FERROVIAL, S.A. & SUBSIDIARIES

Interim Management Report

January - June 2020 results

30 July 2020

DISCLAIMER

1H2020 financial information included in this report has been impacted by the COVID-19 outbreak, mainly since the second half of March. However, at this stage, given the uncertainty about the speed and extent of the resumption in activity, it is not possible to predict how the health crisis will affect Ferrovial Group's 2020 financial statements, especially in relation to impairment tests of assets, fair value of discontinued activities or provisions for onerous contracts. Ferrovial will continue to monitor closely trading conditions and further evidence on wider economic impacts.

This report may contain forward-looking statements about the Company. These statements are based on financial projections & estimates and their underlying assumptions, statements regarding plans, objectives and expectations, which refer to estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects related to the activity and situation of the Company. Such forward-looking statements do not represent, by its nature, any guarantees of future performance and are subject to risks and uncertainties, and other important factors that could cause actual developments or results to differ from those expressed in these forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any statement is based.

This report may contain financial information which may have not been audited, reviewed or verified by an independent firm. The information contained herein should therefore be considered as a whole and in conjunction with all other publicly available information regarding the Company.

Neither this report nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to such securities

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Ferrovial results January - June 2020

COVID-19 IMPACT

Results for **1H 2020 have been impacted by the COVID-19 pandemic**. A global pandemic which has had an unprecedented impact and led to measures taken by governments across the world to reduce social contact. As a consequence, economic growth has stalled and the recovery outlook is uncertain.

Throughout the COVID-19 situation, Ferrovial is undertaking all necessary measures to safeguard the health and safety of its employees and clients as its main priority.

Ferrovial is focused on protecting its liquidity and financial position to face the current macroeconomic situation. As of June 2020, liquidity at ex-infrastructure project level stood at a record high of EUR7.5bn, including available liquidity lines in amount of EUR695mn. Net cash position ex-infrastructure stood at EUR1.668mn (including discontinued operations). In 1H 2020, Ferrovial has taken several measures to reinforce the financial position:

- On 14th May 2020, Ferrovial issued a EUR650mn 6year corporate bond with a coupon of 1.382%. On 24th June 2020, an additional EUR129.9mn tap of this bond took place.
- Syndicated Revolving Credit Facilities drawn for an amount of c.EUR645mn, along with new liquidity facilities for EUR510mn.
- ECB Pandemic Emergency Purchase Program (PEPP): EUR575mn issued through the ECP Program, with -0.10% average rate with maturities from 6 to 12 months.

Ferrovial is strongly committed to support the Community to face the current pandemic. Ferrovial has created a fund, "Ferrovial together COVID-19", to financially contribute to face the health crisis by providing healthcare materials and medical equipment, researching into pharmacological solutions or vaccines, and supporting vulnerable groups and those at risk of exclusion as a result of COVID-19.

Operationally, COVID-19 pandemic started to show its impact on Ferrovial's activities at the last part of March and continued with higher incidence in 2Q 2020.

- **In Toll Roads,** traffic levels reached its lowest point in early April and have steadily increased since then, as restrictions ease & the economy reopens. Texas Managed Lanes traffic recovered gradually through mid-June, when an upswing of new coronavirus cases in Texas delayed plans to further reopen and more drivers chose to stay home.
  - **407 ETR**: -44.9% in 1H 2020.
  - **Texas Managed Lanes**: NTE -29.0%, LBJ -32.1% and NTE35W -17.5% in 1H 2020.

  These assets enjoy a strong financial position and liquidity well in excess of their debt service obligations for 2020.
- **Airports,** traffic performance was strongly impacted by COVID-19 in 1H 2020:
  - **Heathrow:** Passenger numbers declined by -60.2% in 1H 2020 as airlines reduced flights to a number of countries due to COVID-19 outbreaks and border closures. Heathrow has cash and committed facilities available of GBP2.7bn, sufficient liquidity to meet all forecast needs until at least June 2021 even under the extreme stress-test of no revenues. On July 8th, Heathrow Finance creditors approved a waiver for the ICR covenant for 31 December, and an amendment of the RAR covenants to 95.0% and 93.5%, for 2020 and 2021, respectively.
  - **AGS** have also seen a strong impact in their traffic levels (-65.7% in 1H 2020), hit by COVID-19 and Flybe collapse. On 15th June 2020, AGS agreed a waiver of the requirement to comply with the Financial Covenants (Leverage Ratio and DSCR) in the Facilities Agreement for the periods of June and December 2020. The total cash balance was GBP43mn at 30 June 2020.
- **Construction:** the impact of COVID-19 has been widely distributed by regions, with the US and Poland keeping production level and Spain and South America being the most impacted due to lockout, delays, acceleration costs & additional safety and health material. The impact of COVID-19 at EBIT level was –EUR44mn as of June 2020.
- **Services:** the impact of COVID-19 mainly seen during the months of confinement. The most impacted business were maintenance and other services related to transport & infrastructure in Spain due to mobility restrictions. COVID-19 impact at EBITDA level was –EUR72mn as of June 2020.

MITIGATING MEASURES

The company is adapting to the current pandemic situation through several cost reduction, restructuring and capex revision measures:

- **Ferrovial** is going ahead with its cost reduction program as announced in the "Horizon 24" strategic presentation. The new operating model will allow cost reductions of EUR50mn a year from 2021 and a cost reduction of EUR25mn in 2020. On the back of this plan, a EUR39mn provision was registered in 1Q 2020.
- **Toll Roads:** all toll roads have undertaken a revision of opex and capex plans. In terms of opex, they have adjusted maintenance, collection costs, reduced marketing and advertising programs; while maintaining the levels of quality and safety. All non-essential capex plans have been delayed.
- **Airports:** Heathrow and AGS have taken measures aimed at softening the impact on P&L and preserving the level of liquidity. In terms of opex, these measures include redesigning the organization, reducing employee's remuneration, renegotiation of contracts with suppliers, utilizing the furlough scheme & removing all non-essential costs, along with the reduction of capex. In 2020, Heathrow is expected to reduce opex by at least GBP300mn and capex by over GBP650mn. Within this framework, Heathrow has registered a GBP37mn provision relating to its transformation program to simplify operations and reduce costs, along with a GBP85mn fixed assets impairment, as certain projects have been placed on hold while some projects are unlikely to be re-started in the foreseeable future. AGS has taken measures to reduce opex by GBP27mn and capex by GBP23mn in 2020, along with a restructuring provision of GBP2mn.
- **Construction:** the measures to mitigate the impact include cost reduction, along with the preparation of compensation claims from the impact that may be generated in the delay and/or in the execution cost of projects in contracts with force majeure or change in law.
- **Services:** the Company will utilize the flexibility measures provided by the different governments including temporary layoffs, furloughs, tax payment delays and taking advantage advanced collection payments from public clients.

In relation with the above and for further information on the COVID-19 impacts, please see the note 2 (COVID-19 Impact) of Interim Consolidated Financial Statements June 2020.

1H 2020 CONSOLIDATED RESULTS (SERVICES AS DISCONTINUED ACTIVITY)

- **Revenues** stood at EUR2,914mn (+12.2% LfL) on the back of higher Construction revenues (+15.2% LfL), partially offset by lower contribution from Toll Roads (-13.4% LfL).
- **EBITDA:** EUR128mn (-EUR118mn 1H 2019, impacted by -EUR345mn provision registered in Construction in 1Q 2019). EBITDA impacted by -EUR39mn provision related to the restructuring plan carried out by the Company as part of the initiatives outlined in our "Horizon 24" plan.

DIVIDENDS FROM THE MAIN ASSETS

Total dividends from projects received by Ferrovial reached EUR133mn in 1H 2020 (vs EUR244mn in 1H2019), mostly distributed in 1Q 2020.

- **407 ETR: distributed CAD312,5mn in 1Q 2019** (EUR89mn for FER's share), and no dividend payment in 2Q 2020. 407 ETR Board will continue to monitor the current pandemic situation, and will review any potential dividend distribution to Shareholders, as appropriate.
- **Heathrow: distributed GBP100mn in 1Q 2020.** Dividends distributed to Ferrovial amounted to EUR29mn. In 2Q 2020, no dividends were distributed. Dividends from Heathrow are not expected during the waiver period (2020-2021) or until RAR is below 87.5%.
- **Other toll roads: EUR8mn** (EUR5mn in 1H 2019).
- **Services: EUR6mn** of dividends from projects (EUR23mn in 1H 2019).

BROADSPECTRUM SALE

Following the agreement reached by Ferrovial with Ventia Services Group for the disposal of Broadspectrum on December 2019, on 30 June 2020, Ferrovial completed the sale, following the approval from regulators and competition authorities. The transaction price (shares and shareholder loans) amounted to AUD465mn (EUR288mn including transaction costs). This figure does not include Ferrovial's 50% stake in TW Power Services, which was acquired by the JV partner Worley, instead of Ventia, for AUD20mn (c.EUR12mn) in July and therefore is not included in the financial information of 1H 2020.

BUDIMEX STAKE SALE

On June 2020, Ferrovial sold a Budimex stake (5%), with no impact on P&L as Ferrovial holds a controlling stake (50.01%). The impact on cash flow was +EUR58mn at 1H 2020.

RESULTS BY DIVISION

Toll roads: traffic performance has been impacted by the COVID-19 pandemic across the board. This effect has been higher in light vehicles. On the back of this context, revenues decreased by -13.4% LfL and EBITDA by -18.1% LfL to EUR152mn. 407 ETR traffic grew until February by +1.1% but since mid-March, with the lockdowns and the measures adopted by the Ontario Province to curb the spread of COVID-19, traffic has been highly impacted, decreasing by -44.9% in 1H2020. Managed Lanes (MLs) showed sustained year-on-year traffic growth in January & February with COVID-19 substantially impacting performance since March. In MLs, heavy traffic showed more resilience, NTE 35W posted growth of heavy traffic and NTE & LBJ had declines lower than -13% in 1H 2020. All the roads saw the lowest traffic levels in April but recovered since then at different rates.

Airports: Passenger numbers at Heathrow declined by -60.2% in 1H 2020; overall revenues fell by -51.3% and adjusted EBITDA by -75.5% at Heathrow SP. AGS traffic decreased by -65.7% across the three airports, with revenues decreasing by -58.9% and EBITDA by -114.2%.

Construction: revenues (+15.2% LfL), with 88% of international contribution. EBIT stood at -EUR6mn, vs. -EUR346mn in 1H 2019 that was impacted by the provision recorded in 1Q 2019 corresponding to three contracts in the US. EBIT margin was -0.2% in 1H 2020, due to the additional COVID-19 costs (estimated impact: –EUR44mn) while keeping production pace. The order book stood at EUR11,371mn (+1.7% LfL), not including pre-awarded contracts of around EUR900mn.

Services (discontinued operations): Net income from discontinued operations stood at –EUR59mn which includes a negative result recorded from Broadspectrum sale –EUR64mn, mainly due to the reclassification to the P&L of reserves corresponding to translation differences net of hedges according to IAS 21. Additionally, and derived from the fair value estimation exercise carried out at the closing of these 1H 2020 results, a fair value provision has been recognized in Amey (-EUR44mn), while Services Spain has registered a positive result of +EUR49mn (without amortization as per IFRS 5). Ferrovial will continue monitoring closely the impact of the evolution of the COVID-19 on discontinued activities fair value as far as a higher evidence about the impact of the outbreak in these activities is obtained.

FINANCIAL POSITION

EUR1,668mn net cash ex-infrastructure projects (including discontinued operations). Net debt of infrastructure projects reached EUR4,531mn (EUR4,588mn in December 2019). Net consolidated debt reached EUR2,863mn (EUR2,957mn in December 2019).

REPORTED P&L

(EUR million)	JUN-20	JUN-19
REVENUES	**2,914**	**2,603**
Construction Provision *		**-345**
EBITDA	**128**	**-118**
Period depreciation	**-96**	**-74**
Disposals & impairments	**0**	**-21**
EBIT**	**32**	**-213**
FINANCIAL RESULTS	**-120**	**-101**
Equity-accounted affiliates	**-226**	**76**
EBT	**-315**	**-238**
Corporate income tax	**2**	**51**
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	**-313**	**-187**
NET PROFIT FROM DISCONTINUED OPERATIONS	**-59**	**137**
CONSOLIDATED NET INCOME	**-373**	**-50**
Minorities	**-7**	**44**
NET INCOME ATTRIBUTED	**-379**	**-6**

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.
(**) EBIT after impairments and disposals of fixed assets.

CONSOLIDATED EBITDA

(EUR million)	JUN-20	JUN-19	VAR.	LfL
Toll Roads	152	207	-26.4%	-18.1%
Airports	-8	-8	-8.4%	16.9%
Construction	41	-317	112.9%	112.9%
Others	-57	-1	n.a.	n.a.
Total EBITDA	**128**	**-118**	**n.a.**	**n.a.**

PROPORTIONAL EBITDA

(EURmn)	JUN-20	JUN-19	LfL
Toll Roads	224	321	-30.3%
Airports	53	273	-80.7%
Construction ex-provision	41	29	40.5%
Others	-23	-14	-61.9%
Total EBITDA	**294**	**608**	**-51.7%**

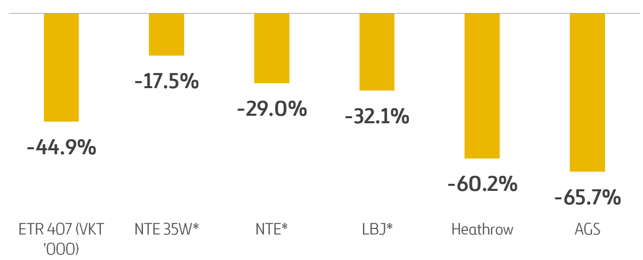
Like-for-like figures

NET CASH POSITION

(EUR million)	JUN-20	DEC-19
NCP ex-infrastructures projects	**1,668**	**1,631**
NCP infrastructures projects	**-4,531**	**-4,588**
Toll roads	-4,200	-4,220
Others	-331	-368
Total Net Cash /(Debt) Position	**-2,863**	**-2,957**

NCP: Net cash position. Includes discontinued operations

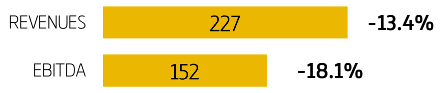
TRAFFIC PERFORMANCE

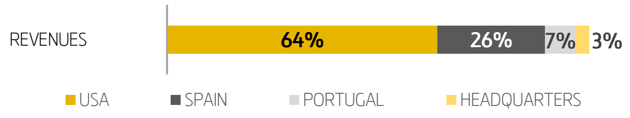


*Transactions

Toll roads

€mn; LFL % (EBITDA)





407 ETR (43.23%, equity-accounted)

COVID-19 UPDATE

While the pandemic and resulting economic contraction is expected to continue to have an impact on demand for highway travel in the GTA, 407 ETR has observed modest but steady improvements in traffic volumes, as Ontario started to ease restrictions and businesses reopened.

Despite lower revenues, 407 ETR continues to maintain sufficient liquidity to satisfy all of its financial obligations during 2020 and 2021 even under stress situations. Management continues to analyze the extent of the financial impact of COVID-19, which could be material depending on the scope and duration of the pandemic. While the full duration and scope of the pandemic continues to remain unknown, Management does not believe it will have a long-term impact on the financial condition of 407 ETR. In addition, 407 ETR is also reviewing potential reductions to opex and capex.

TRAFFIC

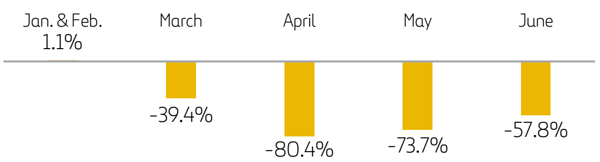
	JUN-20	JUN-19	VAR.
Avg trip length (km)	20.48	21.34	-4.0%
Traffic/trips (mn)	34.25	59.71	-42.6%
VKTs (mn)	702	1,274	-44.9%
Avg Revenue per trip (CAD)	12.02	11.64	3.3%

VKT (Vehicle kilometres travelled)

In 1H 2020, VKTs -44.9%, decrease in traffic levels due to measures adopted by Ontario to combat the spread of COVID-19 resulting in closure of schools and non-essential businesses, increased use of work from home arrangements, and the need for people to stay at home.

With Ontario continuing the process of reopening businesses and easing restrictions, 407 ETR has experienced a gradual improvement in traffic levels during last part of 2Q 2020. These increasing traffic levels are a result of the phased reopening of businesses, outdoor activities and public spaces in Ontario. On June 24th, GTHA started gradually to move into stage 2, though State of Emergency was extended until July 29th. On July 24th, regions inside GTHA, excluding Toronto and Peel, entered Stage 3.

Monthly traffic (VKTs)



P&L

(CAD million)	JUN-20	JUN-19	VAR.
Revenues	417	700	-40.3%
EBITDA	332	610	-45.6%
EBITDA margin	79.6%	87.2%	

Results for 100% of 407 ETR

Revenues breakdown

- **Toll revenues** (92% of total): -41.4% to CAD384mn, mainly due to lower traffic volumes resulting from continued impact of COVID-19, offset by a toll rate increase effective February 1, 2020. Average revenue per trip increased +3.3% vs. 1H 2019.
- **Fee revenues** (8% of total) CAD34mn (-25.3%), on the back of the temporary suspension of late payment charges and enforcement fees for new License Plate Denial notices to help mitigate the economic impact of COVID-19 on customers, coupled with lower account fees due to lower trip volumes and the suspension of transponder lease payments in May.

OPEX -4.7%, due to lower customer operations costs resulting from bank charges and billing costs and a lower provision for doubtful accounts, coupled with lower highway operations costs due to the reclassification of certain winter maintenance costs to depreciation expense. These decreases were offset by higher general and administration expenses due to higher COVID-19 related charitable donations by 407 ETR and higher system operations costs due to higher Enterprise Resource Planning (ERP) consulting costs and security costs.

EBITDA -45.6%, as a result of lower traffic and revenues due to the COVID-19 pandemic, offset by lower operating expenses. EBITDA margin was 79.6% vs 87.2% in 1H 2019.

No dividends were distributed in 2Q 2020. The 407's Board will continue to monitor the current pandemic situation, and will review any potential dividend distribution to Shareholders, as appropriate.

In 1Q 2020, 407 ETR distributed dividends of CAD312.5mn, +25% vs 1Q 2019. Dividends to Ferrovial amounted EUR89mn in 1H 2020.

Net debt at end of June: CAD8,156mn (average cost of 3.79%). 54% of debt matures in more than 15 years' time. Upcoming bond maturity dates are CAD16mn in 2020, CAD17mn in 2021 & CAD318mn in 2022.

On March 4th, 407 ETR issued a CAD700mn Senior Notes, Series 20-A1, due March 2050 (aggregate principal amount of 2.84%).

On May 14th, 407 ETR issued CAD750mn of Medium-Term Notes:

- CAD350mn Senior Notes, Series 20-A2, due May 2025 (aggregate principal amount of 1.80%).
- CAD400mn Senior Notes, Series 20-A3, due May 2032 (aggregate principal amount of 2.59%).

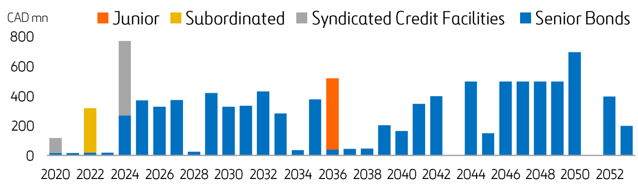
In addition, 407 ETR announced the early payment of:

- CAD400mn Senior Medium-Term Notes, Series 10-A3, due May 2021.
- CAD208mn Senior Bonds, Series 99-A5, maturing in December 2021.

CREDIT RATING

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on 15 May 2020.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on 12 December 2019. On 22nd May 2020, DBRS assigned "A" Ratings to 407 ETR's New Issues.

BOND MATURITY PROFILE



TOLL RATES

On 31th December 2019, 407 ETR announced an increase in tariffs, along with the introduction of seasonal toll rates, which came into effect on 1st Feb, 2020. Given the impact of COVID-19, 407 ETR will continue applying the current toll rate structure, in effect since February 1, 2020, and postponing seasonal toll rate announced in December 2019.

For more information on the 407 ETR toll road results, please click here to see the MD&A report.

TEXAS MANAGED LANES (USA)

Managed Lanes (MLs) showed sustained year-on-year traffic growth in January & February, but the outbreak of COVID-19 impacted traffic from March onwards, as drivers elected to stay at home. Traffic reached its lowest point in early April following the Shelter-in-Place orders and closure of schools. Beginning May 1, Texas began the process of lifting restrictions in phases, allowing businesses to reopen with limited capacity and certain safety procedures in place. Dallas County extended stay-at-home order through May 15, despite the State order. ML traffic recovered steadily through mid-June, when an upswing of new coronavirus cases in Texas delayed plans to further reopen and more drivers chose to stay home. In MLs, heavy traffic showed more resilience, NTE 35W with posted growth of heavy traffic and NTE & LBJ had declines lower than -13%.

Although Toll Rates in the Texas MLs are dynamically adjusted with traffic, a set of minimum toll rates by time of day predefined by the operator is applied. The traffic fall in the Texas MLs has been partially offset by the positive performance in toll rates and the higher proportion of heavy vehicles.

NTE 1-2 (63.0%, globally consolidated)

In 1H 2020, traffic decreased by -29.0%, the growth in January and February (+6.5% aggregated) was then offset by COVID-19 related decreases in traffic. As drivers elected to stay at home following the outbreak of COVID-19, demand for the NTE decreased substantially, with no congestion on the General Purpose Lanes.

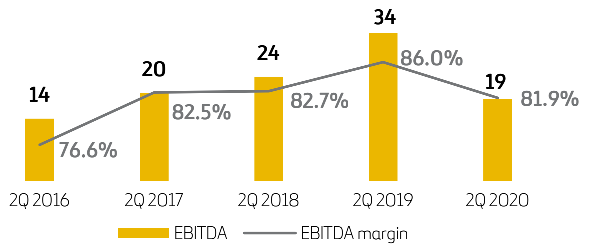
	JUN-20	JUN-19	VAR.
Transactions (mn)	12	17	-29.0%
Revenues (USD mn)	58	74	-21.0%
EBITDA (USD mn)	49	64	-22.8%
EBITDA margin	84.3%	86.2%	

The **average toll rate per transaction in 1H 2020** reached USD4.9 vs. USD4.4 in 1H 2019 (+11.2%).

Revenues reached USD58mn (-21.0% vs. 1H 2019) on the back of stay-at-home measures due to COVID-19 pandemic.

EBITDA reached USD49mn (-22.8% vs. 1H 2019). EBITDA margin of 84.3% (-193 basis points vs. 1H 2019).

NTE QUARTERLY EBITDA EVOLUTION



NTE net debt reached USD1,211mn in June 2020 (USD1,234mn in December 2019), at an average cost of 3.71%.

Credit rating

	PAB	Bonds
Moody's	Baa2	Baa2
FITCH	BBB	

LBJ (54.6%, globally consolidated)

Traffic: decreased by -32.1% in 1H 2020, as COVID-19 induced reduction in traffic since March offsetting strong growth in January and February (+11.6% aggregated). LBJ, as NTE, experienced a similar decrease in demand. Construction of the 635E project continued during the pandemic, which will introduce one ML in each direction for 10 miles from the eastern terminus of LBJ project.

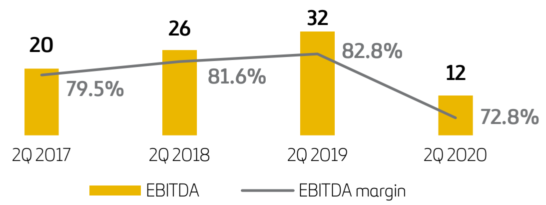
	JUN-20	JUN-19	VAR.
Transactions (mn)	15	23	-32.1%
Revenues (USD mn)	51	72	-28.9%
EBITDA (USD mn)	41	60	-32.3%
EBITDA margin	78.9%	82.9%	

The **average toll rate per transaction** reached USD3.3 in 1H 2020 vs. USD3.1 in 1H 2019 (+4.3%).

Revenues reached USD51mn (-28.9% vs. 1H 2019) due to higher toll rates, offset by the declining of traffic due to COVID-19 pandemic.

EBITDA reached USD41mn (-32.3% vs. 1H 2019) with an EBITDA margin of 78.9% (-400 basis points vs. 1H 2019).

LBJ QUARTERLY EBITDA EVOLUTION



As of June 2020, **net debt for LBJ** amounted to USD1,411mn (USD1,407mn in December 2019), at an average cost of 5.36%.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 35W (53.7%, globally consolidated)

NTE 35W traffic decreased by -17.5% in 1H 2020. The decrease in traffic caused by COVID-19 was partially offset by positive effects of ramp-up, resulting in NTE 35W having the lowest decrease in traffic of the three Texas MLs assets.

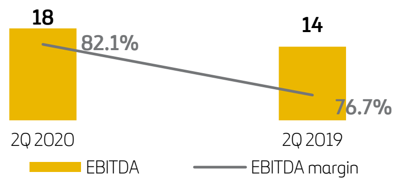
Quarterly evolution	JUN-20	JUN-19	VAR.
Transactions (mn)	13	15	-17.5%
Revenues (USD mn)	43	39	9.3%
EBITDA (USD mn)	35	31	14.7%
EBITDA margin	82.8%	78.9%	

The **average toll rate per transaction** reached USD3.4 in 1H 2020 up from USD2.5 in the same period of 2019 (+33.3%) positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x).

Revenues reached USD43mn (+9.3% vs. 1H 2019) due to higher toll rates, partially offset by the stay-at-home measures due to COVID-19 pandemic.

EBITDA reached USD35mn (+14.7% vs. 1H 2019) with an EBITDA margin of 82.8% (-389 basis points vs. 1H 2019).

NTE 35W QUARTERLY EBITDA EVOLUTION



NTE 35W net debt reached USD858mn in June 2020, at an average cost of 4.48%, including NTE 3C.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 3C (53.7%, globally consolidated)

Development, design, construction and operation of Segment 3C:

- Construction of 2 managed lanes in each direction, c.6.7 miles from north of US 81/287 to Eagle Pkwy.
- Reconstruction of existing general-purpose lanes.
- Construction of access ramps & frontage roads.
- Construction of IH820/I-35W managed lanes direct connector
- Installation of Intelligent Transportation System "ITS" & tolling systems.

Duration: concession term ends 2061

Operation & Maintenance (O&M) and toll collection: exclusive right and obligation to operate, maintain, repair and collect tolls.

- Tolls collected by **North Texas Tollway Authority** are in line with tolling agreement with TxDOT. TxDOT assumes collection risk.

I-77 MANAGED LANES (50.1%, globally consolidated)

The northern portion of I-77 Express opened 1st June 2019, and the southern portion opened 16th November 2019.

COVID-19 breakout has negatively impacted the traffic, especially since the week of March 22, when Charlotte area shelter-in-place orders were issued by the authorities. Traffic on I-77 has steadily increased since reaching its lowest point in early April. Restrictions have slowly been rolled back since early May, however, many drivers are electing to stay home and large regional employers have announced plans to work from home through the summer as cases rise in Charlotte.

	JUN-20
Transactions (mn)	10
Revenues (USD mn)	8
EBITDA (USD mn)	2
EBITDA margin	21.4%

OTHER TOLL ROADS

Ferrovial includes in its portfolio a number of toll roads which are, mainly, availability projects located in countries with low government bond yields (Spain, Portugal and Ireland) and long duration (with an average maturity of 16 years overall). Among the most relevant availability projects with no traffic risk or equivalent to availability projects held by Ferrovial are: Autema, A-66, Algarve, Norte Litoral and M3 (except for Autema, all of them are equity-accounted). Autema is considered a financial asset with no traffic risk given the financial performance guarantee from the Regional Government of Catalunya. The Regional Government communicated withdrawal of this support. Ferrovial is appealing to the Supreme Court on the matter.

The evolution of the traffic in the locations aforesaid were as follows:

- **Spain:** traffic in 1H has been impacted by the COVID-19 crisis. As of February, Ausol I and Ausol II accumulated growth of +4.5% and +1.3%, respectively. However, since the beginning of March, traffic was affected by the declaration of the State of Alarm & lockdown measures. Traffic reached its lowest point in April with -88.6% in Ausol I and -79.9% in Ausol II. From 4th May when the reopening of the economy started to June 21st, State of Alarm was lifted, the drops were softening progressively. 1H 2020 traffic was down -47.5% in Ausol I and -40.7% in Ausol II.
- **Portugal:** traffic was also impacted by the COVID-19 pandemic. traffic figures accumulated to February showed a similar trend observed at end of 2019 in Norte Litoral (+2.9%) and Azores (+3.9%), and a rebound in Algarve (+7.3%). However, the restrictions on mobility imposed in Portugal led to significant falls between March and June. Traffic reached the lowest point in April with drops of -78.8% in Algarve, -62.0% in Norte Litoral and -63.8% in Azores. The reopening of the economy started on May 4th and traffic begun to recover gradually. 1H 2020 ended with traffic down -41.4% in Algarve, -25.4% in Norte Litoral and -25.2% in Azores.
- **Ireland:** traffic was also impacted by the mobility restrictions put in place due to the COVID-19 crisis. Accumulated growth up to February was +2.2% in M4 and +3.2% in M3. Since March, restrictions on mobility caused monthly falls that reached in April -72.4% in M4 and -69.4% in M3. The reopening started on May 18th and it is expected to end in mid-August. 1H 2020 traffic at -34.1% in M4 & -29.4% in M3.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets		-76	-763	
NTE35W*		-76	-763	54%
Equity Consolidated				
Intangible Assets		-677	-1,519	
I-66		-677	-1,519	50%
Financial Assets	-79	-57	-1,333	
Ruta del Cacao**	-54		-119	30%
Silvertown Tunnel	0	-24	-262	23%
Bratislava		-30	-720	35%
OSARs	-25	-3	-232	50%

(*) Capital invested & committed refers to Seg. 3C. Net debt 100%: includes all 3 seg.
(**) On October 28, 2019, formal completion of stake sale from 41.75% to 30%.

