
FERROVIAL EMISIONES, S.A.

Financial statements for 2015

FERROVIAL EMISIONES S.A.
BALANCE SHEETS AT 31 DECEMBER 2015 AND 2014

| ASSETS | 2015 | 2014 |
|--|-------------------------|-------------------------|
| NON-CURRENT ASSETS | 1.302.746.283,77 | 1.302.919.763,39 |
| Non-current investments in Group companies and associates | 1.291.487.743,16 | 1.289.658.289,94 |
| Loans to Group companies (Note 7) | 1.291.487.743,16 | 1.289.658.289,94 |
| Non-current financial investments | 11.258.540,61 | 13.261.473,45 |
| Derivatives (Note 6) | 11.258.540,61 | 13.261.473,45 |
| CURRENT ASSETS | 33.857.977,71 | 31.957.308,47 |
| Receivables | 661.884,02 | 428.648,81 |
| Current tax assets | 182.303,89 | 0,00 |
| Tax payables | 479.580,13 | 428.648,81 |
| Current Investments in Group Companies and Associates | 29.663.916,47 | 28.530.821,92 |
| Loans to Group companies (Note 7) | 28.530.821,92 | 28.530.821,92 |
| Other financial assets (Note 7) | 1.133.094,55 | |
| Non-current financial investments | 3.532.177,22 | 2.979.687,00 |
| Derivatives (Note 6) | 3.532.177,22 | 2.979.687,00 |
| Cash and other equivalent liquid assets | | 18.150,74 |
| TOTAL ASSETS | 1.336.604.261,48 | 1.334.877.071,86 |
| EQUITY AND LIABILITIES | 2015 | 2.014,00 |
| EQUITY (Note 5) | 8.874.291,64 | 6.441.287,61 |
| Shareholders' equity | 8.874.291,64 | 6.441.287,61 |
| Share capital | 60.200,00 | 60.200,00 |
| Reserves | 6.381.087,61 | 3.613.547,35 |
| Legal reserve | 361.354,73 | 361.354,73 |
| Other reserves | 6.019.732,88 | 3.252.192,62 |
| Profit/(loss) for the year | 2.433.004,03 | 2.767.540,26 |
| NON-CURRENT LIABILITIES | 1.298.221.438,36 | 1.298.080.841,81 |
| Non-current payables | 1.298.221.438,36 | 1.298.080.841,81 |
| Bank borrowings and other marketable securities (Note 6) | 1.298.221.438,36 | 1.298.080.841,81 |
| CURRENT LIABILITIES | 29.508.531,48 | 30.354.942,44 |
| Current payables | 28.495.449,17 | 28.531.072,00 |
| Bank borrowings and other marketable securities (Note 6) | 28.495.449,17 | 28.531.072,00 |
| Current payables to Group companies and associates (Note 7) | | 363.970,37 |
| Trade and other payables | 1.013.082,31 | 1.459.900,07 |
| Trade payables | 54.814,08 | 261.711,39 |
| Payables to suppliers, group companies and associates (Note 9) | 12.100,00 | 12.100,00 |
| Current income tax liabilities (Note 8) | 946.168,23 | 1.186.088,68 |
| TOTAL EQUITY AND LIABILITIES | 1.336.604.261,48 | 1.334.877.071,86 |

The accompanying Notes 1 to 15 are an integral part of the consolidated balance sheet of fiscal year 2015.

