

# toll roads

Since it was established, Cintra has based its growth strategy on looking for the best investment opportunities and on efficient management of these opportunities. Thanks to this, it has become one of the world leaders in the development of private transport infrastructure.

Cintra only invests in projects with a low risk profile, since they are public services provided under a system of limited competition, with recurring revenue and long concession periods that compensate for any uncertainties arising from economic cycles. Furthermore, the company only bids in countries that are economically and politically stable and that have independent legal and judicial systems.

Financial risks are reduced by using local-currency financing structures without recourse to shareholders. It also aims to reduce construction risks by means of contracts with a fixed price and duration.

Once the projects have been incorporated into the portfolio, Cintra manages them actively throughout their life cycle. This means their value is increased by gradually reducing risks and introducing operating improvements that optimize efficiency while guaranteeing a quality service to users.

This strategy can be seen in the continuous incorporation of new assets since the founding of the company. At year-end 2012, Cintra's portfolio included 24 concessions in Canada, United States, Spain, Portugal, Ireland and Greece. In these six countries it manages 2,050 kilometers of toll roads, with an investment totaling more than 21.237 billion euro, as well as the Serranopark parking garages in Madrid.

The search for more attractive investment projects, irrespective of geographical location, has led Cintra to develop a strong international presence. Specifically, at year-end 2012, 57% of turnover and 60% of gross operating income (EBITDA) came from projects outside Spain.

But Cintra is more than its asset portfolio. A total of 2,028 professionals work for the company, 78% of them outside Spain. The staff is a multidisciplinary team specializing in the identification, analysis and preparation of successful bids for new tenders. Thus, Cintra's success is also based on the acquired experience and knowledge contributed by its human capital.

Cintra was established as a company in February 1998 to focus on Ferrovial's private development of toll roads. It thus continues an extensive experience that began in 1968 with the award of the concession for the A-8 Bilbao-Behobia toll road, the first to be awarded in Spain under private funding and management.

toll roads	investment	revenue	EBITDA
2,050 kilometers	21.2 € billion	57% outside Spain	60% outside Spain



## Performance in the year

Cintra's strategy is focused on growth, through both winning new concessions and efficiently managing the existing project portfolio.

### New projects

The competitive environment in which Cintra operates has undergone a substantial change in recent years as a result of the financial and economic crisis affecting most countries.

However, the current market situation also provides opportunities for furthering Cintra's growth strategy. The public finances of most of its traditional markets have been affected as a result of lower tax revenues and increased expenditure. Governments are therefore looking for public-private partnerships as a way of developing new projects. This will probably lead to an increase in tendering activity over the coming years.

In these conditions, governments will use infrastructure projects as one of the ways of boosting economic activity. Projects will be more financially sound and better structured, with a more efficient spreading of risks.

In this context, Cintra has continued with its strategy of incorporating new concessions with availability payment schemes, which had not been a traditional model for the company. This model has been used for the following contracts granted to the company: the 407 East Extension in Canada, a toll road that extends the 407 ETR eastward; the Benavente-Zamora toll road, which completes the Ruta de la Plata; and the Almanzora Highway or A-334, which aims to turn this area into a strategic hub between the Levante area, the north of Granada and Almeria.

Elsewhere, the opening of new offices in Sydney and Bogota confirm Cintra's interest in the Australian and Latin American markets. From there, Cintra will develop more concession projects and take part in all the opportunities that meet its investment criteria.

## USA and Canada

Cintra still sees the United States as an attractive market. Despite the need for new investments to extend capacity and renovate the existing infrastructure, the development of this market is hindered by a lack of public funds, political support or clear target population. Furthermore, many public authorities are using the Design & Build formula as a model to develop projects, and are ignoring the added value that the private sector provides when it manages the assets. As states, Texas and Virginia remain the most developed markets in the country.

In Virginia, the Virginia Department of Transportation (VDOT) awarded Ferrovial Agroman the construction of the US460 highway as part of a consortium with American Infrastructure. Cintra headed up the bidding process for this project, whose financial close took place on December 20, 2012.

Cintra is also taking part in other bidding processes in Indiana, Colorado, North Carolina, Florida and California.

In Canada, Cintra has been awarded its first availability project in North America, the 407 East Extension toll road in Toronto, which is an important project for the future growth of the 407 ETR.