- **NTE35W Segment 3C (Texas, USA):** The project involves the construction of 2 managed lanes in each direction of the c.6.7 miles. Construction works have already started, and the toll road is expected to open at the end of 2023. The concession will end in 2061. Design and construction works are 3% complete.
- **I-66 (Virginia, USA):** the project includes the construction of 35 km on I-66 (between Route 29, close to Gainesville, and the Washington DC ring road, I-495, in Fairfax County). The construction period will run until December 2022, and the concession is granted for 50 years from the closing of the commercial agreement. Design & construction works are 37% complete.
- **Ruta del Cacao (Colombia):** 81 km of new toll road, improvements to 108 km of existing toll road, construction of 16 bridges, 2 viaducts and 2 tunnels with a combined length of 6 km. This is a 25 year concession. Design and construction works are 58% complete. On June 3th, a 39km section of the highway was inaugurated.
- **Brastislava (Slovaquia):** 59 km highway comprising a 4-6 lane beltway south of Bratislava (D4) and a 4-lane highway (R7) from downtown Bratislava towards the south-east. This is a 30 year concession. Design and construction works are 74% complete. On July 21st, the first section of 29.7 km was opened.
- **OSARs (Melbourne, Australia):** an availability payment project with a concession term of 22.5 years, comprising the improvement and maintenance of a road network in Melbourne. The design and construction works are 83.4% complete.

TENDERS PENDING

In the **US,** we continue to pay close attention to private initiatives:

- **In Maryland,** Cintra has pre-qualified for Phase 1 of MDOT's "Maryland Congestion Relief Program". The offer presentation is scheduled for December 2020.
- Cintra is following various projects of interest in various States such as Georgia, Illinois, Virginia, Colorado and Texas, some of which have already announced a program of projects with Managed Lanes schemes.

In Australia, Cintra continues to analyze various projects primarily in the states of Queensland and New South Wales.

Airports

Airports contributed –**EUR253mn to Ferrovial's equity accounted result in 1H 2020**, vs. EUR2mn in 1H 2019.

- **HAH:** -EUR222mn in 1H 2020 (-EUR2mn in 1H19) mainly impacted by:
  - The negative impact of COVID-19 pandemic outbreak.
  - A restructuring provision (-EUR8mn).
  - A capital project write-off related to certain projects (-EUR20mn)
  - A deferred tax liability regularization (-EUR28mn) upon government leaving Corporate Income Tax rate at 19% vs 17% previously approved.
  - The negative evolution of derivatives mark to market (-EUR49mn).
- **AGS:** -EUR31mn in 1H 2020 (EUR4mn in 1H 19) mainly impacted by:
  - The negative impact of COVID-19 pandemic outbreak.
  - A restructuring provision (-EUR1mn) and a deferred tax rate regularization (-EUR9mn).

In terms of **distributions to shareholders:**

- **HAH:** paid GBP100mn dividends, in line with 1Q 2019 (GBP100mn). Dividends distributed to Ferrovial amounted to EUR29mn in 1H 2020. In 2Q 2020, no dividends were distributed. Dividends from Heathrow are not expected during the waiver period (2020-2021) or until RAR is below 87.5%.
- **AGS:** is not expected to pay dividends in 2020.

HEATHROW SP (25%, equity-accounted) – UK

HEATHROW RESPONSE TO COVID-19

The COVID-19 outbreak continues to represent a seismic challenge for the aviation industry. Heathrow has put together a three phased plan in response to the crisis.

Heathrow has added safety measures across the passenger journey following close collaboration with Public Health England. Heathrow is trialing a number of technologies and processes to keep the airport COVID-19 secure and rebuild consumer confidence as travel resumes, including temperature testing trials.

COVID-19 has had a significant impact on Heathrow's financial performance. Management has taken rapid actions to protect the financial resilience of the business enabling a reduction in the average monthly cash outflows, without considering revenues, of GBP81mn. These savings will be achieved through initiatives to reduce operating costs and capital expenditure. Various initiatives are expected to reduce operating cost by at least GBP300mn in 2020. These initiatives include:

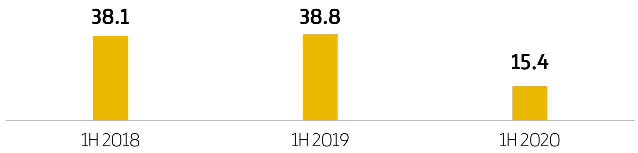
- Company-wide pay reduction
- Utilizing the furlough scheme
- Restructuring of the organization
- Renegotiating suppliers contracts
- Stopping all non-essential costs

Most operating costs initiatives were implemented across April and May with around GBP100mn of savings already realized.

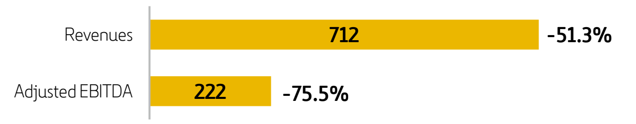
The capital expenditure will be reduced by over GBP650mn. The reduction in capital expenditure is largely driven by the demobilization and deferral of the expansion program. This year's much reduced capital plan focuses on projects which ensure the safety and resilience of the airport, such as Hold Baggage Screening, cargo tunnel works, resurfacing of the southern runway and asset renewal.

Heathrow has sufficient liquidity to meet all forecast needs until at least June 2021 under the extreme stress-test scenario of no revenue, or well into 2022 under our traffic forecast. This liquidity position takes into account £2.7bn in cash and committed facilities at 30 June 2020.

Traffic: passenger numbers declined by -60.2% in 1H 2020 to 15.4mn. Forecasts point towards gradual recovery over the remainder of 2020.



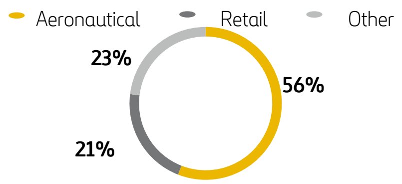
Million passengers	JUN-20	JUN-19	VAR.
UK	1.0	2.3	-58.9%
Europe	6.0	15.9	-62.2%
Intercontinental	8.5	20.5	-58.7%
Total	**15.4**	**38.8**	**-60.2%**



Revenues: -51.3% in 1H 2020 to GBP712mn.

- **Aeronautical:** -54.3% vs 1H 2019, predominantly due to reduced passenger numbers. Fewer aircraft movements also drove revenue down. Aeronautical revenue per passenger increased +14.7% to £25.79 (£22.48 in 1H 2019). Revenue per passenger is largely distorted due to the reduced passenger numbers, and an increase in cargo movements which are charged on a per movement basis.
- **Retail:** -55.8% driven by reduced passenger numbers. Retail revenue per passenger increased +11.1% to £9.72 (£8.75 in 1H 2019). Retail income per passenger is largely distorted due to the reduced passenger numbers.
- **Other revenues:** -34.7% vs 1H 2019. Property and other revenues decreased by -12.7% driven by rent alleviations as a result of terminal consolidation. Heathrow Express saw a -63.8% decline in revenue due to fewer passengers.

Contribution to revenues



Adjusted operating costs: (ex-depreciation & amortisation): -11.6% to £490mn. Operating costs per pax +122.1% to £31.75 (£14.30 in 1H 2019). Operating costs were down -24.6% during 2Q in isolation. This reflects the GBP100mn of savings realized through management initiatives. Drivers of the operating costs decline are management initiatives which were largely implemented across April and May, including a company-wide pay reduction, utilizing the furlough scheme, restructuring of the organization, operating on a smaller footprint, renegotiating Heathrow's suppliers contracts and stopping all non-essential costs. This was partially offset by increased business resilience costs and a provision for expected credit loss on debtors increasing to £20mn. Operating costs per pax is largely distorted due to the reduced passenger numbers and the largely fixed nature of Heathrow's cost base in the medium term.

Adjusted EBITDA -75.5% to GBP222mn (GBP907mn in 1H 2019), resulting in an adjusted EBITDA margin of 31.2% (62.1% in 1H 2019).

Exceptional items: In 1H 2020, there was an exceptional charge of GBP122mn (nil in 1H 2019) to the income statement. As a consequence of the impact of the COVID-19 outbreak and the delay to expansion (following the Court of Appeal's ruling to suspend the Airports National Policy Statement), Heathrow has carried out a detailed review of its organizational design to simplify operations and reduce costs. As a result, the Group has made a provision in 1H 2020 for GBP37mn of exceptional costs relating to this transformation program. Heathrow has also reviewed their investment projects. Certain projects have been placed on hold while some projects are unlikely to be re-started in the foreseeable future. This resulted in an exceptional write-off of previously capitalized costs of GBP85mn in the period. These costs remain on the RAB and continue to generate a return.

HAH net debt: the average cost of Heathrow's external debt was 4.09%, including all the interest-rate, exchange-rate, accretion and inflation hedges in place (vs. 4.73% in December 2019).

(GBP million)	JUN-20	DEC-19	VAR.
Loan Facility (ADI Finance 2)	75	75	0.0%
Subordinated	2,460	1,919	28.2%
Securitized Group	14,880	13,644	9.1%
Cash & adjustments	-2,622	-1,594	64.5%
Total	**14,793**	**14,044**	**5.3%**

The table above relates to FGP Topco, HAH's parent company.

Financial Ratios: At 30 June 2020, Heathrow SP continues to operate comfortably within required financial ratios. Heathrow Finance's gearing ratio remained within required default covenant level although headroom has reduced.

As of June 2020, a forecasting event and trigger event have occurred in relation to the forecast ICR ratios for Class A and Class B debt for 2020. As a result, a distribution lock-up is in place within Heathrow SP and will have no adverse effect on Heathrow SP's creditors.

On July 8th, Heathrow Finance bondholders approved **a waiver for the ICR covenant** for December 2020 (tested in June 2021), and an **amendment of the RAR covenants** to 95% (Dec 2020) & 93.5% (Dec 2021). The approval came with the main following adjustments: no dividends paid until RAR is below 87.5%, a minimum liquidity of GBP200mn, introduction of an additional RAR covenant at 95% (2021) and 92.5% (2022), along with a coupon step-up of up to 0.75%.

Regulatory Asset Base (RAB): At 30 June 2020, the RAB reached £16,516mn (£16,598mn in December 2019).

Heathrow Expansion: On 27 February, the Court of Appeal concluded that the Government was required but failed to take account the Paris Climate Agreement when preparing the Airports National Policy Statement (ANPS). The Court declared that the ANPS has no legal effect unless and until the Government carries out a review of the policy.

The Government declined to appeal to the Supreme Court directly, but Heathrow has been granted permission by the Supreme Court to appeal the Court of Appeal ruling.

Heathrow believes that once the benefits of air travel and connectivity have been restored, an expanded Heathrow will be required, however responding to the impacts of COVID-19 is the main priority currently.

Given the current COVID-19 crisis and the ongoing appeals process, Heathrow expects expansion and related capital investment to be delayed by at least two years.

Regulatory developments: The CAA continues to progress its thinking for H7 regulatory period, to begin on 1st January 2022. In June the CAA published its latest consultation on the H7 framework and other open regulatory policy issues. This follows on from the CAA's April update noting the impact of COVID-19, the need to review how uncertainty is managed through Heathrow's regulatory framework and the Court of Appeal ruling setting aside the ANPS.

H7 regulatory framework:

The CAA confirms its intentions to explore potential frameworks for mitigating the forecasting uncertainty caused by COVID-19 impact. These include reviewing potential passenger volume risk sharing mechanisms and reviewing the duration of the H7 price control.

The CAA continues to focus on the balance between affordability and financeability in setting the regulatory framework and the related package of incentives. As part of this, Flint Global has carried out further work on the cost of capital for Heathrow over H7 period. This follows on from work carried out by PwC in 2019 and also considers the recent developments on cost of capital from the Conduct Market Authority's (CMA) work on the NERL appeal. The CAA also discusses the treatment of other financeability issues, such as the level of notional gearing used and Licence conditions regarding financial resilience.

Heathrow will be submitting its revised business plan ('RBP') in Autumn 2020, which the CAA will then use to form their proposals for setting the H7 price control. Heathrow expects the CAA to publish initial proposals in Summer 2021.

The treatment of early expansion costs:

The CAA continues the consultation process to set the policy associated with the recovery of early expansion expenditure. Due to the Court of Appeal ruling in February, the CAA is proposing to simplify its policy on recovery of expansion expenditure. The CAA is proposing to remove the distinction between Category B and pre-DCO Category C expenditure and allow Heathrow to recover all efficient early expansion expenditure incurred up to end of February 2020. This covers around GBP500mn of expenditure.

The CAA also proposes that costs attributable to the wind down of the expansion program from March 2020 and the appeal to the Supreme Court be subject to the same treatment but notes that further work will be required when the full nature and extent of these costs is known.

In recognition of the asymmetric risk in the regulatory model that has been exposed by COVID-19 crisis, but was not allowed for in the allowed regulatory returns, Heathrow has requested that the CAA makes a policy statement setting out that it will amend Heathrow's RAB to allow Heathrow to recover excess losses over an extended period of time. This would avoid the need for material changes to risk premium, which would translate to higher consumer prices.

For more information on Heathrow results, please visit the following the link.

AGS (50%, equity-accounted) – UK

AGS RESPONSE TO COVID-19

AGS Airports have been significantly impacted by the unprecedented disruption to air travel following the spread of the COVID-19 pandemic and Flybe entering into administration.

COVID-19, which followed shortly after Flybe's collapse in March 5th, provoked cancellations as airlines reduced flights to a number of countries with COVID-19 outbreaks and border closures.

Measures taken to reduce operating cost by GBP27mn and the capex program by GBP23mn in 2020 include:

- Shrinking operations & redesigning the organization.
- Removal of non-essential cost.
- Utilization of government job retention scheme in relation to employees and outsourced costs.
- Rates waiver ratified by Scottish Parliament (Aberdeen & Glasgow).
- Contract renegotiations and volume related savings.
- All non-essential capital expenditure has been removed. Minimum levels of maintenance capex are expected at all three airports.

Financial covenants: On 15th June 2020, a waiver of the requirement to comply with the Financial Covenants (Leverage Ratio and DSCR) in the Facilities Agreement was agreed for the periods of June and December 2020 . December's waiver is subject to compliance with some liquidity conditions.

Traffic: number of passengers fell by -65.7% (2.2mn passengers) across the three airports mainly due to the COVID-19 impact and the collapse of Flybe.

- In **Glasgow** traffic decreased by -67.6% vs. 1H 2019 driven by the route suspensions due to COVID-19, the collapse of Flybe and the cancellation of Thomas Cook services in September 2019.
- In **Aberdeen** -56.1% driven by the route suspensions due to COVID-19, the absence of Flybe traffic since March and partly due to the cancellation of the EasyJet Gatwick route in 1Q 2019. Aberdeen traffic has been more resilient to COVID-19 than other UK airports due to passengers related to the Oil and Gas industry.
- In **Southampton** -72.2% also driven by COVID-19 impact and Flybe collapse.

Million passengers	JUN-20	JUN-19	VAR.
Glasgow	1.4	4.2	-67.6%
Aberdeen	0.6	1.4	-56.1%
Southampton	0.2	0.9	-72.2%
Total AGS	**2.2**	**6.5**	**-65.7%**

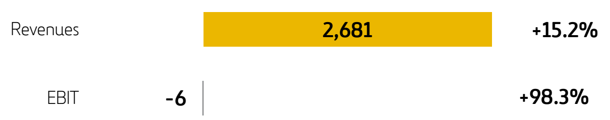
Revenues decreased by -58.9% to GBP43mn, and **EBITDA** by -114.2% to –GBP6mn driven by the reduced passenger volume across the three airports (-65.7%), partially offset by a program of opex reductions.

Following drawdown of GBP38mn undrawn facilities in March, the **cash position amounts to GBP43mn** as at 30th June 2020.

AGS net bank debt: at 30 June 2020, the AGS' net bank debt stood at GBP713mn.

Construction

EUR mn; LFL %

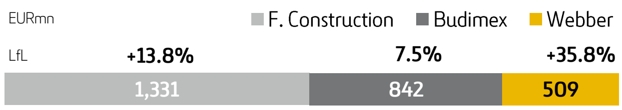


1H 2020 EBIT & EBIT margin & change LfL vs 1H 2019:

JUN-20	EBIT	LfL	EBIT mg
Budimex	**35**	7.7%	**4.1%**
Webber	**11**	66.7%	**2.2%**
F. Construction	**-52**	n.s.	**-3.9%**
Total EBIT	**-6**	n.s.	**-0.2%**

Revenues +15.2% LfL, mainly on the back of projects in the US. International revenues accounted for 88% of the division, focused on North America (40%) and Poland (31%). 1H 2020 revenues have been impacted by an estimated amount of -EUR175mn due to COVID-19, given the stoppages and the slowdown of works, widely distributed throughout all geographies.

1H 2020 revenues (EUR2,681mn) and change LfL vs 1H 2019:



In 1H 2020, Construction **EBIT** stood at –EUR6mn, highly impacted by the COVID-19 for an estimated amount of –EUR44mn.This impact includes real cost overruns incurred to date and provisions that affect estimates of contract ends when dealing with onerous contracts. There are claims that have been prepared and/or presented that have been estimated as future income, but these have not been recorded in our Financial Statements, considering that they might take some time until final agreement with the client is reached. Excluding this effect, EBIT would have been at EUR38mn. In 1H 2019, EBIT –EUR346mn was impacted by the provision recorded in 1Q 2019 corresponding to three contracts in the US.

Detail by subdivision:

- **Budimex:** Revenues grew by +7.5% LfL with significant growth in Civil Works that offset the lower Non-Residential Construction and Real Estate activity. Profitability reached 4.1% EBIT margin vs 3.7% in 1H 2019, with EBIT +7.7% LfL on the back of a positive performance in main segments. Budimex's figures included 6 months contribution (revenues EUR62mn and EBIT EUR7mn) from FB Serwis, following the acquisition in July 2019 of 51% from Ferrovial Servicios.

  On June 2020, Ferrovial sold a Budimex stake (5%), with no impact on P&L as Ferrovial holds a controlling stake (50.01%). The impact on cash flow was +EUR58mn at 1H 2020.

- **Ferrovial Construction:** revenues grew by +13.8% in comparable terms, mainly thanks to good execution rates in essentially all the works in the US, and also affected by last year provision that was partially implemented through a derecognition of revenues, and despite the stoppages and slowdown of works due to the COVID-19 impact, which is estimated at - EUR151mn approximately as of June 2020. EBIT stood at –EUR52mn vs. -EUR381mn in 1H 2019 due to the extraordinary provision registered in 1Q 2019. 1H 2020 EBIT included –EUR33mn from the COVID-19 impact distributed mainly between Spain, Latin America, USA, Australia and Slovakia. Additionally, the internal fees of onerous contracts (the costs of which cannot be provisioned by accounting rules) have been incurred reaching EUR20mn, keeping EBIT margin for the rest of the contracts at low profitability levels.

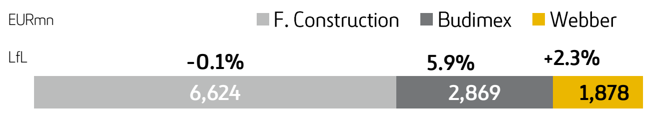
- **Webber:** revenues +35.8% LfL, as large projects entered into high execution phase, such as the I-10, I-35 and Grand Parkway, in Houston. EBIT margin reached 2.2% in 1H 2020 vs 1.8% for the same period in previous year, underpinned by the profitability improvement in its aggregate recycling and water treatment divisions.

The **order book** reached EUR11,371mn (+1.7% LfL compared to December 2019). The civil works segment remains the largest segment (80%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 87% of the total.

Cintra's share in the construction order book, excluding Webber and Budimex, equated to 41% of 1H 2020 order book, slightly lower vs 1H 2019 (47%).

The order book figure at June 2020 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to over EUR900mn.

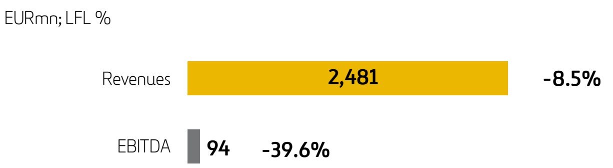
1H 2020 Order book & LfL change vs 1H 2019:



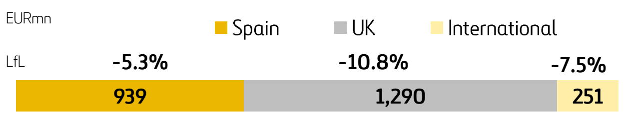
Services (discontinued operations)

Ferrovial remains committed to the full divestment of the business although delays in the process are expected given the macroeconomic uncertainty due to COVID-19. The first milestone in the divestment process was reached with the sale of Broadspectrum in June 2020, following the approval of the conditions precedent to the operation.

In line with Ferrovial's commitment to divest Services, the division has been classified as "held for sale" however, in order to provide an analysis of the division, the main figures of the Services results are detailed below:



1H 2020 Revenues figures by activity & change LfL vs 1H 2019:



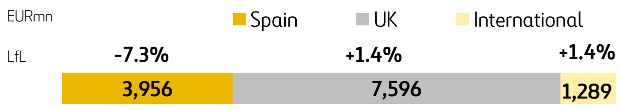
In 1H 2020, EBITDA reached EUR94mn (-39.6% LfL vs 1H 2019), impacted by -EUR72mn from COVID-19 crisis, mainly from reduced activity related to transport infrastructure services and maintenance. This figure takes into account +EUR25mn of costs reduction from the flexibility measures provided by Spanish and British Governments including temporary layoffs and furloughs.

- **Spain (-34.7% LfL)** has been the most affected subdivision by the COVID-19 impacting maintenance, support and logistics activities for the industry, industrial waste treatment area and other activities such as transport and infrastructure services or comprehensive management contracts for sports centers. Other activities like waste treatment and collections showed more resilience. **EBITDA margin stood at 8.4%** (11.7% in 1H 2019).
- **International (-12.6% LfL)** due to the COVID-19 impact on the Oil & Gas activity of North America, as the evolution of oil price led to a reduction in repair work and maintenance in the industry.
- Reduced profitability in **UK** impacted by COVID-19 crisis, due to the delay in non-essential work in the transportation sector and lower turnover in the maintenance sectors of Social Infrastructure and Utilities, along with the finalization of Rail contracts, as well as a decrease in Utilities volumes given reduced activity.

Amey and Birmingham Agreement: Amey reached an agreement to terminate the Birmingham Highways PFI contract in 2019. The agreement will have no impact on Ferrovial P&L. Amey will pay GBP215mn, of which GBP160mn was paid in 2019 and the remaining GBP55mn will be paid until 2025. As of June 2020, no additional payment has been made.

The **Services order book** (EUR12,841mn) decreased by -1.4% LfL vs December 2019.

1H 2020 Order book & LfL change vs 2019:



Broadspectrum sale: Following the agreement reached by Ferrovial with Ventia Services Group for the disposal of Broadspectrum on December 2019. On 30 June 2020, Ferrovial completed the sale, following the approval from regulators and competition authorities.

The transaction price (shares and shareholder loans) amounted to AUD465mn (EUR288mn including transaction costs). This figure does not include Ferrovial's 50% stake in TW Power Services, which was acquired by the JV partner Worley, instead of Ventia, for AUD20mn (c.EUR12mn) in July and therefore is not included in the financial information of 1H 2020. Both prices in euros include a positive impact from FX hedges (EUR5mn). Broadspectrum held c.EUR78mn net cash position.

After completion, a negative impact in the P&L of –EUR64mn was recorded mainly from foreign currency translation differences reflected in reserves are recycled to the consolidated profit and loss account with no effect in cash or equity.

DISCONTINUED OPERATIONS

Ferrovial classified all of its services activities as "discontinued operations" as of 31 December 2018. In accordance with IFRS 5, the reclassification of the Services business activities to discontinued operations has been carried out in the report.

The result from discontinued operations stood at –EUR59mn, which includes a negative result recorded from Broadspectrum sale –EUR64mn, mainly due to the reclassification to the P&L of reserves corresponding to translation differences net of hedges according to IAS 21. Additionally, and derived from the fair value estimation exercise carried out at the closing of these 1H 2020 results, a fair value provision has been recognized in Amey (-EUR44mn), while Services business in Spain has registered a positive result of +EUR49mn (without amortization as per IFRS 5). Ferrovial will continue monitoring closely the impact of the evolution of the COVID-19 on discontinued activities fair value as far as a higher evidence about the impact of the outbreak in these activities is obtained.

Consolidated P&L

(EUR million)	JUN-20	JUN-19
REVENUES	**2,914**	**2,603**
Construction Provision *		-345
EBITDA	**128**	**-118**
Period depreciation	-96	-74
Disposals & impairments	0	-21
EBIT	**32**	**-213**
Financial Result	**-120**	**-101**
Financial Result from infrastructure projects	-126	-129
Financial Result from ex-infrastructure projects	6	28
Equity-accounted affiliates	-226	76
EBT	**-315**	**-238**
Corporate income tax	2	51
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	**-313**	**-187**
NET PROFIT FROM DISCONTINUED OPERATIONS	**-59**	**137**
CONSOLIDATED NET INCOME	**-373**	**-50**
Minorities	-7	44
NET INCOME ATTRIBUTED	**-379**	**-6**

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in US.

Revenues stood at EUR2,914mn (+12.2% LfL) on the back of higher Construction revenues (+15.2% LfL), partially offset by lower contribution from Toll Roads (-13.4% LfL).

EBITDA: EUR128mn (-EUR118mn in 1H 2019, negatively affected by –EUR345mn provision registered in Construction in 1Q 2019). EBITDA impacted by the -EUR39mn provision related to the restructuring plan carried out by the Company as part of the initiatives outlined in our "Horizon 24" plan.

Depreciation grew by +30.8% in 1H 2020 (+19.7% LfL), to –EUR96mn.

Impairments and fixed asset disposals: none in 1H 2020 compared to –EUR21mn at 30 June 2019, including the additional impairment applied to Autema.

Financial result: financial expenses in 1H 2020 were higher vs 1H 2019:

- **Infrastructure projects:** expenses of –EUR126mn compared to –EUR129mn in 1H 2019 due I-77 starting to operate, partially offset by the refinancing of NTE and Ausol deconsolidation.
- **Ex-infrastructure projects:** EUR6mn of financial income 1H 2020 compared to EUR28mn in 1H 2019, mainly due to the performance of the hedges provided by equity swaps linked to payment plans, with no cash impact, partially offset by the positive performance of exchange rate derivatives. These hedges led to expenses of –EUR9mn at the close of 1H 2020, due to the negative performance of the share price as compared with its positive performance in 2019:

DATE	CLOSING PRICE (€)
31-Dec-18	17.70
30-June-19	22.51
31-Dec-19	26.97
30-June -20	23.70

Equity-accounted result at net profit level, equity-accounted companies contributed –EUR226mn after tax (1H 2019: EUR76mn).

(EUR million)	JUN-20	JUN-19	VAR.
Toll Roads	**27**	**75**	**-64.4%**
407 ETR	14	62	-77.5%
Others	13	13	-3.4%
Airports	**-253**	**2**	**n.s.**
HAH	-222	-2	n.s.
AGS	-31	4	n.s.
Construction	**0**	**-1**	**102.2%**
Total	**-226**	**76**	**n.s.**

REVENUES

(EUR million)	JUN-20	JUN-19	VAR.	LfL
Toll Roads	227	287	-20.9%	-13.4%
Airports	4	9	-54.1%	-3.2%
Construction	2,681	2,308	16.2%	15.2%
Others	1	-1	n.a.	n.a.
Total	**2,914**	**2,603**	**11.9%**	**12.2%**

EBITDA

(EUR million)	JUN-20	JUN-19	VAR.	LfL
Toll Roads	152	207	-26.4%	-18.1%
Airports	-8	-8	-8.4%	16.9%
Construction	41	-317	112.9%	112.9%
Others	-57	-1	n.a.	n.a.
Total EBITDA	**128**	**-118**	**n.a.**	**n.a.**

EBIT*

(EUR million)	JUN-20	JUN-19	VAR.	LfL
Toll Roads	110	167	-33.7%	-24.4%
Airports	-10	-9	-7.9%	15.0%
Construction	-6	-346	98.3%	98.3%
Others	-63	-3	n.a.	n.a.
Total	32	-192	n.a.	n.a.

*EBIT before impairments and disposals of fixed assets

Tax: the corporate income tax for 1H 2020 amounted to EUR2mn (vs EUR51mn for 1H 2019). There are several impacts to be considered when calculating the effective tax rate; among which we highlight:

- Equity-accounted companies profit must be excluded, as it is already net of tax (-EUR226mn).
- Losses and tax credits generated in projects in Spain and abroad that, following an accounting prudence criteria, do not imply the recognition of the full tax credits for future exercises (EUR56mn).
- Non-deductible expenses of diverse nature (EUR19mn).

Excluding the aforementioned adjustments from the earning before tax in 1H 2020 (-EUR315mn), adjusting the impact from previous years spending, the resulting effective corporate income tax rate is 29%.

Net income from continuing operations stood at –EUR313mn in 1H 2020 (-EUR187mn in 1H 2019). This profit includes a series of impacts, notable among which were:

- Fair value adjustments for derivatives: -EUR49mn (-EUR32mn in 1H 2019), primarily impacted by the negative evolution of HAH's derivatives.
- In 1Q 2019, net income from continuing operations was impacted by Construction provision of –EUR212mn at net income level.

Net income from discontinued operations stood at –EUR59mn which includes a negative result recorded from Broadspectrum sale –EUR64mn, mainly due to the reclassification to the P&L of reserves corresponding to translation differences net of hedges according to IAS 21. Additionally, and derived from the fair value estimation exercise carried out at the closing of these 1H 2020 results, a fair value provision has been recognized in Amey (-EUR44mn), while Services business in Spain has registered a positive result of +EUR49mn (without amortization as per IFRS 5). Ferrovial will continue monitoring closely the impact of the evolution of the COVID-19 on discontinued activities fair value as far as a higher evidence about the impact of the outbreak in these activities is obtained.

