

Itinere
Infraestructuras,
S.A. and
subsidiaries

Consolidated Annual Accounts

31 December 2015

Consolidated Directors' Report

2015

(With Independent Auditor's Report Thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Independent Auditor's Report on the Consolidated Annual Accounts

To the Shareholders of
Itínere Infraestructuras, S.A.

Report on the Consolidated Annual Accounts

We have audited the accompanying consolidated annual accounts of Itínere Infraestructuras, S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet at 31 December 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

Directors' Responsibility for the Consolidated Annual Accounts

The Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of Itínere Infraestructuras, S.A. and subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control that they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company Directors' preparation of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Itínere Infraestructuras, S.A. and subsidiaries at 31 December 2015 and of their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and other provisions of the financial reporting framework applicable in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2015 contains such explanations as the Directors of Itínere Infraestructuras, S.A. consider relevant to the situation of the Group, its business performance and other matters, and is not an integral part of the consolidated annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated annual accounts for 2015. Our work as auditors is limited to the verification of the consolidated directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Itínere Infraestructuras, S.A. and subsidiaries.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Manuel Martín Barbón

7 April 2016

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**ITÍNERE INFRAESTRUCTURAS, S.A.
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**Consolidated Balance Sheet at
31 December 2015 and 2014
(stated in thousands of euros)**

	NOTES	2015	2014
ASSETS			
NON-CURRENT ASSETS		4,041,878	4,133,510
Tangible assets	4	3,423	3,776
Concession arrangements	5	2,688,646	2,768,876
Investment property	6	1,599	1,776
Other intangible assets	7	526	566
Goodwill	8	986,045	986,045
Investments in associates and joint ventures	9	200,806	207,462
Non-current financial assets	10	12,831	10,310
Deferred tax assets	23	148,002	154,699
CURRENT ASSETS		389,638	456,596
Inventories		1,631	1,127
Trade and other receivables		71,775	70,831
Customers by sales and services rendered	11	9,057	7,844
Current tax assets	23	11,356	30,666
Other credits with Public Administrations	12	49,409	30,949
Other accounts receivable	13	1,953	1,372
Current financial investments		1,309	241
Cash and cash equivalents	14	313,068	383,503
Other current assets		1,854	894
TOTAL ASSETS		4,431,515	4,590,106

The accompanying notes 1 to 36 form a comprehensive part
of the Consolidated Annual Accounts at 31 December 2015

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Balance Sheet at
at 31 December 2015 and 2014
(stated in thousands of euros)**

	NOTES	2015	2014
EQUITY		1,120,911	1,172,417
Equity attributed to the holding company's shareholders	15	1,120,229	1,171,834
Registered capital		221,874	221,874
Share premium		1,038,560	1,038,560
Own shares		(212)	(212)
Reserves		(10,888)	(19,368)
Accumulated earnings and other reserves		(129,105)	(69,020)
Minority Shareholders' Equity	15	682	583
NON-CURRENT LIABILITIES		3,093,503	3,213,565
Deferred income	16	186	261
Provisions for replacement activities	20	62,734	65,636
Other Provisions	26	150	-
Non-current financial liabilities	17	2,880,773	2,986,330
Non-current liabilities	19	57,069	61,906
Deferred tax liabilities	23	82,064	93,234
Long-term accruals		10,526	6,197
CURRENT LIABILITIES		217,101	204,125
Current financial liabilities	17	156,608	135,799
Provisions for current replacement activities	20	13,856	27,014
Current liabilities		46,637	41,311
Derivatives	19	4,404	8,334
Current tax liabilities	23	183	162
Other debt with Public Administrations	12	8,520	8,233
Other current liabilities	21	33,530	24,583
TOTAL EQUITY AND LIABILITIES		4,431,515	4,590,106

The accompanying notes 1 to 36 form a comprehensive part
of the Consolidated Annual Accounts at 31 December 2015

**ITÍNERE INFRAESTRUCTURAS, S.A.
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**Consolidated Income Statement
for the 2015 and 2014 Financial Years
(stated in thousands of euros)**

	Notes	2015	2014
Net Revenue	24	259,792	249,160
Work carried out by the Group for assets		860	392
Other operating income		3,531	3,702
Allocation of grants	16	35	418
Gains (losses) on sales of assets	7	1	(403)
Provision surpluses	20	11,296	-
Total Operating Income		275,515	253,269
Supplies		(1,596)	(706)
Personnel Expenses	25	(32,945)	(33,860)
Provisions for fixed asset amortization and depreciation	4,5,6 + 7	(129,150)	(129,214)
External services and other operating expenses	26	(26,194)	(26,718)
Change in trade provisions		(13)	(7)
Provision for replacement activities	20	(3,761)	(8,534)
Total Operating Expenses		(193,658)	(199,039)
OPERATING PROFIT (LOSS)		81,857	54,230
Other interest and similar income		3,295	4,314
Total Finance Income		3,295	4,314
Finance and similar expenses		(151,231)	(153,625)
Total Finance Expense		(151,231)	(153,625)
Change in Fair Value of Financial Instruments	19	(721)	2,758
Impairment and Gains (Losses) on Disposal of Financial Instruments		56	-
FINANCIAL PROFIT OR LOSS	27	(148,602)	(146,552)
Profit (loss) of companies recorded under the equity method	9	(79)	(889)
CONSOLIDATED PROFIT (LOSS) BEFORE TAX		(66,824)	(93,212)
Corporate Income Tax	23	6,658	19,555
CONSOLIDATED PROFIT (LOSS) FROM CONTINUED OPERATIONS		(60,166)	(73,657)
CONSOLIDATED PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	2 (d)	-	22,842
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD		(60,166)	(50,815)
Attributable to:			
Minority shareholders' equity	15	(193)	(177)
HOLDING COMPANY	28	(60,359)	(50,992)

The accompanying notes 1 to 36 form a comprehensive part
of the Consolidated Annual Accounts at 31 December 2015

**ITÍNERE INFRAESTRUCTURAS, S.A.
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**Consolidated Global Income Statement
for the 2015 and 2014 Financial Years
(stated in thousands of euros)**

	2015	2014
Loss for the Period	(60,166)	(50,815)
Other Comprehensive Profit (Loss):		
Items that are going to be reclassified to profit or loss		
Cash flow hedges	11,640	(1,814)
Exchange gains (losses)	-	8,233
Tax effect	(3,160)	545
Other Comprehensive Profit (Loss) for the Period, net of taxes	8,480	6,964
Total Comprehensive Profit (Loss) for the Period	(51,686)	(43,851)
Attributable to:		
- Company's shareholders	(51,879)	(44,028)
- Minority shareholders' equity	193	177
	(51,686)	(43,851)

**Consolidated Statement of Changes in Equity
for the 2015 and 2014 Financial Years
(stated in thousands of euros)**

	Registered Capital	Share Premium	Own Shares	Reserves		Accumulated Earnings and other Reserves	Minority Shareholders' Equity	TOTAL
				Exchange Gains (Losses)	Cash Flow Hedge Reserves			
BALANCE AT YEAR-END 2013	221,874	1,038,560	(212)	(8,233)	(17,041)	(15,658)	406	1,219,696
Comprehensive profit (loss) for the period (Note 15)	-	-	-	8,233	(1,269)	(50,992)	177	(43,851)
Adjustments for change in tax rate (Note 23.3)	-	-	-	-	(1,058)	(2,370)	-	(3,428)
BALANCE AT YEAR-END 2014	221,874	1,038,560	(212)	-	(19,368)	(69,020)	583	1,172,417
Comprehensive profit (loss) for the period (Note 15)	-	-	-	-	8,380	(60,359)	193	(51,786)
Changes in the Perimeter (Note 15)	-	-	-	-	-	209	-	209
Other changes in equity (Note 15)	-	-	-	-	-	(127)	(94)	(221)
Adjustments for change in tax rate (Note 23.3)	-	-	-	-	100	192	-	292
BALANCE AT YEAR-END 2015	221,874	1,038,560	(212)	-	(10,888)	(129,105)	682	1,120,911

The accompanying notes 1 to 36 form a comprehensive part of the Consolidated Annual Accounts at 31 December 2015

**ITÍNERE INFRAESTRUCTURAS, S.A.
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**Consolidated Statement of Cash Flows
for the 2015 and 2014 Financial Years
(stated in thousands of euros)**

	Notes	2015	2014
Net profit (loss)		(60,359)	(50,992)
Minority shareholders' equity	15	193	177
Amortizations/provisions	4, 5, 6, 7 + 20	121,628	137,755
Allocation of grants		(35)	(418)
Profit (loss) of companies recorded under the equity method	9	79	889
Profit (loss) from disposal of assets		(1)	403
Finance income and expenses	27	148,602	146,552
Corporate Income Tax	23	(6,658)	(19,555)
Discontinued operations	2 (d)	-	(22,842)
Funds Generated by Operations		203,449	191,970
Trade and other receivables		67,322	92,375
Inventories		(129)	1
Trade and other payables		(38,707)	(49,135)
Other current assets and liabilities		(32,367)	(64,639)
Other non-current assets and liabilities		17	(11)
Variation in Net Working Capital		(3,865)	(21,410)
NET CASH FLOWS FROM OPERATING ACTIVITIES		199,584	170,560
Investments in tangible and intangible assets		(34,823)	(738)
Investments in concession arrangements / Replacement investments		-	(10,130)
Investments in financial assets		(1,049)	(4,234)
Tangible and intangible asset divestments		41	52
Financial asset divestments		111	56
Interest received		2,973	1,418
NET CASH FLOWS FROM INVESTMENT ACTIVITIES		(32,747)	(13,577)
Increase in financial indebtedness		85,515	665,942
Reduction in financial indebtedness		(203,084)	(407,330)
Interest paid		(127,763)	(130,434)
Change in Financial Indebtedness		(245,332)	128,178
Dividends collected		8,060	9,382
Variation in Own Financing		8,060	9,382
NET CASH FLOWS FROM FINANCING ACTIVITIES		(237,271)	137,560
Net Cash Flows from Discontinued Operations		-	(3,910)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(70,434)	290,634
Cash and cash equivalents at beginning of period		383,503	92,869
Cash and cash equivalents at end of period		313,068	383,503

The accompanying notes 1 to 36 form a comprehensive part
of the Consolidated Annual Accounts at 31 December 2015

**ITÍNERE INFRAESTRUCTURAS, S.A.
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Notes to the Consolidated Annual Accounts

1. NATURE AND MAIN ACTIVITIES

(a) Nature and Main Activities

ITÍNERE INFRAESTRUCTURAS, S.A. (hereinafter, ITÍNERE or the Company, formerly EUROPISTAS, C.E.S.A.) was incorporated as a Public Limited Company on 21 May 1968.

Its registered offices are currently located at Calle Capuchinos de Basurto 6, Bilbao. It is registered in the Mercantile Register of Vizcaya, volume 4916 of the Book of Companies, folio 21, page number BI-519148; and in the register of legal entities of the Ministry of Economy and Finance with Tax Identification Code (C.I.F.): A-28200392.

The Company's corporate purpose is as follows:

- Promotion and execution of the construction, conservation and operation of all types of motorways, highways, tunnels and stretches thereof, under a regime of administrative concession, in which it is the successful bidder, including the construction of road infrastructures, other than the concessions awarded to it, having an influence thereon or that are carried out within their area of influence or that are necessary for the organization of traffic, when the execution design or only the execution thereof is imposed on the concessionary company as a consideration, in addition to activities for the operation of the service areas of the motorways, tunnels and highways whose concession has been granted to it, and all supplementary activities of the foregoing, such as petrol stations and comprehensive transport and parking centres, provided that all of the foregoing are within the area of influence of such infrastructures, as established by the applicable legal provisions.
- Design, construction, execution, operation, management, administration, conservation and promotion of all types of infrastructure and construction work, both public and private, whether directly or through a stake in companies, joint ventures, consortia or any other similar legal form permitted by law in the country in question.
- Operation and rendering of all types of services relating to urban and inter-urban transport infrastructures, whether by land, sea or air, and the operation and management of all classes of supplementary construction works and services on offer in the areas of influence of public and private construction works and infrastructures.
- Rendering of conservation, repair, maintenance, refurbishment and cleaning services relating to all types of construction work, installations and services to both public and private entities.
- Preparation of all types of architectural and engineering designs, studies and reports, as well as the management, supervision and provision of consultancy services in the performance of all types of construction work.
- Acquisition, possession, use, administration and disposal of all classes of securities for own account, excluding all the activities which the special legislation and, in particular, Spain's Law of the Securities Market, attribute exclusively to other entities.
- Management of public water supply, sewerage and purification services and administrative construction work and service concessions.
- Operation and development of mineral deposits, mines and quarries and the acquisition, use and enjoyment of mining permits, concessions, licences and authorizations and all other mining-related rights, and the marketing and distribution of mineral products. All activities relating to minerals of strategic interest are excluded.

ITÍNERE INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

- Manufacture, purchase, sale, supply, import, export, lease, installation, distribution and operation of all types of machinery, tools, vehicles, plants, materials, equipment and furniture, including construction materials and elements and those for use therein.
- Acquisition, operation in whatsoever manner, marketing, assignment and disposal of all types of intellectual property rights and patents and all other industrial property modalities.
- Direction and management of Spanish and foreign subsidiaries and investee companies, through participation in their administrative bodies. Strategic and administrative management of their subsidiaries in Spain and abroad and the provision of legal, economic, accounting, labour, budgetary, financial, tax, commercial and IT consultancy services to such companies, constituting its main activity at this moment.

The Company shall be able to perform the activities referred to in the foregoing paragraphs (including participation in any tender), both in Spain and abroad, either directly or indirectly through its subsidiaries or investee companies.

As described in Note 15, the main shareholder of ITÍNERE is ARECIBO SERVICIOS Y GESTIONES, S.L. (hereinafter, ARECIBO).

As a consequence of the foregoing, as per the terms of Article 42 of Spain's Commercial Code, the Company belongs to a group of companies, the holding company of which, in Spain, is ARECIBO, which was incorporated on 27 April 2009 and has its registered office in Bilbao. On 24 March 2015, ARECIBO formulated its Consolidated Annual Accounts and Directors' Report for the financial year ended 31 December 2014, which were deposited with the Mercantile Register in Bilbao. At the date of the preparation of these annual accounts, ARECIBO had not yet formulated its consolidated annual accounts for the 2015 financial year, being scheduled for 30 March 2016.

(b) Background

In 2000, the Company merged with EUROVÍAS C.E.S.A., a 35% owned company, through the absorption by EUROPISTAS C.E.S.A. of the latter company, which was terminated without liquidation. The merger was approved by both companies' General Meetings of Shareholders and placed on record in a public document in that financial year. In this respect, the annual accounts corresponding to the financial year ended 31 December 2000 include detailed information on the aforesaid merger process.

On 1 October 2007, and within the framework of a corporate restructuring operation implemented by EUROPISTAS, C.E.S.A., the Company made a non-monetary contribution of a business activity as disbursement of the capital increase carried out by the company AP-1 EUROPISTAS, C.E., S.A., of which the Company was a direct shareholder (this stake is currently held indirectly through its wholly owned subsidiary, ENAITÍNERE, S.A.). The aforesaid contribution involved the transfer of all human resources and assets connected to the AP-1 motorway activity at that date.

Prior to making the aforesaid contribution, the corporate purpose of EUROPISTAS, C.E.S.A. included, among others, the construction, operation and conservation of the AP-1 Burgos-Armiñón motorway under an administrative concession regime.

On 31 December 2007, with accounting effect as from 24:00 hours, the deed of merger of EUROPISTAS C.E.S.A. with ITÍNERE INFRAESTRUCTURAS, S.A.U. was formalized, as per the resolution of both companies' administrative bodies adopted on 17 April 2007, comprising the absorption of ITÍNERE INFRAESTRUCTURAS, S.A.U. by EUROPISTAS C.E.S.A. with the termination, through the dissolution without liquidation of the former and the block transfer of all its assets to the latter which, on 1 January 2008, acquired, through sole succession, the rights and obligations thereof. As a consequence of this merger, EUROPISTAS, C.E.S.A., the

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absorbing company, amended its corporate name, adopting that of the absorbed company, that is, ITÍNERE INFRAESTRUCTURAS, S.A.

The annual accounts corresponding to the financial year ended 31 December 2008 include detailed information on the aforesaid merger process.

The annual accounts of ITÍNERE corresponding to the financial year ended 31 December 2008 included detailed information on the aforesaid merger process.

(c) Change in the Controlling Shareholder

On 30 November 2008, an undertaking agreement was executed for the formulation and acceptance between Sacyr Vallehermoso, S.A. (currently called Sacyr, S.A.) and Citi Infrastructure Partners L.P. of a takeover bid for the shares of ITÍNERE, subject to precedent conditions, under which and upon the fulfilment of these conditions, a change in the Company's controlling shareholder took place in 2009, which then became PEAR ACQUISITION CORPORATION S.L.U., a company set up to implement this undertaking, owned by ARECIBO.

