were no transfers between Levels 1 and 2.

As indicated in Notes 3-d and 3-e to the consolidated financial statements for 2016, the fair value of the financial instruments traded in active markets is based on the market prices at the reporting date. The quoted price used for financial assets is the current bid price.

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

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date. In this regard, the difference between the carrying amount and the fair value of the borrowings at 30 June 2017 does not differ significantly from the difference considered at 2016 year-end (see Note 14.i to the consolidated financial statements for 2016).

4. BUSINESS COMBINATIONS

The most significant business combinations in the six-month period ended 30 June 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.A. (**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 20,000 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 23,000 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 30 June 2017 includes the value of all of their respective assets and liabilities and the consolidated statement of profit or loss for the period reflects the impact of four 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. In this regard, the fair value of the aforementioned assets was estimated in the same way as that in which the recoverable amount of the intangible assets was determined, as described in Notes 3-c and 7.iv to the consolidated financial statements for 2016.

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:

Debit/(Credit)	TTPL Acquired value (for 100%) Fair value	Carrying amount	Revaluation	JEPL Acquired value (for 100%) 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 June 2017 contribution (4 months)	Pro forma 2017 [2]	JEPL June 2017 contribution (4 months)	Pro forma 2017 [2]
Operating income	5,698	17,727	4,235	13,177
Operating expenses	(2,020)	(4,366)	(1,427)	(3,085)
EBITDA	3,678	13,361	2,808	10,092
Net profit [1]	(1,862)	892	(342)	164

(1) Net profit 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 signing of these interim condensed 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 combinations.

ii) Other

The initial accounting for the business combination involving **A4** described in Note 5 to the consolidated financial statements for 2016 is not yet considered to have been completed, since one year has not yet elapsed since the acquisitions were made in September 2016.

5. PROPERTY, PLANT AND EQUIPMENT

The changes in “Property, Plant and Equipment” in the consolidated balance sheet for the six-month period ended 30 June 2017 were as follows:

	2017
1 January	
Cost	3,912,359
Accumulated depreciation and impairment losses	(2,309,190)
Carrying amount	1,603,169
Six-month period	
Beginning carrying amount	1,603,169
Translation differences	(6,842)
Additions	56,602
Disposals	(3,378)
Transfers	(444)
Changes in the scope of consolidation and business combinations	466
Depreciation charge	(86,285)
Other	(2,612)
Ending carrying amount	**1,560,676**
At 30 June	
Cost	3,558,345
Accumulated depreciation and impairment losses	(1,997,669)
Carrying amount	**1,560,676**

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

	30 June 2017		**31 December 2016**	
	Currency	Euros	Currency	Euros
France (euro)	186,023	186,023	182,151	182,151
Italy (euro)	135,341	135,341	141,044	141,044
Brazil (Brazilian real, BRL)	129,241	34,373	116,658	34,006
Puerto Rico (US dollar, USD)	38,382	33,633	33,289	31,580
Chile (Chilean peso, CLP)	14,459,619	19,086	14,483,303	20,487
Other	-	7,526	-	7,291
Net property, plant and equipment owned by Group companies located abroad	**-**	**415,982**	**-**	**416,559**

The exchange differences that arose in the first half of 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.

The additions in the first half of 2017 relate mainly to advances paid for the acquisition of non-current assets (new satellites) by the **Hispasat** subgroup amounting to EUR 21 million.

Capitalised interest in the six-month period ended 30 June 2017 amounted to EUR 2,711 thousand.

The changes in the period arising from changes in the scope of consolidation and business combinations relate in full to the impact of the acquisition of **TTPL** and **JEPL** (see Notes 2-h and 4).

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 to the consolidated financial statements for 2016. The assessment carried out at 30 June 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 30 June 2017 the Group had property, plant and equipment purchase commitments amounting to EUR 94,035 thousand (31 December 2016: EUR 184,594 thousand, which included EUR 111,781 thousand of the **A4** subgroup for the development of infrastructure), relating primarily to the development by the **Hispasat** subgroup of new satellites (EUR 83,006 thousand at 30 June 2017 and EUR 72,000 thousand at 2016 year-end).

In addition, at 30 June 2017 certain items of property, plant and equipment amounting to EUR 11,342 thousand (2016 year-end: EUR 10,950 thousand) were subject to restrictions and others amounting to EUR 2,990 thousand (2016 year-end: EUR 12,035 thousand), associated with **A4** subgroup companies.

6. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in "Goodwill" and "Other Intangible Assets" in the consolidated balance sheet in the six-month period ended 30 June 2017 were as follows:

	2017	
	Goodwill	Other intangible assets
At 1 January		
Cost	4,550,461	32,853,699
Accumulated amortisation and impairment losses	-	(16,500,897)
Carrying amount	4,550,461	16,352,802
Six-month period		
Beginning carrying amount	4,550,461	16,352,802
Translation differences	(43,460)	(557,034)
Additions	-	359,334
Disposals	-	(2,614)
Transfers	-	15,342
Changes in the scope of consolidation and business combinations (see Note 4)	35,689	210,419
Amortisation charge	-	(650,385)
Other	-	6,522
Ending carrying amount	**4,542,690**	**15,734,386**
At 30 June		
Cost	4,542,690	32,701,351
Accumulated amortisation and impairment losses	-	(16,966,965)
Carrying amount	**4,542,690**	**15,734,386**

The detail of the net intangible assets, including goodwill, at Group companies located abroad is as follows:

(in thousands)	30 June 2017		31 December 2016	
	Currency	Euro	Currency	Euro
France (euro)	7,687,893	7,687,893	7,818,115	7,818,115
Italy (euro)	1,405,994	1,405,994	1,447,104	1,447,104
Brazil (brazilian real, BRL)	12,311,070	3,274,221	11,744,481	3,423,548
Chile (chilean peso, CLP)	2,311,092,561	3,050,465	2,356,913,143	3,333,853
Puerto Rico (US dollar, USD)	1,203,649	1,054,723	1,219,282	1,156,705
India (rupee, INR)	17,209,486	233,366	-	-
Other	-	17,284	-	22,441
Intangible assets (net) at companies located abroad	**-**	**16,723,946**	**-**	**17,201,766**

The exchange differences that arose in the period relate primarily to assets in Chile, Brazil and Puerto Rico (due to the decrease in the exchange rates of the Chilean peso, the Brazilian real and the US dollar, respectively, at the reporting date).

The additions in the six-month period ended 30 June 2017 were due mainly to the administrative concessions of the **Sanef** (EUR 25 million in 2017) and **Arteris** (BRL 1,031 million -approximately EUR 274 million- in 2017) subgroups and several Chilean concession operators (CLP 29,787 thousand -around EUR 39 million- in 2017), as a result of the investments made in the period to expand the capacity of the toll road networks owned by them.

Capitalised interest in the six-month period ended 30 June 2017 amounted to EUR 28,461 thousand.

The changes in the period arising from changes in the scope of consolidation and business combinations relate in full to the impact of the acquisition of **TTPL** and **JEPL** (see Notes 2-h and 4).

i) Impairment losses

As detailed in Notes 3-b and 3-c to the consolidated financial statements for 2016, 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.

In relation to this assessment, the Group checked, inter alia, the changes in the most significant variables included in the impairment test for 2016, and the key assumptions used in that test, against the results obtained in the first half of 2017. As a result of the assessment conducted by the Group, at 30 June 2017 there were no indications that the Group's goodwill and intangible assets might have become impaired.

It should be noted in this regard that the performance in this six-month period of the aggregates of the **Arteris** subgroup, on which the Group recognised in 2015 an impairment loss, is in line with the estimates used for the current period in the impairment test for 2016. Also, it should be noted that in the first half of 2017 traffic, tolls and the main macroeconomic assumptions were slightly higher than those budgeted for the period and higher than those for the previous year.

In addition, the volume of business of the Puerto Rican company **Metropistas** was higher than expected and is expected to improve even further in the coming months, despite the adverse macroeconomic situation in Puerto Rico. In this respect, it should be highlighted that as a result of the agreement reached in 2016 with the Puerto Rico 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.

Therefore, as detailed above, when the estimates were borne out at 30 June 2017 and in view of the absence of additional indications of impairment in relation to the intangible assets of the **Arteris** subgroup and **Metropistas**, at 30 June 2017 the Group did not consider it necessary to update the impairment test to verify the recoverability thereof.

ii) Other disclosures

In connection mainly 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:

	30 June 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)	2,338	622	3,103	904
Concession operators dependent on the State of São Paulo	434	115	500	146
	2,772	**737**	**3,603**	**1,050**

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

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 (EUR 31 million subsidised) in exchange for an 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**). To date investments for a cumulative amount of EUR 22 million have been undertaken.

- 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. 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 2017 to 2026 pursuant to the current economic and financial plan. The investments will be recovered, as described in Note 3-b.ii to the consolidated financial statements for 2016, 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** and **Sol** each entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work. On the one hand, in the case of **Autopista Central** in connection with the Nudo de Quilicura junction, the estimated investment in building works amounts to CLP 361,573 million (approximately EUR 477 million at 30 June 2017) and, on the other hand, in the case of **Sol**, mainly in connection with the construction of third lanes reaching Talagante, the estimated investment would amount to CLP 79,217 million (approximately EUR 105 million at 30 June 2017). At the date of signing of these interim condensed consolidated financial statements, those memorandums of understanding had not yet been finalised, although in the case of **Sol** the Group has received the resolution ordering the performance of the engineering work associated with the project, which is currently at the tender phase.
- 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 and includes a plan for additional investment of USD 250 million (approximately EUR 220 million at 30 June 2017) to improve the existing network.
- Also, the Group has various investment commitments under agreements entered into with the grantors (see Note 11-i to the consolidated financial statements for 2016).

Lastly, the companies listed below have provided guarantees to creditor banks in relation to their administrative concessions (see Note 12):

	"Administrative Concessions" - carrying amount, net of accumulated amortisation and impairment losses	
	30 June 2017	**31 December 2016**
Consolidated Arteris subgroup companies	3,093,718	3,336,064
Autopista Central, S.A.	1,937,463	2,130,105
Autostrada Brescia Verona Vicenza Padova, S.p.A.	1,153,029	1,206,647
Autopistas Metropolitanas de Puerto Rico, Llc.	1,017,282	1,113,793
Sociedad Concesionaria Autopista de Los Andes, S.A.	177,547	170,263
Trichy Tollway Private Limited	123,120	-
Sociedad Concesionaria Autopista Los Libertadores, S.A.	79,911	90,148
Jadcherla Expressways Private Limited	76,209	-
Sociedad Concesionaria Autopista del Sol, S.A.	21,979	29,978

7. INVESTMENTS IN ASSOCIATES AND INTERESTS IN JOINT VENTURES

The changes in the six-month period ended 30 June 2017 in "Investments in Associates and Interests in Joint Ventures" in the consolidated balance sheet were as follows:

	2017		
	Interests in joint ventures	Investments in associates	Total
At 1 January	67,088	1,303,440	1,370,528
Increase	-	384	384
Share of (loss) / profit [1]	3,679	5,841	9,520
Translation differences	(26)	(1,850)	(1,876)
Accrued dividends (Note 19-c)	(2,727)	(3,584)	(6,311)
Cash flow hedges (Note 11)	-	878	878
Other	(611)	(53)	(664)
At 30 June	**67,403**	**1,305,056**	**1,372,459**

[1] The share of (loss)/profit is stated after tax and non-controlling interests.

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

	30 June 2017		31 December 2016	
	Currency	Euro	Currency	Euro
France (euro)	55,571	55,571	53,654	53,654
Italy (euro)	4,623	4,623	5,438	5,438
Colombia (Colombian peso, COP)	53,935,698	15,522	54,203,449	17,136
Other (mainly in the UK)	-	14,088	-	13,664
Investments in associates and interests in joint ventures located abroad	**-**	**89,804**	**-**	**89,892**

The exchange differences that arose in the period relate primarily to assets in Colombia and were a result of the decrease in the exchange rate of the Colombian peso at the end of the reporting period.

The increases in the period 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 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:

	30 June 2017		31 December 2016	
	Value of the investment	Goodwill [1]	Value of the investment	Goodwill [1]
Toll roads				
Trados 45	59,686	29,872	58,542	29,872
Areamed	7,158	-	7,273	-
Tc Flow	559	-	670	-
Rio dei Vetrai	-	-	603	-
Interests in joint ventures	67,403	29,872	67,088	29,872
A'lienor	53,593	-	51,427	-
Autema	49,131	-	48,031	-
RMG	13,529	1,358	12,994	1,395
Coninvial	11,070	-	11,521	-
Coviandes	4,452	111	5,615	121
Alis/Routalis	1,963	1,950	2,213	1,950
Bip&Drive	2,377	-	2,093	-
Pedemontana Veneta	1,862	-	2,048	-
Estracom	1,725	-	1,725	-
G.R.A. di Padova	732	-	757	-
Servizi Utenza Stradale	295	-	295	-
Leonord	15	-	14	-
Pronet	9	-	10	-
Investments in associates [2]	140,753	3,419	138,743	3,466
	208,156	33,291	205,831	33,338
Telecommunications				
Cellnex subgroup	1,100,562	690,639	1,100,940	690,639
Hisdesat and other	63,741	-	63,757	-
Investments in associates	1,164,303	690,639	1,164,697	690,639
Investments in associates and interests in jointly controlled entities	**1,372,459**		**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 depreciation of the Colombian peso at the end of the period; and in the case of RMG, it was a result of the depreciation of the pound sterling at the reporting date.

(2) Also included are the Spanish companies Irasa, Alazor and Ciralsa, and the Italian companies Italian Golf Development and CIS, the value of which at both 30 June 2017 and 2016 year-end (except in the case of Rio de Vetrai) was EUR 0 thousand (see section i) of this Note).

As indicated in a Note 2-g.i to the consolidated financial statements for 2016, if the Group's share of 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 obligations on behalf of the associate.

In this context, and at 2016 year-end, 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 and C.I.S., the carrying amount of all of which has been reduced to zero (in the case of the first three companies the respective carrying amounts 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.

i) Investments in Irasa, Alazor and Ciralsa

At 30 June 2017, in connection with the Group's investments in Irasa, Alazor and Ciralsa, since at that reporting date 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 and Ciralsa, 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.

In this regard, on 30 September 2016 Madrid Commercial Court no. 6 handed down two decisions in relation to the insolvency proceedings of Alazor and Ciralsa whereby, inter alia, it ordered that the full discontinuation of the business activities of these companies, initially envisaged for 1 October 2016, be rendered null and void, together with the acts whereby the concession infrastructure and other assets included in the concession arrangement were to be returned to the Ministry of Public Works, also envisaged for 1 October 2016, and the insolvent parties could continue operating until, for the time being, late June 2017.

Also, Madrid Provincial Appellate Court handed down a judgment on 22 December 2016 ordering, in relation to the insolvency proceedings of Ciralsa, that any action to liquidate the company and any effect of the court order initiating the liquidation proceeding that might prevent the continuity of the operations of the insolvent party be stayed.

In this connection, in the case of both Ciralsa and Alazor, the Madrid Provincial Appellate Court handed down two judgments whereby it upheld the appeals to a superior court in the civil jurisdiction filed, it gave leave to proceed with the debt composition and rescheduling proposals and, therefore, it rendered the court orders initiating the liquidation proceeding null and void.