FERROVIAL EMISIONES S.A.
CONSOLIDATED INCOME STATEMENTS FOR 2015 AND 2014

| | 2015 | 2014 |
|---|------------------------|------------------------|
| Revenue (Note 7) | 43.079.453,22 | 39.299.645,10 |
| From marketable securities and other financial instruments to: Group companies | 43.079.453,22 | 39.299.645,10 |
| Other operating expenses | 14.253,34 | 9.843,27 |
| Outside services | 14.006,45 | 9.596,38 |
| Taxes other than income tax | 246,89 | 246,89 |
| PROFIT (LOSS) FROM OPERATIONS | 43.065.199,88 | 39.289.801,83 |
| Income from other securities and fixed assets loans | 3.234,80 | |
| From group companies | 3.234,80 | |
| Finance costs | 41.712.990,06 | 38.164.159,99 |
| On debts to Group companies and associates (Note 7) | 17.126,64 | 7.450,81 |
| On debts to third parties (Note 9) | 41.695.863,42 | 38.156.709,18 |
| Income in fair value of financial instruments (Notes 6) | 2.023.740,90 | 2.827.883,61 |
| Exchange gains/(losses) | (13,26) | 103,49 |
| FINANCIAL PROFIT (LOSS) | (39.686.027,62) | (35.336.172,89) |
| PROFIT (LOSS) BEFORE TAX | 3.379.172,26 | 3.953.628,94 |
| Corporate tax (Note 8) | (946.168,23) | (1.186.088,68) |
| PROFIT OR LOSS FOR THE YEAR (PROFIT) | 2.433.004,03 | 2.767.540,26 |

The accompanying Notes 1 to 15 in the Financial Statements are an integral part of the income statement for 2015.

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR 2015 and 2014

| | | |
|--------------------------------------|---------------------|---------------------|
| Profit or loss for the year | 2.433.004,03 | 2.767.540,26 |
| RECOGNISED INCOME AND EXPENSE | 2.433.004,03 | 2.767.540,26 |

The accompanying Notes 1 to 15 in the Financial Statements are an integral part of the income statement for 2015.

| STATEMENTS OF CHANGES IN EQUITY | | | | |
|-------------------------------------|------------------|---------------------|----------------------------------|---------------------|
| In Euros | Share capital | Reserves | Profit(loss) for the Fiscal Year | TOTAL |
| Balance at 31/12/2014 | 60.200,00 | 3.613.547,35 | 2.767.540,26 | 6.441.287,61 |
| Adjusted Balance 01/01/2015 | 60.200,00 | 3.613.547,35 | 2.767.540,26 | 6.441.287,61 |
| Profit/(loss) for the year | | | 2.433.004,03 | 2.433.004,03 |
| Total recognised income and expense | | 2.767.540,26 | -2.767.540,26 | |
| Balance at 31/12/2015 | 60.200,00 | 6.381.087,61 | 2.433.004,03 | 8.874.291,64 |

The accompanying Notes 1 to 15 to the financial statements are an integral part of the statement of changes in equity for 2015.

| STATEMENTS OF CHANGES IN EQUITY | | | | |
|-------------------------------------|------------------|---------------------|----------------------------------|---------------------|
| In Euros | Share capital | Reserves | Profit(loss) for the Fiscal Year | TOTAL |
| Balance at 31/12/2013 | 60.200,00 | 0,00 | 3.617.080,59 | 3.673.747,35 |
| Adjusted Balance 01/01/2014 | 60.200,00 | 0,00 | 3.617.080,59 | 3.673.747,35 |
| Profit/(loss) for the year | | | 2.767.540,26 | 2.767.540,26 |
| Total recognised income and expense | | 3.613.547,35 | -3.617.080,59 | |
| Balance at 31/12/2014 | 60.200,00 | 3.613.547,35 | 2.767.540,26 | 6.441.287,61 |

The accompanying Notes 1 to 15 to the financial statements are an integral part of the statement of changes in equity for 2014.

| | Euros | |
|---|-----------------------|-----------------------|
| | Balance at 31/12/2015 | Balance at 31/12/2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | -1.640.699,60 | -465.183,28 |
| Profit/loss before tax | 3.379.172,26 | 3.953.628,94 |
| Profit(loss) adjustments: | -3.393.425,60 | -3.963.472,21 |
| Other adjustments to profit(loss) net | -3.393.425,60 | -3.963.472,21 |
| Changes in working capital | -440.357,58 | -299.162,10 |
| Other cash flows from operating activities: | -1.186.088,68 | -156.177,91 |
| Interest received | | 1.135.818,21 |
| Income tax recovered (paid) | -1.186.088,68 | -1.291.996,12 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 3.133.280,56 | 2.521.558,34 |
| Payments due to investment: | 3.133.280,56 | 2.521.558,34 |
| Other financial assets | 3.133.280,56 | 2.521.558,34 |
| CASH FLOWS FROM FINANCING ACTIVITIES | -1.510.835,19 | -2.041.740,99 |
| Proceeds (payments) relating to financial liability instruments: | -1.510.835,19 | -2.041.740,99 |
| Change in Group companies credit accounts | 39.739.151,55 | -261.352.240,26 |
| Repayment | -41.249.986,74 | 259.310.499,27 |
| EFFECT OF FOREIGN EXCHANGE RATE VARIATIONS | 103,49 | 103,49 |
| NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS | -18.150,74 | 14.737,56 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 18.150,74 | 3.413,18 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 18.150,74 | 18.150,74 |

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL EMISIONES S.A.