The details of this operation are set forth in the annual accounts corresponding to financial year 2009.

(d) Business Combinations

On 15 July 2009, the Directors of ITÍNERE drew up a mutual absorption-based merger project between ITÍNERE as the absorbing company and Pear Acquisition Corporation S.L.U., owned by ARECIBO, Avasacyr, S.L.U., 100% owned by ITÍNERE and SyV Participaciones II, S.L.U., a company belonging to the Sacyr Vallehermoso Group (currently the Sacyr Group), through which the latter maintained its stake in ITÍNERE together with CaixaGalicia and Caixanova (subsequently merged under the name of NCG Banco, S.A., currently ABANCA) and Cajastur (currently Liberbank), as absorbed companies.

This merger consisted in the absorbed companies' dissolution without liquidation and the block transfer of all of their assets and liabilities to the absorbing company, which acquired, through sole succession, the rights and obligations thereof. In this regard, a reverse merger was carried out by virtue of which ITÍNERE absorbed its shareholders, Pear Acquisition Corporation S.L.U. and SyV Participaciones II, S.L.U., thereby allowing these companies' shareholders to participate directly in the absorbing company's share capital, with each one receiving a number of shares of ITÍNERE proportional to their interests, as established in the swap equation. Similarly, a short-form merger was implemented, through which ITÍNERE absorbed its subsidiary, Avasacyr, S.L.U.

As a consequence of this business combination, a difference arose, which involved the recognition of goodwill corresponding to the excess between the purchase price of ITÍNERE and the fair value of the assets acquired and liabilities assumed on the transaction date, the value of which amounted to 1,291,522 thousand euros. Within the framework of the aforesaid business combination, the acquisition price was allocated by applying the income-based approach for the purpose of adjusting the value of the acquired assets and assumed liabilities to their fair value. Thus, the Balance Sheet shows a remaining amount of goodwill after distribution of the business combination's acquisition price that corresponds to the value that the Group expected to generate from its financial and tax structure. These aspects constitute the optimization of the Group's global free cash flows and, consequently, cannot be allocated individually to any of its assets.

The annual accounts corresponding to the financial year ended 31 December 2009 include detailed information on the aforesaid business combination, as well as a detailed description of said excess value.

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(e) Evolution of the Group

TÚNELES DE ARTXANDA, S.A. and AUTOPISTAS DE BIZKAIA, S.A.

On 17 March 2015, the respective General Meetings of Shareholders of TÚNELES DE ARTXANDA, S.A. and AUTOPISTAS DE BIZKAIA, S.A. declared these companies dissolved and have approved the liquidation transactions pursuant to the pertinent provisions of the Spanish Law of Capital Companies. As a result, the deeds of dissolution and liquidation of these companies were executed on 10 June 2015 and 19 October 2015, respectively.

PARTICIPACIONES AP-1 EUROPISTAS, S.L.

On 17 July 2015, ITÍNERE, the sole shareholder of ENAITÍNERE, S.L.U. and of PARTICIPACIONES AP-1 EUROPISTAS, S.L.U., approved the merger by absorption of the second by the first, according to the terms established in the mutual absorption-based merger project formulated by the directors of both companies on that same date. This merger implied the block transfer of all the assets of the absorbed company and the dissolution without liquidation of the first.

In addition, on 17 July 2015, ITÍNERE decided to transform ENAITÍNERE, S.L.U. into a Public Limited Company, approving the corresponding transformation balance sheet and subsequent amendment of the corporate bylaws.

BIP & DRIVE, S.A.

On 17 December 2015, the General Meeting of Shareholders of Bip & Drive, S.A. agreed to carry out a capital increase with a share premium for a total amount of 3,583 thousand euros, which was fully subscribed by a new shareholder, leading to a dilution of the stake of 25% held up to that time by ITÍNERE, to its current stake of 20%. The effect of the aforesaid dilution on equity is shown under the heading "Changes in the Perimeter" in the Consolidated Statement of Changes in Equity corresponding to the 2015 financial year and represents an increase in the Group's equity of 209 thousand euros.

STAKES IN CHILE

During the 2014 financial year, ITÍNERE and ENA INFRAESTRUCTURAS, S.A., a 100% indirectly owned company, carried out a divestment process in Chile through which the companies CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE, LTDA. (previously Itínere Chile, S.A.), INVERSIONES TORRELODONES LTDA. and INVERSIONES BOADILLA LTDA., companies in which ITÍNERE held a stake at 31 December 2013, were liquidated and sold, respectively (see Note 2 (d) (ii)).

2. BASIS OF PRESENTATION

(a) True and Fair View and Going Concern

These consolidated annual accounts have been obtained from the accounting records of ITÍNERE and the companies included in the Group and have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), with a view to giving a true and fair view of the consolidated equity and consolidated financial position of ITÍNERE and its subsidiaries at 31 December 2015, and of the consolidated results of their operations, consolidated cash flows and changes in the consolidated equity corresponding to the 2015 financial year.

The rules for the adaptation of the General Chart of Accounts to public infrastructure concessionary companies, approved by Order EHA/3362/2010 of 23 December 2010, which apply in the preparation of the annual accounts of the concessionary companies that form part

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of the ITÍNERE Group, came into force on 1 January 2011. However, these rules, the object of which is to strengthen the harmonization of Spain's accounting rules with the European rules, particularly IFRIC 12, do contain certain adaptations so as to give adequate treatment to service concession arrangements. In particular, these rules establish that, once recognized in the Income Statement, the expenses incurred by a concessionary company in the financing of infrastructure must be classified, for accounting purposes, as "regulated assets", provided that reasonable evidence exists to the effect that the toll rate (public price) will allow such costs to be recovered. In short, it is an accounting solution that is similar to the one that was included in the prevailing accounting rules in Spain up to the entry into force of the aforesaid rules, but which involved a treatment that differs significantly from that provided for in EU-IFRSs for these purposes, which do not permit the capitalization of finance expenses once the infrastructure is in operation.

The ITÍNERE Group has adopted the latest version of all the applicable rules issued by the European Union's Regulatory Committee (IFRS-EU), the application of which is mandatory as of 31 December 2015. Likewise, the Group companies, AUDASA, AP-1, AUCALSA, AUDENASA and AUTOESTRADAS, have applied IFRIC 12 in the preparation of the financial information that acts as the basis for the preparation of these consolidated annual accounts (see Appendix I).

These consolidated annual accounts have been prepared using the historic cost principle, with the exception of derivatives and the assets and liabilities acquired in the business combination, which have been registered at fair value.

Except when indicated otherwise, the figures included in these annual accounts are presented in euros, which is the Company's functional and presentation currency.

The individual annual accounts of the companies that have been subject to consolidation are pending the approval of their respective General Meetings of Shareholders. Nevertheless, the holding Company's Directors are of the opinion that they will be approved without any changes that significantly affect the consolidated annual accounts.

(b) Consolidation Principles

Subsidiaries

Subsidiaries are all the entities in which ITÍNERE either directly or indirectly controls the operating and financial policies, exercising control over the relevant activities, maintaining the right or exposure to the investment's profit or loss and the capacity to use this power in such a way as to influence the amount of these returns. The foregoing occurs when the stake is greater than half the voting rights.

Subsidiaries are consolidated according to the global consolidation method.

The value of the minority shareholders' stake in the equity and operating results of the subsidiary companies consolidated under the global consolidation method is shown under the heading "Equity – Minority Shareholders' Equity" on the Consolidated Balance Sheet and the heading "Consolidated Profit (Loss) for the Period attributed to Minority Shareholders" on the Consolidated Income Statement, respectively.

Joint Ventures (Jointly Controlled Entities)

These are companies in respect of which a contractual agreement exists with a third party for sharing control over their activity and related strategic decisions, both financial and operational, for which the unanimous consent of all the participants sharing the control is required. The Group's interests in jointly controlled entities are recorded in the accounts in accordance with IFRS 11 under the equity method, in accordance with what is indicated in the following section,

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“Associates” (up until the adoption of the aforesaid rule in 2014, the Group chose to consolidate them through the proportional integration method, as explained in Note 35).

Associates

These are companies over which ITÍNERE exercises important influence, maintaining a long-lasting link that fosters and influences their activity, but with limited representation in the mechanisms of management and control, which is usually accompanied by a stake of between 20% and 50% of the voting rights, except when it can be clearly demonstrated that such influence does not exist or, being less than 20% of the voting rights, it can be clearly demonstrated that such influence does exist. Investments in associates are recorded in the accounts using the equity method (equity method of accounting) and are recognized initially at cost. The participation of ITÍNERE in associates includes, as per IAS 28, the share of goodwill identified in the acquisition (net of any accumulated impairment losses) and is recorded under the heading “Investments in Joint Ventures and Associates” on the Consolidated Balance Sheet.

Subsequent to the acquisition, the participation of ITÍNERE in the profit or loss and reserves of Associates is recognized in the financial year’s Income Statement and as consolidation reserves, respectively, with the value of the stake as the balancing entry in both cases. The receipt and/or accrual of dividends subsequent to the acquisition are adjusted against the amount of the stake.

Details of the companies included in the consolidation perimeter, with an indication of the consolidation method used, are provided in Appendix I to these Notes.

All the balances and transactions carried out between the companies included in the consolidation perimeter have been eliminated in the consolidation process, where applicable.

Homogeneous accounting criteria have been applied to all the companies included in the consolidation perimeter.

(c) Comparative Information

In fulfilment of the prevailing rules, these consolidated annual accounts for the 2015 financial year include comparative figures relating to the 2014 financial year. In this regard, it should be noted that the balances corresponding to 31 December 2013 that are shown in certain notes to this financial statement were restated in the consolidated annual accounts corresponding to the financial year ended 31 December 2014, as a result of the adoption of IFRS 11 in that period, with retroactive effect to 1 January 2013, in accordance with the option contemplated in said rule.

(d) Composition of the Group

The ITÍNERE Group is made up of the holding company, ITÍNERE INFRAESTRUCTURAS, S.A., and its subsidiaries and associates. The detail of the companies that comprise the ITÍNERE Group at 31 December 2015 and 2014, the percentages and amounts corresponding to each stake, the consolidation method applied and the registered office and activities of each one are shown in Appendix I, which forms a comprehensive part of these consolidated annual accounts.

All the companies that form part of the consolidation perimeter close their financial year on 31 December.

All the companies comprising the ITÍNERE Group are audited by KPMG AUDITORES. S.L., with the exception of the companies TACEL INVERSIONES, S.A., AUTOPISTA CENTRAL GALLEGA, C.E.S.A. and BIP & DRIVE, S.A., which are audited by DELOITTE, S.L.

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(i) Relevant Events during the 2015 Financial Year

The relevant events that have taken place in the 2015 financial year in regard to Group companies are those which are commented on in the above Note 1 (e).

(ii) Relevant Events during the 2014 Financial Year

- On 14 February 2014, CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. distributed its accumulated reserves to its shareholder, ITÍNERE, in an amount of 3,462 thousand euros, through the payment in cash of this amount. On the same date, ITÍNERE proceeded to reinvest the aforesaid dividend through the subscription of the whole of the capital increase carried out by its investee company, INVERSIONES TORRELODONES LTDA.
- On 4 March 2014, the Extraordinary Meeting of Shareholders of INVERSIONES BOADILLA SpA adopted the resolution for its transformation into a limited company.
- On 28 May 2014, ITÍNERE sold its stake in INVERSIONES TORRELODONES LTDA. together with the latter's investee company, INVERSIONES BOADILLA LTDA., in which ENA INFRAESTRUCTURAS, S.A. had a 0.01% stake. Collection of this sale was materialized through the receipt of the credit that INVERSIONES TORRELODONES LTDA. held with ITÍNERE, which had previously been assigned to it by INVERSIONES BOADILLA LTDA. and which, in turn, was transferred to the buying party.
- On 4 November 2014, CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. distributed accumulated reserves to its shareholder, ITÍNERE, for an amount of 99,168 thousand euros, through the assignment and distribution of part of the receivable account resulting from the credit granted by ITÍNERE CHILE to ITÍNERE.
- On 7 November 2014, after obtaining the certificate of termination of business from the Chilean Tax Authorities, CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. was dissolved and liquidated, with 100% of its liquidation value corresponding to its shareholders, ITÍNERE and ENA INFRAESTRUCTURAS, S.A., the only asset at that date being a credit with ITÍNERE which, by a resolution of the shareholders, was awarded in full and in kind to ITÍNERE through the assignment and transfer of beneficial ownership, which gave rise to its cancellation due to commingling.

The profit or loss generated by the divestment process in Chile carried out in the 2014 financial year amounted to 22,842 thousand euros, which are shown in the heading "Consolidated Profit or Loss of Discontinued Operations" on the Consolidated Income Statement of that financial year.

- As a consequence of the transactions described above, the credit that ITÍNERE held with CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. and INVERSIONES BOADILLA LTDA. at 31 December 2014 was completely cancelled.

The details of the divestment process in Chile, as well as its effects on the annual accounts corresponding to the 2014 financial year, are included in the Consolidated Annual Accounts for that financial year.

(e) Relevant Accounting Estimates and Judgments Used

The preparation of the consolidated annual accounts in accordance with IFRS-EU requires the application of relevant accounting estimates and the making of judgments, estimates and assumptions in the process of applying the Group's accounting principles. The assumptions and estimates adopted are based on past experience and other factors deemed to be reasonable in the current circumstances.

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In some cases, in the Group's consolidated annual accounts for the financial year ended 31 December 2015, estimates and judgments made by the management of the holding Company and by its subsidiaries, subsequently ratified by their Directors, have been used to quantify some of the assets, liabilities, income, expenses and commitments that appear registered in them. These estimates refer to:

- Evaluation of possible impairment losses from certain assets, including goodwill.
- Useful life of tangible and intangible assets.
- Estimation of the amount and periods relating to replacement activities and major repairs when carried out in respect of usage periods in excess of one year, which are enforceable in relation to the elements required of each one of the infrastructures so that the activities and services they render and carry out can be adequately performed, is complex (see Note 3 (o)).
- Recoverability of deferred tax assets. Recognition of deferred tax assets is made on the basis of future estimates made by the Group in connection with the likelihood of future taxable profit being available to permit their recovery.
- Accounting estimates based on projections as well as the discount rates applied. Traffic growth assumptions constitute one of the main foundations of economic and financial projections.
- Considerations relating to refinancing and the cancellation of current liabilities.
- Hedge effectiveness tests. The tests performed to measure the effectiveness of accounting hedges implemented through the contracting of derivatives are based on the estimation of certain variables of the hedged element and the hedge itself, meaning that their calculation is subject to variations.

Estimates are made using the information on the analyzed facts and events that is available at the Balance Sheet date, although it is possible that future events may require them to be modified. Therefore, these estimates are reviewed on an ongoing basis, recognizing the effects that any change in them may produce in the period in which they are known.

(f) IFRS-EU applied by the Group in Financial Year 2015.

At 31 December 2015, the Group applies all the International Financial Reporting Standards adopted by the European Union that are of mandatory application in the preparation and formulation of its consolidated financial statements.

The consolidated annual accounts corresponding to the financial year ended 31 December 2014 were the first in which the Group applied IFRS 11 – Joint Arrangements – with restatement of the figures corresponding to financial year 2013, in accordance with the option contemplated in said rule. The impact on the consolidated annual accounts of the application of the aforesaid IFRS is significant and has involved the consolidation of the stake held in AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) through the equity method, instead of the proportional integration method, as had been done up to 31 December 2013 (see Note 35).

(g) IFRS-EU Standards, Interpretations and Amendments entering into force after 31 December 2015 that the Group has not adopted in advance:

- Amendments to IAS 19 – Employee Benefits. Simplifies the accounting of defined benefit plans that involve contributions from employees that do not depend on the length of service; such contributions may be recognized as a reduction in services costs for the period in which they are rendered, instead of allocating the contributions

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over the years of service. Effective for annual periods beginning on or after 1 February 2015.

- Annual amendments to IFRS 2010-2012. Changes are made to the following standards: IAS 16 – Tangible Assets, IAS 38 – Intangible Assets, IAS 24 – Disclosure of Information of Related Parties, IFRS 2 – Share-based Payment, IFRS 3 – Business Combinations and IFRS 8 – Operating Segments. Effective for annual periods beginning on or after 1 February 2015.
- Amendment to IAS 16 and IAS 38 – Acceptable Methods of Depreciation and Amortization. Clarifies the acceptable methods of amortization and depreciation of tangible and intangible assets, and does not include those that are revenue-based. Effective for annual periods beginning on or after 1 January 2016.
- Amendment to IFRS 11 – Accounting of Acquisitions of Stakes in Joint Arrangements. Specifies the accounting treatment for the acquisition of a stake in a joint arrangement in which the activity constitutes a business. Effective for annual periods beginning on or after 1 January 2016.
- Annual amendments to IFRS 2012-2014. Changes are made to the following standards: IFRS 5 – Non-current Assets Held For Sale and Discontinued Operations, IFRS 7 – Financial Instruments: Disclosure of information, IAS 19 – Employee Benefits, IAS 34 – Interim Financial Information. Effective for annual periods beginning on or after 1 January 2016.
- Amendment to IAS 1 – Disclosure Initiative. Includes various clarifications regarding disclosure (materiality, aggregation, order of notes, etc.). Effective for annual periods beginning on or after 1 January 2016.