Accordingly, in the case of Alazor the insolvency proceeding is at the arrangement phase and 27 July was established as the deadline for accepting the access agreement/Alazor proposal (12 September for accepting the Alazor debt composition and rescheduling proposal). 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.

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. However, Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (Seittsa) filed an appeal against this decision, which was dismissed by the Madrid Provincial Appellate Court. In any case, in decisions dated 20 and 22 December 2016 the aforementioned Court denied leave to proceed with the debt composition and rescheduling proposal filed by Seittsa. In this regard, the Court set 23 May 2017 as the date on which the creditors' meeting would take place, although it was later suspended and put back until 26

September 2017.

As regards the investment held in Alazor, as indicated in Note 8-i to the consolidated financial statements for 2016, it should be noted that its shareholders and the guarantors of the latter, including **Iberpistas** and **Acesa**, entered into an agreement with its creditor banks to provide support. Pursuant to this 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 as described above.

In view of these circumstances, on 5 May 2015 the Group requested that the court 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, at 31 December 2016 EUR 89 million of the total EUR 131 million deposited into court had been handed over, following which a portion of the provision recognised in relation to the existing deposit was recognised in profit or loss (see Note 15.i). In relation to the aforementioned enforcement proceeding, at the date of signing of these interim condensed consolidated financial statements the Madrid Provincial Appellate Court had not yet handed down a decision on the appeal filed against the order granting leave to proceed with the aforementioned enforcement and, accordingly, the payment of the above-mentioned amount cannot yet be considered to be firm or final.

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 interim condensed 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	30 June 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%

In the six-month period ended 30 June 2017 the joint ventures did not contribute any significant new concession arrangements additional to those detailed in Note 8.ii to the consolidated financial statements for 2016, and there were no significant changes therein.

At 30 June 2017, as at the end of 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.

iii) Impairment losses

As indicated in Note 8.iii to the consolidated financial statements for 2016, the Group also assesses the recoverability of the investments in associates and interests in jointly controlled companies (joint ventures).

In this regard, in the first half of 2017 there were no indications that the interests in associates and/or jointly controlled entities might have become impaired.

It should be noted in this regard that the performance in this six-month period of the aggregates of the associates Autema and Hisdesat, on which the Group recognised impairment losses in 2015 and 2016, respectively, is in line with the estimates used for the current period in the impairment tests that served as the basis for recognising the aforementioned impairment losses.

In the case of Autema, as a result of the amendment of the terms and conditions of the concession arrangement (the main reason for the recognition of the related 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 signing of these interim condensed consolidated financial statements.

iv) Other disclosures

Also, as was the case at 2016 year-end, at 30 June 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.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The changes in "Available-for-Sale Financial Assets" in the six-month period ended 30 June 2017 were as follows:

	2017
At 1 January	103,948
Additions	-
Disposals	(1,061)
Revaluation gains/(losses) recognised in other comprehensive income (Note 11)	18,663
At 30 June	**121,550**

The detail of the available-for-sale financial assets at 30 June 2017 and 31 December 2016 is as follows:

	30 June 2017		**31 December 2016**	
	%	Carrying amount	%	Carrying amount
"Serenissima Vitruvio" property fund	35.29%	29,241	35.29%	29,249
Autostrade Lombarde, S.p.A.	4.90%	23,074	4.90%	23,074
"Sansovino" property fund	25.71%	20,592	25.71%	21,055
Autostrada del Brennero, S.p.A.	4.23%	39,999	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
Edulife, S.p.A.	10.00%	397	10.00%	397
Veneto Strade, S.p.A.	5.00%	258	5.00%	258
Linea Com, S.r.l.	3.83%	223	3.83%	223
Stradivaria, S.p.A.	1.00%	200	1.00%	200
Polesine, Tlc	9.43%	199	9.43%	199
Other	-	959	-	2,020
Available-for-sale financial assets	**-**	**121,550**	**-**	**103,948**

9. DERIVATIVE FINANCIAL INSTRUMENTS

The detail of the fair value of the derivative financial instruments at 30 June 2017 and 31 December 2016 is as follows:

	30 June 2017		31 December 2016	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	490	68,988	119	79,632
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	5,056	-	1,191	-
Interest rate and/or cross currency swaps:				
Cash flow hedges	3,878	149,348	-	158,599
Hedges of a net investment in a foreign operation	49,194	79,108	26,429	132,306
Fair value hedges	15,386	-	24,361	1,484
Derivatives not designated as hedges	-	-	-	3,437
Derivative financial instruments	**74,004**	**297,444**	**52,100**	**375,458**
Interest rate swaps and cross currency interest rate swaps:				
Cash flow hedges	2,103	218,138	119	238,118
Hedges of a net investment in a foreign operation	44,138	61,092	20,937	101,014
Fair value hedges	15,386	-	24,361	1,484
Derivatives not designated as hedges	-	-	-	-
Non-current portion	**61,627**	**279,230**	**45,417**	**340,616**
Current portion	**12,377**	**18,214**	**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 to the consolidated financial statements for 2016.

a) Interest rate swaps

The notional principal amount of the interest rate swaps outstanding at 30 June 2017 totalled EUR 1,290,505 thousand (2016 year-end: EUR 1,329,038 thousand), and the fixed interest rates ranged from 0.65% to 4.11% (2016 year-end: also from 0.65% to 4.11%) with the Euribor as the main floating interest reference rate.

b) Cross currency interest rate swaps

In the six-month period ended 30 June 2017 interest rate and/or cross currency swaps with a notional principal amount of EUR 84,532 thousand expired and/or were settled early, and the notional principal amount also increased by EUR 130 million, due mainly to the arrangement of new instruments.

In this regard, the interest rate and/or cross currency swap transactions carried out in the period 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** 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 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.

The value of these derivative financial instruments is based on the analysis of discounted cash flows, using assumptions that are based mainly on existing market conditions, adjusting this value for credit risk, both of the counterparties and own credit risk, at the balance sheet date.

10. TRADE AND OTHER RECEIVABLES

The detail of "Trade and Other Receivables" at 30 June 2017 and 31 December 2016 is as follows:

		30 June 2017			**31 December 2016**		
		Non-current	Current	Total	Non-current	Current	Total
Receivable from public authorities	i)	1,608,689	216,021	1,824,710	1,571,928	242,576	1,814,504
Receivables from companies accounted for using the equity method:	ii)						
Accounts receivable		-	14,080	14,080	-	10,348	10,348
Loans		117,389	1,502	118,891	122,161	5,379	127,540
Impairment losses		(82,057)	-	(82,057)	(81,649)	-	(81,649)
		35,332	15,582	50,914	40,512	15,727	56,239
Trade receivables		-	682,236	682,236	-	642,667	642,667
Allowance for doubtful debts (impairment loss)		-	(61,268)	(61,268)	-	(59,139)	(59,139)
Trade receivables, net	iii)	-	620,968	620,968	-	583,528	583,528
Current tax assets	iv)	-	238,687	238,687	-	582,163	582,163
Other receivables - related parties (Note 18-a.ii)		3,014	-	3,014	3,014	-	3,014
Other accounts receivable	v)	92,502	257,130	349,632	95,295	372,115	467,410
Trade and other receivables		**1,739,537**	**1,348,388**	**3,087,925**	**1,710,749**	**1,796,109**	**3,506,858**

Receivables are recognised at amortised cost, which does not differ significantly from fair value.

At 30 June 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:

	2017
At 1 January	1,571,928
Additions due to investments made in the period	2,797
Charge to the consolidated statement of profit or loss:	
- Due to economic compensation (revenue)	30,372
- Due to financial compensation	41,620
- Due to compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006	6,376
Transfers	1,064
Amount taken to profit or loss	(34,246)
Other	1,545
Exchange differences	(12,767)
At 30 June	**1,608,689**

As detailed in Note 11.i to the consolidated financial statements for 2016, “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 to the aforementioned consolidated financial statements. These balances receivable earn the related interest.

The detail of these agreements is as follows:

		30 June 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)	810,289	-	25,501	784,674	-	47,837
Royal Decree 483/1995 (**Invicat**)		162,748	8,149	4,807	148,660	17,902	7,938
GOV. 185/2013 (**Invicat**) and GOV. 186/2013 (**Aucat**)		121,165	8,940	3,753	109,172	20,105	5,253
Royal Decree 1467/2008 (**Iberpistas**)		57,564	(3,212)	2,283	58,493	(6,892)	4,602
Royal Decree 971/2011 (**Castellana**)		167,617	-	5,276	162,341	-	9,908
Arising from minimum guaranteed revenue and other guarantees in the concession arrangement (application of bifurcated model):							
Elqui	c)	96,566	5,161	-	102,267	10,915	-
Libertadores	c)	87,117	7,220	-	95,266	13,896	-
Sol	c)	18,411	4,114	-	30,219	10,063	-
Other:							
Other	d)	87,212	-	6,376	80,836	-	11,959
		1,608,689	**30,372**	**47,996**	**1,571,928**	**65,989**	**87,497**

[1] Amounts included under "Non-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 30 June 2017 and 31 December 2016 for each of the items of which it is composed and of the theoretical changes, based on the Group's interpretation of Royal Decree 457/2006, in this compensation balance is as follows:

	31 December 2016	Additions	Compensation for guaranteed traffic	Interest cost relating to the compensation balance	**30 June 2017**
Investments made since 2006	557,518	114	-	-	557,632
Interest cost relating to the investments	227,156	-	-	25,501	252,657
Balance of compensation for investments	**784,674**	**114**	**-**	**25,501**	**810,289**
Compensation for guaranteed traffic	1,226,321	-	79,018	-	1,305,339
Interest cost relating to the guaranteed traffic balance	267,340	-	-	48,545	315,885
Balance of compensation for guaranteed traffic [(1)]	**1,493,661**	**-**	**79,018**	**48,545**	**1,621,224**
Balance relating to Royal Decree 457/2006 (Acesa)	**2,278,335**	**114**	**79,018**	**74,046**	**2,431,513**

(1) As detailed in this section, since 1 January 2015, compensation for guaranteed traffic ceased to be recognised in the 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 30 June 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 from 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, on 7 March 2017, was upheld in full and, therefore, rendered null and void the Administrative Review of 2011 and, similarly, the 2006 decision of the Government Advisory Council (contradicting, therefore, the 2014 decision of the Government Advisory Council) held that the AP-7 Agreement was valid and implemented all its effects. The Ministry of Public Works filed a cassation appeal against this decision, on which a decision had not yet been given leave to proceed at the date of signing of these interim condensed consolidated financial statements.

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 of signing of these interim condensed consolidated financial statements.

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 section d) of this Note). **Acesa** filed an appeal to a superior administrative body against this 2016 Administrative Review.

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 in 2014, 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 renders its previous 2006 decision null and void. It justifies, from a legal standpoint, its change of stance noting that the novation agreement to amend the Agreement does not permit transferring the traffic risk, that the regulated participating loans subsequently rendered the forecasts of guaranteed traffic set forth in the Agreement void, and that Directive 2014/23/EU of 26 February on the award of concession contracts requires the concession operator to assume the demand risk. Accordingly, it does not accept the compensation balance for guaranteed traffic, which at 30 June 2017 stood at EUR 1,621 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 interpreted the agreement in an opposite sense to the requested 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 administration to decide on proceedings brought by the interested parties, since an absence of a reply does not release the administration from the obligation to comply with its duty to hand down an express decision.

As a result of the foregoing, **Acesa** will broaden the scope of the appeal filed at the Supreme Court, on which no decision had yet been handed down at the date of signing of these interim condensed consolidated financial statements, to include the content of the express decision of the Spanish Cabinet to be announced and will oppose the cassation appeal filed by the Spanish Government against the Madrid High Court judgment of 7 March 2017, since it still defends (with even greater conviction, if that is possible, following the aforementioned decision) the validity of its legal arguments, based on the Agreement that the concession grantor and the concession operator signed in the interest of the general good.

With regard to the aforementioned decisions and the interpretation agreement 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 and agreement of 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 and regulated by the Budget Laws do 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, the 2014 Directive (also mentioned in the decision) has not been transposed into Spanish domestic legislation and the retrospective application thereof is not expressly permitted. This is the opinion, expressed in 2015, of Jordi de Juan, Alicia de Carlos and MA Abogados, who reviewed 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 interim condensed consolidated financial statements and 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 30 June 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 25-c to the consolidated financial statements for 2016) 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 the 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 obtain compensation for the damage and losses caused as a result of breach of the related contractual terms and conditions. The aforementioned compensation claimed should include the amount for the loss of revenue from 2002 to the end of the concession in 2019.

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

In November 2014 **Aumar** received a proposal from the Ministry of Public Works dismissing its request for the restoration of the economic and financial feasibility, although 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 rebalancing filed by **Aumar**. The aforementioned appeal for judicial review was extended to this express decision and at the date of signing of these interim condensed consolidated financial statements, no decision had yet been handed down on this appeal.

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

In addition, the Chilean toll road concession operators **Elqui**, **Libertadores** and **Sol** have an account relating to the minimum guaranteed revenue and other guarantees established in the concession arrangements. 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 to the consolidated financial statements for 2016.

As was the case in 2016, the consolidated companies **Libertadores** and **Sol** have provided a guarantee in relation to the administrative concession that was granted to them and, consequently, the receivables detailed above serve as collateral on debts incurred with the respective creditor banks (see Notes 6 and 12).

d) 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 in relation to the income tax it pays in relation to the interest expense on the balance.

Lastly, at 30 June 2017 “Current Receivables from Public Authorities” includes a past-due balance of EUR 9,931 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:

	30 June 2017			31 December 2016		
	Non-current	Current	Total	Non-current	Current	Total
Leonord	-	4,006	4,006	-	-	-
Areamed	-	1,785	1,785	-	1,360	1,360
Bip&Drive	-	1,733	1,733	-	955	955
CIS	-	1,717	1,717	-	1,717	1,717
A'lienor	-	1,642	1,642	-	1,577	1,577
Rio de Vetrai	-	1,266	1,266	-	1,122	1,122
Pedemontana Veneta	-	546	546	-	546	546
Routalis	-	402	402	-	421	421
Cellnex	-	153	153	-	1,705	1,705
Hisdesat	-	121	121	-	121	121
Ciralsa	-	115	115	-	140	140
Coviandes	-	50	50	-	65	65
Other investments	-	544	544	-	619	619
Accounts receivable	**-**	**14,080**	**14,080**	**-**	**10,348**	**10,348**
Irasa	35,296	-	35,296	35,296	-	35,296
Ciralsa	30,155	-	30,155	29,747	-	29,747
Alazor	16,606	-	16,606	16,606	-	16,606
Alis	12,542	548	13,090	15,337	-	15,337
RMG	12,823	74	12,897	12,443	76	12,519
Rio de Vetrai	9,563	-	9,563	11,275	-	11,275
Gra di Padova	-	707	707	-	707	707
CIS	-	125	125	-	125	125
A'lienor	38	-	38	38	-	38
Trados 45	-	-	-	1,052	-	1,052
Coninvial	-	-	-	-	4,417	4,417
Other investments	366	48	414	367	54	421
Loans granted	**117,389**	**1,502**	**118,891**	**122,161**	**5,379**	**127,540**
Impairment losses						
Irasa	(35,296)	-	(35,296)	(35,296)	-	(35,296)
Ciralsa	(30,155)	-	(30,155)	(29,747)	-	(29,747)
Alazor	(16,606)	-	(16,606)	(16,606)	-	(16,606)
	(82,057)	**-**	**(82,057)**	**(81,649)**	**-**	**(81,649)**
Total	**35,332**	**15,582**	**50,914**	**40,512**	**15,727**	**56,239**

At 30 June 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 7.i).

iii) Trade receivables

"Trade Receivables" includes the outstanding amounts from customers. At 30 June 2017 and 31 December 2016, the account did not have any significant past-due balances that had not been provisioned.

iv) Current tax assets

In the first half of 2017 the Group collected EUR 321,274 thousand in relation to income tax for 2015, which had been outstanding at 2016 year-end.

