

INTEGRATED ANNUAL REPORT

2016



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1

Letter from
the Chairman

1 Letter from the Chairman

Dear Shareholders,

I am pleased to present you the integrated annual report for the 2016 financial year.

Following the provisions of the United Nations Global Compact, the Progress Report for this financial year consists of the Annual Report and its associated annex, which provides a follow up to the Corporate Social Responsibility Master Plan. This is a path toward integrating financial and non-financial information, revealing the direct link between these two realms, and meeting one of the main expectations of our stakeholders.

In economic terms, the information provided in this report reflects the good performance of our business through 2016, which was driven by a growth in traffic and the efforts made to improve asset management.

The macroeconomic data published by international institutions point to a recovery that continues to consolidate after the long crisis that has hit the majority of the developed economies over the last few years. Nevertheless, some factors prevail that continue to pose a risk to our growth rate and which force us to remain vigilant.

Our prudent investment policy, debt optimization and long-term vision, together with a strategy of international expansion based on a combination of the security that the most mature markets provide and the focus on potential high growth markets coupled with a legal framework that fosters public-private partnership are our best tools for embracing the future with greater guarantees.

The feeling of uncertainty that has blanketed the global economy and politics in 2016 has mirrored the behavior of the Spanish stock market, which closed the year with a slight drop of its selective IBEX-35 stock index. Although not spared from this trend, the value of our share has been capable of absorbing with limited impact the increase in supply – driven by the departure of our second shareholder – thanks undoubtedly to our broad shareholder base and to the trust that some of the main international investors have placed on us.

The investment community has recognized in our share the long-term robustness and credibility of our company. As an example, a shareholder who acquired his/her shares toward the end of 2011 and held on to them until December 31st 2016 would have accumulated a profitability of 69% in these five years, including market appreciation, bonus share issues and dividend yield.

Our 2015-2017 Strategic Plan forecasts an annual dividend increase of 10% in the period. If approved at the General Shareholders Meeting, the second dividend payment of 37 cents, added to the first dividend of 36 cents paid in the month of November, and the effect of the bonus share issue approved in the April 2016 General Shareholders Meeting, would imply an increase of more than 10% over the dividend in the previous year.

In the sphere of Corporate Governance, I would like to highlight the continuous work accomplished by the Group in ensuring that transparency, participation, ethical behavior and good practice constitute the basis that inspires the culture of the entire organization.

The changes to the shareholder structure during the course of 2016 and at the beginning of 2017 have redrawn the landscape of the Group's ownership. More than 75% of the capital is currently free-float, with a portion thereof forming part of the portfolios of large institutional funds.

After the latest changes to the Board of Directors in 2017, 9 of its 15 members (one of them is under selection process at the time while the Annual Accounts are being developed) will be independent board members, therefore widely satisfying the recommendations of the Code of Good Governance of Listed Companies. I would like to highlight the progress made in the sphere of gender diversity in our Board. The number of women directors represents the 40% of the total exceeding the 2020 objective established in the aforementioned code.

The geographical expansion of Abertis, which has enabled us to generate over 70% of the revenue abroad, demands greater geographical and professional diversification of the members of the Board of Directors. As a result, we now have members from France, Italy and the United States.

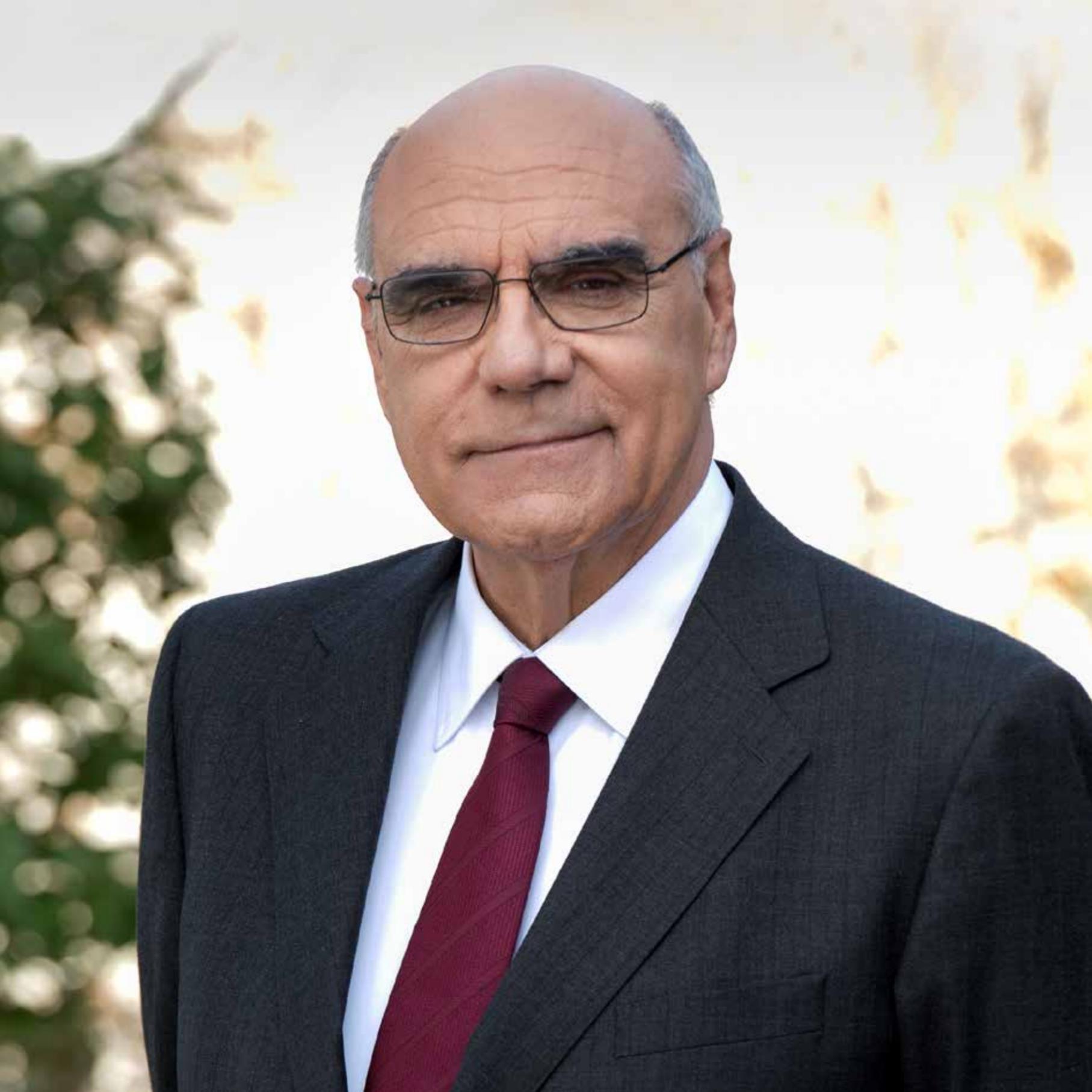
As regards to the Corporate Social Responsibility, Abertis has renewed its commitment with the United Nations Global Compact, by explicitly adding the Sustainable Development Goals – known as Agenda 2030 – to the Group's strategies and plans of action, and through their inclusion in the CSR Policy along with the updating of the materiality assessment.

The activities of the Group in the social, environmental and good governance spheres have earned Abertis a spot one more year in several international indices such as the Dow Jones Sustainability Indices (World) and MSCI. Furthermore, the Company has been included for the first time in the FTSE4Good index. Along similar lines, the Carbon Disclosure Project initiative has recognized the progress achieved by the Group's companies, which has prompted Abertis' inclusion in the "A" List, the highest ranking in terms of climate change policy.

To conclude, on behalf of the Board of Directors I would like to thank you for the trust you place on us day after day and for supporting the work of the more than 15,000 persons that make Abertis a global reference in terms of effective and responsible infrastructure management.

Thank you.

Salvador Alemany Mas
Chairman



A professional portrait of a middle-aged man with grey hair, wearing a dark suit, a light blue patterned shirt, and a dark tie with small red dots. He is looking directly at the camera with a slight smile. The background is blurred, showing what appears to be a library or a room with bookshelves.

2

Letter from the
Vice-Chairman
and Chief
Executive Officer

2 Letter from the Vice-Chairman and Chief Executive Officer

Dear Shareholders,

Abertis has closed 2016 with a solid growth of its key financial and operational figures and a high degree of compliance with its 2015-2017 Strategic Plan.

The company has strengthened its international presence with three important operations that bring two new countries to its portfolio. In January, the acquisition of full control of Autopista Central (Chile). In September, our entry in Italy through the acquisition of 51.4% of A4 Holding, which operates the A4 and A31 toll roads in the north of the country.

And, toward the end of the year, the agreement for the purchase of two toll roads in India, representing the Group's first step in the Asian continent, a market of enormous potential in the field of infrastructures.

Growth has also come as a result of the extensions to our concession periods. At Abertis, we firmly believe in the benefits of public-private partnership, not only for the administration, but also for the private sector and the society in terms of economic drive, employment and modernization of a public asset such as roads.

In this sense, I wish to highlight France's firm commitment to this model. Our French subsidiary Sanef has already begun some of the more iconic works of the Plan Relance, which anticipates investments of 600 million euros in exchange for an extension of the country's concessions, and is preparing the implementation of the new Plan Relance II announced in January 2017.

Progress in this same field has also been achieved in Puerto Rico with the conclusion of an agreement with the Government of the island in 2016 for a 10-year extension to the Metropistas concession.

Thanks to agreements that have been signed in the last years and to the constant investment in our asset portfolio, between 2011 and 2017, the Group has increased the proportional equivalent average life of its concessions by 9 years up to an average of 22 years. We are confident that our bet on public-private partnership in other countries of our portfolio such as Chile, Brazil and Argentina will generate new agreements in the coming months.

Meanwhile, the continuous increase in traffic in our main markets in 2016 beyond our initial estimates (IMD: +1.3%) has driven the main figures of the Group both in terms of revenue (+13%) and Ebitda (+20%).

Also in 2016 Abertis has undertaken liability management operations of more than 2,000 million euros both at the corporate level and in its subsidiaries. As regards corporate debt, the month of May witnessed Abertis' largest bond issue in its history: 1,150 million euros at 1.375%. And in November, a new bond refinancing operation amounting to 500 million euros at 1%, the lowest coupon in the history of Abertis. As a result, the average cost of the Corporation's debt was reduced from 4.1% to 3.1% in 2016.

We know that Abertis' growth would not have been possible in the absence of a solid strategy and a clear business model that is based on our long-term vision and industry best practices, in order to provide our clients with the best experience possible: a fast, comfortable and, above all, safe journey.

For this reason, road safety is a priority for the Group. Our Road Safety program combines initiatives that are linked to road safety management best practices and continuous work in the field of road safety education and awareness.

In 2016, the Group's overall accident rates (-3%) and fatality rates (-5%) have improved. We must highlight the example from France, where the number of fatalities has dropped by 20% during the fiscal year. Brazil and Puerto Rico showed decreases of 6% and 64% respectively.

New technologies and innovation also open the way to a new field for improving safety and mobility. Our Road Tech program understands that the future requires a combination of advances in infrastructures and technology. Abertis wishes to contribute to this by being part of the solution to the mobility challenges of the 21st century, such as traffic congestion and pollution.

As the global leader in the toll road management industry, it is our responsibility to prepare ourselves for the future. And, we will continue our work in order to deliver this commitment too.

Thank you for trust in Abertis.

Francisco Reynés Massanet
Vice-Chairman and Chief Executive Officer



3

Abertis
at a glance



3 Abertis at a glance

Global leader

We manage thousands of kilometers of high quality and high capacity roads around the world.

[14 countries](#)
[8,650 kilometers](#)
[More Than 15,000 collaborators](#)

Good partner to administrations

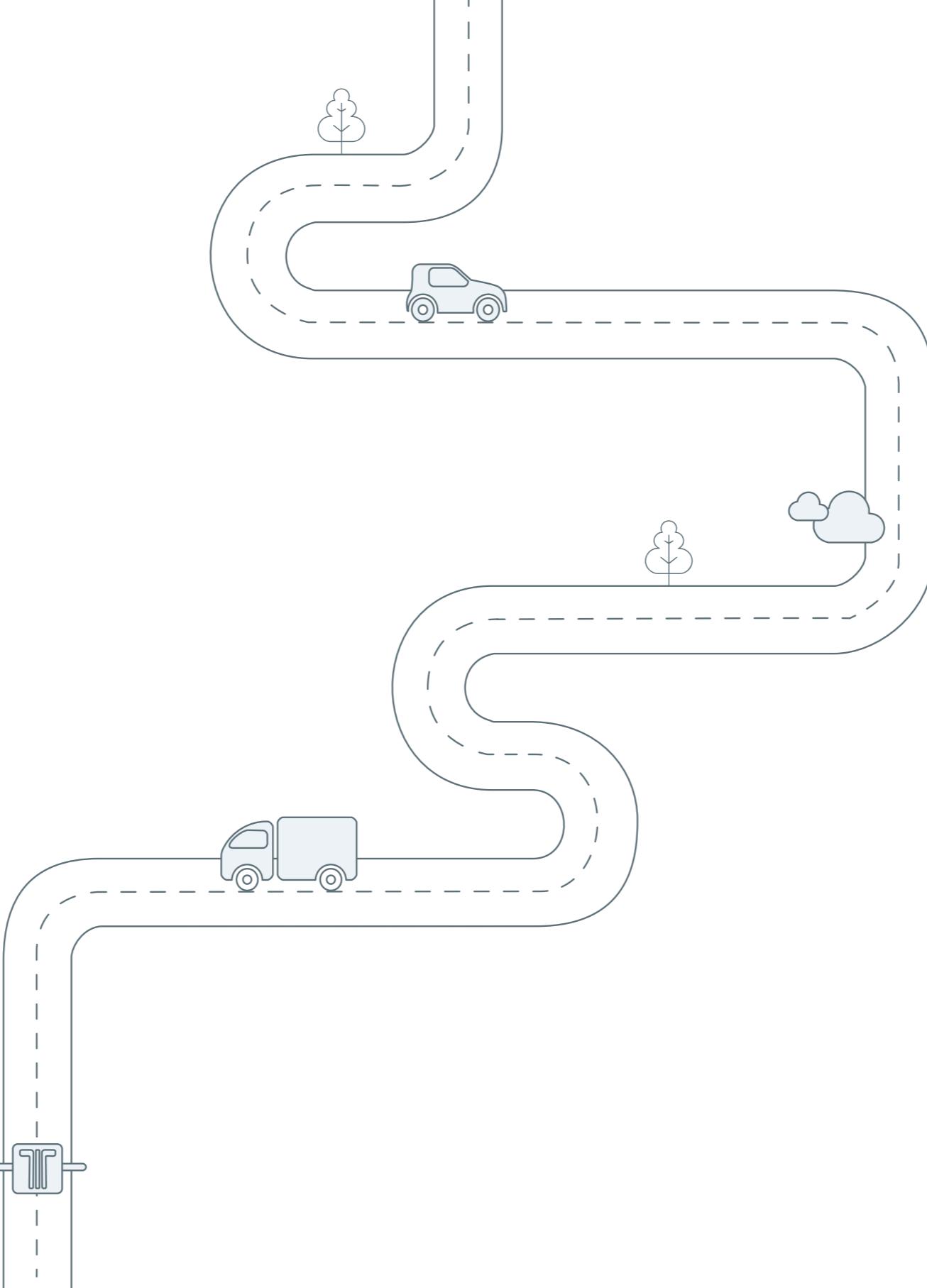
We have grown by being good partners to governments: we are committed to the long term, and we deliver a high quality product.

[Relance Plans I and II](#)
[Metropistas + 10 years](#)

Long-term vision

We know that when we manage a road, we are entrusted with a public good. That's why we want to be a part of the solution to public problems associated with increasing road travel, such as congestion and climate change. We take a hundred year view of our business.

[50-Years Experience](#)
[Best Practices](#)
[Excellence in management](#)



Safe and innovative toll roads

We are continually investing in technology and smart engineering to make sure our customers have a smooth experience using our roads: safe, comfortable, fast and convenient.

[Global Road Safety Campaigns](#)
[Mobility Innovation](#)
[Leader In Free-Flow Toll Systems](#)
[Qualified Team](#)

Financial strength and industrial expertise

We bring together financial capability and industrial expertise: we have the capacity for large-scale financing, and we have the know-how to manage infrastructure. As demands on public finances continue to grow, we are at the centre of one of today's global challenges: sustainably funding infrastructure for the future.

[Solid Results](#)
[Revenues +13% 2016](#)
[Ebitda +20% 2016](#)
[Investments Of More Than 2,600 Mn€ 2016](#)

Value creation

As the global leader in our sector, we aim to set standards for the industry. Nobody is better placed than Abertis to set the pace on quality and innovation. That's how we plan to build on our success, for the benefit of our employees, our customers and our partners. And that's how we'll deliver value to our shareholders and broader society

[+11% Dividends 2016](#)
[More Than 1,800 Mn€ In Fiscal Contributions](#)
[Commitment With Society](#)
[Responsibility And Transparency](#)



4

A robust strategy

- 4.1** A business with great prospects
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- 4.3** Strategy
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4.1

A business with great prospects

Abertis is the global leader in toll road management with over 8,600 kilometers managed across 14 countries in Europe, America and Asia.



Abertis' **vision** is to become the leading global infrastructure management at the service of mobility and communications.

Our **mission** is to promote and manage in a sustainable and efficient manner, while contributing to the development of infrastructures for society in full harmony with the well being of our employees and the creation of long-term value for our shareholders.

At Abertis we act with integrity and are guided by our **values**:

- Managing our company and operations from the perspective of responsibility and trust on the people.
- Seeking out solutions for the development of infrastructures based on dialogue and collaboration with our stakeholders.
- Anticipating and adapting to the needs of our clients and users through innovation and continuous improvement.
- Driving efficiency across our organization based on simplicity and pragmatism.
- Being transparent in order to put in value our rigor and credibility.

Basis for value creation

- Be the **reference company** in the industry. Nobody is better placed than Abertis to set the pace on quality and innovation.
- Our **long-term commitment** and **high quality** services, which make us a great partner for the Administrations.
- **Continuous investment** in technology and smart engineering , which allows us to maintain toll road networks at maximum levels of service day after day in order to guarantee clients a fast, comfortable, easy and safe journey.
- By combining **financial strength and industrial experience**: we have strong financing capacity in world markets and have the best know-how in the industry.
- By being **part of the solution** to problems associated with the increase of world traffic, such as congestion and climate change.

Portfolio backlog

The success of Abertis' business model is based on maintaining a proper balance between its more mature concessions and those with longer concession maturity dates.

The Group works permanently to extend the average life of its portfolio, either through new acquisitions or through agreements for new investments in exchange for more years of concession. The agreements reached with public administrations and the constant investment in its asset portfolio have allowed the company to increase the proportional equivalent average life of its concessions by 9 years up to an average of 22 years between 2011 and 2017.

Keys to our industrial model

Engineering

A team of engineers constantly dedicated to maintaining maximum levels of service, quality and technology in our toll roads; guaranteeing an optimized maintenance thereof in order to contribute to extending their lifecycle, while controlling construction risks in expansion and renovation projects so as to ensure compliance with planned schedules.

Technology

Abertis' experts promote the use of innovative solutions that are geared at increasing efficiency, safety and quality of service. All of the above with the goal of ensuring an efficient and safe traffic management through diligent monitoring of traffic conditions, efficient control of traffic flows, etc., while providing continuous information to the client.

Operations

Abertis' industrial team develops and deploys best practices and policies that are based on the Group's broad experience and know-how.

Basic principles of our business model



Our long-term commitment and high-quality services makes us a great partner for Administrations.



The safety of our clients is our priority. Every day we invest in technology and engineering to guarantee our clients the best experience and a safe, comfortable and easy journey.



As the global leader in our sector, we aim to set standards for the industry. Nobody is better placed than Abertis to set the pace on quality and innovation.



We want to be part of the solution to problems associated with the increase of world traffic, such as congestion and climate change.



4.2

Industry trends and challenges

The toll road management industry offers several opportunities and poses a number of challenges of different nature that will mark the future possibilities of the business in the coming years.

Opportunities

Generating financial resources

There are multiple road transportation costs, including construction, maintenance, congestion and pollution. At a time when investment in infrastructure is indispensable as a driver for economic growth, the private sector can contribute to the necessary investments in infrastructure. The implementation of pay-per-use schemes in toll roads can be a way to transfer the risk of demand of infrastructure projects.

Environmental and social concerns

The increase in the global population and the trends that point to a concentration in cities – particularly in growing markets – is contributing to an increase in the number of vehicles, mobility and transportation. In this context of increasing world road traffic, toll roads can contribute to significantly reduce congestion. Furthermore, toll roads are safer and their use has potential positive impacts on the environment.

Competitiveness development

There are a number of clear positive effects toll roads have on the competitiveness of the territories they cross, as they provide better conditions of transportation while improving accessibility.

New technologies

Toll systems contribute to the implementation of Intelligent Transportation Systems (ITS) and integrating technologies which, ultimately, will make road transportation more efficient, safer and more competitive.

Challenges

Evolution of the economic situation

The uncertainty in the evolution of macroeconomic data and the collapse of prices of raw materials, along with other elements such as stalling investments and lower productivity increases, can contribute to discouraging consumption and road transportation.

Increasing competition

In recent years, a number of new international players have appeared in the market that have an interest in assets such as toll roads. These are fundamentally infrastructure investment funds and pension funds. The current scenario, which is marked by low interest rates, have led these funds to increasingly invest on infrastructure assets due to their attractive profitability.

