SECTION 5: CAPITAL STRUCTURE AND FINANCING

The Notes in this section describe the changes in the financial structure of Ferrovial as a result of changes in equity (see Note 5.1) and in its consolidated net debt (see Note 5.2), taken to be the balance of cash and cash equivalents net of the financial debt, bank borrowings and debt securities, making a distinction between non-infrastructure project companies and infrastructure projects. They also describe the Group's exposure to the main financial risks and the policies for managing them (see Note 5.4), as well as the derivatives arranged in connection with those policies (see Note 5.5).

The equity attributable to the shareholders (see Note 5.1) decreased with respect to 2016, due to the impact of the early application of IFRS 15 (discussed in Note 1.3.1), the expense recognised directly in equity (arising from the exchange rate effect, pensions and derivatives) and to shareholder remuneration, which was offset in part by the increase in the consolidated net profit and the subordinated hybrid bond issue.

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS
(Millions of euros)

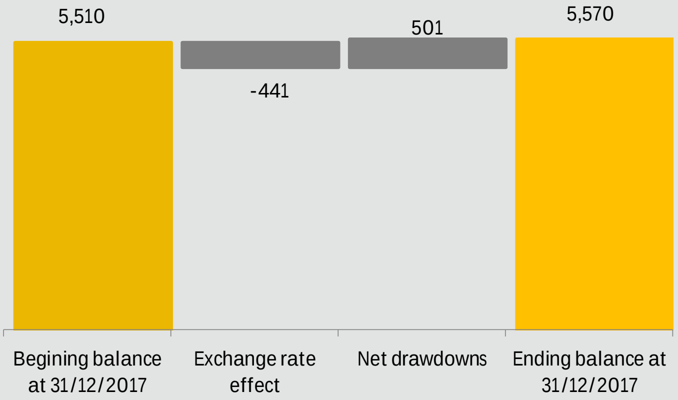
Beginning balance at 01/01/17	5,597
Transition to IFRS 15	-272
Net profit	454
Income and expense recognised directly in equity	-191
Transfers to profit or loss	6
Shareholder remuneration	-520
Subordinated hybrid bond issue	495
Other	-66
Ending balance at 31/12/17	5,503

At 31 December 2015, the consolidated net debt of Ferrovial's non-infrastructure project companies was a positive net cash position of EUR 1,341 million, higher than that at December 2016 (EUR 697 million). This amount includes the cash obtained through the subordinated hybrid bond issue, which is treated as an equity instrument. Excluding this effect, mention should be made of the positive cash flows from activity generated in the year (EUR 896 million), offset by the payment of dividends (EUR -520 million). The other changes are analysed through cash flows (see Note 5.3) and the directors' report.

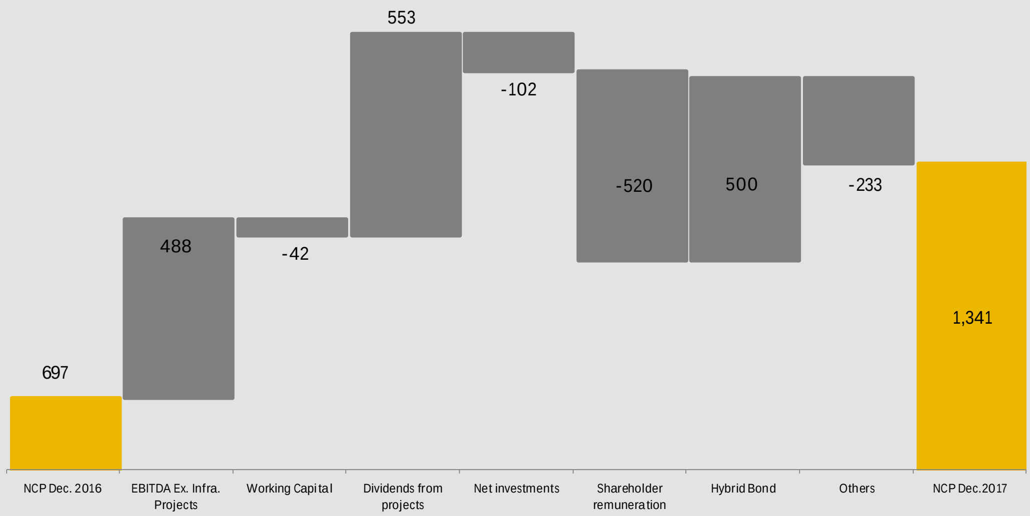
The consolidated net debt continues to make it possible to amply achieve the objective of maintaining an investment grade rating, where the Company considers a relevant metric a ratio, for non-infrastructure projects, of net debt (gross debt less cash) to gross profit from operations (EBITDA) plus dividends from projects of no more than 2:1. Ferrovial's rating remains unchanged at BBB.

The borrowings of infrastructure projects remained at similar levels to those of 2016 (EUR 5,570 million in December 2017 compared to EUR 5,510 million in December 2016), most noteworthy being the impact of the net drawdowns (EUR 501 million), partially offset by the positive exchange rate effect (EUR 441 million), due mainly to the increase in value of the US dollar.

BORROWINGS OF INFRAESTRUCTURE PROJECTS



NET CASH POSITION EX INFRAESTRUCTURES PROJECT:



5.1. Equity

5.1.1 Changes in equity

The detail of the main impacts net of taxes that affected the changes in equity in 2017 and which explain the changes in equity in the period from December 2016 to December 2017 is as follows:

2016 (Millions of euros)	ATTRIBUTABLE TO THE SHAREHOLDERS	ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity at 31/12/16	5,597	717	6,314
Transition to IFRS 15	-272	0	-272
Equity at 01/01/17	5,325	717	6,042
Consolidated profit for the year	454	53	507
Impact on reserves of hedging instruments	76	1	76
Impact on reserves of defined benefit plans	51	0	51
Translation differences	-318	-60	-378
Income and expense recognised directly in equity	-191	-60	-251
Amounts transferred to profit or loss	6	0	6
Total Comprehensive Income	269	-7	262
Scrip dividend/other dividends	-218	-47	-266
Treasury share transactions	-302	0	-302
Remuneration of Shareholders	-520	-47	-568
Capital increases/reductions	0	33	33
Share-based payment	1	0	1
Subordinated hybrid bond	495	0	495
Other changes	-66	35	-31
Other Transactions	430	68	497
Equity at 31/12/17	5,503	731	6,234

Following is a description of the main changes in shareholders' equity in 2017, which gave rise to a reduction of EUR 94 million in equity attributable to the shareholders.

Transition to IFRS 15. As explained in Note 1.3, the Group adopted early IFRS 15, Revenue from Contracts with Customers, effective from 1 January 2017. The main impact of the application of this new standard was a decrease in equity attributable to shareholders' of EUR -272 million.

The consolidated profit for the year attributable to the Parent totalled EUR 454 million

T The income and expense recognised directly in equity relate to:

- Hedging instruments: recognition of the changes in value of the effective portion of derivatives qualifying for hedge accounting (see Note 5.5), the impact of which was EUR 76 million.
- Defined benefit plans: this item includes the impact on equity of actuarial gains and losses arising from adjustments and changes to the Group's defined benefit plan assumptions, as described in Note 6.2, which had an impact for the Parent of EUR 51 million net of taxes (EUR 63 million at fully consolidated companies (Amey) and EUR -12 million at the companies accounted for using the equity method (HAH/AGS)).
- Translation differences: the currencies to which Ferrovial has the greatest exposure in terms of its equity (mainly the Canadian dollar, the US dollar and the pound sterling), as detailed in Note 5.4, giving rise to translation differences of EUR -318 million attributable to the Parent. Specifically, the depreciation of the Canadian dollar gave rise to translation losses of EUR -124 million. In turn, the depreciation of the US dollar and the pound sterling gave rise to translation losses of EUR -84 million and EUR -49 million, respectively. The impact of the other currencies was EUR -61 million, mainly due to the fluctuations in the exchange rate of the Chilean peso.

Amounts transferred to profit or loss:

- This relates mainly to the transfer to profit or loss of fair value changes in derivatives relating to the sale of the 51% ownership interest in Norte Litoral (see Note 1.1.3, Changes in the scope of consolidation).

Shareholder remuneration:

- Scrip dividend: for the third successive year, the Annual General Meeting of Ferrovial, S.A. held on 5 April 2017 approved a flexible shareholder remuneration scheme, whereby the shareholders can freely choose to receive newly issued shares of the Company by subscribing a capital increase with a charge to reserves or an amount in cash through the transfer to the Company (if they have not already done so in the market) of the bonus issue rights corresponding to the shares held by them. As a result of this resolution, in 2017 two capital increases were performed with the following characteristics:
  - In May 2017 6,971,168 new shares were issued with a charge to reserves at a par value of EUR 0.20 per share, representing a capital increase of EUR 1 million, and EUR 97 million of bonus shares were purchased, representing a payment per share of EUR 0.315.
  - In October 2017 9,746,022 new shares were issued with a charge to reserves at a par value of EUR 0.20 per share, representing a capital increase of EUR 2 million, and EUR 121 million of bonus shares were purchased, representing a payment per share of EUR 0.404.
  - EUR -218 million are included in this connection in the foregoing table.
- Acquisition of treasury shares: the Annual General Meeting of Ferrovial, S.A. held on 5 April 2017 approved a treasury share purchase plan the objective of which was a subsequent capital reduction through the retirement of the shares purchased. This transaction is described in Note 5.1.2-c below.
- As can be observed in the preceding table, the cash flow impact of the remuneration of shareholders in 2017 amounted to EUR 520 million (see Note 5.3), of which EUR 218 million related to the scrip dividend and EUR 302 million to treasury share transactions.