The Group's management has chosen not to apply in advance the standards listed above, which will be compulsory as of 1 January 2016. Nevertheless, it is not expected that the effects of their application on the consolidated annual accounts will be significant.

(h) Standards and interpretations issued by the International Accounting Standards Board (IASB), pending approval by the European Union:

- IFRS 15 – Revenue from Contracts with Customers. A new standard for the recognition of income (replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31). Mandatory application for annual periods starting 1 January 2018 onwards.
- IFRS 9 – Financial Instruments. Replaces the requirements of IAS 39, relating to the classification, measurement, recognition and derecognition of financial assets and liabilities, hedge accounting and impairment methodology. Mandatory application for annual periods starting 1 January 2018 onwards.
- IFRS 16 – Leases. A new Leases standard that replaces IAS 17. Lessees must include all leases on the balance sheet as if they were financed purchases. Mandatory application for annual periods starting 1 January 2019 onwards.
- Amendment to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate or Joint Venture. Clarification in regard to whether the outcome of these operations constitutes a business or assets. A date has not been set for its application in the European Union.
- Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities. Clarification regarding the consolidation exception of investment entities. Mandatory application for annual periods starting 1 January 2016 onwards.

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- Amendment to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses. Clarifies that unrealized losses on debt instruments measured at fair value (financial instruments available for sale), for which the tax base is the acquisition cost, give rise to temporary deductible differences, irrespective of whether the holder of the asset expects to recover the carrying amount by sale or by use. Mandatory application for annual periods starting 1 January 2017 onwards.
- Amendment to IAS 7 – Disclosure Initiative. Introduces disclosure requirements in cash flow statements relating to financing activities. Mandatory application for annual periods starting 1 January 2017 onwards.

The application of new standards, interpretations and amendments will be considered by the Group if and when ratified and adopted by the European Union. The Group's management has chosen not to apply in advance the standards listed above. Nevertheless, it is not expected that the effects of their application on the consolidated annual accounts will be significant.

3. ACCOUNTING PRINCIPLES

The main accounting principles, applied uniformly by all the Group's companies, are as follows:

(a) Goodwill

Goodwill from business combinations as from the date of transition to IFRS-EU is initially valued at an amount equivalent to the difference between the business combination's cost and the net fair value of the acquired business's assets, liabilities and contingent liabilities at the transaction date. In accordance with IFRS 3, the Company has chosen to value minority shareholders' equity at its fair value. This valuation recognizes the minority shareholders' share of the business combination's goodwill.

Goodwill is not amortized; instead, its value impairment is assessed on an annual basis or earlier in the case of events having been identified that point to a potential loss of the asset's value. To this end, the resulting goodwill from the business combination is allocated to the group of identified Cash-Generating Units (CGUs) to which the capacity to generate the value corresponding to such difference can be attributed.

In this respect, the Group has defined as a CGU each of the concessionary companies that make up the Group, with the aforementioned group being the sub-holding in which ITÍNERE has an interest and on which the Group's main concessionary companies depend, that is, ENAITÍNERE, S.A.

After the initial recognition, goodwill is valued at cost less accumulated impairment losses. These impairment losses cannot be reversed later on.

(b) Other Intangible Assets

Intangible assets, which include administrative concessions, rights to use tangible fixed asset items, and computer applications, are valued at their acquisition cost net of their corresponding accumulated amortization and any impairment losses they may have suffered. Amortization is calculated on a straight-line basis over 4 years for computer applications and 10 years for lease transfer rights. Administrative concessions are amortized throughout the concession period.

Intangible assets are only recognized when there is a certainty that they will generate future profits for the Group and provided their cost can be reliably measured. Intangible assets generated internally, excluding activated development costs, are not capitalized, but rather are registered as expenses in the financial year in which they are incurred.

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(c) Concession Arrangements

In accordance with the contractual terms and conditions established in the different concessions operated by the Group's companies, ownership of the concession assets corresponds to the respective concession-granting Administrations, with the concessionary companies having the right to operate the infrastructure, for which they receive the price paid by users. According to the provisions of the respective agreements, the concession-granting body regulates this price. Therefore, Concession Arrangements shows the fair value of the net consideration to be received (generated cash flows) as a consequence of the concession assets' operation.

As a result of the concession price distribution carried out within the framework of the business combination implemented during 2009, the Concession Arrangements heading was valued at its fair value (Note 1 (d)). The methodology applied to determine the concession arrangements' fair value was the revenue-based method, through the discounting of cash flows after servicing the debt generated by the concessions, subsequently adding the net debt associated with each one of these assets. The basic premise of this methodology is that the concession arrangements have a fair value that is equal to the present value of the cash flows generated by the assets. The detail of the adjustment to concession arrangements as a result of their valuation at fair value is as follows:

	Thousands of euros
AUDASA	208,300
AUCALSA	(147,300)
AUDENASA (*)	72,500
AUTOESTRADAS	6,200
AP-1 EUROPISTAS	295,100
Concession Arrangement Fair Value Adjustment	434,800

(*) As a result of the application of IFRS 11, the aforesaid amount forms part of the value of the stake in this company, which is shown under the heading "Investments in Associates and Joint Ventures".

Concession arrangements are amortized once the infrastructure is ready for use, in a systematic and rational manner throughout the concession's useful life, following a straight-line amortization method.

(d) Tangible Assets

Tangible assets are recorded at their acquisition cost, which includes all the costs and expenses directly attributable to the acquired tangible asset elements, including finance expenses, until such elements are in working condition, less their corresponding accumulated depreciation and any impairment losses they may have suffered.

Tangible asset depreciation is applied to the cost values using the straight-line method during the following estimated years of useful life:

	Years of Useful Life
Buildings	33 to 50
Technical installations and machinery	5 to 10
Other installations, tools and furniture	3 to 10
Other fixed assets	3 to 10

At the end of each reporting period, the Group reviews and, when applicable, adjusts the tangible assets' residual value, useful life and depreciation method.

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Costs relating to tangible asset maintenance and repair that do not improve their use or prolong their useful life are charged to the Income Statement at the time they are incurred

(e) Investment Properties

Investment properties comprise land and buildings that are leased or available for lease to third parties. Buildings are depreciated on a straight-line basis over an estimated 33-year useful life.

The valuation rules described for “Tangible Assets” apply in full to Investment Properties.

Transfers of assets to Investment Properties are only made when there is a change in the corresponding assets’ use.

(f) Impairment of Non-Financial Assets subject to Amortization or Depreciation

The Group follows the criterion of evaluating the existence of signs that could indicate the potential impairment of the value of non-financial assets subject to amortization or depreciation, including that corresponding to entities recorded in the accounts through the equity method, in order to verify whether or not these assets’ book value exceeds their recoverable value.

Similarly, and irrespective of the existence or otherwise of any signs of value impairment, the Group checks, at least on an annual basis, the potential value impairment that could affect goodwill and the intangible assets not yet available for use.

The assets’ recoverable value is the greater of their fair value less sales costs or their value in use. An asset’s value in use is determined on the basis of the expected future cash flows that will result from the asset’s use, expectations of possible variations in the amount or timing of cash flows, the temporal value of money, the price to be paid for exposure to the uncertainty relating to the asset and other factors which market agents would take into account in the valuation of future cash flows associated with the asset.

Negative differences resulting from the comparison of the assets’ book values with their recoverable values are recognized and charged to the Consolidated Income Statement.

The recoverable value must be calculated for an individual asset, except when the asset does not generate cash inputs that, to a large extent, are separate from those corresponding to other assets or asset groups. If this is the case, the recoverable amount is calculated for the Cash-Generating Unit (CGU) to which it belongs.

Losses relating to the CGU’s value impairment are initially allocated to reduce the value of the goodwill allocated to them, where applicable, and then that of all the other assets of the CGU, divided proportionally on the basis of the book value of each of the assets, with the limit for each one being the greater of their fair value less the costs to sell, their value in use or zero.

At the end of each reporting period, the Group evaluates whether or not there are indications that the impairment loss recognized in previous financial years no longer exists or has been reduced. Value impairment losses corresponding to goodwill are not reversible. The impairment losses of all other assets only revert when there has been a change in the estimates used for establishing the asset’s recoverable value.

Impairment loss reversal is registered with a credit to the Consolidated Income Statement. Nevertheless, the loss’s reversal may not increase the asset’s book value above the book value it would have had, net of amortization or depreciation, had the impairment not been registered.

The amount of the impairment loss reversal of a CGU is distributed between the unit’s assets, excluding goodwill, divided proportionally on the basis of the assets’ book value, with the limit per asset being the lower of its recoverable value or the book value it would have had, net of amortization or depreciation, had the loss not been registered.

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(g) Leases

Some of the Group's companies have assigned the rights of use of certain facilities under lease agreements. In these leases, the aforesaid companies have not substantially transferred to third parties all the risks and benefits inherent in the assets' ownership, for which reason they have been classified as operating leases.

Revenue from these operating leases is recognized as income using the straight-line method throughout the lease term.

Similarly, operating lease costs are recognized as an expense using the straight-line method during the lease term. As and when applicable, contingent lease payments are recorded as an expense when it is deemed probable that they are going to be incurred.

(h) Financial Assets

The Group classifies its investments in the following categories: loans and other receivables, investments held to maturity, and financial assets available for sale. The classification depends on the purpose of the investments and is made on the basis of the instrument's characteristics and the intention behind its acquisition.

- **Loans and Other Receivables:** These are financial assets originated by the sale of goods or the rendering of services through the companies' business transactions and also include non-trade loans defined as financial assets that are neither equity instruments nor derivatives, with non-commercial origin, with fixed or determinable payments and that are not quoted in an active market.

These financial assets are initially valued at their fair value, including the transaction costs directly attributable to them, and subsequently at their amortized cost. Accrued interest is recorded in the Income Statement, applying the effective interest rate method.

Nevertheless, in the case of commercial transactions with maturity not exceeding one year and which do not have a contractual interest rate, they are valued at their nominal value, in both the initial and subsequent valuations, when the effect of not updating the cash flows is insignificant.

- **Investments held to Maturity:** These are debt securities, with a fixed maturity date, with fixed or determinable payments that are traded in an active market and for which the companies have the positive intention and capacity to hold them to maturity.

After initial recognition at their fair value, the financial assets included in this category are valued at their amortized cost. Accrued interest is recorded in the Income Statement, applying the effective interest rate method.

- **Financial Assets available for Sale:** these include debt securities and asset instruments of other companies that have not been classified in any of the foregoing categories.

They are initially valued at their fair value plus the transaction costs directly attributable to the purchase.

Subsequently, they are valued at their fair value, with the result of any variations in fair value being recorded under Equity, until such time as the asset is disposed of or suffers impairment (of a continuous or permanent nature), at which moment the accumulated results previously recognized under Equity are recorded in the Income Statement.

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At the end of the reporting period, the Group assesses whether or not objective evidence exists relating to any impairment losses of a financial asset or group of financial assets as a result of one or more events occurring after their initial recognition that could have an impact on the asset or asset group's estimated future flows, provided that they can be reliably estimated.

The Group recognizes value impairments and defaults on loans and other receivables through recognition of a corrective provision for financial assets. At the moment at which it is decided that the impairment or impossibility of collection is irreversible, the book value is eliminated against the value correction amount. Value impairment reversals are also recognized against the amount of such correction.

In the case of assets recorded in the books at amortized cost, the amount of the value impairment loss is equivalent to the difference between the financial asset's book value and the current value of estimated future cash flows, discounted at the asset's original effective interest rate. The impairment loss is recognized in the financial year's results and is reversed if the reduction in the recognized amounts can be objectively associated with an event subsequent to the impairment's recognition, provided that such reversal does not exceed the amortized cost the asset would have had if no impairment had been registered.

Financial assets are derecognized when the rights to receive cash flows associated with them have matured or have been transferred and the Group has substantially transferred the risks and benefits resulting from their ownership. Likewise, the derecognition of financial assets in circumstances in which the Group retains the contractual rights to receive cash flows only occurs when contractual obligations have been assumed that determine the payment of such flows to one or more receiving parties and the following requirements are met:

- The payment of cash flows is conditional upon their prior collection;
- The Group cannot pledge or sell the financial asset; and
- Cash flows collected on behalf of the final receiving parties are remitted without significant delay, with the Group being unable to reinvest these cash flows. Investments in cash and cash equivalents made by the Group during the settlement period, i.e. between the collection date and the remittance date agreed with the final receiving parties, are excluded from the application of this criterion, provided that the accrued interest is attributed to the final receiving parties.

A financial asset's derecognition involves the recognition of results for the difference that exists between its book value and the sum of the considerations received, net of transaction costs, including the assets obtained and the liabilities assumed and any deferred profit or loss in income and expenses recognized in Equity.

The criteria for derecognizing financial assets in operations in which the Group neither substantially assigns nor substantially retains the risks and benefits inherent in their ownership are based on an analysis of the degree of control maintained. In this way:

- If the Group has not retained control, the financial asset is derecognized and any rights and obligations created or retained as a result of assignment are separately recognized as assets or liabilities.
- If the Group has retained control, it continues to recognize the financial asset on the grounds of the Group's continued involvement in it and registers a related liability. Continued involvement in a financial asset is determined by the amount of its exposure to value changes in that asset. The asset and related liability are valued on the basis of the rights and obligations recognized by the Group. The related liability is recognized in such a way that the book value of the asset and related liability is equal to the amortized cost of the rights and obligations retained by the Group, when the asset is valued at its amortized cost, or the fair value of the rights and obligations retained by the Group, when the asset is

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valued at its fair value. The Group continues to recognize the income resulting from the asset to the extent of its continued involvement and the expenses resulting from the related liability.

Transactions in which the Group substantially retains all the risks and benefits inherent in the ownership of an assigned financial asset are recorded through recognition in liability accounts of the consideration received. Transaction costs are recognized in profit or loss, applying the effective interest rate method.

The Group applies the weighted average price method to measure and derecognize the cost of equity investments or debt that form part of homogeneous portfolios and have the same rights.

(i) Investments in Associates and Joint Ventures

This heading on the attached Consolidated Balance Sheet includes the direct or indirect stake of the Holding Company in the shareholders' equity of the companies that are considered Associates or Joint Ventures and which, consequently, have to be consolidated under the equity method.

In addition, and as a consequence of the application of IFRS 11 – Joint Arrangements –, since 1 January 2014, the Group Company, AUDENASA, in which a 50% stake is held, is consolidated using the equity method (Note 35).

Initially the stakes are recognized at their cost value and, subsequently, the Group assesses the existence of impairment in relation to such valuation, so as to recognize any impairment losses relating to its net investment in the Associate in question.

(j) Inventories

Inventories are valued at their acquisition price, which includes the amount invoiced by the seller after deducting any discounts and all additional expenses directly attributable to their acquisition.

The companies use the weighted average cost to value their inventories.

Inventory valuation corrections and their reversals are recognized in the financial year's Income Statement.

(k) Trade and Other Receivables

Trade and other receivables are initially recognized at their fair value or, in the case of deferred payment, at their amortized cost, in accordance with the effective interest rate method, less the provision for impairment losses.

A provision is established for impairment losses of trade and other receivables when objective evidence exists that the companies will not be capable of collecting all the amounts owed to them in accordance with the original terms of the accounts receivable. The amount of the provision is the difference between the asset's book value and the present value of estimated future cash flows, discounted at the effective interest rate. The provision amount is recognized in the Income Statement.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and in demand deposits in financial institutions. This heading also includes other short-term investments with high liquidity that are easily convertible into specific cash amounts and are not subject to significant value change risks. To this end, investments with maturities of less than 3 months from the acquisition date are included.

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(m) Equity Instruments

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of any equity instrument, with the exception of those relating to equity instrument issues within the context of a business combination, are recorded in the accounts as a deduction from equity, net of any related tax incentive or effect.

The acquisition cost of own shares or the amounts resulting from their subsequent disposal are recorded in a separate consolidated equity category, with no profit or loss being recognized on the Consolidated Income Statement as a consequence of transactions with equity instruments.

(n) Loans and Other Remunerated Liabilities

Loans and other interest-bearing liabilities are initially recognized at their fair value net of the costs incurred in the transaction. Subsequently, financial liabilities are valued at their amortized cost; any difference between the funds obtained (net of the necessary costs for their obtainment) and the reimbursement value is recognized in the Income Statement during the debt's life, in accordance with the effective interest rate method.

The Group's companies derecognize a financial liability or any part thereof at the moment at which the obligations laid down in the corresponding contract are met, cancelled or have expired.