## Europe

Two availability payment projects have been awarded in Spain: the A66 or Benavente-Zamora, promoted by the Ministry of Public Works; and the A334 or Almanzora Highway, promoted by the Regional Government of Andalusia. In both cases the concession contract has been signed and the financial close should take place in 2013, despite the uncertainty caused by the financial crisis.

In Europe, another of Cintra's traditional markets, there have been few opportunities in 2012. In spite of this, Cintra continues to search for profitable growth opportunities in markets such as the United Kingdom and Holland.

## Other markets

Cintra expects the opening of the new business development offices in Sydney and Bogota to give it access to new investment opportunities, as the two markets of Australia-New Zealand and Latin America have the biggest growth potential in the toll road sector over the coming years. Specifically, in Colombia the Government has announced an ambitious concession program involving investment of more than 20 billion dollars over the next 7-8 years.

### Prospects for 2013

The consequences of the financial and economic crisis can be summed up as a tightening of liquidity coupled with more expensive own and third-party financing.

However, the current financial conditions also present opportunities, as reflected in asset prices, and the soundness and profitability of new projects.

Additionally, financial leverage will be more limited, so Cintra will increase future upsides once the financial markets return to normal.

To sum up, the new economic situation should lead to an increase in tender activity.

## Management of the project portfolio

The recovery of traffic in the United States and Canada was confirmed in 2012, even though the impact of the economic crisis on traffic is serious in other markets. Of particular note is the strength of the most representative asset: the 407 ETR toll road in Canada, which has improved its sales and EBITDA (8.7% and 9.8% respectively in local currency) and which is accounted for by the equity method. These results are the consequence of the toll hike and traffic improvement (up 0.6%) thanks to the larger number of trips and longer average distance covered by travelers. As a result, dividends received from the 407 ETR have increased substantially (30%) to 259 million Canadian dollars.

In the United States traffic on both the Chicago Skyway and Indiana Toll Road has recovered, especially heavy vehicles.

Cintra has continued to manage the projects in its portfolio actively, including those under construction and those in operation, with the aim of optimizing management efficiency and improving the quality of the service provided. As a result, the portfolio remains a contributor to the company's growth.

The scope of consolidation was extended on November 11, 2012, when the SH130 toll road was opened to traffic in Texas. Cintra will manage this road for the next 50 years. It is a 64-kilometer explicit toll concession, with a managed investment of 1.429 billion dollars. Another addition was the incorporation of the Azores Islands toll road (shadow toll), which entered into operation in December 2011, after a 5-year construction period, with a managed investment of 386 million euro for 30 years.

## Financing

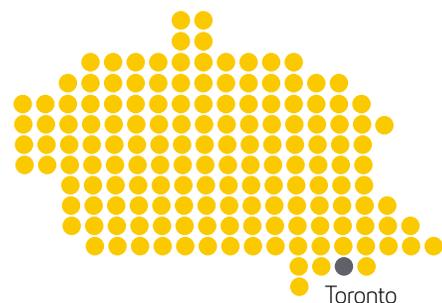
As regards financing activity, and in spite of the ongoing turmoil in financial markets in 2012, three operations are particularly notable.

First, the financial close of the 407 East Extension, in Canada, in May, for an approximate amount of 1.1 billion Canadian dollars, to be financed mainly by debt and equity.

Second, as part of the long-term financing strategy through the capital markets and the early refinancing of debt maturities, in January 2012 the 407 ETR toll road made two bond issues for a total of 600 million Canadian dollars. Following these operations, there are no maturities until 2015 (500 million Canadian dollars).

This confirms the market's interest in quality assets, as well as the capability and experience of Cintra's human capital.

## Canada



### 407 ETR Toll Road

- Alternative route for one of the busiest corridors in the whole of North America.
- All-electronic, barrier-free (free flow) toll system. Allows a very high volume of traffic flow without stopping or slowing.
- Toll rate freedom: ability to increase rates freely without making any payment to the government, provided traffic is maintained above a certain minimum threshold. The system optimizes the concessionaire's revenue and adjusts toll rates to the time saving offered by the highway.

### 407 EDG Toll Road

- First project in North America under the availability payment scheme, with no toll rates or traffic risk.
- Key factor for the economic development of the eastern part of the city of Toronto. More than 13,000 new jobs will be created.