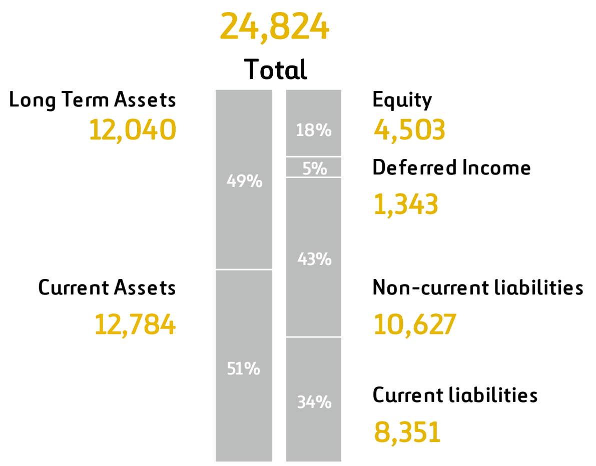
Consolidated Balance Sheet

(EUR million)	JUN-20	DEC-19
FIXED AND OTHER NON-CURRENT ASSETS	**12,040**	**12,358**
Consolidation goodwill	**245**	**248**
Intangible assets	**60**	**62**
Investments in infrastructure projects	**6,920**	**6,880**
Property	**2**	**2**
Plant and Equipment	**293**	**299**
Right-of-use assets	**116**	**126**
Equity-consolidated companies	**2,078**	**2,557**
Non-current financial assets	**1,255**	**1,247**
Long term investments with associated companies	166	171
Restricted Cash and other non-current assets	980	970
Other receivables	108	106
Deferred taxes	**541**	**502**
Derivative financial instruments at fair value	**530**	**434**
CURRENT ASSETS	12,784	11,751
Assets classified as held for sale	**4,012**	**4,936**
Inventories	**725**	**699**
Trade & other receivables	**1,248**	**1,256**
Trade receivable for sales and services	907	891
Other receivables	341	364
Taxes assets on current profits	**131**	**97**
Cash and other temporary financial investments	**6,589**	**4,735**
Infrastructure project companies	145	119
Restricted Cash	6	6
Other cash and equivalents	139	113
Other companies	6,444	4,617
Derivative financial instruments at fair value	**79**	**27**
TOTAL ASSETS	24,824	24,109

(EUR million)	JUN-20	DEC-19
EQUITY	**4,503**	**5,087**
Capital & reserves attrib to the Company´s equity holders	3,689	4,304
Minority interest	814	783
Deferred Income	**1,343**	**1,347**
NON-CURRENT LIABILITIES	10,627	9,054
Pension provisions	**3**	**4**
Other non current provisions	**541**	**518**
Long term lease debts	**70**	**82**
Financial borrowings	**9,030**	**7,565**
Financial borrowings on infrastructure projects	5,485	5,471
Financial borrowings other companies	3,545	2,094
Other borrowings	**25**	**27**
Deferred taxes	**536**	**475**
Derivative financial instruments at fair value	**422**	**385**
CURRENT LIABILITIES	8,351	8,621
Liabilities classified as held for sale	**2,843**	**3,491**
Short term lease debts	**73**	**71**
Financial borrowings	**1,478**	**1,033**
Financial borrowings on infrastructure projects	22	23
Financial borrowings other companies	1,456	1,010
Derivative financial instruments at fair value	**59**	**97**
Trade and other payables	**2,996**	**3,072**
Trades and payables	1,321	1,327
Other non comercial liabilities	1,675	1,745
Liabilities from corporate tax	**100**	**107**
Trade provisions	**802**	**750**
TOTAL LIABILITIES & EQUITY	24,824	24,109

CONSOLIDATED BALANCE SHEET

(EUR mn)



GROSS CONSOLIDATED DEBT*

Gross debt JUN-20	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-5,146	-5,800	-10,945
% fixed	88.1%	97.8%	93.2%
% variable	11.9%	2.2%	6.8%
Average rate	0.9%	4.9%	3.0%
Average maturity (years)	3	21	12

*Includes discontinued operations

CONSOLIDATED FINANCIAL POSITION*

(EUR million)	JUN-20	DEC-19
Gross financial debt	**-10,945**	**-9,244**
Gross debt ex-infrastructure	-5,146	-3,433
Gross debt infrastructure	-5,800	-5,811
Gross Cash	**8,083**	**6,287**
Gross cash ex-infrastructure	6,814	5,064
Gross cash infrastructure	1,269	1,223
Total net financial position	**-2,863**	**-2,957**
Net cash ex-infrastructure	1,668	1,631
Net debt infrastructure	-4,531	-4,588
Total net financial position	**-2,863**	**-2,957**

*Includes discontinued operations

Ex-infrastructure Net Financial Position & Cash Flow

(including discontinued operations)

NET CASH POSITION (EUR mn)

Gross cash	6,814	
Gross debt	-5,146	75% Bonds
Net cash position	1,668	

Net cash position including discontinued operations

DEBT MATURITIES (EUR mn)

2020	2021	2022	>2023
815*	1,070*	741	2,512

(*) In 2020, ex-infrastructure debt includes the issuance of an ECP (Euro Commercial Paper), which at 30 June 2020 had a carrying amount of EUR801mn, with average rate of -0.13%. In 2021, ex-infrastructure debt includes the issuance of an ECP, which at 30 June 2020 had a carrying amount of EUR475mn, with average rate of -0.07%.

LIQUIDITY (EUR mn)

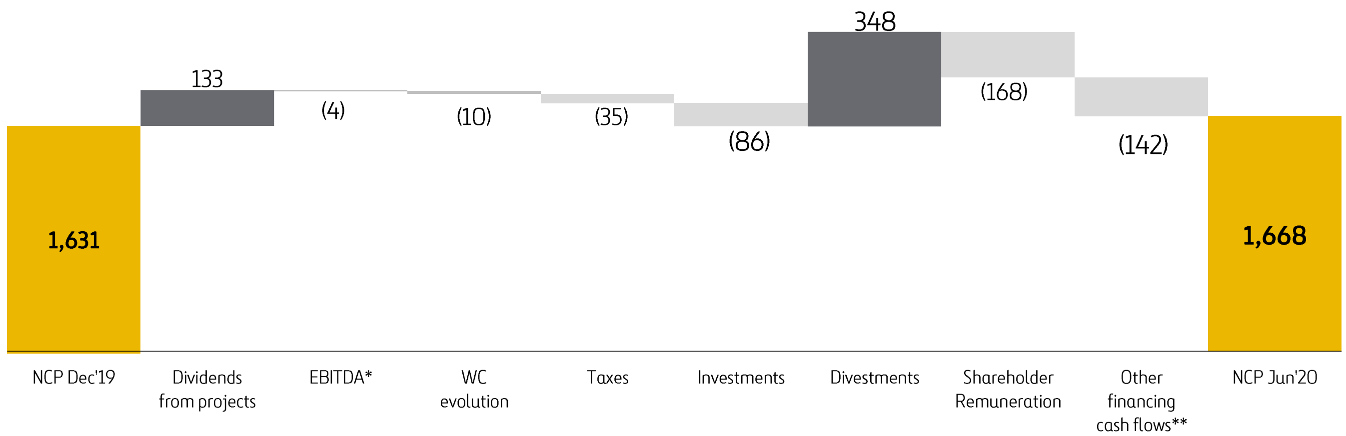
Total cash	UNDRAWN LINES
6,814	695
TOTAL LIQUIDITY	7,508

RATING

Standard & Poor's	BBB / stable
Fitch Ratings	BBB / stable

CASH FLOW COMPONENTS (including discontinued operations)

(EUR mn)



*EBITDA excludes contribution from projects but it includes EBITDA from Services.
**Other financing cash flows includes Broadspectrum net cash position (EUR78mn).

Net cash position (NCP) excluding infra projects: stood at EUR1,668mn in June 2020 vs EUR1,631mn in December 2019. The main drivers of this change were:

- **Project dividends:** EUR133mn vs. EUR244mn in 1H 2019 (-45.5%), impacted by lower dividends in all main assets as no dividends were distributed in 2Q 2020, EUR98mn from Toll Roads (EUR151mn in 1H 2019) and EUR29mn from Airports (EUR70mn in 1H 2019).
- **EBITDA:** -EUR4mn (vs –EUR195mn in 1H 2019, negatively affected by –EUR345mn provision registered in Construction) which includes EUR62mn from Services.
- **Working capital evolution** stood at –EUR10mn in 1H 2020 (–EUR440mn in 1H 2019), mainly impacted by the –EUR40mn application (cash out) of the non-cash Construction Provision registered in 1Q 2019 and the negative WC from Construction ex-Budimex (-EUR153mn vs –EUR122mn in 1H 2019). These negative impacts were partially offset by improved WC in Budimex that reached EUR37mn (-EUR181mn in 1H 2019) and the positive WC in Services of EUR65mn vs. –EUR215mn in 1H 2019 on the back of positive working capital in ex-UK (EUR51mn vs –EUR63mn in 1H 2019) and UK (EUR80mn vs –EUR146mn in 1H 2019).
- **Net Investment** reached EUR262mn in 1H 2020 vs –EUR114mn in 1H 2019. Investments reached –EUR86mn, below –EUR117mn in 1H 2019. Divestments reached EUR348mn in 1H 2020, most noteworthy of which was the EUR288mn for the sale of Broadspectrum and the EUR58mn from Budimex 5% stake sale.
- **Shareholder Remuneration:** -EUR168mn in 1H 2020 in line with 2019, including –EUR93mn from the scrip dividend and –EUR74mn from the treasury share repurchase program in 1H 2020, whilst in the same period in 2019, treasury stock was not acquired.
- **Other financing cash flows:** includes other cash flow movements, such as forex impact (-EUR54mn) and the net cash position held by Broadspectrum (EUR78mn).

The net cash position at the end of June (EUR1,668mn) includes the net cash from Services (EUR221mn).

Consolidated cash flow

JUN-20	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	-4	221		217
Dividends received	133		-1	131
Birmingham cash flow				
Construction provision variation	18			18
US Construction provision (*)				
US Construction provision application (*)	-40			-40
Other Construction provision variation	58			58
Working capital variation (account receivables, account payables and others)	-28	11		-17
Operating flow (before taxes)	**119**	**232**	**-1**	**349**
Tax payment	-35	-4		-38
Operating Cash Flow	**84**	**228**	**-1**	**311**
Investments	-86	-47	4	-128
Divestments	348			348
Investment cash flow	**262**	**-47**	**4**	**220**
Activity cash flow	**346**	**182**	**3**	**531**
Interest flow	0	-114		-114
Capital flow from Minorities	6	6	-4	8
Scrip dividend	-93			-93
Treasury share repurchase	-74			-74
Ferrovial shareholder remuneration	-168			-168
Other shareholder remmuneration for subsidiary minorities	-9	-2	1	-9
Forex impact	-54	8		-46
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter				
Other debt movements (non cash)	-86	-23		-109
Financing cash flow	**-310**	**-125**	**-3**	**-437**
Net debt variation	**37**	**57**		**94**
Net debt initial position	**1,631**	**-4,588**		**-2,957**
Net debt final position	**1,668**	**-4,531**		**-2,863**

JUN-19	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	-195	287		92
Dividends received	244		-1	242
Birmingham cash flow	-142			-142
Construction provision variation				
US Construction provision (*)	345			345
US Construction provision application (*)	-56			-56
Other Construction provision variation				
Working capital variation (account receivables, account payables and others)	-588	-69		-657
Operating flow (before taxes)	**-392**	**218**	**-1**	**-175**
Tax payment	-17	-4		-21
Operating Cash Flow	**-409**	**214**	**-1**	**-196**
Investments	-117	-55	27	-145
Divestments	3			3
Investment cash flow	**-114**	**-55**	**27**	**-142**
Activity cash flow	**-523**	**159**	**25**	**-338**
Interest flow	3	-91	0	-89
Capital flow from Minorities	4	54	-27	31
Scrip dividend	-102			-102
Treasury share repurchase	-66			-66
Ferrovial shareholder remuneration	-168			-168
Other shareholder remmuneration for subsidiary minorities	-17	-2	1	-17
Forex impact	-40	-26		-66
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	-1	435		434
Other debt movements (non cash)	-12	-52		-63
Financing cash flow	**-231**	**317**	**-25**	**61**
Net debt variation	**-754**	**477**		**-277**
Net debt initial position	**1,236**	**-4,885**		**-3,649**
Net debt final position	**482**	**-4,408**		**-3,926**

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

EX-INFRASTRUCTURE PROJECT CASH FLOW

Cash flows from operating activities*

The ex-infrastructure pre-tax cash flow is as follows:

JUN-20	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	98	-20	78
Airports	29	-4	25
Construction	-58	33	-25
Services	133	256	390
Other	-84	-3	-87
Total	**119**	**262**	**381**

*Before Corporate Income Tax. Operating CF in Toll Roads & Airports refers to dividends

JUN-19	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	151	-21	131
Airports	70	-6	64
Construction	-388	-9	-397
Services	-164	-77	-241
Other	-61	-1	-62
Total	**-392**	**-114**	**-506**

Operations cash flow

At 30 June 2020, **cash flow from ex-infrastructure project operations totaled EUR119mn** (before tax), above the –EUR392mn recorded in 1H 2019, which was impacted by the Construction provision registered in 1Q 2019. 1H 2020 Operating cash flow has been impacted by the lower dividends distribution from Toll Roads and Airports, as no dividends from main assets were distributed in 2Q 2020, partially offset by the improved performance of the Construction operating cash flow and the positive performance of the Services operating cash flow.

Operating cash flow	JUN-20	JUN-19
Dividends from Toll Roads	98	151
Dividends from Airports	29	70
Construction	-58	-388
Services	133	-164
Other	-84	-61
Operating flow (before taxes)	**119**	**-392**
Tax payment	-35	-17
Total	**84**	**-409**

The entry "Others" includes the operations cash flow relating to Corporate Business, Airports and Toll Roads.

Breakdown of cash flow from **Construction and Services:**

Construction	JUN-20	JUN-19
EBITDA	41	-317
EBITDA from projects	7	7
EBITDA Ex projects	34	-324
Construction provision variation	18	248
US Construction provision (*)	0	345
US Construction provision application (*)	-40	-56
Other Construction provision variation	58	-41
Dividends received	0	0
Working capital variation (account receivables, account payables and others)	-110	-312
Changes in factoring	-1	-2
Land purchases	7	-8
Ex Budimex Working Capital	-153	-122
Budimex Working Capital	37	-181
Operating Cash Flow before Taxes	**-58**	**-388**

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

Services	JUN-20	JUN-19
EBITDA	94	210
EBITDA from projects	32	39
EBITDA Ex projects	62	170
BMH cash flow	0	-142
Dividends received	6	23
Working capital variation (account receivables, account payables and others)	65	-215
Changes in factoring	-58	2
Pensions payments UK	-8	-8
Ex UK Working Capital	51	-63
UK Working Capital	80	-146
Operating Cash Flow before Taxes	**133**	**-164**

The following table shows a breakdown of the **Services** business:

(EUR million)	SPAIN	UK	INTERNATIONAL	TOTAL
EBITDA ex-infrastructure	50	-4	16	62
BMH cash flow	0	0	0	0
Dividends received	0	3	2	6
Changes in factoring	-56	0	-2	-58
Pension scheme payments	0	-8	0	-8
Working capital	51	80	0	131
Op. cash flow ex-Taxes	**46**	**71**	**16**	**133**

Breakdown of cash flow from **Toll Roads and Airports:**

The revenue from Toll Roads operations amounted to EUR98mn in 1H 2020 (EUR151mn in 1H 2019) resulting from dividends and repaid shareholders' funds from companies owning toll road infrastructure projects.

Dividends and Capital reimbursements	JUN-20	JUN-19
407 ETR	89	146
NTE	0	0
Irish toll roads	0	0
Portuguese toll roads	0	4
Greek toll roads	0	0
Spanish toll roads	1	0
Other	7	1
Total	**98**	**151**

Dividends and capital reimbursements from Airports (EUR29mn) were lower than achieved in 1H 2019 (EUR70mn).

Airports	JUN-20	JUN-19
HAH	29	58
AGS	0	11
Others	0	0
Total	**29**	**70**

Investment cash flow

JUN-20	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-19	-1	-20
Airports	-4	0	-4
Construction	-28	61	33
Services	-32	288	256
Other	-3	0	-3
Total	**-86**	**348**	**262**

JUN-19	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-21	0	-21
Airports	-6	0	-6
Construction	-12	2	-9
Services	-78	1	-77
Other	-1	0	-1
Total	**-117**	**3**	**-114**

The net investment cash flow in 1H 2020 (EUR262mn) includes:

- **Investments** reached –EUR86mn, below –EUR117mn in 1H 2019.
- **Divestments** reached EUR348mn in 1H 2020 (EUR3mn in 1H 2019):
  - EUR288mn for the sale of Broadspectrum.
  - EUR58mn from Budimex 5% stake sale.

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR168mn in 1H 2020, including –EUR93mn from the scrip dividend and –EUR74mn from the treasury share repurchase program in 1H 2020.
- **Net interest payments** reached EUR0mn in 1H 2020.
- **FX impact** (-EUR54mn), primarily from the translation of cash balances held in PLN and GBP and cost of FX forwards hedging the cash position in CAD.
- **Other non-cash flow related movements** (-EUR86mn), that included the net cash position held by Broadspectrum (EUR78mn), along with the book debt movements that do not affect cash flow, such as interest that has been accrued and remains unpaid, mainly resulting from interest accrued from corporate bonds.

Net position from discontinued operations

The net cash position from discontinued operations stood at EUR221mn of debt at 30 June 2020.

INFRASTRUCTURE PROJECT CASH FLOW

Operations cash flow

As regards cash flows for companies that own infrastructure project concessions, these primarily include revenues from those companies that are currently in operation, though they also include VAT refunds and payments corresponding to projects currently in the construction phase.

The following table shows a breakdown of cash flow operations for infrastructure projects.

(EUR million)	JUN-20	JUN-19
Toll roads	179	179
Other	50	36
Operating cash flow	**228**	**214**

Investment cash flow

The following table shows a breakdown of the investment cash flows for infrastructure projects, mainly payments made in respect of CapEx investments over the year.

(EUR million)	JUN-20	JUN-19
LBJ	-1	-1
NTE	-1	-1
NTE 35W	-29	-19
I-77	-14	-53
Portuguese toll roads	0	0
Spanish toll roads	0	-4
Others	0	0
Total toll roads	**-46**	**-78**
Others	-6	-10
Total projects	**-52**	**-89**
Equity Subsidy	5	34
Total investment cash flow (projects)	**-47**	**-55**

Financing cash flow

Financing cash flow includes the payment of dividends and the repayment of equity by concession-holding companies to their shareholders, along with the payments for share capital increases received by these companies. In the case of concession holders which are fully integrated within Ferrovial, these amounts represent 100% of the amounts paid out and received by the concession-holding companies, regardless of the percentage share that the Company holds in such concessions. No dividend or Shareholder Funds' repayment is included for equity-accounted companies.

The interest cash flow refers to the interest paid by the concession-holding companies, together with other fees and costs closely related to the acquisition of financing. The cash flow for these items relates to interest costs for the period, along with any other item that represents a direct change in the net debt amount for the period.

(EUR million)	JUN-20	JUN-19
Spanish toll roads	-21	-31
US toll roads	-71	-37
Portuguese toll roads	-7	-7
Other toll roads	0	0
Total toll roads	**-99**	**-75**
Other	-15	-17
Total	**-114**	**-91**

The financing cash flow also includes the impact that changes in the interest rate have had on the debt held in foreign currency, which in 1H 2020 was a positive impact in the amount of +EUR8mn, primarily as the result of the appreciation of the euro against USD, which has had a significant effect on the net debt figure for the US toll roads.

Appendix I – Segmented information

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Global consolidation	**JUN-20**	**JUN-19**	**VAR.**	**JUN-20**	**JUN-19**	**VAR.**	**JUN-20**	**JUN-19**	**VAR.**	**JUN-20**	**JUN-19**	**JUN-20**	**SHARE**
NTE*	12	17	-29.0%	53	65	-19.3%	44	56	-21.1%	84.3%	86.2%	-1,077	63.0%
LBJ*	15	23	-32.1%	46	64	-27.3%	37	53	-30.8%	78.9%	82.9%	-1,255	54.6%
NTE 35W*/**/****	13	15	-17.5%	39	35	11.7%	32	27	17.2%	82.8%	78.9%	-763	53.7%
I-77 */*****	10			8	10	-25.9%	2	9	-81.3%	21.4%	85.1%	-234	50.1%
TOTAL USA				**146**	**174**	**-16.5%**	**115**	**145**	**-21.0%**			**-3,330**	
Ausol I***	8,695	16,569	-47.5%		30	-100.0%		24	-100.0%		81.3%		15.0%
Ausol II***	10,656	17,978	-40.7%			n.s.							15.0%
Autema	11,490	19,530	-41.2%	58	56	4.0%	54	52	4.1%	93.5%	93.5%	-600	76.3%
TOTAL SPAIN				**58**	**85**	**-32.0%**	**54**	**76**	**-28.7%**			**-600**	
Azores	7,762	10,384	-25.2%	11	14	-24.8%	9	13	-29.7%	83.1%	88.9%	-275	89.2%
Via Livre				6	7	-17.3%	1	1	-2.1%	17.4%	14.7%	5	84.0%
TOTAL PORTUGAL				**16**	**21**	**-22.3%**	**10**	**14**	**-27.6%**			**-270**	
TOTAL HEADQUARTERS				**7**	**6**	**11.2%**	**-26**	**-28**	**5.9%**				
TOTAL TOLL ROADS				**227**	**287**	**-20.9%**	**152**	**207**	**-26.4%**	**67.1%**	**72.1%**	**-4,200**	

* Traffic in millions of transactions. ** Assets under construction. *** On December 3, 2019, formal completion of stake sale from 80% to 15%.**** Capital invested & committed: Segment 3C/Net debt 100%: includes all 3 segments. *****Full opening on November 2019

TOLL ROADS – EQUITY-ACCOUNTED

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Equity accounted	**JUN-20**	**JUN-19**	**VAR.**	**JUN-20**	**JUN-19**	**VAR.**	**JUN-20**	**JUN-19**	**VAR.**	**JUN-20**	**JUN-19**	**JUN-20**	**SHARE**
407 ETR (VKT mn)	702	1,274	-44.9%	276	466	-40.9%	219	407	-46.1%	79.6%	87.2%	-5,328	43.2%
M4	22,876	34,691	-34.1%	10	15	-33.2%	5	8	-39.8%	48.8%	54.1%	-73	20.0%
M3	29,149	41,305	-29.4%	9	9	-0.2%	7	7	-2.6%	69.5%	71.1%	-99	20.0%
A-66 Benavente Zamora				12	12	-1.6%	10	11	-1.8%	89.7%	89.8%	-153	25.0%
Serrano Park				2	3	-28.0%	-2	1	n.s	-76.8%	17.1%	-36	50.0%
Ausol I*****	8,695	16,569	-47.5%	15	30	-48.0%	10	24	-56.7%	67.8%	81.3%	-425	15.0%
Ausol II*****	10,656	17,978	-40.7%										15.0%
Algarve	8,053	13,732	-41.4%	17	19	-9.7%	15	17	-12.3%	87.1%	89.7%	-84	48.0%
Norte Litoral	19,185	25,716	-25.4%	19	21	-8.8%	17	19	-8.3%	88.7%	88.2%	-102	49.0%
Toowoomba				12	10	10.8%	2	2	46.6%	19.4%	14.7%	-232	40.0%

******Ausol I /II: On December 2019, Cintra reached an agreement to sell of 65% stake to Meridiam, retaining a 15% stake (80% previous), and also, a put/call agreement for a fixed price was signed. Cintra maintains a 15% interest, but the results of Ausol are not integrated due to the put/call contract.

MAIN TOLL ROADS (P&L)

407 ETR

CAD million	JUN-20	JUN-19	VAR.
Revenues	417	700	-40.3%
EBITDA	332	610	-45.6%
EBITDA margin	79.6%	87.2%	
EBIT	283	558	-49.4%
EBIT margin	67.7%	79.8%	
Financial results	-192	-228	15.9%
EBT	91	330	-72.5%
Corporate income tax	-23	-87	73.6%
Net Income	68	242	-72.1%
Contribution to Ferrovial equity accounted result*	14	62	-77.5%

* EURmn

NTE

(USD million)	JUN-20	JUN-19	VAR.
Revenues	58	74	-21.0%
EBITDA	49	64	-22.8%
EBITDA margin	84.3%	86.2%	
EBIT	35	52	-32.3%
EBIT margin	60.5%	70.5%	
Financial results	-25	-30	16.2%
Net Income	10	22	-54.4%
Contribution to Ferrovial*	6	12	-53.4%

* Contribution to Net profit. 62.97% stake EURmn

LBJ

(USD million)	JUN-20	JUN-19	VAR.
Revenues	51	72	-28.9%
EBITDA	41	60	-32.3%
EBITDA margin	78.9%	82.9%	
EBIT	27	46	-41.1%
EBIT margin	53.0%	64.0%	
Financial results	-45	-43	-4.8%
Net Income	-18	3	n.s.
Contribution to Ferrovial*	-9	2	n.s.

* Contribution to Net profit. 54.6% stake EURmn

NTE 35W

(USD million)	JUN-20	JUN-19	VAR.
Revenues	43	39	9.3%
EBITDA	35	31	14.7%
EBITDA margin	82.8%	78.9%	
EBIT	26	22	18.4%
EBIT margin	59.6%	55.1%	
Financial results	-20	-19	-3.0%
Net Income	6	2	156.6%
Contribution to Ferrovial*	3	1	162.0%

* Contribution to Net profit. 53.67% stake EURmn

AIRPORTS (P&L)

Heathrow SP & HAH

(GBP million)	Revenues JUN-20	Revenues JUN-19	Revenues VAR.	EBITDA JUN-20	EBITDA JUN-19	EBITDA VAR.	EBITDA margin JUN-20	EBITDA margin JUN-19	EBITDA margin VAR. (bps)
Heathrow SP	**712**	**1,461**	**-51.3%**	**222**	**907**	**-75.5%**	**31.2%**	**62.1%**	**-3,087**
Exceptionals & adjs	0	0	n.a	-121	1	n.a	n.a.	n.a.	n.a.
Total HAH	**713**	**1,461**	**-51.2%**	**102**	**907**	**-88.8%**	**14.3%**	**62.1%**	**-4,783**

HAH

(GBP million)	JUN-20	JUN-19	VAR.	LfL
Revenues	713	1,461	-51.2%	-51.2%
EBITDA	102	907	-88.8%	-75.3%
EBITDA margin %	14.3%	62.1%		
Depreciation & impairments	-376	-414	-9.0%	9.0%
EBIT	-274	494	-155.6%	n.a.
EBIT margin %	-38.5%	33.8%		
Financial results	-535	-486	-10.2%	8.1%
EBT	-810	8	n.s.	n.s.
Corporate income tax	31	-17	n.s.	266.1%
Net income	-779	-8	n.s.	n.s.
Contribution to Ferrovial equity accounted result (EUR mn)	-222	-2	n.s.	n.s.

AGS

(GBP million)	JUN-20	JUN-19	VAR.
Total Revenues AGS	**43**	**105**	**-58.9%**
Glasgow	22	64	-65.3%
Aberdeen	16	27	-41.5%
Southampton	5	13	-63.8%
Total EBITDA AGS	**-6**	**46**	**-114.2%**
Glasgow	-3	31	-110.8%
Aberdeen	2	11	-83.8%
Southampton	-5	4	-227.1%
Total EBITDA margin	**-15.0%**	**43.5%**	**-5850.6**
Glasgow	-15.1%	48.5%	-6364.6
Aberdeen	10.8%	39.1%	-2824.4
Southampton	-100.2%	28.6%	-12878.2

CONSTRUCTION

CONSTRUCTION	JUN-20	JUN-19	VAR.	LfL
Revenues	2,681	2,308	16.2%	15.2%
EBITDA	41	-317	112.9%	112.9%
EBITDA margin	1.5%	-13.7%		
EBIT	-6	-346	98.3%	98.3%
EBIT margin	-0.2%	-15.0%		
Order book*	11,371	11,424	-0.5%	1.7%

BUDIMEX	JUN-20	JUN-19	VAR.	LfL
Revenues	842	760	10.8%	7.5%
Construction	762	731	4.4%	8.2%
Real Estate	62	74	-16.1%	-13.0%
FB Serwis	62			23.7%
Others	-45	-45		
EBITDA	49	37	33.5%	8.2%
EBITDA margin	5.8%	4.8%		
EBIT	35	28	24.4%	7.7%
Construction	18	17	6.3%	10.2%
Real Estate	13	12	3.1%	6.9%
FB Serwis	7			31.9%
Others	-3	-1		
EBIT margin	4.1%	3.7%		
Order book*	2,869	2,830	1.4%	5.9%

WEBBER	JUN-20	JUN-19	VAR.	LfL
Revenues	509	366	38.8%	35.8%
EBITDA	26	17	52.7%	48.9%
EBITDA margin	5.0%	4.6%		
EBIT	11	6	71.9%	66.7%
EBIT margin	2.2%	1.8%		
Order book*	1,878	1,838	2.2%	2.3%

F. CONSTRUCTION	JUN-20	JUN-19	VAR.	LfL
Revenues	1,331	1,182	12.6%	13.8%
EBITDA	-34	-370	90.9%	n.s.
EBITDA margin	-2.5%	-31.3%		
EBIT	-52	-381	86.4%	n.s.
EBIT margin	-3.9%	-32.2%		
Order book*	6,624	6,756	-2.0%	-0.1%

EBIT before impairments and disposals of fixed assets
* Construction Order book compared to December 2019

SERVICES

SERVICES	JUN-20	JUN-19	VAR.	LfL
Revenues	2,481	3,597	-31.0%	-8.5%
EBITDA	94	210	-55.1%	-39.6%
EBITDA margin	3.8%	5.8%		
Order book*	12,841	17,656	-27.3%	-1.4%

SPAIN	JUN-20	JUN-19	VAR.	LfL
Revenues	939	996	-5.7%	-5.3%
EBITDA	79	117	-32.7%	-34.7%
EBITDA margin	8.4%	11.7%		
Order book*	3,956	4,266	-7.3%	-7.3%

UK	JUN-20	JUN-19	VAR.	LfL
Revenues	1,290	1,454	-11.3%	-10.8%
EBITDA	-1	30	-101.8%	-72.8%
EBITDA margin	0.0%	2.1%		
Order book*	7,596	8,036	-5.5%	1.4%

INTERNATIONAL	JUN-20	JUN-19	VAR.	LfL
Revenues	251	331	-24.0%	-7.5%
EBITDA	16	29	-45.4%	-12.6%
EBITDA margin	6.4%	8.9%		
Order book*	1,289	1,291	-0.1%	1.4%

BROADSPECTRUM	JUN-20	JUN-19	VAR.	LfL
Revenues		816		
EBITDA		34		
EBITDA margin		4.1%		
Order book*		4,064		

*Services Order book compared to December 2019

Appendix II – Exchange rate movements

Exchange rates expressed in units of currency per Euro, with negative variations representing euro depreciation and positive variations euro appreciation.