At 30 June 2017 (as at 2016 year-end), "Current 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 2016 amounting to EUR 84,531 thousand.

v) Other accounts receivable

The detail of "Other Accounts Receivable" at 30 June 2017 and 31 December 2016 is as follows:

	30 June 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	-	41,138	41,138
Current financial assets maturing at more than three months	-	77,698	77,698	-	143,749	143,749
Other	92,502	138,294	230,796	95,295	110,363	205,658
Accounts receivable	**92,502**	**257,130**	**349,632**	**95,295**	**372,115**	**467,410**

In the first half of 2017 the balance recognised under "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 **Invin**.

The balance classified under "Guarantees and Court Deposits" at 30 June 2017 relates (as at 2016 year-end) to the portion not yet executed of the court deposit paid in prior years in relation to the lawsuits filed by the creditor banks of Alazor (see Note 7.i).

11. EQUITY

The changes in consolidated equity in the six-month periods ended 30 June 2017 and 2016 were as follows:

		Reserves (b)						
	Share capital and treasury shares (a)	Valuation adjustments relating to hedges	Available-for-sale financial assets	Translation differences (b)	Total	Retained earnings and other reserves	Non-controlling interests (c)	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	-	-	12,145	-	12,145	-	6,521	18,666
Cash flow hedges and/or hedges of a net investment in a foreign operation	-	62,299	-	-	62,299	878	5,801	68,978
Translation differences	-	-	-	(207,100)	(207,100)	-	(139,087)	(346,187)
Other [(1)]	-	-	-	-	-	11,708	(8,127)	3,581
Profit for the period	**-**	**-**	**-**	**-**	**-**	**415,101**	**77,195**	**492,296**
2nd payment of 2016 dividend	-	-	-	-	-	(366,441)	(26,049)	(392,490)
First payment of 2017 dividend	-	-	-	-	-	-	-	-
Treasury shares	42,865	-	-	-	-	(770)	-	42,095
Reimbursement of shareholder contributions	-	-	-	-	-	-	(2,380)	(2,380)
Capital increase	-	-	-	-	-	-	117,754	117,754
Changes in the scope of consolidation and other	-	(17,986)	(3)	-	(17,989)	(1,197,216)	(1,070,120)	(2,285,325)
At 30 June 2017	**1,802,465**	**(144,011)**	**12,133**	**(176,711)**	**(308,589)**	**837,817**	**2,285,930**	**4,617,623**

(1) Including a positive impact of EUR 30,231 thousand on “Retained Earnings and Other Reserves” in relation to second payment of the 2016 dividend corresponding to treasury shares held.

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

		Reserves					
	Share capital and treasury shares (a)	Valuation adjustments relating to hedges	Translation differences (b)	Total	Retained earnings and other reserves	Non-controlling interests (c)	Equity
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:							
Cash flow hedges	-	(40,474)	-	(40,474)	(8,726)	(11,361)	(60,561)
Translation differences	-	-	121,749	121,749	-	112,916	234,665
Other [1]	-	-	-	-	35,648	1,030	36,678
Profit for the period	**-**	**-**	**-**	**-**	**510,248**	**88,199**	**598,447**
2015 final dividend	-	-	-	-	(339,559)	(99,113)	(438,672)
2016 interim dividend	-	-	-	-	-	(2,180)	(2,180)
Treasury shares	378	-	-	-	(29)	-	349
Reimbursement of shareholder contributions	-	-	-	-	-	(16,779)	(16,779)
Capital increase	141,483	-	-	-	(141,483)	185,836	185,836
Changes in the scope of consolidation and other	-	-	(35,702)	(35,702)	29,031	(126,648)	(133,319)
At 30 June 2016	**1,759,600**	**(140,853)**	**(36,966)**	**(177,819)**	**1,951,814**	**2,220,045**	**5,753,640**

[1] Including a positive impact of EUR 28,014 thousand on "Retained Earnings and Other Reserves" in relation to 2015 final dividend paid corresponding to treasury shares held.

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 the six-month period ended 30 June 2017 is as follows:

	Share capital	Treasury shares	Total
At 1 January 2017	2,971,144	(1,211,544)	1,759,600
Net change in treasury shares	-	42,865	42,865
Increases / (Decreases)	-	-	-
At 30 June 2017	**2,971,144**	**(1,168,679)**	**1,802,465**

i) Share capital

At 30 June 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 shares of **Abertis** are represented by book entries and, according to the information available, at 30 June 2017 and 31 December 2016 the shareholdings that had given rise to the appointment of proprietary directors were as follows:

	30 June 2017	**31 December 2016**
Fundació Bancària Caixa d'Estalvis i Pensions de Barcelona "la Caixa" (1)	22.69%	22.25%
Inmobiliaria Espacio, S.A.	-	4.24%
	22.69%	**26.49%**

(1) Per notifications sent to **Abertis** in June 2017 and December 2016:

Ownership interest held through Criteria Caixa, S.A.U. (15.08%) and Inversiones Autopistas, S.A. (7.17%) and through a syndication agreement with G3T, S.L. (0.29%) 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 30 June 2017 and 31 December 2016 the following entities held significant ownership interests:

	30 June 2017	**31 December 2016**
Capital Group [(1)]	9.87%	12.07%
Lazard Asset Management LLc [(2)]	4.06%	3.54%
Blackrock, Inc. [(3)]	3.31%	3.02%
	17.24%	**18.63%**

(1) Per notification to the CNMV dated 05/07/17.

(2) Per notifications sent to **Abertis** in June 2017 and December 2016.

(3) Per notification to the CNMV dated 05/07/17, with no changes having been subsequently reported.

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, it should be noted that on 15 May 2017 the Italian company Atlantia, S.p.A. (Atlantia) announced its decision to launch a takeover bid for all the shares of Abertis Infraestructuras, S.A. In this regard, Atlantia described the terms and conditions that it wishes to include in its takeover bid in the request for authorisation submitted to the CNMV on 15 June 2017 and made public on that same day. The terms and conditions of the takeover bid will be detailed in the prospectus to be published once, as the case may be, authorisation is received from the CNMV.

According to the content of the aforementioned request submitted to the CNMV, in which the effectiveness of the takeover bid is made conditional upon 50.1% of **Abertis** being acquired, Atlantia will offer two alternative types of consideration to the shareholders of **Abertis**: either consideration in cash or a combination of cash and special shares of Atlantia. The cash consideration will consist of the payment of EUR 16.50 per share, while the consideration in the form of special shares of Atlantia will be 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 bid. The holders of a minimum (100,000,000) and a maximum (230,000,000) shares of **Abertis** may opt to receive the consideration in the form of special shares of Atlantia.

The completion of the takeover bid will be conditional, if authorised by the CNMV, on the obtainment by Atlantia of various regulatory authorisations in Brazil and of authorisation from the competition authorities in Europe, the US, Brazil, Chile and Argentina. In this regard, Atlantia is entitled to cancel the takeover bid if, prior to authorisation of the prospectus by the CNMV, any of the aforementioned authorisations is denied or is granted with caveats.

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

ii) Treasury shares

Using the powers granted by the shareholders at the Annual General Meeting, in the six-month period ended 30 June 2017 **Abertis** made several deliveries of treasury shares (in the same period of 2016 treasury shares were also delivered). In any case, as indicated in Note 13-a.ii to the consolidated financial statements for 2016, the use of the treasury shares held at the reporting date will depend on such resolutions as might be adopted by the Group's governing bodies.

The changes in the treasury share portfolio in the six-month period ended 30 June 2017 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)
Deliveries due to payment of 2016 dividend out of voluntary reserves	(2,865,558)	(8,596)	(42,490)
At 30 June 2017	**78,815,937**	**236,448**	**1,168,679**

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. 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 30 June 2017 the Group held call options on 1,887,774 treasury shares representing 0.19% of the share capital of Abertis Infraestructuras, S.A. (2016 year-end: 1,882,501 call options on treasury shares, also representing 0.19% of the share capital of Abertis Infraestructuras, S.A.).

b) Translation differences

The detail of “Translation Differences” at 30 June 2017 and 31 December 2016 is as follows:

	30 June 2017	**31 December 2016**
Invin subgroup / Abertis Chile (*) (Chilean peso)	42,943	149,876
Metropistas (US dollar)	24,975	39,877
APR (US dollar)	(14,482)	(17,967)
Arteris subgroup (Brazilian real)	(200,931)	(121,529)
TTPL/JEPL (Indian rupee)	(3,844)	-
Other subsidiaries	(15,778)	(11,865)
Group	(167,117)	38,392
Coviandes (Colombian peso)	(4,350)	(3,895)
Other associates	(5,244)	(4,108)
Associates and joint ventures	(9,594)	(8,003)
	(176,711)	**30,389**

(*) Relating mainly to the translation differences of **Autopista Central** (EUR 47,431 thousand at 30 June 2017 and EUR 138,039 thousand at 31 December 2016).

The changes in the translation differences in the six-month period ended 30 June 2017 were due mainly to the depreciation at the reporting date of the Brazilian real, the Chilean peso and the US dollar.

c) Retained earnings and other reserves

In addition to the recognition of the dividend paid in the period, as shown in section e) of this Note, the most significant changes in this line item in the six-month period ended 30 June 2017 were as follows:

- The impact recognised in equity as a result of the transactions carried out with non-controlling interests of the **Hit** and **A4** subgroup described in Note 2-h and 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 60,130 thousand, respectively.
- The positive impact of reserves amounting to EUR 30,231 thousand (EUR 28,014 thousand in the same period of 2016 and EUR 57,428 thousand at 2016 year-end) of the dividend paid in relation to the treasury shares.
- In the framework of the acquisition of **JEPL** (see Note 4), 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 15.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 period (EUR -29 thousand in the same period of 2016 and at 2016 year-end).

d) Non-controlling interests

The detail of the non-controlling interests at 30 June 2017 and 31 December 2016 is as follows:

	Line of business of subgroup	Country	% owned by Abertis	30 June 2017	31 December 2016
Partícipes en Brasil S.A. (**Partícipes**)	Toll roads	Brazil	51.00%	950,841	925,102
Hispasat, S.A. (**Hispasat**)	Satellites	Spain	57.05%	506,370	493,320
A4 Holding, S.p.A. (**A4**)	Toll roads	Italy	66.77%	317,161	452,289
Inversora de Infraestructuras, S.L. (**Invin**) [(1)]	Toll roads	Spain	71.84%	219,303	251,057
Autopistas Metropolitanas Llc. (**Metropistas**)	Toll roads	P. Rico	51.00%	173,743	186,022
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	Toll roads	Spain	50.01%	92,626	95,560
Jadcherla Expressways Private Limited (**Jepl**)	Toll roads	India	74.00%	12,037	-
Grupo Concesionario del Oeste, S.A. (**Gco**) [(2)]	Toll roads	Argentina	48.60%	7,876	6,266
Infraestructuras Dos Mil, S.A. (**I2000**) [(1)]	Toll roads	Chile	80.53%	2,897	333
Autopista del Sol, S.A. (**Ausol**) [(2)]	Toll roads	Argentina	31.59%	2,880	10,866
Holding d'Infrastructures de Transport S.A.S (**Hit**)	Toll roads	France	100.00%	255	901,401
Airport Concession & Development Ltd. (**Acdl**) [(3)]	Airports	UK	90.00%	(59)	(62)
Holding d'Infrastructures de Transport 2 S.A.S (**Hit 2**)	Toll roads	France	100.00%	-	2,268
				2,285,930	**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 to the consolidated financial statements for 2016.

(3) Company/subgroup associated with the airport operating segment that was discontinued in prior years.

The most noteworthy changes in the six-month period ended 30 June 2017 were as follows:

Dividends

The detail of "Final Dividend for 2016", totalling EUR 26,049 thousand and relating to the payment made in this connection to the rest of the respective shareholders, is as follows:

	Final dividend for prior year		Interim dividend for current year	
	June 2017	**June 2016**	**June 2017**	**June 2016**
Autopista del Sol, S.A. (**Ausol**)	14,970	-	-	-
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	6,454	6,407	-	2,180
Hispasat, S.A. (**Hispasat**)	2,159	5,380	-	-
Holding d'Infrastructures de Transport S.A.S (**Hit**)	119	78,131	-	-
Partícipes en Brasil S.L. (**Partícipes**)	-	2,845	-	-
Other non-controlling interests	2,347	6,350	-	-
	26,049	**99,113**	**-**	**2,180**

Reimbursement of shareholder contributions

The detail of "Reimbursement of Shareholder Contributions", totalling EUR 2,380 thousand and relating to the payments made in this connection to the rest of the respective shareholders, is as follows:

	Reimbursement of shareholder contributions	
	June 2017	**June 2016**
Holding d'Infrastructures de Transport S.A.S (**Hit**) (1)	-	16,779
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**)	2,380	-
	2,380	**16,779**

(1) At 30 June 2016 as a result of the reimbursement of share premium.

Capital increases

The detail of "Capital Increases" totalling EUR 117,754 thousand corresponding to the contribution subscribed in this connection by the non-controlling interest is as follows:

	Capital increases	
	June 2017	June 2016
Partícipes en Brasil S.A. (**Partícipes**) [1]	80,108	142,292
Arteris, S.A. (**Arteris**) [2]	31,205	-
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**) [3]	6,441	43,544
	117,754	**185,836**

[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.

[3] Corresponding to 49.00% of the capital increase subscribed by Goldman Sachs.

Changes in the scope of consolidation and other

"Changes in the Scope of Consolidation and Other", totalling EUR -1,070,120 thousand, relates to the impact of the following:

		Changes in the scope of consolidation and other	
		June 2017	June 2016
Acquisition of an additional 47.5% of Holding d'Infrastructures de Transport S.A.S (**Hit**)	i.	(939,050)	-
Acquisition of an additional 15.37% of A4 Holding, S.p.A. (**A4**)	ii.	(145,762)	-
Acquisition of 74% of Jadcherla Expressways Private Ltd. (**JEPL**) (Notes 4 and 15.ii)		14,692	-
Acquisition of an additional 15.21% of Arteris, S.A. (**Arteris**)		-	(126,648)
		(1,070,120)	**(126,648)**

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'Infraestructures 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 15.37% of the share capital of **A4**.

As indicated in Note 2-h, in the first half of 2017 **Abertis**, through various purchase transactions, acquired an additional 15.37% of the share capital of A4 Holding, S.p.A. (**A4**), which gave it an ownership interest of 66.77% 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 145,762 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 60,130 thousand on "Retained Earnings and Other Reserves" in the consolidated balance sheet.

e) 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 (30 June 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 11-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 Company.

Consequently, the dividend for 2016 totalled EUR 0.73 gross per share, representing EUR 722.9 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 paid	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 paid	**0.73**	**722,978**	**0.69**	**650,822**

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.

