

**2017 ANNUAL RESULTS****Abertis' net profit reaches €897Mn euros in 2017, 13% more compared to the previous year**

The Group's revenue exceeds €5,000Mn for the first time ever

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- Results surpassed forecasts:
    - Revenue: €5,323Mn (+13%).
    - EBITDA: €3,480Mn (+14%)
    - Net profit: €897Mn (+13%)
  - More than €3,600Mn invested in growth and extending the lifespan of concessions.
  - Abertis strengthens its position in key markets through the acquisition of minority stakes: in France, over €2,100Mn; and in Italy, close to €200Mn.
  - Award of a new concession in Brazil, ViaPaulista, and a new public-private partnership agreement in Argentina for new investments in its road network, in exchange for an extension of the Ausol and GCO concessions.
  - Robust traffic growth in the Group's main markets such as France (+1,5), Spain (+3.9%), Italy (+3.2%), Chile (+4%), Brazil (+3.2%) and India (+9.6%).
  - Road safety: declines in the accident (-3%) and fatality (-6%) rates. Particularly noteworthy were the improvements in Brazil and Chile.
  - Successful completion of the 2015-2017 Strategic Plan, with all targets achieved:
    - Focus: IPO of the terrestrial telecoms business (Cellnex) and sale of the last airport assets.
    - Efficiency: accumulated annual savings of €416Mn in the period.
    - Growth: close to €7,000Mn invested
    - Shareholder remuneration: a 10% annual increase in the dividend; around €2,200Mn paid out in dividends.
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**Madrid, 7 February 2018**

Abertis posted better than initially forecast improvements in all its key indicators in 2017, with net profit of around €900Mn (+24% like-for-like), EBITDA of €3,480Mn (+14%) and revenue which, for the first time ever, surpassed €5,000Mn (+13%). Profit for the year was boosted by the improvement in the gross margin and the greater contribution from the business in France and Italy following an extensive minority interest purchase plan.

In 2017, the Group invested over €3,600Mn in organic expansion, the largest outlay in the company's history. Of this, around €3,000Mn was invested in acquisition-led growth: acquisitions in France and Italy, the purchase of two toll roads in India, and the award of the ViaPaulista concession in Brazil.

2017 was also the final year of the 2015-2017 Strategic Plan, with success achieved in the four priority areas: growth, focus, efficiencies and increasing shareholder remuneration.

**Traffic performance**

Traffic continued to grow in 2017, surpassing all estimates. Average Daily Traffic grew in all the Group's main markets, with advances in Spain (+3.9%), France (+1.5%) and Italy (3.2%).

In the Americas, notable increases were posted in Chile (4%) and Brazil (3.2%). In India growth stood at around 10%, confirming it as an economy with significant growth potential.

In the sphere of road safety, the Group posted improvements in both its accident (-3.2%) and mortality (-6.1%) rates and in the number of fatalities (-3.4%). Especially noteworthy was the performance in Brazil, where road safety indicators improved considerably.

**Income statement**

Revenue in 2017 totalled €5,323Mn, up 13% year-on-year (restated due to the reclassification of Hispasat as "Discontinued activities"), thanks to the increase in traffic and the inclusion of new assets in the consolidation scope.

EBITDA totalled €3,480Mn (+14%), due to, among other things, the consolidation of the Group's efficiency plans, which underpinned an improvement in the EBITDA margin to an average of 65.4%.

Discretionary cash flow reached almost €2,000Mn, like-for-like up 11.5% compared with 2016. Net profit grew to €897Mn (+13%). In like-for-like terms, net profit increased by 24% compared to previous year.



### **Investment in growth**

Investment in 2017 exceeded €3,600Mn, a new record for the company. Of this amount, around €3,000Mn was invested in acquisition-led growth, including the purchase of new shareholdings and of new assets, with the aim of increasing the lifespan of the asset portfolio.

In France, outright control was secured of Abertis' subsidiary in the country. In total, Abertis has spent over €2,200Mn on this growth project in the Group's main market. This transaction has had a positive impact on the income statement, contributing €157Mn to net profit.

Abertis also increased its interest in its Italian subsidiary, A4 Holding. Through different agreements, the Group acquired additional minority interests, achieving around an 84% stake in the concessionaire for the A4 and A31 toll roads, with a total outlay of €179Mn. The Group has continued to pursue this strategy at the start of 2018 and now has a shareholding of more than 90% in A4 Holding.

In addition, in March Abertis completed the acquisition of two toll roads in India, the NH-44 and the NH-45, for a total of €135 million. The transaction marks Abertis' entry into the Asian market, a key step in the company's geographical diversification process.

In October, Abertis' Brazilian subsidiary Arteris secured the 30-year, 720-kilometre ViaPaulista concession for €396Mn.

With regard to organic growth, the Group invested over €700Mn, mainly in the programme to improve the toll road network of Arteris in Brazil (€458Mn) and Plan Relance projects in France (€151Mn).

### **Public-private partnership agreements**

The Group negotiated major public-private partnership deals in 2017 entailing further investment in exchange for the extension of the length of concessions and rate increases.