The exchange of debt instruments between the Group's companies and the counterparty, or substantial changes in the initially recognized liabilities, are recorded in the books as a cancellation of the original financial liability or the recognition of a new financial liability, whenever the instruments have substantially different conditions.

The Group considers that the conditions are substantially different when the current value of the cash flows discounted under the new conditions, including any commission paid net of any commission received, using the original effective interest rate for the discounting, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is registered as a cancellation of the original financial liability, the costs and commissions are recognized in profit or loss forming part of its result. Otherwise, the costs and commissions adjust the liability's book value and are amortized using the amortized cost method during the modified liability's remaining life.

The Group's companies recognize the difference between the book value of the financial liability or the part thereof that has been cancelled or assigned to a third party and the consideration paid, including any assets assigned other than the cash or liabilities assumed, to be credited or charged to the Consolidated Income Statement.

(ñ) Official Grants

Official grants are registered when there is reasonable assurance that the grant will be received and that the conditions attaching to it will be fulfilled.

Non-repayable grants that finance investments in reversible assets included under the heading "Concession Arrangements" are registered as a lower amount of the concession arrangement in question.

In addition, grants are included that correspond to the difference between the fair value at which certain loans granted to the holding Company at zero interest rate have been registered and the amount at which they were granted, on the grounds that this difference is an interest-rate subsidy.

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The allocation of the aforesaid grant to profit or loss is made in the same proportion as that by which these loans are updated at a discount rate considered appropriate, depending on the contractually established time schedule for their amortization.

(o) Provisions

Provisions are recognized on the Consolidated Balance Sheet when the Group's companies have an existing liability, whether legal or implicit, resulting from a past event and when, moreover, it is likely that resources embodying future economic benefits will have to be used to cancel this liability, and when a reliable estimate can be made of the liability's amount.

The amounts recognized on the Consolidated Balance Sheet represent the best estimate at the end of the reporting period of the necessary disbursements for cancelling the existing liability, after having taken into account the risks and uncertainties associated with the provision and whenever the financial effect produced by discounting is significant, provided that the disbursements that are going to be made in each period can be reliably calculated. The discount rate is established before tax, taking into account the temporal value of money and the specific risks not considered in the future flows relating to the provision. The financial effect of these provisions is recognized as a financial charge on the Consolidated Income Statement.

Provisions are reversed to profit or loss when the probability of the existence of an outflow of resources embodying future economic profits to cancel this liability is less than 50%. The reversal is recorded under the heading on the Consolidated Income Statement where the corresponding expense has been recorded, when this occurs in the same financial year or, when the expense occurred in a prior financial year, the reversal is recognized in other income accounts on the Consolidated Income Statement.

Concessionary companies are subject to fulfilment of certain contractual obligations, such as the maintenance of a certain operational level of the infrastructures and the restoration of certain conditions of the infrastructure prior to its delivery to the granting Administration at the end of the service contract's validity. These contractual obligations are recognized and valued in accordance with the provisions of IAS 37, on the basis of the best estimate of the necessary disbursement for cancelling the liability at the end of the reporting period.

(p) Trade and Other Payables

Trade and other payables are valued at the fair value of the consideration received and, subsequently, at their amortized cost.

Nevertheless, debts from trade operations with maturity not exceeding one year that do not have a contractual interest rate are valued at their nominal value, in both the initial and subsequent valuations, when the effect of not updating the cash flows is insignificant.

(q) Corporate Income Tax

With effect from 1 January 2009, the Company pays tax under a fiscal consolidation regime, forming part of Group 36/09, of which ITÍNERE is the controlling company. This Group was constituted after the exclusion of ITÍNERE and its subsidiaries and investee companies from the consolidated tax group of which SACYR VALLEHERMOSO, S.A. is the controlling company and in which the aforesaid companies were included until, with the materialization of the takeover bid referred to in Note 1 (c), they ceased to meet the requirements established for that purpose.

Income or expenses for corporate income tax includes both current and deferred taxes. Taxes, irrespective of whether they are the current period's tax or deferred tax, must be recognized in profit or loss, except when they have arisen from a transaction or economic event recognized in the same or a different period, in which case they are charged or credited directly to equity, or

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when they have arisen from a business combination, which will not have an impact either on profit or loss or on the other equity accounts.

Current tax is the amount that it is expected will be paid or recovered in the financial year as corporate income tax relating to the financial year's consolidated fiscal gain or loss. Current tax assets or liabilities are valued using the legislation and tax rates approved or about to be approved at the end of the reporting period.

Deferred tax liabilities are the amounts payable in the future as corporate income tax relating to taxable timing differences, whereas deferred tax assets are the amounts to be recovered as corporate income tax due to the existence of deductible timing differences, off-settable negative tax bases or deductions whose application is pending. To this end, timing difference is deemed to be the difference that exists between the book value of assets and liabilities and their tax base.

Taxable timing differences are recognized in all cases except when:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that on the transaction date affects neither the accounting result nor the gross tax base;
- They correspond to differences associated with investments in subsidiaries or joint ventures over which the Group has the capacity to control the moment of their reversal and it is not likely that their reversal will occur in the foreseeable future.

Deductible timing differences are recognized provided that:

- It is likely that there will be sufficient future positive tax bases for them to be offset, except in those cases in which the differences arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and on the transaction date they affect neither the accounting result nor the gross tax base;
- They correspond to timing differences associated with investments in subsidiaries or joint ventures to the extent that the timing differences are going to be reversed in the foreseeable future and it is expected that future positive tax bases are going to be generated so that the differences can be offset.

It is considered likely that the Group will have sufficient taxable profits to recover the deferred tax assets, when there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, which are expected to be reversed in the same financial year as the expected reversal of the deductible temporary difference or in financial years in which a tax loss arising from the deductible temporary difference can be offset against previous or subsequent profits. When the only future taxable profit stems from the existence of taxable temporary differences, deferred tax assets deriving from offsettable tax losses are limited to 70% of the amount of the recognized deferred tax liabilities.

In order to calculate future taxable profits, the Group takes into account tax planning opportunities whenever it intends to adopt them or it is likely they will be adopted.

Deferred tax assets or liabilities are valued at the tax rates that are going to be applied in the financial years in which it is expected that the assets are going to be realized or the liabilities are going to be paid, based on the rules and rates approved or about to be approved and once the fiscal consequences that will result from the manner in which the Group expects to recover the assets or liquidate the liabilities have been taken into consideration. For these purposes, the Group has considered the deduction for the reversal of temporary measures covered in Transitional Provision Thirty-Seven of Law 27/2014, of 27 November 2014, on Corporate Income Tax, as an adjustment to the tax rate applicable to the deductible temporary difference

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associated with the non-deductibility of the amortizations taken in financial years 2013 and 2014.

At the end of the reporting period, the Group reviews the book value of its deferred tax assets, for the purpose of reducing the value insofar as it is not likely that there will be sufficient future positive tax bases to offset them.

The deferred tax assets that do not comply with the foregoing conditions are not recognized on the Consolidated Balance Sheet. At the close of the financial year, the Group's companies reconsider whether or not they fulfil the conditions for recognizing the deferred tax assets that previously had not been recognized.

The Group's companies only offset current tax assets and liabilities when a legal right exists with the Tax Authorities and they have the intention of either settling the debts that result on a net basis or realizing the assets and settling the debts simultaneously.

Deferred tax assets and liabilities are recognized on the Consolidated Balance Sheet as non-current assets or liabilities, irrespective of the forecast date of their realization or settlement.

(r) Derivative Financial Instruments

Some of the Group's companies have contracted interest rate futures for the purpose of reducing the risk in their cash flows resulting from variations in the interest rates contracted in different financing operations.

Likewise, in the 2009 financial year, hedge operations were contracted for the purpose of hedging the risk of variation in the inflation rate in the company, AP-1 EUROPISTAS, C.E.S.A., an indicator on the basis of which the toll rate is updated annually and which, together with the motorway's traffic density, determines the company's revenue.

The derivatives contracted by the Group's companies, which have been designated as cash flow hedge derivatives, are initially recorded at their fair value and, subsequently, value corrections are made at any given moment, as and when necessary. They are recorded under the Asset headings "Non-Current Financial Assets" or "Current Financial Assets" when they are positive or under the Liability headings "Non-Current Liabilities" or "Current Liabilities – Derivatives" when they are negative, depending on the realization or settlement term. The profit or loss from these fluctuations is recorded on the Consolidated Income Statement, except when the derivative has been designated as a hedge instrument and is highly efficient, in which case changes in the derivative's fair value are recorded, in the part in which the hedges are efficient, net of their tax effect, under the Equity heading. The accumulated loss or gain under this heading is transferred to the Consolidated Income Statement to the extent that the underlying profit or loss has an impact on the account for the hedged risk, with the net effect being recorded under the same profit or loss heading.

In the case of hedge operations that do not meet the established requirements for their designation as a highly efficient hedge, the variation in their fair value will be registered under the heading "Variation in the Value of Financial Instruments at Fair Value" on the Consolidated Income Statement.

To this end, and in accordance with IFRS 13, the fair value is the price that would be received for selling an asset or that would be paid for transferring a liability in an orderly transaction between market participants at the valuation date. In general, the Group applies the following systematic hierarchy for establishing the fair value of financial assets and liabilities:

- Level 1: Assets and liabilities listed in active markets.
- Level 2: Assets and liabilities whose fair value has been established on the basis of valuation techniques that use observable assumptions in the market.

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- Level 3: Assets and liabilities whose fair value has been established on the basis of valuation techniques that do not use observable assumptions in the market.

The fair value at which the financial derivative instruments subscribed by the Group's companies have been valued includes a credit risk adjustment for the purpose of reflecting not only own risk, but also counterparty risk.

(s) Transactions in Foreign Currency

Transactions in foreign currency are converted to the functional currency through the application of the cash exchange rates between the foreign currency and the functional currency in force on the dates the transactions are made.

Monetary assets and liabilities denominated in a foreign currency have been converted to euros applying the rate in force at the end of the reporting period, whereas non-monetary assets and liabilities valued at their historic cost are converted by using the exchange rates applied on the date on which the transaction took place.

In the presentation of the Consolidated Statement of Cash Flows, flows from transactions in foreign currency are converted to euros applying the exchange rates in force on the date on which they occurred. The effect of exchange rate variations on Cash and Cash Equivalents denominated in foreign currency is shown separately on the Consolidated Statement of Cash Flows as "Effect of Exchange Gains (Losses)". As a consequence of the divestment process carried out in Chile during the 2014 financial year, the aforesaid effect was part of the net cash flows from discontinued operations.

Any differences that appear in the settlement of transactions in foreign currency or in the conversion to euros of monetary assets or liabilities denominated in a foreign currency are recognized in profit or loss. Nevertheless, exchange gains or losses arising in respect of monetary items that form part of the net investment of foreign businesses are registered as exchange gains or losses in equity accounts.

Exchange gains or losses relating to monetary financial assets or liabilities denominated in foreign currency are also recognized in profit or loss.

The conversion to euros of the businesses that the Group maintains abroad has been carried out through the application of the following criteria:

- Assets and liabilities are converted at the closing exchange rate in force on the date of each Balance Sheet;
- Income and expenses are converted at exchange rates similar to those in force on the date of each transaction; and
- Exchange rate differences resulting from the application of the above criteria are recognized as exchange gains or losses in Equity.

(t) Income and Expenses

Income and expenses are allocated following the accrual criterion, that is, based on the real flow of the goods or services they represent, regardless of the moment at which the related monetary or financial flow occurs.

The Group's concessionary companies recognize toll revenue at the time a vehicle utilizes the motorway. In the case of some companies, part of this revenue is assumed by the Central Government or the Regional Governments, in accordance with the provisions of the applicable

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legislation (see Note 12). Toll rates are updated annually in accordance with the rules applicable to each company.

Income is valued at the fair value of the consideration received or to be received, deducting the discounts, price reductions and other similar items the companies may grant, in addition to the interest incorporated in the nominal amount of any loans, as and when applicable. Indirect taxes imposed on these operations that are chargeable to third parties do not form part of income.

Commissions on credit sales, cards or “Vía T” electronic collection devices incurred by the concessionary companies are recognized under the External Services item on the Consolidated Income Statement.

As regards income from the rendering of services, this is recognized taking into account the degree of completion of the service rendered at the end of the reporting period, provided that the transaction’s result can be reliably estimated. In the case of the Group company, GESTIÓN DE INFRAESTRUCTURAS DE BIZKAIA, S.A. (GEBISA), in which AP-1 EUROPISTAS, C.E.S.A. has a 55% stake, and which, since 6 June 2013, has been providing the operation, maintenance and conservation service of the section of the AP-8 motorway between Gallo/Urgoiti and Ermua, that up until that date had been provided by the Group company, AUTOPISTAS DE BIZKAIA, S.A. (AUBISA), the income is recognized on the basis of the costs incurred in relation to total estimated costs.

(u) Classification of Assets and Liabilities between Current and Non-Current

Accounts receivable and accounts payable are classified on the Consolidated Balance Sheet as either current, when their maturity is equal to or less than 12 months, or non-current, when their maturities exceed this period.

(v) Environment

The Group’s companies carry out operations whose main purpose is to prevent, reduce or repair any damage caused to the environment as a result of their activities, with the charges resulting from these environmental activities being recognized as charges in the financial year in which they are incurred.

Tangible fixed assets acquired for sustained long-term use in the activity and whose main purpose is the minimization of the environmental impact and environmental protection and enhancement, including the reduction or elimination of future pollution caused by the Group’s operations, are recognized as assets through the application of valuation, presentation and disclosure criteria consistent with those referred to in Notes 4 and 5.

As regards possible environment-related contingent liabilities, the Directors are of the opinion that they are sufficiently covered with the civil liability insurance policies that the Group’s companies have taken out.

(w) Discontinued Operations

As established in IFRS 5, discontinued operations consist of the sale or disposal through other means or the classification as held for sale of one of the Group’s components that, in addition:

- Represents a business line or geographical area that is significant and can be considered separate from the rest;
- Forms part of an individual and coordinated plan for disposing of a business line or geographical area that is significant and can be considered separate from the rest; or
- Is an investee company acquired exclusively with a view to its resale.

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Whenever an operation meets the requirements for being considered discontinued, the Group presents the profit or loss after tax of the discontinued operation under a single heading, including the possible loss resulting from its recognition at the lower of its book value or its fair value less costs to sell, or the loss or gain in the case of the asset's disposal.

As described in Note 1 (e), during the 2014 financial year, the Group carried out a divestment process in Chile through which the companies, CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE, LTDA. (previously, Itínere Chile, S.A.), INVERSIONES TORRELODONES LTDA. and INVERSIONES BOADILLA LTDA., companies in which ITÍNERE held stakes at 31 December 2013, were liquidated and sold, respectively (see Notes 1 (e) and 2 (d) (ii)). As a consequence of the foregoing, the profit or loss from the operations carried out by these companies was shown as "Consolidated profit (loss) from Discontinued Operations", on the consolidated Income Statement for the 2014 financial year (Note 2 (d)).

The Consolidated Statement of Cash Flows at 31 December 2014 included the cash flows corresponding to the aforesaid companies under the heading "Net Cash Flows from Discontinued Operations".

The consolidated annual accounts for the year ended 31 December 2014 include detailed information on the divestment process in Chile, as well as all the breakdowns relating to the discontinued activity.

4. TANGIBLE ASSETS

Their detail and movement during the 2015 and 2014 financial years are as follows:

Thousands of euros	Land and Buildings	Technical Installations and Machinery	Other Installations, Tools and Furniture	Other Fixed Assets	Total
Cost at 31 December 2013 (restated)	2,082	8,800	2,310	3,351	16,543
Additions	5	386	56	133	580
Removals	-	(1,255)	(202)	(42)	(1,500)
Cost at 31 December 2014	2,087	7,931	2,164	3,442	15,623
Accumulated depreciation at 31 December 2013 (restated)	(770)	(6,997)	(1,854)	(2,913)	(12,534)
Additions	(43)	(468)	(88)	(197)	(796)
Removals	-	1,239	201	42	1,482
Accumulated depreciation at 31 December 2014	(813)	(6,226)	(1,741)	(3,068)	(11,848)
Net book value at 31 December 2014	1,274	1,705	423	374	3,776
Cost at 31 December 2014	2,087	7,931	2,164	3,442	15,623
Additions	-	145	64	173	382
Removals	-	(753)	(3)	(1,134)	(1,890)
Transfers	-	21	18	(21)	18
Cost at 31 December 2015	2,087	7,344	2,243	2,460	14,134
Accumulated depreciation at 31 December 2014	(813)	(6,226)	(1,741)	(3,068)	(11,848)
Additions	(43)	(446)	(95)	(139)	(723)
Removals	-	736	3	1,121	1,860
Accumulated depreciation at 31 December 2015	(856)	(5,957)	(1,833)	(2,065)	(10,711)
Net book value at 31 December 2015	1,231	1,387	410	395	3,423

As indicated in Note 3 (d) above, the Group values its tangible asset elements at their cost value. At 31 December 2015 and 2014, there is no indication of impairment of tangible assets.