At 30 June 2017, no interim dividend had been paid out of the profit for 2017.

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

12. BOND ISSUES AND BANK BORROWINGS

The detail of the Group's bond issues and bank borrowings at 30 June 2017 and 31 December 2016 is as follows:

	30 June 2017			31 December 2016		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans	6,490,980	463,737	6,954,717	4,417,239	586,794	5,004,033
Bond issues and other loans	10,167,288	734,971	10,902,259	10,793,162	1,108,664	11,901,826
	16,658,268	1,198,708	17,856,976	15,210,401	1,695,458	16,905,859
Payables to companies accounted for using the equity method	8,627	2,147	10,774	8,859	2,190	11,049
Interest on loans and bonds	-	166,916	166,916	-	257,585	257,585
Other bank borrowings	482,340	-	482,340	473,881	-	473,881
Bond issues and bank borrowings	**17,149,235**	**1,367,771**	**18,517,006**	**15,693,141**	**1,955,233**	**17,648,374**

Given the Group's cash position, in the six-month period ended 30 June 2017 the net bank borrowings of **Abertis** (excluding the accounts payable to companies accounted for using the equity method, interest on loans and bonds and other liabilities) increased by EUR 1,607,425 thousand to EUR 15,984,155 thousand.

The increase in the period 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 15.37% of **A4** for EUR 85,632 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 effect of the investments (in operations and for expansion purposes) made in the period amounting to EUR 419 million.
- The payment of dividends in the period (EUR 366,441 thousand relating to the second payment of the dividend for 2016, from which must be discounted, on the one hand, EUR 30,231 thousand relating to the dividend associated with treasury shares, see Note 11-c, and on the other, EUR 42,490 thousand relating to the dividend paid through the delivery of treasury shares to the shareholders which chose this option, see Note 11-a.ii).

These effects were partially offset by, apart from the cash generated by the Group:

- The exchange rate effect at 30 June 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 232,561 thousand.
- The collection of income tax for 2015 amounting to EUR 321,274 thousand (see Note 10.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.

In the first half of 2017 various financing transactions carried out during the year provided new funds for the Group, amounting to EUR 2,442,928 thousand, aimed at allowing it to service part of the debt maturing in the first half of 2017 (with debt totalling EUR 1,324,784 thousand being serviced and refinanced), increase its liquidity and optimise its debt maturity 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 1,940 million, maturing between 2020 and 2022 (3-5 years) and drawdowns against credit facilities amounting to EUR 369 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**.

- The issue by **Arteris** of new bonds of BRL 75 million (approximately EUR 20 million at 30 June 2017) maturing in January 2018 and with a coupon rate of 12m CDI +1.80%.
- The issue by **Autovias** of a bond of BRL 100 million (approximately EUR 27 million at 30 June 2017) maturing in September 2018 and with a coupon rate of 12m CDI +1.40%.
- Issue by **Centrovias** of a bond of BRL 100 million (approximately EUR 27 million at 30 June 2017) maturing in March 2019 and with a coupon rate of 12m CDI +1.25%.

Also, the Parent took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating credit facilities in the first half of 2017, increasing the total credit facilities to a net amount of EUR 150 million. Therefore, the total volume of credit lines amounts to EUR 2,650 million, against which, at 30 June 2017, EUR 2,281 million had not been drawn down (a total of EUR 2,500 million available at 31 December 2016). Of these credit facilities, EUR 50 million matured at one year (2016 year-end: also EUR 50 million) and EUR 2,600 million matured at more than one year (2016 year-end: EUR 2,450 million), with an average overall maturity period of 2.7 years (31 December 2016: 2.9 years). See section i-a) of this Note.

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:

	30 June 2017			31 December 2016		
	Loans	Bonds	Total	Loans	Bonds	Total
Abertis [(1)]	2,359,759	4,828,721	7,188,480	51,143	5,629,736	5,680,879
France	1,715,309	3,766,875	5,482,184	1,935,288	3,762,376	5,697,664
Italy	213,951	594,044	807,995	219,271	592,962	812,233
Brazil	902,247	384,069	1,286,316	981,501	465,152	1,446,653
Chile	501,655	823,475	1,325,130	562,848	921,396	1,484,244
Other [(2)]	1,261,796	505,075	1,766,871	1,253,982	530,204	1,784,186
Total	**6,954,717**	**10,902,259**	**17,856,976**	**5,004,033**	**11,901,826**	**16,905,859**

(1) Including at 30 June 2017 EUR 316,268 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 30 June 2017 EUR 2,928,498 thousand had been lent in turn to other Group companies (2016 year-end: EUR 3,281,230 thousand).

(2) Including the gross payables to third parties of the toll roads business in Spain (EUR 548,838 thousand at 30 June 2017 and EUR 567,150 thousand at 2016 year-end) and in countries other than those indicated (basically Puerto Rico, with EUR 741,659 thousand at 30 June 2017 and EUR 829,354 thousand at 2016 year-end), as well as the gross borrowings of the satellite telecommunications business (EUR 387,216 thousand at 30 June 2017 and EUR 387,521 thousand at 2016 year-end).

The main changes in gross borrowings in the period were as follows:

- The increase in gross borrowings at **Abertis** was due, as indicated above, to the arrangement of new loans totalling EUR 1,940 million maturing at between three and five years and to the drawdown of EUR 369 million against credit facilities, 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.
- Also, the decrease in gross borrowings in Brazil, Chile and Puerto Rico was affected by the depreciation of the exchange rate at the reporting date of the Brazilian real (impact of EUR 127 million), the Chilean peso (impact of EUR 99 million) and the US dollar (impact of EUR 63 million).

The weighted average interest rate in the six-month period ended 30 June 2017 on bond issues and bank borrowings was 4.23% (2016: 4.84%).

The detail of the borrowings by maturity based on the amounts payable to maturity at each reporting date, as provided for in the respective contracts, is as follows:

	30 June 2017 (*)			31 December 2016 (*)		
	Loans	Bonds	Total	Loans	Bonds	Total
Between one and two years	856,903	208,781	1,065,684	452,104	692,473	1,144,577
Between two and three years	1,119,183	2,168,505	3,287,688	355,161	936,433	1,291,594
Between three and four years	658,466	121,443	779,909	684,723	1,358,688	2,043,411
Between four and five years	1,753,055	1,630,813	3,383,868	471,092	1,629,222	2,100,314
After five years	2,167,480	6,308,561	8,476,041	2,567,967	6,446,635	9,014,602
Non-current maturities	**6,555,087**	**10,438,103**	**16,993,190**	**4,531,047**	**11,063,451**	**15,594,498**
Current maturities	**448,884**	**765,255**	**1,214,139**	**566,814**	**1,120,470**	**1,687,284**
Total debt	**7,003,971**	**11,203,358**	**18,207,329**	**5,097,861**	**12,183,921**	**17,281,782**

(*) The amounts shown in the foregoing table relate to the cash flows provided for in the related contracts, 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 18,207,329 thousand, 10,891,986 thousand (60%) relate to debt of subsidiaries without recourse to Abertis Infraestructuras, S.A. (2016: EUR 11,488,908 thousand (66%).

At 30 June 2017, the average term to maturity of the debt was 5.5 years (2016 year-end: 5.9 years), and 78% (2016 year-end: 90%) of the borrowings bore interest at a fixed rate or at a hedged rate, a rate which dropped in the period as a result of the new loans arranged by **Abertis**.

i.a) Bank loans

At 30 June 2017, the Group's financial debt subject to customary project finance terms and conditions amounted to EUR 2,444 million, as compared with bank loans of EUR 7,004 million at year-end (2016 year-end: EUR 2,590 million as compared with bank loans of EUR 5,098 million).

As indicated in Note 14.i-a to the consolidated financial statements for 2016, 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 lenders. In certain cases a security interest in the concession operator’s shares is also included as a guarantee. In addition, most of the contracts 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 30 June 2017 (as at 2016 year-end except in the case of **TTPL** and **JEPL**, which were included in the scope of consolidation in 2017) were those corresponding to the Arteris subgroup (**Arteris**) as well as to Sociedad Concesionaria Autopista de los Andes, S.A. (**Andes**), Metropolitan Highways of Puerto Rico, Llc. (**Metropistas**), Autopista Central, S.A. (**Autopista Central**), the A4 subgroup (**A4**), Trichy Tollway Private Limited (**TTPL**) and Jadcherla Expressways Private Limited (**JEPL**), and involve pledging certain of their assets (see Note 6) to secure borrowings of EUR 1,938 million (2016: EUR 2,055 million, in which the contribution of **TTPL** and **JEPL** did not exist). Also, the financing obtained by **Elqui** entails pledging its shares as security for borrowings of EUR 113 million (2016: EUR 143 million).

At 30 June 2017, the **Hit** subgroup had bank borrowings amounting to EUR 1,727 million (EUR 1,948 million of the **Hit** subgroup at 31 December 2016) subject to compliance with certain financial and non-financial obligations. The non-financial obligations relate mainly to the achievement of certain ratios associated with the financial aggregates of this subgroup.

In this regard, at the date of signing of these interim condensed 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:

	30 June 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	-	250,000	1,199,912	831,256	-	-	2,281,168	2,281,168
France	-	-	-	350,000	-	200,000	550,000	550,000
Italy	-	-	2,500	-	-	-	2,500	2,500
Brazil	-	-	-	-	-	59,684	59,684	59,684
Chile	4,991	-	-	-	-	43	43	5,034
Other	-	-	-	175,000	-	98,717	273,717	273,717
Undrawn credit facilities and loans	**4,991**	**250,000**	**1,202,412**	**1,356,256**	**-**	**358,444**	**3,167,112**	**3,172,103**

	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
France	-	-	-	350,000	-	200,000	550,000	550,000
Italy	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	69,723	69,723	69,723
Chile	5,433	-	-	-	-	-	-	5,433
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**

Lastly, the weighted average interest rate in the first half of 2017 on bank borrowings was 3.72% (2016: 5.35%).

i.b) Bond issues and other loans

The detail of the bonds and other financing instruments at 30 June 2017 and 31 December 2016 is as follows:

	30 June 2017	**31 December 2016**
Bond issues	10,902,259	11,901,826
Promissory notes and commercial paper	-	-
Other marketable debt securities	-	-
Bond issues and other loans	**10,902,259**	**11,901,826**

The weighted average interest rate in the first half of 2017 on the bond issues was 3.93% (2016: 4.07%).

The issues of **Abertis** and **Hit** (France), totalling EUR 8,775 million (2016: EUR 9,560 million), do not include guarantees for the lenders other than the guarantee of the debtor itself.

At 30 June 2017, the bond issues subject to customary project bond issue clauses amounted to EUR 2,429 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 30 June 2017 (as at 2016 year-end except in the case of **TTPL** and **JEPL**, which were included in the scope of consolidation in 2017) were those corresponding to the Arteris subgroup (**Arteris**) as well as to Sociedad Concesionaria Autopista los Libertadores, S.A. (**Libertadores**), Sociedad Concesionaria Autopista del Sol, S.A. (**Sol**), Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**), Autopista Central, S.A. (**Autopista Central**), the A4 subgroup (**A4**), Trichy Tollway Private Limited (**TTPL**) and Jadcherla Expressways Private Limited (**JEPL**), and involve pledging certain of their assets (see Note 6) to secure issues of EUR 2,145 million (2016: EUR 2,282 million, in which the contribution of **TTPL** and **JEPL** was zero).

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 signing of these interim condensed consolidated financial statements, the clauses or obligations included in the bond and debenture issues had been fulfilled.

Lastly, it should be noted that on 20 April 2017 Abertis Infraestructuras, S.A. registered a EUR 500 million promissory note issue programme, which at 30 June 2017 was still in force without any amount having been drawn down.

ii) Payables to companies accounted for using the equity method

The detail of the balances payable to associates and joint ventures is as follows:

	30 June 2017			**31 December 2016**		
	Non-current	Current	Total	Non-current	Current	Total
Road Management Group	8,627	-	8,627	8,859	-	8,859
Alis	-	1,104	1,104	-	1,047	1,047
Other investments	-	1,043	1,043	-	1,143	1,143
Total	**8,627**	**2,147**	**10,774**	**8,859**	**2,190**	**11,049**

iii) Other bank borrowings

As at 2016 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 482 million at 30 June 2017 and EUR 474 million at 31 December 2016).

It should be noted in this regard that the seller factored the receivables from **Abertis** to a syndicate of banks (with **Abertis** as a party to the arrangement) and, accordingly, in 2016 those banks became creditors of the Group.

iv) Corporate rating

At the date of signing of these interim condensed 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 May 2017, the “BBB” rating was ratified, and the Company's outlook was revised from stable to positive.

In addition, **Abertis** holds a long-term “BBB+” good credit 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 May 2017, both ratings and outlooks were ratified by the credit rating agency.

13. INCOME TAX

As required by IAS 34, the income tax expense was recognised based on the best estimate of the weighted average annual income tax rate expected for 2017, which was estimated at around 30% (30 June 2016: 30%).

This estimate was made mainly on the basis of the nominal income tax rates in the main countries in which **Abertis** carries on its operations, namely:

	2017	2016
Spain	25%	25%
France (1)	34.4%	34.4%
Italy (2)	24% + 3.9%	27.5% + 3.9%
Brazil	34%	34%
Chile (3)	25.5%	24%

(1) The French General State Budget Law for 2017 approved on 20 December 2016 establishes that, from 2020 onwards, income tax in France will decrease from the current 34.4% to 28%.

(2) The Italian companies are subject to the income tax known as IRES (Imposta sul reddito sulle società) at a rate of 24% from 2017 onwards, 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.

At 30 June 2017, the Group companies generally 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 material impact on its equity.
- In Italy, tax audits were completed at A4 Holding, S.p.A. (**A4**) in relation to income tax for 2011, without them having a material impact on its equity. Also, Autostrada Brescia Verona Vicenza Padova S.p.A. is being audited for income tax for 2012 and 2013.

In this regard, as at 2016 year-end, **Abertis** considers that the tax audits under way, the proceedings associated with the tax assessments signed on a contested basis and possible differences in the way current tax legislation is interpreted in relation to the years open for review will not have a significant impact on the equity reflected in these interim condensed consolidated financial statements.

Also, as at 2016 year-end, at the date of signing of these interim condensed consolidated financial statements there was no significant unresolved tax-related litigation.

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 on 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 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**. on 30 May 2017, lodged the related reply. 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.

Without prejudice to the foregoing, the Company does not expect the outcome of these proceedings to have a material adverse effect on its equity, since it has already recognised a deferred tax liability relating to the financial goodwill deducted to date.