108  
kilometers

€3.53  
Billion investment managed

43.2%  
stake

2098  
end of concession period

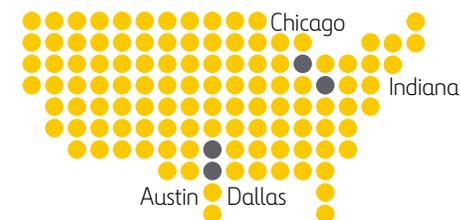
35  
kilometers

€710.6  
Million investment managed

50%  
stake

2045  
end of concession period

## USA



### Chicago Skyway

- Provides an alternative to a highly congested corridor connecting Chicago with a major residential and leisure area.
- Rate system that allows rate increases above the rate of inflation: rate increases under the contract in alternate years to 2017. Starting in 2018, an annual increase of 2%, the CPI or nominal per capita GDP, whichever is highest.

### Indiana Toll Road

- Two different sections:
  - Western Section, 37 km long with open toll system which connects with the Chicago Skyway and provides an alternative to a highly congested corridor.
  - Eastern section, 217 km of ticket system toll road to the Ohio state line. It is part of the main route linking Chicago and the Mid-West with New York and carries heavy freight traffic.
- Toll plan: an annual increase of 2%, the CPI or nominal per capita GDP, whichever is highest.

12.5  
kilometers

€1.45  
Billion investment managed

55%  
stake

2104  
end of concession period

252.6  
kilometers

€3.18  
Billion investment managed

50%  
stake

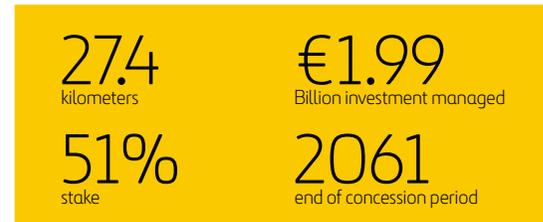
2081  
end of concession period

### North Tarrant Express (NTE) Highway

- It covers the refurbishment of the existing highway and the construction of managed toll lanes, as well as the maintenance and management of both.
- It is 21.4 kilometers long and located at the major Dallas-Forth Worth hub, one of the most congested in the United States. The project is divided into two segments.
- The NTE Mobility Partners consortium, led by Cintra, started building the road at the end of 2010 and it is expected to be put into service in 2015. The concession period is 52 years.
- The toll system will be electronic and barrier-free.
- Rates are dynamic and may be changed every 5 minutes to ensure a minimum speed of 50 miles per hour.

### LBJ Express Highway

- Construction, maintenance and management of 27.4 kilometers of the LBJ Expressway, specifically the section located between the interstates IH-35E and US-75, and the interstate IH-35E, between Loop 12 and LBJ, in the north of Dallas, Texas.
- Construction began at the end of 2010. The first section is planned to open in 2013, and the whole will be fully in operation in 2015.
- It will have 13 miles of dedicated toll lanes, up to 3 each way.
- The toll system will be electronic and barrier-free.
- Rates are dynamic and may be changed every 5 minutes to ensure a minimum speed of 50 miles per hour.



### SH-130 Segments 5&6

- The SH-130 toll road is an alternative to the congested I-35 in the San Antonio to Austin corridor.
- Toll collection is 100% free flow with no barriers.
- Tolls are updated annually in accordance with the nominal per capita GDP of the State of Texas.
- Revenue is shared with the state according to a system of traffic bands.
- Compensation for competing infrastructures along a 10-mile corridor.
- The Texas Department of Transport authorized an 85 miles per hour (136 kilometers per hour) speed limit, which means that it is one of the fastest highways in the United States.



## Spain



### Alcalá-O'Donnell toll road (M203)

- Located in a highly congested area, mainly close to Alcalá de Henares.
- The toll road will significantly improve access from the Henares corridor to the center and south of Madrid, by creating a new alternative to the A-2.
- Toll rates are inflation-indexed.
- The duration of the concession period may be extended by one year, depending on the accident rates.



### Autema highway

- It connects San Cugat del Vallès and Manresa, running through Terrassa and Sant Vicenç de Castellet.
- It links up with various large arterial roads, such as the AP-7 toll road, the Catalonia transversal arterial road C-25, the C-58 and the C-55. In the near future it will link up with the B-40, the fourth beltway in Barcelona.
- It is also integrated into the Llobregat C-16 hub which connects Barcelona and France, as part of the E-9 European Route.
- Toll rates are inflation-indexed.