As at 31 December 2015 and 2014, there are no tangible asset elements subject to guarantees or restrictions as regards their ownership. Likewise, the Group has signed insurance policies to adequately cover the risks to which its tangible asset elements are exposed.

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At 31 December 2015, the Group has fully depreciated tangible assets for an amount of 7,475 thousand euros (7,337 thousand euros at 31 December 2014).

5. CONCESSION ARRANGEMENTS

The detail and movement during the 2015 and 2014 financial years are as follows:

Thousands of euros	Concession Arrangements
Cost at 31 December 2013 (restated)	3,358,735
Additions	12,143
Removals	(6,287)
Cost at 31 December 2014	3,364,591
Accumulated depreciation at 31 December 2013 (restated)	(467,609)
Additions	(128,106)
Accumulated depreciation at 31 December 2014	(595,715)
Net book value at 31 December 2014	2,768,876
Cost at 31 December 2014	3,364,591
Additions	47,877
Removals	-
Cost at 31 December 2015	3,412,468
Accumulated depreciation at 31 December 2014	(595,715)
Additions	(128,106)
Accumulated depreciation at 31 December 2015	(723,821)
Net book value at 31 December 2015	2,688,646

The main additions registered in 2015 and 2014 refer to the studies and designs carried out by AUDASA in relation to the agreement approved by virtue of Royal Decree 1733/2011 of 18 November 2011 signed with the Ministry of Public Works for the enlargement of the capacity of various sections of the motorway (Santiago de Compostela bypass and Vigo access, including the Puente de Rande bridge), in addition to the activation of net finance expenses for an amount of 13,014 thousand euros in 2015 (8,727 thousand euros in 2014), associated with the issue of new debt carried out in April 2014 to finance the work under this agreement (see Notes 17.1 and 27).

So as to compensate the concessionary company for the investments to be made and the greater expenses involved in the activities, the aforesaid Royal Decree 1733/2011 contemplates, on an exceptional basis, a moderate increase in toll rates, which will remain in force until the investments for the enlargement work, conservation expenses and other associated costs have been compensated in full.

The compensation of these investments and their associated costs is calculated through the capitalized value at an annual rate of 8% of the cash flows associated with this project up to the end of the concession period. This compensation does not include the amount of the activation of net finance expenses which, at 31 December 2015, amount to a total of 21,741 thousand euros (8,727 thousand euros at 31 December 2014). Consequently, the total investment amount that has to be compensated at 31 December 2015 is 43,579 thousand euros (8,714 thousand euros at 31 December 2014).

The amount of the financial updating of these investments, calculated as established in Royal Decree 1733/2011, is 2,013 thousand euros at 31 December 2015 (1,218 thousand euros at 31 December 2014). Consequently, the total amount of the compensation to be received under this agreement at 31 December 2015 is 45,592 thousand euros (9,932 thousand euros at 31 December 2014).

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As explained in Note 10.1, for the restoration of the economic and financial balance of AUDASA, the joint balance resulting from the application of the aforesaid Royal Decree 1733/2011 of 18 November 2011 and of Royal Decree 104/2013 of 8 February 2013 has to be calculated.

The deletions registered in 2014 refer to the recovery from the Ministry of Public Works of the last part of the excess of the expropriations paid by AUDASA at the time over and above the limit of 18 million euros laid down in Royal Decree 173/2000 for the inclusion in the layout of the AP-9 of the section known as North Access to Ferrol via Fene, Neda and Narón. The paid up amount of 6,287 thousand euros completes that already received in the 2007 financial year of 8,103 thousand euros.

The detail by company under the "Concession Arrangements" heading at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015		
	Cost	Accumulated Depreciation	Net Value
AUDASA	2,239,075	(297,981)	1,941,093
AUCALSA	531,682	(68,056)	463,626
AUTOESTRADAS	153,933	(23,494)	130,439
AP-1 EUROPISTAS	487,778	(334,290)	153,488
Total Concession Arrangements	3,412,468	(723,821)	2,688,646

Thousands of euros	2014		
	Cost	Accumulated Depreciation	Net Value
AUDASA	2,191,198	(240,466)	1,950,732
AUCALSA	531,682	(54,741)	476,941
AUTOESTRADAS	153,933	(19,003)	134,930
AP-1 EUROPISTAS	487,778	(281,505)	206,273
Total Concession Arrangements	3,364,591	(595,715)	2,768,876

The detail of the Group's concession arrangements is as follows:

Concessionary Company	Concession Arrangement	Concession Kilometres	Commissioning Date	End of Concession
AP-1 EUROPISTAS	AP-1 Burgos-Armiñon	84.3 kms	1978	2018
AUDASA	AP-9 El Ferrol-Tuy	219.6 kms	1979	2048
AUCALSA	AP-66 Campomanes-León	77.8 kms	1983	2050
AUTOESTRADAS	AG-55 A Coruña-Carballo	33.1 kms	1997	2045
	AG-57 Puxeiros - Val Miñor	25.0 kms		

In the 2008 financial year, AUTOESTRADAS started work on the construction of new links on the AG-57 Val Miñor motorway, by virtue of the acceptance of an agreement with the Galicia Regional Government for the concession's modification and its inclusion in the project approved by the Regional Authorities for the purpose. As provided for in Decree 100/2008, the Galicia Regional Government committed itself to the financing of two of the four links envisaged in the aforesaid Decree. Specifically, the Galicia Regional Government assumed full responsibility for the total investment needed to complete the Sabaris link and the execution of a new access link to the motorway at Porto de Molle. The Regional Administration allocated resources to these two links in an amount of 10,640 thousand euros.

In turn, AUTOESTRADAS assumed full responsibility for the total financing of the necessary investment for the motorway's enlargement at the Nigrán and A Ramallosa links, for which it used its own equity, in addition to resources provided by its sole shareholder, ENA INFRAESTRUCTURAS, S.A., without needing to obtain funds from outside the Group.

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These construction works were executed normally throughout the 2009 and 2010 financial years, having been concluded within the time frames specified in the construction design.

In connection with the grants received by the aforementioned company for financing these works, in the 2011 financial year they were reclassified as lower value under the "Concession Arrangements" heading on the grounds that they were a component of the agreement.

As at 31 December 2015 and 2014, there are no elements under the heading "Concession Arrangements" in the Group's companies subject to guarantees or restrictions as regards their ownership.

As at 31 December 2015 and 2014, the total investment under the aforesaid heading corresponds to reversible-type properties that will be transferred by the Group's companies to the different concession-granting Administrations at the end of the respective concession periods, as per the concession agreements' terms and conditions. The companies do not expect to incur additional expenses over and above those contemplated in their Economic and Financial Plans as a result of the reversion of their infrastructures at the termination of these periods.

The Group's companies have formalized insurance policies to adequately cover the risks to which the different elements comprising the investment under the "Concession Arrangements" heading are exposed.

At the close of the 2015 financial year, no indications of the existence of impairment of the respective concession agreements have been identified in the Group. Notwithstanding the above, given the nature of the business conducted by these companies, on an annual basis they calculate the value in use of their concession assets and check to ensure that it is higher than these assets' book value at the date of the analysis. As a consequence of the foregoing, it has not been considered necessary to register value adjustments of any type at 31 December 2015.

In order to determine the value in use of the concession assets, an estimate has been made of the future cash inputs and outputs deriving from the continued use of these assets, that is, the operating flows that the companies expect to obtain from the concession arrangement on that date. These flows have been discounted at a rate that is appropriate to their nature (operating income and expenses). For this, the following aspects have been taken into account:

- Management's reasonable assumptions and best estimates, based on the information available at the date of the analysis, giving consideration to the economic conditions forecast for the concession's remaining life that constitute its Business Plan. In this regard, the specific characteristics of each concession arrangement have been taken into account.
- Budget estimates and economic and operation projections up to the end of the concession's life. For this, the Company uses traffic estimates and CPI projections prepared by an independent expert.

In addition, and without prejudice to the possibility of the existence or otherwise of an important risk of variation in the key assumptions, the companies have conducted a sensitivity analysis of the value in use of their concession assets, in order to verify whether or not the recoverable amount exceeds the book value at the close of the financial year. This sensitivity analysis contemplates significant variations in the discount rate and in the percentage of compliance with traffic estimates, and the results obtained show that the concession agreement's recoverable amount at 31 December 2015 is higher than its book value in the scenarios contemplated.

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6. INVESTMENT PROPERTIES

Their movement during the 2015 and 2014 financial years is as follows:

Thousands of euros	Investment properties
Cost at 31 December 2013	5,878
Removals	(88)
Cost at 31 December 2014	5,790
Accumulated depreciation at 31 December 2013	(3,838)
Additions	(176)
Accumulated depreciation at 31 December 2014	(4,014)
Net book value at 31 December 2014	1,776
Cost at 31 December 2014	5,790
Cost at 31 December 2015	5,790
Accumulated depreciation at 31 December 2014	(4,014)
Additions	(177)
Accumulated depreciation at 31 December 2015	(4,191)
Net book value at 31 December 2015	1,599

The investment properties registered at 31 December 2015 and 2014 refer to two business premises located in Bilbao and Vitoria that are owned by ITÍNERE.

The heading also includes 3 business premises located in a building in Madrid owned by ENA that are either leased to third parties or are available for leasing. The lease agreements in which the company acts as the Lessor expire in December 2019 and the detail of the minimum rents, under the prevailing terms and conditions, without taking into account the impact of communal expenses or future CPI-based or contractually agreed rent increases, at 31 December 2015 and 2014, is as follows:

Thousands of euros	2015	2014
One year	109	109
Between 1 and 4 years	327	436
Total	436	545

Income from the business premises leased to third parties, as recorded in the Income Statement for the 2015 financial year, amounts to 142 thousand euros and includes the impact of communal expenses (145 thousand euros in the 2014 financial year).

Expenses deriving from the investment properties owned by the Group refer to their annual depreciation and maintenance charges, which have amounted to 128 thousand euros in the 2015 financial year (118 thousand euros in 2014). All the charges are registered in the profit and loss account in accordance with the accrual principle.

As at 31 December 2015 and 2014, the Company has fully depreciated investment property elements for an amount of 54 thousand euros.

As at 31 December 2015 and 2014, there are no restrictions either on making property investments or on the collection of the income resulting from these properties.

As at 31 December 2015 and 2014, there are no contractual obligations for the acquisition, construction or development of investment properties or for their repair, maintenance or improvement.

The Companies have signed insurance policies to adequately cover the risks to which the different elements that comprise the investment properties are exposed.

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7. OTHER INTANGIBLE ASSETS

Their movement during the 2015 and 2014 financial years is as follows:

Thousands of euros	Administrative Concessions and Patents	Computer Applications	Other Intangible Assets	Total
Cost at 31 December 2013 (restated)	2,795	1,805	129	4,729
Additions	-	100	24	124
Removals	(1,995)	(435)	-	(2,430)
Cost at 31 December 2014	686	1,470	153	2,310
Accumulated depreciation at 31 December 2013 (restated)	(2,606)	(996)	-	(3,603)
Additions	(4)	(126)	(6)	(136)
Removals	1,995	-	-	1,995
Accumulated depreciation at 31 December 2014	(615)	(1,122)	(6)	(1,744)
Net book value at 31 December 2014	71	348	147	566
Cost at 31 December 2014	686	1,470	153	2,310
Additions	-	106	22	128
Removals	-	(39)	-	(39)
Transfers	-	-	(18)	(18)
Cost at 31 December 2015	686	1,537	157	2,380
Accumulated depreciation at 31 December 2014	(615)	(1,122)	(6)	(1,744)
Additions	(3)	(138)	(3)	(144)
Removals	-	33	-	33
Accumulated depreciation at 31 December 2015	(618)	(1,227)	(9)	(1,854)
Net book value at 31 December 2015	68	310	148	526

Computer applications mainly included the costs incurred by ITÍNERE since the 2007 financial year for the development of an independent power system that allows a variable signalling portal to be supplied with power, thereby protecting the environment. As at 31 December 2013, the costs associated with this project amounted to 435 thousand euros, which were written off against profit or loss during the 2014 financial year owing to the fact that the system's application had been envisaged in Chile (due to the greater difficulty of access to electricity grids). Said loss is included in the heading "Gains (Losses) on Sales of Assets" in the attached Consolidated Income Statement for 2014.

At 31 December 2015, the Group has fully amortized intangible assets for an amount of 1,357 thousand euros (1,258 thousand euros at 31 December 2014).

As at 31 December 2015 and 2014, there are no intangible asset elements subject to guarantees or reversal or subject to restrictions as regards their ownership.

8. GOODWILL

As described in Note 1 (d), within the framework of the business combination carried out in the 2009 financial year, the Company recognized remaining goodwill after distribution of the aforesaid combination's acquisition price for an amount of 1,291,522 thousand euros, corresponding to the value that the Group expected to generate, mainly deriving from its financial and tax structure. These aspects represented an optimization of the Group's overall free cash flows, which meant that they could not be allocated individually to any of its assets but only to the corresponding groups of cash-generating units, which initially were the ENAITÍNERE and PARTICIPACIONES AP-1 EUROPISTAS segments (currently dissolved after their merger in 2015 with ENAITÍNERE).

As mentioned in Note 3 (a), at the end of the reporting period, an assessment is made regarding the existence of impairment losses in relation to the goodwill allocated to the cash-generating units, based on the calculation of their value in use. For this, estimates are made using cash

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flow discounting methods, through which the recoverable value of the cash-generating units amongst which goodwill has been allocated is established. This recoverable value is the greater of their fair value less costs to sell or their value in use.

In order to carry out this impairment test, the Group uses projections, from which it obtains the cash-generating units' value in use that take into account the Group's financial and fiscal structure and are based on the economic-financial plans of each concession arrangement, in which the complete recovery of the investment made by the different companies, as well as the amortization of the subscribed debt throughout their respective concession periods, are envisaged.

When establishing the current value of future cash flows, the following variables are taken into account:

- The concessionary companies' estimated cash flow generation term, which corresponds to the term of the concession agreement in question.
- Projection of income and expenses, based on the following criteria:
 - ✓ The revenue that will be generated by these companies throughout the concessions periods has been estimated on the basis of the predicted evolution in the Consumer Price Index (CPI), used to calculate the adjustment of fares, taking into consideration other variables, such as the degree of maturity of each of the companies and any other specific aspects that could affect their future activity. For this, the traffic estimates of each one of the concessionary companies, based on a traffic study carried out by an independent expert for the concession periods remaining up to their scheduled date of reversion to the respective concession-granting Administrations, have been taken into account.
 - ✓ As regards expenses, these have been estimated on the basis of the expected evolution in the CPI and the activity's projected development (traffic, technical enhancements, etc.).
- As regards future investments, which include infrastructure maintenance and replacement activities, the best estimates available to the companies based on their experience and the activity's forecast development have been used.
- A Weighted Average Cost of Capital (WACC) calculated at 6.76% for 2015 (6.81% for 2014).

The internal analysis carried out corresponding to the 2015 financial year has not revealed signs of additional impairment over and above those taken into account at the close of the 2012 financial year when it was necessary to make an impairment-based value adjustment relating to goodwill for an amount of 305,477 thousand euros. The factors determining this impairment were the following: the evolution of business in the Group's concessionary companies, as a consequence of the fall in levels of traffic on the motorways operated by the Group's companies and the consequent impact on future estimates; changes in the fiscal rules, particularly Royal Decree 12/2012 and the regulations for its application, which introduced limitations on the extent to which finance expenses can be deducted that affect the Group's financing structure and whose forecast evolution differs from the initial projections; the tightening of financial market conditions and their impact on future projections.

As a consequence of the foregoing, as at 31 December 2015 and 2014, goodwill amounts to 986,045 thousand euros.

In addition, and without prejudice to the possibility of the existence or otherwise of an important risk of variation in the key assumptions, the Group has conducted a sensitivity analysis to test for the impairment of goodwill, in order to check whether or not the recoverable amount exceeds the book value at the close of the financial year. This sensitivity analysis has been conducted taking into account important variations in the main assumptions of up to an increase of 100

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basis points in the discount rate (WACC) and a decrease of 10% in the traffic estimates made, variations that the Group considers will not be exceeded. The results of this sensitivity analysis show that the recoverable amount of goodwill at 31 December 2015 is higher than its book value in the scenarios contemplated.