14. EMPLOYEE BENEFIT OBLIGATIONS

The detail of "Employee Benefit Obligations" is as follows:

		30 June 2017			31 December 2016		
		Non-current	Current	Total	Non-current	Current	Total
Pension obligations	a	82,554	-	82,554	83,682	-	83,682
Other obligations	a	1,673	26,040	27,713	29,945	2,627	32,572
Employee termination plan obligations	b	49,848	28,885	78,733	47,001	34,622	81,623
Employee benefit obligations		**134,075**	**54,925**	**189,000**	**160,628**	**37,249**	**197,877**

a) Pension and other obligations

At 30 June 2017, as at 2016 year-end, **Abertis** and certain Group companies had defined contribution and defined benefit pension obligations to their employees, as well as certain long-term obligations relating to incentives for achieving the business targets in the 2015-17 Strategic Plan and obligations tied to length of service. Those obligations are disclosed in the consolidated financial statements for 2016 (see Notes 3-l.i, 3-l.ii, 18-a and 18-b to those consolidated financial statements). The liability recognised in the consolidated balance sheet as at 30 June 2017 in connection with those obligations amounts to EUR 110,267 thousand and there were no significant changes therein with respect to 2016 year-end (EUR 116,254 thousand).

b) Employee termination plan obligations

In relation to the employee termination plan obligations acquired by the Group detailed in the consolidated financial statements for 2016 (see Notes 3-l.iii and 18-c), the liability recognised in the consolidated balance sheet as at 30 June 2017 amounts to EUR 78,733 thousand, and there were no significant changes with respect to 2016 year-end (EUR 81,623 thousand).

15. PROVISIONS AND OTHER LIABILITIES

The breakdown of "Non-Current Liabilities - Provisions and Other Liabilities" and "Current Liabilities - Provisions and Other Liabilities" is as follows:

	30 June 2017		31 December 2016	
	Long-term	Short-term	Long-term	Short-term
Provisions required under IFRIC 12 (*)	604,869	226,977	610,824	240,896
Other provisions	758,343	62,598	774,997	65,544
Provisions	1,363,212	289,575	1,385,821	306,440
Other liabilities	992,636	198,426	1,004,820	262,665
Provisions and other liabilities	**2,355,848**	**488,001**	**2,390,641**	**569,105**

(*) Mainly provisions for road surfaces, maintenance cycles and major overhauls.

i) Provisions

As indicated in Note 19 to the consolidated financial statements for 2016, “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.

The changes in the six-month period ended 30 June 2017 were due mainly to the impact of the depreciation at the reporting date of the Brazilian real, the Chilean peso and the US dollar (EUR -46 million), partially offset by the impact of the acquisition of TTPL and JEPL (EUR 8 million).

The other long-term provisions at 30 June 2017 (as at 31 December 2016) include mainly:

- Provisions for replacement or substitution as a result of the expiry of the various concessions.
- The provision recognised in prior years (EUR 153 million at 30 June 2017 and 2016 year-end) in relation to the possible liabilities associated with the obligations acquired vis-à-vis the investee Alazor (see Note 7.i).

- 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 "Plan Relance" for French toll roads (EUR 120 million at 30 June 2017 and EUR 133 million at 31 December 2016).

ii) Other liabilities

As described in Note 19.ii to the consolidated financial statements for 2016, “Other Liabilities - Long-Term” includes mainly:

- A liability for the acquisition in 2014 of all the shares of Infraestructuras Americanas, S.L.U. (**IA**) for EUR 295 million payable in August 2019 (EUR 278 million at 30 June 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 commitment to purchase **Hispasat** shares from third-party shareholders of the latter, whose interests in this consolidated company are reflected at 30 June 2017 under “Non-Controlling Interests” (see Note 17.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.

- The amount payable by **Túnels** to the Catalonia Autonomous Community Government, the present value of which at 30 June 2017 was EUR 48 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 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 30 June 2017 and 31 December 2016).
- It also includes payables to non-current asset suppliers amounting to EUR 41,930 thousand (2016: EUR 27,259 thousand).

Lastly, it should be noted that, following the obtainment of control of **JEPL** (see Note 2-h) at 30 June 2017 the Group had contingent commitments to acquire 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, within the framework of the obtainment of control of **JEPL**, in accordance with IAS 32.23, the Group recognised a liability of EUR 14,012 thousand, measured on the basis of the purchase price for 74% of the shares of the company (see Note 4) relating to the payment obligation under the forward contract to purchase the aforementioned shares held by non-controlling interests.

16. INCOME AND EXPENSES

The breakdown of "Services" by category is as follows:

	June 2017	June 2016
Toll road revenue	2,397,882	2,018,853
Toll reductions and volume rebates	(18,508)	(16,858)
Other services	211,744	165,275
Services	**2,591,118**	**2,167,270**

The toll road toll revenue generated in the first half of 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 4), 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, the Chilean peso and the US dollar at 30 June 2017, offset in part by the drop in the average exchange rate of the Argentine peso at 30 June 2016.

The other services include mainly revenue from the management of satellite telecommunications infrastructure.

As indicated in Note 3-o to the consolidated financial statements for 2016, "Infrastructure Upgrade Revenue" and "Infrastructure Upgrade Expenses" in the consolidated statement of profit or loss for the period include the revenue and expenses relating to the infrastructure construction or upgrade services provided in the first half of 2017, and the infrastructure is measured at fair value.

Also, the detail of "Changes in Fair Value of Financial Instruments" in the consolidated statement of profit or loss is as follows:

	June 2017				June 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	(1,522)	12,812	3,864	15,154	(13,776)	(28)	(966)	(14,770)
- Changes in the fair value of hedged debt	-	(14,690)	-	(14,690)	-	(5,215)	-	(5,215)
- Changes in the fair value of equity instruments and other [2]	-	-	13,125	13,125	-	-	293,341	293,341
	(1,522)	**(1,878)**	**16,989**	**13,589**	**(13,776)**	**(5,243)**	**292,375**	**273,356**

(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 15.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.

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 the then Group subsidiary Sabsa, 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 six-month period ended 30 June 2017.

17. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

i) Contingencies

The detail of the Group's guarantees to third parties provided by banks, which are not expected to give rise to significant costs, is as follows:

	30 June 2017	31 December 2016
For operating obligations and commitments	297,793	262,436
For other obligations and commitments [1]	151,609	144,433
	449,402	**406,869**

[1] Mainly for obligations and commitments associated with investments and financing, etc.

As at 2016 year-end, the subsidiary **Aumar** has undertaken to provide guarantees for its investee Ciralsa amounting to EUR 4,987 thousand. Also, **Abertis** has undertaken to provide guarantees for its subsidiary **Aulesa** amounting to EUR 31 million (2016 year-end: EUR 32 million) in relation to a financing agreement entered into by the latter.

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 all the possible liabilities associated with these commitments assumed and guarantees provided (see Note 7.i).

Lastly, it should be noted that at 30 June 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 584 million (2016 year-end: BRL 456 million, equal, at the end of the respective reporting periods, to approximately EUR 155 million and EUR 133 million, respectively), as well as other liabilities totalling BRL 164 million (2016: BRL 171 million, equal to approximately EUR 44 million and EUR 50 million at the end of the respective reporting periods), and it is considered that there were no contingent liabilities at the date of signing of these interim condensed consolidated financial statements that might give rise to material cash outflows other than those described in Note 15.

The contingencies detailed in Notes 7.i and 13 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 5 and 6, respectively, and to the **Hispasat** and **JEPL** share purchase commitments detailed in Note 15.ii, at 30 June 2017 the Group had the following commitments and obligations:

- On the one hand, as part of the agreement with the French Government for "Plan Relance" for French toll roads, the shareholders of the French concession operators resolved to create a fund to develop infrastructure of a clearly environmental nature (“Fonds de Modernisation Ecologique des Transports”, FMET). The contribution of **Abertis** as a shareholder of the French subgroup **Hit/Sanef** is estimated, since a 100% holding had been achieved in that subgroup, at around EUR 52 million, which will be paid as the various investment projects to be carried out are approved. In the six-month period ended 30 June 2017 (as in 2016), no contributions were made in this connection.

- Also, in the first half of 2017 **Abertis** entered into various agreements with certain of the current non-controlling shareholders of **A4** (Città Metropolitana di Milano, Camera di Commercio di Brescia, Provincia y Camera di Commercio di Verona, Provincia, Comune y Camera di Commercio di Vicenza, Provincia y Camera di Commercio di Venezia and Unione Fiduciaria, S.p.A.) to acquire an additional 23.26% of the share capital (increasing the ownership interest to 90.03%) of **A4** for EUR 129 million.

  These agreements, which are expected to be implemented in the second half of 2017 and in early 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 90 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 by an estimated total amount of approximately EUR 220 million).

- Lastly, it should be noted that at the end of April **Abertis** (through its subsidiary in Brazil **Arteris**) was granted the 30-year Rodovias dos Calçados concession amounting to BRL 1,437 million (approximately EUR 380 million at 30 June), of which BRL 1,212 million (approximately EUR 320 million) will be paid in the second half of the year. The new concession, which will come into operation at the beginning of 2019, consists of the 317 km currently managed by the Group company **Autovias** (whose concession arrangement expires in February 2019) plus another 403 km currently under the direct management of the Government of the State of São Paulo.

18. SEGMENT REPORTING

As indicated in Note 23 to the consolidated financial statements for 2016, **Abertis** organises its operations into the following operating segments: toll roads and telecommunications (the latter of which relates in full to satellite telecommunications). 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 and toll roads in the rest of the world.

As is also indicated in the consolidated financial statements for 2016, 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 period of each segment and of the share of the profit or loss of the associates is as follows:

30 June 2017

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads rest of the world	Total toll roads	Telecommunications	Other	Total
Services	612,982	796,315	212,425	410,735	225,740	218,238	2,476,435	114,000	683	2,591,118
Other income	13,545	11,913	10,983	21,750	27,250	10,010	95,451	10,478	1,162	107,091
Operating income	**626,527**	**808,228**	**223,408**	**432,485**	**252,990**	**228,248**	**2,571,886**	**124,478**	**1,845**	**2,698,209**
Operating expenses	(140,359)	(232,455)	(126,826)	(205,909)	(55,965)	(139,214)	(900,728)	(21,027)	(17,725)	(939,480)
Operating provisions and allowances	3,007	(62)	(1,392)	(3,664)	-	109	(2,002)	(20)	-	(2,022)
Gross profit (loss) from operations	**489,175**	**575,711**	**95,190**	**222,912**	**197,025**	**89,143**	**1,669,156**	**103,431**	**(15,880)**	**1,756,707**
Depreciation and amortisation charge	(157,261)	(170,664)	(71,523)	(147,899)	(109,477)	(25,664)	(682,488)	(52,453)	(1,729)	(736,670)
Impairment losses on assets	-	-	-	-	-		-	-	-	-
Profit (Loss) from operations	**331,914**	**405,047**	**23,667**	**75,013**	**87,548**	**63,479**	**986,668**	**50,978**	**(17,609)**	**1,020,037**
Share of profit (loss) of associates and joint ventures [1]	4,733	1,260	-	-	-	1,037	7,030	2,490	-	9,520
Unallocated profits and losses [2]										(368,698)
Profit before tax										**660,859**

(1) The profit of the Telecommunications 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.

30 June 2016

	Toll roads Spain	Toll roads France	Toll roads Brazil	Toll roads Chile	Toll roads rest of the world	Total toll roads	Telecommunications	Other	Total
Services	583,548	779,696	305,672	195,218	189,389	2,053,523	112,267	1,480	2,167,270
Other income	13,824	12,954	16,969	24,751	5,605	74,103	1,537	284	75,924
Operating income	**597,372**	**792,650**	**322,641**	**219,969**	**194,994**	**2,127,626**	**113,804**	**1,764**	**2,243,194**
Operating expenses	(126,272)	(228,417)	(164,209)	(53,545)	(120,482)	(692,925)	(23,274)	(27,989)	(744,188)
Operating provisions and allowances	3,175	(737)	(1,009)	-	227	1,656	(332)	1,696	3,020
Gross profit (loss) from operations	**474,275**	**563,496**	**157,423**	**166,424**	**74,739**	**1,436,357**	**90,198**	**(24,529)**	**1,502,026**
Depreciation and amortisation charge	(158,223)	(171,326)	(104,011)	(100,001)	(19,268)	(552,829)	(50,997)	(1,854)	(605,680)
Profit (Loss) from operations	**316,052**	**392,170**	**53,412**	**66,423**	**55,471**	**883,528**	**39,201**	**(26,383)**	**896,346**
Share of profit (loss) of associates [1]	4,325	1,473	-	-	4,119	9,917	10,626	-	20,543
Unallocated profits and losses [2]									(153,768)
Profit before tax									**763,121**

[1] The profit of the Telecommunications 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**.

The increase in the operating figures of the toll roads operating segment was boosted by both the sound performance of operations and 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, Chile and the Rest of the world include the impact of the appreciation in the average exchange rate at the end of June of the Brazilian real, the Chilean peso and the US dollar.

Also, the detail of the total assets of each operating segment in the period and of the share of the investments in the associates is as follows:

30 June 2017

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads rest of the world	Total toll roads	Telecommunications	Other	Total
Assets	4,824,339	9,096,200	2,242,162	3,600,575	4,349,694	1,555,288	25,668,258	1,708,746	661,797	28,038,801
Associates and joint ventures (1)	118,352	55,571	4,623	-	-	29,610	208,156	1,164,303	-	1,372,459
Non-current assets classified as held for sale and discontinued operations	-	-	9,552	-	-	-	9,552	-	-	9,552
Total assets	**4,942,691**	**9,151,771**	**2,256,337**	**3,600,575**	**4,349,694**	**1,584,898**	**25,885,966**	**2,873,049**	**661,797**	**29,420,812**

(1) The assets at associates and joint ventures of the Telecommunications segment include the value of the 34% interest in Cellnex held at 30 June 2017 (EUR 1,100,562 thousand).

(*) Excluding the additions due to business combinations.

31 December 2016

	Toll roads Spain	Toll roads France	Toll roads Italy (2)	Toll roads Brazil	Toll roads Chile	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	1,427,018	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**	**1,457,818**	**26,638,350**	**2,886,725**	**1,660,547**	**31,185,622**

(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).

(3) 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 and the US dollar, the changes in the balance sheet figures of the toll roads segment were mainly affected in the first half of 2017 by the impact of the acquisition of **TTPL** and **JEPL** (see Notes 2-h and 4). 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 the first half of 2017.

19. 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 the first half of 2017, in accordance with the remuneration policy approved by the shareholders at the Annual General Meeting of 3 April 2017, 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 1,290 thousand (first half of 2016: EUR 1,092 thousand).

ii. For performing senior management duties, the Chief Executive Officer, the only director with executive functions, earned EUR 1,173 thousand (first half of 2016: EUR 1,025 thousand), corresponding to his annual fixed and variable remuneration.

iii. As members of the Board of Directors of other Group companies, the directors earned EUR 120 thousand (first half of 2016: EUR 113 thousand).

iv. In addition, the directors of Abertis Infraestructuras, S.A. earned, as other benefits, contributions made to cover social welfare obligations and other remuneration in kind amounting to EUR 330 thousand and EUR 32 thousand, respectively (first half of 2016: EUR 300 thousand and EUR 28 thousand, respectively).

The remuneration in the first half of 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., totalled EUR 3,148 thousand (first half of 2016: EUR 2,991 thousand).

Also, the senior executives earned as other benefits contributions related to social welfare obligations and other remuneration in kind amounting to EUR 302 thousand and EUR 152 thousand, respectively (first half of 2016: EUR 296 thousand and EUR 142 thousand, respectively).

The post-employment benefits received by former senior executives totalled EUR 18 thousand in the first half of 2017 (first half of 2016: EUR 33 thousand).

To act as an incentive for the CEO, the management team and key employees to achieve the Group's long-term objectives, there is long-term incentive plan known as the 2015-2017 Incentive Plan, tied to the degree of attainment of certain targets in the Group's Strategic Plan.