Other transactions:

- Capital increases corresponding to non-controlling interests: increase of EUR 33 million in the equity attributable to non-controlling interests, principally at the US North Tarrant Express Segments 3 toll road.

- Share-based remuneration schemes: in 2017 a total of 830,371 treasury shares were acquired, representing 0.11% of the share capital of Ferrovial and with a total par value of EUR 0.2 million, which were subsequently delivered, together with the treasury shares existing at the beginning of the year, to beneficiaries under share-based remuneration schemes. The total cost of acquisition of these shares was EUR 15 million and the result recognised on these transactions in the Company's equity amounts to EUR 1 million.

- It should be noted, as discussed in Note 5.5, that the Company has arranged equity swaps in order to hedge against the possible impact on equity resulting from the exercise of the share-based remuneration schemes. These instruments gave rise to cash inflows of EUR 3 million and the changes in the fair value thereof had an impact on the financial result of EUR 5 million.

- Subordinated hybrid bond: increase in equity was recognised as a result of the issue of this perpetual bond for EUR 500 million, as described in Note 5.1.2-d) on other equity instruments.

- Other changes: this includes mainly an impact of EUR -68 million on equity attributable to the Parent resulting from the acquisition of 6.3% and 3.6% of the US toll roads NTE Mobility Partners, LLC and LBJ Infrastructure Group, respectively, as described in Note 1.3. This transaction also entailed an impact of EUR -27 million on equity attributable to non-controlling interests (see “Equity Attributable to Non-Controlling Interests - Other Changes” relating to the two companies in Note 5.1.2-h), giving rise to a total impact on consolidated equity of EUR -95 million.

5.1.2 Components of equity

Following is an explanation of each of the equity items presented in the consolidated statement of changes in equity:

a) Share capital

At 31 December 2017, the share capital amounted to EUR 146,453,094.40 and had been fully subscribed and paid. The share capital is represented by 732,265,472 ordinary shares of a single class and with a par value of twenty euro cents (EUR 0.20) per share. The changes in 2017 detailed in the table below relate to the capital increase and reduction transactions described in the preceding paragraph.

SHARES	NUMBER	PAR VALUE
Beginning balance	732,548,474	146,509,694.80
Scrip dividend	16,717,190	3,343,438.00
Capital reduction	-17,000,192	-3,400,038.40
Ending shares	732,265,472	146,453,094.40

At 31 December 2017, the only company with an ownership interest of over 10% was Rijn Capital BV, with 20.210% of the shares. This company is controlled by the Chairman of the Company's Board of Directors Rafael del Pino y Calvo Sotelo. The shares of the Parent are traded on the Spanish Stock Market Interconnection System (SIBE) and on the Spanish Stock Exchanges and all carry the same voting and dividend rights.

b) Share premium and merger premium

At 31 December 2017, the Company's share premium amounted to EUR 1,202 million, and the merger premium, which arose as a result of the merger of Grupo Ferrovial, S.A. with Cintra Concesiones de Infraestructuras de Transporte, S.A. (currently Ferrovial, S.A.) in 2009, totalled EUR 349 million. Both line items are considered to be unrestricted reserves.

c) Treasury shares

At 31 December 2016, 2,775,174 treasury shares were held. The following changes took place in 2017:

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES ACQUIRED	NUMBER OF SHARES USED FOR OBJECTIVE	TOTAL NUMBER OF SHARES
Balance at 31/12/16			2,775,174
Capital reduction	14,593,242	-17,000,192	-2,406,950
Discretionary shares and other	1,569,148	0	1,569,148
Compensation systems	830,371	-1,024,694	-194,323
Shares received as payment for the scrip dividend	424,188	0	424,188
Balance at 31/12/17			2,167,237

The Annual General Meeting of Ferrovial, S.A. held on 5 April 2017 approved a treasury share purchase plan for a maximum amount of EUR 275 million the objective of which was a subsequent capital reduction through the retirement thereof. As a result of this resolution, in 2017 14,593,242 shares were acquired at an average price of EUR 18.8 per share, giving rise to a payment totalling EUR 275 million. Subsequently, it was resolved to reduce capital by 17,000,192 shares, giving rise to a capital reduction of EUR 3 million and an impact of EUR -298 million, which was recognised against unrestricted reserves (merger premium) and related to the difference between the acquisition price and the par value of the retired shares. 1,569,148 treasury shares with a value of EUR 29 million were also acquired. Thus, treasury shares totalling EUR 302 million were acquired.

The fair value of the treasury shares held by Ferrovial at 31 December 2017 (2,167,237 shares) was EUR 41 million.

d) Other equity instruments

The Group, through its subsidiary Ferrovial Netherlands BV and with Ferrovial, S.A. acting as guarantor, issued in December 2017 subordinated perpetual bonds for a nominal amount of EUR 500 million with an annual coupon of 2.124% up to the first recalculation date (May 2023). The coupon will be changed after the first recalculation date to a rate equal to the five-year swap rate at that date plus 2.127%. The same calculation will be performed in May 2043; however, in this case, the five-year swap rate at that date will be increased by 2.877%.

These bonds can be redeemed for the first time at the issuer’s discretion in five and a half years (2023) from the issue date (from 14 February 2023 to 14 May 2023, inclusive) and, subsequently, on each coupon payment date. Ferrovial also has the power to delay the timing of the coupon payment, which cannot be claimed by the bondholders.

As stated in Note 1.3.3.3, when it is at the issuer’s discretion to decide both the repayment of the principal and the possibility of deferring the payment of the bond’s coupon, the bond should classified as an equity instrument.

Thus, these subordinated perpetual bonds are recognised under "Other Equity Instruments". The costs associated with the issue of these bonds and the accrued interest, which at the end of 2017 amounted to EUR -5 million, are recognised under "Reserves" and treated in a similar way to dividends.

Irrespective of this type of instrument being classified as equity from an accounting standpoint, the method followed by the rating agencies for the purpose of analysing the Group's debt level is to consider the hybrid bond issue fully or partially as debt and/or partially as equity, according to the current methodologies applied by each of these rating agencies.

e) Valuation adjustments

"Valuation Adjustments" in the consolidated statement of changes in equity, the balance of which at 31 December 2017 was EUR -1,277 million, includes mainly the accumulated amount in reserves of the valuation adjustments made to derivatives (EUR -608 million), pension plans (EUR -511 million) and translation differences (EUR -453 million).

As regards the requirements of IAS 1 in relation to the disclosure of "income and expense recognised directly in equity", it is important to note that the only items that under the related accounting legislation may not be transferred in a future period to profit or loss are the valuation adjustments relating to pension plans.

f) Retained earnings and other reserves

This line item includes prior years' retained earnings and other reserves totalling EUR 4,624 million (2016: EUR 4,731 million). The other reserves include restricted reserves of the Parent, relating mainly to the legal reserve of EUR 29 million.

Adjustments relating to share-based remuneration schemes and the impact of the subordinated perpetual bond's coupons and associated costs are also recognised under this heading.

g) Proposed distribution of profit for 2017

It is planned for the Board of Directors to propose to the Company's duly convened Annual General Meeting that the profit of FERROVIAL, S.A. be distributed as follows:

(Millions of euros)	AMOUNT
Profit of FERROVIAL, S.A. (euros)	97,589,632.72
Distribution (euros)	
To voluntary reserves (euros)	97,589,632.72

The legal reserve has reached the legally required minimum.

h) Non-Group companies with significant ownership interests in subsidiaries

At 31 December 2017, the non-controlling interests in the share capital of the most significant fully consolidated Group companies were as follows:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP SHAREHOLDER
Toll roads		
Autopista Terrassa-Manresa, S.A.	23.72%	Acesa (Autopista Concesionaria Española, S.A.)
Autopista del Sol, C.E.S.A.	20%	Unicaja
LBJ Infrastructure Group Holding LLC	28.3272%-17.0689%	LBJ Blocker (APG)-Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding, LLC	37.033%	Meridiam Infrastructure S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.8399%-17.4949%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infrastructure NTE 3A/3B LLC
Construction		
Budimex, S.A.	9.2%-5.4%-30.3%	AVIVA OFE Aviva BZ WBK-Nationale Nederlanden OPE (listed on the stock exchange)

The main financial statement aggregates of the most significant Group companies in which other shareholders own interests are as follows (data in 100% terms):

2017 (Millions of euros)	ASSETS	LIABILITIES	EQUITY	NET CASH POSITION	NET PROFIT
Autopista Terrasa Manresa	1,105	316	789	39	18
Autopista del Sol	760	701	60	-467	3
LBJ Express	2,139	1,744	395	-1,217	-13
NTE Mobility Partners, LLC	1,749	1,485	264	-855	-4
NTE Mobility Partners Segment 3 LLC	926	626	300	-587	0
Budimex	1,480	1,214	267	538	61

The main changes in "Equity Attributable to Non-Controlling Interests" in 2017 were as follows:

COMPANY	BALANCE AT 31/12/16	PROFIT OR LOSS	DERIVATIVES	TRANSLATION DIFFERENCES	DIVIDENDS	CAPITAL INCREASE	OTHER	BALANCE AT 31/12/17
Autopista Terrasa Manresa	156	15	-1	0	0	0	0	170
Autopista del Sol	-3	1	0	0	0	0	0	-2
LBJ Infrastructure Group	234	-12	0	-30	0	0	-13	179
NTE Mobility Partners	133	-2	0	-18	0	0	-15	98
NTE Mobility Partners Segments 3 LLC	123	0	0	-17	0	33	0	139
Budimex	70	47	0	4	-41	0	60	140
Other	4	5	2	1	-7	0	3	8
Total	718	53	1	-60	-47	33	35	732

"Other Impacts" includes, on the one hand, the impact of EUR -27 million associated with the NTE Mobility Partners LLC and LBJ Infrastructure Group LLC US toll roads as a result of the Group's purchase of a 6.3% and 3.6% interest, respectively, as explained in the "Other Transactions" paragraph in Note 5.1.1. above.