In France, Sanef reached agreement with the French government to implement a new upgrade plan for the country's toll road network. Under the terms of this agreement, Sanef will invest €147Mn in its network in exchange for an additional rate increase between 2019 and 2021.

In Argentina, the Group reached new agreements with the Argentine Transport Ministry on fresh investment in the toll road network of its concessionaires Ausol and Grupo Concesionario del Oeste. Total investment commitments for the coming years amount to \$680Mn and will entail the extension of the two companies' concession period until 2030.



### **Efficient debt management**

In 2017 the Group continued to pursue a debt management policy aimed at increasing the life of concessions and reducing financing costs, highlighting the efficiency of the company's active balance sheet management and reducing exposure to financial risks.

In 2017, the company completed two bond issues in France totalling €1,000Mn while in Brazil Arteris was involved in the third largest corporate bond issue in the country (BRL 2.100Mn). Bonds were also successfully repurchased in France, Italy and Chile.

In addition, the Group has signed a sustainable loan whose cost is linked to the environmental, social and corporate governance performance of the company (ESG), combining thus the company's strategy for the active management of cost of debt with its efforts to improve sustainability.

The average cost of the Group's consolidated debt was reduced from 4.8% to 4% in 2017, while the cost of corporate debt eased from 3.1% in 2016 to 2.1% at the end of 2017.

Abertis' consolidated net debt in December 2017 stood at €15,367Mn, compared with €14,377Mn in 2016. This increase was largely due to the impact of the investment in organic and acquisition-led growth in the period. The net debt/EBITDA ratio decreased from 4.6x in 2016 to 4.4x in 2017.

### **2015-2017 Strategic Plan: commitment and delivery**

In 2017 the Group successfully completed the 2015-2017 Strategic Plan, delivering on all the core commitments made.

Abertis has invested up to €7,000Mn in growth since 2015, enabling it to bolster its presence in key markets such as France, Brazil and Chile and enter new ones such as Italy and India, thereby boosting the Group's geographical diversification.

With regard to focus, Abertis is now a pure toll road operator following the flotation of the terrestrial telecoms business (Cellnex) and the disposal of the final airports assets in 2015.

With regard to efficiencies, the Group has registered cumulative savings of more than €400Mn over the last three years, surpassing the target initially set.

Finally, the Group has fulfilled its pledge to deliver growing shareholder remuneration, with 10% annual dividend growth between 2015 and 2017. In total, Abertis has distributed €2,166Mn in dividends over the last three years.



### **Board of Directors resolutions**

The Board of Directors of Abertis resolved to propose to the 2018 General Shareholders' Meeting, which will take place on 13 March 2017, the payment of a second dividend against 2017 earnings of €0.40 gross per share.

This second dividend payment, together with the first dividend paid in November, brings the total gross ordinary dividend per share to €0.80, in keeping with the commitment in the Strategic Plan. The total shareholder payout in 2017 will be €792Mn.

The Abertis' Board of Directors decided yesterday, unanimously and with immediate effects:

1. To arrange, in agreement with the Vicepresident-Chief Executive Officer Mr. Francisco Reynés Massanet, his dismissal as Vicepresident-Chief Executive Officer and member of the Board of Directors, thanking him for the services rendered to the Company.
2. To appoint, by cooptation at the proposal of the Appointments and Remuneration Committee, Mr. Francisco José Aljaro Navarro as Executive Board Director, in the position of Chief Executive Officer, in order to cover the vacancy occurred as a consequence of the above mentioned dismissal.

Accordingly, the Board of Directors agreed to propose to the Annual General Shareholders' meeting the ratification of the appointment of the new Board member.



## Appendix 1 – Income statement and balance sheet

INCOME STATEMENT	January-December 2017		(Mn€)
	Dec. 2017	Dec. 2016*	Change
<b>Revenues</b>	<b>5,323</b>	<b>4,707</b>	<b>13%</b>
Operating expenses	-1,843	-1,642	
<b>EBITDA</b>	<b>3,480</b>	<b>3,065</b>	<b>14%</b>
Depreciation	-1,029	-842	
Amortization of revalued assets (PPA)	-392	-351	
Operating profit (EBIT)	2,058	1,872	
Cost of debt	-677	-731	
Other financial results	-109	119	
Share of profit of associates	19	30	
Profit before taxes	1,291	1,291	
Income tax	-365	-287	
Minorities	-102	-216	
Discontinued operations	72	7	
<b>Net profit</b>	<b>897</b>	<b>796</b>	<b>13%</b>

BALANCE SHEET	January-December 2017		(Mn€)
	Dec. 2017	Dec. 2016	
Non-current assets	24,203	26,788	
Current assets	3,832	4,348	
Assets held for sale	1,796	50	
<b>Total assets</b>	<b>29,831</b>	<b>31,186</b>	
Shareholders' equity	4,777	6,901	
Non-current liabilities	21,205	20,558	
Current liabilities	3,221	3,683	
Liabilities held for sale	628	44	
<b>Total equity and liabilities</b>	<b>29,831</b>	<b>31,186</b>	