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR 2015

(1) COMPANY'S ACTIVITY

Ferrovial Emisiones, S.A., a company with tax identification number: A-84723717 and registered office in calle Príncipe de Vergara, 135, 28002 Madrid, was incorporated on 9 May 2006 under the name of Baroslia, S.A., being its corporate purpose the issuance of debt securities (the "**Company**").

On 23 June 2008, an Extraordinary Annual General Meeting approved to change the name of the Company to Ferrovial Emisiones, S.A., which was formalised through public deed executed before Mr. Carlos de Moral Carro, Notary Public of Madrid, under No. 3181 in his registry.

The Company belongs to the group of companies whose parent company is Ferrovial, S.A., a company with tax identification number: A-81939209 and registered office in calle Príncipe de Vergara, 135, 28002 Madrid and recorded in the Commercial Registry of Madrid in volume 12,744 of section 8 of corporate book, page M-204873 section 146 (the "**Ferrovial Group**" or the "**Group**").

(2) BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair representation and basis of presentation

The accompanying financial statements were obtained from the Company's accounting records and are presented in compliance with the regulatory financial reporting framework applicable to the Company and, accordingly, present fairly the Company's equity, financial position and results of operations. The regulatory framework consists of:

a.1 The Spanish Commercial Code and all other commercial legislation.

a.2 The Spanish Chart of Accounts and its sector-related adjustments.

a.3 The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish Chart of Accounts and the relevant secondary legislation.

a.4 All other applicable Spanish accounting legislation.

The financial statements will be submitted for approval by the Annual General Meeting, where they are expected to be approved with no amendments.

b) Accounting principles

The balance sheets and the income statements were prepared in accordance with the accounting principles set forth in current commercial legislation.

c) Comparative information

The information pertaining to the 2014 reporting period is included for comparison purposes. There are no changes in criteria between 2015 and 2014.

(3) DISTRIBUTION OF PROFIT

The proposal for distribution of 2015 profits prepared by the Company Directors which will be presented for approval at the Annual General Meeting consists in allocating profits to voluntary reserves.

| | |
|---------------------|------------------|
| Profit or loss 2015 | EUR 2,433,004.03 |
| Voluntary Reserves. | EUR 2,433,004.03 |

(4) ACCOUNTING POLICIES AND MEASUREMENT BASES

The main accounting policies and measurement bases used by the Company in preparing its financial statements are the following:

4.1 Financial assets

Held-to-maturity investments, loans granted and accounts receivable

Held-to-maturity investments, loans granted and receivables are initially recognised at fair value plus any attributable costs and are subsequently measured at amortised cost, and any accrued interest is recognised on the basis of the effective interest rate. The effective interest rate is the discount rate that exactly matches the initial payment of the financial instrument with all of its estimated cash flows until maturity thereof. However, trade receivables maturing within twelve months are measured at face value, both at initial recognition and subsequently, provided that the effect of not discounting the cash flows is not material. At least at each reporting date, the necessary impairment losses are recognised if there is objective evidence that not all the amounts receivable will be collected. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate at the date of initial recognition. Impairment losses and any reversals of impairment losses are recognised in profit or loss. Financial assets are derecognised when the risks and rewards of ownership of the financial asset are substantially transferred. In the specific case of receivables, this is deemed to occur when the default and delinquency risks have been transferred.

4.2 Cash and cash equivalents and held-to-maturity investments

Cash and cash equivalents include the balance of bank accounts.

Held-to-maturity investments, loans granted and receivables are initially recognised at fair value and are subsequently measured at amortised cost, and any accrued interest is recognised on the basis of the effective interest rate. The effective interest rate is the discount rate that exactly matches the initial payment of the financial instrument with all of its estimated cash flows until maturity thereof.