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The detail and movement of this heading on the Consolidated Balance Sheet for the 2015 and 2014 financial years are as follows:

Thousands of euros	Balance at 31/12/2013 (restated)	Change in Equity	Participation in Profit (Loss)	Balance at 31/12/2014	Change in Equity	Participation in Profit (Loss)	Balance at 31/12/2015
AUTOPISTAS DE NAVARRA, S.A. (AUDENASA)	212,490	(4,912)	(588)	206,990	(7,828)	244	199,406
BIP & DRIVE, S.A.	-	773	(301)	472	1,251	(323)	1,400
TACEL INVERSIONES, S.A.	-	-	-	-	-	-	-
Investments in Associates and Joint Ventures	212,490	(4,139)	(889)	207,462	(6,577)	(79)	200,806

AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) was incorporated on 28 July 1973 and its corporate purpose is the construction, operation and conservation of a toll motorway between Irurzun and the link with the Ebro motorway (AP-15), excluding the section corresponding to the Pamplona Ronda Oeste (West Ring Road) which, pursuant to the agreement signed on 19 May 1987, was constructed by the Navarre Regional Government and transferred to the Company in 1991 for its operation and conservation. The motorway's layout is 112.6 km long. The concession agreement's scheduled expiry date is 30 June 2029. As commented in Note 2 (f), the Group has been applying IFRS 11 – Joint Arrangements – since its entry into force on 1 January 2014, which has meant that the consolidation of its stake in the aforesaid company is carried out under the equity method instead of the proportional integration method that had been used up to 31 December 2013. For information purposes, Note 35 includes the consolidated profit and loss obtained in financial years 2015 and 2014, through the proportional consolidation of AUDENASA.

BIP & DRIVE, S.A., a company in which ITÍNERE has a 20% stake in the corporate capital, was incorporated on 18 March 2014. During financial year 2015 cash disbursements were made to it for a total amount of 1,049 thousand euros (773 thousand euros in 2014). Its activity is the rendering of management services for the collection of the right of access to any infrastructure, in addition to the promotion, marketing, sale, management and operation of telematic products and services and associated equipment.

TACEL INVERSIONES, S.A. is the sole shareholder of "AUTOPISTA CENTRAL GALLEGA, C.E.S.A.", the concessionary company for the construction, operation and conservation under a toll regime of the Santiago-Alto de Santo Domingo section of the Santiago de Compostela-Ourense motorway.

The Group registered a value impairment adjustment of 100% of the value of its stake in TACEL INVERSIONES, S.A. in 2012, resulting from the impairment test carried out at the close of that financial year, which was used to estimate the current value of future cash flows expected to be obtained from the AUTOPISTA CENTRAL GALLEGA, C.E.S.A. project. The aforesaid impairment was the consequence of the effect on business forecasts generated by the evolution of this project's activity, in which the decline in traffic levels significantly affects its development.

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The detail of the basic financial information of the companies consolidated under the equity method at 31 December 2015 is as follows, in thousands of euros:

Name of Company	% Stake	Investment Amount	Capital	Reserves	Operating Profit (Loss)	Other Profit (Loss)	Equity	Dividends Received
AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) ⁽¹⁾	50.00%	40,307	170,435	(19,708)	18,004	(556)	168,174	8,060
BIP & DRIVE, S.A. ⁽²⁾	20.00%	1,822	2,420	6,194	(2,154)	538	6,998	-
TACEL INVERSIONES, S.A. ⁽²⁾	18.36%	6,141	33,450	(137)	(8)	2	33,308	-

⁽¹⁾ Financial information obtained from the annual accounts for financial year 2015, prepared in accordance with the rules for the adaptation of the General Chart of Accounts to public infrastructure concessionary companies approved by Order EHA/3362/2010 of 23 December 2010, subject to the harmonization of IFRS-EU value criteria.

⁽²⁾ Financial information obtained from their respective annual accounts for the 2015 financial year, prepared under the General Chart of Accounts in force since 1 January 2008.

The detail of the financial information corresponding to the financial year ended 31 December 2014 of the companies consolidated under the equity method in the period is included in the Consolidated Annual Accounts for that financial year.

10. NON-CURRENT FINANCIAL ASSETS.

The detail and movement under this heading on the Consolidated Balance Sheet corresponding to the 2015 and 2014 financial years are as follows:

Thousands of euros	Other Loans	Other Financial Assets	Derivatives	Loans to Cos. Recorded using Equity Method	Total
Cost at 31 December 2013 (restated)	3,086	181	1,586	2,387	7,240
Additions	3,578	-	3,604	-	7,182
Removals	(79)	(1)	(1,313)	-	(1,393)
Transfers	(333)	-	-	-	(333)
Cost at 31 December 2014	6,253	180	3,877	2,387	12,697
Additions	4,337	2	818	-	5,157
Removals	(44)	(1)	(2,591)	-	(2,636)
Transfers	-	-	-	-	-
Cost at 31 December 2015	10,546	181	2,104	2,387	15,218
Valuation adjustments for impairment at 31 December 2014	-	-	-	(2,387)	(2,387)
Valuation adjustments for impairment at 31 December 2015	-	-	-	(2,387)	(2,387)
Net book value at 31 December 2014	6,253	180	3,877	-	10,310
Net book value at 31 December 2015	10,546	181	2,104	-	12,831

(Note 19.3)

10.1 OTHER CREDITS

At 31 December 2015, this heading shows the lower revenue obtained by AUDASA as a consequence of the application of the rebates provided for in Royal Decree 104/2013 of 8 February 2014, for an amount of 9,644 thousand euros (5,986 thousand euros at 31 December 2014) as well as the financial updating of these amounts, which will also be the object of compensation in an amount of 863 thousand euros (211 thousand euros at 31 December 2014). These discounts are applied to the users of lightweight vehicles on the return journey in a working day on the Pontevedra-Vigo, Pontevedra-Morrazo, Pontevedra-Vilaboa and Rande-Vigo motorway sections, through the dynamic toll system.

As established in the aforementioned Royal Decree, in order to compensate these lower revenues and the capitalized value of net cash flows up to the end of the concession period calculated at an annual rate of 8%, identical to that contemplated in Royal Decree 1733/2011 of 18 November 2011 (Note 5), the Company can request from the Ministry of Public Works, once the joint amount of both Royal Decrees has been calculated, an extraordinary update of toll rates that guarantees that prior to the concession period's termination, the resulting joint amount of the compensation is at zero.

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This heading also includes loans and advances to personnel, which accrue interest in accordance with the rate established in the collective wage agreements in force in the Group's companies.

10.2 OTHER FINANCIAL ASSETS

As at 31 December 2015 and 2014, this heading mainly refers to long-term performance bonds provided by the Group's companies.

10.3 LOANS TO COMPANIES RECORDED IN THE ACCOUNTS USING THE EQUITY METHOD

This heading includes the participating loan that the company, TACEL INVERSIONES, S.L., subscribed with its shareholders on 28 December 2006 for a total amount of 13,000 thousand euros, the original maturity of which was 31 July 2013 and which, on that date, was substituted by novation, with the final maturity being established as 30 June 2016. The Group's participation in the aforesaid loan amounted to 2,387 thousand euros.

In the 2012 financial year, an impairment-based value adjustment was registered for the total amount of the aforesaid loan, as a result of the impairment test carried out at the close of that financial year, through which the current value of the future cash flows expected to be obtained from the AUTOPISTA CENTRAL GALLEGA, C.E.S.A. project was estimated. As mentioned in Note 9, this impairment was the consequence of the effect on business forecasts of the evolution in this project's activity, with a decline in traffic levels that significantly affected its development.

11. CUSTOMERS BY SALES AND SERVICES RENDERED

The Customers by Sales and Services rendered heading at 31 December 2015 and 2014 includes the balances relating to vehicles using the Group's motorways paid for by credit card or electronic collection device, in which the collection period is less than 30 days. It also includes the balance held by the Group company, GEBISA, with the public company that reports to the Regional Government of the Basque Country to which it provides the AP-8 motorway operation and conservation service.

12. PUBLIC ADMINISTRATIONS

The debit balances with Public Administrations at 31 December 2015 and 2014 are shown as follows:

Thousands of euros	2015	2014
Treasury Department, Receivables		
For other concepts	30,668	12,390
Social Security, Receivables	8	14
Other Public Entities, Receivables:		
Ministry of Public Works (including interest)	11,890	11,414
Galicia Regional Government	6,843	7,131
Public Administrations, Receivables	49,409	30,949

At 31 December 2015, the Receivable, Treasury Department for other Concepts heading includes Corporate Income Tax corresponding to the 2014 financial year resulting from paying tax under a fiscal consolidation regime, for a value of 30,667 thousand euros (12,358 thousand euros at 31 December 2014, corresponding to the 2013 financial year's Corporate Income Tax settlement). At the date of the preparation of these consolidated annual accounts both amounts have been collected.

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The balance with the Ministry of Public Works includes, among others, the economic compensation paid annually by the Administration as a consequence of the lower revenue being obtained on certain motorways by virtue of different measures introduced for this purpose.

In regard to the above, this heading includes compensation to be received by AUCALSA as a result of the 30% reduction in toll rates to be applied to heavy vehicles and the 50% reduction in the toll rate of the motorway's use by regular users pertaining to the light-vehicle group, with a balance pending collection at 31 December 2015 of 5,315 thousand euros (4,967 thousand euros at 31 December 2014). It also includes the compensation to be received by AUDASA due to the suppression of toll collections in certain sections of the motorway, the compensation of which is financed equally by the Ministry of Public Works and the Regional Government of Galicia, for which the company has a receivable at 31 December 2015 of 6,575 and 6,621 thousand euros, respectively (6,447 thousand euros at 31 December 2014).

In addition to the part of the compensation referred to in the previous paragraph, the balance with the Regional Government of Galicia also includes the guaranteed minimum revenue from the opening of the new AUTOESTRADAS links, the collection period of which ended in July 2015 and which have amounted to 566 and 1,132 thousand euros in 2015 and 2014, with no amounts pending payment at year-end 2015 (472 thousand euros pending payment at 31 December 2014). Similarly, it includes the toll rebate for the users who make the same journey on the motorway, there and back in the same day, using an OBE electronic toll payment system. Income in an amount of 484 thousand euros in 2015 (359 thousand euros in 2014) has been registered in AUTOESTRADAS for this concept, with the balance pending collection for this same concept at 31 December 2015 being 79 thousand euros (70 thousand euros at 31 December 2014).

The detail of credit balances with Public Administrations at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Treasury Department, Payables		
For tax concepts	1,621	1,650
For VAT	6,421	6,106
Social Security, Payables	478	477
Public Administrations, Payables	8,520	8,233

13. OTHER RECEIVABLES

The breakdown of Other Receivables at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Related parties, receivables (Note 22)	804	288
Other accounts receivable	1,149	1,084
Other Accounts Receivable	1,953	1,372

The Other Receivables heading includes amounts pending collection resulting from ancillary activities carried out by the concessionary companies.

14. CASH AND CASH EQUIVALENTS

The detail of this heading on the attached Consolidated Balance Sheet at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Cash	80,183	86,552
Short-Term Securities Portfolio	232,885	296,951
Cash and Cash Equivalents	313,068	383,503

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Cash shown on the attached Consolidated Balance Sheet at 31 December 2015 and 2014 is mainly denominated in euros.

The short-term securities portfolio includes the investments made by the Group's companies in bank deposits and term deposits, which accrue interest at market rates, the maturities of which are less than 3 months from the contract date.

The average remuneration of the short-term securities portfolio at the end of the 2015 financial year is 0.59% (1.11% in the 2014 financial year).

15. EQUITY

The detail and movement corresponding to the 2015 and 2014 financial years are shown on the Consolidated Statement of Changes in Equity, which forms a comprehensive part of these consolidated annual accounts.

15.1 REGISTERED CAPITAL

On 25 September 2012, the Company increased its share capital by 116,533 thousand euros, plus a premium of 825,250 thousand euros, through the offsetting of participating and simple loans granted to the Company by its main shareholders. The details of this capital increase are included in the accrual accounts corresponding to the financial year ended 31 December 2012.

As at 31 December 2015 and 2014, the share capital of ITÍNERE is represented by 452,804,870 registered shares with a face value of 0.49 euros each, fully subscribed and paid up.

The share capital's composition at 31 December 2015 and 2014 is as follows:

Thousands of euros	Number of Shares	% Stake
Arecibo Servicios y Gestiones, S.L.	245,367,361	54.19%
Abanca Corporación Industrial y Empresarial, S.L. (*)	107,826,737	23.81%
Sacyr, S.A.	70,216,145	15.51%
Liberbank Capital, S.A.	26,297,964	5.81%
Other shareholders	3,043,194	0.67%
Treasury stock	53,469	0.01%
TOTAL	452,804,870	100.00%

(*) Includes the stake of 11.62% held at 31 December 2014 by Caixanova Invest, S.C.R, a company that has been dissolved and whose assets have been transferred to Abanca Corporación Industrial y Empresarial, S.L.

As at 31 December 2015 and 2014, the company holds treasury stock for a value of 212 thousand euros comprised of 53,469 shares with a face value of 0.49 euros and an average acquisition price of 3.96 euros per share.

15.2 SHARE PREMIUM

At 31 December 2015 and 2014, the share premium stands at 1,038,560 thousand euros. This reserve can be used at will, to the extent that the resulting capital and reserves are not less than the share capital.

This reserve is freely distributable always provided that the resulting capital and reserves are not less than the corporate capital.

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15.3 RESERVES

The detail and movement of Reserves during the 2015 and 2014 financial years are as follows:

Thousands of euros	Cash Flow Hedge Reserves	Exchange Gains (Losses)	Total Reserves
Balance at 31 December 2013	(17,041)	(8,233)	(25,274)
Adjustments for change in tax rate (Note 23.3)	(1,058)	-	(1,058)
Comprehensive profit (loss) for the period	-	8,233	8,233
Changes in fair value	(1,269)	-	(1,269)
Balance at 31 December 2014	(19,368)	-	(19,368)
Adjustments for change in tax rate (Note 23.3)	100	-	100
Changes in fair value	8,380	-	8,380
Balance at 31 December 2015	(10,988)	-	(10,988)

15.4 ACCUMULATED EARNINGS AND OTHER RESERVES

The detail and movement of Accumulated Earnings and Other Reserves during the 2015 and 2014 financial years are as follows:

Thousands of euros	Accumulated Earnings and other Reserves
Balance at 31 December 2013	(15,658)
Comprehensive profit (loss) for the period	(50,992)
Adjustments for change in tax rate (Note 23.3)	(2,370)
Balance at 31 December 2014	(69,020)
Comprehensive profit (loss) for the period	(60,359)
Changes in the Consolidation Perimeter (Note 1 (e))	209
Other changes in equity	(127)
Adjustments for change in tax rate (Note 23.3)	192
Balance at 31 December 2015	(129,105)

Companies are legally required to allocate a minimum of 10% of each financial year's profit to the constitution of a reserve fund until it reaches an amount that is equal to 20% of the share capital. This reserve cannot be distributed to shareholders and may only be used to cover the debit balance in the Income Statement when there are no other available reserves. As at December 2015 and 2014, ITÍNERE has provisioned the compulsory legal reserve in the amount of 26,956 thousand euros.

This heading includes the reserves in consolidated companies.

15.5 MINORITY SHAREHOLDERS' EQUITY

The detail of the equity that corresponds to minority shareholders at 31 December 2015 is as follows:

Thousands of euros	Minority Share Percentage	Total Reserves	Financial Year Profit (Loss)	Total
GESTIÓN DE INFRAESTRUCTURAS DE BIZKAIA, S.A.	45%	489	193	682
Minority Shareholders' Equity		489	193	682

The information relating to non-minority shareholders' stakes in investee companies is given in Appendix II. The financial information is disclosed prior to carrying out intra-group eliminations.

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15.6 DIVIDENDS PER SHARE

The holding Company has not distributed any dividends during the 2015 and 2014 financial years.

16. DEFERRED INCOME

The detail and movement during the 2015 and 2014 financial years are as follows:

Thousands of euros	Grants	Other Deferred Income	Total
Cost at 31 December 2013	489	244	733
Additions	-	1	1
Allocation to profit and loss	(409)	(64)	(473)
Cost at 31 December 2014	80	181	261
Allocation to profit and loss	(22)	(53)	(75)
Cost at 31 December 2015	58	128	186

16.1 CAPITAL GRANTS

At 31 December 2015, this heading includes the difference between the fair value at which certain zero interest rate loans granted to ITÍNERE by the Ministry of Industry, Trade and Tourism have been registered and the amount granted, on the understanding that this difference is an interest-rate subsidy (Note 17.3).

In the 2014 financial year, ITÍNERE allocated to profit and loss the capital grant deriving from the non-reimbursable part of the soft loan that can be transformed into a capital grant, formalized by ITÍNERE and the CDTI in 2007 for an amount of 273 thousand euros. Likewise, in financial year 2014, the Company allocated to profit and loss the capital grant deriving from a grant in the amount of 110 thousand euros, awarded in 2007 by the Ministry of Industry, Trade and Tourism for the development of an independent power system, as a result of the removal of the asset associated with this grant. These allocations are shown under the heading "Allocation of Grants and Other Non-Financial Assets" on the 2014 Consolidated Income Statement.

Up to 31 December 2015, income in an amount of 641 thousand euros has been transferred to the Consolidated Income Statement, of which 22 thousand euros correspond to the 2015 financial year (409 thousand euros in 2014).