- Restatement without Hipasat

## Appendix 2 - Significant events in the period

### January

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

### February

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

### March

- Abertis' net profit totals €796Mn, up 13% in like-for-like terms. The Group's results in 2016 surpassed forecasts.
- Abertis reaches agreement with AXA to acquire 9.65% of HIT for €450Mn. The transaction, which followed the acquisition of 10.52% of HIT from CDC, increased Abertis' controlling interest in HIT from 63.07% to 72.72%.
- Abertis completes the €135Mn acquisition of two toll roads in India. Abertis reached agreement with the MSIIPL and SMIT funds, controlled by Macquarie and State Bank of India, to acquire two of India's most important toll roads, the NH-44 and the NH-45, for an amount of €135Mn.
- Abertis' Board of Directors appoints Antonio Viana-Baptista as a new independent director. Following his appointment, the Board has 9 independent directors, 60% of the total.
- Abertis controls approximately 90% of its French subsidiary. Abertis signed an agreement to acquire between 15% and 17% of Predica's interest in HIT, depending on the exercise of pre-emptive acquisition rights by the other shareholders.

## April

- 2017 General Shareholders' Meeting. Abertis held its General Shareholders' Meeting, during which it reviewed its performance in 2016 and announced the payment of a second dividend for the year.
- Significant event in relation to Atlantia. Abertis announced that Atlantia has expressed an interest in exploring a possible corporate transaction without the terms having been agreed to date.
- Abertis secures 100% ownership of its French subsidiary. The company reached two agreements with FFP Invest and CNP to acquire respective 5.1% stakes in HIT, for €238Mn each.
- Arteris wins the 30-year ViaPaulista concession. Abertis' subsidiary in Brazil, Arteria, won the tender for management of Rodovias dos Calçados until 2047.

## May

- Abertis acknowledges Atlantia's offer. Abertis, through the significant event sent by Atlantia to the Spanish National Securities Market Commission (CNMV), acknowledged the terms and conditions of the voluntary and unsolicited tender offer made to all Abertis' shareholders.

## June

- Abertis agrees new investments in GCO's network with the Argentine government in exchange for an extension of its concession contract. Grupo Concesionario del Oeste (GCO), an Abertis company in Argentina, and the National Road Agency (Dirección Nacional de Vialidad), under the Transportation Ministry of Argentina, have entered into an agreement that recognises the pending rebalancing and an additional US\$250Mn investment plan.

## July

- Abertis controls 85% of its Italian subsidiary after the acquisition of an additional stake. The Group reached an agreement with minority shareholders to acquire an additional 22.52% stake in its Italian subsidiary, A4 Holding. Abertis will pay €125Mn.





## August

- Abertis agrees new investments in Ausol's network with the Argentine government in exchange for an extension of its concession contract. Ausol and the National Road Agency (Dirección Nacional de Vialidad), under the Transportation Ministry of Argentina, have signed an agreement which formally initiates the process of extending the concession contract. It recognises the pending rebalancing and an additional US\$430Mn investment plan to upgrade the current road network.

## September

- Abertis and the Economist Intelligence Unit (EIU) presented a report which analyses Road Tech as a key factor in addressing issues arising from the growth in traffic. The report reveals that new road technologies are transforming the transport sector and will be pivotal in achieving smarter, safer and more sustainable mobility in the future.
- Autostada Brescia Verona Vicenza Padova launches repurchase of bonds. The company announced an invitation to holders of bonds in the €600Mn issue with a coupon of 2,375% and maturing in 2020 to present offers of sale of their bonds to the company.

## October

- Abertis and UNICEF, united in their commitment to road safety. The company and the international organisation signed a three-year, €3 million agreement to tackle the main cause of death in children of school age: road accidents.
- Abertis changes its registered address. The Board agreed to change the business address of Abertis to "Paseo de la Castellana 39, Madrid". The decision has been taken to maintain the normal operation of the company and with the aim of safeguarding its general interests.
- The Board of Directors of Abertis issues its report on the takeover bid by Atlantia. The company's foremost governing body regards the industrial project of Atlantia's bid as attractive, though there is scope for improvement in the price.
- Abertis arranges its first sustainable loan with ING for a total amount of €100Mn. The loan has a 3-year term with a one-year extension option. The interest rate applicable to the loan is linked to the company's environmental, social and corporate governance performance and therefore will be lower if this improves.



## November

- [HIT issues bonds worth €1,000Mn and repurchases bonds from a previous issue.](#) HIT, Abertis' French subsidiary, carried out a €1,000Mn bond issue. The new issues have 5-year (€500Mn maturing in March 2023) and 10-year (€500Mn maturing in November 2027) maturities. The company also launched a bid to repurchase bonds from a previous issue.

## December

- [Abertis' subsidiary in Brazil concludes the project to double capacity on the Régis Bittencourt toll road in the Serra do Cafezal.](#) This brings to an end an extensive seven-year project to improve the toll road at a cost of 1,300Mn reais (around €330Mn).

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