Regulations and legal security

The majority of the Group's businesses are in the form of concessions that are limited in time and based on agreements with Public Administrations, which carry an obligation to guarantee the concessional obligations and investment commitments. The legal security that protects bi-lateral contracts is a cornerstone of the industry.

Adapting to society's new expectations

Toll roads clients and other stakeholders have new expectations that are related to services, customer care, new technologies, transparency and flexibility, among others.

4.3 Strategy

Abertis has a Strategic Plan for the 2015-2017 period that is based on four key objectives: growth, focus, the search for efficiencies and the increase in shareholder retribution.

2015-2017 Strategic Plan

1. Growth

Abertis focuses on “brownfield” and “yellowfield” projects in trusted markets with solid legal frameworks. All projects are analyzed by applying strict financial discipline from the perspective of the industrial profile that characterizes the company.

As regards to **growth via acquisitions**, in 2016 Abertis has continued to strengthen its international presence with the entry into two new countries for the Group: Italy and India in September 2016 and at the beginning of 2017 respectively.

- In September, the company closed the acquisition of 51.4% of Italian industrial group A4 Holding, whose main assets are A4 and A31 toll roads. The purchase amounted to a total of 594 million euros, of which 589 millions will be paid in 2023.
- In December, Abertis announced an agreement with the MSIPL and SMIT funds, controlled by Macquarie and State Bank of India, for the acquisition of two of India's main toll roads, NH-44 and NH-45, for a total of 128 million euros.

Regarding to **organic growth**, the company seeks to win new extensions to the concession periods of its current asset portfolio.

- In 2016, Abertis agreed to a 10-year extension to the concession term of Puerto Rico's Metropistas toll roads for near 100 million euros.

In France and already in 2017, an agreement was reached with the French government to invest 147 million euros in the Sanef toll road network. Other agreements along these lines are under negotiation in China, Argentina and Brazil, where discussions are taking place for investments of about 2,000 million euros.

Growth Operations in 2016

Acquisitions	Agreements with Governments	Search for new partners
Chile Consolidation of Autopista Central (from 50% to 100%)	Puerto Rico 10-year extention to Metropistas concession	Chile Entry of Abu Dhabi Investment Authority with a 20% stake in Abertis Chile
Italy Purchase of 51.4% of A4 Holding	France Negotiation of agreement for Plan Relance II	
India Agreement for the purchase of two toll roads		

The Group also seeks growth in its existing asset base through **operations that enhance control**:

- In January 2016, Abertis acquired the 50% stake held by Canadian fund Alberta Investment Management Corporation (AIMco) in Chile's Autopista Central, for 948 million euros.
- Already in 2017, Abertis has increased its control stake in its French subsidiary Sanef up to 63.07% by acquiring the stake of Caisse des Dépôts et Consignations (CDC) in Holding d'Infraestructuras de Transport (HIT), which controls 100% of Sanef.
- Also in January of 2017, Abertis has reached an agreement to increase its control stake in A4 Holding, with the purchase of an additional stake of 8.53% for 47.5 million euros. After the acquisition, Abertis now controls near 60% of the A4 Holding.

2. Focus

From the onset of the first 2011 Strategic Plan, Abertis has intensified the focus of its business in the toll road sector with a view to consolidate its position as a market leader.

3. Efficiencies

In 2015 Abertis launched a new efficiency plan for the three-year period until 2017, which focuses on the Group's businesses in France, Brazil and Spain. It is estimated that the new efficiency plan will have generated up to 400 million euros in cumulative savings for the company until its conclusion in 2017.

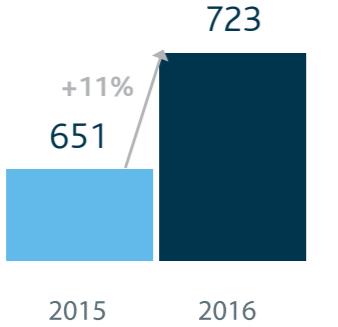
In 2016, the Ebitda margin has increased in the Group's main markets: Spain (+190 bps), France (+170 bps), Brazil (+130 bps) and Chile (+40 bps). At the Group level, the Ebitda margin is set at 66% at the closing of 2016.

4. Shareholder remuneration

As established in the 2015-2017 Strategic Plan, the dividend per share grew 5% in 2016, which, added to the bonus share issue in the fiscal year implies an increase of the shareholder's annual remuneration of more than 10%.

With the new shareholder remuneration policy, it is estimated that the company will distribute over 2,150 million euros between 2015-2017 only in ordinary dividends.

Ordinary Accrued Dividends (Mn€)



Dividend per share (€)



Strategic Programs

As part of its will to combine a long-term business vision and a commitment to society, in 2016 Abertis designed two strategic programs that seek to respond to some of the main mobility challenges in the future such as congestion, pollution and road accidents.

Road Safety

The Road Safety program seeks to align all of the Group's activities with the fight against road accidents, by leveraging the best practices acquired over more than 50 years of experience in road management with the highest standards of quality.

— In 2016, both the fatality rates and the accident rates have been reduced (-5% and -3% respectively) across the entire toll road network. Worth highlighting is the drop in the fatality rate in France (-22%).

Road Tech

The Road Tech program seeks to open a space for research and innovation in those new technologies that can offer solutions for improved traffic management and road infrastructure: technologies with the best outlook, barriers and facilitating elements that can accelerate their progress, and where Abertis may generate a greater impact as a company.



CSR Master Plan

The Corporate Social Responsibility (CSR) Policy, which was updated in 2015 and approved in 2016, and the materiality assessment constitute the basis for defining the CSR Master Plan.

- In 2016, 38 quantitative goals were developed and approved, linked to the plan, and their duration has been extended until 2020. The detailed follow-up of the specific quantitative goals of the CSR Master Plan and associated performance indicators have been developed in the annex that accompanies this report.

The CRS Committee of the Board of Directors oversees the follow-up and development of the CSR Master Plan and counts on the Corporation's CSR Unit as its coordinating core, and on the management units that are involved in all of the activities and countries as the operating parties.

The CSR Master Plan consists of four guidelines and 13 strategic goals that are deployed into 38 quantitative common goals spanning the entire organization. Human Rights and the commitment with stakeholder groups are the transversal principles of the entire Plan.

Sustainability indices and assessments

In 2016 Abertis was included in the Dow Jones Sustainability Indices (World), the FTSE4Good ESG family of indices, STOXX and MSCI, and the "A List" of the Carbon Disclosure Project (in the field of climate change).



2015 Constituent
MSCI Global
Sustainability Indexes

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



CSR Master Plan strategic guidelines and objectives



Good Governance, Transparency and Accountability

- Development of an organizational culture based on ethical principles
- Rejection of all forms of corruption
- Achieve excellence in good governance



Ecoefficiency

- Reduction of the organization's carbon footprint and that of its activities
- Development of products and services with positive environmental and social criterias
- Innovation based on circular economy criteria of the activity's value chain



Integration with the surroundings

- Generation of positive synergies with the local community
- Enhance and preserve natural capital

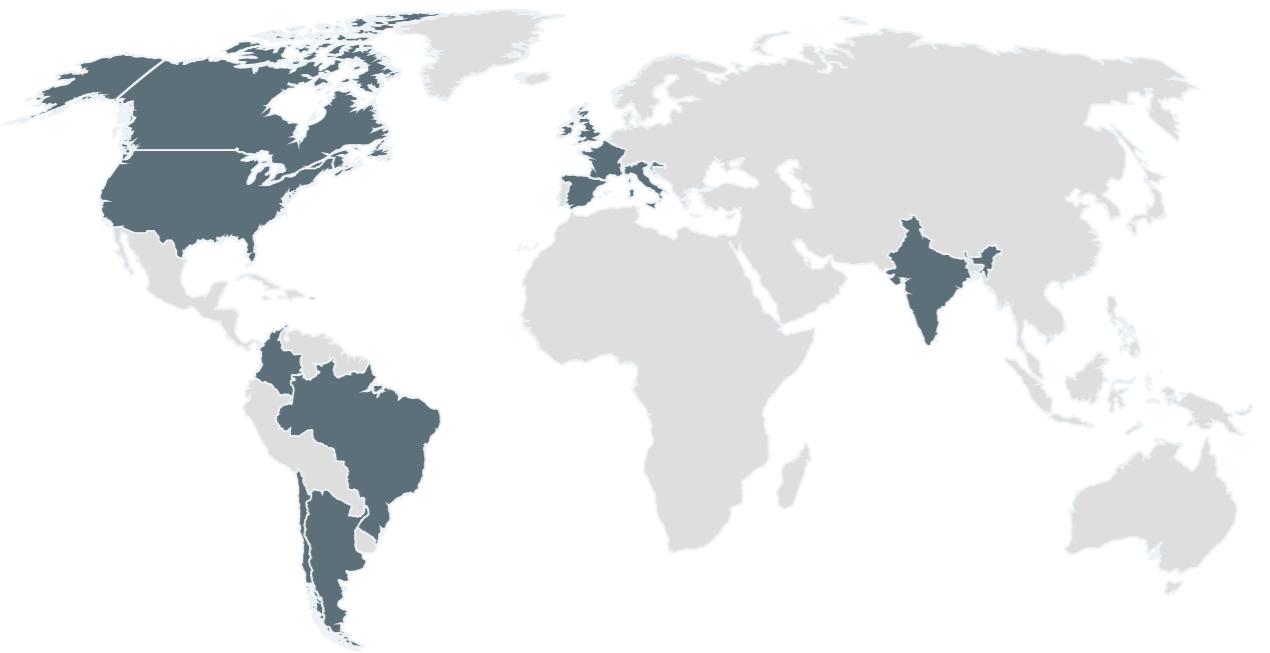


Safety and Quality

- Guarantee and promote road safety
- Guarantee occupational health and safety
- Boost employment quality
- Guarantee equal opportunities
- Quality products and services that can generate positive ESG impacts

4.4

Global footprint

14 COUNTRIES IN EUROPE, AMERICA AND ASIA**Toll Roads
in Spain****Spain**

Control: Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Túnels
Non-control: Autema, Accesos de Madrid, Henarsa, Ciralsa, Trados 45

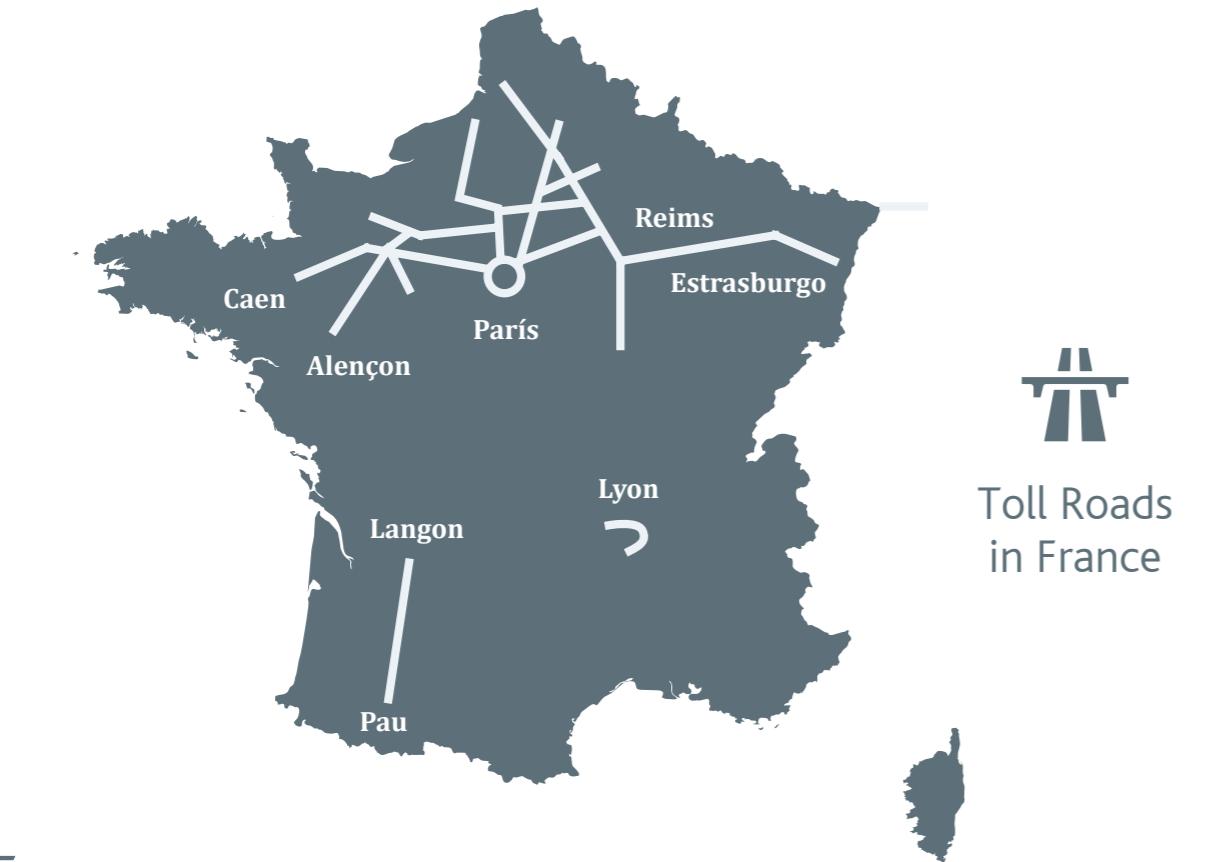
14

concessions

1,559kilometers
(directly managed)
+ 218 kilometers
(indirect)**70%**of the
country's
total toll
roads**1,740**

collaborators

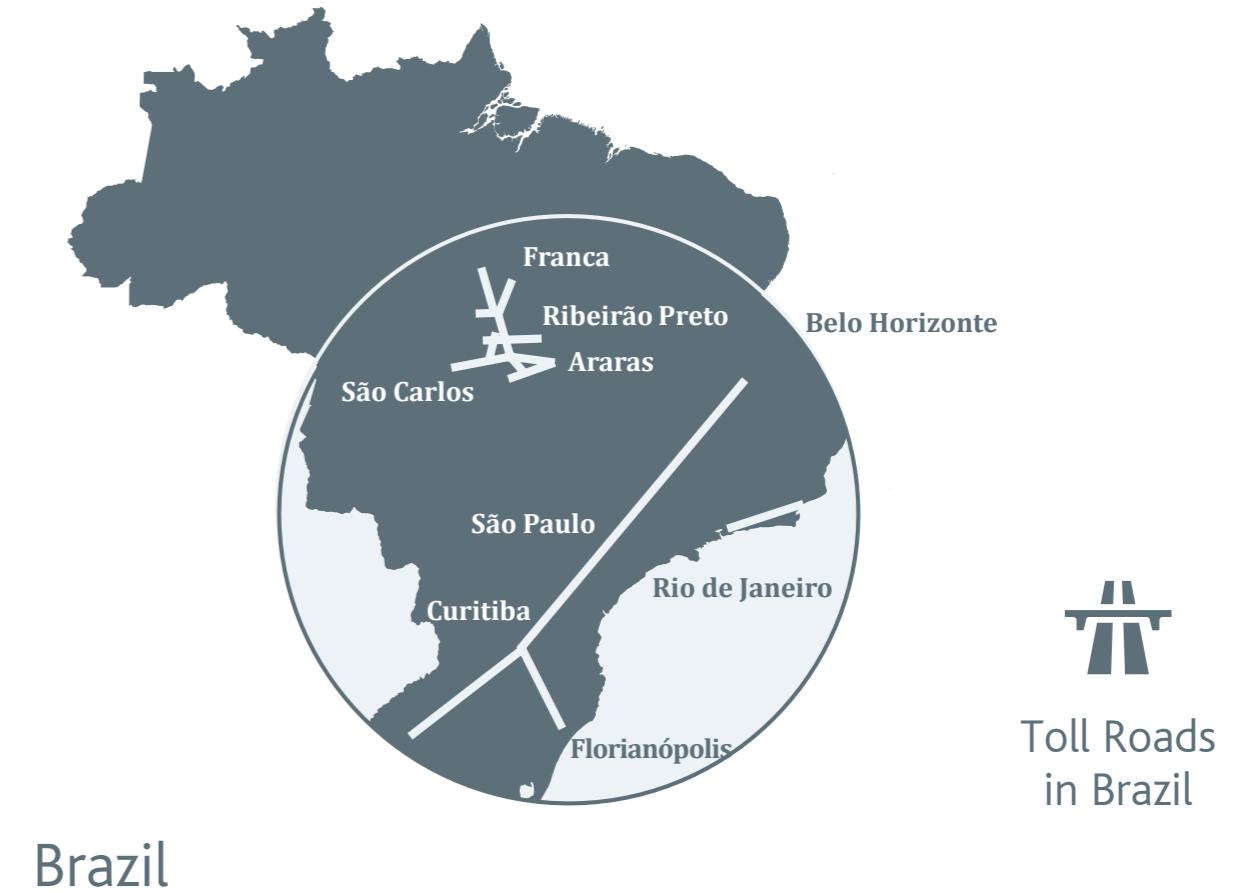
20,090ADT vehicles
(+5.3%)

**France**

Control: Sanef, Sapn, Emovis
Non-control: Alis, Aliénor, Leónord

More of

4	1,761	25%	2,572	24,473
concessions	kilometers (directly managed) + 278 (indirect)	of the country's total toll roads	collaborators	ADT vehicles (+1.9%)

**Brazil**

Control: Autovias, Centrovias, Intervias, Vianorte, Fernão Dias, Fluminense, Régis Bittencourt, Litoral Sul, Planalto Sul

9	3,250	17%	5,753	17,682
concessions	kilometers	of Brazil's toll road market	collaborators	ADT vehicles (-2.8%)



Chile

Control: Autopista Central, Elqui, Rutas del Pacífico, Autopista del Sol, Autopista Los Libertadores, Autopista de los Andes

6
concessions

771
kilometers

1,661
collaborators

25,779
ADT vehicles
(+6.4%)



Italy

Control: A4 Holding

2
concessions

236
kilometers

333
collaborators

62,612
ADT vehicles
(+2.6%)



Toll Roads
in Puerto Rico

Puerto Rico

Control: Metropistas, Autopistas de Puerto Rico, Emovis

2
concessions

90
kilometers

69
collaborators

66,542
ADT vehicles
(+0.9%)



Toll Roads
in Argentina

Argentina

Control: Ausol, Grupo Concesionario del Oeste

2
concessions

175
kilometers

2,027
collaborators

84,222
ADT vehicles
(+0.2%)



India



Toll Roads in India

Control: Trichy Tollway Private Limited, Jadcherla Expressways Private Limited*

2
concessions

152
kilometers

50
collaborators

20,818
ADT vehicles
(2017 forecast)



Colombia



Toll Roads in Colombia

Non-control: Coviandes | Autopista Bogotá-Villavicencio

86
kilometers

272
collaborators

(100% Coviandes)

Ireland



Toll Roads
in Ireland

120,000

vehicles/day

86

collaborators

United Kingdom



Toll Roads
in United Kingdom

150,000

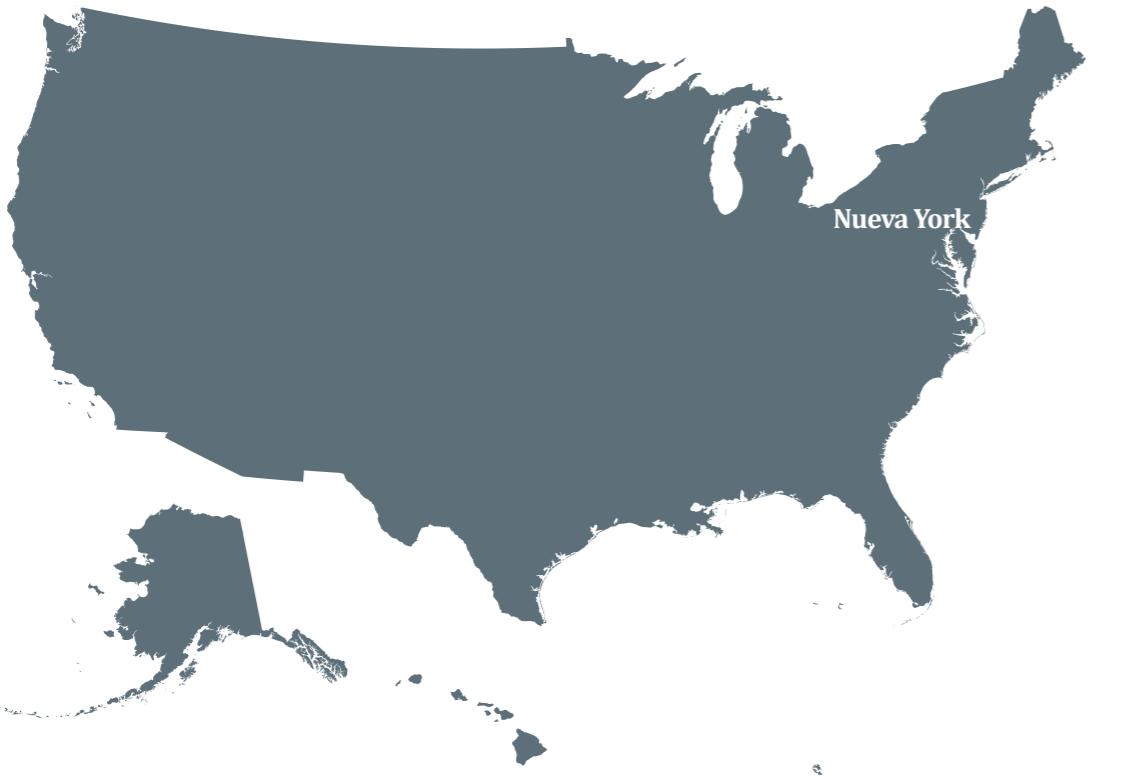
vehicles/day
Dartford Crossing

74

kilometers

287

collaborators
(Emovis)



United States

Control: Emovis
Research and Development Center (New York)

43

collaborators



Canada

Control: Emovis
Golden Ears Bridge, Port Mann Bridge- Free-flow operations

5

collaborators

Croatia

Control: Emovis
Research and Development Center

38

collaborators



Emovis

Presence in **8 countries**: US, Canada, Puerto Rico, Chile, United Kingdom, Ireland, Croatia, France.