16.2 OTHER DEFERRED INCOME

The detail by companies at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
AP-1 EUROPISTAS	119	152
AUTOESTRADAS	9	29
Other Deferred Income	128	181

The amount corresponding to AP-1 EUROPISTAS includes the amounts received by the company as compensation for the refurbishment of certain installations carried out in the Ameyugo and Briviesca service areas. These amounts are allocated to profit or loss in proportion to the depreciation suffered by the financed assets.

As regards AUTOESTRADAS, the amount in this account includes the rebate on the interest rate of a European Investment Bank (EIB) loan granted to this company, which is allocated to profit or loss during the loan's maturity term following a financial criterion (see Note 17.3).

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17. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The detail of current and non-current financial liabilities at 31 December 2015 and 2014, included under this heading on the Consolidated Balance Sheet, is as follows:

Thousands of euros	2015		
	Long-Term	Short-Term	Total
Non-convertible debentures	1,183,534	117,246	1,300,779
Convertible debentures	23,537	-	23,537
Debt with Financial Institutions	1,669,535	1,368	1,670,903
Accrued Interest pending Maturity Non-convertible debentures	-	2,923	2,923
Accrued Interest pending Maturity Convertible debentures	4,168	-	4,168
Accrued Interest pending Maturity Financial Institutions	-	35,071	35,071
Current and Non-Current Financial Liabilities	2,880,773	156,608	3,037,381

Thousands of euros	2014		
	Long-Term	Short-Term	Total
Non-convertible debentures	1,230,718	63,180	1,293,898
Convertible debentures	23,510	31,264	54,774
Debt with Financial Institutions	1,730,924	1,673	1,732,597
Accrued Interest pending Maturity Non-convertible debentures	-	2,929	2,929
Accrued Interest pending Maturity Convertible debentures	1,178	1,300	2,478
Accrued Interest pending Maturity Financial Institutions	-	35,452	35,452
Current and Non-Current Financial Liabilities	2,986,330	135,799	3,122,129

17.1 NON-CONVERTIBLE DEBENTURES

This heading includes, in their entirety, the amounts of non-convertible debenture issues made by the companies, AUDASA and AUCALSA, all of them tax deductible and guaranteed by ENA, the sole shareholder. Appendix III, which forms an integral part of this Note, shows the detail of the listed debentures.

Their movement during the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
Balance at Beginning of Period	1,230,718	687,282
Debentures issued in the period	63,451	629,400
Transfer to short-term	(117,246)	(63,180)
Adjustment for valuation at amortized cost	6,611	(22,784)
Balance at End of Period	1,183,534	1,230,718

The average cost of the listed debentures issued by the Group at 31 December 2015 is 4.81% (4.79% at 31 December 2014).

The interest accrued and pending payment at 31 December 2015 amounts to 2,923 thousand euros (2,929 thousand euros at 31 December 2014). This interest is payable annually.

The maturity of long-term debentures at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
At two years	-	116,679
At three years	93,961	-
At four years	221,218	93,393
At five years and subsequent	868,355	1,020,646
Total Maturities	1,183,534	1,230,718

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During the 2015 financial year, finance expenses deriving from the issues of listed non-convertible debentures have been allocated to the Consolidated Income Statement, in application of the effective interest rate method, in an amount of 76,012 thousand euros (71,922 thousand euros in 2014) (Note 27).

17.2 CONVERTIBLE DEBENTURES

On 29 July 2014, the Company carried out an issue of 11,000 convertible subordinated debentures with a unit face value of 5,000 euros, issued at par, which was fully subscribed and paid up on that date. The purpose of the issue was to meet the payment of the tax obligations resulting from the divestment process in Chile implemented during 2014 (Notes 1 (e) and 2(d)(ii)), not being able to allocate the issue funds to any other purpose and having the obligation of using any amount not applied to such purpose for their compulsory partial early repayment.

These debentures are remunerated at an effective annual compound interest rate of 12% and their final maturity is 31 October 2018, date on which it is envisaged that the debentures will be amortized in full for an amount equal to the outstanding principal plus the accumulated interest, except in the case of the debentures whose title-holders choose their conversion into shares. Nevertheless, as commented in note 36, within the framework of the refinancing process completed in February 2016, the final due date of 84.5% of the issue has been extended and has been established as October 2025. The aforesaid conversion shall take place exclusively at the election of the debenture-holders, who will be able to request the conversion of all or part of their debentures into ordinary shares, in the terms and conditions established in the issue deed. The debentures corresponding to this tranche which, as the case may be, are subject to advance and compulsory repayment, will accrue a remuneration of 10% annual compound interest.

Pursuant to the issue terms and conditions, on 2 January 2015 the Company has implemented the obligatory partial repayment in advance of the amount not allocated to the intended purpose, proceeding to the repayment of an amount of 2,842.20 euros per debenture, in addition to the payment of the corresponding interest at a 10% annual compound rate. Consequently, the Company paid out a total amount of 32,573 thousand euros.

Thus, by virtue of the foregoing, the nominal amount of the outstanding debentures at 31 December 2015 is 23,736 thousand euros, corresponding to 11,000 debentures with a unit face value of 2,157.80 euros.

During the 2015 financial year, finance expenses deriving from this issue have been charged to the Consolidated Income Statement, in application of the effective interest rate method, in an amount of 3,040 thousand euros (2,491 thousand euros in 2014) (Note 27).

The detail of the short and long term debts for convertible debentures per subscriber, including the accrued interest, at 31 December 2015 and 2014, is as follows:

Thousands of euros	No. of Debentures	2015			2014		
		Long-Term Issue	Short-Term Issue	Total	Long-Term Issue	Short-Term Issue	Total
Subscriber							
Kutxabank, S.A. ⁽¹⁾	1,784	4,525	-	4,525	4,041	5,281	9,322
Pear (Luxembourg) Investment S.Á.R.L. ⁽¹⁾	4,177	10,596	-	10,596	9,460	12,365	21,825
Abanca Corporación Industrial y Empresarial, S.L.	2,615	6,633	-	6,633	3,030	3,961	6,991
Caixanova Invest, S.C.R. ⁽³⁾	-	-	-	-	2,892	3,780	6,672
Caser, S.A.	38	96	-	96	86	112	198
Liberbank, S.A.	638	1,618	-	1,618	1,445	1,889	3,334
Sacyr Concesiones, S.L. ⁽⁴⁾	1,705	4,325	-	4,325	3,862	5,047	8,909
Other (Directors and Senior Management)	43	109	-	109	97	128	225
Adjustment for valuation at amortized cost	-	(197)	-	(197)	(225)	-	(225)
TOTAL	11,000	27,705	-	27,705	24,688	32,563	57,251

(Note 22)

(Note 22)

⁽¹⁾ Indirect shareholders through ARECIBO

⁽²⁾ Up to 16 January 2015, it was called NCG Corporación Industrial, S.A.

⁽³⁾ In 2015, Caixanova Invest, S.C.R. has been dissolved and its assets have been transferred to Abanca Corporación Industrial y Empresarial, S.L.

⁽⁴⁾ Company in the Sacyr Group

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The movement of the debentures in 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Balance at beginning of period	24,688	-
Issue made in the period	-	55,000
Accrued interest	2,990	2,478
Amortizations for the period	-	(32,564)
Adjustment for valuation at amortized cost	27	(226)
Balance at end of period	27,705	24,688

17.3 LONG AND SHORT-TERM DEBT WITH FINANCIAL INSTITUTIONS

The detail of the debts with financial institutions that the Group's companies hold at 31 December 2015 is shown in Appendix IV, which forms a comprehensive part of this Note.

On 3 August 2011, ITÍNERE refinanced its bank debt through the cancellation of the bilateral loans it had signed with various financial institutions, replacing them with a syndicated loan for 608,500 thousand euros (tranche A) with a single maturity in 2016. In addition, the Company signed a liquidity line (tranche B) in the amount of 25,000 thousand euros for the purpose of strengthening its liquid assets, in respect of which it made a drawdown during the 2015 financial year of 4,827 thousand euros (drawdown of 11,000 thousand euros at 31 December 2014).

As per the terms and conditions of this agreement, the loan accrues variable interest indexed to Euribor at 6 months plus a margin, which has been increased by 1% since 31 October 2013, date on which the refinancing of the debt of its subsidiaries, ENAITÍNERE and PARTICIPACIONES AP-1 EUROPISTAS (now called ENAITÍNERE following the merger of the two companies in 2015) took place (see Note 1 (e)). The applicable interest rate at 31 December 2015 was 4.073% (4.331% at 31 December 2014).

Within the framework of the aforementioned refinancing operation, and pursuant to the clauses of the loan agreement, the Company signed several interest rate hedge agreements, the notional principal amounts of which make up a total of 313,250 thousand euros.

On 3 July 2014, the Company proceeded to the non-extinguishing modifying novation of said financing agreement, by means of which the final maturity of tranches A and B was extended to 31 October 2018, the amount of tranche B was reduced to 22,440 thousand euros, the payment regime of accrued ordinary interest was amended through the capitalization of a part thereof and the contracting of new indebtedness was permitted through an issue of convertible subordinated debentures for the purpose of meeting the payment of the tax obligations deriving from the divestment process in Chile (Note 17.2).

On the basis of the foregoing, during the 2015 financial year, interest has been capitalized in an amount of 15,980 thousand euros in tranche A and 290 thousand euros in tranche B.

On 31 July 2015, the Company proceeded to the advance and voluntary repayment of 6,461 thousand euros corresponding to tranche B.

On 5 June 2007, the Ministry of Industry, Trade and Tourism granted ITÍNERE an interest-free preferential repayable loan of 678 thousand euros, for the execution of a project for the analysis of telecommunications systems applied to tolls by satellite positioning (see Note 16.1). This loan's final maturity is 30 June 2021 and 11 partial repayments have been planned.

During the 2008 financial year, the Ministry of Industry, Trade and Tourism granted ITÍNERE an interest-free preferential repayable loan of 441 thousand euros for the execution of a project for

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the development of an independent power system (see Notes 7 and 17.1). The loan's final maturity is 30 December 2020.

On 31 October 2013, the Group companies, ENAITÍNERE and PARTICIPACIONES AP-1 EUROPISTAS, now ENAITÍNERE following the merger carried out in the 2015 financial year (see Note 1(e)), refinanced their respective syndicated loans, signed in 2005 and 2009 in each case, through a new multiple-guarantee syndicated loan, for a total amount of 1,176,236 thousand euros, with a maturity date of 31 October 2018. At 31 December 2015, the outstanding capital of the aforesaid loan amounts to 1,034,854 thousand euros (1,135,049 thousand euros at 31 December 2014).

By virtue of the clauses of the aforesaid loan agreement, ENAITÍNERE has signed certain hedge instrument contracts, specifically interest rate swaps and CAP hedge contracts (see Note 19.3).

This new loan accrues variable interest, payable six-monthly on 15 January and 15 July, with the reference index being Euribor at 6 months plus a 3% margin.

On 27 November 1996, AUTOESTRADAS signed a loan agreement with the European Investment Bank (EIB) for a maximum amount of 39,066 thousand euros, for the purpose of financing the motorway's construction. As per the agreement of 29 June 1998, this amount was reduced to a total of 15,025 thousand euros. This agreement also contemplated the granting of European Union financing aid in the form of rebates at a 2% interest rate (see Note 16.2). The maturity date is October 2019.

On 26 October 1998, AUTOESTRADAS drew the total of the aforesaid loan, receiving an amount of 16,702 thousand euros, with the difference over and above the 15,025 thousand euros being the amount of the financial aid. This loan is remunerated at an interest rate of 5.07%, equivalent to the Libor in force at the moment of payment plus a spread of 0.15%.

On 6 May 2015, AUTOESTRADAS signed a loan agreement with Banco Santander, S.A. for a maximum amount of 25,000 thousand euros, the disbursement of which took place on 25 June 2015. This loan is remunerated at an interest rate equivalent to Euribor at 6 months plus margin. It is scheduled to expire in June 2016. The loan does not involve any property collateral.

During the 2013 financial year, GEBISA signed a credit facility for a maximum amount of 600 thousand euros, with maturity in 2016, against which no amounts have been drawn at 31 December 2015 and 2014. This credit facility accrues variable interest, with quarterly settlements, with the reference index being Euribor at 3 months plus a spread.

During the 2013 financial year, GEBISA contracted a credit assignment and factoring with recourse policy for a maximum amount of 2,000 thousand euros, with renewable maturity at 1 year, indexed to Euribor at 3 months plus margin. At 31 December 2015, no amounts have been drawn against this policy (305 thousand euros at 31 December 2014).

All the debts with financial institutions shown on the attached Consolidated Balance Sheet are denominated in euros.

Interest accrued and pending payment on debts with financial institutions at 31 December 2015 amounts to 35,071 thousand euros (35,452 thousand euros at 31 December 2014). This interest is payable six-monthly.

At 31 December 2015, the average cost of the loans subscribed by the Group with financial institutions is 3.40% (3.67% at 31 December 2014).

The Group companies' policy is to renew all credit facilities upon their maturity. Nevertheless, as mentioned in note 36, in February 2016, ITÍNERE has proceeded to the non-extinguishing modifying novation of the syndicated loan agreement that it holds, modifying, among others, the maturity date of the agreement, which has been extended to October 2025. ENAITÍNERE has

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also proceeded to the early repayment of its syndicated loan through the contracting of two credit facilities for a total joint amount of 1,060,754 thousand euros, with a maturity date that has been established in October 2025 (Note 36).

The maturity of the long-term debts with financial institutions shown on the attached Consolidated Balance Sheet at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
At two years	112	1,348
At three years	1,644,944	114
At four years	24,404	1,729,218
At five years	75	244
At more than five years	60	-
Total Maturities	1,669,535	1,730,924

As indicated in the credit agreements signed by the Group's companies, the latter agree to fulfil certain obligations throughout the life thereof and grant a series of guarantees, amongst which the following should be noted:

- Pledge on the stakes of the companies that are the holders of the loans and on the shares of their subsidiaries or investee companies.
- Pledge on the balance of the Dividends and Contributions and Debt Service Reserve Accounts of which the companies are the holders.
- Pledge on the credit rights resulting from the interest rate hedge contracts signed by the companies, as well as the inflation hedge contract derivatives.
- Pledge on the current accounts of AP-1 EUROPISTAS.
- Pledge on the credit rights held by AP-1 EUROPISTAS with the Public Administration.
- ENAITÍNERE guarantees the inflation hedge contracts of AP-1 EUROPISTAS.
- Certain reporting obligations relating to the enlargement of the AP-9 motorway operated by AUDASA.
- Mortgage commitment of AP-1 EUROPISTAS on its administrative concession, as well as being the personal guarantor of the financing subscribed by ENAITÍNERE for an amount equivalent to 191,876 thousand euros.
- Continuation of the tax consolidation Group.
- Pledge on the credit rights resulting from the consolidation of the tax Group.
- Pledge on the Tranche B credit available to ITÍNERE.

Additionally, and as indicated in the loan agreements signed by the different Group companies, the latter make commitments in respect of compliance with certain financial ratios as well as certain restrictions on the distribution of dividends.

The ratios and limitations as established in the loan agreements signed by ITÍNERE and ENAITÍNERE are as follows:

- Debt Service Hedge Ratio of the multiple-guarantee syndicated loan of ENAITÍNERE, which varies between a minimum of 1.05x in 2014, 1.10x in 2015 and 2016 and 1.15x in 2017 and 2018.
- Global Indebtedness Limit.

In connection with the foregoing, the Group's companies comply with the different clauses and, consequently, in this respect there are no motives that could give rise to the discharge of the contracts by the lenders.

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18. RISK MANAGEMENT POLICIES

To a large extent, and as far as the concessionary companies are concerned, the Group's financial risk management policies and, therefore, the instruments for their achievement, are determined by the specific legislation and regulations of the infrastructure concession sector of activity, the respective concession agreements, each project's degree of maturity, the remaining years of the concession and the nature of the business, without forgetting, of course, the situation that reigns in the financial markets at any given moment.

Thus, the structure, type of financing, hedges, guarantees and, in short, all the other most suitable financing instruments are selected on the basis of the nature of and the risks inherent in each project to be financed, so as to mitigate them as far as is possible, without ignoring the balance between cost, risk, guarantees and term.

The financial policy and management of ITÍNERE is decided and executed by the Company's Financial Management, subject to the approval of its Senior Management. Briefly, this policy, as regards financial risk management, is as follows:

18.1 CREDIT RISK

This is virtually non-existent due to the fact that revenues are received in cash or through credit cards or electronic collection devices, where the risk of non-payment is assumed by the management entities. Similarly, a part of the income derives from the payments which the different concession-granting Administrations, i.e. the Central Administration and Regional Governments, make in accordance with the terms and conditions of the respective concession agreements, all of which enjoy adequate credit ratings. Therefore, at the end of the reporting period, there are no overdue or impaired financial assets. No measures had to be taken to guarantee collection.

18.2 LIQUIDITY RISK

In regard to the concessionary companies that comprise the ITÍNERE Group, the liquidity risk is low due to the nature and characteristics of their collections and payments, their EBITDA, the financial structure of the projects, toll rate systems and the predictable and systematized replacement programme. For the foregoing reasons, the concessionary companies do not need credit lines.