On the other hand, as detailed in Note 1.2, this "Other Impacts" includes an impact on reserves attributable to non-controlling interests amounting to EUR 59 million at the Budimex Group, of which EUR 48 million correspond to the gain on the sale of 3.9 % of capital of the company and EUR 11 million to the increase in the aforementioned percentage of equity attributable to non-controlling interests.

5.2. Consolidated net debt

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the net cash position, distinguishing between infrastructure project companies and the other companies. The net cash position is understood to be the balance of the items included under "Cash and Cash Equivalents", together with restricted cash classified at long term relating to the infrastructure projects, less financial debt (bank borrowings and debt securities) at short and long term.

Also, the net cash position includes forwards totalling EUR 18 million that hedge the cash held by the Group in US and Canadian dollars, as well as cross-currency swaps, with a value of EUR -17 million, associated with the borrowings denominated in US dollars. The derivatives are accounted for in this way because they are associated in full with the aforementioned borrowings/cash and the related exchange rate effect is netted off therefrom.

Although in general the method used to define the Group's net cash position coincides with that used in the preparation of the consolidated financial statements for 2016, in 2017 certain Canadian dollar and US dollar forwards hedging deposits in those currencies, which are recognised under "Current Derivative Financial Instruments at Fair Value", were included as an addition to the net cash position.

	31/12/17							
(Millions of euros)	BANK BORROWINGS /BONDS	CROSS-CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP BALANCES	TOTAL
Non-infrastructure project companies	-2,780	-17	4,137	18	0	1,359	-18	1,341
Infrastructure projects	-5,570	0	463	0	285	-4,822	18	-4,804
Total consolidated net debt	-8,350	-17	4,601	18	285	-3,463	0	-3,463

Net consolidated debt decreased by EUR 804 million, from EUR -4,266 million in 2016 to EUR -3,463 million at December 2017. This change is presented in more detail in Note 5.3, Cash flows.

	31/12/16						
(Millions of euros)	BANK BORROWINGS/ BONDS	CROSS-CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP BALANCES	TOTAL
Non-infrastructure project companies	-2,667	83	3,301	0	717	-20	697
Infrastructure projects	-5,510	0	277	249	-4,983	20	-4,963
Total consolidated net debt	-8,176	83	3,578	249	-4,266	0	-4,266

5.2.1. 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.

Restricted cash is classified as short-term or long-term depending on whether it must remain restricted for less than or more than one year. In any event, these funds are invested in highly-liquid financial products earning floating interest. The type of financial product in which the funds may be invested is also restricted by the financing agreements or, where no restrictions are stipulated, the decision is made on the basis of the Group's policy for the placement of cash surpluses.

Short-term balances, which amount to EUR 58 million (31 December 2016: EUR 62 million), are recognised under "Cash and Cash Equivalents" in the consolidated statement of financial position whereas long-term balances, of EUR 285 million (31 December 2016: EUR 249 million), are classified as financial assets. Therefore, the restricted cash at 31 December 2017 amounted to EUR 343 million (December 2016: EUR 311 million), including both long- and short-term amounts. Accordingly, there was a net change of EUR 32 million, due to:

- An increase therein of EUR 63 million (excluding the exchange rate effect), mainly at the NTE and LBJ toll roads (EUR 35 million and EUR 22 million, respectively), as a result of the business' operations, and at Autopistas del Sol C.E.A.S.A., amounting to EUR 7 million, in relation to debt servicing and future investments.
- The exchange rate effect, which had a negative impact of EUR -31 million, arose mainly due to fluctuations in the US dollar (see Note 1.4).

The other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

b) Infrastructure project borrowings

b.1) Breakdown by project, significant changes in the year and main characteristics of the borrowings

Following is a breakdown of the borrowings by project, distinguishing between bonds and bank borrowings, short- and long-term, and of the changes in the year.

	31/12/17			CHANGE 17/16		
Millions of euros)	BONDS	BANK BORROWINGS	TOTAL	BONDS	BANK BORROWINGS	TOTAL
Non-current maturities	1,799	3,563	5,363	10	43	53
US toll roads	1,136	2,025	3,160	-158	88	-70
Spanish toll roads	487	672	1,159	-9	-12	-20
Portuguese toll roads	0	320	320	0	-8	-8
Airports	177	57	234	177	-9	167
Construction	0	154	154	0	11	11
Services	0	335	335	0	-27	-27
Current maturity	9	199	207	3	5	7
Spanish toll roads	9	10	19	3	1	4
US toll roads	0	0	0	0	0	0
Portuguese toll roads	0	9	9	0	2	2
Airports	0	2	2	0	0	0
Construction	0	4	4	0	0	0
Services	0	174	174	0	1	1
Total	1,808	3,762	5,570	13	48	61

	31/12/16		
(Millions of euros)	BONDS	BANK BORROWINGS	TOTAL
Non-current maturities	1,790	3,520	5,310
US toll roads	1,294	1,937	3,231
Spanish toll roads	496	684	1,179
Portuguese toll roads	0	328	328
Airports	0	67	67
Construction	0	143	143
Services	0	362	362
Current maturity	6	194	200
Spanish toll roads	6	9	15
US toll roads	0	0	0
Portuguese toll roads	0	7	7
Airports	0	2	2
Construction	0	4	4
Services	0	172	172
Total	1,796	3,714	5,510

Following is a detail of the changes in gross debt of the infrastructure projects, detailing the changes in borrowings with a balancing entry in cash flow, the exchange rate effect and changes in the scope of consolidation, together with the changes in debt due to the accrual of interest, which do not give rise to changes in cash flows in the year.

(Millions of euros)	DEC 2016	INCREASE/ DECREASE IMPACT ON CASH	EXCHANGE RATE EFFECT	IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION	INTEREST ADDED TO THE PRINCIPAL AMOUNT/ ACCRUED	OTHER	DEC 2017
Bank borrowings/ Bonds of infrastructure projects	5,510	412	-441	0	88	1	5,570
Gross debt position	5,510	412	-441	0	88	1	5,570

Infrastructure project borrowings increased by EUR 61 million with respect to December 2016, due mainly to the following:

- Exchange rate effect amounting to EUR -441 million, mainly due to the decline in value of the US dollar (EUR -433 million).
- Additional drawdowns against the borrowings already arranged at the end of 2016 and interest accrual and addition of interest to debt principal, for a net amount of EUR 501 million, of which:
    - Issue of a bond amounting to USD 189 million by Denver Great Hall, the company awarded the project to design, construct and operate Denver International Airport's main terminal.

- As regards the US toll roads, EUR 149 million relate to the NTE-Segment 3 toll road, EUR 127 million to I-77 Mobility Partners LLC, EUR 38 million to the LBJ toll road and EUR 31 million to the NTE toll road.

- EUR -17 million relate to the Spanish toll roads, including most notably Autopista del Sol (EUR -17 million), mainly due to the repayment of borrowings (EUR -11 million).

- A decrease of EUR 17 million in the Services Division, mainly in Spain due to debt repayments, including most notably Ecoparc de Can Mata.

US toll roads:

North Tarrant Express Managed Lanes - NTE

This project is financed through a USD 400 million issue of Private Activity Bonds (PABs) with final maturity in 2039 (USD 60 million bearing fixed interest at 7.50% of which EUR 29 million mature in 2030 and EUR 31 million in 2031 and USD 340 million bearing fixed interest at 6.875% with final maturity in 2039). It also has a TIFIA loan of USD 794 million bearing fixed interest at 4.52% (USD 650.0 million of principal and USD 144 million of interest added to the principal) granted by the US Federal Government, which was drawn down in full at 31 December 2017 and has a repayment profile from 2035 to final maturity in 2050.

NTE Mobility Partners Seg 3 LLC

The borrowings for this project were structured through the issue of USD 274 million of Private Activity Bonds (PABs), maturing at 25 and 30 years (7.00% fixed interest on USD 128 million and 6.75% fixed interest on USD 146 million), and a TIFIA loan of USD 531 million bearing a fixed rate of 3.84%, against which USD 452.2 million had been drawn down at 31 December 2017 (USD 430.5 million of principal and USD 21.7 million of interest added to the principal), with final maturity in 2054.

LBJ

This concession operator is financed through a USD 615 million issue of PABs with final maturity in 2040 (7.00% fixed interest on USD 473.5 million, of which USD 419 million have final maturity in 2040 and USD 54.5 million in 2034; and 7.50% fixed interest on USD 142 million, of which USD 91 million have final maturity in 2032 and USD 51 million in 2033). LBJ also has a TIFIA loan of USD 850 million granted by the US Federal Government with a repayment profile from 2036 to 2050, against which USD 1,034.4 million had been drawn down at 31 December 2017 (USD 850 million of principal and USD 184.4 million of interest added to the principal). This loan bears interest at a fixed rate of 4.22% and has final maturity in 2050.

I-77 Mobility Partners

This concession operator is financed through a USD 100 million issue of PABs (5.00% fixed interest), of which USD 7 million have final maturity between 2026 and 2030, USD 13 million have final maturity in 2037 and EUR 80 million have final maturity in 2054. It also has a TIFIA loan of USD 189 million against which USD 192.8 million had been drawn down at 31 December 2017 (USD 189.0 million of principal and USD 3.8 million of interest added to the principal). This loan bears interest at a fixed rate of 3.04% and has final maturity in 2053.