However, trade receivables maturing within twelve months are measured at face value, both at initial recognition and subsequently, provided that the effect of not discounting the cash flows is not material. At least at each reporting date, the necessary impairment losses are recognised if there is objective evidence that not all the amounts receivable will be collected. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate at the date of initial recognition. Impairment losses and any reversals of impairment losses are recognised in profit or loss. Financial assets are derecognised when the risks and rewards of ownership of the financial asset are substantially transferred. In the specific case of receivables, this is deemed to occur when the default and delinquency risks have been transferred.

4.3 Equity

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are deducted, net of taxes, from equity. Acquisitions of the Parent Company's treasury shares are deducted from equity for the amount of the consideration paid, including the attributable costs associated with the acquisitions. When treasury shares are sold or reissued, any amount received is taken, net of costs, to equity.

4.4 Provisions and contingent liabilities

The Company recognises a provision for a commitment or obligation to a third party that meets the following requirements: It is a current obligation (legal or constructive) arising from past events or constructive obligations, the settlement of which is expected to result in an outflow of funds and the amount or timing of which are not known for certain but can be estimated in a sufficiently reliable manner.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis. Provisions maturing within one year for which the effect of discounting is not material are not discounted.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events regardless the Company's will. Contingent liabilities are not recognised; rather, a detail thereof is included in the notes.

4.5 Financial liabilities

These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments up to the maturity of the liability to the amount initially received. If the effective interest rate is initially considered to differ from the market interest rate, the liability is measured based on the present value of future cash flows at the market rate in the case of interest-bearing loans. Where no effective interest rate is specified, the cash flows are also measured using the market interest rate.

If existing debts are renegotiated, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender and the present value of the cash flows, including origination and arrangement costs, applying the effective interest method which is not more than 10% higher or lower than the present value of the future cash flows payable on the original liability calculated using this same method.

4.6 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date they are arranged. Subsequent changes in fair value are also recognised at each closing date. According to the Spanish Audit and Accounting Institute (ICAC) the measurements take into account the Company credit risk. The method used to recognise gains or losses on derivatives depends on whether the instrument has been designated as a hedging instrument and, as the case may be, on the type of hedge involved.

The Company has mainly arranged fair value hedging derivatives for the bonds issued, which are posted as follows:

- a) The profit or loss arising from measuring the hedging instrument at fair value is recognised in the profit(loss) for the fiscal year as fair value adjustments.
- b) The profit or loss of the item hedged that can be attributed to the risk being hedged determines the adjustment of the book value of the item hedged and is recognised in the profit(loss) for the period as value adjustment of the hedged item

4.7 Corporate Tax and deferred taxes

The Corporate Tax expense recognised in the Company's financial statements is calculated based on the accounting profit(loss) of the Company, increased or decreased, as appropriate, by the tax effect of accounting consolidation adjustments and by temporary differences between the tax bases of the assets and liabilities and their carrying amounts in the financial statements (balance sheet liability method), and which result in the recognition of deferred assets and liabilities.

Deferred taxes are not recognised when the transaction has no effect on the book value and/or tax value of the related assets and liabilities. Deferred tax assets and liabilities are calculated at the tax rates in force at the balance sheet date and at the rates that are expected to be in force in the period in which the assets are realised or the liabilities are settled. They are charged or credited to the income statement, except when they relate to items that are recognised directly in equity, in which case they are charged or credited to equity. Deferred tax assets tax loss carryforwards are recognised when it is likely that the Company will recover them in the future, regardless of when they will be recovered, provided this is within the maximum period provided by law. Deferred tax assets and liabilities are not discounted and are classified as a non-current asset or liability in the balance sheet. Deferred taxes recognised are reviewed at each year-end.

The difference between the income tax expense recognised at the previous year-end and the income tax expense reported in the final tax returns filed constitutes a change in accounting estimates and is recognised as current-year income or expense.

The Company pays taxes under the consolidated tax scheme, being part of the Consolidated Tax Group which parent company is Ferrovial, S.A.; therefore, taxes were calculated based on such scheme.

4.8 Revenue recognition

The Company's revenue is related to the financial income linked to the loan with Ferrovial S.A., which, based on the Boicac resolution no. 79/2009, on accounting classification in separate financial statements of the income and expenses of these companies, is treated as said Company's revenue.