Lastly, it should be noted that pursuant to Royal Decree 602/2016, of 2 December, details are provided of the disclosures required in relation to the amount of the third-party liability insurance policies of the Parent’s directors for damage caused or omissions, which totalled EUR 31,470 thousand in the first half of 2017 (EUR 37,363 thousand in the first half of 2016).

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 11-a).

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

	30 June 2017		31 December 2016	
	Debt	Limit	Debt	Limit
Loans	246,509	275,761	257,756	283,641
Credit lines	-	350,000	-	350,000
Loans and credit lines	**246,509**	**625,761**	**257,756**	**633,641**
Bonds (debt securities)	**380,000**	**-**	**380,000**	**-**

Note: All the loans, credit lines and bonds detailed for 2017 and 2016 were arranged with the related entity "la Caixa".

Also, in contrast to 2016, in the period the Parent used transitional cash financing (for a non-material average daily amount) provided by the related entity “la Caixa” to cover cash needs arising from its operations.

The financing is provided on an arm's length basis.

In the six-month period ended 30 June 2017 finance income and costs received from and paid to the related entity "la Caixa" amounting to EUR 2,634 thousand and EUR -13,465 thousand, respectively, were recognised (in June 2016: EUR 4,372 thousand and EUR -13,045 thousand, respectively).

At 30 June 2017, the Group held demand deposits totalling EUR 46 million at “la Caixa” Group companies, which earn interest at a market rate (31 December 2016: EUR 70 million in demand deposits).

ii) Financial swaps arranged

The financial swaps arranged with the related entity "la Caixa" to serve as foreign currency and/or interest rate hedges total EUR 397,564 thousand (30 June 2016: EUR 419,313 thousand). In this connection, in the first half of 2017 no financial swaps were arranged or cancelled with the related entity “la Caixa” (in the first half of 2016 financial swaps amounting to EUR 2,746 thousand were arranged and cancelled).

iii) Financing of employee benefit obligations

At 30 June 2017, the Group had made net contributions amounting to EUR 0 thousand (30 June 2016: EUR -71 thousand) to the various insurance policies arranged with the related entity "la Caixa" in order to meet its defined benefit obligations to its employees. Also, the plan assets associated with those policies amount to EUR 3,014 thousand (31 December 2016: also EUR 3,014 thousand), and the amount relating to defined contribution obligations totals EUR 1,950 thousand (30 June 2016: EUR 2,169 thousand).

iv) Assets purchased and services received

	June 2017	June 2016
Services received [1]:		
Services received	605	952
Card collection fees	1,153	2,282
Other fees	-	575
	1,758	**3,809**

[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 2016 and 2017 the card collection and other fees relate in full to “la Caixa”.

v) Obligations and contingencies

The limit on credit facilities granted by the related entity "la Caixa" and not drawn down was EUR 379,252 thousand at the reporting date (EUR 376,667 thousand at 30 June 2016 and EUR 375,885 thousand at 31 December 2016).

There are guarantee lines with the related entity "la Caixa" with a limit granted of EUR 82,232 thousand (at June and December 2016: EUR 81,592 thousand), against which EUR 42,514 thousand had been drawn down at period-end (at June and December 2016: EUR 41,874 thousand).

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 14.iii to the consolidated financial statements for 2016, the seller factored the receivables from **Abertis** to a syndicate of Banks (with **Abertis** as a party to the arrangement) including the related entity “la Caixa”, to which EUR 100 million of the total EUR 589 million indicated will have to be paid at that date.

c) Associates

The most significant transactions with associates and joint ventures in the six-month period ended 30 June 2017 relate to accrued dividends (EUR 3,584 thousand and EUR 2,727 thousand, respectively, in 2017, and EUR 3,981 thousand and EUR 2,412 thousand, respectively, in 2016 (see Note 7)). The balances with these companies at 30 June 2017 and 31 December 2016 are detailed in Notes 10 and 12.

20. OTHER RELEVANT INFORMATION

a) Average number of employees

The average number of employees at **Abertis** and its subsidiaries in 30 June 2017 and 2016, by gender, is as follows:

	June 2017		June 2016	
Men	9,726	63.04%	9,477	63.55%
Women	5,702	36.96%	5,435	36.45%
	15,428	**100.00%**	**14,912**	**100.00%**

Note: The average number of **Abertis** employees at 30 June 2017 includes 32 employees associated with non-current assets classified as held for sale (30 June 2016: none). Therefore, the average number of employees excluding those associated with those assets was 15,396 in 2017.

b) Seasonality

The Group's revenue from the rendering of services is subject to a slight degree of seasonality, since billings are highest in the second and third quarters of the year. Therefore, the revenue from the rendering of services in the six-month period ended 30 June 2016 accounted for 45.6% of that earned in 2016 taken as a whole.

c) Concession arrangements

In addition to the concession arrangements detailed in Note 25-c to the consolidated financial statements for 2016, as a result of the acquisition in March 2017 of 100% of the Indian concession operator **TTPL** and 74% of the Indian concession operator **JEPL**, the main concession arrangements included in the **Abertis** Group in the six-month period ended 30 June 2017 were as follows:

- Concession arrangement for the maintenance and operation 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).

21. EVENTS AFTER THE REPORTING PERIOD

At the date of authorisation for issue of these interim condensed consolidated financial statements for the six-month period ended 30 June 2017 no significant subsequent events relating thereto have occurred.

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Barcelona, 25 July 2017

22. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These interim condensed 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.

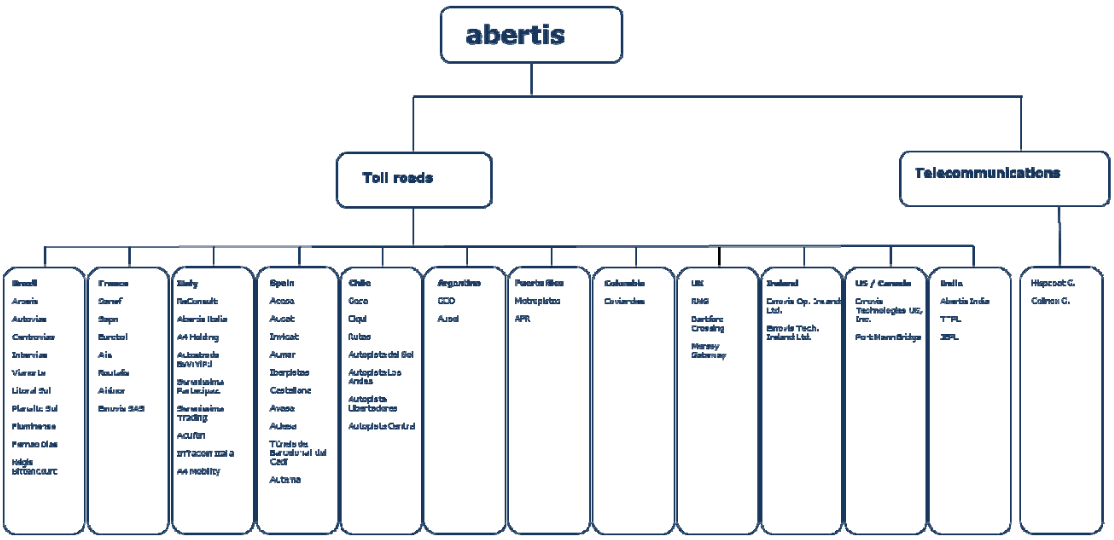
Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

1. Situation of the Entity

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 30 June 2017 is summarised as follows:



The detail of the Group's subsidiaries, joint ventures and associates at 31 December 2016 and of the percentages of ownership is shown in Appendices I, II and III, respectively, to the consolidated financial statements for that year. Also, the main changes in the scope of consolidation in the first half of 2017 are disclosed in Note 2-h to the interim condensed consolidated financial statements.

The **Abertis** Group provides services in the area of infrastructure management serving mobility and communications, and operates in the toll roads and telecommunications infrastructure sectors.

In this regard, **Abertis** manages directly around 8,000 km of toll roads and is the world leader in this industry in terms of kilometres managed. **Abertis** is the leading operator of toll roads in countries such as Spain and Chile, and has a notable presence in France, Italy, Brazil, Puerto Rico and Argentina. The Group also participates in the management of close to 200 km of roads through companies in the UK and Colombia.

In the case of telecommunications infrastructure, the Group is a major global player in the satellite transmission sector through the operator **Hispasat**, which has eight proprietary satellites in service (following the successful launch of the 36W-1 satellite in January 2017), to which two new satellites will be added in the second half of 2017 and early 2018: Amazonas 5 and Hispasat 30W-6, with the aim of increasing the current offering of telephony, audiovisual, corporate network or broadband Internet services, among other telecommunications solutions.

In addition, 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 17,000 masts.

The ongoing internationalisation process means **Abertis** is now present in 14 countries in Europe, the Americas and Asia, which has enabled it to diversify its geographical risk and permits it to adapt its operations to make better use of the opportunities offered by worldwide economic cycles. In this connection, at 30 June 2017 more than two thirds of the Group’s EBITDA was generated outside Spain, most notably in France, Italy, Brazil and Chile.

Abertis is listed on the Spanish stock markets and is part of the Ibex 35, as well as other international indexes such as the Dow Jones Sustainability Index World, FTSE4Good and MSCI indexes.

Strategy based on solid pillars

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) for 2016, which forms part of this Directors' Report for 2016.

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 more than 50% 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 Group.

2015-2017 Strategic Plan

The value creation model of **Abertis** is based on the following pillars:

- Financial discipline
- The industrial model
- Ongoing investment
- Long-term relationships with public authorities
- Financial strength
- A long-term vision focusing on toll roads

These pillars are embodied in four key objectives in the 2015-2017 Strategic Plan: promoting the strategy of focusing on key areas, achieving international growth, seeking efficiency and increasing shareholder returns.

1. 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 already represents 95% of its revenue.

2. 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.

In the case of growth through acquisitions of new assets, projects in priority markets for the Group are constantly being assessed. In the first half of 2017 this growth took the form of the acquisition of all the shares of the Indian company Trichy Tollway Private Limited (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 (concession operator of the NH-44 toll road in the state of Telangana).

It should also be noted that at the end of April the Group (through its subsidiary in Brazil **Arteris**) was the successful bidder for the 30-year Rodovias dos Calçados concession, for an amount of BRL 1,437 million (30 June 2017: approximately EUR 380 million). The new concession (including **Autovias** the concession of which ends in February 2019) will commence activities at the beginning of 2019.

In parallel, transactions to consolidate and strengthen **Abertis**' position at existing investees are also evaluated. Thus, in the first half of 2017, on the one hand the acquisition of the non-controlling interests in **Hit** (parent of the toll road business in France) to obtain all the shares of the company was completed and, on the other, it was agreed to purchase an additional 38.63% of **A4** (parent of the toll road business in Italy) with the aim of controlling 90.03% of the company.

As for organic growth, the Group’s efforts focus on obtaining new extensions of the concession terms of its current portfolio of assets with initiatives such as "Plan Relance" signed with the French Government or investment agreements with other governments, such as the Brazilian, Puerto Rican and Chilean Governments and, more recently, the agreement reached with the Argentine Government to initiate the process of extending the **GCO** concession arrangement until the end of 2030.

The agreements reached with the authorities and the ongoing investment in the portfolio of assets enabled the Group to progressively increase the average life of its concessions.

3. Efficiency

In 2015 **Abertis** implemented a new efficiency plan for the three-year period ending in 2017, which focuses on the Group's businesses in France, Brazil and Spain. It is estimated that, on completion in 2017, the new efficiency plan will have generated cumulative savings of close to EUR 400 million in the period.

4. Growth in shareholder remuneration

According to the 2015-2017 Strategic Plan, shareholder remuneration will increase by an average of 10% per year in the period. With this shareholder remuneration policy it is estimated that **Abertis** will distribute more than EUR 2,150 million in dividends in that period.

Main investments

The first half of 2017 was characterised by the consolidation of the organic and inorganic growth path of the business in Europe and America. On the one hand, with transactions to consolidate and reinforce the Group's position in companies that are already investees, as was the case in the acquisition for EUR 2,214 million of non-controlling interests in **Hit** (to achieve an ownership interest of 100%) and in **A4** (commitments to reach a 90% ownership interest in the company) and, on the other hand, with the acquisition of new assets, such as the purchase of 100% of **TTPL** and 74% of **JEPL** -a transaction that led to the entry of **Abertis** into a market with a very high growth potential such as India.

At the same time, 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 400 million in the first half of 2017 (excluding its investment in new inorganic growth projects), of which it invested approximately 66% in Brazil, 10% in both France and Chile and 9% in Spain.

The main transactions in the period were as follows:

Toll roads

Against the backdrop outlined above regarding operations 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:

- During the period **Abertis**, through various purchase transactions, completed the acquisition of an additional 47.45% of the share capital of Holding d'Infraestructures de Transport (**Hit**, a company that controls 100% of Sanef) for a total 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 Trichy Tollway Private Limited (**TTPL**) and 74% of the Indian company Jadcherla Expressways Private Limited (**JEPL**), for an aggregate amount of EUR 133 million.
- Also during this first half of 2017 **Abertis**, through various purchase transactions, concluded the acquisition of an additional 15.37% of the share capital of A4 Holding, S.p.A. (**A4**) for a total of EUR 86 million, as a result of which it holds 66.77% of its share capital.

  In this connection it should be noted that agreements have been entered into for the acquisition of an additional 23.26% for EUR 129 million, which will foreseeably be completed during the second half of the year and early 2018. Once these transactions have been successfully executed, **Abertis** will hold 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 concession, for an amount of BRL 1,437 million (30 June 2017: approximately EUR 380 million). The new concession, which will begin operations in early 2019, includes the 317 kilometres currently administered by the Group company **Autovias** (whose concession ends in February 2019), and a further 403 kilometres currently under the direct management of the state of São Paulo.

At the same time, and in order to increase the average life of the current portfolio of concessions, **Abertis** (through its subsidiary in Argentina 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 and includes a plan for additional investment of USD 250 million to improve the existing network (approximately EUR 220 million at 30 June 2017).

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 22 million have been made.

It should be noted in this respect that 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 (EUR 31 million subsidised) 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.

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 period was the work to recover road surfaces, widen the nearly completed Régis Bittencourt toll road in Serra do Cafezal and to widen lanes in Fluminense (work on which progress continues to be made), and to continue with the work on the Florianópolis perimeter road, in Litoral Sul, under the terms of the respective concession arrangements.

In Chile, the Group continues to negotiate with the Chilean Government the modification of some of the concession arrangements, so that the concession operators 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 10.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 10.i).

Telecommunications

In the satellite sector, **Hispasat** stepped up its investment drive in order to launch the satellites planned for 2017 (in January it successfully launched its 36W-1 satellite) and early 2018. In total, EUR 31 million were invested in the first half of 2017 in the preparation of the Amazonas 5 and Hispasat 30W-6 satellites, which will be added to the Group's existing satellite fleet in 2017 and early 2018 with the aim of increasing the offer of telephony, audiovisual, corporate network and broadband Internet services, among other telecommunications solutions.

2. Business performance and results

Business performance

In the toll road management business as a whole, which represents the main line of business in terms of the contribution to consolidated revenue, up to 30 June 2017 the average daily traffic (ADT), the main indicator of the level of activity, saw a like-for-like increase of +2.6% to 23,569 vehicles, positively impacting the Group's revenue.