552 collaborators	6 free-flow projects	3 technological centers	4.2 million electronic toll collection accounts	More than 300 million transactions a year
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Telecommunications

Hispasat

57% stake	188 collaborators	8 satellites*	89% occupation
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Cellnex

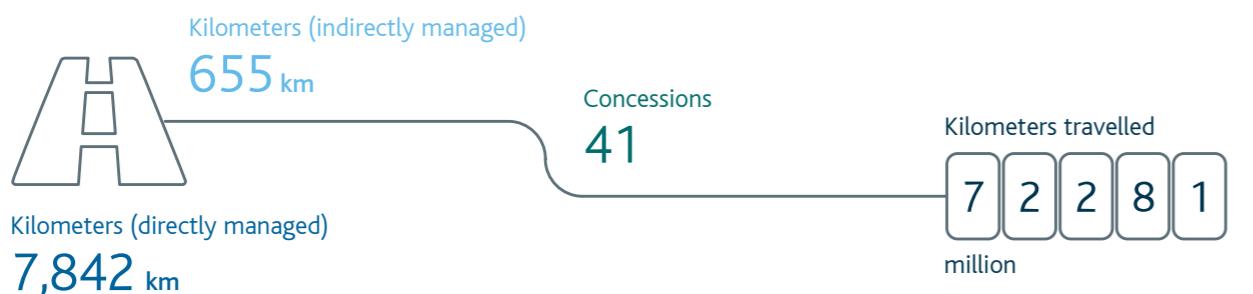
34% stake

*A new satellite was launched in January of 2017.

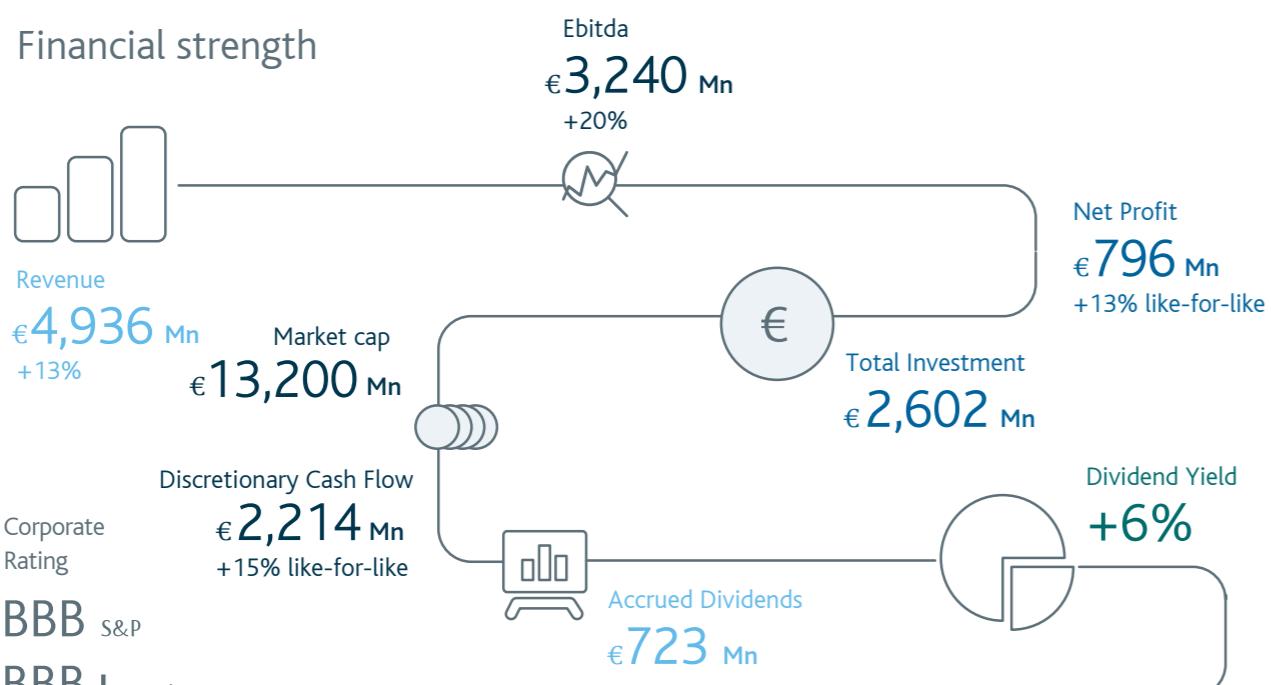
4.5

Abertis in 2016

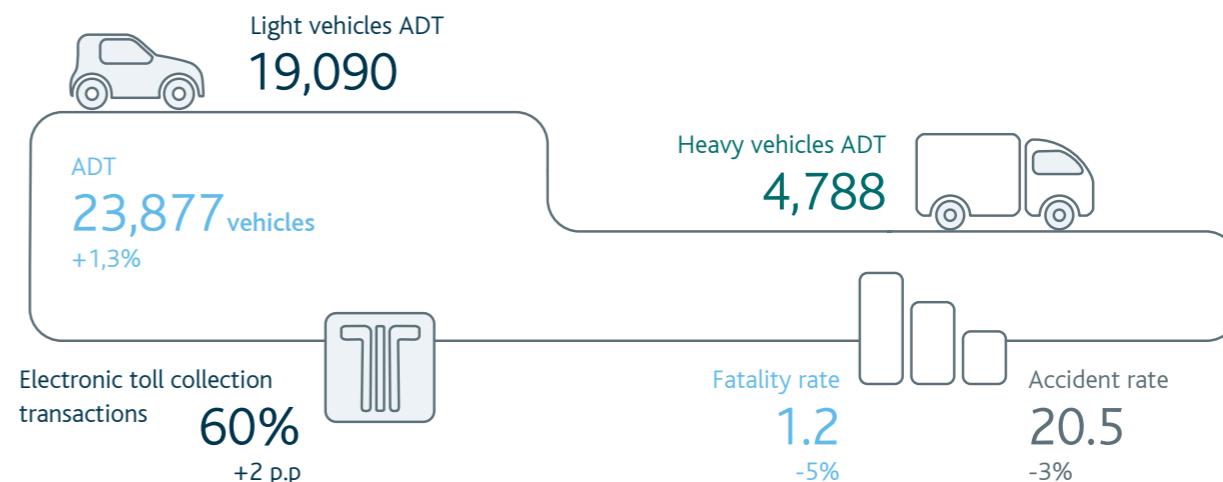
International leader



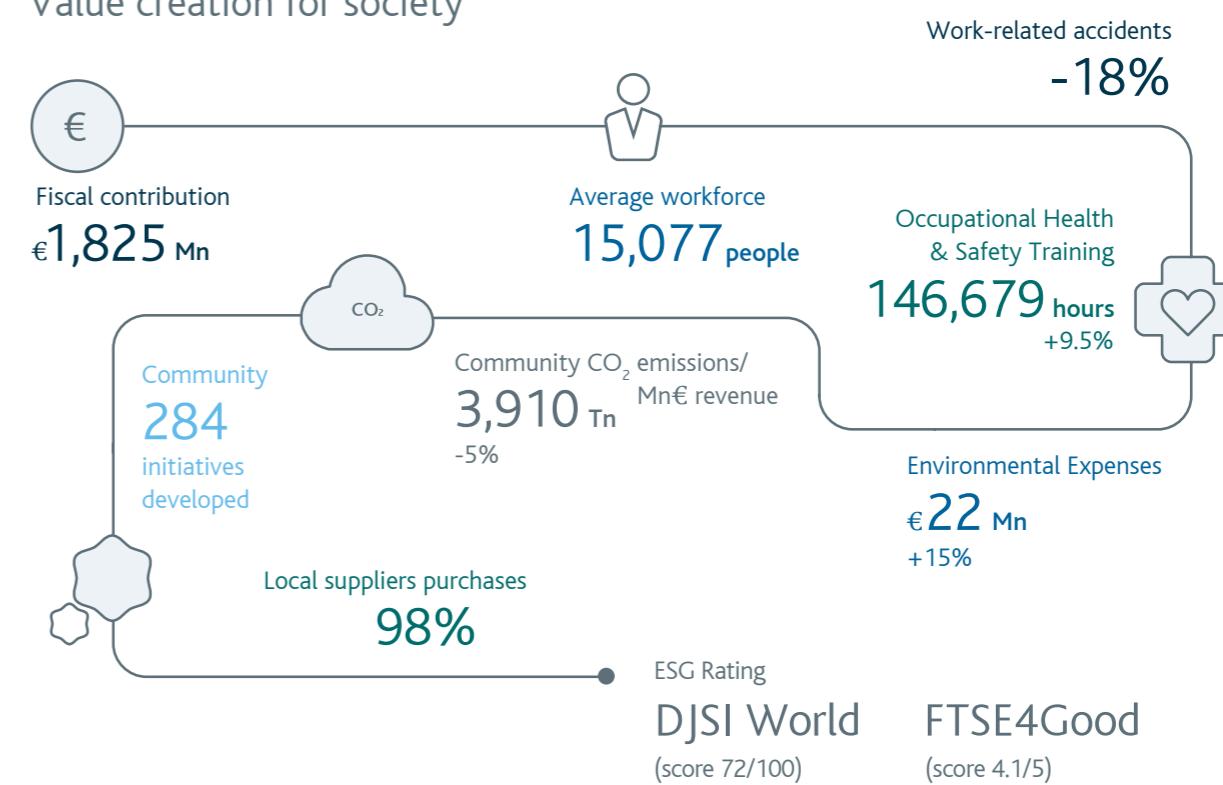
Financial strength



Safe and innovative infrastructures



Value creation for society



4.6

2016 Milestones



100% of Autopista Central

Abertis acquires the 50% it didn't already own of Autopista Central for 948 million euros.

Brazil enters the Academic Chair network

Creation of the Abertis-USP Chair of Transportation Infrastructure Management.

Extension of the concession in Puerto Rico

Metropistas and the Government of the island sign an agreement for a 10-year extension of PR-22 and PR-5 concession.

Bond issue of €1,150Mn.

The largest corporate bond issue in the history of Abertis.

Arteris takeover bid closed

Arteris no longer listed in the Brazilian stock exchange.

Capital increase

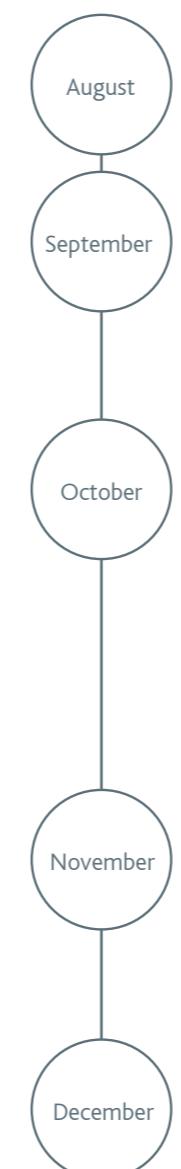
Abertis begins bonus share issue of 141 million euros.

New female Board Members

The Board of Directors appoints Sandrine Lagumina and Marina Serrano as new independent board members.

Together for Safer Roads

Abertis joins the largest global road safety coalition, alongside leading companies in their respective industries.



Arteris sells its stake in STP

The Brazilian company sells its 4.68% stake in Serviços e Tecnologia de Pagamentos (STP) for approximately 60 million euros.

Entry into Italy

Abertis closes the purchase of 51.4% of A4 Holding (toll roads A4 and A31), for a total of 594 million euros.

Dow Jones Sustainability World

Abertis renews its presence as the only Spanish company of its industry.

Agreement with ADIA

Abertis welcomes Abu Dhabi Investment Authority to its business in Chile with a 20% stake.

Sanef €300Mn bond issue

The coupon at 0.95% is one of the lowest in the last years for bond issues from companies with the same rating.

Carbon Disclosure Project

Abertis receives maximum recognition from CDP for its strategy and actions in response to climate change.

Enrico Letta and Luis Fortuño, new Board Members

After their appointment, the Board of Directors has a majority of independent members.

Abertis refinances debt

The company issues 10+ year bonds for 500 million euros at 1% and issues a repurchase offer for existing higher-cost bonds.

Autopista del Sol repurchases bonds

Abertis closes offer to voluntarily repurchase bonds for 38 million euros.

Abertis enters Asia

The Group reaches an agreement for the acquisition of two toll roads in India.

FTSE4Good

Abertis included in the index family for the first time.

4.7

Awards and Recognitions

- 2016 Tiepolo Award from the Italian Chamber of Commerce in Spain and the Spanish Confederation of Business Associations (CEO-E).
- Road Safety Award from the State of São Paulo Board of Transportation (ARTESP) to Vianorte (Brazil).
- Award to the Autopistas en Ruta application (Autopistas) for Best road safety technological proposal, by the Association of New Technologies in Transportation (ITS Spain)
- ISO9001:2008 quality certificate for Emovis (United Kingdom).
- First Innovation Prize granted by ARTESP to Autovías for its implementation flexible road control system with steel cable (Brazil).
- Honorable Mention for the “Lab City” project developed by Autopista Central at COPSA’s 6th National Concessions Congress (Chile).
- Bronze medal in the Business Transformation category of the Spain and Portugal SAP Quality Awards to Autopistas (Spain).
- 1st position in the “Most Innovative Companies Chile 2016” ranking in the Large Company Concessions sector awarded to Autopista Central from Universidad de los Andes ESE Business School (Chile).
- 2016 Eikon Silver Award for Ausol in the Consumer Relations category for the project “New bridges and expansion of Av. General Paz” (Argentina).
- First Prize - Prêmio de Educação no Trânsito de Denatran (Departamento Nacional de Trânsito) for the Projeto Escola (Brazil).
- SIPP Award – UN Global Compact, in the Human Rights category for the Red Viva Social Responsibility Program (Chile).
- Sanef renews its ECOCERT «Engagement Biodiversité» certification.
- Stela Award (Down Madrid) and Catalunya Down Syndrome Foundation Award for its social initiatives, to the Abertis Foundation.





5

Responsible Corporate Governance

5.1 Adaptation to the Code
of Good Governance

5.2 Corporate Governance
Structure

5.3 Management Team

5.1

Adaptation to the Code of Good Governance

To Abertis, good Corporate Governance is an essential factor for sustainability and long-term growth. Abertis is the Ibex 35 Spanish company with the highest percentage of women's representation in its Board of Directors (40%).

15	6	8	52
members	women	Independent members	recommendations satisfied

Strategic objectives

- Achieve excellence in Good Governance.
- Foster Corporate Social Responsibility and good Corporate Governance practices.

For more information on the degree of follow-up of the recommendations on Good Governance please consult Abertis' Annual Corporate Governance Report (CGAR).

Good Governance Best Practices

Pursuant to its commitment toward transparency, Abertis complies with Good Governance regulations applicable to listed companies as well as with the majority of the recommendations of the Good Governance Code.

In 2016, Abertis has restructured and simplified its governance bodies.

The Board of Directors approved in 2016 the appointments of Sandrine Lagumina, Marina Serrano, Luis Fortuño and Enrico Letta as new independent directors of the Board. These appointments increase both the presence of women and the internationalization of the Members of the Board, while enhancing the role of independent Board members in the company's Governance bodies.

As of December 31st 2016, Abertis' Board of Directors has 8 independent directors, representing over half of the Board's composition and which is therefore in alignment with Corporate Governance best practices.

As regards the remaining Committees – Audit and Control Committee, Appointments and Remuneration Committee and Corporate Social Responsibility Committee – the adaption to international Good Governance best practices has resulted in the number of independent board members being greater than the number of proprietary directors in all of them, with the presidency remaining also in the hands of the former.

Thus, all of the presidents of the Commissions of the Board (Audit and Control, Appointments and Retributions and Corporate Social Responsibility) are part of the Executive Committee.

Of the 64 recommendations (58 of which apply), Abertis complies with 52 of them in full and partially with 1. Furthermore, the President notifies about compliance with the recommendations at each General Shareholders Meetings, and provides justification in the case of those recommendations that are not followed.



5.2

Corporate Governance Structure*



The functioning of the Group's management bodies is described in detail in the CGAR, which highlights the functions of the Board of Directors as the top governance body at the company.

Board of Directors



* As of December 31st, 2016.

As of January 31st, 2017 Juan-Miguel Villar Mir (proprietary board member) and Miguel Ángel Gutiérrez Méndez (independent board member) have resigned.

On February 28, 2017 and March 9, 2017, these vacancies have been filled by two independent members, which means on the date of issuance of this report the number of independent members had increased to 9.

Proprietary

Independent

Executive

Board Committees

EXECUTIVE COMMITTEE

Chairman:

Salvador Alemany Mas

Members:

Marcelino Armenter Vidal
Carlos Colomer Casellas
María Teresa Costa Campi
Mónica López-Monís Gallego
Francisco Reynés Massanet
Juan-Miguel Villar Mir

Secretary, non-Board Member:
Miquel Roca Junyent

Vice Secretary, non-Board Member:
Josep Maria Coronas Guinart

AUDIT AND CONTROL COMMITTEE

Chairman:

Carlos Colomer Casellas

Members:

Marcelino Armenter Vidal
María Teresa Costa Campi
Susana Gallardo Torrededia
Miguel Ángel Gutiérrez Méndez

Secretary, non-Board Member:
Marta Casas Caba

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairman:

Mónica López-Monís Gallego

Members:

María Teresa Costa Campi
Miguel Ángel Gutiérrez Méndez
Juan-José López Burniol
Marina Serrano González

Secretary, non-Board member:
Josep Maria Coronas Guinart

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Chairman:

María Teresa Costa Campi

Members:

Carlos Colomer Casellas
Susana Gallardo Torrededia
Carmen Godia Bull
Sandrine Lagumina

Non-Board Member:
Josep Maria Coronas Guinart

5.3 Management Team*

Vice-Chairman – Chief Executive Officer _____ **Francisco Reynés Massanet**

General Secretary and Corporate Affairs Managing Director _____ **Josep Maria Coronas Guinart**

Chief Financial and Corporate Development Officer _____ **José Aljaro Navarro**

Chief Industrial Development Officer _____ **Josep Lluís Giménez Sevilla**

Human Resources Director _____ **Joan Rafel Herrero**

AUTOPISTAS SPAIN

Deputy Managing Director of Autopistas** _____ **Anna Bonet Olivart**

SANEF FRANCE

Managing Director of Sanef _____ **Lluís Deulofeu Fuguet**

ARTERIS BRASIL

Chief Executive Officer of Arteris _____ **David Díaz Almazán**

TOLL ROADS CHILE

Managing Director of Toll roads Chile _____ **Luis Miguel de Pablo Ruiz**

TOLL ROADS INTERNATIONAL

Managing Director of Toll Roads International
and Executive President of A4 Holding _____ **Carlos del Río Carcaño**

HISPASAT

Chief Executive Officer Hispasat _____ **Carlos Espinós Gómez**

* As of December 31st, 2016

** Anna Bonet is Managing Director of Autopistas since January 1st, 2017.



6

Compliance and effective risk management

- 6.1** Ethics and integrity
- 6.2** Risk control

6.1

Ethics and integrity

The Abertis Group is fully committed to exercising its activities with honesty, integrity and compliance to the law, be it in its relationship with its employees or with its stakeholders.

78%

of reports related to the Code
of Ethics resolved in 2016

Strategic objectives

- Develop an organizational culture based on ethical principles.
- Reject all forms of corruption.

Compliance System

Abertis has a Code of Ethics that constitutes the fundamental norm of the Abertis Group and whose principles are deployed in the form of an internal regulation. This Ethics Code captures the principles and values that must guide the behavior of the employees of the Abertis Group, as well as its suppliers, clients, distributors, external professionals and representatives of public administrations. In 2016, 238 reports were received.

As an ethical, socially responsible and environmentally friendly organization, the Abertis Group gives greatest importance to the fair treatment of employees, clients and suppliers, authorities, investors and the general public. Likewise, the Abertis Group formally condemns any form of corruption and reaffirms its firm commitment to complying with the law.

The Abertis Group does not tolerate any act that is contrary to its Code of Ethics, which would automatically result in sanctions for the perpetrator as well as for stakeholders linked to the different companies of the Abertis Group. All management units of the Abertis Group will monitor the actual and effective application of the principles that are established in the Code of Ethics.

The Group also has the following applicable rules: Abertis Group Ethics Committee and Criminal Prevention Rules, Abertis Group Corruption Prevention Rules, Abertis Advocacy Lobby Rules, Compliance Policy, Code of Ethics Rules in Spain, Local Code of Ethics of companies of the Abertis Group, among others.

The Group's Ethics and Criminal Prevention Rules, approved by the Board of Directors on February 9, 2016, is the fundamental and functional rule that has enabled the deployment of the Code of Ethics.