### Ausol I highway

- The Malaga-Estepona highway provides a significant improvement to traffic flow along the Costa del Sol. It is part of the European Route E-15.
- Rates vary according to the time of year, with high season being during the summer months and at Easter.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

### Ausol II highway

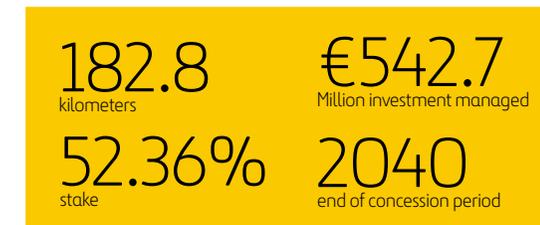
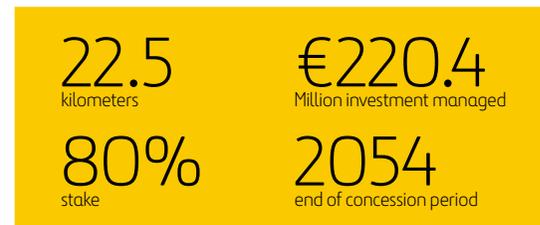
- The Estepona-Guadiaro highway, situated in one of the corridors with the fastest population growth in Spain, provides an alternative route to a highly congested semi-urban corridor. It is part of the European Route E-15.
- Rates vary according to the time of year, with high season being during the summer months and at Easter.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

### Madrid-Levante toll road (AP-36)

- Route between Madrid and the East coast that offers an alternative to the A-3 and N-301 in a corridor with high traffic levels and congestion problems. On its entry to Madrid, the toll road connects directly with the R-4 and links up with the provinces of Toledo, Cuenca and Albacete.
- The concession period may be extended for a further four years if certain service quality conditions are met.
- Toll rates are inflation-indexed, with an adjustment if traffic exceeds established thresholds.

### Autovía de la Plata

- New 49-kilometer section of the A-66 between Benavente and Zamora which will complete the arterial road that connects Gijon and Seville, the "Silver Route".
- It is divided into three sections: the A-6 section, between Castrogonzalo and Santovenia; the second section, between Santovenia and Fontanillas de Castro; and the third section, between Fontanillas de Castro and Zamora.
- The section will run as closely as possible to the N-630 to minimize environmental impact.
- The Autovía de la Plata highway will run under an availability payment scheme, i.e. with no toll rates for users.



### Madrid Sur (R4) toll road

- The R-4 is an alternative to the A-4 between Getafe and Ocaña, passing through the towns of Pinto, Valdemoro, Seseña and Aranjuez.
- The concession includes a toll section (R-4) that connects the M-50 and Ocaña, and another toll-free section including part of the M-50 (between the A-2 and the M-409) and the M-31 (which connects the M-40 and the M-50).
- It connects with the Madrid-Levante toll road, thus completing a 190 km toll link between Madrid and the east coast of Spain.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.



R4 highway, Madrid, Spain

### Almanzora highway

- Public-private partnership to build, conserve, maintain and operate the section of the Almanzora Highway between Purchena and the A-7 or Mediterranean Highway, on its way through Huércal-Overa (Almeria).
- A-334 intends to turn the Almanzora district into a strategic hub between the Levante area, the north of Granada and Almeria. It will connect this area with the corridor that joins the A-92 and western Andalusia.
- The construction begins in early 2013 and will last 32.5 months. The infrastructure should be finished at the end of 2015.



## Portugal



### Euroscut Azores toll road

- Shadow toll road (in Portuguese, SCUT: “Sem Cobrança ao Utilizador”) under which payment is made not by the highway users, but by the authority granting the concession.
- In its operational phase since December 2011, it is 93.7 km long and designed as three arterial roads: the south axis, which connects the airport and the south of the island; the north axis, which improves the connection between the two most important islands in the archipelago; and the north-east, which improves the connection between the least developed towns in São Miguel.
- The toll rates are applied under a system of varying rates divided into traffic bands: a rate per vehicle is applied in three sections. The first band, which is the longest, has an intermediate rate; the second band, the shortest, has the lowest rate; and the third band has the highest rate. Toll rates are linked to the consumer price index for the Azores.

### Euroscut Algarve toll road

- Connects Lagos and Vila Real de Santo António, passing through the Portuguese towns of Portimão, Loulé, Faro and Tavira.
- Originally a shadow toll road (in Portuguese, SCUT: “Sem Cobrança ao Utilizador”). Since 8 December 2011 it has been operating under a temporary agreement with the public authorities until the final agreement is formalized. This agreement enables the concessionaire to receive income according to a formula based on a baseline traffic scenario, until the final agreement is reached.
- Traffic risk mitigated by a system of traffic bands and rates paid via shadow tolls: a decreasing toll rate is applied per vehicle in three traffic bands as the traffic increases, until it reaches a threshold above which the rate is zero.
- Rates are indexed according to the Portuguese consumer price index.