Revenue is measured at the fair value of the consideration receivable and represents the amounts receivable for the goods and services provided in the normal course of business, minus discounts, refunds, VAT and other sales-related taxes. Revenue is recognised when the risks and rewards are deemed to have been transferred.

4.9 Financial risks

Finally, regarding financial risk management, this function is centrally performed by the Financial Department of Ferrovial, S.A., which has the necessary mechanisms in place to control the exposure to interest rate and foreign exchange fluctuations, as well as to credit and liquidity risks, according to the Company's structure and financial position and to the current economic variables.

(5) SHAREHOLDERS' EQUITY

Share capital

The share capital of Ferrovial Emisiones, S.A. is represented by 60,200 bearer shares with a nominal value of EUR 1 each, fully subscribed and the nominal value fully paid in.

Shares are not listed and the Company does not hold any treasury shares.

The Company is owned by Ferrovial S.A., which holds shares representing a 99% of its share capital and by Can-Am, S.A. Sole- Shareholder Company, which holds the remaining 1%.

Legal reserve

Under the Consolidated Companies Law, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Insofar as it does not exceed 20% of the share capital amount, the legal reserve may be used to offset losses if there were no other sufficient reserves available for this purpose.

At 31 December 2015, the Company held no treasury shares and no transactions involving treasury shares were carried out during the year.

(6) BALANCES HELD WITH FINANCIAL INSTITUTIONS AND OTHER MARKETABLE SECURITIES

Bank borrowings

| Balances at 31/12/2015 | Nominal amount | Amortised cost | Adjustment to Market Value | Total |
|-------------------------------|-----------------------|-----------------------|-----------------------------------|------------------|
| Bonds | 1.300.000.000,00 | -11.707.726,02 | 9.929.164,38 | 1.298.221.438,36 |

| Balances at 31/12/2014 | Nominal amount | Amortised cost | Adjustment to Market Value | Total |
|-------------------------------|-----------------------|-----------------------|-----------------------------------|------------------|
| Bonds | 1.300.000.000,00 | -12.189.226,19 | 10.270.068,00 | 1.298.080.841,81 |

| Balances at 31/12/2015 | Short-term debts | Long-term debts |
|-------------------------------|-------------------------|-------------------------|
| Bonds | | 1.298.221.438,36 |
| Interest | 28.495.185,83 | |
| Other | 263,34 | |
| TOTAL | 28.495.449,17 | 1.298.221.438,36 |

| Balances at 31/12/2014 | Short-term debts | Long-term debts |
|-------------------------------|-------------------------|-------------------------|
| Bonds | | 1.298.080.841,81 |
| Interest | 28.530.821,92 | |
| Other | 250,08 | |
| TOTAL | 28.531.072,00 | 1.298.080.841,81 |

The detail of the bonds issued by the Company is as follows:

| <u>Amounts of issue in euros</u> | <u>Date of issue</u> | <u>Maturity</u> | <u>Annual Coupon</u> |
|---|-----------------------------|------------------------|-----------------------------|
| 500.000.000,00 | 30/01/2013 | 30/01/2018 | 3,375% |
| 500.000.000,00 | 07/06/2013 | 07/06/2021 | 3,375% |
| 300.000.000,00 | 15/07/2014 | 15/07/2024 | 2,500% |

The bonds issued in 2013 are traded on the secondary market of the London Stock Exchange. The bonds issued in 2014 have been admitted to trading on the Spanish fixed-income securities market (AIAF). From April 2014, the three issues have been backed solely by Ferrovial, S.A., the parent company, as a consequence of the refinancing of the company's syndicated loan, whereby certain Group companies – which, in turn, had to guarantee the corporate bonds issued up to that date– no longer stood as guarantors of that issue under the new financing terms, and hence of the first bond issue as well, which had been guaranteed by those companies to that date.