This rule establishes the functions and guiding principles of each one of the Group's Ethics and Criminal Prevention Committees. In addition to monitoring compliance with the Code of Ethics, among the functions attributed to the Corporate Ethics and Criminal Prevention Committee is the function to supervise and control compliance with the functions that are attributed to the rest of the Group's Ethics and Criminal Prevention Committees.

Within this oversight and control function, the Corporate Ethics and Criminal Prevention Committee has been able to determine that the deployment of Abertis' Code of Ethics and the Group Ethics and Criminal Prevention Committee Group Rules has been practically uniform across all business units, save the difficulties deriving from the different local applicable legislations, uses, traditions or influences from other partners.

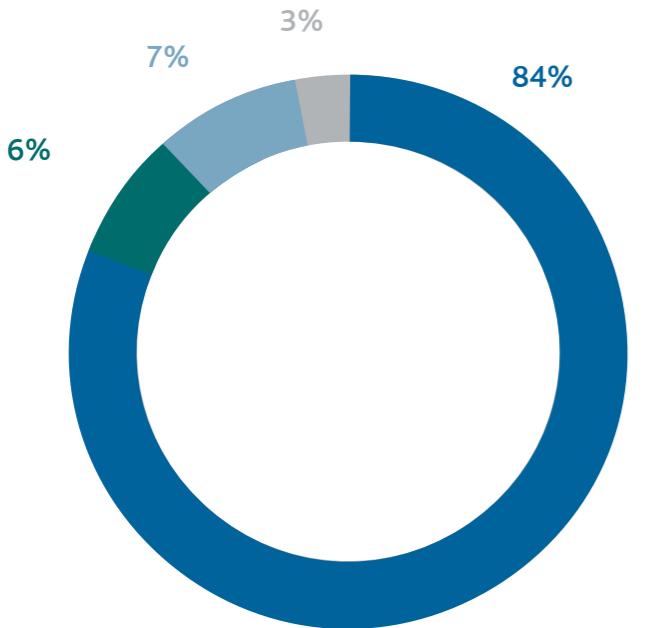
The ethics channel, the Code of Ethics and the Compliance Rules can be consulted on Abertis' website (www.abertis.com). Likewise, the Corporate Compliance function has set up an electronic mailbox where Group employees can also raise inquiries in relation to compliance with the law and internal rules.



2016 Developments

- Approval of the Advocacy Lobby rule. Applicable to administrators, employees and lobbying service suppliers to the Corporation, the rule establishes the procedure to be followed when exercising the lobby, and provides details of the control measures to be applied to these activities.
- Preparation of reporting procedures and methodologies of the different spheres under control of Abertis' Compliance Management Unit.
- Advances in the preparation of inherent criminal risk maps and the standardization of the message of a culture of Compliance for all of its employees, applicable to the entire Group.
- Training for all employees of the Corporation in matters pertaining to corruption prevention, ethics, Compliance and workplace bullying (in-person and on-line).

Resolution of reports received in 2016



- Reports rejected
- Reports closed with warnings
- Reports closed with disciplinary measures
- Reports closed with dismissal

Compliance Management Structure

The Corporate Ethics and Criminal Prevention Committee, chaired by Abertis' Chief Compliance Officer, is the party responsible for supervising its operations and the crime prevention model.

The Compliance Management Unit is responsible for the design, implementation and oversight of the regulatory compliance management system, and ensures that all activities that are being undertaken or that are to be undertaken comply with the legal requirements that apply to the Group's companies, while also implementing rules, procedures and suitable and effective controls geared at ensuring compliance therewith.

Compliance Management Model

Board of Directors

Audit and Control Committee

Corporate Ethics and Criminal Prevention Committee

Chief Compliance Officer

Local Ethics and Criminal Prevention Committee

Local Compliance Officers



6.2

Risk control

The Abertis Group is exposed to different inherent risks in the different countries in which it operates. For this purpose, the Group has implemented a risk management model, which is approved and monitored by the Audit and Control Committee and which applies to all business units and corporate units in all countries where the company conducts its activities.

Main risks and internal control

Risk type	Main risks	Control measures
Context and regulatory risks and risks deriving from the specific nature of the Group's business	Decrease in demand due to the economic situation of some countries Creation of alternative infrastructures Risks deriving from the integration of acquired businesses Mobility changes Entry of new competitors in some sectors of activity Regulatory changes and socio-political changes Catastrophic risks	Internationalization and selective growth policy Understanding with Public Administrations Efficiency plans Coordination for ensuring adequate compliance with the existing local legislation and anticipation to regulatory updates Insurance coverage

Risk type	Main risks	Control measures
Financial risks	Foreign exchange risk Liquidity risk Cash flow interest rate risk Debt refinancing risk and credit rating variations	Follow-up on the interest and foreign exchange rate management policy Monitoring and extension of debt maturity and monitoring of potential impacts on credit rating
Industrial risks	Client and employee safety Adaptation risks and rapid response to technological changes in operational systems and the onset of new technologies Control risks in construction projects Risks associated with the correct maintenance and quality of infrastructures	Specific policies, procedures, plans and control systems for each area Investment program follow-up and control Implementation of systems geared at improving control thereof.
Financial information risk, fraud and compliance	Training and talent retention risks Supplier dependency Business disruption Environmental risks	Risk follow-up and analysis and implementation of a Corporate insurance program Environmental management system

Comprehensive risk control

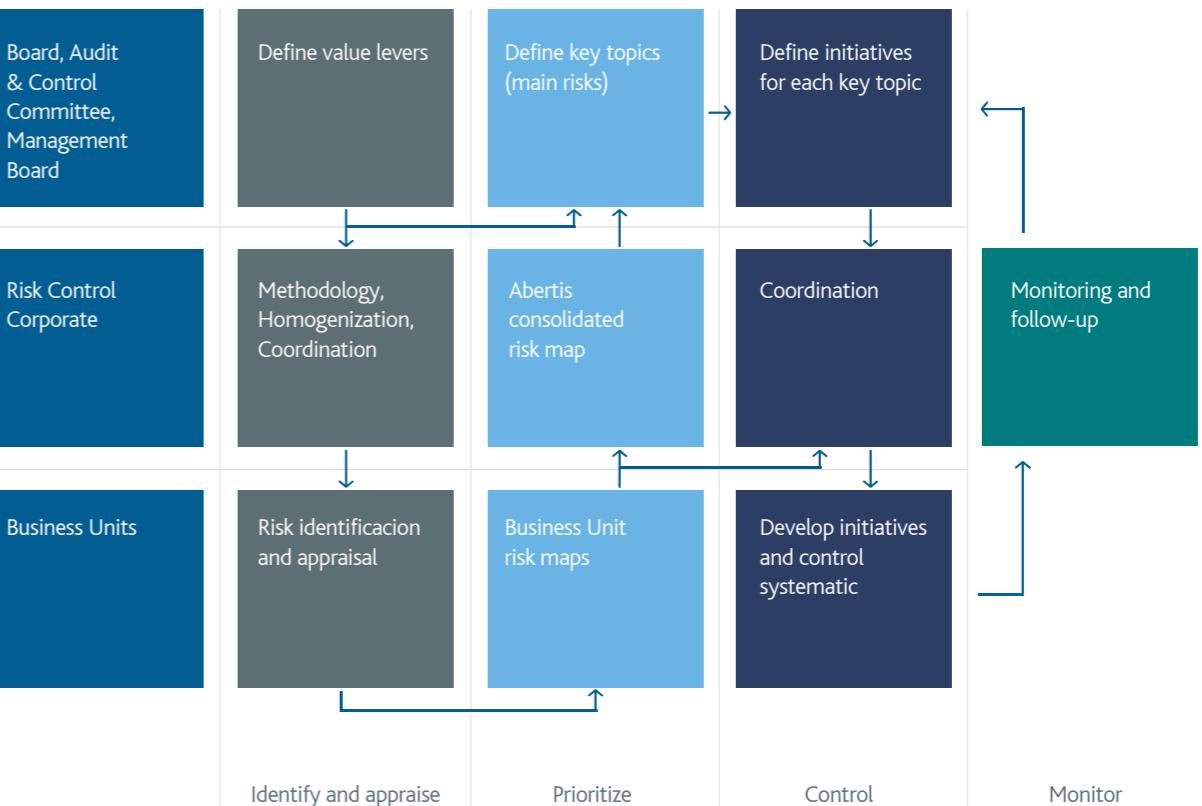
The members of the company's Administration bodies commit to ensuring that all company-relevant risks are duly identified, appraised and prioritized and to establish the mechanisms and basic principles required to achieve a level of risk that allows a sustainable growth of our share value and shareholder retribution, protect the Group's reputation and promote good Corporate Governance practices and provide quality service in all infrastructures operated by the Group.

The Risk Control and Management Policy establishes a comprehensive risk control system that includes:

- A methodology for measuring and following up on risks, which is common to the entire Group.
- The identification, appraisal and prioritization by each Business Unit and by the Corporation's Unit of all inherent and residual risks, control activities and defined action plans and the individuals responsible for them.
- The preparation and continuous updating of Business Unit risk maps, according to the Group's methodology, which must be periodically cross checked and approved by Business Unit General Managers and the Corporation's Area Directors.
- The preparation and supervision of risk reports, both external (shareholders, investors and regulatory bodies) and internal, the purpose of which is to ensure that all risks have been adequately identified, prioritized and managed, according to the established guidelines and limits.
- The selection of risks for their follow-up, in two levels:
 1. Risks requiring priority follow-up ("key topics") that are considered to be highly critical, given the impact that their possible materialization would have on the established objectives, which would require quarterly follow-up with stronger informational requirements.
 2. Rest of risks identified on maps, including responsible individuals, scope and indicators for supervising the control activities and action plans, with a semi-annual follow-up.

In 2016, the main materialized risks are those related to the continuing restrictions in availability and the terms of public and private financing in some countries (mitigated by strict financial discipline), the adverse economic situation of some countries that negatively affect the evolution of traffic (mitigated by the Group's geographical diversification), damages resulting from adverse climatic conditions (mitigated by a corporate insurance coverage policy) and the differing interpretations of certain contractual agreements that can lead to negotiation proceedings and eventually to situations that involve claims.

Abertis risk control and management model





7

Safe and innovative infrastructures

- 7.1 Safety: our priority
- 7.2 Intelligent technology and engineering
- 7.3 Continuous investment
- 7.4 Efficient toll roads
- 7.5 Client focus

7.1

Safety: our priority

Optimum maintenance is key to safe roads. As a result, the Abertis Group observes policies and procedures that are well established across the entire industry in order to ensure that road planning, design, construction and maintenance have safety as a priority.

-2.6%

Accident rate

-5.4%

Fatality rate

10

awareness projects

Strategic objective

- Guarantee and promote road safety.

Road Safety Program

As part of Abertis Group's strategic programs, the Road Safety program focuses particularly on improving road safety. As a result of the application of this strategy, 2016 saw a continuous improvement of the Group's accident and fatality rates. During the fiscal year, the accident frequency rate (IF1) dropped to 20.5 (-2.6%), with outstanding improvements in Chile, Puerto Rico and Argentina. In turn, the fatality frequency rate (IF3) dropped to 1.21 (-5.4%) thanks to the downward trend in France, Brazil and Puerto Rico.

Operations-wise, Abertis' know-how guarantees high levels of safety for road clients by means of patrols, traffic control, incident management protocols and information that is provided to drivers.

- In 2016, Autopistas (Spain), Autopista Central (Chile) and GCO (Argentina) have implemented a road safety management system based on the ISO 39001 standard, with the two former ones having obtained the corresponding certificate.

ACCIDENT PREVENTION INITIATIVES

Application of best construction practices

- In Brazil's concession holder Planalto Sul, the expansion and improvement of the design of toll road BR-116 in Paraná has led to improved traffic flow and the elimination of frontal collisions, which result in high number of fatalities. The number of accidents in the new road section has dropped by 93%.
- In France, the expansion of the emergency lane of the toll road A29 between junctions A29/A1 and A29/A26 along a 31-kilometer stretch, as part of the Plan Relance, which is expected to be completed in the summer of 2017. The new lane is expected to improve the safety conditions of all users.

* FR = Number of accidents with victims / Traffic in 10^8 veh x Km

** Number of fatalities / Traffic in 10^8 veh x Km

Development of infrastructure asset management tools to track the condition of road surfaces, structures and retaining walls; and to manage maintenance needs.

Regular safety inspections.

- In Chile, we work with iRAP to independently audit our roads. The results of the audit have granted 4 stars (out of 5) to 41% of the Autopista Central's stretch and 3 stars to another 58%.

Continuous training for on-road workers.

- In Spain more than ten drills (accidents in tunnels, winter road conditions, etc.) have been conducted in collaboration with public administrations and security and emergency forces, in order to keep all collaborators permanently trained at all times to ensure the best response possible.
- In Brazil, a new toll road signaling manual has been created that brings together critical tasks with the purpose of creating a safety philosophy among the workforce.
- In France, a new edition of the safety campaign has been developed for on-road workers.

POST-ACCIDENT RESPONSE

Recent innovations include advanced intelligent transport systems (surveillance camera and traffic sensors) and an application that automatically detects irregular traffic situations in tunnels.

In Spain the "Autopistas en Ruta" mobile application includes an emergency call function based on the European number 112 and which is similar to the eCall system proposed by the European Union, which will become mandatory in European vehicles starting in 2018.

Knowing the client

- France's Road Traffic Observatory in collaboration with the Administration allows understanding driver behavior better, with the purpose of adapting and improving the communication campaigns.
- In Spain, Abertis together with the General Traffic Directorate has prepared a road safety study among young persons of 16 to 22 years of age, with the purpose of gathering their opinion about the different aspects of mobility and road safety.
- In Brazil, a study was undertaken in collaboration with several universities to understand the impact on users of signalization along a stretch of the Serra do Cafetal road. After the analysis of the results, corrective measures were taken to improve signaling and safety in the aforementioned road section.

Lab City Project (Chile)

Abertis' subsidiary in Chile is conducting a program aimed at enhancing road safety thanks to improved information to the client through new technologies:

- Totem poles:** LED panels that enable drivers on the road to obtain real-time information about traffic conditions and thus help them to decide on the spot which road to take.
- Laser signalling:** Laser equipment installed on tunnel walls that project information on the ceiling, avoiding clearance problems and eliminating the probability of accidents with large volume vehicles.
- Suggested speed panels:** variable messaging system based on LED technology that indicates a suggested speed as a function of traffic conditions. This method helps prevent abrupt reductions in speed, improves circulation as a result of decreased congestion and accordion effects and helps maintain a constant traffic speed.

Collaboration with social agents

In 2016, the Group joined the global coalition Together for Safer Roads, which brings together leading private companies across the entire industry that share the same agenda – in matters related to road safety – with the UN's goal of stabilizing and subsequently reducing future occurrences of traffic-related fatalities across the globe.

- The International network of Abertis Chair has created this year a research award focusing on road safety, to be granted among the best projects presented in the five academic chairs across its international network, which includes Spain, France, Chile, Brazil and Puerto Rico.
- In France, an agreement has been reached with the Ministry to promote innovative campaigns such as the one conducted in recent months that gave drivers the opportunity to choose between penalties or enrolling in responsible driving awareness courses.
- In Brazil, Arteris is one of the main partners of a road safety pilot initiative in São Paulo by Together For Safer Roads, that brings together organizations from several sectors and the Government to address road safety in the entire city. In the interim, Arteris leads the fight for road safety through multiple initiatives such as the Road Safety Forum, which, in its third year, has consolidated its position as a renowned and prestigious forum in this field.
- In Puerto Rico, Metropistas works alongside the Transit Safety Commission (CST) to develop an educational program addressed to children covering the roles of drivers, cyclists and pedestrians. A campaign was also successfully launched with the Compulsory Insurance Association (ASC) in the country, addressed to 12 to 15 year old youngsters.
- In Spain, Autopistas has launched the creation of the Road Safety Bureau, with the goal of promoting a culture of road safety inside and outside of the company and provide guidance on safe and effective infrastructure management through the study and analysis of accidentability and awareness about the importance of road safety to all collaborators. In 2017, the first planned actions will be implemented, which are geared at changing the habits and customs of drivers and workers, in collaboration with institutions and official bodies such as the Dirección General de Tráfico or the Servei Català del Trànsit.

Awareness initiatives in 2016

Addressed to infants	Addressed to the young
KanGo (Spain)	Te queda una vida (Spain, Chile)
Cooperante Vial (Spain)	Autoroute Académie (France)
Festa dels Súpers (Spain)	Foro Mundial de la Juventud (Brazil)
Projeto Escola (Brazil)	Seis Segundos (Puerto Rico)
Proyecto Escuela (Chile)	"Wikén Sin Choques" (Puerto Rico)

Projeto Escola

This year, Arteris' "Projeto Escola" celebrates 15 years working in the humanization of traffic through citizen participation, ethics and social coexistence. The program involves schools, teachers and students in multiple activities that revolve around road safety and mobility.

In figures:

545	132	15,000	269,000
schools	towns	teachers trained	students

7.2

Intelligent technology and engineering

Abertis works to ensure that the purpose of all technological innovations is to improve the safety of clients using the Group's infrastructures, in addition to managing the networks in a more efficient and modern way.

Strategic objective

- Innovate and incorporate the best technological practices.

Road Tech

In 2016 Abertis presented a program that focused on research and innovation, with the goal of fully understanding Road Tech's ecosystem today: the technologies with the greatest outlook, barriers and facilitators available for accelerating progress and where Abertis can have a greater impact as a company.

The company has began conversations with the main pioneers at Road Tech that have a similar vision in relation to the future of mobility, with the goal of generating new knowledge and stimulating innovation in the industry.

Electric vehicles

Abertis is currently working to introduce innovations geared at facilitating the rapid growth of electric vehicles in roads:

- Corri-door Project.** In collaboration with Renault and the EDF Group, Sanef (France) is currently introducing 33 electrical vehicle recharge stations along its toll road network.
- Fabric dynamic charging project.** Sanef, together with 22 partners, is currently assessing the viability and development of wireless charging devices in roads for electrical vehicles. The technological developments required for the pavement as well as the operational restrictions that may exist once implemented are currently under analysis.

Connected roads

Work is also under way to improve the manner in which information that is generated and shared by users in roads is managed, in view of optimizing mobility and transforming the client's experience:

- SCOOP@F Project (France):** through the so-called Cooperative Intelligent Transport Systems or C-ITS, 3,000 and 2,000 km of roads have already been equipped in order to exchange information of traffic conditions. This will optimize mobility and transform the client's experience, ultimately making roads safer.
- Mobile coverage (France):** Sanef is working with telecommunications companies to guarantee maximum data coverage in all its toll roads. Only through excellent coverage will it be possible to develop connected cars.
- Automatic passenger detection in high-occupancy cars (France):** Research is under way for an image analysis technology by NEC to move forward in the automation of high-occupancy lanes.



Collaboration with Waze

Sanef and mobile mobility application Waze have signed an agreement in 2016 for the exchange of traffic data. This service allows users to be alerted of traffic congestions or accidents and choose alternative routes.

Satellite sector

In 2016 Hispasat has focused on several innovation processes, among which some stand out: A change in the business model, by shifting from the traditional focus on long-term contracts toward more services contracts and partnerships with other companies; innovation in product and services, by offering advice and technological solutions beyond satellite capacity; and innovations in satellite technology in view of optimizing in-service assets.

7.3

Continuous investment

Constant improvement of infrastructures implies continuous investment work that not only enables to guarantee road safety, traffic flow, service and road sustainability, but also represents a boost to economic activity and the competitiveness of businesses in the area.

Since 2003			
€1,020 Mn	€92 Mn	€7,425	€8,713 Mn
invested in organic growth in 2016	in operating investments in 2016	investment in maintenance per km/lane	invested (operations and organic growth)

2016 landmark projects

Arteris' investment plans

Brazil has been the country where more investments for expansion and operations have been made, with almost 2,000 million reais (about 600 million euros). Arteris continues to be immersed in an ambitious road modernization and expansion project that will entail an investment of 2,000 million euros until 2021.

Among the most outstanding projects of the year, we must highlight the expansion to the Régis Bittencourt toll road, in its Serra do Cafetal section, an important project that is entering its final stage. Seventeen new kilometers of toll road are already operational. Intense work is also under way to expand the BR-101/RJ Norte toll road, which is managed by Autopista Fluminense. The construction project entails doubling 176 kilometers of toll road. In the meantime, construction work continues in the Contorno de Florianópolis, a project that is crucial to the capital of the state of Santa Catarina.

Relance Plan

In 2016, Sanef began several projects that are part of the Relance Plan, the investment plan that has been agreed with the French Government in 2015 and which has begun to bear fruit. During the fiscal year, different improvements have been completed in toll roads A-14 and A-13 of the Sapn network.

Among those of greater significance, the improvement works of the road section in the Maison-Brûlée zone of toll road A13 and the new exit ramp in the direction of Paris-Caen stand out. The works have resulted in improved safety and traffic flow in a section of the toll road that carries 20,000 drivers. The works that have taken place between the end of 2015 and the fall of 2016 have required an investment of approximately 5 million euros.

Moreover, other construction works on the A13 (Criquebeuf, Carril de Lisieux) and A14 toll roads have been finalized, with other work moving ahead for the construction of new parking places for high-occupancy vehicles.

Hispasat

Abertis' satellite division closed the 2016 fiscal year with significant investments destined to the construction of three new satellites: Hispasat 36W-1, Amazonas 5 and Hispasat 30W-6. In January 2017, Hispasat successfully launched the Hispasat 36W-1 into orbit, the Group's most innovative satellite built on the SmallGEO platform. Its design allows for substantial reductions in satellite mass thanks to the use of electrical propulsion during its useful life, which has translated into savings in launch costs while meeting the most demanding requisites of telecommunication services.