In the first half of 2017 the volume of business of most of the Group's toll road concession operators improved, the detail of their ADT up to 30 June 2017 being as follows:

	Km	ADT 30 June 2017	% Change June 2016-June 2017
Toll roads Spain	1,559	19,136	5.9%
Toll roads France	1,761	23,735	1.9%
Toll roads Italy	236	62,560	3.9%
Toll roads Brazil	3,250	17,930	2.0%
Toll roads Chile	771	26,875	4.8%
Toll roads rest of the world	417	55,249	(1.2%)
Abertis (like-for-like)	**7,994**	**23,569**	**2.6%**

It can be seen that at 30 June 2017 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 activity witnessed in 2016 and 2015, due mainly to a significant fall in heavy vehicle traffic as a consequence of the poor performance of the Brazilian economy.

The main figures in the consolidated statements of profit or loss for the six-month periods ended 30 June 2017 and 2016 are as follows:

Millions of euros	June 2017	June 2016
Operating income	2,698	2,243
Operating expenses	(941)	(741)
Gross profit from operations	**1,757**	**1,502**
Depreciation and amortisation charge	(737)	(606)
Impairment losses on assets	-	-
Profit from operations	**1,020**	**896**
Financial loss	(369)	(154)
Result of companies accounted for using the equity method	10	21
Profit before tax	**661**	**763**
Income tax	(185)	(165)
Profit from continuing operations	**476**	**598**
Profit from discontinued operations	16	-
Profit for the period	**492**	**598**
Profit attributable to non-controlling interests	77	88
Profit attributable to shareholders of the Parent	**415**	**510**

Operating income amounted to EUR 2,698 million, up +20.3% on the same period in 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 4.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, the Chilean peso and the US dollar, the average exchange rates of which against the euro rose by 17%, 7% and 3%, respectively, with respect to the average exchange rates for 2016. This impact was partially offset by the negative performance of the Argentine peso, the average exchange rate of which against the euro fell by 6% with respect to the first half of 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 is close to finalising another efficiency plan for 2015-2017, which will make 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 1,020 million (2016: EUR 896 million).

The financial loss was due mainly to the fact that at 30 June 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.

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.

The decrease in the result of the companies accounted for using the equity method was due mainly to the fact that at 30 June 2016 it included non-recurring income of EUR 6 million in the earnings contributed by Cellnex, associated with changes in the tax rate of its subsidiaries in Italy.

As a result of all the foregoing, the consolidated profit for the six-month period attributable to the shareholders of the Parent amounted to EUR 415 million.

Regarding the proportion of total revenue attributable to each business unit, in the first half of 2017 the toll road business accounted for 95% of the total and telecommunications infrastructure for 5%, percentages which did not change with respect to 2016 year-end. No significant changes are expected to occur in the second half of 2017.

Changes in the consolidated balance sheet

The main figures in the consolidated balance sheets as at 30 June 2017 and 31 December 2016 are as follows:

Millions of euros	30 June 2017	31 December 2016		30 June 2017	31 December 2016
Property, plant and equipment	1,561	1,603	Share capital and reserves attributable to shareholders of the Parent	2,332	3,576
Goodwill	4,543	4,550	Non-controlling interests	2,286	3,325
Other intangible assets	15,734	16,353	**Equity**	**4,618**	**6,901**
Investments in associates and interests in joint ventures	1,372	1,371	Bond issues and bank borrowings	17,149	15,693
Other non-current assets	2,951	2,911	Other non-current liabilities	4,695	4,865
Non-current assets	**26,161**	**26,788**	**Non-current liabilities**	**21,844**	**20,558**
Other current assets	1,377	1,819	Bond issues and bank borrowings	1,368	1,955
Cash and cash equivalents	1,873	2,529	Other current liabilities	1,586	1,728
Current assets	**3,250**	**4,348**	**Current liabilities**	**2,954**	**3,683**
Non-current assets classified as held for sale and discontinued operations	10	50	Liabilities associated with non-current assets classified as held for sale and discontinued operations	5	44
Assets	**29,421**	**31,186**	**Equity and liabilities**	**29,421**	**31,186**

Total assets at 30 June 2017 amounted to EUR 29,421 million, down -5.7% on 2016 year-end, due mainly to the impact of the purchase in the period of non-controlling interests in **Hit** and **A4** for a total of EUR 2,299 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 58% 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, slightly higher in the period as a result of the acquisition of **TTPL** and **JEPL** and of the investments made.

The Group invested a total of EUR 2,852 million in the first half of 2017, relating substantially in full to investments for expansion purposes (99% of the total), mainly in:

- Expanding the capacity of the toll roads, especially those located in Brazil the concessions which were granted by the Brazilian Government and in France for the improvement and extension of the network.
- The purchase of 100% and 74% of the Indian concession operators **TTPL** and **JEPL**, respectively (EUR 133 million).

- The impact of the acquisition of non-controlling interests in **Hit** (EUR 2,214 million), and in the **A4** subgroup (EUR 86 million).
- **Hispasat's** investments in new satellites (EUR 31 million).

Consolidated equity amounted to EUR 4,618 million, -33.1% lower than at 2016 year-end. The decrease was due, in addition to the profit for the period and the dividends paid, to the following factors:

- The changes in the scope of consolidation with effects on both non-controlling interests and the Group's accumulated reserves, as a result of the acquisition of non-controlling interests in **Hit** (EUR -1,275 million on the Group's reserves and EUR -939 million on non-controlling interests), and on **A4** (EUR +60 million on the Group's reserves and EUR -146 million on non-controlling interests).
- The decrease in translation differences (EUR -346 million, of which EUR -139 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 80 million) and **Arteris** (EUR 31 million).

In addition to the impact of the second payment of the dividend for 2016 (EUR -366 million), consolidated equity, excluding non-controlling interests, decreased by -34.8%, due mainly to the impact on the reserves associated with the purchase of non-controlling interests in **HIT** (EUR -1,275 million) and **A4** (EUR 60 million).

Treasury shares

In accordance with the authorisation approved by the shareholders at the Annual General Meeting, at 30 June 2017 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 the first half of 2017 the treasury share transactions disclosed in Note 11-a to the accompanying interim condensed consolidated financial statements as at 30 June 2017 were carried out.

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 1S Results" document dated 26 July 2017: EBITDA, EBIT, Gross and Net Financial Debt, Operating and Organic Expansion Expenditure and Discretionary Cash Flow.

3. Liquidity and capital resources

The gross financial debt at 30 June 2017 (excluding payables to companies accounted for using the equity method and interest on loans and bonds and other liabilities) amounts to EUR 17,857 million and represents, on the one hand, 387% 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, 61% of liabilities and equity, higher than at 2016 year-end (54%) as a result of the aforementioned impacts on equity associated with the purchase 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 the first half of 2017 increased by EUR 1,607 million to EUR 15,984 million.

This increase was due, in addition to the investments made in the period and the dividends paid (EUR 294 million paid in relation to the second dividend of 2016 considering the dividend associated with the treasury shares and the dividend that was paid through the delivery of treasury shares to those shareholders that opted therefor), to the increase in the Group's net financial debt associated mainly with:

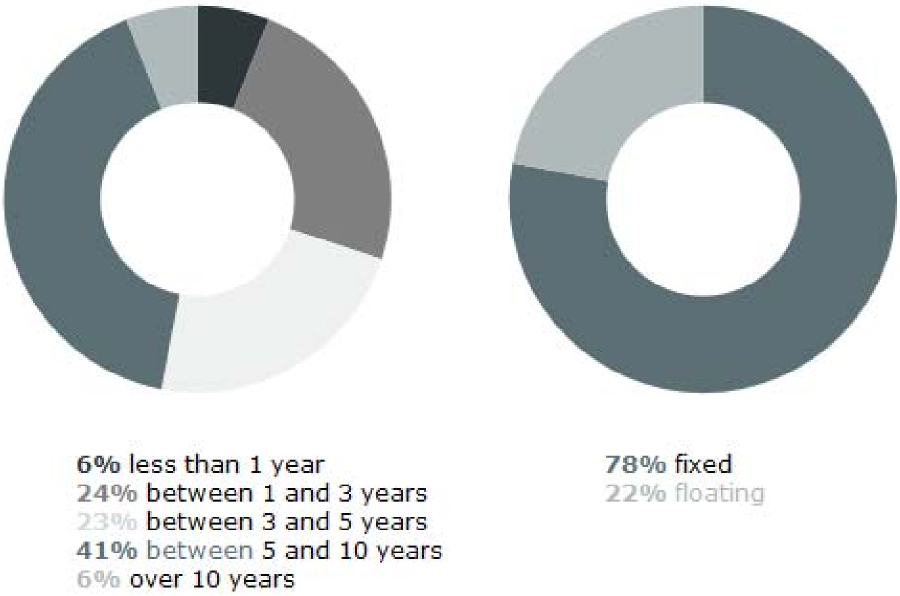
- The impact of the acquisition of non-controlling interests in **Hit** (EUR 2,214 million) and in the **A4** subgroup (EUR 86 million).
- The impact of the acquisition for EUR 133 million of the Indian concession operators **TTPL** and **JEPL** and the concomitant full consolidation thereof (EUR 79 million of debt included).

These effects were partially offset by the exchange rate effect at 30 June 2017, which led to an decrease in the Group's net debt of EUR 233 million (due basically to the depreciation of the Brazilian real, the Chilean peso and the US dollar at the end of the period).

It should be mentioned that partially offsetting the foregoing impacts in the first half of 2017 was the fact that the Group collected EUR 321 million in relation to income tax for 2015.

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 (5.5 years at 30 June 2017 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 (78% at 30 June 2017 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 the first half of 2017:

- The arrangement by Abertis Infraestructuras, S.A. of loans amounting to EUR 1,940 million (maturing between 3 and 5 years) and drawdowns against credit facilities amounting to EUR 369 million in order to cater for the maturity in June 2017 of a EUR 785 million bond and a portion of the purchase of non-controlling interests in **Hit**.
- The issue by **Arteris** of new debt instruments amounting to approximately EUR 20 million maturing in January 2018 and with a coupon rate of 12m CDI +1.80%.

- The issue by **Autovias** of a bond of approximately EUR 27 million maturing in September 2018 and with a coupon rate of 12m CDI +1.40%.
- The issue by **Centrovias** of a bond of approximately EUR 27 million maturing in March 2019 and with a coupon rate of 12m CDI +1.25%.

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.

Lastly, it should be noted that the high cash flow generation of the majority of **Abertis**' 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 capacity credit rating awarded by the international credit rating agency Standard and Poor’s Credit Market Services Europe Ltd. In the latest report, dated May 2017, the “BBB” rating was ratified, and the Company's outlook was revised from stable to positive.

In addition, **Abertis** holds a long-term “BBB+” good credit 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 May 2017, both ratings and outlooks were ratified by the credit rating agency.

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

4. Value for the shareholders

Remuneration of shareholders

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 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.

Stock market performance and profitability

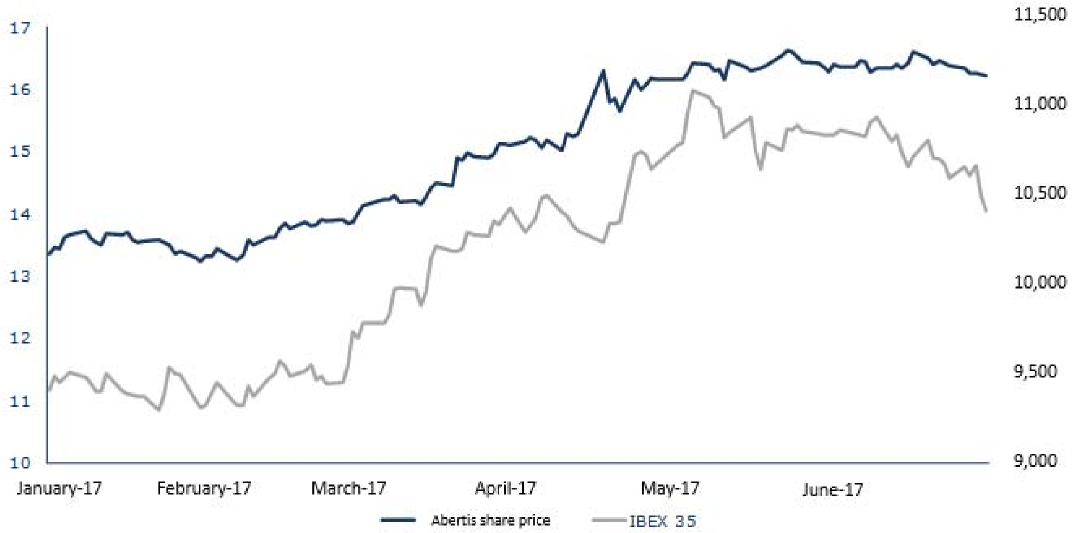
In the first half of 2017 the stock markets were characterised by growth in each of the main European stock indexes. In this regard, the German (DAX: +7.4%), French (CAC 40: +5.3%), UK (FTSE 100: +2.4%) and Italian (FTSE MIB: +7.0%) indexes rose alongside the main US indexes (S&P: +8.2% and Dow Jones: +8.0%).

In the case of Spain, the Ibex 35 gained 11.7%, far above the other principal European indexes, based on greater political stability after the formation of the government and the country's positive economic growth data. The IBEX 35 moved within a broad range of values throughout the six-month period, between a high on 5 May (11,135.4 points) and a low on 23 January (9,304.8 points).

Abertis' 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**' shares ended the first half of 2017 positively with an increase of 22% (twice that of the Ibex 35), at a price of EUR 16.22/share. In the six-month period the share price ranged from a high of EUR 16.615 on 23 May to a low of EUR 13.245 on 31 January.

Abertis ended the first half of 2017 with a market capitalisation of EUR 16,064 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 the first half of 2017 and in 2016 is as follows:

	June 2017	December 2016
Closing price (EUR/share)	16.220	13.295
Share performance	+22.0%	-3.1%
Period/Year high (EUR/share)	16.615	14.33
Date of highest share price in the period/year	23/05/17	08/09/16
Period/Year low (EUR/share)	13.245	11.64
Date of lowest share price in the period/year	31/01/17	20/01/16
Average for the period/year (EUR/share)	15.00	13.38
Total volume traded (shares)	348,271,606	875,197,881
Average daily volume of trading (shares)	2,742,296	3,070,870
Effective total volume traded (millions of euros)	5,315	11,806
Effective average daily volume traded (millions of euros)	42	41
Number of shares	990,381,308	990,381,308
Stock market capitalisation at year-end (millions of euros)	16,064	13,167

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 30 June 2012 and had not sold them at 30 June 2017, **Abertis**' accumulated profitability would have been 121% and its annual profitability 17%, including the rise in the value of its shares on the stock exchange, capital increases with bonus share issues and dividend yield.

Lastly, it should be noted that, as detailed in Note 11-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. If authorisation from the CNMV is received, completion of the transaction will be conditional upon the obtainment by Atlantia of various regulatory authorisations.

In accordance with the request for authorisation of the transaction submitted to the CNMV, in which the effectiveness of the takeover bid was made conditional upon the acquisition of an ownership interest of at least 50.1% in **Abertis**, Atlantia will offer an alternative to the shareholders of **Abertis** (at their choice) of either a cash consideration consisting of a payment of EUR 16.50 per share, or a combination of cash and 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 (with a minimum number (100,000,000) and a maximum of 230,000,000 shares of **Abertis** that can opt for the consideration in special shares of Atlantia).