Spanish toll roads:

Ausol I and II

The borrowings are structured in the form of senior bonds and debentures for EUR 507 million maturing in 30 years with a coupon of 3.75% (EUR 351.5 million for AUSOL I and EUR 155.5 million for AUSOL II) and a junior loan of EUR 50.8 million maturing in 10 years with a fixed interest rate of 7% (EUR 35.2 million for AUSOL I and EUR 15.6 million for AUSOL II).

The outstanding borrowings at 31 December 2017 amounted to EUR 499.2 million of senior bonds and EUR 29.4 million of the junior loan.

Cintra Inversora Autopistas de Cataluña / A. Terrasa Manresa

The company is now financed through a credit facility with a tranche A and a tranche B with limits of EUR 300 million and EUR 316 million, respectively, both bearing interest at 6-month EURIBOR of -0.271%+1.50%. Both tranches have been drawn down in full and have final maturity in 2035. The company has also been granted a liquidity line of EUR 80 million, against which it has drawn down EUR 42.8 million (bearing interest at 6-month EURIBOR of -0.271%+1.50%). It should also be noted that this company has a derivative with a notional amount of EUR 604 million, a guaranteed interest rate of 5.132% and maturity in 2035. The fair value of the derivative arranged (recognised under "Derivative Financial Instruments at Fair Value", see Note 5.5) was EUR -277.5 million at year-end.

Portuguese toll roads:

Euroscut Azores

Syndicated bank financing with final maturity in 2033, against which EUR 332.6 million had been drawn down at 31 December 2017 (bearing interest at 6-month EURIBOR of -0.27%+0.85%). In relation to these borrowings, the concession operator has arranged a derivative with a notional amount of EUR 287.0 million, a guaranteed fixed interest rate of 4.115% and maturity in 2033. The fair value of the derivative arranged (recognised under "Derivative Financial Instruments at Fair Value", see Note 5.5) was EUR -79.4 million at year-end.

Detail of other projects:

(Millions of euros)	LONG-TERM	SHORT-TERM	TOTAL	CHANGE 2017/2016
Denver Great Hall LLC	177	0	177	177
Other airports	57	2	59	-9
Airports	234	2	236	167
AmeyCespa (MK) SPV Limited	0	145	145	-6
Autovía de Aragón, Sociedad Concesionaria, S.A.	85	13	98	-3
Smart Hospital Cantabria S.A.	65	3	69	-3
Other services	185	12	197	-13
Services	335	174	509	-25
Conc. Prisiones Lledoners,S.A.	73	1	74	-1
Concesionaria de Prisiones Figueras S.A.U.	61	2	63	-2
Other construction	20	1	21	14
Construction	154	4	158	11
Total other infrastructure project borrowings	723	179	902	153

(Millions of euros)	LONG-TERM	SHORT-TERM	2016
Denver Great Hall LLC	0	0	0
Other airports	67	2	68
Airports	67	2	68
AmeyCespa (MK) SPV Limited	0	151	151
Autovía de Aragón, Sociedad Concesionaria, S.A.	93	9	101
Smart Hospital Cantabria S.A.	68	3	71
Other services	201	9	210
Services	362	172	534
Conc. Prisiones Lledoners,S.A.	73	1	74
Concesionaria de Prisiones Figueras S.A.U.	63	3	65
Other construction	7	0	7
Construction	143	4	147
Total other infrastructure project borrowings	572	178	749

Other infrastructure project borrowings increased by EUR 153 million with respect to December 2016 due mainly to the financing of the project for the remodelling and commercial operation of the Jeppesen Terminal of Denver airport (see Note 1.1.3). This financing was realised through the issue, on 21 December 2017, of a bond for USD 189 million with 5% fixed interest and final maturity in 2049.

b.2) Maturities by currency and fair value of infrastructure project borrowings

(Millions of euros)	CURRENCY	FAIR VALUE 2017	FAIR VALUE 2016	CARRYING AMOUNT 2017	2018	2019	2020	2021	2022	2023 AND SUBSEQUENT YEARS	TOTAL MATURITIES
Bonds of infrastructure projects		2,039	1,983	1,808	9	10	12	13	14	1,754	1,812
Toll Roads		1,776	1,983	1,632	9	10	12	13	13	1,598	1,655
	USD	1,281	1,481	1,136	0	0	0	0	0	1,155	1,155
	EUR	496	502	496	9	10	12	13	13	443	499
Airports		262	0	177	0	0	0	0	1	156	157
	USD	262	0	177	0	0	0	0	1	156	157
Bank borrowings of infrastructure projects		3,762	3,714	3,762	190	52	54	107	73	3,327	3,803
Toll Roads		3,036	2,965	3,036	18	22	24	17	24	2,969	3,075
	USD	2,025	1,937	2,025	0	0	0	0	0	2,054	2,054
	EUR	1,012	1,028	1,012	18	22	24	17	24	915	1,021
Airports		59	68	59	2	2	2	55	0	0	60
	USD	59	68	59	2	2	2	55	0	0	60
Construction		158	147	158	3	2	3	3	4	145	160
	EUR	158	147	158	3	2	3	3	4	145	160
Services		509	534	509	168	26	26	32	45	213	508
	GBP	203	213	203	147	1	1	1	3	51	203
	EUR	306	321	306	21	25	25	31	42	162	306
Total borrowings of infrastructure projects		5,801	5,697	5,570	199	62	65	120	87	5,081	5,615

The differences between the total maturities of the bank borrowings (EUR 5,615 million) and the carrying amounts thereof at 31 December 2017 (EUR 5,570 million) are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting legislation. Thus, the accrued interest payable and the application of the amortised cost method represent an impact of EUR 45 million, taking into account that the maturities of the borrowings do not include interest.

The fair value reflected in the table above is calculated as follows:

- For fixed-rate bonds, subject to changes in value due to fluctuations in market interest rates: since they are quoted in an active market, the related market value is used.
- For fixed-interest bank borrowings, also subject to changes in value due to fluctuations in rates: future cash flows are discounted using a market interest rate, calculated using an internal valuation model.
- Lastly, for floating-rate bank borrowings: no significant differences are deemed to exist between the fair value of the borrowings and their carrying amount and, therefore, the carrying amount is used.

b.3) Information on credit limits and credit drawable for infrastructure projects

Set forth below is a comparative analysis of borrowings not drawn down at year-end:

2017 (Millions of euros)	DEBT LIMIT	AMOUNT DRAWN DOWN	AMOUNT DRAWABLE	CARRYING AMOUNT OF DEBT
Toll roads	4,838	4,729	109	4,668
US toll roads	*3,293*	*3,210*	*84*	*3,160*
Spanish toll roads	*1,212*	*1,187*	*25*	*1,178*
Other toll roads	*333*	*333*	*0*	*329*
Airports	217	217	0	236
Construction	161	160	1	158
Services	514	508	6	509
Total borrowings	5,730	5,615	116	5,570

2016 (Millions of euros)	DEBT LIMIT	AMOUNT DRAWN DOWN	AMOUNT DRAWABLE	CARRYING AMOUNT OF DEBT
Toll roads	5,242	4,833	409	4,760
US toll roads	*3,667*	*3,290*	*377*	*3,231*
Spanish toll roads	*1,237*	*1,205*	*32*	*1,195*
Other toll roads	*338*	*338*	*0*	*335*
Airports	70	70	0	68
Construction	164	148	16	147
Services	542	537	6	534
Total borrowings	6,018	5,588	430	5,510

The differences between the total bank borrowings drawn down and the carrying amount of the related debt at 31 December 2017 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting legislation (basically accrued interest payable and the application of the amortised cost method, which are detailed in point b.2 above).

Of the EUR 116 million drawable (31 December 2016: EUR 430 million), EUR 84 million relate mainly to amounts not drawn down against borrowings that were obtained to finance toll roads under construction in the US. It should be noted that this drawable amount is associated exclusively with the projects, based on the nature and performance thereof, as discussed below.

b.4) Guarantees and covenants for project borrowings

The borrowings classified as project borrowings are without recourse to the shareholders of the projects or with recourse limited to the guarantees provided. The guarantees provided by subsidiaries of Ferrovial in connection with the borrowings of these projects are described in Note 6.5, Contingent liabilities.

At 31 December 2017, all the concession operators were achieving the significant covenants in force. However, it should be noted that at AmeyCespa (MK) SPV Limited, concession operator of a waste plant in the United Kingdom, there was a delay in the repayment of the debt (EUR 145 million at the end of 2017) due to the delay in collection by the client. It is estimated that the debt will finally be repaid in March 2018.

5.2.2. Net cash position excluding infrastructure projects

a) Borrowings of non-infrastructure project companies

a.1) Breakdown between current and non-current borrowings, changes in the year and main characteristics

	2017			CHANGE 17/16		
(Millions of euros)	NON-CURRENT MATURITIES	CURRENT MATURITY	TOTAL	NON-CURRENT MATURITIES	CURRENT MATURITY	TOTAL
Corporate bonds	1,787	536	2,323	-8	507	499
Corporate liquidity lines	232	0	232	-32	0	-32
Broadspectrum borrowings	77	46	123	-386	34	-352
Other borrowings	53	49	102	10	-12	-1
Total borrowings excluding infrastructure projects	2,149	631	2,780	-416	529	113

2016 (Millions of euros)	NON-CURRENT MATURITIES	CURRENT MATURITY	TOTAL
Corporate bonds	1,795	29	1,824
Corporate liquidity lines	264	0	264
Broadspectrum borrowings	463	12	475
Other borrowings	43	61	103
Total borrowings excluding infrastructure projects	2,564	102	2,667

Following is a detail of the changes in the gross debt of non-infrastructure projects, detailing the changes in borrowings with a balancing entry in cash flow, the exchange rate effect and changes in the scope of consolidation, together with the changes in debt due to the accrual of interest, which do not give rise to changes in cash flows in the year.