This satellite adds to the current fleet of 7 satellites. Set at an orbital position of 36° west, it provides the fleet with new optimized coverage in South America, Europe and the Canary Islands.

Key operational investments and organic expansion projects in 2016

Brazil	Doubling of 3 km of SP 318 (Autovías) Itirapina road works (Centrovías) Expansion of approximately 20 km of SP 147 (Vianorte) Expansion of Serra do Cafetal (Régis Bittencourt) Expansion of approximately 20 km of BR-116 (Planalto Sul) Florianópolis ring road (Litoral Sul)
Puerto Rico	Agreement for the extension of the Metropistas concession and advances in the innovation and new technologies plan
Spain	Construction of new access routes in Sitges and Mataró
France	Relance Plan: works for the construction of a new access road for A13 toll road toward Maison-Brûlée
Chile	Progress in the construction of a new 22-km section of the Los Andes toll road Works on Maipo Bridge in Autopista Central
Colombia	Third lane in the Bogotá-Villavicencio toll road, which includes significant road improvements
Hispasat	New launches planned in 2017: Hispasat 36W-1 (launched on January 28, 2017), Amazonas 5 and Hispasat 30W-6 satellites. New operational and control center in Río de Janeiro (Brazil)



7.4

Efficient toll roads

The path toward greater efficiency in mobility is linked to the modernization of payment systems, with greater automation or the elimination of tollgates, therefore reducing congestion, fuel consumption and vehicle emissions.

60%

of transactions conducted via electronic toll collection systems (+2.3 pp)

Emovis

Abertis' technology and services branch Emovis is an expert in the design, implementation, operation and maintenance of barrier-free mobility solution (free-flow) through electronic tolls.

Emovis kicked off this year focusing on free-flow technologies destined to set the future trend of toll systems in Europe. Among its most outstanding assets, the management of the Dartford Crossing is one of the main accesses to the city of London, with a daily average of 150,000 vehicles; and M-50, Dublin's ring road, with an average of 120,000 vehicles.

Modern solutions

The Abertis Group continues to move forward with new technologies for payment models.

- In France, the first Bluetooth-based payment tests have been conducted after the conclusion of pilot tests involving NFC technology. This would allow cars to drive through the gates without stopping.
- In Spain, projects are under way to enable mobile payments as well as the use of radiofrequency wave stickers for users in certain sections of the toll road.
- At the Group level, a significant milestone in this sense has been the alliance between the two electronic toll collection device companies Bip&Drive – a company partially owned by Abertis – and Bip&Go – a subsidiary of Sanef – for the launching of the first Vía-T device in Europe for all toll roads in Spain, France and Portugal. The new device, which runs on DSRC (Dedicated Short Range Communication) technology, simplifies traveller transit and transactions.

Free-flow on AP-7 toll road

Autopistas has begun work to implement a technological system that will definitively eliminate the use of gates in passenger car toll lanes at La Roca (Barcelona) on the AP-7 toll road. Vehicles will now be able to drive through the toll without stopping at a speed of 60 km/hour, resulting in a more comfortable and fluid traffic.

As a result, the AP-7 toll road will be the first high quality and high capacity road in Spain to implement the free-flow system, a system that is already a reality in some European countries and where payments take place automatically without gates and the need for stopping.

In total, the free-flow system implementation Project at La Roca will entail an investment of 1.4 million euros.

- In Chile, the control takeover over Autopista Central opens the door to analyzing the possibility of creating a new operating company in view of establishing a joint invoicing scheme among the users of Autopista Central, Ruta 68 and Ruta 57, which would result in more comfort for the client.
- Other interoperability systems are also being studied in other markets of the Group through Emovis, including Ireland or the United States.
- Chile is driving the use of Via-T in inter-city toll roads. The “Stop and Go” system of Rutas del Pacífico envisions the implementation of a post-payment method in all tolls, improving client service capabilities in manual toll stations while reducing client waiting times.

As a result of these improvements, the percentage of automatic transactions involving electronic toll collections has increased up to 60% of the total in 2016, with Puerto Rico and Chile (with the incorporation to the Autopista Central perimeter) leading at 98.6% and 82.4% respectively.

Modernization in Puerto Rico

In 2016, Metropistas has worked on an ambitious network modernization project. Toll gates were removed and new payment methods were introduced that reduced congestion, fuel consumption and vehicle emissions, as they no longer had to stop at the gate. The following stand out among the main innovations:

- Dynamic toll lanes which, through the use of sensors that evaluate traffic, speed and congestion, allow switching between tariffs in real-time.
- One hundred per cent free-flow technology, replacing manual and electronic payment lanes with 12 free-flow gates. This System results in less congestion, less accidents, less emissions and increased safety for employees and clients.
- Reversible lanes as a function of the time of the day, resulting in increased lane capacity during peak hours.

As a result of this plan, 98% of transactions today take place automatically via electronic toll payment collection.

7.5 Client focus

Continuous investment, commitment to road safety and a focus on new technologies are the Group's instruments that unveil a clear goal: satisfaction and good client relationships, so that their travelling through Abertis' toll roads can be a safe, comfortable, fast and easy experience.

100%

occupation in Truck Parks in Spain

100%

of companies have online communication channels

Toll road

open-day

Strategic objective

- Provide quality service (flow, comfort and information to the client).

Continuous improvement

Clients of Abertis' toll roads have benefitted in 2016 from steadfast work destined to improving the network, modernizing payment systems and new client information systems, with similar efforts made also to improve rest areas.

- In 2016 in Spain, Autopistas completed an extensive program geared at improving rest areas across its entire network. Looking at 2017, Autopistas is in the process of defining a "Letter of Commitment to Clients" which will modify and improve client-oriented processes.
- Truck parks- service and rest areas exclusive for heavy vehicles developed by Autopistas in Spain- have recorded 100% occupation this year.
- The clients' perception of the majority of the Group's division have improved, as evidenced by the outcome of the latest client satisfaction surveys (see table below).

Real-time information

One of Abertis Group's priorities is continuous communication with its clients, the users of our toll roads. For this purpose, all business units have several communication systems based on client needs including e-mail, phone, in-person and electronic chat-enabled customer service centers, social media, radio broadcast, mobile applications, streaming of meetings, face-to-face events, etc.

- Autopistas has been working on an extensive Social Media Plan. Among other measures, its new website look and feel stand out along with the reactivation of its YouTube and LinkedIn channels and the launching of a new Twitter channel @autopistaclient.
- Several events have been designed with the toll road as the venue for activities for children, employees and the general public, with the goal of bringing users closer to the infrastructures. This is the case of events that were held in the Granollers and San Rafael's operations and road safety centers, and the "Toll Road Party" in France last May.
- In the social media and new technology space, we must also highlight the follow-up of Arteris' 3rd Road Safety Forum.

Social media information

All of the Group's companies offer information through websites and all have at least one informative channel in social platforms.

Abertis Group's online communications channel



Client satisfaction index

The Group's different concession holders conduct periodic client satisfaction surveys with the purpose of monitoring their expectations and identifying actions for improvement. The different methodologies used in each country allow obtaining a direct result of the level of user satisfaction in different scales (over 10 or over 100) or a percentage value over the total number of satisfied clients.

Company	2016	2015
Autopistas (Spain)	6.95	6.97
Sanef (France)	8.1	8
Sapn (France)	7.9	7.9
Arteris (Brazil)	8.04	8.3
Autopista Central (Chile)	41%	-
A4 (Italy)	70%	-
Metropistas (Puerto Rico)	7.6	7.2
Hispasat	82.9	80.3



8

Value creation

SHAREHOLDERS

- 8.1** Figures and results
- 8.2** Efficiencies
- 8.3** Financial management
- 8.4** Shareholder remuneration

SOCIETY

- 8.5** Fiscal contribution
- 8.6** Contribution to the environment
- 8.7** Contribution to the community
- 8.8** Supplier management and supply chain

HUMAN TEAM

- 8.9** Committed to talent
- 8.10** Professional development
- 8.11** Health and Safety

8 Value creation

Abertis' reason for existence is value creation. As a reference company in the industry, we combine financial strength, industrial experience and a long-term commitment with our shareholders, clients, collaborators, public administrations and citizens in general.

Through this vision, we want to contribute to the general growth of the countries in which we operate, not only from a purely economic perspective, but also through the social impact of our activity and our dividends and salaries, improved road infrastructures that are the result of continuous investment, territorial development in our relationship with suppliers and clients or the financing of wellbeing through taxes, to name only a few.

Local footprint assessment

In 2017 Sanef has calculated the socioeconomic impact of its toll roads on French territory. This study, which is based on the innovative tool Local Footprint, shows how Sanef's activity has secured 18,600 jobs (direct, indirect and induced), that is, 6.8 times the number of direct jobs at the company. Likewise, according to this study, the concession holder contributes with 2,320 million euros to France's GDP.

In one year of operation alone, Sanef has injected into the French economy:

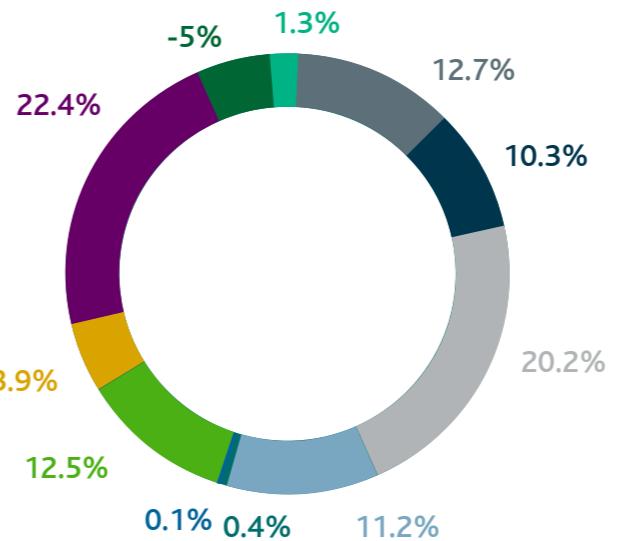
€180 Mn
in salaries

€301 Mn
in the purchase of
goods and services

€450 Mn
in taxes

Status of the Added Value-Consolidated Annual Accounts

The economic value generated during the fiscal year has amounted to 5,207.6 million euros, 75% of which have been distributed. The remaining 25% have been retained by the organization.



- Suppliers
- Personnel costs
- Financial costs
- Corporate tax and other taxes
- Environmental costs
- Investment in social initiatives
- Dividends
- Other expenses
- Amortizations
- Provisions
- Reserves



8.1 Figures and results

Strategic objectives

- Grow in new concessions profitably by applying financial discipline
- Promote agreements with the Administrations in order to increase average life and optimize tariffs
- Increase turnover and efficiently manage expenses while growing recurring cashflow

Revenue:

€ 4,936 Mn
+6%

EBITDA:

€ 3,250 Mn
+9%

EBIT:

€ 1,946 Mn
+13%

Discretionary cash-flow:

€ 2,241 Mn
+15.3%

Net profit:

€ 796 Mn
+13%

(like-for-like variations)

Consolidated figures

In 2016 the consolidation of a favorable economic setting has enabled us to continue along the growth path in our activities in Spain, France and Chile, despite the decrease in heavy vehicle activities in Brazil. The addition of Italy since September 2016 has also contributed positively to the increase in activity.

The Group continues to focus its efforts on highly selective growth, which in 2016 was characterized by consolidation and strengthening operations of its position in existing investee companies (as in the case of the full control takeover of Autopista Central and the closing of the Public Bid on Arteris' minority stakes in May) and acquisition operations of new assets, such as the purchase of 51.4% of A4 Holding.

The results of Abertis in 2016 are influenced by the incorporation into the company's perimeter of assets acquired during the fiscal year.

Profit and loss Account

January-December 2016 (€Mn)

	Dec. 2016	Dec. 2015	Variation
Operating revenue	4,936	4,378	13%
Like-for-like revenue			6%
Operating expenses	-1,695	-1,686	1%
Ebitda	3,240	2,692	20%
Like-for-like Ebitda			9%
Amortization	1,295	-1,135	
Asset impairment	-0	-1,622	
Operating result (Ebit)	1,946	-65	
Operating result (like-for-like)			13%
Financial result	-620	-1,116	
Result equivalent	-10	-51	
Corporate tax	-304	2	
Discontinued operations (Cellnex and airports)	0	2,721	
Minority interests	-216	378	
Net profit	796	1,880	-58%
Net profit (like-for-like)			13%

Revenue

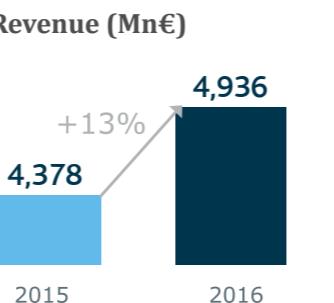
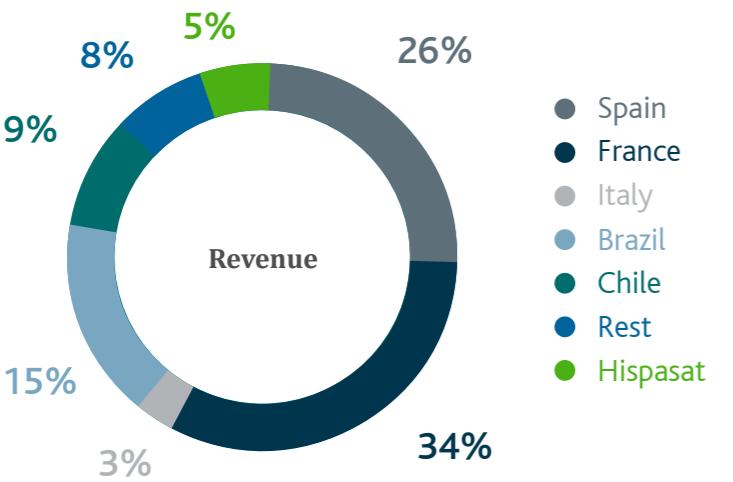
The Group confirms the positive trend in road traffic in its toll roads, which continues to grow at a good pace in its main markets. Worth noting are the levels of activity achieved in Spain, traffic growth in France as well as the contribution to Italy and Chile's growth. Conversely, Brazil has kept a decreasing trend which had already began in 2015 due mainly to a significant drop in heavy vehicle traffic as a result of the negative evolution of the Brazilian economy.

Revenue increased 12.7% due mainly to the impact of the full takeover of Autopista Central in January 2016, the acquisition in September 2016 of 51.4% of A4 Holding, the consolidation via global integration of Túneles since November 2015, the positive evolution of the activity and the impact on the review of average tariffs of toll road concession holders.

These positive impacts have partially offset the negative trend of the Brazilian real, the Chilean peso and the Argentine peso during the fiscal year, whose average exchange rates have recorded a depreciation of 5%, 3% and 59% respectively with respect to the 2015 close.

The satellite infrastructure sector also shows a positive trend, as a result of the expansion of orbital position capabilities.

Over 70% of Abertis' revenue comes from outside of Spain. The French market has consolidated its position as the Group's biggest market (34%), followed by Spain (26%).



2016 Traffic

	Km	ADT	Var.
Spain	1,559	20,090	+5.3%
France	1,761	24,473	+1.9%
Italy	236	62,612	+2.6%
Brazil	3,250	17,682	-2.8%
Chile	771	25,779	+6.4%
Rest	265	78,219	+0.4%
Total Abertis	7,842	23,877	+1.3%

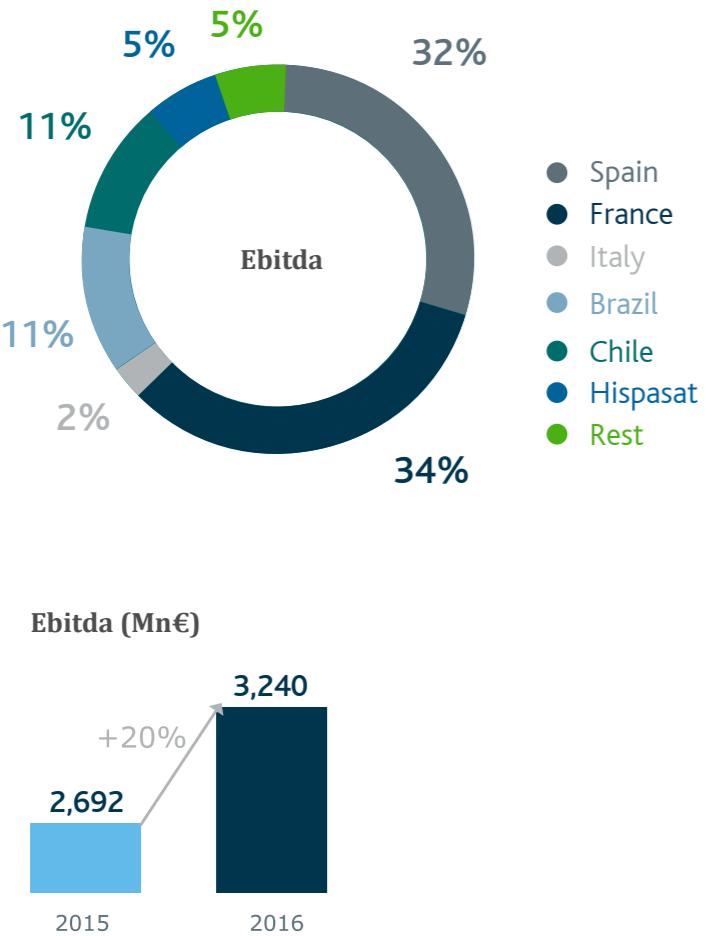
2016 Revenue

	Mn€
Spain	1,314
France	1,658
Italy	149
Brazil	718
Chile	462
Puerto Rico	130
Argentina	189
Rest	81
Telecommunications	229
Holding	5
Total Abertis	4,936

Ebitda

Gross operating margin (Ebitda) reached 3,240 million euros (+20.4%). When discounting the perimeter impacts and other non-recurring ones, the like-for-like Ebitda grew 8.5% over the previous year.

The result of the operations (EBIT), when discounting the perimeter impacts and other non-recurring ones in the past 2015 fiscal year associated to impairments, has grown 12.8% in like-for-like terms.



Financial result

The net financial result amounts to -620 million euros, -737 million euros of which correspond to the financial cost of net debt, which represents an average cost of 4.8%. The rest (117 million euros) reflect other impacts, such as the appreciation according to NIIF 3, after the control takeover of Autopista Central, the assets and liabilities already held in this company (293 million euros) and the breakage costs paid for the refinancing operations made by Abertis (-63 million euros).

Companies consolidated by the equity method

The negative contribution of companies registered via the equity investment method is a consequence of impairments in the fiscal year in the stake held in Hisdesat through Hispasat, worth 18 million euros.

Corporate tax

Expenses corresponding to corporate tax amount to 304 million euros, with the following tax rates in the main countries where Abertis operates: Spain, 25% (vs. the previous 28%); France 34% (vs. a previous 38%); Italy, 31.4%; Brazil, 34% and Chile, 24% (vs. the previous 22.5%).

Results

The 2016 consolidated results attributable to shareholders reached 796 million euros, which in like-for-like terms equals a growth of 13% when compared to 2015.

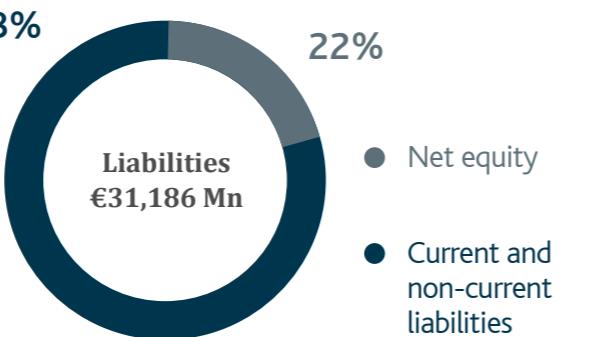
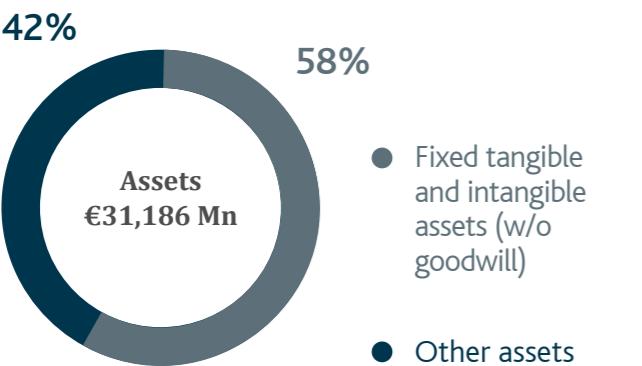
Cash flow

During 2016 Abertis has generated a gross cash flow (before investments and dividend payments) of 1,901 million euros. Discretionary cashflow amounted to 2,214 million euros, which in like-for-like terms represents 15.3% above that of 2015. The Group's cash flow is sufficient to sustain the investment plan that is under way at the company, which seeks to improve its asset infrastructure, and also to allow the company to uphold one of its key strategic pillars: shareholder remuneration.

Balance Statement

Total assets on December 31st 2016 reach 31,186 million euros, which represents a 21.2% increase over the 2015 year close. This is mainly due to the impact of the takeover of Autopista Central in January 2016 and the acquisition of A4 Holding, both of which were consolidated via global integration, and the impact on appreciation at the closing of the Brazilian real, the Chilean peso and the US dollar.