5. Efficient and safe 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 our stakeholders.

Safety

Abertis has road safety as its top priority and is positioned as a world expert in the field through the application of best known practices. The Group works in all its networks to consolidate the low accident levels in its more mature networks, such as Spain, France and Italy, and to continuously improve accident rates in growing markets such as Brazil.

In the first half of 2017, continuing the trend seen in 2016, the "hazardousness" rate was reduced (-1%). It should also be mentioned that the mortality rate fell in Spain (-64%) and in Chile (-29%) over the period. Furthermore, the period saw a significant decrease in the frequency of accidents among the Group’s workers (-29%), particularly noteworthy in Brazil (-39%) and Argentina (-40%).

The Group understands road safety from multiple perspectives. On the one hand, from the design, operation and maintenance of the networks, through the implementation of policies and procedures focused on road safety and, on the other, from the management and know-how of **Abertis**, which guarantees high levels of safety for toll road users, through patrols, incident management protocols and advanced intelligent transport systems (surveillance cameras and traffic sensors).

In addition, the Group works with partners, such as the Observatory and Google, and uses social networks to interact and better understand the behaviour of drivers, with the aim of adapting and improving traffic flow and customer safety.

In order to strengthen road safety measures, the Group joined the global coalition “Together for Safer Roads”, which brings together leading private companies from across the industry that share the same road safety agenda, in a bid to achieve the UN's goal of stabilising and subsequently reducing road deaths in all corners of the world.

Efficient toll roads

The path to greater efficiency in mobility is a result of the modernisation of payment systems, with the elimination of toll barriers and the introduction of new payment methods that reduce congestion, fuel consumption and vehicle emissions. This is an area led by **Emovis**, the technology and services subsidiary of **Abertis**, an expert in the design, implementation, operation and maintenance of free-flow mobility solutions through electronic tolling.

Emovis focuses on free-flow technologies designed to mark the future of tolls in Europe. In 2017 its most important assets include the management of Dartford Crossing, one of the main accesses to the city of London, with an ADT of more than 150,000 vehicles, and the M-50, Dublin ring road, with an ADT of more than 130,000 vehicles.

While **Abertis**' toll roads are continuing to prepare for the implementation of free-flow technologies where this is positive for mobility, work is also being performed on advances in electronic payment systems via cards or Via-T devices. All payments are now made electronically in Puerto Rico, while in Spain, France and Italy progress continues to be made in the commitment to innovation and technological development in electronic toll collection.

In this regard, as a result of the joint work between the two Group companies dedicated to electronic toll devices Bip&Drive (subsidiary in Spain of **Abertis**) and Bip&Go (subsidiary in France of **Abertis** through **Sanef**), it is now possible to drive along all the toll roads in Spain, France and Portugal with a single Vía-T device, simplifying the journeys of travellers and the transactions to be performed.

Along these same lines, Bip&Go -as a result of the agreement with iDVRoom, a specialist in vehicle sharing solutions- is working on the creation of a special device for people who share a vehicle, which will offer discounts to regular toll road users. This is a means of saving time and money and of gaining in efficiency and practicality.

In the first half of 2017, continuing the trend of 2016 the percentage of electronic toll transactions increased by two points to around 62.1% of the total.

R&D+i activities

At **Abertis** road safety is closely tied to technological advances and innovation in relation to infrastructure. This combination of elements is what **Abertis** calls Road Tech.

Road Tech seeks to capture **Abertis**' vision of creating a future in which the world's roads provide all the social and economic benefits of mobility without jeopardising the environment, health or safety. To this end, the Group works to ensure that all technological improvements are aimed at boosting the safety of its customers, in addition to managing the networks in a more efficient and modern way, with the will to participate in the debate regarding mobility of the future, which will be safer, more sustainable, more intelligent and more efficient.

Abertis continued to work on the programme presented in 2016 dedicated to research and innovation, aiming to fully understand the Road Tech ecosystem today: technologies with the greatest prospects, barriers and facilitators to accelerate its progress, and where **Abertis** as a company can have the greatest impact.

To this end, the Company continues to be involved in discussions with the main pioneers in Road Tech, all with a similar vision regarding the future of mobility, with the aim of generating new knowledge and stimulating innovation at the forefront of the industry.

In this regard, in the first half of 2017 of particular note was **Abertis**' signing of a global agreement to join the Waze Connected Citizens Programme, which is a pioneering application in social navigation and mobile technology, offering real-time traffic information. **Abertis** thus became the first company to join the aforementioned programme, covering seven of the countries in which it operates: Spain, France, Italy, Brazil, Chile, Puerto Rico and Argentina.

Specifically, Waze's Connected Citizens Programme, with over 250 partners worldwide, joins public and private entities worldwide to unify real-time traffic information to reduce congestion, allow better driving decisions and improve road safety. The cooperation agreement will enable both Waze users and the various concession operators of the Group to provide and receive traffic information through the application and other means.

Innovation is also vital in the satellite industry, which is characterised by far-reaching and rapid change. **Hispasat** continues to focus its endeavours on several innovation processes to optimise contracts and current products and services, offering advice and technological solutions, going beyond satellite capacity, to respond to new customer needs. This is the case of "triple-play" or "cuadri-play" services designed to offer users integrated landline and mobile telephony, data and television services.

Focus on stakeholders

Continuous investment, reinforcement of road safety and commitment to new technologies are instruments of the Group with a clear objective: satisfaction and a good relationship with all the stakeholders involved (concession grantors and public bodies, customers, contractors, suppliers and providers, territory, employees, business partners and others) to maintain and enhance corporate credibility and reputation.

Public bodies

The Group aims to position itself as a clear ally of governments to achieve more efficient management of public assets such as toll roads, while at the same time striving to respond to the needs of drivers who demand a better travel experience, with safe, comfortable and rapid journeys.

Abertis defends public-private partnerships as a solution in which all parties -government, company and citizens- win. Following the various agreements entered into with the French State culminating in "Plan Relance", worthy of mention in the first half of 2017 is the agreement reached with the Argentine Government for the extension of the concession of the operator **Gco** that includes an additional USD 250 million investment plan to improve the current network.

Of particular note is the fact that States see their economies and job markets boosted through the implementation of projects of different sizes without undue pressure being placed on State finances; companies are consolidating their long-term business vocation by extending the term of their concessions; and citizens can start to enjoy improved, safer, more efficient and more sustainable infrastructure.

Suppliers

Abertis' supplier policy focuses on the principles of competition, long-term relationships, adequate planning, efficiency and control.

For **Abertis**, the contracting of goods and services is in line with the Company's objectives and with the principles of necessity, suitability and austerity in expenditure and making investments.

The choice of a new supplier is always aimed at promoting the free market, and management usually establishes a long-term relationship, ensuring that all the parties fulfil their commitments. For this reason, the Group works with accredited suppliers that have sufficient and acknowledged technical, financial and ethical credentials. The relationship with these suppliers is based on integrity, confidentiality, honesty, transparency and equal opportunities and conditions.

End customer

As regards relationships with end customers, **Abertis** is committed to ensuring safety, comfort and satisfaction in customers' experience on the Group's toll roads.

Users of **Abertis**' toll roads continue to benefit from the intensive work carried out to upgrade the network and modernise payment systems, as well as the new user information systems, whether through new applications or social networks such as Waze or Twitter.

6. 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.

Training plans and actions to promote diversity and equal opportunities continued to be the focus of activity in the first half of 2017.

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.

In this regard, Group companies accounting for close to 90% 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).

7. Environmental impact and contribution

Abertis has established an exacting commitment to reducing its impact on the environment. Strategic and operational objectives related to the management of environmental issues have been set through the CSR policy and the CSR Master Plan, 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.

These commitments are structured in such a way as to respond to the most significant challenges facing the organisation's activities in relation to both toll roads and telecommunications. These include climate change, waste generation, life cycle management, and biodiversity and noise management.

Thus, companies representing close to 75% of operating income have an environmental management system in place, based on the international ISO14001 standard. They have also continued to work on the main environmental awareness programmes carried out in the various countries, in addition to the environmental monitoring and surveillance activities related to the activities carried on by suppliers.

As a result of all the foregoing, **Abertis** continues to work in order to retain the highest possible Carbon Disclosure Project (CDP) ranking with its inclusion in the "A List", which acknowledges organisations that lead actions to reduce emissions and mitigate climate change.

The reduction of equivalent CO_2 emissions is one of its constant challenges facing the Group, management of which includes such notable actions as the renewal of the fleet of vehicles, energy audits or improvements in air conditioning and lighting systems.

8. Compliance and effective risk management

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.

Main risks and internal control

The **Abertis** Group's risk management model aims, inter alia, 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:

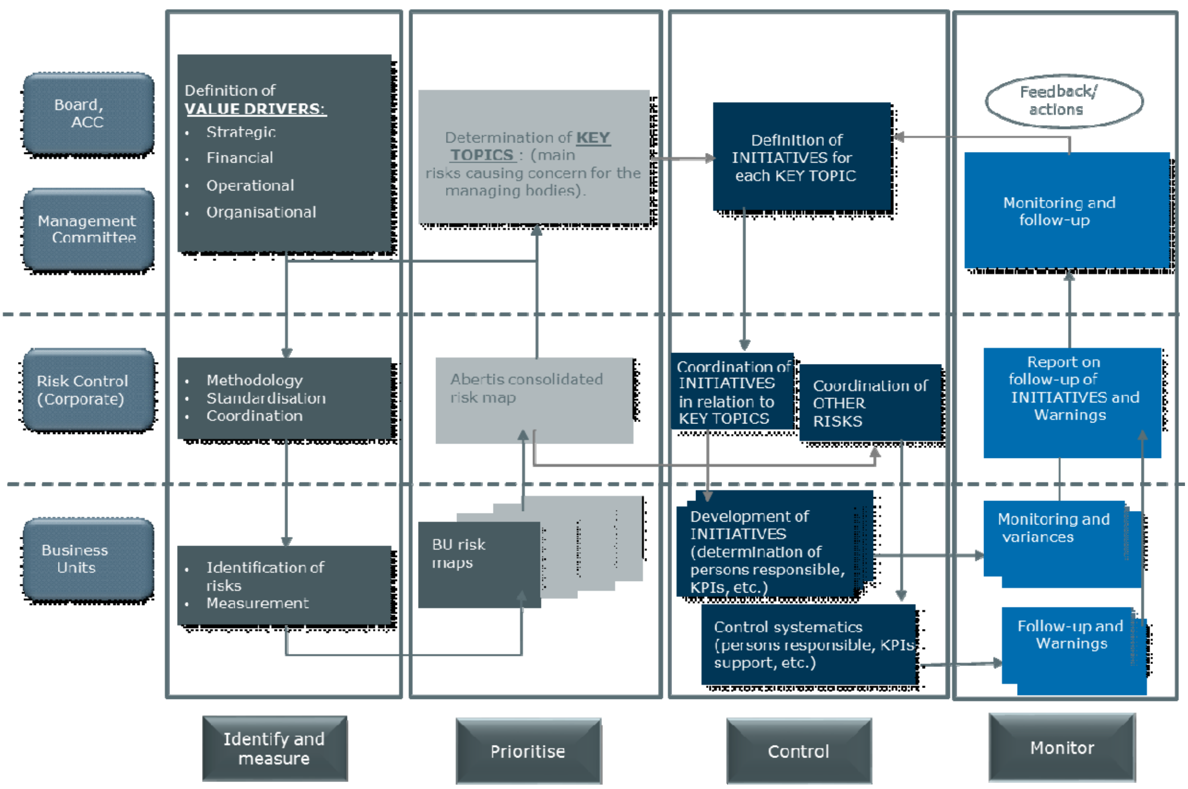
Type of risk	Main risks	Control measures
Environmental and regulatory risk and risks arising from the specific nature of the Group's businesses	• Decreases in demand due to the economic situation in certain countries. • Creation of alternative infrastructure. • Risks arising from the integration of acquisitions. • Changes in mobility. • Entry of new competitors in certain economic sectors. • Regulatory and socio-political changes.	• Internationalisation and selective growth policy. • Degree of understanding with public bodies. • Efficiency plans. • Coordination to ensure adequate compliance with the local legislation in force and pre-emption of legislative changes.
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 on 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. • Implementation of systems to enhance control thereof. • 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. • Internal and external fraud. • Compliance with legislation, internal regulations and contractual obligations.	• Internal Control over Financial Reporting (ICFR) system organisation and supervision model. • The compliance function implemented at the Group.

Integral risk control

The risk control and management policy establishes an integral risk control system that includes:

- A methodology for measuring and monitoring risks that is common to the whole Group.
- The identification, measurement and prioritisation by each business unit and corporate unit of the inherent and residual risks of the control activities and action plans defined and of those responsible therefor.
- The preparation and continuous updating of the risk maps of the business units, in accordance with the Group's methodology, with periodic verification and approval by the General Managers of the business units and by the Group's Area Managers.
- The preparation and supervision of external risk reports (to shareholders, investors and regulators) and internal risk reports to ensure that all risks have been identified, prioritised and adequately managed in accordance with the established guidelines and limits.
- The selection of the risks for follow-up on two levels:
    1. Key topics considered to be "very critical" given the impact that their possible materialisation could have on the objectives established, for which quarterly monitoring is carried out with greater reporting requirements.
    2. Other risks identified in the maps with a definition of the persons responsible, scope and indicators for the supervision of control activities and action plans with a semi-annual follow-up.

Abertis risk management and control model



9. Events after the reporting period

There were no events after the reporting period other than those indicated in Note 21 to the accompanying interim condensed consolidated financial statements as at 30 June 2017.

10. Outlook

For **Abertis** 2017 is the year in which its 2015-2017 Strategic Plan is completed when it will have the chance to identify new challenges and opportunities.

Therefore, the coming months will be marked by the fulfilment of the commitments established in the Strategic Plan, with a clear commitment to international growth, through acquisitions and the extension of the term of its concessions, with the objective of remaining a benchmark company in the toll road infrastructure industry, without disregarding its vocation to provide service to customers, public bodies and society in general.

The Group will continue to focus its energies on growth, a strategic priority that will be developed either through new acquisitions or through the extension of existing concession terms in exchange for new investments or toll increases. This is the case in Argentina, where in the first half of 2017 the bases have been put in place to extend the current concession contract of **Gco**, while improving road infrastructure to make it safer, more sustainable, with greater capacity and better suited to citizens' needs.

In any event, the Group will continue to analyse opportunities in its more traditional markets such as Europe and the Americas, seeking to create in its portfolio a balanced mix between new concessions and other more mature ones.

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, for the second half of 2017 consolidation, and, therefore, the continuation of the growth path taken by the Spanish, French, Italian, Brazilian and Chilean toll roads are both foreseeable.

Moreover, 2017 is proving to be an important year in the satellite sector, with the addition of new satellites to the fleet currently in orbit; these are expected to increase capacity and service to customers in Latin America. Following the launch in the second half of the year of Hispasat 36W-1, the launch of Amazon 5 is planned for late August, which would see the completion of the fleet of Hispasat in early 2018 with the launch of Hispasat 30W-6.

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, 2017 is providing an opportunity to consolidate the Group's best practices in the management area, through the implementation of the CSR Master Plan approved in 2016.

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Barcelona, 25 July 2017