



*English translation for information purposes only. In the event of discrepancies between the English and the Spanish version, the Spanish version shall prevail.*

Following the Consolidated Text of the Spanish Securities Market Act (*Texto Refundido de la Ley del Mercado de Valores*), FERROVIAL, S.A. ("the Company" or "FERROVIAL") informs:

FERROVIAL expects to register an additional provision of GBP208mn (€236mn) in relation to the Birmingham Highways PFI contract (hereafter the "**Contract**") operated by a subsidiary of Amey Plc. ("**Amey**"), a subsidiary of the Company. This provision would be included in the first quarter of 2018 financial results to be published by the Company on May the 10th.

This provision reflects the need to undertake additional investments during the initial phase of the Contract as well as expectations of high deductions and penalties to be applied by the Birmingham City Council (the "**Client**"):

**INVESTMENTS:** during negotiations with the Client that took place in 2017, a certain amount of investment was expected to take place after the closure of the Core Investment Period (CIP) and during the operational phase of the contract, as part of a type of services known as "Lifecycle". Recent communications from the Client make clear that the previous expectation is no longer realistic and that the CIP phase will now remain open until the Milestone works are completed. As the Contract is now accounted for under IFRS 15, with separate performance obligations for Capex (CIP), Lifecycle and Opex, the amount expected to be spent during CIP must be accounted for even though it is expected that during the overall Contract term a material proportion will be recovered through the lifecycle phase.

**DEDUCTIONS AND PENALTIES:** The expectations of Amey, following the Court of Appeal judgment in favour of the Client, was that the extraordinarily high amounts of penalties and deductions levied in the first two months of the year would be reduced to a more reasonable level, as seen in previous years. However, it now appears that the Client will continue to apply deductions at high levels. Accordingly, the Company has reviewed the likely amount and provided to that level. Amey does not agree with the level of deductions and will attempt to overturn them with the mechanisms provided in the contract.

Amey has requested permission to appeal before the Supreme Court.

Amey plans to divest part of its stakes in various PFI projects.

In connection with this matter the Company announces that a conference call will be held tomorrow, Friday 27 April 2018, at 13:00 (Madrid time). Contact details of the call are as follow:

Spain (13:00): +34 911 140 101

UK (12:00): +44 207 194 3759

USA : +1 6467224916

Australia: +61 291 011 926

PIN Code: 37057251#



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For any additional questions please contact the Investor Relations Department at [ir@ferrovial.com](mailto:ir@ferrovial.com) email address or phone +34 91 586 25 65.

Madrid, 26 April 2018

Santiago Ortiz Vaamonde

Secretary to the Board of Directors of Ferrovial, S.A.