	EXCHANGE RATE LAST (BALANCE SHEET)	CHANGE 20/19	EXCHANGE RATE MEAN (P&L)	CHANGE 20/19
GBP	0.9082	7.3%	0.8776	0.6%
US Dollar	1.1243	0.1%	1.1056	-2.2%
Canadian Dollar	1.5308	5.0%	1.5145	0.9%
Polish Zloty	4.4461	4.5%	4.4390	3.7%
Australian Dollar	1.6318	2.1%	1.6879	5.7%

Appendix III – Shareholder remuneration

The company held its AGM on 17 April 2020. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

The "amounts of the alternative option" (market value of the capital increase), as approved in the AGM were: in the first capital increase the Amount of the Alternative Option will be equal to EUR234mn and the second capital increase may not exceed EUR316mn.

These increases form part of the shareholder remuneration system known as the "Ferrovial Scrip Dividend", which the company introduced in 2014. The purpose of this program is to offer Ferrovial's shareholders the option, at their choice, of receiving free new shares in Ferrovial, though without altering cash payments to its shareholders, as they can alternatively opt to receive a cash payment by means of selling the free rights that they receive against the shares they already own to Ferrovial (or selling them in the market).

With regard to the **final execution of the dividend, its timing and amount: it will be decided by the Board of Directors taking into account the evolution of the impact of COVID-19 on the business.**

At the Board Meeting held on May 7th 2020, the terms of the first scrip issue were fixed (equivalent to the 2019 complementary dividend). The results of the first dividend were the following:

Scrip Dividend details	JUN-20
Guaranteed set price to purchase rights	0.312
Rights per share	69
% shareholders chose shares as dividends	59.25%
% shareholders chose cash as dividends	40.75%
Number of new shares issued	6,134,989
Number of rights purchase	299,631,164

SHARE BUY-BACK

On 27th February 2020, the Board of Directors of Ferrovial resolved to implement a buy-back program of the company's own shares, in accordance with the authorization granted by the AGM held on 5 April 2017 under item ten of its agenda.

The Buy-Back Program will be executed under the following terms:

- Purpose: reduce the share capital of Ferrovial, subject to the prior approval of the AGM called by the Board of Directors on the date hereof, to be held on 16 or 17 April 2020 on first or second call respectively, under the terms agreed by the Shareholders' Meeting.
- Maximum net investment: EUR360mn or 20 million shares, representing 3.40% approximately of the share capital of Ferrovial as of the date thereof.
- Price and volume conditions: Ferrovial will not purchase shares at a price higher than the higher of the following amounts: (i) price of the last independent trade; or (ii) amount corresponding to the highest current independent purchase bid on trading venue where the purchase is carried out. Regarding volume, Ferrovial shall not purchase on any trading day more than 25% of the average daily volume of Ferrovial shares on the trading venue on which the purchase is carried out.
- Duration: it will commence on 10 March 2020 and will remain in force until 4 December 2020.

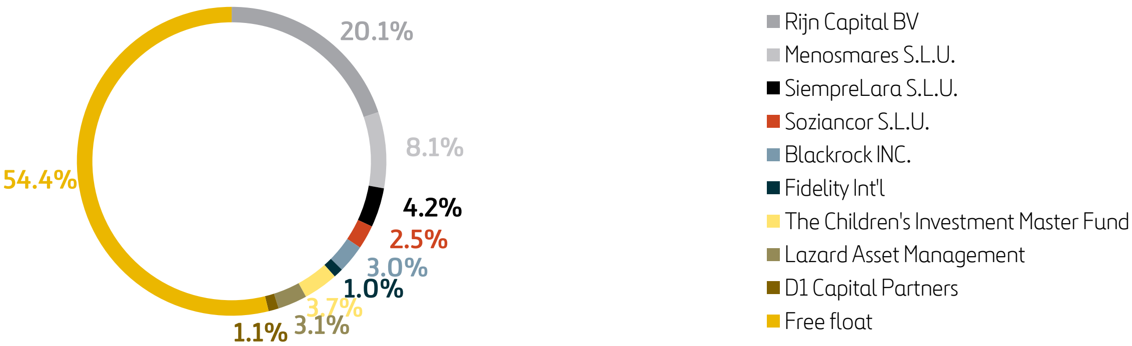
The AGM held on 17 April 2020 also approved a share capital reduction by means of the redemption of a maximum of 27,755,960 of Ferrovial's own shares, representing 3.775% of the company's share capital.

Ferrovial held 6,812,591 own shares at end-June 2020, of which 2,755,960 shares were acquired in 2019 and are due to be amortized over the course of 2020, along with the shares acquired under the share buy-back program.

Ferrovial's share capital figure as of 30 June 2020 amounted to EUR148,270,086.40 all fully subscribed and paid up. The share capital comprises 741,350,432 ordinary shares of one single class, each with a par value of twenty-euro cents (EUR0.20).

Appendix IV – Shareholder structure

SHAREHOLDER STRUCTURE (CNMV) 30 JUNE 2020



Appendix V – Main risks & uncertainties in the different business areas in 2H 2020: future impact of COVID-19 outbreak

Impact on the Group's strategy

The Company's priorities since the start of the pandemic are described below:

1.- Safeguard the health of Ferrovial's employees and customers.

Ferrovial has implemented all the necessary measures, following the guidelines of the WHO and the corresponding authorities, to reconcile the protection of health with business continuity.

Our Human Resources and Health & Safety teams, supported by the Medical Departments, have worked towards this priority objective from the outset, adopting measures such as flexible working hours, home working, suspension of business trips and distribution of suitable protective equipment to the employees who need it.

This has all been undertaken without losing sight of the need to press on with our business activities, both for financial reasons and because our contribution to society is highly significant in crucial areas such as hospital maintenance, ambulance transfers, emergency telephone hotlines and municipal services.

2.- Community initiatives.

Ferrovial has made major contributions to alleviate the effects of COVID-19 on our local communities. Some examples are as follows:

- Development of an application to support possible infections for the Government of Spain and the Madrid Regional Government.
- Participation in the field hospital containing 5,500 beds installed in the IFEMA Madrid Trade Fair building.
- Purchase of 620,000 face masks, 300,000 of which were donated to the Madrid Regional Health Service and the remainder were distributed to the Company's workers.
- Over 800 free parking spaces were made available to health workers in Serrano Park, Madrid and Valdecilla Hospital Santander.
- We launched the "Ferrovial Together COVID-19" fund to raise donations for the fight against COVID-19. The Company made an initial contribution of EUR5mn and doubled the amount raised up to a maximum of EUR 10mn.
- Agreements with NGOs to distribute food to underprivileged families.
- Donations to Oxford University, the National Biotechnology Centre and Baylor Medical College for vaccine development research.

3.- Protecting the Company's liquidity.

Ferrovial is confronting the current economic situation in a position of liquidity at an all-time high. In June 2020, ex-infrastructure projects, liquidity reached EUR7,508mn, plus the liquidity lines available at the ex-infrastructures level in the amount of EUR695mn. The ex-infrastructures net cash position stood at EUR1,668mn at end-June 2020 (including discontinued operations).

As of June 30th, maturities will amount to EUR815mn (including EUR801mn in Euro Commercial Paper or ECP) in 2020, followed by a further EUR1,070mn in the following year, all of which is comfortably covered by our current cash position.

In addition, in March 2020 Ferrovial successfully completed the issuance of six-year bonds totaling EUR650mn at a price of 165 basis points above the mid-swap rate and a 1.382% coupon. On 24th June 2020, an additional EUR129.9mn tap of this bond took place. This transaction has further boosted Ferrovial's solid financial position thanks to a record level of liquidity as stated above, while taking advantage of low interest rates.

Standard & Poor's ratified Ferrovial's BBB investment grade credit rating with a stable outlook. Its report highlights the Company strategy and financial solidity. The rating agency Fitch also maintains the BBB rating with a stable outlook.

Future impacts of COVID-19

In general, the impact of COVID-19 on Ferrovial's businesses and assets will depend largely on the duration and future evolution of the pandemic in the countries where we operate. The possible appearance of new outbreaks of the virus and the discovery of a vaccine will be determining factors.

By business type, infrastructures are expected to be the worst hit, due to four main factors that might alter patterns in the movement of people and consumption:

- Crisis caused by the economic freeze and its duration.
- Increase in home working.
- Promotion of electronic commerce, the main impact relating to heavy traffic vehicles and commercial vehicles. In this case, the effect is positive for distribution, in view of the growth in heavy and commercial traffic due to the delivery and logistics activities.

- Social distancing measures, which will change, at least in the short term, movements of people while there is a health risk.

These trends and uncertainties as to future trends have been taken into account when analysing possible impairment losses on the assets used in these activities. Impairment tests were carried out on the main assets (all toll roads and airports, Budimex, Webber, Transchile and services companies held for sale) using projections discounted based on the two possible pandemic scenarios referred to above ("adapted normal" and "disruptive"), as well as increasing the discount rates applied. The main differences between the two scenarios are the period needed to recover from the pandemic, the economic impact and the effect of the promotion of working from home.

In the case of toll roads, dividends of EUR98mn were paid out in 1H 2020, as compared with EUR151mn 1H 2019. The return to pre-COVID-19 dividend levels will depend largely on the pace of recovery of the assets. The return to 2019 traffic and revenue levels is expected in 2022 in 407 ETR and between 2021 and 2022 for Managed Lanes.

In airports, no dividend pay-outs are envisaged this year, in addition to those already distributed, and the pay-out rate in the coming years will depend largely on the duration and future evolution of the pandemic. The recovery of traffic levels for these assets is expected to be slower than in the case of toll roads. The 2019 traffic level in HAH and AGS is expected to be reached in 2023 and 2024, respectively.

At Heathrow airport, debt subject to default risk relates to the company Heathrow Finance PLC (approximately GBP 2,400 million). It was forecasted to breach the RAR (Regulatory Asset Ratio: net debt divided by the RAB or regulatory asset base of below 92.5%) and ICR Interest Coverage Ratio: cash flows from operating activities divided by interest of above 1x) covenant tests in relation to the financial year ending 31 December 2020, when tested in June 2021. However, Heathrow's management agreed a waiver for ICR and an amendment to RAR covenants from Heathrow Finance creditors and hence no breaches are forecast to occur in June 2021 and the Group is able to meet all obligations for the period of at least 12 months.

In the Construction and Services businesses, the impact is expected more in the short-term (in 2020 and 2021), caused by the loss of income as a result of the economic crisis after the pandemic.

Appendix VI – Alternative Performance Measures

The company presents its results in accordance with generally accepted accounting standards (IFRS). In addition, in the Financial Report released in June, the management provides other financial measures non-IFRS regulated, called APMs (Alternative Performance Measures) according to the directives of European Securities and Markets Authority (ESMA). Management uses those APMs in decision-taking and to evaluate the performance of the company. Bellow there are details of disclosures required by the ESMA on definition, reconciliation, explanation of use, comparisons and coherence of each APM. Additionally, in an Appendix to this document, the reconciliation of the Comparable "like for like growth", Order book and Proportional Results are provided, available on the corporate web page: https://www.ferrovial.com/en/ir-shareholders/financial-information/quarterly-financial-information/

EBITDA = Gross operating result

- **Definition:** operating result before charges for fixed asset and right of use of leases depreciation and amortization.
- **Reconciliation:** the company presents the calculation of EBITDA in the Consolidated P&L (see the Consolidated Profit and Loss Account in the Interim Management Report for June) as: Gross Operating Profit = Total Operating Revenues – Total Operating Expenses (excluding those relative to fixed assets and right of use assets depreciation and amortization which are reported in a separate line).
- **Explanation of use:** EBITDA provides an analysis of the operating results, excluding depreciation and amortization, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is the best approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. Therefore, we use EBITDA as a starting point to calculate cash flow, adding the variation in working capital. Finally, it is an APM indicator which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, by comparing EBITDA with net debt.
- **Comparisons:** the company presents comparative figures with previous years.
- **Coherence:** the criteria used to calculate EBITDA is the same as the previous year.

COMPARABLE ("LIKE-FOR-LIKE GROWTH" LfL)

- **Definition:** relative year-on-year variation in comparable terms of the figures for revenues, EBITDA, EBIT and order book. The comparable is calculated by adjusting the present year and the previous one, in accordance with the following rules:
  - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
  - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponds with the figure reported in the line "Impairments and disposals of fixed assets").
  - In the case of company disposals and loss of control, the homogenization of the operating result is undertaken by eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same number of months in both periods.
  - Elimination of the restructuring costs, in both periods.
  - In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent ≥5% of the reporting unit's revenues before the acquisition).
  - Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of the company's underlying results.
  - With respect to the Services division, which is presented in the Consolidated Profit and Loss Account as discontinued operations, in order to better explain the business performance, in the June Interim Management Report it has been included a separated breakdown of Revenues, EBITDA and Orderbook, in spite of being classified as discontinued operations.
  - Note: the new contracts in the Toll Roads division coming into operation are not considered acquisitions and thus are not adjusted in the comparable.
- **Reconciliation:** the comparable growth is presented in separate columns on Business Performance of the Interim Management Report and its reconciliation in the Appendix of this document.
- **Explanation of use:** Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non-recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation perimeter which distort the comparability of the information. Additionally, it also allows

the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.

- **Comparisons:** the comparable breakdown is only shown for the current period compared with the previous period.
- **Coherence:** the criteria used to calculate the comparable "Like-for-like growth" is the same as the previous year, except for the following adjustment that was included exclusively in 2019: Related to the implementation of IFRS 16, and for a better comparison of EBITDA and operating profit against 2018, in which IFRS 16 was not implemented, the new Standard accounting impact was undone, reversing the adjustment for financial cost and amortization of right of use and recognizing a higher operating cost for leases, as if the new standard had not been applied in 2019.

CONSOLIDATED NET DEBT

- **Definition:** this is the net balance of Cash and cash equivalents (including short and long-term restricted cash), minus short and long-term financial debt (bank debt and bonds), including the balance related to exchange-rate derivatives that cover both the issue of debt in currency other than the currency used by the issuing company and cash positions that are exposed to exchange rate risk. The lease liability (due to the application of the new IFRS 16 standard) is not part of the Consolidated Net Debt.
- **Reconciliation:** a detailed breakdown of the reconciliation of this figure is given in the section headed Net Debt in the June Financial Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two categories:
  - **Net debt of infrastructure projects**. This is the ring-fenced debt which has no recourse to the shareholder or with recourse limited to the guarantees issued. This is the debt corresponding to infrastructure project companies.
  - **Net debt ex-infrastructure projects**. This is the net debt of Ferrovial's other businesses, including the group holding companies and other companies that are not considered infrastructure projects. The debt included in this calculation is mainly with recourse, and is thus the measure used by investors, financial analysts and rating agencies to assess the company's leverage, financial strength, flexibility and risks.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criterion used to calculate the net debt figure is the same as the previous year.

EX INFRASTRUCTURE LIQUIDITY

- **Definition:** is the sum of the cash and cash equivalents ex infrastructure projects and the committed short and long term credit facilities undrawn by the end of the period, corresponding to credits granted by financial entities which may be drawn by the Company within the terms, amount and other conditions agreed in the contract.
- **Reconciliation:** a detailed breakdown of the reconciliation of this figure is given in the June Interim Management Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's liquidity to cope with any commitment.
- **Comparisons:** the company does not present comparisons with previous years as it is not considered relevant information
- **Coherence:** this criterion is stablished for the first time to explain the liquidity of the Group.

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under Key figures under Services and Construction sections of the Interim Management Report. There is no comparable financial measure in IFRS. The reconciliation between total figures and the proportional figures is included in the Appendix provided in the web. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction and Services sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the year in question), as shown in the Appendix of this document available on the Web. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.
- **Explanation of use:** The Management believes that the order book is a useful indicator with respect to the future income of the Company, due to the order book for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the company presents comparisons with previous years.

BOARD APPROVAL

The foregoing pages contain the consolidated interim management report of Ferrovial, S.A. and its subsidiaries for the six-month period ended 30 June 2020, which was approved by the Board of Directors of the Company at its meeting held in Madrid on 30 July 2020 pursuant to Article 119 of the consolidated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and applicable regulations (such as Circular 3/2018 of the CNMV on periodic reporting of security issuers, rule fifth.2.); and which the Directors attending in person sign below.

__________________________________ Mr. Rafael del Pino y Calvo-Sotelo Chairman	__________________________________ Mr. Óscar Fanjul Martín Vice-Chairman
__________________________________ Mr. Ignacio Madridejos Fernández Chief Executive Officer	__________________________________ Ms. María del Pino y Calvo-Sotelo Director
__________________________________ Mr. Santiago Fernández Valbuena Director	__________________________________ Mr. José Fernando Sánchez-Junco Mans Director
__________________________________ Mr. Joaquín del Pino y Calvo-Sotelo Director	__________________________________ Mr. Philip Bowman Director
__________________________________ Ms. Hanne Birgitte Breinbjerg Sørensen Director	__________________________________ Mr. Bruno Di Leo Director
__________________________________ Mr. Juan Hoyos Martínez de Irujo Director	__________________________________ Mr. Gonzalo Urquijo Fernández de Araoz Director

The Secretary of the Board of Directors states for the record the following: the Directors Mr. Philip Bowman and Mr. Bruno Di Leo have not signed this document because they attended the meeting of the Board of Directors held on 30 July 2020 remotely, by technical means, given the travel restrictions imposed by the authorities as a result of the crisis caused by COVID-19. Both Directors voted in favor of the approval of the consolidated interim management report of Ferrovial, S.A. and its subsidiaries for the first six-month period of 2020.

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Mr. Santiago Ortiz Vaamonde

Secretary of the Board of Directors

FERROVIAL, S.A. AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements June 2020

30 July 2020

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020 AND 31 DECEMBER 2019

ASSETS

(Millions of euros)	**NOTE**	**30.06.2020**	**31.12.2019**
Non-current assets		**12,039**	**12,358**
Goodwill on consolidation	5.2	245	248
Intangible assets		60	62
Fixed assets in infrastructure projects	5.3	6,920	6,880
Intangible asset model		*6,016*	*5,998*
Financial asset model		*904*	*883*
Investment property		2	2
Property, plant and equipment		293	299
Right of use of assets under leases		116	126
Investments in associates	5.4	2,078	2,557
Non-current financial assets	8	1,254	1,247
Long-term loans to associates		*166*	*171*
Restricted cash in infrastructure projects and other financial assets	*7*	*980*	*970*
Other receivables		*108*	*106*
Deferred taxes	5.7	541	502
Long-term financial derivatives at fair value	8.2	530	434
Current assets		**12,784**	**11,751**
Assets classified as held for sale	1.3	4,012	4,936
Inventories		725	699
Current income tax assets		131	97
Short-term trade and other receivables	5.5	1,248	1,256
Trade receivables for sales and services		*907*	*891*
Other short-term receivables		*341*	*364*
Financial derivatives at fair value	8.2	79	27
Cash and cash equivalents	7	6,589	4,735
Infrastructure project companies		145	119
Restricted cash		*6*	*6*
Other cash and cash equivalents		*139*	*113*
Ex-infrastructure project companies		6,444	4,617
TOTAL ASSETS		**24,823**	**24,109**

LIABILITIES AND EQUITY

(Millions of euros)	**NOTE**	**30.06.2020**	**31.12.2019**
Equity	6	**4,503**	**5,087**
Equity attributable to shareholders		3,689	4,304
Equity attributable to non-controlling interests		814	783
Deferred income		**1,343**	**1,347**
Non-current liabilities		**10,627**	**9,054**
Pension plan deficit		3	4
Long-term provisions	5.6	541	518
Long-term lease liabilities		70	82
Borrowings	7	9,030	7,565
Debt securities and payables of infrastructure project companies		*5,485*	*5,471*
Debt securities and payables of ex-infrastructure project companies		*3,545*	*2,094*
Other payables		25	27
Deferred taxes	5.7	536	475
Financial derivatives at fair value	8.2	422	385
Current liabilities		**8,350**	**8,621**
Liabilities classified as held for sale	1.3	2,843	3,491
Short-term lease liabilities		73	71
Borrowings	7	1,478	1,033
Debt securities and payables of infrastructure project companies		*22*	*23*
Bank borrowings of ex-infrastructure project companies		*1,456*	*1,010*
Financial derivatives at fair value	8.2	59	97
Current income tax liabilities		100	107
Short-term trade and other payables	5.5	2,995	3,072
Trade payables		*1,321*	*1,327*
Advance payments from customers		*1,373*	*1,390*
Other short-term payables		*301*	*354*
Trade provisions	5.6	802	750
TOTAL LIABILITIES AND EQUITY		**24,823**	**24,109**

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2020.

B. CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 30 JUNE 2019

		30.06.2020			30.06.2019		
(Millions of euros)	NOTE	BEFORE FAIR VALUE ADJUSTMENTS	(*) FAIR VALUE ADJUSTMENTS	TOTAL 2020	BEFORE FAIR VALUE ADJUSTMENTS	(*) FAIR VALUE ADJUSTMENTS	TOTAL 2019
Revenue	4	2,914	0	2,914	2,603	0	2,603
Other operating income		1	0	1	1	0	1
Total operating income		**2,915**	**0**	**2,915**	**2,605**	**0**	**2,605**
Materials consumed		432	0	432	420	0	420
Other operating expenses		1,811	0	1,811	1,810	0	1,810
Staff costs	11	544	0	544	493	0	493
Total operating expenses		**2,787**	**0**	**2,787**	**2,723**	**0**	**2,723**
EBITDA		**128**	**0**	**128**	**-118**	**0**	**-118**
Fixed asset depreciation		96	0	96	74	0	74
Operating profit/(loss) before impairment and disposal of fixed assets		**32**	**0**	**32**	**-192**	**0**	**-192**
Impairment and disposal of fixed assets	9.2	0	0	0	0	-21	-21
Operating profit/(loss)		**32**	**0**	**32**	**-192**	**-21**	**-213**
Net financial income/(expense) from financing		-116	0	-116	-126	0	-126
Profit/(loss) on derivatives and other net financial income/(expense)		-10	0	-10	-3	-1	-3
Net financial income/(expense) from infrastructure projects		**-126**	**0**	**-126**	**-129**	**-1**	**-129**
Net financial income/(expense) from financing		5	0	5	13	0	13
Profit/(loss) on derivatives and other net financial income/(expense)		7	-6	1	4	11	15
Net financial income/(expense), ex-infrastructure projects		**12**	**-6**	**6**	**17**	**11**	**28**
Net financial income/(expense)	9.3	**-114**	**-6**	**-120**	**-112**	**11**	**-101**
Share of profits of equity-accounted companies	5.4	-181	-46	-226	112	-36	76
Consolidated profit/(loss) before tax		**-264**	**-51**	**-315**	**-192**	**-46**	**-238**
Corporate income tax	9.4	1	1	2	48	3	51
Consolidated profit/(loss) from continuing operations		**-263**	**-50**	**-313**	**-144**	**-43**	**-187**
Net profit/(loss) from discontinued operations	9.5	-59	0	-59	137	0	137
Consolidated profit/(loss) for the year		**-323**	**-50**	**-373**	**-7**	**-43**	**-50**
Profit/(loss) for the year attributed to non-controlling interests		-7	0	-7	44	0	44
Profit/(loss) for the year attributed to the parent company		**-329**	**-50**	**-379**	**37**	**-43**	**-6**
Net earnings per share attributed to the parent company (basic / diluted)				*-0.52/-0.52*			*-0.01/-0.01*
Net earnings per share attributed to discontinued operations (basic / diluted)				*-0.08/-0.08*			*0.19/0.19*

(*) Relating to profit/(loss) arising from changes in the fair value of derivatives and other financial assets and liabilities and impairment losses on assets and liabilities (Note 8) and the impact of the two items on "share of profits of equity-accounted companies".

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2020.

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 2019

(Millions of euros)	30.06.2020	30.06.2019
a) Consolidated profit/(loss) for the year	**-373**	**-50**
Attributed to the parent company	-379	-6
Attributed to non-controlling interests	7	-44
b) Other income and expense recognised directly in equity	**-105**	**28**
Fully-consolidated companies	**37**	**-11**
Impact on hedging reserves	90	-4
Impact on reserves for defined benefit plans (*)	0	0
Currency translation differences	-30	-8
Tax effect	-23	1
Companies held for sale	**4**	**-9**
Impact on hedging reserves	1	-6
Impact on reserves for defined benefit plans (*)	0	0
Currency translation differences	3	-6
Tax effect	0	3
Equity-accounted companies	**-146**	**48**
Impact on hedging reserves	-22	-12
Impact on reserves for defined benefit plans (*)	-25	-26
Currency translation differences	-110	78
Tax effect	11	7
c) Transfers to the income statement	**43**	**0**
Fully-consolidated companies	0	0
Companies held for sale	43	0
Equity-accounted companies	0	0
b+c) Total income and expense recognised directly in equity	***-62***	***28***
a+b+c) TOTAL COMPREHENSIVE INCOME	**-435**	**-22**
Attributed to the parent company	-469	-2
Attributed to non-controlling interests	34	-20

(*) The impact on reserves of defined benefit plans is the only item of income and expense recognised directly in equity that cannot subsequently be reclassified to the income statement (see Note 6).

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2020.

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 2019

(Millions of euros)	SHARE CAPITAL	SHARE/MERGER PREMIUM	TREASURY SHARES	OTHER EQUITY INSTRUMENTS	MEASUREMENT ADJUSTMENTS	RETAINED EARNINGS AND OTHER RESERVES	ATTRIBUTED TO SHAREHOLDERS	ATTRIBUTED TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at 31.12.2019	**147**	**995**	**-75**	**505**	**-1,195**	**3,927**	**4,304**	**783**	**5,087**
Consolidated profit/(loss) for the year						-379	-379	7	-373
Income and expense recognised directly in equity					-89		-89	27	-62
Total recognised income and expense	**0**	**0**	**0**	**0**	**-89**	**-379**	**-469**	**34**	**-435**
Scrip dividend	1	-94					-93		-93
Other dividends							0	-9	-9
Treasury share transactions	0	-74	-74			74	-74	0	-74
Shareholder remuneration	**1**	**-168**	**-74**	**0**	**0**	**74**	**-167**	**-9**	**-176**
Share capital increases/reductions							0	6	6
Share-based remuneration scheme						-17	-17	0	-17
Perpetual subordinated bonds				-5		-4	-9	0	-9
Consolidation scope changes and transactions with non-controlling interests						48	48	0	48
Other movements						-1	-1	0	-1
Other transactions				**-5**		**26**	**21**	**6**	**27**
Balance at 30.06.2020	**148**	**826**	**-149**	**500**	**-1,284**	**3,648**	**3,689**	**814**	**4,503**

(Millions of euros)	SHARE CAPITAL	SHARE/MERGER PREMIUM	TREASURY SHARES	OTHER EQUITY INSTRUMENTS	MEASUREMENT ADJUSTMENTS	RETAINED EARNINGS AND OTHER RESERVES	ATTRIBUTED TO SHAREHOLDERS	ATTRIBUTED TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at 31.12.2018	**148**	**1,273**	**-128**	**504**	**-1,261**	**3,993**	**4,530**	**833**	**5,363**
Transition to IFRS 16 (Note 2.2)						-24	-24	0	**-24**
Balance at 01.01.2019	**148**	**1,273**	**-128**	**504**	**-1,261**	**3,969**	**4,505**	**833**	**5,339**
Consolidated profit/(loss) for the year						-6	-6	-44	**-50**
Income and expense recognised directly in equity					4		4	24	**28**
Total recognised income and expense	**0**	**0**	**0**	**0**	**4**	**-6**	**-2**	**-20**	**-22**
Scrip dividend	1					-103	-102	0	**-102**
Other dividends							0	-21	**-21**
Treasury share transactions		-66	-66			66	-66	0	**-66**
Shareholder remuneration	**1**	**0**	**-66**	**0**	**0**	**-37**	**-168**	**-21**	**-190**
Share capital increases/reductions							0	24	**24**
Share-based remuneration scheme						-6	-6	0	**-6**
Perpetual subordinated bonds				-5		-4	-9	0	**-9**
Other movements		**0**	0			-1	-1	1	**0**
Other transactions	**0**	**0**	**0**	**-5**	**0**	**-11**	**-16**	**25**	**9**
Balance at 30.06.2019	**149**	**1,207**	**-194**	**499**	**-1,257**	**3,915**	**4,319**	**816**	**5,135**

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2020.

E. CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 30 JUNE 2019

(Millions of euros)	NOTE	2020	2019
Net profit/(loss) attributable to parent company		-379	-6
Adjustments to profit/(loss)		596	98
Non-controlling interests		*7*	-44
Net profit/(loss) from discontinued operations		*59*	-137
Tax		*-2*	-51
Profit/(loss) from equity-accounted companies		*226*	-76
Net financial income/(expense)		*120*	101
Impairment and disposal of fixed assets		*0*	21
Depreciation/amortisation		*96*	74
EBITDA from discontinued operations	*9.5*	*90*	210
EBITDA including discontinued operations		**217**	**92**
Tax payments		-38	-21
Change in working capital (receivables, payables and other)	5.5	61	-451
Dividends receipts and other flows from equity-accounted companies	5.4	131	242
Cash flows from operating activities		**371**	**-137**
Investment in property, plant and equipment/intangible assets		-50	-78
Investment in infrastructure projects	5.3	-47	-55
Loans granted to associates/acquisition of companies		-31	-12
Interest received		32	42
Investment of long-term restricted cash		-11	-99
Divestment of infrastructure projects		0	0
Divestment/sale of companies	1	348	3
Cash flows from investing activities		**241**	**-199**
Cash flows before financing activities		**612**	**-336**
Capital cash flows from non-controlling interests		8	31
Scrip dividend		*-93*	*-102*
Acquisition of treasury shares		*-74*	*-66*
Shareholder remuneration	6	-167	-168
Dividends paid to non-controlling interests of investees		-9	-17
Other movements in shareholder's funds		-7	-6
Cash flows from shareholders and non-controlling interests		-175	-160
Interest paid		-146	-131
Lease payments (IFRS 16)		-60	-59
Increase in borrowings		1,922	476
Decrease in borrowings		-18	-104
Change in borrowings, discontinued operations		-36	0
Cash flows from financing activities		**1,487**	**22**
Effect of exchange rate on cash and cash equivalents		**-111**	**41**
Change in cash and cash equivalents due to consolidation scope changes		**0**	**0**
Change in cash and cash equivalents due to discontinued operations and assets held for sale		**-134**	**26**
Change in cash and cash equivalents	7	**1,854**	**-246**
Cash and cash equivalents at beginning of year		4,735	4,005
Cash and cash equivalents at year end		6,589	3,759

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2020.

F. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FINANCIAL STATEMENTS AT 30 JUNE 2020

1. Activities and consolidation scope changes

1.1 Activities

The Ferrovial consolidated group (hereinafter “the Group” or “Ferrovial”) comprises the parent company Ferrovial, S.A. and its subsidiaries. Its registered office is in Madrid, at Calle Príncipe de Vergara 135.

Through these companies, Ferrovial does business in the following areas, which are its primary reporting segments pursuant to IFRS 8: Construction, Services (discontinued operation), Toll Roads and Airports.

For a more detailed description of the various areas of activity in which the consolidated Group conducts business, please consult the annual accounts as at December 2019 and the website: www.ferrovial.com.

For the purpose of understanding these consolidated financial statements, it should be noted that a significant part of the Group's activities consist of developing infrastructure projects, mainly in the Toll Roads and Airports areas, but also in Construction and Services. The modus operandi for these projects is described in the annual accounts as at 31 December 2019.

From an accounting standpoint, most of these arrangements fall within the scope of application of IFRIC 12 "Service concession arrangements".

Accordingly, and in order to help understand the Group’s financial performance, these financial statements present separately the impact of projects of this nature on both non-financial fixed assets (the heading “Fixed assets in infrastructure projects” includes the property, plant and equipment, intangible assets and investment property assigned to these projects) and non-current financial assets, payables and cash flows.

It is also important to highlight that two of the Group's main assets are its 25% stake in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London, and its 43.23% stake in ETR 407, the concession operator of the ETR 407 toll road in Toronto (Canada), which have been equity-accounted since 2011 and 2010, respectively. Detailed information on the two companies is included in Note 5.4 (Investments in associates) and is completed by relevant data provided in other notes to the interim condensed consolidated financial statements.

1.2 Consolidation scope changes and transactions with non-controlling interests

In June 2020, 1,276,505 shares in Budimex (equivalent to 5% of the ownership interest) were sold, there having been no impact on the consolidated income statement since a controlling interest is still held in the company (50.1%). The effect of the transaction on cash resources totals EUR 58 million (PLN 255 million). The difference between the transaction price and the carrying amount of the ownership interest sold (EUR 48 million) was recognised in reserves attributable to the parent company.

On 30 June 2020, Ferrovial also completed the sale of its Australian services subsidiary Broadspectrum to Ventia for AUD 465.5 million (approximately EUR 291 million). The sale equated to a loss of EUR -64 million (Note 1.3).

1.3 Assets and liabilities held for sale and discontinued operations

At 30 June 2020, the main assets and liabilities linked to the Services business division are classified as discontinued operations and various sales processes are currently open with regard to the division’s business lines.

As detailed in Note 1.2, on 30 June 2020, Ferrovial completed the sale of its Australian subsidiary Broadspectrum for AUD 465.5 million (approximately EUR 291 million). The transaction was completed after receiving regulatory and competition approvals.

The sale forms part of the process of divesting the Services subsidiary, which began in February 2019 and which entails the transfer of the Broadspectrum business in the Australia and New Zealand markets. This transaction has resulted in a loss of EUR 64 million in Net profit/(loss) from discontinued operations, relating mainly to the reclassification from shareholders’ funds to results of the amounts accumulated in equity in respect of currency translation differences and to the derivatives (hedging of overseas net investment) used for hedging purposes in accordance with IAS 21. This impact is explained by the depreciation of the Australian dollar against the euro from the purchase date until the divestment date. This loss had no impact on cash flow or shareholders' funds. This figure does not include the value of the 50% interest in a joint venture with a local partner, which was sold to it in July 2020 for AUD 20 million (EUR 12 million).

The cash effect of the transaction amounts to EUR 288.1 million, of which EUR 291 million relates to the price paid for Ventia (AUD 465.5 million), less EUR 2.3 million in transaction costs. The cash flow impact of the deconsolidation of Brodaspectrum net cash position totals EUR -77 million, mainly due to the elimination of Group's intercompany positions.

As regards the other activities and as stated in the General Shareholders’ Meeting held on 17 April 2020, at the date these financial statements are authorized for issue the Group remains committed to selling the Services Division, although the situation brought about by COVID-19 may delay the transaction. Advisor mandates are in force and conversations are in progress with potential investors, having the objective to sell the mentioned assets at a reasonable price in line with the current market value.

A fair value estimation exercise was conducted at the closing date of these interim financial statements.

As at the 2019 year end, the valuation method employed was based on multiples of comparable transactions by reference to estimated 2020 EBITDA. The analysis addressed the impact of COVID-19 in order to obtain a normalized EBITDA to reflect best estimation of the future situation of these companies. As regards the multiples, available reference values were used, relating to the offers received in 2019, listed companies and comparable transactions, including transactions completed post-COVID for which information is available. The value of multiples was contrasted by means of a discounted cash flow valuation.

Following this exercise, an additional impairment loss of EUR 44 million was recognised in Amey in the first half of the year. A profit of EUR 49 million has been recognised in the remainder of the Services businesses (excluding amortisations and depreciations according to IFRS 5).

Impact on the presentation of the financial statements

The reclassification of the Services division to discontinued operations has had the following impacts on these financial statements:

- The profit/(loss) after tax generated by the Services business is not reported on each line of the income statement but on a single line named "Net profit/(loss) from discontinued operations", in both 2020 and 2019 (Note 9.5). Pursuant to IFRS 5, this profit/(loss) does not include depreciation/amortisation charged on the assets. This heading also includes the potential profit/(loss) of impairments due to the fair value adjustment of the assets, as well as the final profit/(loss) generated at the moment of sale.

- For the purposes of the balance sheet, all assets and liabilities attributable to the Services business have been reclassified to "Assets/liabilities held for sale and discontinued operations".

- Note 10 on "Contingent assets and liabilities and investment commitments" includes information on discontinued operations.

- The following table provides a breakdown by nature of the assets and liabilities classified as discontinued operations at June 2020 and December 2019:

(Millions of euros)	JUN. 2020	DEC. 2019	Change
Non-current assets	**3,063**	**3,944**	**-881**
Goodwill	1,330	1,708	-378
Intangible assets	202	390	-188
Fixed assets in infrastructure projects	425	423	2
Property, plant and equipment	380	498	-118
Right of use	285	377	-92
Deferred taxes	264	421	-157
Other non-current assets	177	127	50
Current assets	**1,758**	**2,271**	**-513**
Inventories	27	59	-32
Short-term trade and other receivables	1,236	1,606	-370
Cash and cash equivalents	458	570	-112
Other current assets	37	36	1
TOTAL assets	**4,821**	**6,215**	**-1,394**
Fair value provision	-809	-1,279	470
TOTAL assets classified as discontinued operations	**4,012**	**4,936**	**-924**

(Millions of euros)	JUN. 2020	DEC. 2019	Change
Deferred income	**40**	**44**	**-4**
Non-current liabilities	**1,197**	**1,423**	**-226**
Long-term provisions	262	272	-10
Long-term lease liabilities	136	191	-55
Borrowings	348	544	-196
Other non-current liabilities	451	416	35
Current liabilities	**1,606**	**2,024**	**-418**
Short-term lease liabilities	46	77	-31
Borrowings	69	56	13
Short-term trade and other payables	1,260	1,661	-401
Trade provisions	211	224	-13
Other current liabilities	20	6	14
TOTAL liabilities classified as discontinued operations	**2,843**	**3,491**	**-648**

2. Impact of COVID-19

The World Health Organization declared a global pandemic caused by COVID-19 in March 2020. Most of Ferrovial's business is conducted in countries that are exposed to a greater or lesser extent to COVID-19 outbreaks and have implemented drastic measures such as states of emergency, border closures to international travellers and restrictions on the movements of their own citizens.

These measures have caused a reduction in consumption, commercial activities and industrial production, seriously affecting the countries' economies and pushing down demand for Ferrovial's services. This has impacted mobility services in particular, though not exclusively.

With the aim of presenting the global impact of the pandemic and in line with ESMA's recommendations, this note provides an explanation of the impact of the pandemic on the financial statements for the first half of the year, description of the analysis performed to conclude that the Company can continue to do business under the going concern principle, analysis of the possible impact of COVID-19 on the impairment of assets and assessment of the potential impact on the main financial risks, including an analysis of the risk of breach of covenants included in financing agreements.

2.1 Impact on the financial statements for the first half of the year and mitigating measures adopted

The effects of COVID-19 on Ferrovial's business results are described below:

Airports Division

The pandemic has led to a drastic reduction in the number of passengers both at Heathrow and at AGS (the holding company of Aberdeen, Glasgow and Southampton airports), both of which are equity-accounted companies.

Passenger trends in the months following the outbreak of the pandemic were as follows:

Passenger trends (*)	Apr-20	May-20	Jun-20
Heathrow	**-97.0%**	**-96.7%**	**-95.2%**
Aberdeen	-86.0%	-87.5%	-83.6%
Glasgow	-99.4%	-99.7%	-98.7%
Southampton	-99.1%	-98.7%	-97.6%
TOTAL AGS	**-96.4%**	**-97.0%**	**-95.6%**

(*) Compared with the same month of the previous year

This reduction in traffic entailed a similar fall in revenue at both airports, directly impacting both companies' income statements.

Besides the reduction in traffic, in the case of Heathrow airport, a restructuring provision was recognised in the amount of GBP -37 million (EUR -8 million for Ferrovial's % shareholding) related to the staff cost saving measures described below, and a fixed asset impairment loss of GBP -85 million (EUR -20 million for Ferrovial's % shareholding) related to capitalised costs of projects not expected to be undertaken. In AGS, a provision for termination benefits was set up in the amount of GBP 1.6 million (EUR 0.8 million for Ferrovial's % shareholding).

At Heathrow airport, there was also an adverse effect on the income statement due to the variation in derivatives (EUR -49 million for Ferrovial's % shareholding), specifically in inflation (EUR -23 million), interest rate (EUR -14 million) and exchange-rate (EUR-12 million), the negative value of which increased, mainly due to credit risk worsening and the UK's interest rate cut as part of the measures announced by the Bank of England to mitigate the macroeconomic impacts of the pandemic, affecting the discount rates used for the measurement of the derivatives.

The overall impact was the contribution of a loss of EUR -222 million by Heathrow to Ferrovial in the first six months of 2020. In the case of AGS, losses totalled EUR -31 million.

At Heathrow and at the AGS' regional airports, measures were taken to both cushion the impact on the income statements and preserve the cash resources available in both companies. The following measures are particularly worthy of mention:

- Reduction of approximately GBP 300 million at Heathrow and of GBP 27 million at AGS, both figures relating to the estimated total impact in 2020. They include measures to adjust staff costs to the level of business (temporary lay-offs, wage cuts, bonus cancellations, freezing of new hirings, organisational restructuring), renegotiation of supplier agreements and interruption of non-essential activities.

- Revenue maximisation, taking advantage of the capacity to prioritise cargo flights.

- Reduction of approximately GBP 650 million in fixed asset investments at Heathrow and GBP 23 million at AGS.

- Dividend reduction. No dividend pay-outs are envisaged this year in addition to those already distributed and the pay-out rate in the coming years will depend largely on the duration and future evolution of the pandemic.

Toll Roads Division

Traffic was severely affected in April, although the main toll roads operated by Ferrovial are gradually recovering. Traffic trends on the main toll roads in North America in the second quarter of 2020 are analysed below:

Traffic trends (*)	Apr-20	May-20	Jun-20
407 ETR	-80.4%	-73.7%	-57.8%
NTE	-65.0%	-49.8%	-31.3%
LBJ	-72.2%	-61.4%	-45.6%
NTE 35W	-56.8%	-36.1%	-15.9%

(*) Compared with the same month of the previous year

The decline in traffic caused the Toll Roads Division's operating result to fall to EUR 152 million, as compared with a figure of (EUR 207 million) for the same period of the previous year. Similarly, the contribution by equity-accounted businesses, particularly 407 ETR, was also considerably lower (EUR 27 million as compared with EUR 75 million in 2019).

The toll roads are adapting to the new situation by taking certain **mitigating measures** that include:

- Reduction in operating expenditure: lower road repair and maintenance costs, lower toll collection costs, reduction in communication and marketing campaigns, and temporary lay-offs.

- Postponement of fixed asset investments. The combined impact of this measure and the previous one is estimated in EUR 33 million (on a proportional basis).

- Dividend reduction. The 407 ETR has not paid the second quarter dividend. The toll road Board will review any potential dividend distribution to shareholders, as appropriate.

Construction Division

Unlike Airports and Toll Roads, the impact on this division was less significant and distributed unevenly from region to region. Spain and South America were the most affected due to the lower rates of production in construction work with fixed costs, delays in the arrival of personnel and supplies, acceleration costs and additional health and safety materials. The total impact on operating results amounted to EUR -44 million.

Mitigating measures were also implemented in this business area in order to cut costs (estimated in EUR 3 million), while compensation claims were initiated due to the possible impact of the delay and/or cost of project execution under contracts including force majeure or similar clauses.

Services Division (discontinued operation)

COVID-19 also had an adverse effect on the Services Division, particularly during the lockdown months (April and May in Spain; a little longer in the United Kingdom, to the end of June), having a particular impact on revenues related to mobility services, such as catering for trains and road maintenance concessions with shadow tolls, as well as waste treatment due to the volume decrease caused by the reduction in industrial activity. The impact on this division's EBITDA amounted to EUR -71 million.

As regards the mitigating measures implemented in Spain, Ferrovial Servicios availed itself of temporary lay-off proceedings applicable to certain contracts.

In the United Kingdom, Amey applied a number of initiatives promoted by the British Government to support the economy, such as:

- 80% subsidy for salaries of furloughed employees up to the limit of GBP 2,500 per employee.
- Advance receipts from public customers in order to support the liquidity of public service providers.
- Possibility of deferring tax payments to the end of the annual period, both in 2020 and 2021. Specifically, Amey deferred VAT payments for March and April 2020 to 31 March 2021. Payments of employee income tax withholdings were also deferred from March to the end of June 2020.

The estimated impact of the cost reduction is up to EUR 28 million in the whole division, plus EUR 25 million from temporary lay-offs and furloughs.

Impact on cash flows

The impact of the pandemic on cash flows in the infrastructure businesses is quantified in terms of the reduction in dividends received (mainly due to the cancellation of 407 ETR's second-quarter dividend and of the Heathrow dividend). Dividend trends with respect to the same period of the previous year are as follows:

Dividends received (*)	Jun-20	Jun-19	Change
407 ETR	89	146	-57
HAH	29	58	-29
AGS	0	11	-11
Other	14	28	-13
TOTAL	**133**	**244**	**-111**

(*) Compared with the same period of the previous year

In the Construction Division, cash flow impacts are largely in line with the trend in results (EUR -47 million). On the other hand, the Services division has experienced a temporary positive cash flow impact derived from the Spanish and UK initiatives stated above. This positive impact is expected to reverse in the following months.

2.2 Going concern assessment

Ferrovial is confronting the current economic situation in a position of liquidity at an all-time high. In June 2020, ex-infrastructure projects, liquidity reached EUR 7,508 million, including the Services Division, as well as lines available at the ex-infrastructures level in the amount of EUR 695 million. The ex-infrastructures net cash position stood at EUR 1,668 million at end-June 2020 (including the Services division). It should also be noted that the Group's short-term assets and liabilities, including cash and debt position, show a positive balance at end-June 2020.

Despite the relevant impact of COVID-19 in the global economy, companies that have liquidity and a strong balance sheet should come out of the pandemic situation in a better position. The uncertainty of the length of the restricted activity calls for a prudent approach until health concerns are eased.

In order to conclude as to the Company's capacity to continue as a going concern, the Group has analysed future cash needs, particularly for the rest of 2020 and 2021. This involved two scenarios relating to recovery from the pandemic, an "adapted normal" and a "disruptive", the difference being that, in the case of the "disruptive" scenario, significant new outbreaks are envisaged in the second half of 2020, entailing greater economic deterioration and a delay in recovery.

Regarding those scenarios, a number of stress assumptions were included regarding trends in the Company's cash resources:

- No dividends received to the end of 2020 and in 2021 from infrastructure projects.
- Worsening of cash projections in the Construction business.
- Delay beyond 2021 in sale processes currently under way.
- Specific recapitalization needs in certain projects due to the breach of the financing agreements (covenants).

The conclusion drawn from the analysis is that, although the scenario would entail a very significant deterioration of the Company's cash position, cash resources would continue to be sufficient to meet commitments, so it can be concluded that considering the available information, there are no major uncertainties related to events or conditions, that could raise doubts about Ferrovial' s capacity to continue operating under the going concern principle for 12 months following the date the financial statements were signed.

2.3 Impact on asset impairment

As indicated previously, the main uncertainties caused by COVID-19 relate to infrastructure projects (tolls roads and airports), due to the drastic reduction in toll road traffic caused by the restrictions imposed on mobility and in the number of airport passengers.

In addition, future trends relating to these assets are subject to a series of uncertainties such as the impact on traffic of the economic freeze, promotion of working from home and electronic commerce (in this case, the impact is positive due to the increase in heavy and commercial traffic for delivery and return logistics) or the social distancing measures, which will change mobility habits, at least temporarily.

These trends and uncertainties as to future trends have been taken into account when analyzing possible impairment losses on the assets used in these activities. Impairment tests were carried out on the main assets (all toll roads and airports, Budimex, Webber, Transchile and services companies held for sale) using projections discounted based on the two possible pandemic scenarios referred to above ("adapted normal" and "disruptive"), as well as increasing the discount rates applied. The main differences between the two scenarios are the period needed to recover from the pandemic, the economic impact and the effect of the promotion of working from home.

As regards the short- and medium-term impact of COVID-19 on the main toll road assets, the return of revenue to 2019 levels in the adapted normal scenario is estimated to occur in 2022 in 407 ETR and between 2021 and 2023 in Managed Lanes (in 2023 in 407 ETR and between 2022 and 2024 in Managed Lanes in the disruptive scenario).

In the case of airports, in the base case recovery of traffic levels is expected to be slower than in toll roads, in view of the uncertainty generated by COVID-19. HAH and AGS are estimated to return to 2019 traffic levels in 2023 and 2024, respectively.

The discount rates used in the impairment testing were determined by analysing trends in the main market parameters, the Company having decided to increase the discount rate by between 25 and 50 basis points with respect to pre-COVID levels. Despite the fall in the risk-free rate in Ferrovial's main markets, the recent increase in risk perception and in returns expected by investors, caused by the pandemic, justify raising cost of capital. It should be noted that the Company uses conservative parameters in order to arrive at a normalized risk-free rate (normalized risk-free rates are between 100 and 150 basis points above the spot rate).

As described in more detail in Note 5, the conclusion drawn from the exercise carried out with the information available as of today is that the assets analyzed are not expected to become impaired.

In the case of the Construction and Services businesses, the impact is expected in the shorter term (2020 and 2021) due to the loss of income during the economic crisis following the pandemic.

As regards the Construction business, the impact of the two assets to which goodwill has been assigned, Budimex in Poland and Webber in Texas USA, has been limited, there being a considerable difference between value in use (Budimex fair value based on current market capitalisation) and the carrying amount.

Finally, in the Services business, since the assets remain classified as discontinued operations, fair value was discounted at the close of H1 to include the estimated impact of COVID-19. Following this exercise, an impairment loss of EUR 44 million was recognized in Amey in the first half of the year. As regards the other Services businesses, no impairment losses have been recognized. Note 1.3 provides further details of the approach taken.

2.4 Impact on financial risks

Covenants

The most relevant covenants in the Group's financing agreements relate to default ratios in the infrastructure areas (Toll Roads and Airports).

Toll roads

The financing agreements for the main toll road projects contain no default ratios that might entail the early repayment of the debt. They only contain lock-up ratios, which can prevent dividend distribution by the toll road companies.

The decision taken by 407 ETR not to pay out the second-quarter dividend is presented as a prudent measure in view of the uncertainty, rather than as a contractual impediment, since Ferrovial current estimates that for its main toll roads assets do not lead to lock up ratios being triggered. but the outlook remains uncertain.

Airports:

At Heathrow airport, debt subject to covenants breach risk relates to the company Heathrow Finance PLC (approximately GBP 2,400 million). It has been received approval form Heathrow Finance's creditors (representing over 95% of the total debt) to waive the ICR (Interest Coverage Ratio: cash flows from operating activities divided by interest of above 1x) for the financial year ending 31 December 2020 and to amend the RAR (Regulatory Asset Ratio: net debt divided by the RAB or regulatory asset base of below 92.5%) from current 92,5% to 95% and 93,5% for the financial year ending 31 December 2020 and 2021, respectively. Hence, no breaches are forecast to occur in June 2021 and the Group is able to meet all obligations for the period of at least 12 months. The agreement with Heathrow creditors establishes certain conditions, such as restrictions for dividends payments and a temporary minimum liquidity cash position of GBP 200 million. Furthermore, Heathrow offer its Noteholders a coupon step-up of up to 0.75%, a 0.25% increase since the waiver implementation date, and two additional 0.25% increases, if RAR is above 92.5%, and the other one if the rating of any class of Notes is downgraded below Ba3 or BB-.

In AGS, two financial covenants were expected to breach in 2020, specifically the Net borrowings/ EBITDA ratio <9.5x and the debt service coverage ratio (DSCR) >1.1x. A waiver of the covenants was obtained on June 15th for June and December 2020. However, the December waiver is subject to a liquidity test at 30 November 2020. Although the liquidity projections showed the test compliance, the current high uncertainty could lead to deviations in such projections. The Group is currently working in possible mitigations related to the December waiver, given that eventual scenario.

Corporate debt:

Corporate date consists primarily of the following debt instruments: corporate bonds, Euro Commercial Paper and corporate liquidity lines. None of the instruments includes default ratios, so there is no risk of default on this type of obligations.

Measurement of derivatives

The coronavirus pandemic and related economic consequences have triggered major upheavals in financial markets having a direct impact on the value of the Ferrovial Group's portfolio of derivatives. The fall in interests rates affecting certain currencies and the generalised increase in credit risk are particularly significant.

Interest rates

In some regions, the pandemic has forced central banks to apply emergency interest rate cuts and extraordinary liquidity measures that have caused interest rates to fall across the board.

These movements have a direct impact on the value of derivatives, particularly interest rate swaps (IRS). The interest rate cuts affecting the GBP and USD have directly affected the valuation of Ferrovial's IRSs in the period February-June 2020 (GBP - 2 million and USD -3 million, with balancing items in reserves). Additionally, in the case of Heathrow an impact of EUR -14 million (net profit/(loss) attributable to Ferrovial) has been registered in this regard in the income statement in H1 2020.

Credit risk

The increase in credit risk due to the economic consequences of the pandemic has caused a sharp widening of credit spreads and of Credit Default Swaps (CDS), as well as deterioration in the credit worthiness of some of the projects and counterparties. This has had a direct impact on the calculation of credit risk adjustments for derivatives. In general, the widening of credit risk has a positive impact on liability derivatives (negative valuation) and a negative effect on asset derivatives (positive valuation). Specifically, it had an impact between February and June 2020 of EUR 26 million on IRS in Euros and EUR - 14 million in the Autema index-linked swap. These impacts have been reflected in reserves.

This credit risk rise could lead to hedge ineffectiveness, although there has been no decline in the effectiveness of any of the Ferrovial Group's derivatives according to the tests performed to date, except for Heathrow cross currency swaps, which had a net impact of EUR -12 million for Ferrovial in consolidated income statement as at June 2020.

UK inflation (Retail Price Index, RPI)

Although expected inflation in the United Kingdom (RPI) is at slightly lower levels than those at the start of the pandemic, which is beneficial for Heathrow's Index Link Swap portfolio whose future payments are linked to inflation, the sharp reduction in GBP nominal interest rates has caused a wider adverse impact on their valuation due to the negative effect of discount factors on these products (GBP -23 million at Ferrovial share, with impact in Profit and Loss).

Impairment of financial assets

The Group applies the IFRS 9 expected credit loss approach to the impairment of receivables. The Group reviews the ratings of customers (or awarding entities in the case of financial assets under IFRIC 12) annually and calculates a percentage reflecting the probability of default and the percentage loss that this would entail.

As a result of the pandemic, the Group brought forward the credit review exercise, which is usually carried out at the year end, having identified an increase in probability of default on some assets and recognised an impairment loss accordingly. This relates specifically to infrastructure projects under the IFRIC 12 financial asset model, all located in Spain. The net impact of the losses recognised on the income statement is as follows: Autopista Terrassa Manresa (Autema) – EUR 3.3 million, Concesionaria de Prisiones Figueras EUR -0.2 million and Concesionaria de Prisiones Lledoners EUR -0.2 million.

3. Summary of the main accounting policies

3.1 Basis of presentation

The accompanying interim condensed consolidated financial statements of Ferrovial, S.A. for the six-month period ended 30 June 2020 have been prepared in accordance with IAS 34 "Interim financial reporting".

In accordance with IAS 34, interim financial information is prepared placing emphasis on new activities, events and circumstances that have arisen during the half year and not duplicating the information previously published in the 2019 consolidated annual accounts. Consequently, for a proper understanding of the information included in these interim condensed consolidated financial statements, they should be read together with the Group's consolidated annual accounts for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards (IFRS) in force.

3.2 New standards, amendments and interpretations adopted by the European Union and mandatorily applicable for the first time in the six-month period ended 30 June 2020

On 01 January 2020 the following standards came into force in the European Union that could have a potential impact on the interim condensed financial statements: amendment to IFRS 3 Definition of a business; amendments to IFRS 9, IAS 39 and IFRS 7 on the interest rate benchmark reform; amendments to IAS 1 and 8 to align the definition of materiality with the definition included in the conceptual framework.

Of the standards first-time adopted at 1 January 2020, the most relevant impact relates to the adoption of the amendments to IFRS 9, IAS 39 and IFRS 7 on the interest rate benchmark reform. The purpose of this reform is to replace the indices used as benchmarks for the average interest rate at which a certain number of financial institutions would grant unsecured interbank funding for different periods and currencies, such as the EURIBOR or the LIBOR.

The Group has applied this amendment retroactively to hedging relationships in force at 1 January 2020 or designated since that date and affected by the interest rate benchmark reform.

The hedging instruments and hedged items within the scope of the changes to interest rates by hedge type are set out below:

Benchmark		Notional (MEUR)	Notional (M Local Currency)
Euribor		**2,386**	**2,386**
	IRS	2,386	2,386
Libor GBP		**1,787**	**1,678**
	IRS	626	569
	CCS	1,161	1,109
Libor USD		**322**	**367**
	IRS	72	81
	CCS	250	286

The Group will apply this amendment to IFRS 9 until the uncertainty regarding the timing or amount of cash flows from the hedged item or hedging instrument ends or the hedging relationship is discontinued.

3.3 New standards and amendments not applied in the six-month period ended 30 June 2020 that will be applicable in future years

New standards, amendments and interpretations that might have an effect on the Group but have not yet been approved for use by the European Union are as follows: Amendments to IAS 1 Classification of liabilities as current or non-current; amendment to IFRS 16 COVID-19-related rent concessions; amendments to IFRS 3 Business combinations, IAS 16 Property, plant and equipment, IAS 37 Provisions, contingent liabilities and contingent assets; and annual improvements, cycle 2018-2020. None of these standards is expected to have a material impact on the Company.

3.4 Accounting estimates and judgements

In the interim condensed consolidated financial statements at 30 June 2020, estimates have needed to be made to measure some of the assets, liabilities, income, expenses and commitments reported. The matters in respect of which estimates are made are the same as those described, which match those disclosed in the consolidated annual accounts for the financial year ended 31 December 2019, plus all the estimates made or updated in relation to the impact of COVID-19 (Note 2).

3.5 Basis of consolidation

The basis of consolidation applied at 30 June 2020 is consistent with the approach adopted in the consolidated annual accounts for the year ended 31 December 2019.

4. Financial information by segment and geographic market

The parent company's Board of Directors analyses the Group's performance mainly in business terms. From this perspective, the Board assesses the performance of the Construction, Toll Road, Airport and Services divisions as discontinued operations. These areas are the same as those used in the 2019 consolidated annual accounts. The "other segments" column reflects the figures for companies not assigned to any business area, the most significant being Ferrovial, S.A., the Group's parent, and other small subsidiaries.

The "adjustments" column contains consolidation adjustments between business divisions.

The segment income statement for the six-month periods ended 30 June 2020 and 30 June 2019 is included in the Appendices.

Set out below is a breakdown of revenue by segment as compared with the previous year:

	30/06/2020			
(Millions of euros)	EXTERNAL SALES	INTERSEGMENT SALES	TOTAL	CHANGE 20/19
Construction	2,368	313	2,681	16%
Toll roads	227	0	227	-21%
Airports	4	0	4	-54%
Other segments	2	62	64	-10%
Adjustments	0	-62	-62	-13%
Total	**2,601**	**313**	**2,914**	**12%**

	30/06/2019		
(Millions of euros)	EXTERNAL SALES	INTERSEGMENT SALES	TOTAL
Construction	2,229	79	2,308
Toll roads	287	1	288
Airports	9	0	9
Other segments	0	70	70
Adjustments	0	-72	-72
Total	**2,525**	**78**	**2,603**

The intersegment revenue that is not eliminated in the Group's consolidated financial statements relates to the Construction division project companies, as explained in Note 13.

Geographic areas

Business volume by geographic area breaks down as follows:

(Millions of euros)	2020	2019	Change 20/19
Spain	383	468	-18%
UK	193	172	12%
Australia	25	55	-54%
USA	1,184	812	46%
Canada	8	21	-62%
Poland	842	760	11%
Other	279	315	-12%
TOTAL	**2,914**	**2,603**	**12%**

5. Main changes in the consolidated statement of financial position

5.1 Foreign exchange effect

As may be observed in the following tables, during 2020 all of the currencies depreciated against the euro, except for the US dollar average exchange rate.