(Millions of euros)	DEC 2016	INCREASE/ DECREASE IMPACT ON CASH	EXCHANGE RATE EFFECT	IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION	INTEREST ADDED TO THE PRINCIPAL AMOUNT/ ACCRUED	OTHER	DEC 2017
Bank borrowings/ Bonds of non-infrastructure project companies	2,667	151	-52	5	8	1	2,780
Cross-currency swaps	-83	67	33	0			17
Gross debt position	2,584	218	-19	5	8	1	2,797

a.1.1) Corporate debt:

The corporate debt comprises the following debt instruments:

- On the one hand, the debt consists of five corporate bonds the carrying amount of which totals EUR 2,323 million at 31 December 2017 (31 December 2016: EUR 1,824 million). The characteristics of these bonds are as follows:

ISSUE DATE	AMOUNT (NOMINAL) (millions of euros)	MATURITY	ANNUAL COUPON
30/01/13	500	30/01/18	3.375%
07/06/13	500	07/06/21	3.375%
15/07/14	300	15/07/24	2.500%
14/09/16	500	14/09/22	0.375%
29/03/17	500	31/03/26	1.375%

The bonds issued in 2013 are traded on the secondary market of the London Stock Exchange, while those issued in 2014, 2016 and 2017 are admitted to trading on the Spanish AIAF fixed-income market. All these issues are guaranteed by Ferrovial S.A., the Parent of the Group. It should be noted that the Group has interest rate derivatives associated with the corporate bonds, with a notional amount of EUR 250 million; these derivatives convert the fixed interest rate into a floating one, see Note 5.5.

- On the other hand, the Group has a liquidity facility, negotiated in 2014 with a series of creditor banks, with a current limit of EUR 1,250 million (31 December 2016: EUR 1,250 million), against which EUR 232 million have been drawn down, which matures in March 2022. The foreign currency and interest rate risks on these borrowings were hedged using the cross currency swaps described in Note 5.5, guaranteeing a hedged notional amount of EUR 250 million at a fixed interest rate of -0.4390%, thus giving rise to income for the Group.

Also, the Group has other facilities negotiated in 2017 with a current limit of EUR 175 million (31 December 2016: EUR 20 million) against which EUR 18 million have been drawn down.

The interest rate negotiated is tied to EURIBOR plus a spread based on the average rating assigned to the borrowings of Ferrovial S.A., the Parent of the Group.

Information on the credit limits and credit drawable of the corporate debt

The detail of the limits and the amounts drawable of the corporate debt at 31 December 2017 and at 31 December 2016 is as follows:

	2017			
(Millions of euros)	DEBT LIMIT	AMOUNT DRAWN DOWN	AMOUNT DRAWABLE	CONSOLIDATED DEBT
Bonds	2,300	2,300	0	2,323
Syndicated facility	1,250	232	1,018	232
Other facilities	175	18	157	0
Total corporate debt	3,725	2,550	1,175	2,555

	2016			
(Millions of euros)	DEBT LIMIT	AMOUNT DRAWN DOWN	AMOUNT DRAWABLE	CONSOLIDATED DEBT
Bonds	1,800	1,800	0	1,824
Syndicated facility	1,250	250	1,000	264
Other facilities	20	0	20	0
Total corporate debt	3,070	2,050	1,020	2,088

Corporate credit rating

The credit rating agencies Standard & Poor's and Fitch maintained their opinions on the credit rating of Ferrovial's corporate debt at December 2017, which was assigned ratings of BBB and BBB with a stable outlook, respectively, and, therefore, came under the "investment grade" category.

a.1.2) Broadspectrum borrowings

Broadspectrum's borrowings in 2017 amount to EUR 123 million (2016: EUR 475 million). This decrease is due to the partial repayment in 2017 of the debt assumed in the purchase of Broadspectrum in 2016. In particular, in May the Company repaid its high yield bonds amounting to USD 325 million (net amount of the cross-currency swap). This transaction helped to optimise the company's financial position by repaying borrowings with an annual coupon of 8.375%.

a.1.3) Other borrowings

"Other Borrowings" of EUR 102 million (31 December 2016: EUR 103 million) include mainly the bank loans and finance leases of the Construction and Services Divisions (excluding Broadspectrum, see point a.1.2. above). Thus, the non-infrastructure project companies have finance leases of EUR 54 million (31 December 2016: EUR 41 million), mainly in the Services and Construction Divisions.

Information on limits and amounts drawable - Other borrowings:

The detail of the limits and the amounts drawable of the other borrowings at 31 December 2017 and at 31 December 2016 is as follows:

	2017			
(Millions of euros)	DEBT LIMIT	AMOUNT DRAWN DOWN	AMOUNT DRAWABLE	CONSOLIDATED DEBT
Construction	131	35	96	39
Broadspectrum	284	113	171	123
Services UK	191	11	180	11
Other services	45	26	19	52
Services	519	149	370	185
Other borrowings	650	184	466	225

	2016			
(Millions of euros)	DEBT LIMIT	AMOUNT DRAWN DOWN	AMOUNT DRAWABLE	CONSOLIDATED DEBT
Construction	84	23	61	35
Broadspectrum	566	377	189	475
Services UK	199	12	187	12
Other services	43	30	13	51
Services	808	419	389	538
Other	0	0	0	5
Other borrowings	893	442	451	578

The differences between total bank borrowings and the carrying amount thereof at 31 December 2017 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting legislation.

a.2) Maturities by currency and fair value of borrowings excluding infrastructure projects

BORROWINGS (Millions of euros)	CURRENCY	FAIR VALUE 2017	CARRYING AMOUNT 2017	2018	2019	2020	2021	2022	2023 AND SUBSEQUENT YEARS	TOTAL MATURITIES
Corporate debt		2,407	2,555	500	0	0	500	750	800	2,550
	EUR	2,407	2,555	500	0	0	500	750	800	2,550
Services Division debt		185	185	41	73	3	6	11	16	149
	AUD	7	7	23	0	0	0	0	0	23
	EUR	36	36	6	0	0	2	2	1	12
	GBP	11	11	0	0	2	0	9	0	11
	USD	79	79	10	70	0	0	0	0	80
	CAD	9	9	0	0	0	0	0	8	8
	PLN	12	12	1	0	1	2	0	6	10
	CLP	31	31	0	2	1	1	0	0	5
Other borrowings		40	40	0	1	2	5	9	13	29
	EUR	5	5	0	0	0	0	0	2	2
	GBP	0	0	0	0	0	0	0	0	0
	PLN	27	27	0	1	2	5	9	11	27
	OMR	6	6	0	0	0	0	0	0	0
	CLP	0	0	0	0	0	0	0	0	0
Total borrowings excluding infrastructure projects		2,632	2,780	541	74	5	510	769	829	2,729

The differences between the total maturities of borrowings and the carrying amounts of the debt at 31 December 2017 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting legislation (basically accrued interest payable and the application of the amortised cost method).

The fair value of bank borrowings excluding infrastructure projects coincides with the related carrying amount because the borrowings are tied to floating market interest rates and, therefore, changes in the benchmark interest rates do not affect their fair value.

As regards corporate bonds: since they are quoted in an active market, the related market value is used.

Based on the aforementioned criteria, the estimated total fair value of bank borrowings and bonds excluding infrastructure projects was EUR 2,632 million at 31 December 2017 (31 December 2016: EUR 2,735 million).

The 2018 maturities amount to EUR 541 million and relate mainly to the maturity of the first corporate bond for EUR 500 million and borrowings associated with Broadspectrum, of EUR 34 million, and Inagra, S.A., totalling EUR 6 million. The debt maturities do not include interest.

b) Cash and cash equivalents of other companies

Although in general the method used to classify the cash and cash equivalents at short- and long-term coincides with that used in the preparation of the consolidated financial statements for 2016, in 2017 certain Canadian dollar and US dollar forwards hedging deposits in those currencies, which are recognised under "Current Derivative Financial Instruments at Fair Value", were included as an addition to the net cash position.

Also, at 31 December there were certain restricted accounts totalling EUR 31 million (31 December 2016: EUR 37 million) associated mainly with the developments in progress of Budimex.

5.3. Cash flow

The consolidated statement of cash flows was prepared in accordance with IAS 7. This Note provides an additional breakdown in this connection based on internal criteria established by the Company for business performance purposes, which in certain cases differ from the provisions of IAS 7. The main criteria applied are as follows:

- In order to provide a clearer explanation of the cash generated, the Group separates cash flows into "Cash Flows Excluding Infrastructure Projects", where infrastructure project concession operators are treated as financial assets and the investments in the capital of these companies are therefore included in cash flows from investing activities and the yields from the investments (dividends and capital reimbursements) are included in cash flows from operating activities, and "Cash Flows of Infrastructure Projects", consisting of cash flows from the operating and financing activities of infrastructure project concession operators.

- The treatment given to interest received on cash and cash equivalents differs from that in the statement of cash flows prepared in accordance with IAS 7, since this interest is included in cash flows from financing activities as a reduction of the amount recognised under "Interest Cash Flows".

- Lastly, the statement of cash flows endeavours to present the changes in the net cash position as the net amount of borrowings, cash and cash equivalents and restricted cash. This method also departs from that established in IAS 7, which explains the changes in cash and cash equivalents.