The net consolidated equity reached 6,901 million euros, which is 29% above the existing one at the closing of 2015 and which was affected by the positive trend in conversion differences, perimeter changes, the portion assumed by minority shareholders of the capital increases made by Participes, Arteris and Metropistas as well as the return of the contributions made by HIT's minority shareholders. Leaving aside non-controlling interests, the consolidated net equity has increased 9.7%.



Balance Statement

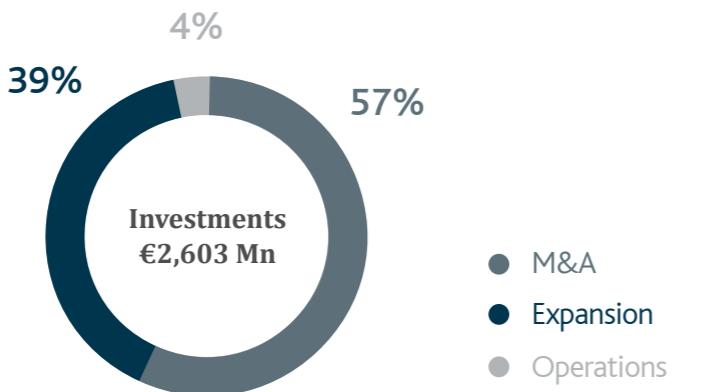
January-December 2016 (Mn€)

	Dec. 2016	Dec. 2015
Tangible and intangible assets	22,506	17,583
Financial fixed assets	4,281	4,531
Current assets	1,819	1,403
Cash flow	2,529	2,222
Assets held for sale	50	0
Total assets	31,186	25,739
Net equity	6,901	5,349
Non-current financial debt	15,210	13,261
Non-current liabilities	5,348	3,991
Current financial debt	1,695	1,515
Current liabilities	1,988	1,623
Liabilities held for sale	44	0
Total liabilities	31,186	25,739

Investments

Main investments in 2016

- Expand toll road capacity, specially those located in Brazil that depend on the Federal State, and in France, in order to improve and extend the network; as well as in Puerto Rico, which is a result of the agreement to extend the concession term in Metropistas.
- Purchase of the additional 50% of Autopista Central (948 million euros).
- Purchase of 51.4% of A4 Holding for 594 million euros (589 million euros to be paid in 2023 plus 5 million paid on the date of purchase; 474 million euros in total corresponding to its current value on the date of purchase).
- Purchase of a minority share in Arteris (68 million euros), after having completed the Takeover Bid process over the total shares.
- 10-year extension to the concession term of Metropistas after the agreement reached with Autoridad Portorriqueña de Carreteras y Transportación (ACT) for the modification of the concession contract (90 million euros).
- Hispasat investments in satellite projects (164.4 million euros).



2016 Investments

	Operations	Expansion	Inorganic Expansion	Total
Toll roads ▾	86	854	1,491	2,432
Spain	8	24	0	31
France	37	112	0	149
Italy	3	3	474	480
Brazil	28	529	70	627
Chile	8	62	948	1,019
Rest	3	123	0	126
Telecommunications	5	166	0	171
Holding	1	0	0	1
Total Abertis	92	1,020	1,491	2,603

8.2

Efficiencies

The Abertis Group fosters a working and operating method that focuses on resource efficiency and cost reduction with new procedures: process automation, leveraging of Group synergies, centralization of functions and improvements to the supplier selection procedures and the Groups' products and services, among others.

Improved like-for-like Ebitda margin

Spain:	France:	Brazil:	Chile:
+190 bps	+170 bps	+130 bps	+40 bps

Strategic objectives

- Achieve efficient infrastructure management
- Manage construction work and investments within deadlines and costs targets
- Increase process efficiency

Efficiency plans

The Group's results are favored by the implementation of a series of efficiency improvement and operating cost optimization measures, which the Group continues and will continue to push in the coming years. After having concluded the 2011-2014 efficiency plan beyond initial expectations – generating a cumulative of 700 million euros – the Group is currently implementing a new efficiency plan for the period 2015-2017, which must allow consolidating the efficiencies obtained to date while pursuing improvements in operational efficiency and cost optimization.

- In Autopistas, efficiency is at the core of the company. After important advances made between 2011 and 2014, the Spain division is currently immersed in a process of consolidation of the initiatives undertaken in the last years, such as the toll automation and control center reorganization process, which have been completed in full. The company is currently working on the ambitious FOCUS project, whose purpose is the creation of a new and more efficient and transparent management model that can position it to face future challenges in the concession, toll management and mobility sectors in Spain.
- In France, the Opteam program has been developed, a three-year program that seeks to reach 90 million euros in efficiency until 2017. The advances of the last few months have driven Sanef's efficiency ratio above the concessions industry's average in France, one year ahead of schedule.
- In Brazil, the efficiency plan focuses on two lines of action: the increase in revenue and the costs reduction. For this purpose, Arteris has homogenized its processes, by transferring several administrative and back-office functions to a single site, prioritizing quality, safety and client service. With this Plan, Arteris today accumulates savings of 50 million reais (about 15 million euros).
- Hispasat continues to maintain a high Ebitda percentage, above 78% in like-for-like terms and isolating extraordinary results, while continuing with its investment phase.
- Several of the Group's best practices have been implemented in the rest of the business units, with a particular focus on toll automation, process unification and the leveraging of synergies, to name a few.

In the operational sphere, also the new technologies and barrier-free payment methods imply significant advances in efficiency, not just economically, but also social, through a reduction in traffic congestion, travel time and CO₂ emissions.

8.3

Financial management

Thanks to its debt management policy, the Abertis Group has a healthy financial structure with balanced debt maturity.

€2,000 Mn
issued in bonds
in 2016

90.2%
of long term debt
(+0.4%)

5.9 years
average
maturity

90%
of fixed rate
debt (+1%)

66%
of non-recourse
debt

1.1%
average cost of corporate
bond issues in 2016

Strategic objective

- Maintain a healthy and efficient financial structure.

Financial operations in 2016

- A 1,150 million euro bond issue by Abertis Infrastructures with a maturity date in May 2026 and a coupon of 1.375%.
- A 500 million euro bond issue by Abertis Infrastructure with a maturity date in February 2027 and a coupon of 1.00%, a historical minimum for the company.
- A 300 million euro bond issue by Sanef with a maturity date in October 2028 and a coupon of 0.95%.
- Autopista del Sol's 27,000 million Chilean peso bond issue buyback (approximately 40 million euros, as of the date of the operation) with a maturity date in 2018.
- Two loans of US\$50 million contracted by Arteris, one of which was cancelled during the fiscal year, while the other was renewed. In addition, another 119 million Brazilian real loan was contracted (approximately 35 million euros at the close of December 2016).
- Hispasat draws 65 million euros from undrawn loans contracted in previous fiscal years with a maturity date in December 2026.
- Issue of a 65 million Brazilian reales bond (approximately 19 million euros at the close of December 31, 2016) with a maturity date in 2025 and a coupon of 15.05%, by Fernão Dias.

These operations allow extending our debt maturity profile and highlight the efficient active management of the company's balance. Furthermore, they strengthen the capability of the company to leverage the opportunities offered by the credit market to secure attractive terms and continue to generate value for its shareholders.

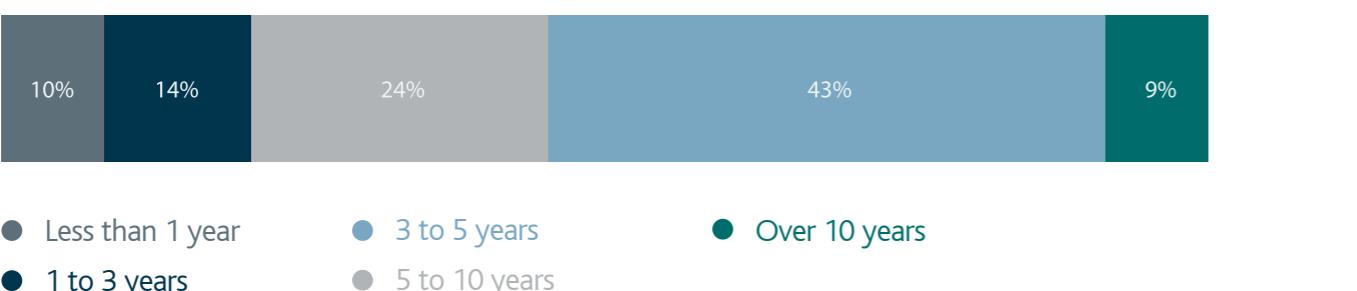
	2016	2015
Net debt	€14,377 Mn	€12,554 Mn
Net debt /Ebitda	4.4x	4.7x
Available lines of credit	€3,431 Mn	€3,548 Mn

Financial structure

Following the policies defined by the Board of Directors, the financial structure of Abertis Group seeks to limit the risks to which it is exposed due to the nature of the markets in which it operates (see section "Risks").

Abertis maintains a high percentage of debt at a fixed rate through hedging, therefore minimizing to a large extent any possible effects of stress on the credit market.

Debt maturity



Credit Rating

Agency	Assessment date	Rating	Outlook
Fitch Ratings			
Long term	2016/05/09	BBB+	Stable
Short term	2016/05/09	F2	
Standard & Poor's			
Long term	2016/06/27	BBB	Stable



8.4

Shareholder remuneration

Abertis' objective is to offer its shareholders the best combination of growth and profitability.

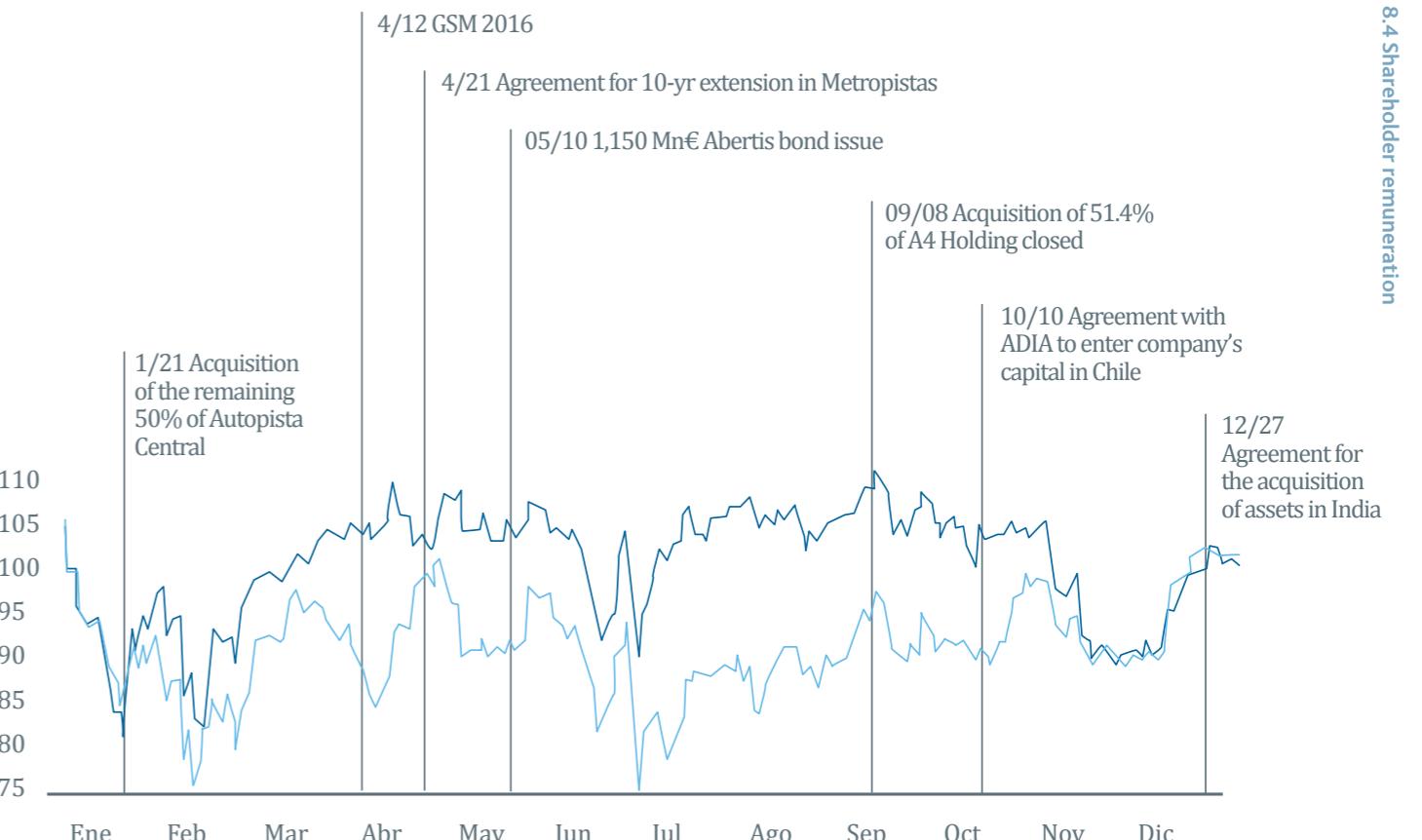
Strategic objective

— Sustainable growth in share value and retribution.

	2016
Closing price	13.30 euros
Appreciation	-3.1%
Maximum price	14.33 euros
Minimum price	11.64 euros
Number of shares	990,381,308
Capitalization	€13,200 Mn
Cumulative yield *2011-2016	69%

* Cumulative and annual yield is calculated by including stock market appreciation, bonus share issues and dividend yield, for a shareholder who would have purchased on December 31, 2011 and has not sold his/her shares until December 31, 2016.

Evolution of share Price



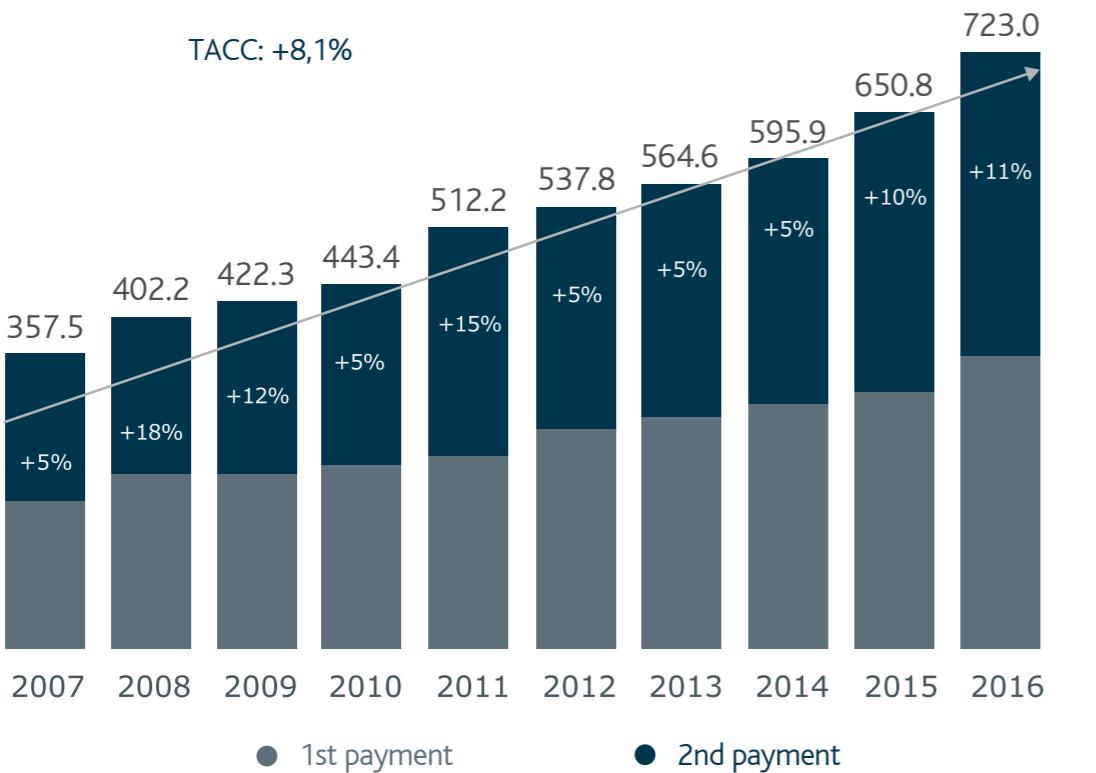
- Abertis stock price
- IBEX 35 index

Dividend

In April Abertis paid a supplementary dividend for the 2015 fiscal year of 0.36 euro per share, whereas in November of 2016 it paid the first dividend payment of 0.36 euro (gross) per share corresponding to the 2016 fiscal year.

Abertis' Board of Directors has agreed to propose to the 2017 General Shareholders Meeting a second dividend payment of 0.37 euros (gross) corresponding to the 2016 fiscal year, which, added to the first dividend paid in November 2016, implies a direct retribution to the shareholder in the form of ordinary dividends of 0.73 euros (gross) for the 2016 fiscal year, representing 11% more over the amount paid in 2015.

Ordinary accrued dividend (€Mn)

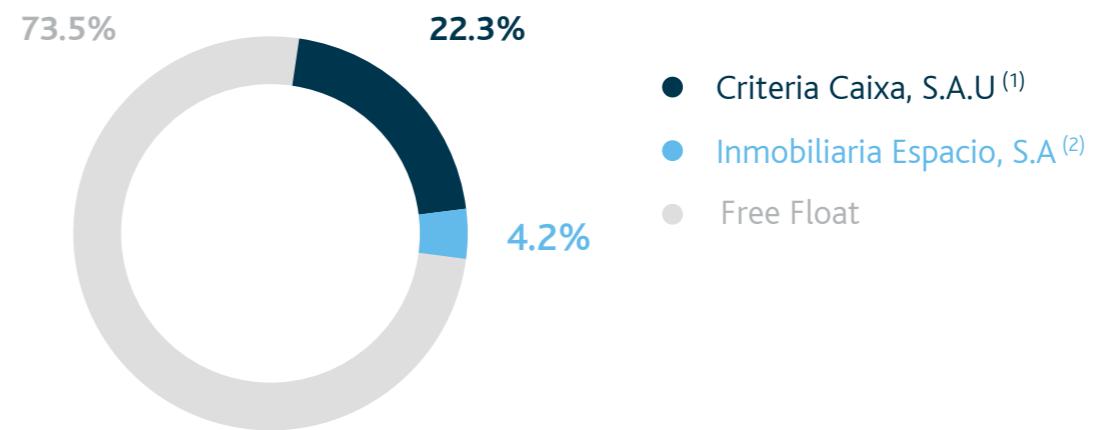


Bonus share issue

The General Shareholders Meeting held on April 12, 2016 agreed to undertake a new bonus share issue following a proportion of one new share for each 20 old ones. The rights over the shares were negotiated between May 30 and June 13, 2016, with a maximum price of 0.699 euros and a minimum price of 0.683 euros. The theoretical value of the right was 0.697 euros.

The new shares were admitted to trading on June 24 with identical political and economic rights as the existing shares.

Shareholder structure*



As of January 23, 2017, Inmobiliaria Espacio, S.A. (through OHL Emisiones S.A.U.) has sold 24,759,486 shares of Abertis Infraestructuras, S.A. representing 2.5% of the share capital, after which the stake of Inmobiliaria Espacio, S.A. is 1.74%.

* Shareholder structure as of 12/31/2016

(1) 15.08% holding through Criteria Caixa, S.A.U. and 7.17% through Inversiones Autopistas, S.A.

(2) 1.74% direct holding and 2.50% through OHL Emisiones S.A.U.



8.5 Fiscal contribution

Abertis' fiscal policy is based on transparency and the responsible and prudent application of tax laws.

1,825 Mn

in tax
contributions

€231,607

tax contribution per
kilometer of directly
managed toll road

The group is committed to its duty to pay taxes in order to contribute to public finances, which provide the essential public services for the progress and socio-economic development of the countries in which it operates.

Since 2014, Abertis voluntarily adheres to the Code of Good Tax Practices, which contains a set of recommendations that have been agreed between the Spanish Agencia Tributaria (Tax Agency) and the "Large Company Forum". The company meets the operating principles of the aforementioned Code.

Following the principles that have guided its actions since its incorporation, Abertis avoids the use of opaque structures, processes or systems with fiscal purposes that seek to shift profits to low tax jurisdictions (tax havens) or prevent tax authorities from identifying the end party responsible for the activities or the ultimate owner of the goods or rights involved. Additionally, the Board of Directors is notified on an on-going basis about the fiscal policies being applied.

2016 tax contribution (millions of euros)

Country*	Taxes paid**	Taxes collected***	Total contribution
France	525	305	830
Spain	153	336	489
Brazil	148	45	193
Argentina	54	74	128
Chile	28	83	111
Italy	25	27	52
Others	14	8	22
Total	947	878	1,825

2016 tax contribution

Abertis makes quantifiable economic and social contributions through the payment of taxes to the Administrations in the different countries in which it operates. Said payments imply a strong effort in order to comply with all formal notification and collaboration obligations before the Spanish Tax Agency as well as with all relevant responsibilities.