Derivative financial instruments at fair value

The derivatives held by the Company at 31 December 2015 were as follows:

| Type of instruments | Fair Value | | Variation | Variation | | | | | Total |
|-------------------------------|-----------------------|-----------------------|-------------------|--------------------|---------------------------------------|----------------------------|-------------------|--|-------------------|
| | Balance at 31/12/2015 | Balance at 31/12/2014 | | Impact on reserves | Impact on profit(loss) for fair value | Impact on financial result | Cash | Other impacts in balance sheet or income statement | |
| Interest Rate Swaps | 14.790.718 | 16.241.160 | -1450.443 | 0 | 1682.838 | 0 | -3.133.281 | 0 | -1450.443 |
| Total financial hedges | 14.790.718 | 16.241.160 | -1.450.443 | 0 | 1.682.838 | 0 | -3.133.281 | 0 | -1.450.443 |

The table below details the derivatives arranged and the fair value thereof at 31 December 2015, as well as the maturities of the notional amounts to which the derivatives relate (notional maturities are shown as positive figures and future increases already arranged as negative figures):

| Type of instruments | Fair Value | | Notional maturity | | | | | Total |
|-------------------------------|-----------------------|-----------------------|-------------------|------------|------------|------------|---------------------|--------------------|
| | Balance at 31/12/2015 | Balance at 31/12/2014 | 31/12/2016 | 31/12/2017 | 31/12/2018 | 31/12/2019 | 31/12/2020 and more | |
| Interest Rate Swaps | 14.790.718 | 16.241.160 | 0 | 0 | 0 | 0 | 250.000.000 | 250.000.000 |
| Total financial hedges | 14.790.718 | 16.241.160 | 0 | 0 | 0 | 0 | 250.000.000 | 250.000.000 |

The cash flows that make up the fair value of the derivatives have the following maturities:

| Type of instruments | Fair Value | | Cash flow maturity | | | | | Total |
|-------------------------------|-----------------------|-----------------------|--------------------|------------------|------------------|------------------|---------------------|-------------------|
| | Balance at 31/12/2015 | Balance at 31/12/2014 | 31/12/2016 | 31/12/2017 | 31/12/2018 | 31/12/2019 | 31/12/2020 and more | |
| Interest Rate Swaps | 14.790.718 | 16.241.160 | 3.532.177 | 3.436.348 | 2.769.924 | 1.954.690 | 3.097.579 | 14.790.718 |
| Total financial hedges | 14.790.718 | 16.241.160 | 3.532.177 | 3.436.348 | 2.769.924 | 1.954.690 | 3.097.579 | 14.790.718 |

Such derivatives were arranged in 2013 and have a notional amount of EUR 250 million, maturing in 2021. With a part of the bond fixed interest rate turning into a variable rate, these IRSs have become a partial economic hedge of the fair value of the bond issue described above. This means that both the derivative's fair value variation and the hedged item (in this case a portion of the bond) are registered at fair value with some changes in the profit(loss) account. In this regard, it should be noted that the fair value of the hedged bond totals EUR 340,903. Therefore, the amount of the fair value recorded in the 2015 reporting period corresponding to both the bonds and the related derivatives totals EUR 2,023,741.

(7) BALANCES WITH GROUP COMPANIES

| 31/12/2015 | Short-Term Loans | Long-term loans |
|-----------------------------------|----------------------|-------------------------|
| Ferrovial, S.A. (loan interests) | 28.530.821,92 | 1.291.487.743,16 |
| Ferrovial, S.A. (current account) | 1.133.094,55 | |
| TOTAL GROUP COMPANIES | 29.663.916,47 | 1.291.487.743,16 |

| Balances at 31/12/2014 | Short-Term Loans | Long-term loans | Short-term debts |
|------------------------------|----------------------|-------------------------|-------------------|
| Ferrovial, S.A. | 28.530.821,92 | 1.289.658.289,94 | 363.970,37 |
| TOTAL GROUP COMPANIES | 28.530.821,92 | 1.289.658.289,94 | 363.970,37 |

The loan-term loans granted to Ferrovial S.A. are related to the bond issues performed by the Company as described in Note 6 above. The current loans relate to the interest accrued on the abovesaid loans for an

amount of EUR 28,530,821.92, to be settled in 2016 and to the balance of the current account between Group companies for an amount of EUR 1,133,094.55.

Such balances have accrued interest rates similar to those of the market, i.e. 0.50% and 4.82% for 2015 and between 0.49% and 4.31% for 2014, 3.375% for the checking account, and 2.50% for the loans (identical to the fixed coupon accrued by the bonds).