CLOSING EXCHANGE RATE	2020	2019	CHANGE 20/19 (*)
Pound sterling	0.9082	0.8467	7.27%
US dollar	1.1243	1.1229	0.12%
Canadian dollar	1.5308	1.4573	5.04%
Australian dollar	1.6318	1.59861	2.08%
Polish zloty	4.4461	4.2565	4.45%
Chilean peso	924.39	845.17	9.37%

AVERAGE EXCHANGE RATE	2020	2019	CHANGE 20/19 (*)
Pound sterling	0.87757	0.8721	0.62%
US dollar	1.10555	1.12985	-2.15%
Canadian dollar	1.51454	1.50062	0.93%
Australian dollar	1.68788	1.59671	5.71%
Polish zloty	4.43902	4.28097	3.69%
Chilean peso	909.84333	763.37500	19.19%

(*) A negative change represents an appreciation of the reference currency against the euro and vice versa.

This trend has had a negative impact of EUR -143 million on shareholders' funds attributable to the parent company. The main impact derives from the depreciation of the Canadian dollar (EUR -81 million). As commented in the 2019 annual accounts, the Company has arranged various hedging instruments (Note 8.2) the purpose of which is to hedge foreign exchange risk for the dividends that will foreseeably be received in the coming years and a portion of the cash balances invested in currencies other than the euro.

5.2 Acquisitions and goodwill

a) Main changes during the period:

Movements in goodwill on consolidation at June 2020 are as follows:

(Millions of euros)	BALANCES AT 31/12/2019	EXCHANGE RATE	BALANCES AT 30/06/2020
Construction	**205**	**-3**	**202**
Budimex	69	-3	66
Webber	136	0	136
Airports	**43**	**0**	**43**
Transchile	43	0	43
TOTAL	**248**	**-3**	**245**

b) Possible indications of impairment:

As may be observed in the table above, the main amounts of goodwill relate to the construction business, specifically to Budimex and to Webber. It has been verified that Budimex's share price is above the carrying amount.

The impact of COVID-19 on Budimex and Webber is limited, there being a considerable difference between value in use (fair value in Budimex) and the carrying amount. On this basis, as no indications of impairment have been identified, the goodwill impairment tests of these two companies have not been updated (Note 2).

In Transchile impairment test has been updated applying a discount rate Ke of 7,2% (vs 6,8% in December 2019). As it has a 25% headroom over book value, no impairment was registered.

5.3 Fixed assets in infrastructure projects

Set out below is a breakdown of fixed assets in infrastructure projects at 30 June 2020 and 31 December 2019:

(Millions of euros)	BALANCE AT 31/12/2019	TOTAL ADDITIONS	TOTAL DISPOSALS	CHANGES IN THE CONSOLIDATION SCOPE	FOREIGN EXCHANGE EFFECT	BALANCE AT 30/06/2020
US toll roads	5,905	56	0	0	-9	5,952
Other toll roads	391	0	0	0	0	391
Toll road investment	**6,296**	**56**	**0**	**0**	**-9**	**6,343**
Accumulated depreciation/amortisation	-305	-34	0	0	2	-337
Net investment in toll roads	**5,991**	**22**	**0**	**0**	**-7**	**6,006**
Investment in other infrastructure projects	6	4	0	0	0	10
Depreciation/amortisation of other infrastructure projects	0	0	0	0	0	0
Total net investment in other infrastructure projects	**6**	**4**	**0**	**0**	**0**	**10**
Total investment	**6,302**	**60**	**0**	**0**	**-9**	**6,353**
Total depreciation/amortisation and provision	**-305**	**-34**	**0**	**0**	**2**	**-337**
Total net investment	***5,997***	***26***	**0**	**0**	***-7***	***6,016***

There was a total net change of EUR 19 million in the net investment in assets accounted for using the intangible asset model in the first half of 2020, the most significant changes being:

- The slight depreciation of the US dollar (Note 5.1) in the first six months of the year resulted in a total net decrease in US toll roads of EUR -7 million.
- Investment in these assets also increased by EUR 56 million, excluding the foreign exchange effect, relating essentially to North Tarrant Express Seg. 3.
- Finally, depreciation and amortisation charges for the period total EUR -34 million.

As explained in Note 2, one of the main uncertainties caused by COVID-19 affects the toll road projects exposed to demand risk due to the drastic fall in traffic resulting from the mobility restrictions imposed.

In addition, future trends relating to these assets are subject to a series of uncertainties such as the impact on traffic of the economic freeze, promotion of working from home and electronic commerce (in this case, the impact is positive due to the increase in heavy goods traffic during distribution) or the social distancing measures, which will change mobility habits, at least temporarily.

The drastic drop in traffic and uncertainties as to future trends were taken into account when analyzing possible impairment losses on the assets used in these activities. Impairment tests were carried out on the main assets using projections discounted based on two possible "adapted normal" and "disruptive" pandemic scenarios, adjusting the discount rates upwards by 25 basis points for the main toll roads exposed to demand risk (and despite the fall in the price of sovereign bonds in the countries in which we operate). The discount rates employed (ke) are within a range of 6.5% to 16%, depending on each asset's risk, location and indebtedness. The main differences between the two scenarios are the period needed to recover from the pandemic, the economic impact and the effect of the promotion of working from home. Revenues for the main assets are assumed to recover in 2021-2023 in the adapted normal scenario and 2022-24 in the disruptive scenario.

Following this exercise, the conclusion was drawn that, with the information available as of today, there are no impairment loss in these assets.

The assets accounted for using the financial asset model pursuant to IFRIC 12, amounting to EUR 904 million (31 December 2019: EUR 883 million), relate mainly to long-term receivables (more than twelve months) from public administrations, as balancing items with respect to services rendered or investments made under a concession arrangement. The most significant balance relates to the Terrassa Manresa toll road in the amount of EUR 717 million at 30 June 2020 (31 December 2019: EUR 689 million).

There were no material changes under this heading.

5.4 Investments in associates

Set out below is a breakdown of investments in equity-accounted companies at 30 June 2020 showing movements during the year. Due to their significance, the investments in 407 ETR (43.23%) and HAH (25%) are presented separately.

(Millions of euros)	HAH (25%)	407 ETR (43.23%)	OTHER	TOTAL
Balance at 31.12.19	**690**	**1,422**	**445**	**2,557**
Share of profit/(loss)	-222	14	-18	**-226**
Dividends	-29	-89	-3	**-121**
Foreign exchange differences	-37	-67	-6	**-110**
Pensions	-23	0	3	**-20**
Other	6	0	-8	**-2**
Balance at 30.06.20	**385**	**1,280**	**413**	**2,078**

Trends: movements under this heading are explained essentially by the loss for the period (EUR -226 million), which was adversely affected by the impact of COVID-19 on the results posted by HAH (Note 2), the distribution of dividends (EUR -121 million) and the foreign exchange impact (EUR -110 million; see currency fluctuations against the euro in Note 5.1).

In view of the importance of the investments in 407 ETR and HAH, there follows a breakdown of their balance sheets and income statements, as adjusted to bring them in line with Ferrovial's accounting policies, together with comments on related trends in the first six months of 2020.

a. Information relating to Heathrow Airport Holding (HAH)

a. Impairment analysis

The asset's operating trend in 2020 was affected by COVID-19 as from the second quarter, when business plunged due to the mobility restrictions and the closure of borders caused by the pandemic.

In HAH's case, in view of the uncertainty brought by COVID to the airport industry, a base scenario has been adopted in which traffic levels recovery are expected to be slower than for toll roads, with passenger traffic expected to return to 2019 levels in 2023.

The measurement method is similar to that described in the annual accounts at December 2019. Flows are discounted at the deleveraged rate (6.2%), discounting the tax shield at the cost of debt. The measurement reflects a considerable buffer with respect to the carrying amount.

It is important to point out that the Company continues to consider that the most likely scenario is that the capacity expansion plans will be carried out (third runway). In contrast to the 2019 annual accounts, particularly for the purposes of the impairment test, the Company has decided to assume a conservative scenario of two runways due to the delay of at least two years that the lawsuit on complying with the Paris climate change agreement could have, in relation to the expansion of capacity of the third runway.

In this regard, on 27 February 2020 the Court of Appeal reached the conclusion that a number of changes had to be made to the plans for the third runway to assure compatibility with the strategy launched by the British Government in compliance with the Paris Climate Change Agreement. The Court stated that the Airports National Policy Statement (ANPS) has no legal effects until the Government reviews the policy. After reading the resolution, the Government chose not to appeal directly to the Supreme Court, but Heathrow and other stakeholders have requested permission to appeal the Court of Appeal's ruling. In May 2020, the Supreme Court gave leave to appeal the ruling and Heathrow intends to proceed with this appeal. Once normality returns to airlines and connectivity, Heathrow will need to expand, but the current priority is to respond to the impacts of COVID-19.

Accordingly, based on the information available at the closing date, it is likely that a third runway will be built, and no accounting effect of the ruling has been recognized, in accordance with IAS 16.

Finally, we would note that Heathrow's regulatory framework provides some protection from future adverse fluctuations in the inputs that determine the company's financial trends. These business parameters are the basis for calculating the maximum tariffs in each regulatory period. So, in the context of the new regulatory period that will begin in January 2022 and in a potential scenario of less traffic projected for the future, aeronautical tariffs would be adjusted to achieve the profitability target imposed by the regulator.

b. Balance sheet movements 2020-2019

HAH (100%) GBP (MILLION)	Jun. 2020	Dec. 2019	Change 20/19
Non-current assets	**17,391**	**17,172**	**219**
Goodwill	2,753	2,753	0
Fixed assets in infrastructure projects	13,378	13,521	-144
Rights of use of leased assets	286	276	10
Non-current financial assets	48	48	0
Pension plan surplus	0	33	-33
Deferred taxes	0	0	0
Financial derivatives	926	539	387
Other non-current assets	0	0	0
Current assets	**2,808**	**1,851**	**957**
Trade and other receivables	122	244	-123
Financial derivatives	29	0	29
Cash resources and accrued income	2,622	1,594	1,028
Other current assets	35	13	22
Total assets	**20,199**	**19,023**	**1,176**

HAH (100%) GBP (MILLION)	Jun. 2020	Dec. 2019	Change 20/19
Equity	**-925**	**15**	**-940**
Non-current liabilities	**20,030**	**17,846**	**2,184**
Pension provisions	85	29	56
Borrowings	17,534	15,449	2,085
Deferred taxes	777	784	-7
Financial derivatives	1,290	1,227	63
Other non-current liabilities	344	357	-13
Current liabilities	**1,094**	**1,162**	**-68**
Borrowings	738	644	94
Trade payables	328	428	-100
Financial derivatives	7	55	-48
Other current liabilities	21	35	-14
Total liabilities	**20,199**	**19,023**	**1,176**

Accounting policies:
The balance sheet analyzed in this note includes the impact of the consistency adjustments made to bring HAH's accounting policies into line with those applied by Ferrovial. Although both companies apply IFRS, the main consistency adjustment relates to the measurement of investment property, HAH having used the fair value alternative and Ferrovial

the historical cost alternative, as permitted by IAS 40. The historical adjustment to equity due to this difference totals GBP -612 million.

Equity:

At 30 June 2020, equity stood at GBP -925 million (GBP -313 million excluding the above-mentioned consistency adjustment to investment property), having fallen by GBP -940 million with respect to December 2019. This is explained by the loss for the year of GBP -779 million, the dividend pay-out of GBP -100 million and the impact of pension plans (GBP -81 million), offset by GBP 20 million recognised in reserves in respect of effective hedges.

In addition, as regards equity, it should be noted that the 25% of shareholders' funds reflected in the accompanying balance sheet does not relate to the carrying amount of the ownership interest, since it also includes the capital gain generated on fair value measurement of the interest retained following the loss of control due to the divestment of 5.88% of this company in October 2011. The gain was recognised as an increase in goodwill. Therefore, in order to obtain the carrying amount recognised by Ferrovial, it would be necessary to increase the 25% of shareholders' funds presented above (GBP -231 million) by the amount of the aforementioned gain (GBP 581 million), giving a total of GBP 349 million which, translated at the year-end exchange rate (EUR 1 = GBP 0.90824), equates to an ownership interest of EUR 385 million.

Borrowings:

HAH's net cash position amounts to GBP -14,793 million, consisting of long-term borrowings of GBP -17,534 million, short-term borrowings of -738, cash resources and accrued income of GBP 2,622 million and currency cross swaps of GBP 857 million associated with the borrowings.

Regarding HAH's borrowings (short and long-term), stood at GBP 18,272 million at 30 June 2020, entailing an increase of GBP 2,179 million with respect to December 2019 (GBP 16,093 million). This increase is primarily due to the effect of:

- Redemption and issuance of bonds in the amount of GBP -400 million and GBP 381 million, respectively.
- Net increase of GBP 1,761 million in bank borrowings, relating essentially to the utilisation of revolving credit lines in the amount of GBP 1,150 million and to new borrowings of GBP 535 million contracted through the company Heathrow Finance PLC and maturing in 2035. This increase in borrowings brought a parallel rise in the Company's cash resources. There was therefore an increase in available cash resources of GBP 1,028 million and HAH also has a total of GBP 130 million in undrawn credit lines.
- Increase of GBP 452 million as a result of fair value adjustments to and the exchange rate of foreign currency bonds issued. This impact is offset by changes in the value of cross currency swaps arranged to hedge this debt (EUR 398 million).
- Other movements amounting to EUR -15 million (mainly accrued unmatured interest and fees).

As indicated in Note 2.4, at Heathrow airport, debt subject to covenants breach risk relates to the company Heathrow Finance PLC (approximately GBP 2,400 million). It has been received approval form Heathrow Finance's creditors (representing over 95% of the total debt) to waive two covenants. Hence, no breaches are forecast to occur in June 2021 and the Group is able to meet all obligations for the period of at least 12 months.

Financial derivatives at fair value

The notional principal of HAH's derivatives portfolio at 30 June 2020 totalled GBP 12,799 million, including cross currency swaps with a notional value of GBP 4,551 million to hedge issues in currencies other than pound sterling, interest rate swaps (IRSs) with a notional value of GBP 1,972 million to hedge interest rate risk relating to borrowings, and index linked swaps (ILSs) with a notional value of GBP 6,276 million to convert certain debt issues into index-linked debt. The purpose of index-linked derivatives is to convert nominal fixed-rate debt into index-linked variable debt, for the purpose of fixing effective interest rates and hedging variations in the regulatory asset base (RAB) caused by changes to the inflation rate.

The net change in value (asset/liability position) of these financial instruments gave rise to a GBP 400 million reduction in liabilities during the financial year. The main impacts relate to:

- Cash settlements (net receipts) of GBP +149 million, of which GBP +138 million relates to index linked swaps.
- Accrual of financial expenses (net financial income/(expense) from financing) of GBP -4 million.
- Effect on reserves of GBP 18 million due to effective hedges.
- Fair value adjustments to these instruments (fair value result) having a positive impact of GBP 238 million, which breaks down into the impact of the index linked swaps (GBP -99 million) and interest rate swaps (GBP -61 million), offset by cross currency swaps in a positive amount of GBP 398 million (although they are partially offset by fair value adjustments to foreign currency bonds issued and hedged by these financial instruments). It should be noted that the increase in credit risk during the period has resulted in the ineffectiveness of cross currency swaps, which has given rise to a difference between the variation in derivatives (GBP 398 million) and the variation in the hedged debt (GBP 452 million).

c. Income statement movements 2020-2019

HAH (100%) MILLION GBP	June 2020	June 2019	Change 20/19
Operating income	713	1,461	-748
Operating expenses	-611	-553	-58
EBITDA	**102**	**907**	**-805**
Fixed asset depreciation	-376	-414	38
Operating profit/(loss) before impairment and disposals	**-274**	**493**	**-767**
Impairment and disposal of fixed assets	0	0	0
Operating profit/(loss)	**-274**	**494**	**-768**
Net financial income/(expense)	-535	-486	-49
Profit/(loss) before tax	**-809**	**8**	**-817**
Corporate income tax	31	-17	48
Profit/(loss) from continuing operations	**-778**	**-9**	**-769**
Profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	**-778**	**-8**	**-769**
Profit/(loss) attributable to Ferrovial (millions of euros)	**-222**	**-2**	**-219**

As commented in Note 2, the Heathrow airport business has been severely affected by the COVID-19 crisis, operating income having fallen on the same accumulated period of the previous year due to the 60.2% decrease in the number of passengers caused by COVID-19. As regards costs, although saving measures were implemented in relation to recurring OPEX, the Company has recognised a restructuring provision of GBP -37 million (EUR -8 million for Ferrovial's % shareholding) related to the staff cost saving measures described below, and a fixed asset impairment loss of GBP -85 million (EUR -20 million for Ferrovial's % shareholding) related to capitalised costs of projects not expected to be undertaken, effects that caused EBITDA to plummet 89%.

In addition, net financial income/(expense) was affected in 2020 by fair value adjustments to derivatives totalling GBP -214 million (net amount of EUR -49 million attributable to Ferrovial) as compared with GBP -136 million (EUR -39 million in Ferrovial's net results) in June 2019.

The Management Report includes detailed explanations of HAH's results trend.

b. Disclosures relating to 407 ETR

a. Impairment analysis

An impairment test was carried out at the 407 ETR toll road and projections were discounted based on two possible pandemic scenarios, "adapted normal" and "disruptive", in which the return to 2019 traffic and revenue levels is estimated in 2022 or 2023, depending on the scenario. The discount rates have also been revised upwards by 25 basis points (ke discount rate of 6.5%). Following the exercise, the conclusion was drawn that at 30 June 2020, there was no impairment with respect to the carrying amount of the 407 ETR toll road in the Group's consolidated accounts.

b. Balance sheet movements 2020-2019.

407 ETR (100%) MILLION CAD	June 2020	Dec. 2019	Change 20/19
Non-current assets	**4,574**	**4,539**	**35**
Fixed assets in infrastructure projects	4,000	4,007	-7
Non-current financial assets	572	491	81
Deferred taxes	2	41	-39
Other non-current assets	0	0	0
Current assets	**1,769**	**811**	**958**
Trade and other receivables	176	254	-78
Cash and cash equivalents	1,593	557	1,036
Total assets	**6,343**	**5,350**	**993**
Equity	**-4,533**	**-4,288**	**-245**
Non-current liabilities	**10,093**	**9,396**	**696**
Borrowings	9,558	8,868	689
Deferred taxes	535	528	7
Current liabilities	**783**	**242**	**541**
Borrowings	719	143	576
Trade and other payables	64	99	-35
Total liabilities	**6,343**	**5,350**	**993**

There follows a description of 407 ETR's main balance sheet movements at 30 June 2020 with respect to the previous year:

Equity:
Equity decreased by CAD 245 million on the previous year as a result of a profit for the year of CAD 68 million and a reduction due to the payment of a dividend of CAD 313 million to shareholders.

43.23% of the investee's shareholders' funds do not reflect the consolidated carrying amount of the ownership interest, since this also includes the amount of the gain arising from the fair value measurement of the investment retained following the disposal of a 10% interest in this company in 2010, which was recognised as an increase in the value of the concession, as well as the goodwill arising in 2009 on the merger of Ferrovial, S.A. and Cintra Infraestructuras, S.A. Therefore, in order to obtain the consolidated carrying amount in Ferrovial's financial statements, the 43.23% of shareholders' funds presented above (CAD -1,959 million) must be increased by the amounts of the above-mentioned gain and of the goodwill (CAD 2,599 million and CAD 1,319 million, respectively), giving a total of CAD 1,959 million which, translated at the year-end exchange rate (EUR 1 = CAD 1.5308), amounts to the investment of EUR 1,279 million.

Borrowings:
Total borrowings increased by CAD 1,266 million on December 2019, primarily due to the bond issue in March 2020 (Series 20-A1 for a nominal amount of CAD 700 million and maturing in 2050 and two in May 2020, Series 20-A2 for a nominal amount of CAD 350 million maturing in May 2025 and Series 20-A3 for a nominal amount of CAD 400 million maturing in May 2032). In addition, the amount of CAD 575 million was drawn down on a credit line. Conversely, the Series 10-A3 bond (maturing in May 2021), for a nominal amount of CAD 400 million, and the Series 99-A5 bond (maturing in December 2021), for a nominal amount of CAD 208 million, were redeemed in advance in June 2020. This increase in borrowings caused the Company's liquidity to grow by a considerable CAD 1,035 million.

c. Income statement movements 2020-2019.

The accompanying table shows 407 ETR's income statement trends at June 2020 and June 2019:

407 ETR (100%) MILLION CAD	June 2020	June 2019	Change 20/19
Operating income	417	700	-283
Operating expenses	-85	-89	4
EBITDA	**332**	**611**	**-279**
Fixed asset depreciation	-49	-52	3
Operating profit/(loss)	**283**	**559**	**-276**
Net financial income/(expense)	**-192**	**-228**	**36**
Profit/(loss) before tax	**91**	**331**	**-240**
Corporate income tax	-23	-87	64
Net profit/(loss)	**68**	**244**	**-176**
Profit/(loss) attributable to Ferrovial (millions of euros)	14	62	-48

The Management Report includes detailed disclosures on 407 ETR's results trend.

c. Other associates

Appendix II to the consolidated annual accounts at December 2019 includes a list of ownership interests in equity-accounted companies, including names, countries of incorporation, business segments, percentage shareholdings, aggregate assets and liabilities, revenue and profit/(loss) for the year.

The share of the profits in 2020 includes most notably the contribution of the Norte-Litoral and Algarve Portuguese toll roads (EUR 7 million).

Trends in the most significant investments are described below:

Investment in AGS

Of the equity-accounted companies, the most noteworthy is AGS Airports, which owns Aberdeen, Glasgow and Southampton airports. The carrying amount of AGS at 30 June 2020 totals EUR 127 million, this being the sum of the investment of EUR 23 million and the value of the participating loan recognised (EUR 104 million) (Note 8.1 Non-current financial assets). The accumulated profit/(loss) for the first half of 2020 amounts to EUR -31 million (EUR +4 million in the same period of the previous year), which reflects the impact of COVID-19 due to the 65.7% fall in the number of passengers compared to the same accumulated period of the previous year, significantly affecting operating results. As mentioned in Note 2, measures were taken to both cushion the impact on the income statement and preserve the cash resources available.

Also, as commented in note 2.4, two financial covenants were expected to breach in 2020. A waiver of the covenants was obtained on June 15th and December 2020. However, the December waiver is subject to a liquidity test at 30 November 2020. Although the liquidity projections showed the test compliance, the current high uncertainty could lead to deviations in such projections. The Group is currently working in possible mitigations related to the December waiver, given that eventual scenario.

A post-COVID-19 valuation of AGS was carried out in which 2019 traffic levels are estimated to be recovered in 2024. A discount rate (Ke) 50 basis points higher than in December 2019 of around 8.0% was employed (approximate pre-tax rate of 10%). Following this exercise, the conclusion was drawn that, with the information available as of today, there is no impairment loss in the asset.

I-66 toll road

Although the value of the equity investment in I-66 toll road is immaterial at end-June 2020 (EUR 0 million), there is a commitment to invest an additional EUR 677 million in the next four years.

At 30 June 2020, the toll road company's main assets are the fixed assets used in infrastructure projects in the amount of EUR 1,529 million. As regards liabilities, borrowings amount to EUR 1,529 million.

5.5 Working capital

This note addresses trends under the asset headings "Inventories" and "Short-term trade and other receivables" and the liability heading "Short-term trade and other payables". The net balance of these items is referred to as working capital (see section 4 of the consolidated annual accounts at December 2019).

The following table shows the relevant trends:

Millions of euros	2019	Exchange rate	Consolidation scope change	Other	2020
Total inventories	**699**	**-22**	**0**	**48**	**725**
Trade receivables for sales and services	675	-18	0	-43	614
Completed work pending certification	217	-8	0	84	293
Other receivables	364	-7	0	-16	341
Total short-term trade and other receivables	**1,256**	**-33**	**0**	**25**	**1,248**
Trade payables	-1,327	28	0	-22	-1,321
Work certified in advance	-755	13	0	16	-726
Advance payments from customers	-636	17	0	-28	-647
Other short-term payables	-354	10	0	43	-301
Total short-term trade and other payables	**-3,072**	**68**	**0**	**9**	**-2,995**
TOTAL	**-1,117**	**13**	**0**	**82**	**-1,022**

The change in working capital at June 2020 (EUR 82 million, excluding the foreign exchange effect and scope changes) is lower than the change at June last year (EUR 280 million, excluding the foreign exchange effect and scope changes), due mainly to Budimex's sound performance resulting from the growth in receipts and certified work with respect to the same period of the previous year.

5.6 Provisions

The provisions recognised by the consolidated Group are intended to cover risks arising in the course of business. They are recognised using best estimates of the risks and uncertainties and of related trends. The consolidated annual accounts at 31 December 2019 contain a detailed description of the different types of provisions set aside by the Group.

This note provides a breakdown of all the line items disclosed separately in provisions on the liabilities side of the balance sheet. Movements were as follows at 30 June 2020:

(Millions of euros)	Long-term provisions	Short-term provisions	TOTAL
Balance at 31 December 2019	**518**	**750**	**1,268**
Impact of scope changes and other transfers	23	-1	22
Impact of foreign exchange differences	-3	-16	-19
Other movements during the year:	**3**	**69**	**72**
Charges/reversals affecting EBITDA (other operating expenses)	*-6*	*149*	143
Charges/reversals affecting other income and expense items	*16*	*-5*	11
TOTAL impact of charges/reversals	***10***	***144***	**154**
Amount used with an impact on working capital	*-4*	*-75*	*-79*
Other amount used	*-2*	*0*	*-2*
TOTAL impact of amount used	***-6***	***-75***	***-81***
Balance at 30 June 2020	**541**	**802**	**1,343**

- The main variation during the year in the item “Charges/reversals affecting EBITDA” derives from the net appropriation to Construction provisions (EUR 98 million), mainly in Poland, and the appropriation to provisions for costs included in the “Horizon 24” plan in the amount of EUR 39 million, recognised in the first quarter of the year.

  “Charges/reversals affecting other income and expense items” amounting to EUR 11 million derive mainly from the recognition of “Provisions for replacement IFRIC 12”, the relevant movements being charged to depreciation/amortisation over the period in which the obligations accrue, until the replacement becomes operational.

- Use of provisions in an amount of EUR -81 million with no impact on profit/(loss), of which EUR -79 million have balancing entries in working capital.

5.7 Deferred taxes

Set out below is a breakdown of movements in deferred tax assets and liabilities at 30 June 2020:

Deferred taxes (Millions of euros)	**2019**	**Change**	**2020**
Assets	**502**	**39**	**541**
Tax-loss carryforwards	39	2	41
Other deferred tax assets	463	37	500
Liabilities	**475**	**61**	**536**
Derivatives	115	36	151
Other deferred tax liabilities	360	25	385

The main variation in deferred tax assets relates to the fair value of derivatives and therefore of the associated tax. The same occurs in deferred tax liabilities, where the main change is the result of the variation in the value of derivatives.

5.8 Other non-current assets and liabilities

- Non-current financial assets and financial derivatives: movements in non-current financial assets and financial derivatives at fair value, in both assets and liabilities, are explained in Note 8.2.
- Net debt: Movements in cash and cash equivalents and borrowings are explained in Note 7.

6. Equity

Changes in equity

Set out below is a breakdown of changes in equity during the six-month period ended 30 June 2020 is as follows:

2020 Millions of euros	**Attributed to shareholders**	**Attributed to non-controlling interests**	**Total equity**
Equity at 31.12.2019	**4,304**	**783**	**5,087**
	0	**0**	**0**
Equity at 01.01.2020	**4,304**	**783**	**5,087**
Consolidated profit/(loss) for the year	**-379**	**7**	**-373**
Impact on hedging reserves	31	22	53
Impact on reserves for defined benefit plans (*)	-20	0	-20
Currency translation differences	-143	5	-138
Income and expense recognised directly in equity	**-132**	**27**	**-105**
Amounts transferred to the income statement	**43**	**0**	**43**
Scrip and other dividends	-93	-9	-102
Treasury share transactions	-74	0	-74
Shareholder remuneration	**-167**	**-9**	**-176**
Share capital increases/reductions	0	6	6
Share-based remuneration schemes	-17	0	-17
Subordinated hybrid bond	-9	0	-9
Consolidation scope changes and transactions with non-controlling interests	48	0	48
Other movements	-1	0	-1
Other transactions	**21**	**6**	**27**
Equity at 30.06.20	**3,689**	**814**	**4,503**

(*) Pursuant to the amendment to IAS 1 Presentation of financial statements, the impact on reserves of defined benefit plans is the only item of income and expense recognised directly in equity that cannot subsequently be reclassified to profit or loss.

The reduction in shareholders’ funds in the first half of the year relates to the following effects:

Consolidated profit/(loss) for the period: profit/(loss) for the period attributable to the parent company amounted to EUR -379 million.

Income and expenses recognised directly in equity: unlike the detail presented in the main statement of changes in equity, the impacts are shown net of the related tax effect.

Impact on reserves of hedging instruments: the recognition of value changes in derivative financial instruments designated as hedges had a positive impact of EUR 31 million on the parent company's shareholders' funds, of which EUR 46 million corresponds to fully-consolidated companies, EUR -16 million to equity-accounted companies and EUR 0.4 million to services classified as discontinued operations.

Impact on reserves of defined benefit plans: this reflects the impact on equity of actuarial gains and losses arising from changes to the Group's defined benefit plan assumptions, which had a net impact of EUR -20 million for the period, associated with the equity-accounted companies (HAH/AGS).

Currency translation differences: The currencies to which Ferrovial is most exposed in terms of equity (mainly the Canadian dollar, US dollar and pound sterling), as detailed in Note 5.1, gave rise to currency translation differences of EUR -143 million attributed to the parent company. These translation differences are presented net of the effect of foreign currency hedging instruments arranged by the Group (Note 8.2). The following table provides a breakdown by currency of movements in currency translation differences attributed to the parent company:

(Millions of euros)	JUNE 2020
Canadian dollar	-81
Pound sterling	-33
Colombian peso	-13
Chilean peso	-10
US dollar	-5
Polish zloty	-5
Other currencies	5
TOTAL	**-143**

Amounts transferred to the income statement:

This reflects the impact of the reclassification from shareholders' funds to profit or loss, as per IAS 21, of the amounts accumulated in equity in respect of translation differences and hedging derivatives, with respect to the sale of Broadspectrum (Note 1.3), for a net amount of EUR 43 million (EUR -53 million pre-tax). This amount is recognised in the profit/(loss) line of the income statement.