		DECEMBER 2017 (Millions of euros)			
DECEMBER 2017	NOTE:	CASH FLOWS EXCLUDING INFRASTRUCTURE PROJECTS	CASH FLOWS OF INFRASTRUCTURE PROJECTS	ELIMINATIONS	CONSOLIDATED CASH FLOW
Ebitda (gross profit from operations)	2.4	484	449	0	932
Dividends received	3.5	553	0	-10	543
Change in working capital (receivables, payables and other)	5.3	-38	-16	0	-53
Cash flows from operating activities before tax		999	433	-10	1,422
Taxes paid in the year	2.8.1	-115	-27	0	-142
Cash flows from operating activities		883	407	-10	1,280
Investments	3.2, 3.3 & 3.4	-355	-371	43	-684
Disposals	1.1.3	253	0	-5	248
Cash flows from investing activities		-102	-371	38	-436
Cash flows from operating and investing activities		781	35	28	844
Interest cash flows	2.6	-32	-204	0	-236
Capital proceeds from non-controlling interests		0	73	-38	35
Scrip dividend		*-218*	*0*	*0*	*-218*
Acquisition of treasury shares		*-302*	*0*	*0*	*-302*
Remuneration of shareholders	5.1	-520	0	0	-520
Dividends paid to non-controlling shareholders of investees		-48	-11	10	-49
Exchange rate effect		-43	398	0	354
Changes in the scope of consolidation	1.1.3	0	-43	0	-43
Perpetual subordinated bond issue		500	0	0	500
Other changes in borrowings (not giving rise to cash flows)		6	-88	0	-82
Cash flows from financing activities		-137	125	-28	-40
Change in net cash position	5.2	644	160	0	804
Opening position		697	-4.963	0	-4,266
Closing position		1.341	-4.804	0	-3,463

Change in working capital:

The change in working capital disclosed in the foregoing table is the measure that explains the difference between the Group's EBITDA (Gross profit from operations) and its cash flows from operating activities before tax; it arises from the difference between the accrual of revenue and expenses for accounting purposes and the time when such revenue and expenses are transformed into cash, and relates mainly to changes in the balances of trade receivables and payables to suppliers or other items in the consolidated statement of financial position. Thus, a reduction in the balance of trade receivables will give rise to an improvement in working capital and a reduction in the balance of payables to suppliers will give rise to a worsening of working capital.

The changes in this item do not exactly coincide with the changes in working capital reported in Section 4 of the consolidated financial statements for the following reasons:

	NON-INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS AND ADJUSTMENTS	TOTAL
Change in working capital (Section 4)	**60**	**70**	**130**
Changes in working capital with an impact on cash flows from investing activities	62	-133	-71
Changes in provisions with an impact on gross profit from operations or on working capital	-111	0	-111
Changes in other statement of financial position items with an impact on cash flows from operating activities	-50	48	-2
Total working capital reported in statement of cash flows	**-38**	**-16**	**-53**

The positive impact of the changes in working capital in the consolidated statement of financial position (EUR +130 million) is explained by the increase in Trade receivables, due mainly to the collection of advances received in the Construction business (especially the I-66) and amounts received from infrastructure projects to which the financial asset model is applied, most noteworthy being Autema (see the detail in Section 4). This positive impact is offset by the changes in provisions (EUR -111 million), the most noteworthy of which is the net effect of the recognition/reversal of provisions with an impact on EBITDA (EUR 70 million), that do not give rise to cash outflows, in addition to the use of provisions with a balancing entry in working capital accounts (EUR -181 million), which do give rise to a cash outflow. Also, various items included in operating cash flows with an impact on other items in the consolidated statement of financial position must be borne in mind, such as pension plans and share-based remuneration schemes, as well as the effect of other financial results, (unrelated to financing) such as late-payment interest and guarantees. Taking into account all these changes, the working capital reported in cash flow amounts to EUR -53 million.

The differences mentioned above relate to the following items:

- Changes in working capital with an impact on other cash flow line items. The working capital accounts reported in Section 4, especially the payables to suppliers, can relate to transactions that do not affect cash flows from operating activities, such as non-current asset purchases.

- Changes in provisions with an impact on gross profit from operations or on working capital. These relate to the recognition/reversal of provisions with an impact on gross profit from operations, which does not have an impact on cash, or provisions used with a balancing entry in working capital accounts (see Note 6. 3).

- Changes in other statement of financial position items with an impact on cash flows from operating activities. The changes in working capital reported in Section 4 reflect only movements in items included under "Current Trade and Other Receivables", "Current Trade and Other Payables" and "Inventories". In certain cases, operating income and expenses relate not only to items shown in working capital (current items) but also to certain items recognised as non-current assets and liabilities, such as non-current trade receivables and non-current payables to suppliers, or even to items in equity accounts such as transactions relating to share-based remuneration schemes. Also, this line item includes other financial result items not directly related to financing, such as late-payment interest and guarantee expenses.

The cash flows reported in 2016 were as follows:

		DECEMBER 2016 (Millions of euros)			
DECEMBER 2016	NOTE:	CASH FLOWS EXCLUDING INFRASTRUCTURE PROJECTS	CASH FLOWS OF INFRASTRUCTURE PROJECTS	ELIMINATIONS	CONSOLIDATED CASH FLOW
Ebitda (gross profit from operations)	2.4	502	442	0	944
Dividends received	3.5	477	0	-50	427
Change in working capital (receivables, payables and other)		16	-68	0	-52
Cash flows from operating activities before tax		995	373	-50	1,319
Taxes paid in the year	2.8.1	-125	-23	0	-147
Cash flows from operating activities		870	351	-50	1,172
Investments		-985	-388	72	-1,301
Disposals	1.1	340	0	0	340
Cash flows from investing activities		-645	-388	72	-961
Cash flows from operating and investing activities		226	-38	22	210
Interest cash flows	2.6	-48	-303	0	-351
Capital proceeds from non-controlling interests		2	122	-72	53
Scrip dividend		*-226*	*0*	*0*	*-226*
Acquisition of treasury shares		*-317*	*0*	*0*	*-317*
Remuneration of shareholders	5.1	-544	0	0	-544
Dividends paid to non-controlling shareholders of investees		-23	-50	50	-24
Exchange rate effect		-9	-111	0	-119
Changes in the scope of consolidation	1.1.3	-440	1,702	0	1,262
Other changes in borrowings (not giving rise to cash flows)		18	-230	0	-212
Cash flows from financing activities		-1,043	1,131	-22	66
Change in net cash position	5.2	-817	1,093	0	276
Opening position		1,514	-6,057	0	-4,542
Closing position		697	-4,963	0	-4,266

5.4. Management of financial risks and capital

The Group's activities are exposed to changes in the financial variables affecting their accounts, particularly interest rate, foreign currency, credit, liquidity and equity risk. The policies adopted by the Group in managing these risks are explained in detail in the directors' report.

Following are specific data on the Group's exposure to each of these risks and an analysis of the sensitivity to a change in the various variables, together with a brief description of the management of each risk.

In addition, in view of the economic and political importance of the UK's decision to leave withdraw from the European Union (Brexit), this Note includes a separate in-depth analysis of the impact it has had for Ferrovial with respect to the various financial risks and how these risks are being managed.

a. Exposure to interest rate risk

Ferrovial's businesses are subject to changes in the economic cycles and interest rate risk management takes this into consideration, modelling interest rate settings against financial instrument liquidity management. When interest rates are low, the Group seeks to fix future levels at non-infrastructure project level, although such hedging can affect liquidity in the event of cancellation. At infrastructure project level, the banks and rating agencies require a higher percentage of fixed-rate debt. These strategies are achieved by issuing fixed-rate debt or by arranging hedging financial derivatives, a detail of which is provided in Note 5.5, Derivative financial instruments at fair value. The aim of these hedges is to optimise the finance costs borne by the Group.

The accompanying table shows a breakdown of the Group's debt, indicating the percentage of the debt that is considered to be hedged (either by a fixed rate or by derivatives).

BORROWINGS (Millions of euros)	2017 TOTAL GROSS DEBT	% OF DEBT HEDGED	NET DEBT EXPOSED TO INTEREST RATE RISK	IMPACT ON RESULTS OF + 100 B.P.
Non-infrastructure project companies	2,797	87.0%	363	4
Toll roads	4,668	98%	99	1
Construction	158	94%	10	0
Services	509	65%	177	2
Airports	236	100%	0	0
Infrastructure projects	5,570	95%	285	3
Total borrowings	8,367	92%	648	6

BORROWINGS (Millions of euros)	2016 TOTAL GROSS DEBT	% OF DEBT HEDGED	NET DEBT EXPOSED TO INTEREST RATE RISK	IMPACT ON RESULTS OF + 100 B.P.
Non-infrastructure project companies	2,584	77%	587	6
Toll roads	4,760	98%	97	1
Construction	147	93%	10	0
Services	534	66%	179	2
Airports	68	100%	0	0
Infrastructure projects	5,510	95%	285	3
Total borrowings	8,093	89%	871	9

Also, it must be borne in mind that the results relating to companies accounted for using the equity method include the results corresponding to the 25% ownership interest in HAH and the ownership interest of 43.23% in 407 ETR. As indicated in Note 3.5, the two companies have a significant volume of debt, of which 93% (HAH) and 100% (407 ETR) is hedged against interest rate risk.

Based on the foregoing, at the fully consolidated companies, a linear increase of 100 basis points in the market yield curves at 31 December 2017 would increase the finance costs in the statement of profit or loss by an estimated EUR 6 million, of which EUR 3 million relate to infrastructure projects and EUR 4 million to non-infrastructure project companies, with a net impact on the profit of Ferrovial of EUR -5 million.

It is also necessary to take into account changes in the fair value of the financial derivatives arranged, which are indicated in Note 5.5.

As regards these interest rate hedging instruments, a linear increase of 100 basis points in the market yield curves at 31 December 2017 would, in the case of the effective hedges, have a net positive impact of EUR 205 million on the equity attributable to the Parent (EUR 111 million at companies accounted for using the equity method, EUR 94 million at fully consolidated companies).

b. Exposure to foreign currency risk

Ferrovial monitors regularly the planned net exposure per currency for the coming years both for dividends receivable, investments in new projects and possible divestments.