Income and expense with Group companies

During 2015 revenue for EUR 43,079,453.22 has been obtained from interest accrued by the loans held by the Company with its parent company Ferrovia, S.A. The remaining income and expense correspond to the interest accrued on the balance of the current account held by the Company with Ferrovia S.A.

| Balances at 31/12/2015 | Revenue | |
|------------------------------|----------------------|------------------|
| | Finance income | Finance costs |
| Ferrovia, S.A. | 43.082.688,02 | 17.018,33 |
| TOTAL GROUP COMPANIES | 43.082.688,02 | 17.018,33 |

| Balances at 31/12/2014 | Revenue | |
|------------------------------|----------------------|-----------------|
| | Finance income | Finance costs |
| Ferrovia, S.A. | 39.299.645,10 | 7.450,81 |
| TOTAL GROUP COMPANIES | 39.299.645,10 | 7.450,81 |

(8) TAX MATTERS

The reconciliation of the accounting profit(loss) for 2015 and the taxable base of the Corporate Tax is as follows:

| ITEM | Increase | Euros Decrease | Total |
|---|----------|-------------------|--------------|
| Profit/loss for the reporting period (before tax) | | | 3.379.172,26 |
| Permanent differences | | | |
| Temporary differences: | | | |
| arising during the year | | | |
| arising in previous years | | | |
| Taxable income | | | 3.379.172,26 |

The reconciliation of the accounting profit(loss) for the year and the expense or income for the Corporate Tax recognised in 2015 and 2014 is as follows:

| | Euros | Euros |
|--|--------------------|----------------------|
| | 2015 | 2014 |
| Profit/loss for the reporting period (before tax) | 3.379.172,26 | 3.953.628,94 |
| Calculated tax national rates (28%/30%) | -946.168,23 | -1.186.088,68 |
| Permanent differences | 0,00 | 0,00 |
| Tax expense | -946.168,23 | -1.186.088,68 |
| Regularisation of previous fiscal year taxes | | |
| Total expense | -946.168,23 | -1.186.088,68 |

The breakdown of income tax expenses or income is as follows:

| Breakdown of income tax expense | 2015 | 2014 |
|--|--------------------|----------------------|
| Current expense | -946.168,23 | -1.186.088,68 |
| Deferred expense | | |
| Expense from previous reporting year | | |
| Total expense | -946.168,23 | -1.186.088,68 |

There are no tax-loss carryforwards, nor any commitments undertaken in relation to tax incentives.

The last four years are open for review by the tax authorities for all the taxes applicable to the Group. Contingent tax liabilities may arise from the criteria that tax authorities may adopt in relation to the years open for review which cannot be objectively quantified. Nevertheless, the Company Directors believe that no significant liabilities will stem from this situation. At the end of the reporting period 2015 the Company is not pending any inspection.

(9) INCOME AND EXPENSES

The financial expense basically consists of the interest accrued on payment of the coupons of the bonds issued, for an amount of EUR 41,695,863.42 in 2015 and 38,156,709.18 in 2014.

In 2015 three coupons have been paid, for an amount of EUR 41,250,000 related to the maturity of the three bonds issuances made by the Company as follows:

| <u>Bonds Issuance</u> | <u>Date of payment</u> | <u>Coupon Amount</u> |
|------------------------------|-------------------------------|-----------------------------|
| 1 ^a | 30/01/2015 | 16.875.000,00 |
| 2 ^a | 07/06/2015 | 16.875.000,00 |
| 3 ^a | 15/07/2015 | 7.500.000,00 |

Employees

At 2015 year-end, the Company had no employees and it was managed and administered by other companies of Ferrovia Group. Senior Management powers are exercised by staff members of the Group's parent company.

The Company has no pension plans or similar obligations.

(10) OTHER DISCLOSURES

During this year, no compensations of any type have been earned in favour of the Joint Directors.

No loans were granted or obligations undertaken regarding pensions and life insurance with respect to the former and current Joint Directors.

There are no transactions guaranteed by assets or cash on hand, and no contingent assets or liabilities.

In complying with the duty of reporting the "average payment period to suppliers" established in the Third Additional Provision of Law 15/2010 (as per the rewritten text of Law 31/2014), the Company informs that the average payment period to suppliers has been 30 days for the Company.