Shareholder remuneration:

Scrip dividend: The impact of this item relates to the first tranche of the shareholder remuneration scheme approved by the General Shareholders' Meeting of Ferrovial, S.A. on 17 April 2020. Under this scheme, shareholders can freely choose to receive newly issued fully-paid shares in the Company by subscribing for a share capital increase out of reserves or to receive an amount in cash through the transfer to the Company (if they have not already done so in the market) of the free allotment rights pertaining to the shares held. It should be noted that 59.25% of the shareholders opted to receive shares in the Company, whereas 40.75% availed themselves of the Company's commitment to purchase rights.

Consequently, in the first half of 2020, a share capital increase was carried out for a total of 6,134,989 shares with a par value of EUR 0.20 per share, representing a share capital increase of EUR 1.2 million. Also, free allotment rights amounting to EUR 93 million were purchased, representing a price per share of EUR 0.312.

Buy-back programme: The Board meeting held on 27 February 2020 approved a treasury share buy-back programme of up to a maximum of 25 million shares for a maximum amount of EUR 360 million, which was then endorsed at Ferrovial, S.A.'s Annual General Meeting held on 17 April 2020. The AGM approved a share capital reduction for Ferrovial, S.A via the amortisation of (i) the treasury shares held at the time of the agreement; and (ii) the treasury shares that will be acquired via the aforementioned buy-back programme.

Over the course of H1 2020, 3,511,463 shares were acquired at an average price of EUR 21.006 per share, giving rise to a total disbursement of EUR 74 million.

Share-based remuneration schemes: this mainly reflects treasury share transactions relating to executive share-based remuneration schemes. At 30 June 2020, 636,789 treasury shares had been acquired under different remuneration schemes. The total cost of acquisition of these shares was EUR 17 million, a total loss of EUR -17 million having been recognised in respect of these remuneration schemes in the Company's equity.

The market value of the treasury shares held by the Company at 30 June 2020 (6,812,591 shares) was EUR 161 million. Movements in treasury shares during 2020 were as follows:

PURPOSE	TOTAL NUMBER OF SHARES AT 31/12/19	NUMBER OF SHARES ACQUIRED / RECEIVED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES AT 30/06/2020
Shares for capital reduction	2,755,960	3,511,463	0	6,267,423
Remuneration schemes	61,932	636,789	-698,721	0
Shares received - scrip dividend	458,369	86,799		545,168
BALANCE	**3,276,261**	**4,235,051**	**-698,721**	**6,812,591**

Other transactions:

Consolidation scope changes and transactions with non-controlling interests: this relates to the sale of 5% of the Budimex Group, entailing the recognition of a capital gain of EUR 48 million (Note 1.2) as an increase in the value of equity attributable to the parent company.

Share capital increases: There was an increase of EUR 6 million in equity attributable to non-controlling interests in Sugar Creek Construction LLC.

Subordinated hybrid bond. As described in the consolidated accounts at 31 December 2019, the Group issued perpetual subordinated bonds for a nominal amount of EUR 500 million, the features of which remain unchanged at 30 June 2020. The impact of accrued interest and the coupon payment is reflected in reserves, in a similar manner to dividends, amounting to EUR -9 million at the end of June 2020.

7. Net cash position

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the net cash position. The net cash position is understood to be the balance of the items included in cash and cash equivalents, together with the long-term restricted cash of infrastructure projects, less borrowings (short-term and long-term bank borrowings and debt securities). The net cash position also includes forwards totalling EUR 21 million that hedge the cash held by the Group in Australian and Canadian dollars, as well as cross currency swaps valued at EUR 15 million and associated with the borrowings and cash denominated in US dollars. This is because the derivatives are associated in full with the aforementioned borrowings/cash and they net the related foreign exchange effect.

The method used to define the Group's net cash position coincides with that used when preparing the 2019 consolidated annual accounts.

The net cash position is in turn broken down into infrastructure projects and other Group companies.

The change in the net cash position is explained in the cash flow section of the Interim Management Report at 30 June 2020.

The following tables provide a breakdown of the net cash position at June 2020 and December 2019:

	30.06.2020							
(Millions of euros)	BANK BORROWINGS /BONDS	CROSS CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRAGROUP POSITION	TOTAL
Ex-infrastructure project companies	-5,001	15	6,444	21	4	**1,483**	-36	**1,447**
Infrastructure project companies	-5,507	0	145	0	976	**-4,386**	36	**-4,350**
Total consolidated net debt	**-10,508**	**15**	**6,589**	**21**	**980**	**-2,903**	**0**	**-2,903**

	31.12.2019							
(Millions of euros)	BANK BORROWINGS /BONDS	CROSS CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRAGROUP POSITION	TOTAL
Ex-infrastructure project companies	-3,104	11	4,617	-24	7	**1,508**	-34	**1,473**
Infrastructure project companies	-5,494	0	119	0	963	**-4,412**	34	**-4,378**
Total consolidated net debt	**-8,598**	**11**	**4,735**	**-24**	**970**	**-2,905**	**0**	**-2,905**

A breakdown of discontinued operations for both periods is also included below:

	JUNE 2020			DECEMBER 2019			
(Millions of euros)	BANK BORROWINGS /BONDS	CASH AND CASH EQUIVALENTS	**NET BORROWING POSITION**	BANK BORROWINGS /BONDS	CASH AND CASH EQUIVALENTS	**NET BORROWING POSITION**	**Change**
Ex-infrastructure project companies	-124	345	**221**	-306	464	158	**63**
Infrastructure project companies	-293	112	**-181**	-317	107	-210	**29**
Net debt from discontinued operations	**-417**	**458**	**40**	**-623**	**571**	**-52**	**92**

The ex-infrastructure project net cash position including discontinued operations amounted to EUR 1,688 million in June 2020 as compared to EUR 1,631 million in December 2019, entailing a variation of EUR 37 million. Infrastructure project net cash position including discontinued operations varied by EUR 57 million, changing from EUR -4,588 million in December 2019 to EUR -4,531 million in June 2020. A more detailed analysis of this position for continuing operations is provided in the Interim Management Report issued together with these interim condensed consolidated financial statements.

7.1. Infrastructure projects

a) Cash and cash equivalents and restricted cash

Infrastructure project financing agreements occasionally impose the obligation to arrange certain restricted accounts to cover short-term or long-term obligations relating to the payment of the principal or interest on the borrowings and to infrastructure maintenance and operation.

In this regard, restricted cash at 30 June 2020 amounted to EUR 982 million (December 2019: EUR 969 million), including both long-term and short-term amounts. The main movements are described below:

- The foreign exchange effect was negative in the amount of EUR -2 million (Note 5.1).
- EUR 16 million increase in restricted cash, essentially relating to the NTE toll road (EUR 17 million), the LBJ toll road (EUR 8 million), the I-77 toll road (EUR 9 million) and the NTE Segment 3 toll road (EUR -20 million) due to requirements under the financing agreement (maintenance work and debt servicing).

The item “Other cash and cash equivalents” (excluding restricted cash) increased by EUR 26 million in this period and relates to bank accounts and highly liquid investments exposed to interest rate risk. The trend is analysed in the management report.

b) Infrastructure project borrowings

Millions of euros	Dec. 2019	Net drawdowns	Exchange rate	Scope changes	June 2020
Toll roads	5,282	21	-6	0	5,297
Airports	60	-1	0	0	59
Other	152	-2	0	0	150
Total infrastructure project borrowings	**5,494**	**18**	**-6**	**0**	**5,507**

Infrastructure project borrowings increased by EUR 12 million with respect to December 2019, essentially for the following reasons:

- The depreciation of the dollar against the euro (Note 5.1) reduced indebtedness by EUR 6 million (EUR 2 million for the LBJ toll road, EUR 1 million in NTE Managed Lanes Mobility Partners, EUR 2 million in NTE Mobility Partners Segments 3).

- As regards net drawdowns (EUR 18 million), the most significant movements related to toll roads (EUR 21 million), mainly the American toll roads (EUR 10 million in NTE Mobility Partners Segments 3 LLC, EUR 11 million in LBJ Infraestructure Group, EUR -3 million in NTE Mobility Partners and EUR 3 million in I-77), primarily due to the accrual of debt not affecting cash (accrued unmatured interest and capitalised interest).

The following table shows movements in gross infrastructure project borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as movements in borrowings due to the accrual of interest, which do not affect period cash positions.

(Millions of euros)	DEC. 2019	INCREASE/REDUCTION IN CASH EFFECT	FOREIGN EXCHANGE EFFECT	IMPACT OF SCOPE CHANGES	CAPITALISED/ACCRUED INTEREST	OTHER	JUN. 2020
Bank borrowings/Project bonds	5,494	-4	-6	0	21	2	5,507
Gross borrowing position, projects	**5,494**	**-4**	**-6**	**0**	**21**	**2**	**5,507**

At 30 June 2020, all the project companies fulfilled significant covenants in force.

7.2 Other companies

The net cash position excluding infrastructure projects amounted to EUR 1,447 million, which is EUR -26 million down on December 2019. The net cash position including discontinued operations varied by EUR 37 million, changing from EUR 1,631 million in December 2019 to EUR 1,668 million in June 2020.

a) Cash and cash equivalents of other companies

At 30 June 2020, there were certain restricted accounts totalling EUR 132 million (December 2019: EUR 94 million), of which EUR 4 million related to the long term and EUR 128 million to the short term, primarily in the Construction Division, for operating reasons affecting projects in progress in the US, as well as restricted cash relating to Budimex's works in progress.

The Group's liquidity position is strong at June 2020, reflecting solid finances to face the current economic situation.

	Dec. 2019	June 2020	Change
Short-term restricted cash	87	128	41
Other cash and cash equivalents	4,530	6,316	1,786
Total short-term cash and cash equivalents	**4,617**	**6,444**	**1,827**
Long-term restricted cash	7	4	-3
Cash-related forwards	-24	21	45
Total cash and cash equivalents	**4,600**	**6,469**	**1,869**

In addition, Services Division has EUR 345 million cash and equivalents and the Group also has EUR 695 million available in credit lines (including Services).

The Group's ex-infrastructure projects liquidity position amounts to EUR 7,508 million, as the result of the sum of the EUR 6,469 million of cash and equivalents plus the Services cash and equivalents (EUR345 million) and EUR 695 million available credit lines.

b) Breakdown of borrowings of other companies

(Millions of euros)	31/12/2019	Other companies - net change	Exchange rate	30/06/2020
Construction	69	-1	-3	65
Corporate and other	3,035	1,901	0	4,936
Total ex-infrastructure project company borrowings	**3,104**	**1,900**	**-3**	**5,001**

The borrowings of ex-infrastructure project companies amounted to EUR 5,001 million, having risen by EUR 1,897 million. The growth in borrowings is explained basically by the issuance of corporate bonds in May 2020 and June 2020 in the amount of EUR 650 million and EUR 130 million, respectively, maturing in 2026 and carrying a coupon of 1.382%, as well as by credit line drawdowns totalling EUR 827 million, of which EUR 597 million relates to the corporate credit line already arranged at December 2019. These operations, together with the Euro Commercial Paper (ECP) issue arranged in 2018 and showing a balance of EUR 1,276 million at June 2020 (EUR 973 million at December 2019), allow the Company to confront the current economic situation with liquidity at an all-time high.

The following table shows changes to ex-infrastructure project gross borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as changes in borrowings due to the accrual of interest, which do not affect period cash positions:

(Millions of euros)	DEC. 2019	INCREASE/REDUCTION IN CASH EFFECT	FOREIGN EXCHANGE EFFECT	IMPACT OF SCOPE CHANGES	CAPITALISED/ACCRUED INTEREST	OTHER	JUNE 2020
Bank borrowings/Ex-project bonds	3,104	1,908	-3	0	-7	-1	5,001
Gross borrowing position, ex-projects	**3,104**	**1,908**	**-3**	**0**	**-7**	**-1**	**5,001**

8. Non-current financial assets and financial derivatives at fair value

The main movements in non-current financial assets and assets and liabilities relating to financial derivatives at fair value are set out below:

Millions of euros	30.06.2020	31.12.2019	Change
Non-current financial assets	**1,254**	**1,247**	**7**
Long-term loans to associates	166	171	-5
Restricted cash and other non-current financial assets	980	970	10
Other receivables	108	106	2
Financial derivatives at fair value (net)	**128**	**-21**	**149**
Financial derivatives at fair value (assets)	609	461	148
Financial derivatives at fair value (liabilities)	-481	-482	1

8.1. Non-current financial assets

The item "**Long-term loans to associates**" essentially includes the loan of EUR 104 million granted to AGS (31 December 2019: EUR 106 million) (Note 5.4.c), as well as other loans granted to associates in the amount of EUR 62 million (2019: EUR 64 million), primarily in the Toll Roads Division.

The item "**Restricted cash in infrastructure projects and other financial assets**" relates primarily to deposits made in toll road concession operators, the use of which is limited to certain purposes under the concession, that is payments of future investments, operating expenditure or debt servicing. This item forms part of the net cash position.

Finally, the item "**Other receivables**" relates basically to trade balances totalling EUR 89 million receivable from various public administrations under long-term contracts (31 December 2019: EUR 88 million). EUR 77 million of this amount relates to the M-203 toll road balance recoverable from the Madrid Regional Government (Note 10.1).

8.2. Financial derivatives at fair value

In general, the Group's position in derivatives and its hedging strategies remained in line with the situation described in detail in the financial statements for the year ended 31 December 2019. Derivatives are recognised at market value at the trade date and at fair value at subsequent dates. Note 2 provides further details of the effects of the coronavirus pandemic on the value of the derivatives portfolio.

A breakdown of assets and liabilities relating to financial derivatives at fair value showing the main impacts on reserves and on profit or loss is as follows:

Millions of euros	Notional amounts at 30.06.20	Fair value 30.06.2020	Fair value 31.12.2019	*Change*	Impact on reserves	Impact on P&L - FV	Other effects on the balance sheet or P&L
Index-linked derivatives	**62**	548	**426**	122	**128**	**0**	**-6**
Cash flow hedges	62	548	426	122	128	0	-6
Interest rate derivatives	**1,630**	-464	**-425**	-40	**-34**	**-2**	**-3**
Cash flow hedges	1,520	-468	-432	-36	-34	-2	1
Fair value hedges	110	4	8	-4	0	0	-4
Cross currency swaps	**868**	15	**11**	4	**0**	**0**	**4**
Cash flow hedges	450	-3	5	-8	0	0	-7
Fair value hedges	418	18	7	11	0	0	11
Foreign exchange derivatives	**3,192**	30	**-41**	71	**-3**	**5**	**69**
Fair value hedges	2,317	20	-34	54	-3	4	52
Net foreign investment hedges	865	10	-7	17	0	0	17
Speculative	10	0	0	0	0	1	0
Equity swaps	**275**	-1	**8**	-9	**0**	**-9**	**0**
Speculative	275	-1	8	-9	0	-9	0
TOTAL	**6,027**	**128**	**-21**	**149**	**90**	**-6**	**64**

The net change in the fair value of the Group's financial derivatives amounts to EUR 149 million, having shifted from a liability position of EUR 20 million at December 2019 to an asset position of EUR 128 million at the close of June 2020.

The main changes are described below:

- Inflation derivatives (EUR 122 million) relating to the concession operator Autema. The main cause of this change is the impact on reserves (EUR 128 million), primarily due to the worsening of inflation forecasts in Spain.
- Interest rate derivatives (EUR -40 million), the main variations being explained by impacts on reserves (EUR -34 million).
- Foreign exchange derivatives (EUR 71 million), which are essential used to hedge the volatility of future foreign currency flows, the main impacts of which have been caused by cash settlements (EUR -50 million), currency translation differences (EUR 118 million), fair value impact on profit and loss (EUR 4 million) and reserves (EUR -3 million).

9. Disclosures relating to the income statement

9.1 Operating profit/(loss)

A breakdown of the Group's operating profit/(loss) at 30 June 2020 is as follows:

(Millions of euros)	2020	2019	Change
EBITDA	**128**	**-118**	**246**
Fixed asset depreciation	96	74	23
Operating profit/(loss) before impairment losses	**32**	**-192**	**223**

EBITDA at 30 June 2020 amounted to EUR 128 million (30 June 2019: EUR -118 million), representing an increase of 209% on the previous year. This improvement is explained mainly by the losses recognised in the Construction Division in the comparative period and offset in 2020 due to the negative trend caused by COVID-19 (Note 2) and the posting of provisions for costs included in the "Horizon 24" plan (Note 5.6) recognised in the first quarter of the year.

Fixed asset depreciation charges for 2020 totalled EUR 96 million as compared with EUR 74 million in the previous year.

9.2 Impairment and disposals of fixed assets

“Impairment and disposals of fixed assets” primarily includes asset impairment losses and gains or losses on the sale and disposal of shareholdings in Group companies and associates.

No significant impacts were recognised under this heading at 30 June 2020. For the comparative period, the main impacts recognised at 30 June 2019 related to:

- Autopista Terrasa Manresa (Autema): in the first six months of 2019, a provision of EUR -21 million was recognised for this company's half-year results (effect of EUR -16 million on Ferrovial’s net profit/(loss)).

9.3 Net financial income/(expense)

- *Net financial income/(expense) from financing*

Net financial income/(expense) from financing recognised by the infrastructure project companies amounted to EUR -116 million (30 June 2019: EUR -126 million), relating primarily to these companies' borrowing costs. The movement in net financial income/(expense) is explained mainly by the scope changes in 2019 following the reclassification and subsequent sale of Autopista del Sol, which accrued EUR 11 million in the first six months of 2019.

Net financial income/(expense) from financing recognised by the other companies (excluding infrastructure project information) amounted to EUR 5 million (30 June 2019: EUR 13 million), corresponding to external borrowing costs of EUR -23 million and financial income from financial investments and other items amounting to EUR 28 million. The decrease in net financial income/(expense) from financing is due mainly to the reduction in the yield on cash investments due to lower interest rates compared to the previous year.

- *Other net financial income/(expense)*

This item relates mainly to changes in the fair value of financial instruments in ex-infrastructure project companies, having no impact on cash. At 30 June 2020, this entailed an expense of EUR 6 million carried in the fair value adjustments column of the income statement. This amount also reflects the adverse impact of equity swaps arranged by the Group to hedge the effect on equity of stock option plans, which totalled EUR -9 million during the period (Note 8) due to the share price fall in the first six months of the year.

Setting aside the fair value impact, the remainder of the net financial income/(expense) (EUR 7 million) primarily relates to income from security deposits invoiced to equity-accounted projects (EUR 10 million), bank guarantee costs (EUR -13 million), foreign exchange differences (EUR -1 million) and late payment interest (EUR 3 million). The change on the previous year is due essentially to a reduction in interest from equity-accounted companies (EUR -4 million) and to foreign exchange differences, a loss of EUR -1 million having been recognised this year as compared with EUR 3 million in the same period of the previous year.

In the infrastructure project companies, the most significant variations on the previous year relate to the expected credit loss provision (Note 2.4) recognised by the toll road project Autema (EUR -6 million), as well as the financial accrual due to the restatement of provisions (EUR -1 million) and security deposit costs (EUR -2 million).

9.4 Corporate income expense

Corporate income tax expense for the first six months of 2020 was calculated on the basis of the tax rate that is expected to be applicable to profit/(loss) for the financial year. Accordingly, at 30 June 2020 this gave rise to income of EUR 2 million. However, it should be noted that this amount includes an expense of EUR 2 million in prior-year regularisations. Excluding this impact, corporate tax income amounts to EUR 4 million.

In addition, pre-tax profit/(loss) (EUR -315 million at 30 June 2020) includes certain impacts that must be excluded when calculating the effective income tax rate, particularly those described below:

- Impact of the results of equity-accounted companies (EUR 226 million) which, in accordance with accounting standards, are presented net of the related tax effect.
- In accordance with the prudence principle of accounting, the decision was taken not to capitalise tax losses nor all the tax credits, in view of the lack of certainty as to short-term recoverability, in the amount of EUR 56 million.
- Non-deductible expenses of various kinds essentially related to Budimex in the amount of EUR 14 million.
- Limit on the deductibility of financial expenses for corporate income tax purposes, entailing an impact of EUR 5 million on the Toll Road Division in Portugal.

Having adjusted for the main impacts, profit/(loss) before tax would amount to EUR -14 million. After applying the aforementioned adjustments, the effective tax rate is 29% (income tax income of EUR 4 million on EUR -14 million of profit/(loss) before tax).

9.5 Profit/(loss) from discontinued operations

As explained in Note 1.3, at 30 June 2020, as in 2019, the Services Division is carried as a discontinued operation, meaning that the impact of this business on the income statement is reported on a single line named “Net profit/(loss) from discontinued operations”.

The main effect recognised in profit/(loss) from discontinued operations is the loss of EUR -64 million on the sale of Broadspectrum, due essentially to the reclassification to the income statement of amounts accumulated in currency translation differences and associated derivative reserves, in accordance with IAS 21 (Note 1.3).

An impairment of EUR -44 million has also been recognised in relation to the Services business in the UK (Amey), as detailed in Note 1.3. EUR 49 million profit recognized in the remainder of the Services business Division (without amortization as per IFRS 5).

For a better understanding of the results of the Services business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from this discontinued operation:

(Millions of euros)	JUN. 2020	JUN. 2019	Change
Revenue	3,320	3,597	-277
EBITDA	**128**	**209**	**-81**
Fixed asset depreciation	-134	-149	15
Operating profit/(loss) before impairment and disposal of fixed assets	**-6**	**60**	**-66**
Impairment and disposal of fixed assets	-5	0	-5
Operating profit/(loss)	**-11**	**60**	**-71**
Net financial income/(expense)	**-37**	**-41**	**4**
Share of profits of equity-accounted companies	7	13	-6
Consolidated profit/(loss) before tax	**-41**	**32**	**-73**
Corporate income tax	-3	-4	1
Profit/(loss) after tax	**-44**	**28**	**-72**
Profit/(loss) for the year attributed to non-controlling interests	0	-3	3
Profit/(loss) for the year attributed to the parent company	**-44**	**25**	**-69**
Adjustments to discontinued operations	29	112	-83
Fair value provision	-44		-44
Profit/(loss) from discontinued operations	**-59**	**137**	**-196**

Adjustments to discontinued operations in 2020 relate essentially to the elimination of fixed asset depreciation/amortisation charges (EUR +108 million), the loss on the divestment of the Australian subsidiary Broadspectrum (EUR -64 million net of tax).

10. Contingent assets and liabilities and investment commitments

As indicated in Note 1.3., the disclosures included in this note also include the information relating to discontinued operations.

10.1. Litigation

The 2019 consolidated annual accounts contained detailed disclosures on the main litigation in which the Group companies were involved at that date. There follows an explanation of the main changes in the status of the lawsuits in the first half of 2020:

a) Litigation relating to the toll road business

- **Terrassa Manresa toll road (Autema)**

The Company continues to await for the decision of the Supreme Court of whether or not to admit the appeal for process presented in 2019 on the High Court of Catalonia judgement, which rejected the AUTEMA appeal for judicial review compared to the decrees. It was estimated that this decision could take between 6 to 9 months (from June 2019), however, in view of the slowing of the Supreme Court's activities due to the state of emergency caused by COVID-19, the decision is expected to be delayed to the last quarter of 2020. If the appeal is admitted for process, the Supreme Court will then have to decide whether or not to uphold it, which will take around two years as from the moment it is admitted for process.

The toll road company's legal advisors consider that there are strong arguments to uphold the cassation appeal and that the appeal will be subsequently upheld on its merits, so a financial asset is still recognised in this regard. The company does not expect any impairment losses in addition to those already recognised in 2019 or to the net amount of EUR -3 million recognised in June 2020 in relation to IFRS 9 (Note 2.3).

- **M-203 toll road**

Judicial proceeding initiated by the concession grantor requesting compensation for investments made (NIV) and damages and losses sustained by the CAM:

This judicial proceeding is due to a concession of a road with the Community of Madrid, whose contract has been terminated by decision of the Supreme Court of Madrid because of the breach of the concession contract by the granting administration. The current open dispute concerns the compensation that the granting entity must pay to the concessionaire as a result of that decision.

On 27 January 2020, the Company received notice through administrative channels of the CAM's valuation report on the amount of the NIV of EUR 56 million (excluding VAT) plus interest accruing to the actual payment date. On February 12 2020 the Company presented the relevant allegations, requesting that a resolution be issued as soon as possible and reserving the right to take any steps admissible to claim the difference between the amount claimed (EUR 60 million recognised in the company's balance sheet) and the amount recognised in the report. The Company has decided not to set aside a provision for the amount pending receipt since the external legal advisors consider that there are grounds for claiming recovery.

In addition, as regards the damages payable by the Madrid Regional Government due to the early termination of the concession and six months having elapsed without a reply from the regional government to the claim filed on 7 August 2019, the Company lodged a contentious-administrative appeal on 14 February 2020 against the rejection of the claim due to administrative silence, which was given leave to proceed by the Madrid High Court.

In view of the termination of the concession, the asset's carrying amount of EUR 77 million at 30 June 2020 is carried as an account recoverable from the regional government (Note 8.1) and includes the above-mentioned EUR 60 million, as well as VAT of EUR 13 million and EUR 4 million in interest.

- **Radial R4 toll road**

On 21 February 2020, notice was received of the Supreme Court judgement upholding the extraordinary appeal lodged last year by the banks financing the R4 toll road in which they claimed the enforcement of the guarantees given by the project's former shareholders (in the amount of EUR 14.95 million, fully provisioned in Cintra's case). As a consequence, the proceedings have been passed on to the Provincial Court, which must issue a new judgement based on the merits of the case after confirming the financing banks' legal standing.

- **SH-130 (toll roads)**

As indicated in the 2019 annual accounts, this lawsuit concerns a complaint filed by the current partners of the concessionaire company of this project.

The complaint is based on the claim that some of the payments made by the concession operator to the construction company in 2011 and 2012, during the toll road's design and construction phase, were allegedly made in a way that defrauded the creditors, since, in the claimant's opinion: (i) the works were completed incorrectly and should not, therefore, have been paid for; and (ii) the concession operator was insolvent. The claimant is demanding the return of these payments, which amount to a total of USD 329 million.

The lawsuit is in the discovery stage, which will be followed by the filing and discussion of the statement of claim. The time frame for the proceeding has been updated several times, the most recent being 31 March 2020, when the court extended the deadlines. A definitive ruling is expected as from the second quarter of 2021.

The Ferrovial Group continues to have strong arguments to defend their interests in these legal proceedings and it is reasonable to assume that they could succeed in having the actions brought against them rejected by the Court. Based on the above, no provision has been recognised in relation to this litigation.

b) Litigation relating to the Construction business:

- ***Construction works on the SH-130 toll road in Texas***

In addition to the complaint indicated in the previous section and as discussed in the 2019 consolidated annual accounts, the SH-130 toll road concession operator company has filed a claim for a total of USD 280 million, alleging that there were flaws and defects in the construction, via which it has incurred or will incur in order to repair the damages claimed. Of this amount, 50% (USD 140 million) would relate to the Ferrovial Group's ownership interest.

The mediation process that began in January 2020, as mentioned in the 2019 annual accounts, between all parties ended without an agreement.

The hearing therefore began on 9 March 2020 but was suspended on 20 March due to COVID-19. The hearing is to be resumed through electronic means on 13 August. The International Chamber of Commerce (institution responsible for the arbitration proceeding) has sent notice that the final award will be issued by the arbitrators by 30 November 2020. The award will be notified to the parties in the first quarter of 2021.

The legal advisors of the companies affected still believe that construction work at the toll road was carried out in accordance with the terms of the contract and industry best practices, and that, in any case, any liability that may result from this lawsuit could be considerably reduced.

The Company does not consider there to be additional risks other than those already taken into consideration in the provision recognised in 2019.

- ***Construction business Spain:***

As regards the disciplinary proceeding initiated by the Spanish National Markets and Competition Commission (CNMC), having received the statement of objections prepared by the Competition Directorate (CD) in October 2019. In March 2020, the CD gave notice of the proposed penalty, stating that the parties' practices conflict with and infringe the Spanish Anti-Trust Law and proposing a penalty of €48 million.

On 11 June, Ferrovial Construcción presented its writ of allegations against the proposal. On 16 July, the CNMC's Competition Court declared the proceedings to have expired and ordered the raising of new proceedings relating to the same events.

So, in conclusion, the group considers not to recognize any additional provision beyond the EUR 3 million registered in the 2019 consolidated annual accounts, according to the relative risk of this disciplinary process.

c) Litigation relating to the Services business:

Regarding the Services business in Spain:

- ***Litigation relating to the Resolution from the Spanish National Markets and Competition Commission (CNMC) in relation to the municipal solid waste sector.***

There were no changes in the first half of 2020 in relation to this litigation. As reported in the 2019 annual accounts, on 19 September 2019 the CNMC's Board decided to suspend the period for issuing a decision in the proceedings until the National Court resolves the contentious-administrative appeal seeking protection for basic rights.

The Group has decided not to set aside any provision, given that the Company's legal advisors believe that the arguments set out in the appeal seeking protection for basic rights are robust.

- ***Litigation relating to the penalty proceedings opened by the Spanish National Markets and Competition Commission (CNMC) in relation to the road maintenance sector:***

On 6 March 2020, the CNMC issued a resolution suspending the maximum period for issuing a decision in the penalty proceedings. This is explained by the appeals lodged by other companies investigated against the decisions of the Competition Directorate whereby the confidential nature of certain documents obtained in the inspections of these companies was partially rejected. The maximum period for issuing a decision in the proceeding (18 months as from initiation) will be suspended until the day following the Board's resolutions on the appeals filed (the Board must issue a decision within three months). In any event, the Competition Directorate has indicated that this suspension of the maximum period necessarily suspends the processing of the proceeding.

So , the Group has decided not to recognize any provision due to this proceeding.

- ***Empresa de Mantenimiento y Explotación M-30, S.A. (Emesa).***

There were no changes in the first half of 2020 in relation to this litigation.