### Euroscut North-Coast toll road

- Run on an availability payment system since June 30, 2010. The payment is collected through a manager (Vialivre, managed by Cintra).
- It runs along the northwest coast of Portugal, connecting the towns of Oporto and Caminha, close to the Spanish border, with a branch inland, between Viana do Castelo and Ponte da Lima.
- Payment is calculated by the number of days on which the highway is operating, with deductions for road unavailability and adjustments depending on the accident rates.
- Daily toll rates are indexed using the Portuguese consumer price index.

### Vialivre

- Pioneering company in fully-electronic free flow toll payment on trunk roads.
- It has a back-office system designed and developed by Cintra and Ferrovial to manage payment, with advanced functions to manage information flows, which guarantee efficient payment and accurate monitoring of each trip at all times.
- Payment is made via an electronic license plate device (electronic toll collection) or payment per license plate, i.e., payment in cash of the toll rate plus a surcharge to an authorized agent.
- This company manages the Euroscut Algarve and North-Coast toll systems.

93.7  
kilometers

€386.4  
Million investment managed

89.2%  
stake

2036  
end of concession period

129.8  
kilometers

€264.1  
Million investment managed

85%  
stake

2030  
end of concession period

119  
kilometers

€385.9  
Million investment managed

84.04%  
stake

2031  
end of concession period

174.5  
kilometers

84.04%  
stake

This operator works on a two-year contract with extensions.

## Greece



Ionian Roads highway, Greece

### Ionian Roads highway

- Two independent sections:
  - The first, Pathe (Athens-Skarfia), 219.7 km long and recently refurbished, is the northern exit road from the capital. It is part of the country's main arterial road, as it connects the two major cities in Greece, Athens and Thessaloniki.
  - The second section, the Ionian Road, is newly built and measures 159 km. It runs along the coast of the Ionian Sea from Patras to Ioannina in the north.
- Toll rates are inflation-indexed.

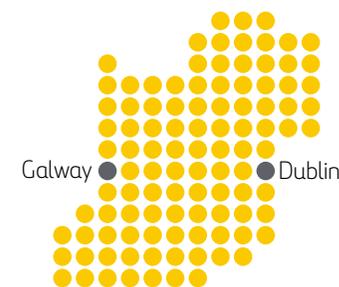
### Central Greece toll road

- It runs from the north to the south-east through central Greece, connecting the highways of Egnatia Odos and Pathe, at the city of Lamia.
- It is made up of two sections:
  - The first, known as the Central Greece section, is 174 km long and will be built entirely by the consortium.
  - The second, running 57 km on from the first, will be built by the Greek government and subsequently transferred to the concessionaire. The first 27 km are already in operation.
- Toll rates are inflation-indexed.

378.7 kilometers  
€1.1 Billion investment managed  
33.34% stake  
2037 end of concession period

231 kilometers  
€1.45 Billion investment managed  
33.34% stake  
2038 end of concession period

## Ireland



Eurolink M4-M6 toll road

### Eurolink M3 toll road

- Provides a strategic connection between Dublin and North West Ireland. It runs between Clonee and North Kells, to the north-west of Dublin.
- Toll rates are inflation-indexed annually.
- Revenue-sharing with the government if certain traffic thresholds are exceeded. It also establishes guaranteed minimum traffic levels. The Irish government has to pay the concessionaire compensation if traffic falls below the established minimum levels.
- Electronic toll system that is interoperable with the rest of the toll roads in Ireland.

### Eurolink M4-M6 toll road

- It is part of the East-West corridor, one of the busiest and most financially important in Ireland. The M4 connects the cities of Dublin and Galway, between the towns of Kilcock and Kinnegad.
- Toll rates are inflation-indexed annually.
- Revenue-sharing with the Government if certain traffic thresholds are exceeded.
- Electronic toll system that is interoperable with the rest of the toll roads in Ireland.