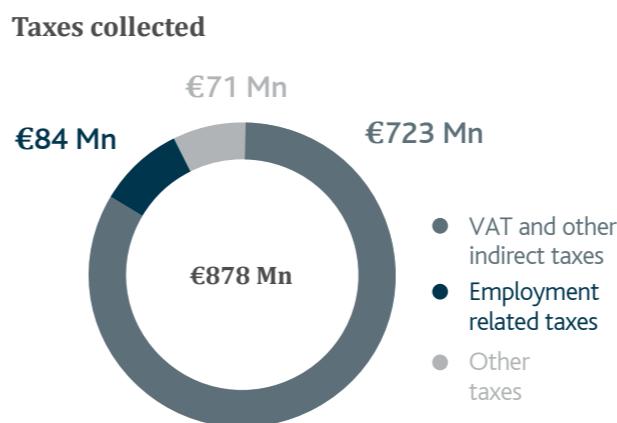
* Perimeter changes with respect to 2015: Spain does not include the Cellnex Group, Chile includes Sociedad Concesionaria Autopista Central S.A., and Italy includes Grupo A4 Holding since its date of acquisition (16/9/8). Others include the United Kingdom, The Netherlands, Puerto Rico and Mexico, among others.

** Taxes paid are those that represent an actual cost to the company (payment of taxes on profit, local taxes, indirect taxes on goods and services and company social security contributions).

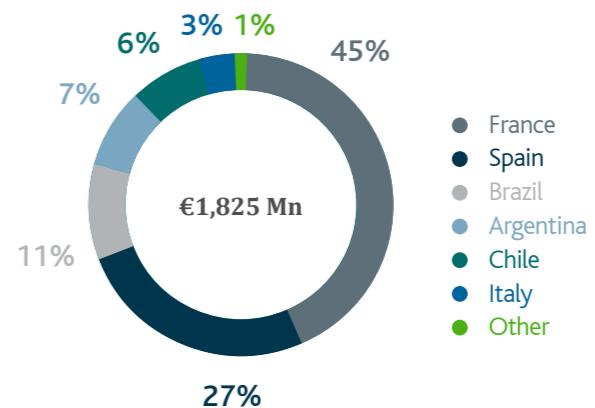
*** Taxes collected are those that have no impact on results but are collected by Abertis on behalf of the Revenue Service or are paid on behalf of other taxpayers (Value Added Tax, withholding tax and worker social security contributions).

Following OCDE's cash basis based methodology, the total tax contribution of Abertis Group in 2016 amounted to 1,825 million euros, 947 and 878 of which have corresponded to taxes paid and taxes collected respectively. In this sense, the Abertis Group includes all dependant companies that consolidate through the global integration method.

For each 100 euros of Abertis' revenue, 38 euros are destined to the payment of taxes. Specifically, 20 euros go to the payment of taxes paid and 18 euros to the payment of collected taxes. Likewise, the tax contribution per kilometer of toll road directly managed by Abertis arises to 231,607 euros, of which 119,309 euros correspond to taxes paid and 112,298 euros to taxes collected.



Breakdown of total fiscal contribution



8.6

Contribution to the environment

The fight against climate change, improved waste generation and end of life management practices, the boost to biodiversity and noise reduction are Abertis' priority environmental aspects. The company has set a number of goals focusing on carbon footprint reduction, the development of products and services that carry positive environmental aspects and innovation based on the circular economy.

€22 Mn

destined to the environment
(+15%)

-5%

total CO₂ emissions
(Tn/€Mn revenue)

-3%

CO₂ emissions (scope 1 and 2) (Tn/€Mn revenue)

Strategic objectives

- Reduce the carbon footprint of the organization and its activities
- Develop products and services with positive environmental and social criteria
- Innovation based on circular economy criteria of the activity's value chain
- Enhance and preserve natural capital

Climate change

Abertis takes part in the Carbon Disclosure Project (CDP), an initiative promoted by the investment community with the goal of evaluating and measuring the organizations' performance in climate change related matters. Thus, each year the organization prepares and publishes the CDP survey in which it provides details about the risks and opportunities that derive from climate change, as well as associated management mechanisms and performance data.

- In 2016, Abertis was included in the "A" List of the Carbon Disclosure Project (CDP), the top recognition of organizations that lead emissions reduction and climate change mitigation initiatives.

On annual basis, Abertis calculates the carbon footprint of its activities according to the main international standards on the subject, as a performance indicator in the sphere of climate change.

The emissions included in the carbon footprint calculation are the following:

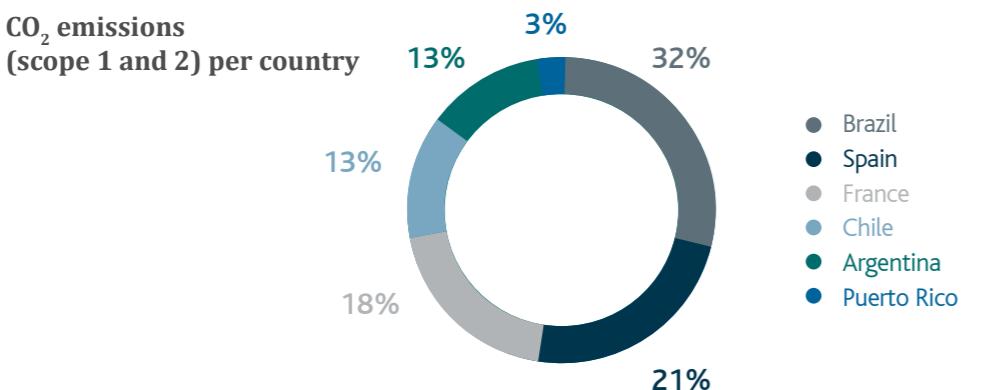
- Scope 1 emissions: emissions from direct fuel consumption and cooling gases.
- Scope 2 emissions: indirect emissions from electricity consumption.
- Scope 3 emissions: other indirect emissions from suppliers to the organization and the use of products and services supplied to the organization (including vehicles travelling on our toll roads).

CO₂ emissions in 2016

The trend of the 2016 emissions is affected by the inclusion of Autopista Central (Chile) and SEBPNL (France) to the CSR perimeter. The carbon footprint analysis includes the emission intensities based on activity and business revenue.

In 2016, the Group had recorded a total volume of 17.5 million tons of CO₂. Of this figure, only 0.7% of emissions correspond to scope 1 and 2. Out of the remaining, a 93% is associated with vehicles travelling on the Group's toll roads.

In relative terms, the total CO₂ emissions amounted to 3,910 tons for each million euros of revenue (-5%). With respect to the sum of scopes 1 and 2, the resulting figure was of 26,3 tons per each million euros of revenue, which represents a drop of 3.1%, deriving mainly from the reduction in fuel use of the vehicle fleet in scope 1.



Waste and wastewater

Practically the majority of the waste that was generated by the Group (235,782 tons) comes from toll road activities. As with materials consumption, they are directly related to the type and volume of the works being performed, which therefore produces significant fluctuations in the related data.

In the case of satellite telecommunications, the main waste from the activity are satellites that reach the end of their lives. The manner in which these are managed today follows the legislative framework in force, which establishes that on reaching the end of their useful life the satellite's orbit is shifted to a specific space destined for such purpose.

Eighty-two percent of non-hazardous waste generated is construction waste, where 52% of hazardous waste generated is common wet sludge. Ninety-six percent of non-hazardous waste and almost 100% of hazardous waste have been adequately treated by authorized waste management agents.

Autopistas continues to work to identify the possibilities of reusing materials and waste for the conservation of road surfaces, with the goal of promoting circular economy processes.

For more information, please see the Annex to this Report.

In turn, wastewater generated across all businesses is for the most part similar to domestic water, although in some cases, during toll road activities specific treatment must be applied before they are eventually managed. The appropriate systems and facilities are available for this purpose.

Biodiversity and noise

Almost 1,200 kilometers of toll roads are located in biodiversity zones of special protection, representing a total of 61,502 hectares, mainly in France, Brazil and Spain.

In general, all concession holders have environmental impact prevention measures for the activities being performed. The implemented initiatives include emergency plans, conservation and housekeeping plans, environmental monitoring plans and environmental liability reclamation plans in addition to awareness and education campaigns.

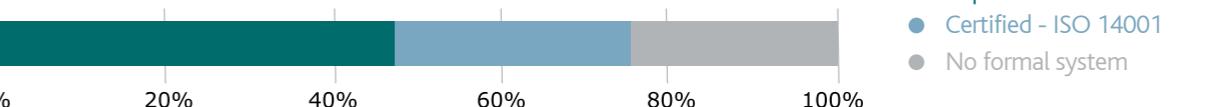
Furthermore, the installation of wildlife crossings or passageways and enclosures constitutes one of the main tools for avoiding collision with animal species, with a special focus on particularly protected species such as those included in the IUCN lists.

Worth noting in 2016 is the renewal in France of a specific biodiversity management certified system as a response initiative for managing plant and wildlife adjacent to the infrastructures.

The installation of acoustic screens and the measurement of the acoustic impact via control points installed on the toll road are the main actions that have been implemented with respect to noise, totalling 3,282 kilometers analyzed. In these sense, France has a specific monitor for managing this aspect.

Business revenue-based environmental management

Seventy-four point eight percent of the business' turnover has implemented an environmental management system based on the ISO 14001 international standard.



8.7

Contribution to the community

Abertis develops an extensive program of collaboration with the community that focuses on projects related to road safety, the environment, culture and social accessibility.



Strategic objectives

- Generate positive synergies with local communities.

Social initiatives and sponsorships

2016 Milestones

- Projeto Viva (Brazil):** Arteris has executed a total of 37 initiatives as part of the road safety campaigns under the name Viva Motociclista, Pasarela Viva and Viva Ciclista. The action addresses road users and consist of basic health exams and mechanical inspections of motorcycles.

Grande Guerre (France): Sanef has taken part in the World War I Centennial Mission, with the sponsorship of the main commemorative events. In this context, two books were published on the matter: the Routard Guide "The Great War 14-18. The roads of memory" and the book "Fields of Battle. Lands of Peace" by photographer Michael St Maur Sheil.

Red Viva (Chile): The CSR program from Abertis' Chilean subsidiary, has developed several inclusion programs among which "Fútbol Calle" stands out, a project geared at nearby neighbors of toll roads inaugurated by football player Javier Mascherano. The project gives them the opportunity to choose to represent their country in the Homeless Football World Cup 2017, to fight poverty, violence and drug addiction.

Contribution to culture

2016 milestones

- 1% cultural (Spain):** In 2016 Autopistas has continued working on projects in the country that sum up a total of 1.4 million euros. Two projects have been completed in the fiscal year: the rehabilitation of the local Archeological Museum in Banyoles and the restoration and conversion into a museum of the roman villa Pla l'Horta in Sarrià de Ter (both in the province of Girona).
- Gaudí and Picasso exhibitions (Brazil and Chile):** Arteris has sponsored the "Gaudí, Barcelona 1900" and "Picasso: mano erudita, ojo salvaje" exhibitions. The latter was also showcased in Chile.

The Abertis Foundation

One of the four pillars of Abertis' Corporate Social Responsibility (CSR) Master Plan entails the involvement in the community and businesses of the different territories where the Group operates. The Abertis Foundation has taken on this mandate from the beginning, acting in the spheres of road safety, environment and social action.

Castellet Castle, headquarters of the Foundation, also hosts the headquarters of UNESCO's International Center for Mediterranean Biosphere Reserves, which coordinates a network of 60 reserves in 15 Mediterranean countries with the goal of establishing bridges for dialogue, cooperation and exchange of knowledge and experiences.

Main initiatives in 2016

Road Safety Program:

- **"You've got one life left"**: Awareness initiatives in nightlife hotspots for the young in Madrid and Catalonia aimed at alerting these about the risks of driving under the influence of alcohol or drugs or about the dangers of distractions caused by the use of mobile phones.
- **Road cooperant**: a project taking place in Barcelona and Madrid, where young persons with Down Syndrome observe and take notes about mobility aspects around schools in order to bring forward proposals for improvement.
- **KanGo!**: More than 200 students from 12 schools have taken part in the second course of the project that combines road safety and impaired people in Barcelona.

Environmental:

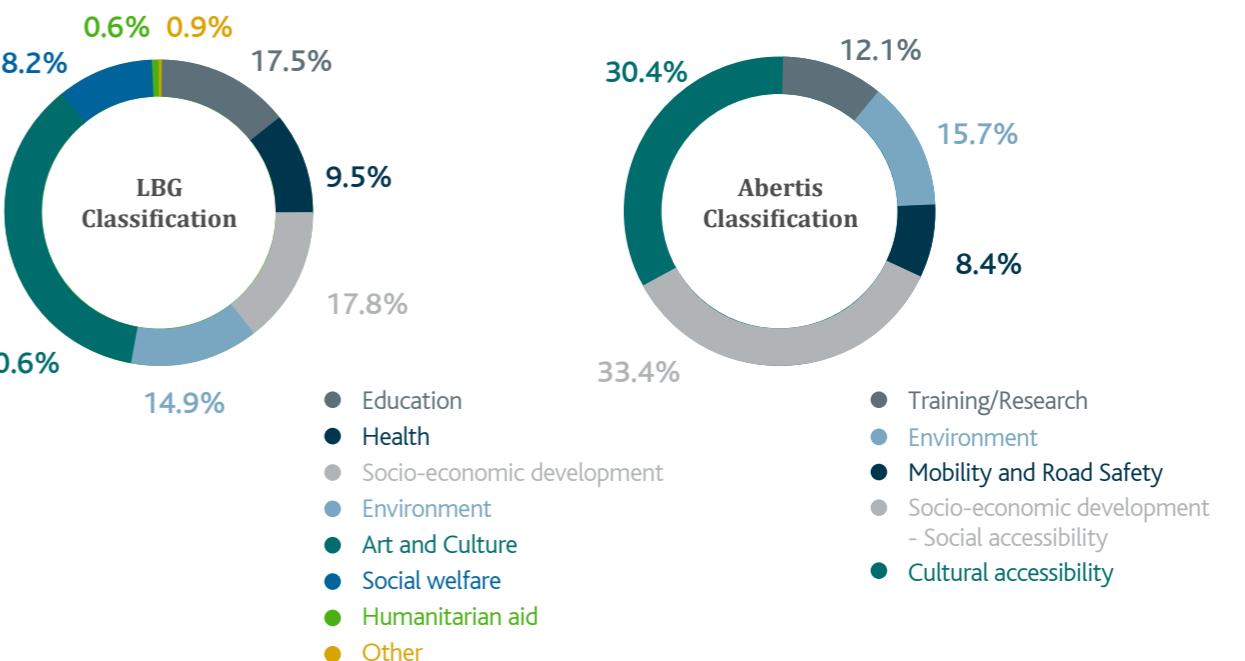
- Presentation of the UNESCO International Center in the 4th World Congress of Biosphere Reserves celebrated in Lima (Peru).
- Participation in the United Nations Climate Change summit – COP22 – in Marrakech (Morocco).
- The Universitat Autònoma de Barcelona (UAB) and the Abertis Foundation create the UAB Campus of Mediterranean Biosphere Reserves, which is linked to the UNESCO International Center for Mediterranean Biosphere Reserves.
- Inauguration of the International Master's in Environmental, Social and Economic Studies at UNESCO's International Center.

Abertis Academic Chair Awards

Abertis' International Network of Academic Chairs for Transportation Infrastructure Management and Road Safety celebrated a new edition of its International Awards. 2016 was the first year where students from universities from the five countries that make up the International Network of Academic Chairs (Brazil, Chile, Spain, France and Puerto Rico) have taken part.

The main novelty in the next calls for the Abertis Awards is the creation of a third category: the Abertis Road Safety Award dedicated to research in this area.

Distribution of community contributions by Abertis Group in 2016



Methodology from the London Benchmarking Group (LBG), which enables the standardization of items according to different classifications and provides tools for measuring its impact.

8.8

Supplier management and supply chain

Abertis works with qualified suppliers that have proven technical, financial and ethical credentials, and bases its relationship with the aforementioned suppliers on integrity, confidentiality, honesty, transparency and equal opportunities and conditions.

98%

of tenders launched include social and environmental clauses

98%

of purchases ordered from local suppliers

100%

critical suppliers assessed

Contracting policy and procedure

Abertis' supplier policy is based on the principles of competition, long-term relationships, adequate planning, efficiency and control.

Abertis has several control mechanisms in place with the purpose of assuring adequate compliance with these principles and their traceability in order to prevent certain risks. Said mechanisms combine committees and management tools that ensure that each and every contract is justified, that describe the implications resulting from not proceeding with them and that verify their profitability.

The implemented supplier contracting process is electronic and includes a formal assessment and qualification process based on the risk levels associated with the supplier company.

The information systems linked to the different supplier management tools were integrated in 2016. These provide explicit cross-verified information between said tools and generate an objective quantitative assessment that aggregates all dimensions being analyzed: economic performance and product and service offering, commercial risk, CSR Scoring, documentation, existing management systems and audits completed.

The aggregate assessment is reflected in the supplier profiles in graphical format through a direct three-tier visualization, and is available on all channels through which order and contract management takes place.

98% of formalized supplier tenders in 2016 have included specific clauses linked to social and environmental aspects.

In 2016, Abertis' Purchasing Department has defined a formula that combines the sum of all of the assessments captured in the satisfaction survey, which will provide the supplier's performance score recorded by SAP users. This will be supplemented with other data extracted from the supplier qualification database. This final score will display a value and a color in a traffic light-type gauge that will be displayed in the supplier file in SAP and which will also be available for visualization on launching an order in SAP.

Global Purchasing Meeting

In the last quarter of the year the second annual global Purchasing management meeting took place, with the goal of sharing knowledge and practical experience in matters pertaining to suppliers, new improvement projects and collaboration among the different business units, proposing challenges and resolving doubts. Periodically, the Purchasing departments hold virtual meetings to follow-up on actions and projects presented in the different in-person sessions.

HUMAN TEAM



8.9 Committed to talent

Abertis strives to create a culture of respect, inclusion, collaboration, safety and health in the workplace. The vision of Human Resources is to foster a positive environment where people can share the Group's values and leverage its capabilities – experience, knowledge and skills – in order to reach excellence with which to contribute to the consolidation of Abertis as a reference company in the industry.

Almost
40%
of the workforce
are women

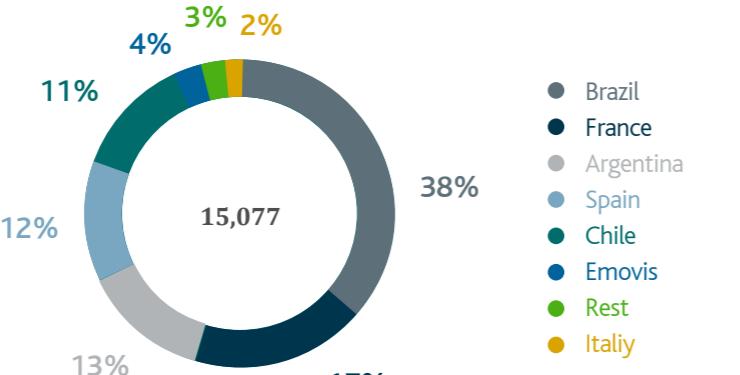
15%
of executive directors
are women

86%
of executives directors come
from the local community

Strategic objectives

- Guarantee the safety and health of people at the workplace
- Promote a team that is satisfied, committed and aligned with our goals and values
- Guarantee equal opportunities
- Boost the quality of employment
- Attract, develop and retain professional talent within a multicultural context.

Equivalent average workforce by country



The Group's average workforce in 2016 was 15,077 people, which has remained practically unchanged with respect to 2015 (-1%). Brazil, France, Spain and Argentina accounted for 80% of the total.

Workforce

	Men	Women	Total
Total workforce as of December 31	60.7%	39.3%	14,943
Permanent contract	96.1%	92.4%	94.6%
Full-time	93.7%	83.4%	89.7%
Turnover	13.6%	15.8%	14.5%

* The scope of the data is specified in Chapter 10 Report Methodology.

Diversity and equality

Abertis commits to achieve a fair and inclusive work environment where the contribution of each employee is valued. The Group promotes diversity through hiring, internal promotion and, training and development programs.

All countries where the company operates have legislation on equal opportunities between men and women. The Group's objective is to ensure non-discrimination and equal opportunities in all undertakings, as established in the Code of Ethics and other related plans and procedures.

Group-wide, 39.3% of the workforce are women, a percentage that has remained the same when compared to the previous year, although the number of women in executive roles and leadership positions has increased following the growing trend toward gender balance in the workforce. Although this percentage varies depending on professional categories and countries, the upward trend is pervasive in practically all countries.

Percentage of women in the workforce

Executive directors	Managers	Other
15.3%	26.6%	40.4%
(+10.2%)	(+12%)	(=)

— **Promotion of female technical vocation.** Hispasat held a STEM technical workshop (Science, Technology, Engineering and Mathematics) with the goal of boosting technical vocations among girls. Thirty 9 to 12-year old girls participated in the event.

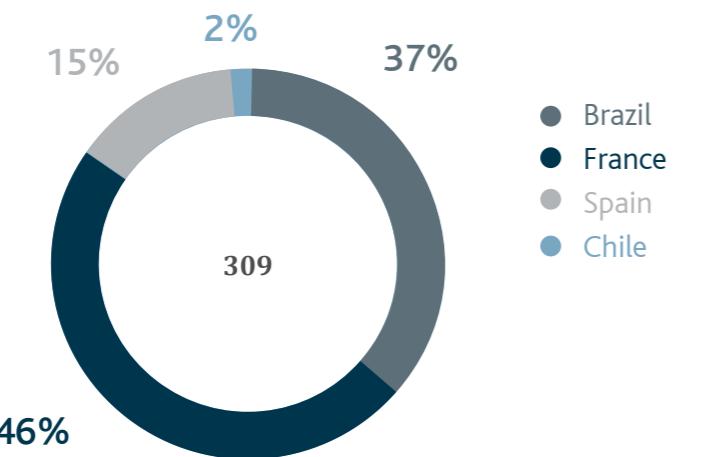
— **Equality plan.** Autopistas has formalized and approved the equality plan for all its concessionnaires in Spain.