Ferrovial establishes its hedging strategy by analysing past changes in both short- and long-term exchanges rates, establishing monitoring mechanisms such as future projections and long-term equilibrium exchange rates. These hedges are established by using foreign currency deposits or arranging derivatives (see Note 11 for more details).

The following tables show, by type of currency, the values of assets, liabilities, non-controlling interests and equity attributable to the Parent at December 2017, adjusted by the aforementioned currency forwards corresponding to each currency:

CURRENCY (Millions of euros)	2017 ASSETS	LIABILITIES	EQUITY ATTRIBUTABLE TO THE PARENT	NON-CONTROLLING INTERESTS
Euro	6,569	5,036	1,356	177
Pound sterling	3,315	1,823	1,492	0
US dollar	6,658	5,851	395	412
Canadian dollar	2,867	1,256	1,611	0
Australian dollar	1,499	1,219	280	0
Polish zloty	1,602	1,309	151	142
Chilean peso	286	149	137	0
Other	194	112	82	0
Total Group	22,990	16,756	5,503	731

Note 1.4 contains a detail of the changes in the year in the closing exchange rates. As a result of these changes, the impact of translation differences on equity at 31 December 2017 was EUR -318 million for the Parent and EUR -60 million for non-controlling interests. Of the aforementioned EUR -318 million, EUR -124 million correspond to changes in the Canadian dollar, EUR -49 million to changes in the pound sterling, EUR -84 million to changes in the US dollar and EUR -61 million to changes in other currencies.

After analysing the sensitivity to changes in exchange rates, Ferrovial has estimated that a possible 10% appreciation of the euro at year-end against the main currencies in which the Group has investments would give rise to a change in the Parent's equity of EUR 416 million, of which 43% would relate to the effect of the pound sterling and 39% to that of the Canadian dollar. This fluctuation in the value of the euro would give rise to a change in total assets of EUR 1,638 million, of which 45% would relate to the investments in US dollars, 22% to the investments in pounds sterling and 19% to the investments in Canadian dollars.

Also, the detail of the net profit attributable to the Parent by type of currency for 2017 and 2016 is as follows:

CURRENCY (Millions of euros)	NET PROFIT 2017	2016
Euro	215	204
Pound sterling	86	-76
US dollar	35	101
Canadian dollar	105	102
Australian dollar	-24	-30
Polish zloty	60	53
Chilean peso	9	-9
Other	-31	31
Total Group	454	376

Note 1.4 contains a detail of the changes in the average exchange rates for the year. In this regard, the impact of a 10% appreciation of the euro against the other currencies on the statement of profit or loss would have amounted to EUR -32 million.

c. Exposure to credit and counterparty risk

The Group's main financial assets exposed to credit risk or counterparty risk are as follows:

(Millions of euros)	2017	2016	CHANGE 17/16
Investments in financial assets (1)	886	694	192
Non-current financial assets	1.804	1.712	92
Financial derivatives (assets)	381	450	-69
Trade and other receivables	2.635	2.822	-187

(1) Included in "Cash and Cash Equivalents".

Ferrovial actively monitors its risk exposure to its various counterparties:

- Banks: Ferrovial constantly analyses changes in the short- and long-term public ratings issued by the three main agencies (S&P, Fitch and Moody's) of each bank to which it has exposure. The internal regulations for the management of surpluses govern maximum investment limits with each counterparty using objective criteria: these regulations establish minimum rating requirements to be able to invest cash surpluses and establishes certain limits on such investments based on the rating of each bank. Also, the Financial Risk department monitors the evolution of various counterparties and proposes the appropriate corrective and preventive measures in each particular case.

- Geographical areas: Ferrovial monitors the evolution of the (geographical) markets in which it has a presence, and in its target markets. The Financial Risk department proposes potential actions for occasions when changes in specific geographical areas/markets are expected.

- Customers: Ferrovial analyses and monitors its customers' credit risk, and the Group has a uniform methodology for assigning credit ratings to customers.

d. Exposure to liquidity risk

The Group has established the mechanisms necessary to preserve the level of liquidity that reflect the cash generation and need projections, in relation to both short-term collections and payments and obligations to be met at long term.

Non-infrastructure project companies

At 31 December 2017, cash and cash equivalents amounted to EUR 4,137 million (2016: EUR 3,301 million). Also, at that date undrawn credit lines totalled EUR 1,641 million (2016: EUR 1,471 million).

Infrastructure projects

At 31 December 2017, cash and cash equivalents (including short-term restricted cash) amounted to EUR 463 million (2016: EUR 277 million). Also, at that date undrawn credit lines amounted to EUR 116 million (2016: EUR 430 million), which were arranged mainly to cover committed investment needs.

e. Exposure to equity risk

Ferrovial is also exposed to the risk relating to the fluctuation of its share price. This exposure arises specifically in equity swaps used to hedge against risks of appreciation of share-based remuneration schemes, the detail of which is shown in Note 5.5 to these consolidated financial statements.

Since these equity swaps are not classified as hedging derivatives, their market value has an impact on profit or loss and, accordingly, a EUR 1 increase/decrease in the Ferrovial share price would have a positive/negative impact of EUR 2 million on the net profit of Ferrovial.

f. Exposure to inflation risk

Most of the revenue from infrastructure projects is associated with prices tied directly to inflation. This is the case of the prices of both the toll road concession contracts and those of HAH, which are accounted for using the equity method. Therefore, a scenario of rising inflation would result in an increase the cash flow from assets of this nature. Also, the defined benefit pension plans in the UK have obligations tied to inflation, which are covered on an individualised basis, since they are not included in consolidation at Ferrovial.

Unlike the Company's other assets, from the accounting standpoint the derivatives arranged at HAH the objective of which is to convert fixed-rate borrowings into index-linked debt are measured at fair value through profit or loss, since hitherto they have been considered to be ineffective derivatives. HAH is assessing whether or not to classify them as hedge accounting under the new standards (IFRS 9). The accounting impact to date is that an increase of 100 b.p. throughout the inflation curve would have an effect on the net profit attributable to Ferrovial (in proportion to its percentage of ownership) of EUR -162 million.

Also, in the case of the toll road concession operator Autema, there is a derivative tied to inflation that is deemed to qualify for hedge accounting, in which an increase of 100 b.p. throughout the inflation curve would have a negative effect on reserves of EUR -110 million.

g. Capital management

The Group aims to achieve a debt-equity ratio that makes it possible to optimise costs while safeguarding its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects in order to create shareholder value.

Ferrovial's objective with regard to financial debt is to maintain a low level of indebtedness, excluding infrastructure project debt, such that it can retain its investment grade credit rating. In order to achieve this target it has established a clear and adequate financial policy in which a relevant metric refers to a maximum ratio, for non-infrastructure projects, of net debt (gross debt less cash) to gross profit from operations plus dividends from projects of 2:1.

At 31 December 2017, the net cash position was positive (assets exceeded liabilities) and, therefore, the difference with respect to the maximum debt-equity ratio established is very significant. For the purpose of calculating this ratio, "net debt excluding infrastructure projects" is defined in Note 5.2 and "gross profit from operations plus dividends" is the profit from operations before impairment losses, disposals and depreciation and amortisation of the Group companies other than infrastructure concession operators, plus the dividends received from infrastructure projects.

h. Impact of Brexit on financial risks

This section includes an analysis of the impact that Brexit is having for Ferrovial with respect to financial risks and how these risks are being managed. The risk section of the directors' report contains a comprehensive analysis of Brexit and how it may affect the Group's various business areas.

Ferrovial's UK exposure on the basis of the different financial and business variables is detailed in the following table.

	2017		
(Millions of euros)	TOTAL FERROVIAL	UK EXPOSURE	% OF TOTAL
Sales	12,208	2,871	24%
Gross profit from operations	932	29	3%
Net profit	454	62	14%
Equity	5,503	1,492	27%
Valuation - analyst consensus	-	-	16%
Construction backlog	11,145	771	7%
Services backlog	19,329	8,895	46%
Airports managed	HAH (25%), AGS (50%)		

Exchange rate

In 2017 and in the midst of the negotiations between the UK and the European Union, the pound sterling continued its trend of weakness against the euro, although to a much lesser extent than in 2016 when Brexit was announced. At 31 December 2017, the pound sterling had fallen by 4% compared with the year-ago exchange rate. In order to hedge its foreign currency risk, Ferrovial has arranged hedges with a notional amount of GBP 437 million, which approximately cover the dividends it expects to receive on its UK assets over the next three years.

Inflation and interest rates

The market has lowered its expectations with respect to the future RPI – Retail Price Index by an average of 0.20%, with a level of 3.3% and a lower actual rate, with interest rates remaining at similar levels.

Once again the market expectation is for current levels to be maintained, although a negative impact on Brexit would push inflation up and adversely affect the value of pension las obligations and the nominal interest rate, increasing the cost of financing.