10.2. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

At 30 June 2020, the Group companies had given bank guarantees and other guarantees issued by insurance companies for a total of EUR 7,579 million (EUR 7,994 million in December 2019), which break down as follows: i) EUR 3,476 million in bank guarantees (EUR 3,624 million in December 2019); and ii) EUR 4,103 million in guarantees issued by bonding agencies and insurance companies (EUR 4,370 million in December 2019). These guarantees cover the liability to customers for correct performance in construction or services contracts involving Group companies. So if a project were not executed, the customer would enforce the guarantee.

Of the total amount of the guarantees, EUR 856 million (31 December 2019: EUR 853 million) secures commitments to invest in the capital of infrastructure projects (Note 11.3).

b) Guarantees given by Group companies for other Group companies

Guarantees are given among Group companies to cover third-party liability arising from contractual, commercial or financial relationships. In general, these guarantees do not have any impact on the analysis of the Group's consolidated accounts. However, there are certain guarantees provided by ex-infrastructure project companies to infrastructure project companies which, due to the classification of project borrowings as non-recourse debt, must be disclosed. Guarantees given to equity-accounted companies, whether or not they are infrastructure project companies, must also be disclosed since they could give rise to future additional capital disbursements in these companies, were the secured events to occur.

There follows a breakdown of this type of guarantees outstanding at 30 June 2020 and changes with respect to December 2019:

b.1) Guarantees given by ex-infrastructure project companies to fully-consolidated infrastructure project companies (contingent capital).
These guarantees totalled EUR 141 million at 30 June 2020 (31 December 2019: EUR 141 million).

b.2) Guarantees given by ex-infrastructure project companies to equity-accounted infrastructure project companies (contingent capital).
Guarantees securing infrastructure project financing amount to EUR 61 million based on the Ferrovial Group's ownership interest (31 December 2019: EUR 60 million). Of this amount, only EUR 3 million is secured by bank guarantees.

In addition, the Company has furnished a guarantee of EUR 14.9 million in relation to the Radial 4 toll road, which was deconsolidated in 2015. This amount had been provisioned in full at 30 June 2020.

b.3) Other guarantees given for equity-accounted companies.
Certain construction and services contracts are performed by equity-accounted companies often created specifically to execute contracts previously awarded to their shareholders. In these cases, the shareholders provide performance bonds relating to those contracts. The liabilities secured are similar to those indicated in Note 11.2.a).

They include guarantees provided in the Services Division by Amey UK PLC in favour of various equity-accounted companies. These guarantees totalled EUR 335 million at 30 June 2020 (31 December 2019: EUR 370 million), the most significant of which related to the contracts with the British Ministry of Justice and the Manchester tram network. It should be noted that the aforementioned amount corresponds to work not yet executed in proportion to Ferrovial's ownership interest.

10.3. Commitments

a) Investment commitments

The investment commitments undertaken by the Group in relation to the capital for infrastructure projects amount to EUR 946 million (December 2019: EUR 976 million) and the commitments to purchase property, plant and equipment and acquire companies amount to EUR 123 million (December 2019: EUR 156 million). A part of the infrastructure project commitments are secured by bank guarantees received from third parties amounting to EUR 856 million (see Note 10.2). It should be noted that the EUR 946 million includes EUR 2 million that also appear in the guarantees referred to in Note 10.2, section b.2) corresponding to the contingent capital of Ausol.

As regards the legal dispute to acquire 5% of the 407 ETR toll road indicated in the 2019 annual accounts, which could entail the disbursement of CAD 1,600 million, the Company has waived this process in order to strengthen the balance sheet, preserve liquidity in view of the current situation and focus on new projects (see note 10 litigations).

b) Environmental commitments

There were no changes with respect to the information disclosed in the annual accounts for 2019 in relation to the provisions for probable or certain environmental liabilities, litigation in progress, indemnities or other outstanding obligations of undetermined amount.

11. Workforce

Set out below is an analysis of the number of employees at 30 June 2020 and 2019 by professional category and gender:

CONTINUING OPERATIONS CATEGORY	30/06/2020			
	MEN	WOMEN	TOTAL	CHANGE 20/19
Executive directors	2		**2**	0%
Senior managers	13	1	**14**	27%
Management	117	11	**128**	-57%
University and further education college graduates	5,027	3,736	**8,763**	13%
Administrative personnel	562	598	**1,160**	19%
Manual workers and unqualified technicians	8,074	258	**8,332**	2%
Total	**13,795**	**4,604**	**18,399**	7%

CONTINUING OPERATIONS CATEGORY	30/06/2019		
	MEN	WOMEN	TOTAL
Executive directors	2	0	**2**
Senior managers	9	2	**11**
Management	267	29	**296**
University and further education college graduates	5,518	2,255	**7,773**
Administrative personnel	476	500	**976**
Manual workers and unqualified technicians	7,530	602	**8,132**
Total	**13,802**	**3,388**	**17,190**

The workforce increase compared to 30 June 2019 of 7% (1,209 workers), mainly relates to the inclusion under the Construction division of the Services business in Poland, FBsewis, previously added in the Services division (discontinued operations).

DISCONTINUED OPERATIONS CATEGORY	30/06/2020 MEN	WOMEN	TOTAL	CHANGE 20/19
Executive directors	0	0	**0**	0%
Senior managers	0	0	**0**	0%
Management	10	5	**15**	-94%
University and further education college graduates	7,308	629	**7,937**	-5%
Administrative personnel	177	688	**865**	-87%
Manual workers and unqualified technicians	29,604	18,529	**48,133**	-20%
Total	**37,099**	**19,851**	**56,950**	-24%

DISCONTINUED OPERATIONS CATEGORY	30/06/2019 MEN	WOMEN	TOTAL
Executive directors	0	0	**0**
Senior managers	0	0	**0**
Management	190	48	**238**
University and further education college graduates	5,897	2,461	**8,358**
Administrative personnel	2,796	3,909	**6,705**
Manual workers and unqualified technicians	40,658	19,438	**60,096**
Total	**49,541**	**25,856**	**75,397**

The workforce reduction due to discontinued operations relates to the exclusion of the Services subsidiary Broadspectrum from the consolidation scope following the sale on 30 June 2020 (Note 1.2) and to the abovementioned reclassification of FB Serwis employees to the Construction Division.

Regarding to changes arising by professional categories, both in continuing and discontinuing operations, this is due to legal requirements relating to non-financial reporting in place since December 2019 (Act 11/2018, of 28 December 2018 – non-financial information to be reported in the consolidated annual accounts), according to which new professional categories are reported allowing to meet the new criteria requirements to inform about pay gaps. Prior classifications did not allow an accurate breakdown to show the abovementioned information.
This classification was audited in the annual accounts as at 31 December 2019.

The average headcount by business division in the first six months of the year was as follows:

BUSINESS	30/06/2020 MEN	WOMEN	TOTAL	CHANGE 18/17
Construction	14,279	2,803	**17,082**	4%
Toll roads	334	167	**501**	-17%
Airports	32	16	**48**	-22%
Other	265	174	**439**	6%
Total continuing operations	**14,910**	**3,160**	**18,070**	3%
Total discontinued operations	47,902	25,001	**72,903**	-3%
Total	**62,812**	**28,161**	**90,973**	-2%

BUSINESS	30/06/2019 MEN	WOMEN	TOTAL
Construction	13,786	2,606	**16,392**
Toll roads	396	206	**602**
Airports	40	21	**61**
Other	237	175	**412**
Total continuing operations	**14,459**	**3,008**	**17,467**
Total discontinued operations	50,326	24,873	**75,199**
Total	**64,785**	**27,881**	**92,666**

12. Comments on seasonality

Ferrovial's business activities are subject to a certain degree of seasonality in certain months of the year, making it impossible to extrapolate figures to a full year on the basis of figures for a six-month period.

In general, business in nearly all areas is slightly busier in the second half of the financial year. In addition, in the first half of 2020 there were considerable falls in business due to the COVID-19 pandemic (Note 2).

13. Related-party transactions

The table below shows the commercial transactions between the Company (or its Group companies) and related parties on an arm's length basis in the first six months of 2020 and 2019 (if they were related parties for only a part of the six-month period, the transactions carried out during that period are indicated), in relation to the following items:

a. Transactions between Ferrovial, S.A. and its significant shareholders, Board directors or senior managers.

They include transactions carried out (i) between Ferrovial, S.A. and its significant shareholders, their close family members or entities in which the said related parties might exercise significant influence; and (ii) between Ferrovial, S.A. and its directors or senior managers, their close family members or entities in which the said related parties might exercise significant influence.

b. Transactions between subsidiaries of Ferrovial, S.A and its significant shareholders, directors and executives.

They include transactions carried out (i) between subsidiaries of the Company and its significant shareholders, their close family members or entities in which the said related parties might exercise significant influence; and (ii) between the Company's subsidiaries and its directors or senior managers, their close family members or entities in which the said related parties might exercise significant influence.

(Thousands of euros)	30/06/2020				30/06/2019			
EXPENSES AND INCOME:	**a) Transactions with Ferrovial, S.A.**	**b) Transactions with subsidiaries**	**Total expenses and income**	**Balance at 30/06/2020**	**a) Transactions with Ferrovial, S.A.**	**b) Transactions with subsidiaries**	**Total expenses and income**	**Balance at 30/06/2019**
Financial expenses		0	**0**	0	0	896	896	
Services received	0	6,481	**6,481**	**-353**	180	7,601	7,780	**-1,032**
EXPENSES	**0**	**6,481**	**6,481**	**-353**	**180**	**8,947**	**8,676**	**-1,032**
Financial income		0	**0**	0	0	33	33	
Provision of services		189	**189**	**94**	0	5,090	5,090	**1,909**
INCOME	**0**	**189**	**189**	**94**	**0**	**5,123**	**5,123**	**1,909**

(Thousands of euros)	30/06/2020			30/06/2019		
OTHER TRANSACTIONS:	**a) Transactions with Ferrovial, S.A.**	**b) Transactions with subsidiaries**	**Balance at 30/06/2020**	**a) Transactions with Ferrovial, S.A.**	**b) Transactions with subsidiaries**	**Balance at 30/06/2019**
Financing agreements: loans and capital contributions (borrower)	0	0	0	0	90,855	**-90,855**
Bank and other guarantees received	0	0	0	52,260	94,530	**-146,790**
Settlement of derivatives	0	0	0	0	-781	**0**

There are also transactions between the Company's subsidiaries which, in all cases forming part of their ordinary businesses as regards purpose and conditions, were not eliminated on consolidation for the following reasons.

As explained in detail in Note 1.2.2 to the consolidated annual accounts for the year ended 31 December 2019, balances and transactions relating to construction work performed by the Construction Division for Group infrastructure concession operators are not eliminated on consolidation since, at the consolidated level, contracts of this type are classed as construction contracts in which the work, during execution, is deemed to be performed for third parties, as the ultimate owner of the work, from both a financial and a legal viewpoint, is the awarding entity.

For the first half of 2020, Ferrovial's Construction Division recognised revenue totalling EUR 310,716 thousand for the above-mentioned construction work (30 June 2019: EUR 143,736 thousand).

The related profit/(loss) not eliminated on consolidation and attributable to Ferrovial's ownership interest in the concession operators, net of taxes and minority interests, amounted to EUR 1,236 thousand in the first half of 2020. This entailed a loss of EUR -122,876 thousand at 30 June 2019.

14. Directors' remuneration

There follows an itemised breakdown of the remuneration received by all the Company's directors as members of the Board of Directors of Ferrovial, S.A. and by Ferrovial's senior managers sitting on the Company's management committee or reporting directly to the Board, the Executive Committee or the Company's CEOs (except for those who are also executive directors, whose remuneration is included in that received by the Board of Directors):

BOARD DIRECTORS:	**Amount (thousands of euros)**	
Remuneration item:	**Jun-20**	**Jun-19**
Fixed remuneration	1,133	1,328
Variable remuneration	1,858	2,391
Bylaw-stipulated emoluments:		
– *Fixed allowance*	190	210
– *Per diems*	481	532
Transactions involving shares and/or other financial instruments	1,602	2,194
TOTAL	**5,264**	**6,655**

SENIOR MANAGERS:	**Amount (thousands of euros)**	
	Jun-20	**Jun-19**
Total remuneration received by senior managers	**12,882**	**7,661**

The decrease in directors' fixed allowance for holding office and the fixed remuneration of executive directors is due to the reduction approved as a result of COVID-19. Moreover, the decrease in the remuneration of executive directors is also due to the effects of the departure of the former CEO, which are also reflected in long-term incentives. In the first half of 2019 senior management remuneration increased due to various factors (i) amounts paid due to the departure of two members, with no global impact on income statement, as the company expenses the amounts contributed during the year to the group savings insurance policy; (ii) an increase in the number of members by three people; and (iii) fluctuations in the share price and in annual variable remuneration.

In addition, in order to cover the extraordinary remuneration of certain senior managers (including the CEO), which is subject to the circumstances described in Note 6.6.7 to the consolidated annual accounts, the Group's parent company makes annual contributions to a group savings insurance plan of which the Company is the policy holder and beneficiary, quantified based on a certain percentage of each senior manager's total cash remuneration. Contributions made in the first six months of 2020 amounted to EUR 1,948 thousand.

Notes 6.6 and 6.7 to the consolidated annual accounts at 31 December 2019 describe in detail the remuneration of the Board of Directors and senior managers, as well as the functioning of the share-based remuneration schemes.

15. Events after the reporting date

As commented in Notes 2 and 5.4, in July 2020 approval by Heathrow Finance's creditors was obtained, in connection to the company's financial debt, a waiver of non-compliance related to the risk of breach of covenants in June 2021.

16. Appendices

Appendix I. Segment reporting

Consolidated income statement as at 30 June 2020.

(Millions of euros)	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER SEGMENTS	ADJUSTM. DISCONTINUED OPERATIONS	ADJUSTMENTS	TOTAL
Revenue	2,681	227	4	3,320	64	-3,320	-62	2,914
Other operating income	1	0	0	1	0	-1	0	1
Total operating income	2,682	227	4	3,321	64	-3,321	-62	2,915
Materials consumed	431	1	0	236	0	-236	0	432
Other operating expenses	1,728	45	9	1,479	91	-1,479	-62	1,811
Staff costs	482	29	4	1,478	29	-1,478	0	544
Total operating expenses	2,641	75	13	3,192	120	-3,192	-62	2,787
EBITDA	41	152	-8	128	-56	-128	0	128
Fixed asset depreciation	47	42	1	134	6	-134	0	96
Operating profit/(loss) before impairment and disposal of fixed assets	-6	110	-10	-6	-62	**6**	0	32
Impairment and disposal of fixed assets	0	0	0	-5	0	5	0	0
Operating profit/(loss)	**-6**	**110**	**-10**	**-11**	**-62**	**11**	**0**	**32**
Net financial income/(expense) from financing	-4	-111	-1	-9	0	9	0	-116
Profit/(loss) on derivatives and other net financial income/(expense)	-1	-10	0	-1	0	1	1	-10
Net financial income/(expense) from infrastructure projects	-5	-121	-2	-10	0	10	1	-126
Net financial income/(expense) from financing	11	15	0	-11	-21	11	0	5
Profit/(loss) on derivatives and other net financial income/(expense)	-6	10	4	-16	-5	16	0	1
Net financial income/(expense) from other ex-infrastructure project companies	4	25	4	-27	-26	27	-1	6
Net financial income/(expense)	**-1**	**-95**	**2**	**-37**	**-26**	**37**	**0**	**-120**
Share of profits of equity-accounted companies	0	27	-253	7	0	-7	0	-226
Consolidated profit/(loss) before tax	**-7**	**42**	**-261**	**-41**	**-89**	**41**	**0**	**-315**
Corporate income tax	-12	-28	2	-3	40	3	0	2
Consolidated profit/(loss) from continuing operations	**-19**	**14**	**-259**	**-44**	**-49**	**44**	**0**	**-313**
Net profit/(loss) from discontinued operations	0	0	0	0	-1	-58	0	-59
Consolidated profit/(loss) for the year	**-19**	**14**	**-259**	**-44**	**-51**	**-15**	**0**	**-373**
Profit/(loss) for the year attributed to non-controlling interests	-4	-3	0	0	1	0	0	-7
Profit/(loss) for the year attributed to the parent company	**-23**	**10**	**-259**	**-44**	**-50**	**-15**	**0**	**-379**

Consolidated income statement as at 30 June 2019.

(Millions of euros)	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER SEG-MENTS	ADJUSTM. DISCONTIN-UED OPERA-TIONS	ADJUST-MENTS	TOTAL
Revenue	2,308	287	9	3,597	71	-3,597	-72	2,603
Other operating income	1	0	0	1	0	-1	0	1
Total operating income	2,309	287	9	3,598	71	-3,598	-72	2,605
Materials consumed	419	1	0	256	0	-256	0	420
Other operating expenses	1,775	48	13	1,546	46	-1,546	-72	1,810
Staff costs	432	31	4	1,588	26	-1,588	0	493
Total operating expenses	2,626	80	17	3,388	71	-3,388	-72	2,723
EBITDA	-317	207	-8	209	-1	-209	0	-118
Fixed asset depreciation	30	40	1	149	3	-149	0	74
Operating profit/(loss) before impairment and disposal of fixed assets	-346	167	-9	60	-3	-61	0	-192
Impairment and disposal of fixed assets	0	-21	0	0	0	0	0	-21
Operating profit/(loss)	**-346**	**146**	**-9**	**60**	**-3**	**-61**	**0**	**-213**
Net financial income/(expense) from financing	-4	-120	-1	-10	0	10	0	-126
Profit/(loss) on derivatives and other net financial income/(expense)	0	-3	0	0	0	0	0	-3
Net financial income/(expense) from infrastructure projects	-5	-123	-2	-10	0	10	0	-129
Net financial income/(expense) from financing	16	20	0	-22	-5	22	-18	13
Profit/(loss) on derivatives and other net financial income/(expense)	-10	7	8	-9	10	9	0	15
Net financial income/(expense) from other companies	6	27	8	-32	6	32	-19	28
Net financial income/(expense)	**2**	**-96**	**6**	**-41**	**6**	**41**	**-18**	**-101**
Share of profits of equity-accounted companies	-1	75	2	13	0	-13	0	76
Consolidated profit/(loss) before tax	**-345**	**125**	**-1**	**32**	**2**	**-32**	**-18**	**-238**
Corporate income tax	28	42	1	-4	-23	4	4	51
Consolidated profit/(loss) from continuing operations	**-318**	**167**	**0**	**28**	**-21**	**-28**	**-15**	**-187**
Net profit/(loss) from discontinued operations	0	0	0	0	0	137	0	137
Consolidated profit/(loss) for the year	**-318**	**167**	**0**	**28**	**-21**	**109**	**-15**	**-50**
Profit/(loss) for the year attributed to non-controlling interests	71	-23	0	-3	0	3	-3	44
Profit/(loss) for the year attributed to the parent company	**-247**	**144**	**0**	**25**	**-21**	**112**	**-18**	**-6**

Appendix II. Selected Individual Financial Information

a) Basis of presentation

Accounting legislation applied

The selected individual financial information set out below has been prepared in accordance with regulatory framework set forth in:

- Spanish Chart of Accounts introduced under Royal Decree 1514/2007 and subsequent amendments.
- Spanish Securities Market Act, Royal Decree 1362/2007, Royal Decree 878/2015 and Spanish National Securities Market Commission Circular 3/2018 of 28 June.

Therefore, this selected individual financial information does not include all the information that would be required of full interim individual financial statements drawn up in line with generally accepted accounting principles and standards. In particular, the selected individual financial information has the necessary content to comply with the financial information requirements laid down in the standard four of Circular 3/2018, which allows the issuer, when required to prepare interim consolidated financial information, to only complete the relevant individual information that will allow a suitable understanding of the six-monthly report.

The selected individual financial information must therefore be read together with the Company's annual accounts for the year ended at 31 December 2019 and the interim condensed consolidated financial statements for the six-month period ended 30 June 2020.

b) Selected Interim Financial Information

b.1. Balance sheet at 30 June 2020 and 31 December 2019

ASSETS	30/06/2020	31/12/2019
NON-CURRENT ASSETS	**8,489**	**8,523**
Long-term investments in Group companies and associates	8,282	8,324
Equity instruments	8,282	8,323
Loans to Group companies	0	1
Other non-current assets	1	1
Long-term financial derivatives	57	53
Deferred tax assets	149	145
CURRENT ASSETS	**1,667**	**480**
Financial assets held for sale	4	4
Receivables	140	124
Trade receivables from Group companies and associates	42	39
Current tax assets	48	36
Amounts receivable from public administrations	50	49
Short-term investments in Group companies and associates	518	274
Short-term financial derivatives	4	0
Short-term prepayments and accrued income	2	1
Cash and cash equivalents	999	77
TOTAL ASSETS	**10,157**	**9,003**

LIABILITIES	30/06/2020	31/12/2019
EQUITY (Note b.5.1)	**4,545**	**4,776**
Shareholders' funds	4,545	4,775
Share capital	148	147
Share premium	826	995
Reserves	3,767	3,036
Legal reserve	30	30
Reserves subject to but exempt from Articles 21 and 22 of Spanish CIT Act	2,384	1,940
Other reserves	1,352	1,066
Shares and own equity interests	-149	-75
Profit/(loss) for the year	-47	672
Measurement adjustments	**0**	**0**
NON-CURRENT LIABILITIES	**3,982**	**3,173**
Long-term provisions	165	161
Long-term payables	998	296
Bank borrowings	932	255
Long-term financial derivatives	66	41
Long-term payables to Group companies and associates	2,776	2,676
Deferred tax liabilities	43	39
CURRENT LIABILITIES	**1,630**	**1,054**
Short-term provisions	39	1
Short-term payables	1,426	988
Debentures and bonds	1,276	973
Bank borrowings	150	0
Short-term financial derivatives	0	15
Short-term payables to Group companies and associates	123	36
Trade and other payables	42	30
Trade payables	14	7
Other payables	26	23
TOTAL LIABILITIES	**10,157**	**9,003**

b.2. Income statements for the six-month periods ended 30 June 2020 and 30 June 2019

	30/06/2020	30/06/2019
Revenue (Note b.5.2)	26	27
Dividends	1	1
Provision of services	20	21
Other returns received from subsidiaries	4	5
Staff costs (Note b.5.3)	-16	-14
Other operating expenses	-57	-13
OPERATING PROFIT/(LOSS)	**-47**	**0**
Financial income	4	6
Financial expenses	-32	-38
Change in fair value of financial instruments	11	18
Foreign exchange differences	1	-8
Impairment and profit/(loss) on disposals of financial instruments	0	0
NET FINANCIAL INCOME/(EXPENSE)	**-16**	**-22**
PROFIT/(LOSS) BEFORE TAX	**-64**	**-22**
Corporate income tax	**16**	**2**
PROFIT/(LOSS) FOR THE YEAR	**-47**	**-21**

b.3. Statement of changes in equity for the six-month periods ended 30 June 2020 and 30 June 2019

b.3.i) Statement of recognised income and expense for the six-month periods ended 30 June 2020 and 30 June 2019

(Millions of euros)	2020	2019
Total profit/(loss) for the year	**-47**	**-21**
Income and expense attributed to equity	**0**	**-2**
On cash flow hedges	0	-2
Tax effect	0	1
Transfer to the income statement	**0**	**0**
On cash flow hedges	0	0
Tax effect	0	0
Total recognised income and expense	**-47**	**-22**

b.3.ii) Total statement of changes in equity for the six-month periods ended 30 June 2020 and 30 June 2019

(Millions of euros)	Share capital	Share premium	Reserves	Treasury shares	Profit/(loss) for the year	Measurement adjustments	TOTAL
Balance at 01/01/2020	**147**	**995**	**3,036**	**-75**	**672**	**0**	**4,776**
Total recognised income and expense					**-47**	**0**	**-47**
Distribution of profit/(loss)			**672**		**-672**		**0**
Shareholder remuneration	**1**	**-169**	**74**	**-74**	**0**	**0**	**-168**
Scrip dividend	1	-94					-93
Treasury share transactions		-74	74	-74			-74
Share-based remuneration schemes			**-16**				**-16**
Balance at 30/06/2020	**148**	**826**	**3,767**	**-149**	**-47**	**0**	**4,545**

(Millions of euros)	Share capital	Share/merger premium	Reserves	Treasury shares	Profit/(loss) for the year	Measurement adjustments	TOTAL
Balance at 01/01/2019	**148**	**1,274**	**2,896**	**-128**	**10**	**1**	**4,200**
Total recognised income and expense					**-21**	**-2**	**-22**
Distribution of profit/(loss)			**10**		**-10**		**0**
Shareholder remuneration	**1**	**-66**	**-37**	**-66**	**0**	**0**	**-168**
Scrip dividend	1		-103				-102
Treasury share transactions		-66	66	-66			-66
Share-based remuneration schemes			**-5**				**-5**
Balance at 30/06/2019	**149**	**1,207**	**2,864**	**-194**	**-21**	**-1**	**4,005**

b.4. Cash flow statement for the six-month periods ended 30 June 2020 and 30 June 2019

(Millions of euros)	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	**-46**	**-53**
Profit/(loss) before tax	**-64**	**-22**
Adjustments to profit/(loss):	**53**	**17**
Fixed asset depreciation/provisions	0	0
Other adjustments to profit/loss (net)	53	17
Changes in working capital	**-10**	**-14**
Other cash flows from operating activities:	**-25**	**-34**
Interest paid	-30	-33
Interest received	1	5
Income tax received/(paid) and tax consolidation	5	-7
CASH FLOWS FROM INVESTING ACTIVITIES	**41**	**-18**
Payments on investments:	**0**	**-18**
Group companies, associates and business units	0	-18
Other financial assets	0	0
Collections from divestments:	**41**	**0**
Group companies, associates and business units	41	0
Other financial assets	0	0
CASH FLOWS FROM FINANCING ACTIVITIES	**931**	**126**
Collections and (payments), financial liability instruments:	**1,078**	**300**
Change in Group company financing accounts	-52	45
Issuance, repayment and redemption	1,130	255
Dividends and returns on other equity instruments paid	**-167**	**-168**
Scrip dividend	-93	-102
Acquisition of treasury shares	-74	-66
Collections and (payments), equity instruments:	**20**	**-6**
Effect of exchange rate fluctuations	**-4**	**0**
Net increase/(decrease) in cash and cash equivalents	**922**	**55**
Cash and cash equivalents at beginning of year	**77**	**37**
Cash and cash equivalents at year end	**999**	**92**

b.5. Explanatory notes on the Selected Interim Financial Information

b.5.i) Revenue

In line with the approach set out in consultation report 5 in Official Gazette 79 of the Spanish Institute of Accounting and Auditing, revenue includes provisions of services, dividends received and interest accrued on financing granted to the Company's investees.

The revenue breakdown by geographic area is as follows:

(Millions of euros)	30/06/2020	30/06/2019
Internal market	23	26
Euro area	2	0
Non-Euro area	1	1
TOTAL	**26**	**27**

b.5.iii) Personnel

The Company's average headcount during the periods ended 30 June 2020 and 30 June 2019 is as follows:

	30/06/2020	30/06/2019
Men	48	53
Women	28	29
TOTAL	**76**	**82**

17. Explanation added for translation to English

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Note 3). In the event of a discrepancy, the Spanish-language version prevails.

BOARD APPROVAL

The foregoing pages contain the consolidated condensed financial statements of Ferrovial, S.A. and its subsidiaries for the six-month period ended 30 June 2020, which were approved by the Board of Directors of the Company at its meeting held in Madrid on 30 July 2020 pursuant to Article 119 of the consolidated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and applicable regulations (such as Circular 3/2018 of the CNMV on periodic reporting of security issuers, rule fourth.2.); and which the Directors attending in person sign below.

Mr. Rafael del Pino y Calvo-Sotelo Chairman	Mr. Óscar Fanjul Martín Vice-Chairman
Mr. Ignacio Madridejos Fernández Chief Executive Officer	Ms. María del Pino y Calvo-Sotelo Director
Mr. Santiago Fernández Valbuena Director	Mr. José Fernando Sánchez-Junco Mans Director
Mr. Joaquín del Pino y Calvo-Sotelo Director	Mr. Philip Bowman Director
Ms. Hanne Birgitte Breinbjerg Sørensen Director	Mr. Bruno Di Leo Director
Mr. Juan Hoyos Martínez de Irujo Director	Mr. Gonzalo Urquijo Fernández de Araoz Director

The Secretary of the Board of Directors states for the record the following: the Directors Mr. Philip Bowman and Mr. Bruno Di Leo have not signed this document because they attended the meeting of the Board of Directors held on 30 July 2020 remotely, by technical means, given the travel restrictions imposed by the authorities as a result of the crisis caused by COVID-19. Both Directors voted in favor of the approval of the consolidated condensed financial statements of Ferrovial, S.A. and its subsidiaries for the first six-month period of 2020.

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Mr. Santiago Ortiz Vaamonde
Secretary of the Board of Directors

Report on Limited Review

FERROVIAL, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements and Interim Management Report for the six months period ended June 30, 2020

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REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

To the Shareholders of FERROVIAL, S.A. at the request of Board of Directors:

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have carried out a limited review of the accompanying Interim Condensed Consolidated Financial Statements (hereinafter the interim financial statements) of FERROVIAL, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the condensed consolidated statement of financial position as of June 30, 2020, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the explanatory notes for the six months period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting", adopted by the European Union for the preparation of interim condensed financial reporting in conformity with article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim condensed financial statements based on our limited review.

Scope of review

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making enquiries, primarily of personnel responsible f or financial and accounting matters and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts 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

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would lead us to conclude that the accompanying interim financial statements for the six months period ended June 30, 2020 have not been prepared, in all material respects, in accordance with the requirements established by International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Emphasis paragraph

We draw attention to the matter described in the accompanying explanatory Note 3 in the interim financial statements, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2019. This matter does not qualify our conclusion.

Report on other legal and regulatory reporting requirements

The accompanying Interim Management report for the six months period ended June 30, 2020 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six months period ended on June 30, 2020. Our work is limited to verifying the Interim Management Report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of FERROVIAL, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the Board of Directors with regard to the publication of the semi-annual financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23, which approves the consolidated text of the Securities Market Law developed by Royal Decree 1362/2007, of October 19.

ERNST & YOUNG, S.L.

(Signed in the original version)

Francisco Rahola Carral

July 30, 2020