Integration of persons with functional diversity

Brazil, France and Spain have specific legislation that requires hiring a minimum number of persons with different types and degrees of functional diversity. It is possible to reach the quota however through the use of alternative measures, such as contracting goods and services from Special Employment Centers or giving donations to organizations that seek job integration as the ultimate goal. Likewise, Abertis Infrastructures holds the Bequal seal, which is linked to the diversity management model of the Seeliger and Conde Foundation.

Group-wide, the average workforce consisting of persons with functional diversity amounted to 309, most of which are located in France (almost half of the total) and Brazil.

Average workforce consisting of persons with functional diversity



Abertis Open Culture

Abertis founds its corporate business culture on the basis of collective building, by summing the intelligence from across the entire team. The company has consolidated the so-called "Open Culture" through several programs:

Open Circles: Participative sessions aimed at connecting with the Corporation's vision.

Come in!: Brief presentations to gain direct and transparent access to knowledge about the organization's relevant topics and projects.

Open Challenges: Participative and voluntary projects.

Figures:

5 Open Challenge projects

(Innovation, Communication, Bottom-up, Continuous Improvement, Welcome & Integration, Social Learning).

45

people are currently participating in the Open Challenges

8.10

Professional development

One of the main goals of Abertis' Human Resources policy is ensuring that its professional staff has the adequate motivation, experience, competencies, knowledge and values necessary to contribute to the Group's growth.

Almost
80%
of executive directors positions have been filled via internal promotion since 2010

- Succession Plan:** Abertis is working on the design of a Succession Plan that is expected to be implemented in 2017 both within the Corporation and in the business units, and which will contribute to the identification of the successors to all critical positions at the company. The final goal of this plan is to provide a global and crosscutting vision in order to leverage the organization's talent at a maximum.
- Development Program:** In 2016 the Group has worked on a development program for key employees and specific training has been deployed in the field of cultural competencies, as a result of the greater international and cultural diversity of Group employees.

In the sphere of efficiency, a set of minimum recommended Human Resources processes and practices standards have been established for all business in the company. This way, the goal is for all business units at the Group to have their own "Development" Plan to implement in the coming months.

Talent promotion

The promotion and retention of talent are the main elements that make up Abertis' professional development policy. For this purpose, betting on Abertis' own source of talent is a fundamental pillar of our people management policy. One of the Group's strategic objectives is ensuring that at least 75% of executive and manager role vacancies are filled with internal candidates.

Proof of this is the importance the company gives to people development initiatives, such as the "Abantis program", which is conceived for the executive development of high-potential employees within the Group, and the "Talent Development Program". Both programs have been implemented in collaboration with the leading business schools.

Almost 80% of new executive positions since 2010 have been filled with internally promoted employees. In addition, over 40% of employees who have gone through internal talent development programs currently hold executive positions in the Group.

The Group has established a Management by Objectives system for the promotion of talent. At present, 100% of executive roles, 100% of managers positions and 47.8% of the rest work under this performance appraisal system.



New ideas creation

Responsible innovation: An initiative by Sanef for stimulating internal innovation and for valuing and rewarding those with the best ideas. With 4 categories involved – service quality, safety, sustainable development, business life 3.0 – almost 130 ideas were received, which were evaluated by an external and independent jury. The five winning teams had the opportunity to travel to Barcelona and visit Abertis Group's new offices.

Imagine Project: In Spain, Autopistas took part in the 1st edition of the Imagine IoT, a creativity program that identifies business and social problems and proposes disruptive solutions from the realm of Internet of Things. The challenge facing Autopistas was to succeed in transmitting to employees, clients and the overall society its efforts to ensuring road safety on toll roads.

Collective Intelligence

The goal of Abertis' Open culture is the definitive evolution from a culture based on the individual leader towards collective intelligence, something that was announced in 2016 as the "Cultural change that goes from I to WE".

In order to favor the efficient use of this collective intelligence, Abertis has created the Connectis knowledge network, a space that enables those involved in the different operational phases to share knowledge and work collaboratively to implement continuous improvement processes across the entire Group.

Involved in this process are the toll roads in Brazil, France, Spain, Chile, Argentina and Puerto Rico and, specifically, the civil works, operations, technology, information systems and purchasing areas.

The initiatives identified in Connectis become projects that are jointly implemented by the different activities and countries, allowing teams to share good practices and challenges encountered, taking a broader perspective that enriches all of the stages of the project.

Work climate

The Group conducts periodic work climate surveys with the purpose of measuring team satisfaction and of developing action plans that are geared at improving the collaborators wellbeing.

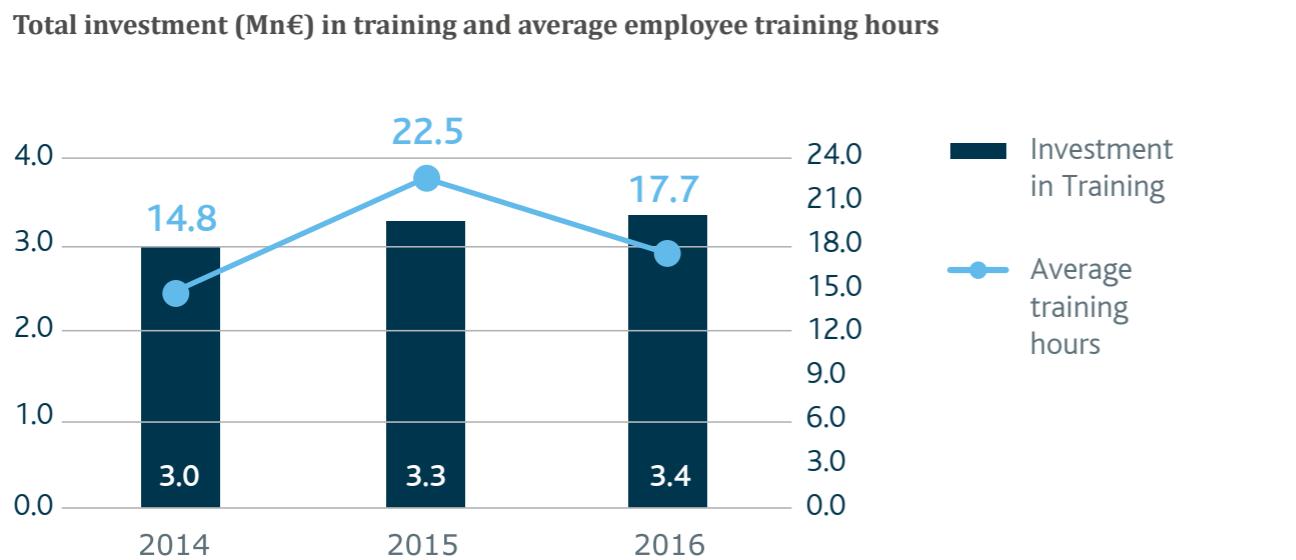
- In 2016, work climate surveys have been conducted at the company's headquarters as well as in concessionaires in Brazil, France and Puerto Rico (Metropistas). Hispasat has published the results of the 2015 work climate survey and new improvement measures have been launched.
- In Brazil, Arteris received the award as the "4th best company to work for" in the 3,000-7,000 collaborators category, in the Valor Carreira As Melhores da Gestão de Pessoas 2016 ranking. Surveys were collected from 761 collaborators in order to measure the level of commitment of the Group's employees.

Training

Training plans are another one of the pillars for development and professional promotion and their application is aligned with the achievement of the company's strategic objectives.

Investments in training initiatives have been constant through 2016, totalling 3.4 million euros.

- Abertis' goal in this area is that in the coming years each collaborator of the Group will undergo a minimum of one development initiative per year.



Corporate volunteering

Abertis, consistent with its CSR and Human Resources Plan wishes to boost and support volunteering activities through the creation of the Altruis Volunteering Program from Abertis Infrastructures and the Abertis Foundation, through which its professionals can spontaneously donate part of their time, skills, knowledge and economic support in the interest of improving society.

This implies the execution of a number of activities that are of general interest and that cater to criteria of assistance, social services, civic, education, culture, scientific, sports, health, cooperation for development, environment, the defense of social economy or research oriented toward such purpose, development of associative life, promotion of voluntary work or any other of a similar nature at the domestic level.

Other companies that are part of the Abertis Group also develop corporate volunteering programs.



8.11

Health and Safety

In 2016 work-related accidents have been significantly reduced, with drops across the main indicators. This is the result of on-going work to prevent risks and the actions implemented across all of the Group's concession holders.

-18%

work-related accidents in 2016

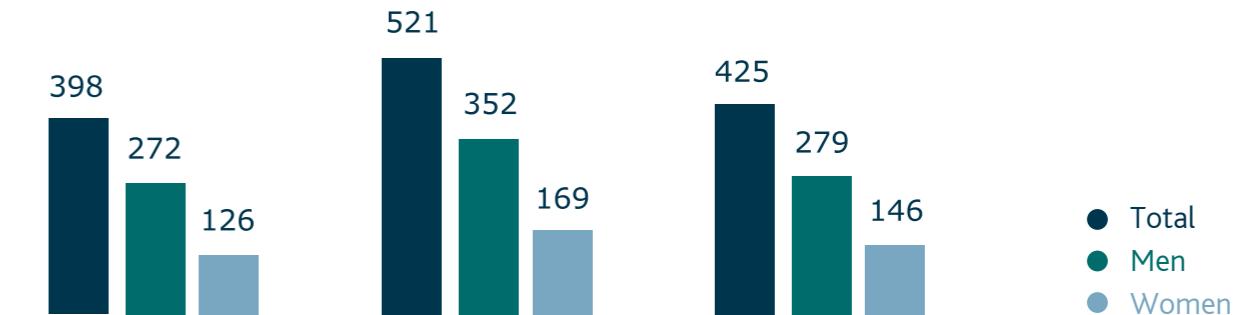
Over
146,600 hours

of training in occupational health and safety (+9.5%)

Overall, 425 direct work-related accidents have occurred, which is 18.4% lower than 2015. Therefore, the 2016 occupational incidence rate was 28.6, 19% lower than in 2015. In turn, the frequency rate was 14.8, 13% lower than in the previous year.

The severity rate has also been reduced by 10% (0.5) during the year. France and Chile lead the drops with reductions in their accident frequency rate of 20% and 33% respectively.

Trend of work-related accidents

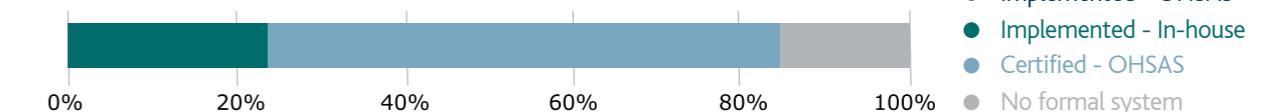


Management System

The health and safety management systems involve the risk level analysis of the different job positions and the corresponding definitions and application of safety and training actions as well as the supply of specific safety equipment according to the identified risks.

Likewise, worth highlighting is the coordination of safety activities with supplier companies, which implies the presence of collaborators who perform their tasks at the company's own worksites or spaces.

Eighty-six percent of the revenue has implemented a Health and Safety Management System.



* The incidence rate relates to the number of accidents per 1,000 employees. The frequency index relates to the number of accidents per each million of worked hours. The severity rate relates to the number of working days lost per 1,000 worked days.

Risk prevention

Main actions implemented

- **More training hours:** During 2016 146,679 training hours in Health & Safety have been imparted. (+9.5%)
- **Evacuation drills:** As a novelty in Argentina, concession holder GCO has conducted for the first time in the company 4 evacuation drills in the main buildings, which has enabled the company to collect information about our collaborator's situation at the worksite in terms of putting theoretical knowledge to practice. The results were very positive in all buildings.
- **Improved worker safety:** In Spain, Autopistas has improved its road cone placement procedure through the standardization of the systematic being applied and by providing adapted and unified vehicles for all networks based on the volume of the required road signaling works.
- **Other actions:**
Specific control audits and follow-up actions
Psycho-social assessments
Continuous improvement procedures
Awareness campaigns and workshops.



Safety awareness campaign

As in recent years, Sanef has conducted a driver awareness campaign to double safety in areas where workers are carrying out their functions. With the question: "Our agents remain vigilant for you. How about you?", the campaign values the job of these agents, who are defined as guardian angels. This campaign took place between the months of February and June, with lit information panels and announcements in Sanef's radio. The message was broadcasted in French, English and German in order to reach broader audiences.

In France, the accident frequency rate in 2016 dropped by 20%.

In Chile, the company has adhered to the Safety Campaign driven by the Chilean Chamber of Construction (CChC) that seeks to advance toward a "Zero Fatalities" goal in construction work, and appeals to the commitment of leaders, companies and workers.

In Chile, the accident frequency rate dropped 33% in 2016.



9

2017 Outlook

- 9.1** Strategic plan:
commitment and delivery
- 9.2** CSR Master Plan
- 9.3** 2017 guidelines

9.1

Strategic plan: commitment and delivery

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153

9.1 Strategic plan: commitment and delivery

Growth

The company will continue to focus its energy on growth, a strategic priority, which will take place either through new acquisitions or through an extension to its existing concessions in exchange for new investments or tariffs increases.

New acquisitions

The latest acquisitions unfold a new range of possibilities for the Group:

- Italy, where the Group seeks to increase its presence through new acquisition opportunities.
- India – transaction closed in 2017 – offers an enormous potential as a first step to understand and grow in the Asian continent.

The Group will continue to analyze opportunities in its traditional markets such as Europe and America.

Growth through new projects will constitute another objective of Emovis, Abertis' technology and services branch, which will focus on:

- Searching for new opportunities in Europe and Latin America.
- Strengthening its presence in North America, Canada, Puerto Rico and Chile.

- Driving its operational leadership via the launching of the free-flow tolling system at the Mersey Gateway Bridge, one of the most important projects in the United Kingdom's National Infrastructures Plan and one of the 100 largest projects of the industry in the world according to KPMG.

Organic growth

Through new agreements with concession grantors.

- In France, an agreement has been reached in January 2017 with the French Government for the investment of 147 million euros in its network, which adds to the execution of the works already planned in the Plan Relance .
- In Chile, several agreements for the modernization of roads reached with the Ministry of Public Works are expected to materialize. The Group will invest in several of its concessions with the goal of digitizing payment systems and increasing their capacity, in order to find solutions for addressing traffic congestion. Such is the case of Rutas del Pacífico, Autopista Los Libertadores or Autopista Central.
- In Brazil new investments in existing concessions are being analyzed, which could be offset through tariffs increases. Among the negotiations involving construction work improvements, the new third lanes in Autopistas Fluminense, Fernão Dias or Litoral Sul stand out, in addition to a new beltway in Itaborai (Rio de Janeiro).

Hispasat

2017 will be an important year for growth in Hispasat's fleet with the launching of 3 new satellites: Hispasat 36W-1 (successfully launched on January 28th, 2017), Amazonas 5 and Hispasat 30W-6, which will add to the group's fleet of satellites in order to increase the telephone, audiovisual, corporate network or broadband Internet services, among other telecommunications solutions. The three satellites will provide coverage in America and will feature the Ka band, the company's bet for the Latin American market.

Investments

Abertis will continue to work on investments in Brazil, Spain, France or Italy, which will allow driving the modernization of Abertis' toll roads network with the goal of improving road safety, traffic flow and road service and sustainability, while giving a new impulse to the economic activity and the competitiveness of businesses in the territory.

Efficiencies

In 2017, the Group will continue to move forward with the efforts made in the last years, not only at the Abertis Corporation but also across the different business units, with outstanding examples in France, Autopistas, Brazil or Hispasat, with the purpose of fulfilling the objectives of the 2015-2017 Strategic Plan.

Shareholder retribution

The company upholds its commitment to offer a 10% growth in shareholder remuneration for the year 2017.

9.2 CSR Master Plan

In the sphere of corporate social responsibility, in 2017 Abertis will deploy several action plans related to the CSR Master Plan.

The different countries will deploy their own action plans to achieve the objectives related to governance, ecoefficiency, quality safety, and the relationship with society, which will allow identifying new opportunities for innovation and process improvement as well as new activities and services.

The efforts aimed at increasing the spreading of non-financial information to the entire organization will continue, including new additions in a progressive fashion. In addition, KPIs linked to the strategic objectives of the Master Plan will be subjected to specific monitoring.

The materiality assessment will require updating. Similarly, the participation of the different stakeholder groups must be encouraged, so as to continue to contribute to the identification of risks and opportunities related to economic, environmental and social aspects.



9.3

2017 guidelines

France	Continue with investments in Plan Relance
	Investments Plan Relance II (147 million euros)
	Debt management
	Opteam efficiency program
Spain	Investments in the Unicat agreement: C-32 Blanes-Lloret section
	FOCUS cultural change program: new brand, operations, processes, efficiencies...
	Completion schedule of some concessions
Brazil	Investment plan progress: Florianópolis beltways and Serra do Cafézal works Refinancing of short-term debt Inorganic and organic growth through new PIL opportunities
Chile	Drive "Stop & Go" electronic payments in some roads Growth: new opportunities (Orbital Sur tender) Negotiations for new investments in exchange of extensions

Italy	Consolidation of A4 Holding in the Group Acquisition of minority stakes Investment plan: 2,000 million
Puerto Rico	Negotiation for new extension to the concession New investments in Road Tech: 6 new gates
Argentina	Negotiation with the Government to reach equilibrium in concessions: increase tariffs and extensions
India	Integration of new assets and consolidation of Group accounts Knowledge and analysis of the Asian market
United Kingdom	Analysis and rehabilitation plan of bridge structures (RMG)
Colombia	Completion of 600 million investment plan (2010-2017)
Emovis	Growth through new contracts; new boost to commercial network in the U.S. Launch of new projects: A25 (Canada) and Mersey Bridge (United Kingdom) Free-flow excellence in Dartford Crossing and other projects Other products: progress in inter-operability programs
Hispasat	Organic growth with the launching and putting into orbit of 3 new satellites Focus on innovation: model, product, services... Adaptation to a sector that is undergoing a complex transformation process



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About
the report

10.1 Methodology

10.1

Methodology

This report integrates the Annual Report and the Corporate Social Responsibility Brief and is supplemented by other documents published by Abertis, among which are the 2016 Annual Accounts and the Management Report (audited by Deloitte), the 2016 Corporate Governance Annual Report and the follow-up annex to the CSR Master Plan.

Methodology

This report meets all of the requisites established in the international framework for the preparation of integrated reports, and will be published annually. The first fiscal year is 2016.

The report has been prepared according to the standards of the Global Reporting Initiative (GRI): Comprehensive Option. This implies applying the standards in full, from the definition principles and quality content to the use of indicators and standard calculation methodologies.

As an organization that adheres to the United Nations Global Compact, this annual report meets the requisites for the preparation of progress reports established in the program of the United Nations.

The international reference in matters pertaining to stakeholders consists of the principles of accountability (AA1000APS – 2008), the assurance standard of non-financial information (AA1000AS 2008) and the standard for stakeholder engagement (AA1000SES 2015), all of which have been included in the preparation of this report.

The Carbon Disclosure Project related to climate change together with external assessments as those linked to the Dow Jones Sustainability indexes has an indirect impact on the type and publication format of the information that is included.

The company's Board of Directors and CSR Committee are the bodies responsible for the validation and publication of the information contained in the Annual Report and its annexes. Likewise, the financial and non-financial information have been audited and externally reviewed respectively, as per the attached review report.

Scope of the information

The scope of the financial information of this report includes all of the activities of the company and the scope of the non-financial information includes 94% of the total business revenue and 93.5% of the equivalent average workforce on December 31st, and comprises the companies listed next. This responds to the inclusion criteria in the scope of the follow-up and monitoring of non-financial information of subsidiaries in which the company has management and control capabilities.

Companies included in the scope of non-financial information:

- Brazil: Arteris, Autovias, Centroviñas, Intervías, Vianorte, Planalto Sul, Fluminense, Fernão Dias, Régis Bittencourt, Litoral Sul, Latina Manutenção de Rodovias, Latina Sinalização de Rodovias.
- France: Sanf, Sapn, Eurotoll, SEA14, Bip&go, SEBPNL SAS.
- Spain: Autopistas, Red AP7/AP2 Acesa, Red Gencat, Red AP7 Aumar, Red AP68 Ebro, Red Centro Sur.
- Chile: Autopistas Chile, Autopista Central, Autopista Los Libertadores, Autopista del Sol, Autopista Los Andes, Elqui, Rutas and linked operators Infraestructura 2000, Operadora Sol, Operadora Los Libertadores, Operadora Andes, Operadora del Pacífico, GESA.
- Argentina: Ausol, Autopista del Oeste and linked operator: GCO.
- Puerto Rico: Metropistas, APR.
- Telecommunications: Hispasat, Hispamar.
- Central services: Abertis Infraestructuras, Fundación Abertis.

The remaining 6% comprise the following companies:

- Direct shareholding: Abertis Infraestructuras Finance B.V, Abertis Motorways UK Ltd, Infraestructuras Americana SLU, Emovis SAS, Abertis USA Corp, Abertis USA Holding LLC, Abertis PDC, S.A., Abertis Internacional and Abertis Overseas UK Limited, ACDL and TBI Overseas Holdings Inc.
- Indirect shareholding: Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Cataluña, S.A., Sanef Concession, Sanef Aquitaine, Eurotoll Central Europe zrt and Leonord Exploitation SAS.





Access the full report at abertis.com/annualreport2016