5.5. DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE

a) Breakdown by type of derivative, changes, expiry dates and main features

The table below includes a detail of the fair values of the derivatives arranged at 31 December 2017 and 2016, as well as the maturities of the notional amounts to which the derivatives relate (maturities of notional amounts are shown as positive figures and already-arranged future increases are presented as negative amounts):

	FAIR VALUE		NOTIONAL MATURITIES					
TYPE OF INSTRUMENT (Millions of euros)	BALANCES AT 31/12/17	BALANCES AT 31/12/16	2018	2019	2020	2021	2022 AND SUBSEQUENT YEARS	TOTAL
ASSET BALANCES	**381**	**450**	**2,509**	**21**	**5**	**301**	**62**	**2,899**
Index-linked swaps, Toll Roads	316	321	-2	-3	-1	-4	62	53
Interest rate swaps, Corporate	13	16	0	0	0	250	0	250
Cross-currency swaps, Corporate	0	16	0	0	0	0	0	0
Cross-currency swaps, Broadspectrum	0	82	0	0	0	0	0	0
Equity swaps (*)	1	0	50	0	0	0	0	50
Exchange rate derivatives, Corporate	30	5	2,058	0	0	0	0	2,058
Other derivatives	21	11	403	24	6	55	0	488
Liability balances	**452**	**505**	**601**	**263**	**45**	**876**	**287**	**2,071**
Interest rate swaps, Toll Roads	357	399	11	14	16	842	0	883
Cross-currency swaps, Corporate	17	0	0	232	0	0	0	232
Equity swaps (*)	0	4	0	0	0	0	0	0
Cross-currency swaps, Broadspectrum	0	3	0	0	0	0	0	0
Exchange rate derivatives, Corporate	3	6	56	221	0	0	0	277
Other derivatives	75	93	534	27	28	34	287	911
Net balances (liability)	**-71**	**-55**	**3,110**	**283**	**50**	**1,177**	**350**	**4,970**

The cash flows composing the fair value of the derivatives mature as follows:

	FAIR VALUE		CASH FLOW MATURITIES					
TYPE OF INSTRUMENT (Millions of euros)	BALANCES AT 31/12/17	BALANCES AT 31/12/16	2018	2019	2020	2021	2022 AND SUBSEQUENT YEARS	TOTAL
Asset balances	**381**	**450**	**60**	**15**	**14**	**15**	**276**	**382**
Index-linked swaps, Cintra (index-linked derivatives)	316	321	9	10	11	12	275	316
Interest rate swaps, Corporate	13	16	4	4	3	3	0	13
Cross currency swaps, Corporate	0	16	0	0	0	0	0	0
Cross-currency swaps, Broadspectrum	0	82	0	0	0	0	0	0
Equity swaps	1	0	1	0	0	0	0	1
Exchange rate derivatives, Corporate	30	5	30	0	0	0	0	30
Other derivatives	21	11	16	2	1	1	1	21
Liability balances	**452**	**505**	**58**	**79**	**48**	**43**	**223**	**452**
Interest rate swaps, Cintra (interest rate derivatives)	357	399	44	42	39	35	196	357
Cross currency swaps, Corporate	17	0	-6	23	0	0	0	17
Equity swaps	0	4	0	0	0	0	0	0
Cross-currency swaps, Broadspectrum	0	3	0	0	0	0	0	0
Exchange rate derivatives, Corporate	3	6	0	3	0	0	0	3
Other derivatives	75	93	21	11	9	7	27	75
Net liability balances	**-71**	**-55**	**2**	**-64**	**-34**	**-27**	**53**	**-71**

(*) The items indicated are the main derivatives arranged by the Group that do not qualify for hedge accounting, as explained in this Note.

Following is a description of the main types of derivatives and of the most significant changes therein in 2017:

Toll Road Division derivatives

Interest rate swaps, Toll Roads

In order to hedge the interest rate risk in toll road infrastructure projects, the concession holders have arranged interest rate hedges on the projects' debt, establishing a fixed or increasing interest rate for a total notional amount of EUR 883 million at 31 December 2017. Overall, the fair value of these hedges increased from EUR -399 million at 31 December 2016 to EUR -357 million at 31 December 2017.

In general, since these derivatives are considered to be effective, the changes in their fair value are recognised in reserves, with an impact of EUR 42 million (EUR 31 million attributable to the Parent, after tax and non-controlling interests).

The changes in settlements and accruals gave rise to an impact on the financial result of EUR -45 million and of EUR -46 million in cash.

Index-linked swaps, Toll Roads

This item relates exclusively to Autema, which in 2008 arranged an index linked swap to hedge income variability, by means of which an annual CPI of 2.50% was fixed. This hedge, which was considered effective, had an impact of EUR -5 million on reserves (EUR -3 million after tax attributable to the Parent).

Corporate derivatives

Interest rate swaps, Corporate

In relation to the bond issues launched in 2013, the Group arranged interest rate derivatives for a notional amount of EUR 250 million expiring in 2021. Since they convert a portion of the fixed interest rate on the bonds into a floating interest rate, these derivatives constitute a partial fair value economic hedge of the aforementioned bond issues and they all qualify for hedge accounting. The fair value impact of these bonds on the financial result amounted to EUR 0.4 million.

Cross-currency swaps, Corporate

In September 2016 Ferrovial arranged cross-currency swaps to hedge a drawdown of borrowings in US dollars (see Note 5.2.2). The notional amount of these instruments is USD 279 million (EUR 232 million) and they expire in 2019. The changes in value thereof are recognised in reserves (EUR 0.1 million in 2017), for the interest rate component, and Result on exchange differences, for the foreign currency hedge component (EUR -32 million in 2017).

Equity swaps

Ferrovial has arranged equity swaps in order to hedge against the possible impact on equity resulting from the exercise of the share-based remuneration schemes granted to its employees.

The modus operandi of these equity swap contracts is as follows:

- The calculation base is a given number of Ferrovial shares and a reference price, which is normally the market price of the share on the grant date.
- For the duration of the contract, Ferrovial pays interest equivalent to a given interest rate (EURIBOR plus a spread, to be applied to the result of multiplying the number of shares by the exercise price) and receives remuneration equal to the dividends corresponding to those shares.
- When the swap expires, if the share price has increased, Ferrovial will receive the difference between the market price and the reference price. If the share price has fallen, Ferrovial will pay the difference to the bank.

At 2017 year-end, these derivatives had a notional amount equivalent to 2.7 million shares, which, based on the exercise price of the equity swaps (the price at which they must be settled with the banks), represented a total notional amount of EUR 50 million.

Exchange rate derivatives, Corporate

These derivatives relate to Corporate hedges of foreign currency risk, the main aim of which is to protect against the volatility of future cash flows in foreign currencies (basically the pound sterling, the Australian dollar, the US dollar, and the Canadian dollar). Their notional value amounted to EUR 2,335 million at 31 December 2017, of which EUR 976 million relate to the Canadian dollar, EUR 552 million relate to the US dollar, EUR 596 million to the Australian dollar, EUR 190 million to the pound sterling and EUR 21 million to the New Zealand dollar. They expire at short term. The changes in their value are recognised as translation differences and amounted to EUR 77 million in 2017 (for effective derivatives). Options, which are not classified as accounting hedges, are recognised in financial results at fair value and in 2017 represented an expense of EUR -16 million.

Derivatives, Services Division

Cross-currency swaps, Broadspectrum

The cross-currency swaps arranged at 2016 year-end hedged mainly fluctuations in the fair value of the High Yield Bonds issued in US dollars by converting this debt into Australian dollars at floating rate. Since this debt was repurchased in May 2017, this derivative was derecognised, giving rise to a variation of EUR 82 million in 2017. In addition, there was a liability balance of another EUR 3 million at December 2016 hedging debt issues denominated in Chilean pesos, which were also derecognised in 2017.

b) Main effects on profit or loss and equity

The changes for accounting purposes in the main derivatives arranged by fully consolidated companies, detailing the fair values thereof at 31 December 2017 and 2016, and the impact on reserves, profit or loss and other statement of financial position items are as follows:

TYPE OF INSTRUMENT (Millions of euros)	FAIR VALUE			IMPACTS						
	BALANCE AT 31/12/17	BALANCE AT 31/12/16	CHANGE	IMPACT ON RESERVES (I)	IMPACT ON PROFIT OR LOSS DUE TO FAIR VALUE CHANGES (II)	IMPACT ON FINANCIAL RESULT (III)	IMPACT ON CASH (IV)	EXCHANGE RATE EFFECT (V)	OTHER IMPACTS ON EQUITY OR PROFIT OR LOSS (VI)	TOTAL
Index-linked swaps, Cintra	316	321	-5	-5	0	0	-7	0	7	-5
Interest rate swaps, Cintra	-357	-399	42	42	0	-45	46	0	0	42
Interest rate swaps, Corporate	13	16	-4	0	0	0	-4	0	0	-4
Cross currency swaps, Corporate	-17	16	-32	0	0	-5	5	0	-32	-32
Cross-currency swaps, Broadspectrum	0	79	-79	9	-10	0	-76	-1	-1	-79
Equity swaps	1	-4	5	0	5	0	3	0	-3	5
Exchange rate derivatives, Corporate	27	-1	28	0	-6	0	-86	77	43	28
Other derivatives	-54	-83	29	23	22	-13	-6	48	-44	29
Total	-71	-55	-16	69	12	-63	-126	124	-31	-16

Derivatives are recognised at market value at the arrangement date and at fair value at subsequent dates. Changes in the value of these derivatives are recognised for accounting purposes as follows:

- The changes in the year in the fair value of the derivatives designated as cash flow hedges are recognised in reserves (column I).
- The changes in fair value of the derivatives that do not qualify for hedge accounting or that are considered to be held for speculative purposes are recognised as a fair value adjustment in Group profit or loss (column II) and are reflected separately in the statement of profit or loss.
- "Impact on Financial Result" (column III) reflects the impacts on the financial result due to financing arising from the interest flows accrued during the year.
- "Impact on Cash" (column IV) indicates net payments and collections during the year.
- The impact of the difference between closing translation differences at December 2017 and 2016 is also presented separately (column V).
- Lastly, "Other Impacts" shows the impacts on profit or loss from operations, financial result (exchange rate effect) or other effects not considered in the other columns (column VI).