THE COMPANY PRESENTS ITS RESULTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING STANDARDS (IFRS). IN ADDITION, IN THE MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS, THE MANAGEMENT PROVIDES OTHER FINANCIAL MEASURES THAT ARE NOT REGULATED UNDER THE IFRS, KNOWN AS APMS (ALTERNATIVE PERFORMANCE MEASURES), IN ACCORDANCE WITH THE GUIDELINES ISSUED BY THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA). THE MANAGEMENT USES THESE APMS WHEN TAKING DECISIONS AND EVALUATING THE COMPANY'S PERFORMANCE. THE FOLLOWING ARE THE BREAKDOWNS REQUIRED BY THE ESMA FOR EACH APM IN RESPECT OF THEIR DEFINITION AND RECONCILIATION, AN EXPLANATION OF THEIR USE AND THEIR COMPARISON AND COHERENCE. MORE DETAILED INFORMATION IS PROVIDED ON THE CORPORATE WEBSITE.

EBITDA = GROSS OPERATING PROFIT

Definition: operating result before charges for fixed asset depreciation and amortisation.
Reconciliation: the company presents its EBITDA figure in its Consolidated Income Statement (see the Consolidated Income Statement in section 1.3 of Management Report and the Consolidated Financial Statements) as: Gross operating profit = Total Operating Income – Total Operating Expenses (excluding those relative to fixed assets depreciation and amortisation which are reported in a separate line).
Explanation of use: EBITDA provides an analysis of the operating results excluding depreciation and amortisation, 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. One uses 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, comparing EBITDA with net debt.
Comparisons: the company presents comparative figures with previous years.
Consistency: the criteria used to calculate EBITDA is the same as the previous year.

COMPARISON ("LIKE-FOR-LIKE GROWTH")

Definition: relative year-on-year variation in comparable terms of the figures for revenues, EBITDA and EBIT. 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 homogenisation 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 amount of months in both periods.
- Elimination in both periods of restructuring costs.
- 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 where 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.
- 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: comparable growth is set out in separate columns in the section 1.3 headed Business Performance, under the heading Key Figures in the Management Report.
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 comparison "Like-for-like growth" is the same as the previous year.

FAIR VALUE ADJUSTMENTS

Definition: the adjustments to the Consolidated Income Statement related to results from changes in the fair value of derivatives and other financial assets and liabilities; impairment of assets and the impact of the two previous elements on 'profit sharing of companies accounted for using the equity method'.
Reconciliation: a detailed breakdown of the Fair Value Adjustments is included in the Consolidated Income Statement (see the Consolidated Income Statement in section 1.3 of Management Report and the Consolidated Financial Statements).
Explanation of use: The Fair Value Adjustments can be use-

ful for investors and financial analysts when evaluating the underlying profitability of the company, as they are capable of excluding elements that do not generate cash and which can vary substantially from one year to another because of the accounting method used to calculate the fair value.
Comparisons: the company presents comparisons of previous years.
Coherence: the criteria used to calculate the Fair Value Adjustments is the same as previous year.

NET CONSOLIDATED DEBT

Definition: this is the net balance of Cash and cash equivalents (including short and long term restricted cash), less short and long-term financial debts (bank borrowing and bonds), including the balance relating 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.
Reconciliation: a detailed breakdown of the reconciliation of this figure is given in the note 5.2 Net Consolidated Debt and Net debt and corporate credit rating in the 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 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 granted guarantees. Debt corresponding to the companies considered as a Project.
- Net debt ex-Projects. This is the net debt from Ferrovial's businesses, including holding companies in the Group and other businesses not classified as Project companies. 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 is the same as previous year.

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 of a contract corresponds to the price agreed or fee which correspond to the goods delivery and/or provision of services which have been agreed. If the implementation of a contract has its financing still pending, the revenues of said contract will not be added to the order book until the financing has been completed. The order book is calculated by adding the contracts of the current year to the balance of the contract order book of the previous year, then eliminating the revenues which have already been recognised in the current year.
Reconciliation: the order book is presented under Key Figures under Services and Construction sections in the Management Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in Note 2.1 of the Consolidated Financial Statements. 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 tables at the end of this document. 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: Management believes the order book is a useful indicator with respect to the Company's future revenues.
Comparisons: the company presents comparisons with previous years.
Coherence: the criteria used to calculate the order book is the same as previous year.