The detail required by Article 6 of Resolution of 29 January 2016 by the Spanish Accounting and Audit Institute concerning the information to be provided over the average payment term to suppliers during the year is as follows:

| | F. Issuances Days |
|---|------------------------------|
| Average payment term to suppliers | 30 |
| Ratio of transactions paid | 30 |
| Ratio of outstanding payment transactions | 0 |

| | Amount (EUR) |
|----------------------------|---------------------|
| Total Payments made | 12.961 |
| Total Outstanding payments | 0 |

(11) AUDITING FEES

During reporting period 2015, fees for audit services and other services provided by the Company's auditor, Deloitte, S.L., or another company related to the auditor by common ownership, management or control were the following:

Fees billed to Ferrovial Emisiones, S.A. for auditing services: EUR 6.4 thousand in 2015 and EUR 6 thousand in 2014.

(12) CONFLICTS OF INTERESTS

No conflict of interests, whether direct or indirect, has arisen with that of the Company, as per the terms of applicable legislation (currently, section 229 of the Spanish Companies Law, notwithstanding the transactions with related entities shown in the notes to the financial statements.

(13) ENVIRONMENTAL POLICY

In view of the business activity carried out by the Company, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its net worth, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

(14) EVENTS SUBSEQUENT TO YEAR-END

No events subsequent to year-end are worth mentioning.

(15). EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

FERROVIAL EMISIONES S.A

Joint Directors:

Ernesto López Mozo

Pedro Losada Hernández

The Joint Directors, in compliance with section 253 of the Consolidated Companies Law approved by means of the Royal Decree-Law 1/2010 of 2 July, have prepared the Company's Financial Statements for 2015, which comprises 15 pages, signed by the Joint Directors in compliance with the applicable Law.

Madrid, 31 March 2016.

Ernesto López Mozo

Pedro Losada Hernández



FERROVIAL EMISIONES S.A.
DIRECTORS' REPORT FOR 2015

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

1. Company development in the year and foreseeable evolution

The Company's core activity at present is the issuance of debt securities in order to obtain financing suitable to address the investment needs of the Ferrovial Group.

The Company's foreseeable evolution is tied to its own activity and the Company is not planning to issue any debt securities in the short term.

2. Information concerning the Environment, Research & Development, Own Portfolio and Financial Instruments, Events Subsequent to Year-end, Average Payment Period to Suppliers and Financial Risk Management.

Given the nature of its activity, the Company has no environmental obligations, expenses, assets, provisions or contingencies, nor does it conduct any R&D activities.

Regarding the Company's own portfolio, at 31 December 2015, the Company does not have any own shares nor has it performed any related transactions during the reporting period. No transactions involving financial instruments have been carried out either.

Such derivatives were arranged in 2013 and have a notional amount of EUR 250 million, maturing in 2021. With a part of the bond fixed interest rate turning into a variable rate, these IRSs have become a partial economic hedge of the fair value of the bond issue. This means that both the derivative's fair value variation and the hedged item (in this case a portion of the bond) are registered at fair value with some changes in the profit(loss) account. In this regard, it should be noted that the fair value of the hedged bond totals EUR 340,903. Therefore, the amount of the fair value recorded in the 2015 reporting period corresponding to both the bonds and the related derivatives totals EUR 2,023,741.

No events subsequent to year-end are worth mentioning.

In complying with the duty of breaking down the "average payment period to suppliers" established in the Third Additional Provision of Law 15/2010 (as per the rewritten text of Law 31/2014), the Company informs that the average payment period to suppliers in 2014 has been 30 days for the Company.

Finally, regarding financial risk management, this function is centrally performed by the Financial Department of Ferrovial, S.A., which has the necessary mechanisms in place to control the exposure to interest rate and foreign exchange fluctuations, as well as to credit and liquidity risks, according to the Company's structure and financial position and to the current economic variables.

FERROVIAL EMISIONES S.A.

Joint Directors:

Ernesto López Mozo

Pedro Losada Hernández

The Joint Directors, in compliance with section 253 of Royal Decree-Law 1/2010 of 2 July, whereby the Consolidated Companies Law was approved, have prepared the Company's Directors Report for 2015, which comprises 3 pages, signed by the Joint Directors.

Madrid, 31 March 2016

Ernesto López Mozo

Pedro Losada Hernández