50 kilometers  
€548.5 Million investment managed  
95% stake  
2052 end of concession period

36 kilometers  
€339.7 Million investment managed  
66% stake  
2033 end of concession period

## Car Parks



### Serranopark

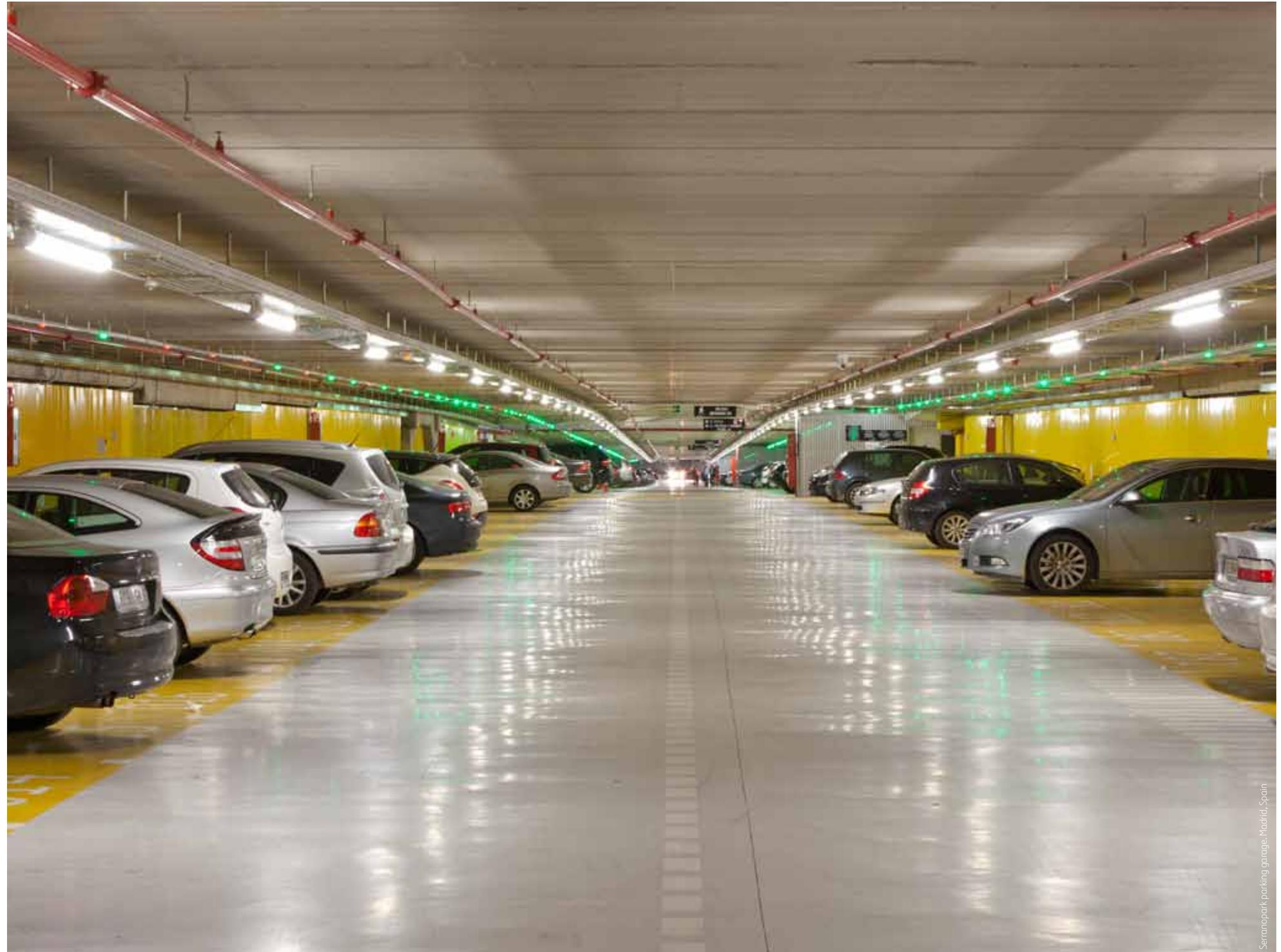
- Manages three car parks in Serrano street, Madrid, on a concession basis.
- There are 3,297 parking spaces in all in the three car parks: 947 for the general public and 2,350 for residents.
- Excellent pillar-free design that makes it much easier to park vehicles.
- The facilities include the latest safety and comfort features for all users.

3,297  
parking spaces

€71.6  
Million investment managed

50%  
stake

2048  
end of concession period



Serranopark parking garage, Madrid, Spain