WORKING CAPITAL VARIATION

Definition: measurement that explains the conciliation between the EBITDA and the operating cash flow before taxes. It is the result of the non-cash-convertible gross income primarily from changes in debt balance and commercial liabilities.
Reconciliation: in Note 5.3 Cash flow of the Consolidated Financial Statements, the company provides a reconciliation between the working capital variation on the balance (see description on Section 4 Working Capital of the Consolidated Financial Statements) and the working capital variation reported in the Cash Flow Statement.
Explanation of use: the working capital variation reflects the company's ability to convert EBITDA into cash. It is the result of company activities related with inventory management, collection from customers and payments to suppliers. It is useful for users and investors because it allows a measurement on the efficiency and short-term financial situation of the company.
Comparisons: the company presents comparative reports from previous years.
Coherence: the criteria employed for calculating the working capital variation is the same as the previous year.

TOTAL SHAREHOLDER RETURN

Definition: sum of the dividends received by shareholders, revaluation/depreciation of the shares and other payments such as

the delivery of shares or buy-back plans.
Reconciliation: the total shareholder return is presented under the share part of section 1.1 of the Management Report. There is a breakdown of the reconciliation with the shareholder return in the financial statements.
Explanation of use: it is a financial indicator used by investors and financial analysts, to evaluate the performance that shareholders have received throughout the year in exchange for their contribution in capital of the Company.
Comparisons: the company presents comparative reports from previous years.
Coherence: the criteria employed for calculating shareholder return is the same as the previous year.

MANAGED INVESTMENT

Definition: managed investment is presented under Toll Roads in section 1.2 of the Management Report. During the construction phase, it is the total investment to make. During the operating phase, this amount is increased by the additional investment. Projects are included after signing the contract with the corresponding administration (commercial close), on which date the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. 100% of investment is considered for all projects, including those that are integrated by the equity method, regardless of Ferrovial's participation. Projects are excluded with criteria in line with the exit from the consolidation scope.
Reconciliation: Managed investments at the end of December 2018 came to 18.472 billion euros and are made up of 24 concessions in 9 countries. The composition of managed investments by asset type is as follows:

(1) Model projects Intangible Assets IFRIC 12 (in operation), 6.196 billion euros. The managed investment coincides with the gross investment balance in these projects included in the table in section 3.3.1 of the Consolidated Financial Statements: 7.364 billion euros from Ausol included in Spain Highways, 5.074 billion euros from NTE, NTE35W and LBJ included in USA Highways and 386 million euros from the Azores, included in Other Highways.

(2) Model projects Intangible Assets IFRIC 12 (under construction), 479 million euros corresponds to American highway I-77. As they are under construction, the balance at year-end only reflects the assets in construction as part of this project, which comes to 503 million euros, included in the table in section 3.3.1 of the Consolidated Financial Statements, in USA Highways, excluding future investment commitments.

(3) Model projects Accounts Receivable IFRIC 12 (in operation), 232 million euros. Includes the managed investment in Autema. The balance at year-end comes to 669 million euros, including the long term and short term (see section 3.3.1 of the Consolidated Financial Statements) and, amongst others, financial remuneration of the accounts receivable, which is not considered an increase in the managed investment in the asset.

(4) Consolidation using the equity method, 11.565 billion euros. Includes both projects in operation and under construction that are consolidated using the equity method, such as 407ETR (3.063 billion euros of managed investment, 100%) or I-66 (2.642 billion euros, 100%). In the consolidated statement of financial position, these projects are included under Investments in associates, meaning the investment cannot be reconciled with the balance sheet.

Explanation of use: data useful by Management to indicate the size of the portfolio of managed assets.
Comparisons: no comparisons with previous years are itemized, though it is nevertheless a figure provided annually.
Coherence: the criteria employed for calculating the managed investment is the same as the previous year.

PROPORTIONAL RESULTS

Definition: this is the contribution to the consolidated results in the proportion of Ferrovial's ownership in the group subsidiaries, regardless to the applied consolidation method. This information is prepared to revenues, EBITDA and EBIT.
Reconciliation: a reconciliation between total and proportional figures is provided in the website to this document. This year also provides proportional results for both continued and discontinued operations (due to the reclassification of the Services Business as held for sale, see Note 1.1.3 Consolidated Financial Statements).
Explanation of use: the proportional results can be useful for investors and financial analysts to understand the real weight of business divisions in the operative results of the group, especially keeping in mind the weight of certain assets consolidated under the equity method as 407 ETR from Toronto and the airport of Heathrow. It is an indicator that other competitors with significant subsidiaries in infrastructure projects consolidated under the equity method present.
Comparisons: the company presents comparisons with previous years.
Coherence: the criteria used to calculate proportional results is the same as the previous year, however this is the first annual closing in which this information is presented and it is disaggregated between continued and discontinued operations.