The structure, type of financing, hedges, guarantees and, in short, the most appropriate financing instruments are selected on the basis of the nature of and the risks inherent in each project, with a view to eliminating or mitigating them as far as is possible, without ignoring the cost/benefit ratio. Financing of the concessionary companies and of ENAITÍNERE is encompassed within so-called "project financing", in which the provider of the funds assumes a substantial part of the operating risks in order to guarantee its contributions, with resource to the developers or shareholders being limited. Two of the main companies in the Group, AUDASA and AUCALSA, are financed exclusively through the issue of tax-deductible debentures, aimed primarily at the retail market. A detailed analysis of the maturities of the Group's financial liabilities is provided in Note 17.

Details of the contractual maturities of the debt subscribed by the Group's companies are given in Appendices III and IV.

18.3 MARKET RISK

The ITÍNERE Group's concessionary companies operate on the basis of concession agreements granted by the Public Administrations, which establish the right to restoration of their economic and financial balance in the case of circumstances arising beyond the

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concessionary companies' control, all of which significantly limits the activity's risks. Nevertheless, some risk factors can be identified, as summarized below:

- **Interest Rate Risk:** A very substantial part of the debt with financial institutions is at a fixed interest rate, achieved by means of financial hedge instruments such as interest rate swaps, reducing the businesses' exposure to rising interest rates.

The structure of the Group's financial debt shown on the attached Consolidated Balance Sheet, classified by interest rate risk between fixed-rate and protected debt, after taking into account the hedging derivatives contracted by the Group's companies, and the debt indexed to variable interest rate, at 31 December 2015, is as follows:

Thousands of euros	Finance Debt	%
Debt at fixed or protected interest rate	2,187,622	72%
Debt at variable interest rate	849,759	28%
Total	3,037,381	100%

The interest rate risk is limited through hedge contracts such as Interest Rate Swaps (IRS) or CAP contracts, which means that a possible rise in the variable interest rate to which the financing operations are indexed is cushioned by the effect of the hedges. These financial derivative instruments guarantee the payment of a fixed rate on the loans inherent in the financing of the concessionary projects. Virtually the entire portfolio of derivatives of this type contracted by the Group's companies consists of efficient hedges. The calendar and conditions of these derivatives are linked to the underlying debt's characteristics, in such a way that their maturity is equal to or slightly less than that of the debt they are hedging and the outstanding notional principal amount is equal to or less than the hedged debt's outstanding principal. In all cases the variable rate is indexed to EURIBOR.

On 29 January 2016, the derivative financial instruments taken out by ITÍNERE in 2011 have expired, meaning that from that date on all of the financial debt contracted by the Company is at a variable interest rate. Notwithstanding the above, given the economic circumstances, current interest rates and those foreseen for the medium term, this situation will probably mean a reduction in the finance costs of the Company in the years to come. In any case, the evolution of the markets is constantly monitored and, if deemed advisable, the contracting of new hedge instruments can be studied.

An analysis of the sensitivity of equity and operating results to interest rate variations carried out on the basis of the finance expenses corresponding to the 2015 financial year, calculated on the outstanding debt at 31 December 2015 and this debt's current average cost, is as follows:

Finance expense at current average cost (Co):	139,642	
	(Co) + 1 point	(Co) - 1 point
Finance expense at average cost +/- 1 point	148,967	138,597
Change in Profit (Loss)	6,994	(783)
Change in Equity	21,404	(1,193)

- **Exchange Rate Risk:** The Group's policy is to contract its indebtedness from financial institutions in the same currency as the one in which its business flows are produced, meaning that there are no relevant exchange rate-related risks.
- **Refinancing Risk:** In the case of project financing, the risk is mitigated due to the fact that they are businesses with recurring revenues, growing cash flows and long-term concession periods.

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As mentioned in notes 17.3 and 36, effective as of 16 February 2016, ITÍNERE and ENAITÍNERE have proceeded to the non-extinguishing modifying novation of the refinancing of their respective syndicated loans, which has involved, among other modifications, the extension of the maturity dates of said loan agreements until 2025.

The contractual debt maturities within the Group during 2016 amount to 118.7 million euros, of which 117.4 million euros correspond to the respective tax-deductible debenture issues of AUDASA and AUCALSA, which mature halfway through the financial year and which, as their maturities approach, will be refinanced through the most adequate instrument, depending on the prevailing circumstances of the financial markets, including the listing of a new public or private debenture issue. At the same time, AUDASA holds a cash balance of 238.5 million euros at the close of 2015. The remaining amount (1.2 million euros) corresponds to the contractual maturity of AUTOESTRADAS that will be serviced with the company's cash flows.

Consequently, virtually all of the Group's debt is long term and, therefore, the Company's Directors are of the opinion that this risk is low.

- **Demand Risk:** In the motorway concession business, the tolls collected by the concessionary companies, which represent their main source of income, depend on the number of vehicles that use these toll motorways and the capacity of these motorways to attract traffic. In turn, traffic intensity and toll revenue depend on numerous factors, including the motorway's quality and state of conservation, the convenience and duration of the journey on toll-free alternative highways or on other toll motorways not operated by the Group, the economic environment and fuel prices, weather conditions, environmental legislation (including measures to restrict the use of motor vehicles in order to reduce pollution), the occurrence of natural disasters, and the existence and viability of alternative means of transport, such as air transport and railways, or other means of interurban transport. Given the current characteristics of the ITÍNERE portfolio (for the most part mature and well-consolidated business), the demand risk can be considered low as regards some of the factors listed above.
- **Regulatory Risk:** The Group's companies are subject to compliance with the regulations whether specific to the sector or of a general nature (accounting, environmental, labour, data protection, fiscal and other rules and regulations). As occurs in all highly regulated sectors, changes in the regulations can have a negative effect on the Company's business. In the case of significant regulatory changes (including tax modifications), the Group's concessionary companies, in certain circumstances, would have the right to amend the terms and conditions of the concession arrangement or to negotiate with the responsible Administration certain changes in them so as to obtain financial and economic restitution.
- **Capital Risk:** The Group's leverage ratio at the end of the 2015 financial year is 71.61%, as per the following breakdown:

Thousands of euros	2015
+ Finance debt	3,037,381
+ Trade and other payables	103,707
(-) Cash and cash equivalents	(313,068)
Total Net Debt	2,828,020
Equity	1,120,911
Equity + Net Debt	3,948,931
Leverage Ratio	71.61%

As mentioned in Note 17.3, the Group's companies are subject to compliance with certain financial ratios established in the loan agreements they have signed. In this connection,

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these companies comply with the different clauses and, consequently, in this respect there are no motives that could give rise to the contracts' discharge by the lenders.

- **Risk in the Expansion of Business to other Countries:** No specific projects for expansion into other countries are currently envisaged. Nevertheless, should ITÍNERE decide to expand its business to other countries, in the belief that this would contribute to its future growth and profitability, an in-depth field analysis would be carried out prior to authorizing an investment of this type. Although there is always a risk in any expansion to new geographical areas, the management team's experience in this type of international development would help to mitigate these risks.
- **Price Risk:** This risk is very low because concessionary companies operate in a regulated market in which the toll rates applied are reviewed on the basis of the variation in the CPI. Similarly, as indicated in Note 19.3, the company, AP-1 EUROPISTAS, has contracted hedge operations for the purpose of hedging the risk of a variation in the inflation rate. As regards this financial instrument, it should be noted that a variation in the inflation rate of ± 100 basis points would have an effect on the Consolidated Income Statement of higher finance expenses of 1,570 thousand euros in the case of a rate reduction or 550 thousand euros of finance income in the case of an increase in the same.
- **General Economic Evolution:** With respect to overall economic evolution, the 2015 financial year has been marked by the start of a turnaround in the general economic crisis, which had been negatively affecting motorway traffic in recent years. Although the overall economic improvement in 2015 can only be classified as moderate, it appears to indicate the beginning of a recovery after several years of contraction. Based on the experience of previous years, the conclusion can be drawn that the evolution in traffic is directly related to the behaviour of the main macroeconomic variables, which makes it possible to predict an upturn in activity. Another encouraging factor is the non-existence of high-capacity highways in the areas where the Group's motorways are established.

Other risks to which the Group's companies are exposed are as follows:

- Risks of damage or injury caused during the infrastructures' conservation work or, as the case may be, construction and enlargement work.
- Risks relating to occupational hazard assessment and prevention.
- Risks associated with loss of property.

ITÍNERE and its subsidiaries and investee companies have sufficient control systems in place to be able to identify, quantify, evaluate and remedy all these risks in such a way that they can be minimized or avoided. In addition, the Group has adopted a policy of contracting and maintaining insurance policies to cover these and other aspects.

18.4 CAPITAL MANAGEMENT POLICY

The main objective of the Group's Capital Management policy is to guarantee a financial structure based on compliance with the prevailing regulations in Spain and one that is in accordance with the provisions of the award specifications of each of the concessionary companies that make up the Group (Note 1).

The concession agreements establish a maximum percentage for the financing of concession assets through borrowings, with which the Group currently complies.

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19. NON-CURRENT LIABILITIES

The detail of this heading on the attached Consolidated Balance Sheet at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Debt with related parties (Note 22)	2,446	2,255
Other payables	44,510	41,827
Financial instruments at fair value	10,113	17,824
Non-Current Liabilities	57,069	61,906

19.1 DEBT WITH RELATED PARTIES

On 20 July 2012, ITÍNERE signed a loan agreement with PEAR LUXEMBOURG INVESTMENT S.Á.R.L., a company related to its main shareholder, to replace the agreement in place up to that date, the principal of which amounts to 2,446 thousand euros at 31 December 2015 (2,255 thousand euros at 31 December 2014). This loan has a maturity date of 31 March 2021 and its remuneration consists of a fixed annual interest rate of 8.5%. This agreement provides for the capitalization of any unpaid interest at the end of the settlement period. During the 2015 financial year, the loan has accrued interest for an amount of 199 thousand euros, of which 94 thousand euros have not yet matured (183 thousand euros during the 2014 financial year of which, at the end of that reporting period, 87 thousand euros have not yet matured).

19.2 OTHER CREDITORS

This heading mainly refers to the repayable advances registered by AUDASA and AUCALSA, the combined sum of which amounts to 44,416 thousand euros at 31 December 2015 (41,735 thousand euros at 31 December 2014). In accordance with the rules that regulate them, these advances will be paid back within the five financial years following the first year in which each company amortizes the total amount of its internal and external debt, which it is estimated will be more than five years as from 31 December 2015 and, in all cases, before the concession term's finalization. The total amount of the advances to be reimbursed by both companies is 170,565 thousand euros.

19.3 FINANCIAL INSTRUMENTS AT FAIR VALUE

The detail of the valuation of the derivative financial instruments subscribed by the various Group companies at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Financial Instruments at fair value - Assets	2,104	3,877
Financial Instruments at Fair Value - Liabilities	(10,113)	(17,824)
Long-Term Financial Instruments at Fair Value	(8,009)	(13,947)
Financial Instruments at fair value - Assets	1,293	241
Financial Instruments at Fair Value - Liabilities	(4,404)	(8,334)
Short-Term Total Financial Instruments at Fair Value	(3,111)	(8,093)
Total Financial Instruments	(11,121)	(22,040)

As per the risk management policies adopted by the Group, only in certain circumstances does it resort to the contracting of interest rate hedge derivatives or similar types of financial instruments, always endeavouring to achieve maximum effectiveness in its hedge ratio with the underlying asset in question.

In addition, the company AP-1 EUROPISTAS has contracted hedge operations with the object of hedging the risk of a variation in the inflation rate, an indicator on the basis of which the toll rate is updated annually and which, together with the motorway's traffic density, determines the

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company's revenue. These hedge operations are contemplated in the financing agreement signed by its Sole Shareholder, currently ENAITÍNERE, PARTICIPACIONES AP-1 EUROPISTAS, up to the merger carried out in 2015, for the purpose of restructuring the Company's financing.

The start date of these contracts was 30 December 2009 and their maturity will take place in December 2017. The fixed interest rate associated with them is 1.3975%.

On occasion, the Group decides to refinance part of its debt in an attempt to reduce its financial liability costs, adapting it to more favourable market conditions. In these cases, and whenever possible, it always endeavours to ensure that the previously contracted derivatives act as hedges associated with the new flows.

The Group identifies the cash flow hedges from the moment they are contracted, since these allow the cash flows associated with the debt to be hedged.

In accordance with the requirements of IAS 39, the Group has carried out prospective and retrospective effectiveness tests on all the contracted hedge derivatives, on the basis of which these derivatives have been classified as efficient hedges, owing to the fact that the ratio between the hedge's performance and that of the underlying asset falls within a range of 80%-125%. Consequently, any changes in these derivatives are recorded against equity.

Notwithstanding the foregoing, as at 31 December 2015 and 2014, the inflation derivative of AP-1 EUROPISTAS does not comply with the requirements established by the accounting rules for its designation as a hedge instrument, owing to the fact that it is not a highly effective hedge. Consequently, the variation in this instrument's fair value at the close of the 2015 financial year, in the amount of a loss of 795 thousand euros, has been recorded under the heading "Change in Fair Value of Financial Instruments" on the Consolidated Income Statement (+ 4,310 thousand euros at 31 December 2014) (see Note 27).

In accordance with the provisions of the terms and conditions of the syndicated loan contracted by ITÍNERE in August 2011, the conditions of which were renewed in July 2014, the latter has signed financial swap contracts for 50.62% of the aforesaid loan's nominal value for the purpose of covering the interest rate risk associated with it. In this regard, the Company meets the requirements established by the accounting rules and regulations for the classification of these contracted financial instruments as highly efficient hedges.

In connection with the foregoing, as stated in Note 18.3, on 29 January 2016 the derivative financial instruments taken out by ITÍNERE in 2011 have expired, meaning that from that date on all of the financial debt contracted by the Company is at a variable interest rate. Notwithstanding the above, given the economic circumstances, current interest rates and those foreseen for the medium term, this situation will probably mean a reduction in the finance costs of the Company in the years to come. In any case, the evolution of the markets is constantly monitored and, if deemed advisable, the contracting of new hedge instruments can be studied.

As per the conditions of the syndicated loan initially contracted by ENAITÍNERE and PARTICIPACIONES AP-1 EUROPISTAS (merged in 2015 with ENAITÍNERE) in October 2013 (see Note 17.3), new financial swap and CAP hedge contracts were signed with various institutions in order to cover the interest rate risk associated with the operation. These contracts have an initial amount equivalent to 50% of the loan's nominal value. The average fixed rate applicable to the interest rate swaps is in the region of 1.88% and they mature in January and July 2018. The CAP hedge contracts mature in January 2018 and their strike price is in the region of 2.50%. These derivatives meet the requirements established by the accounting rules and regulations for classification as highly efficient hedges, except the CAP hedge contracts, which do not comply with these requirements as at 31 December 2015 and 2014 and, consequently, the changes in their fair value have been registered in profit and loss. Consequently, in 2015, 74 thousand euros have been recorded as income (an expense of 1,552

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thousand euros in 2014), which are included under the heading “Change in Fair Value of Financial Instruments” on the attached Consolidated Income Statement.

The details of the derivatives contracted by the Group at 31 December 2015 and their valuation and the breakdown by maturity of their notional values are shown below:

Thousands of euros	Notional Amounts	Valuation at 31/12/15 (*)	NOTIONAL MATURITIES		
			2016	2017	2018
Interest rate hedge (financial sw aps)	756,690	(14,517)	(33,787)	(357,463)	(365,439)

Thousands of euros	Notional Amounts	Valuation at 31/12/15(*)	NOTIONAL MATURITIES		
			2016	2017	2018
Interest rate hedge (CAP)	125,331	143	14,320	12,411	(152,063)

Thousands of euros	Rate	Valuation at 31/12/15 (*)	HEDGED INCOME SCHEDULE	
			2017	2018
Inflation hedge	Variable to fixe	3,254	46,017	45,243

(*) Positive valuation – Asset; Negative valuation - Liability
Total Valuation (11,121)

The notional amount of the formalized derivative contracts coincides with the base on which the derivatives’ settlement calculations are made and does not represent the risk assumed by the Group.

The impact on equity during the 2015 financial year corresponding to the cash flow hedge derivatives has involved the recording of after-tax net income of 8,380 thousand euros (a net expense of 1,269 thousand euros in 2014).

The detail of the allocation to profit or loss in the forthcoming financial years of the amount of the cash flow hedge derivatives recorded in equity at 31 December 2015 is as follows:

Thousands of euros	2015
One year	(3,121)
Two years	(4,223)
Three years	(4,266)
Total Maturities	(11,609)

The valuation shown on the above chart does not include the adjustment for the derivatives’ credit risk, which amounts to +493 thousand euros at 31 December 2015 for the financial swap and inflation hedge contracts and -3 thousand euros for the CAP contracts. This adjustment forms part of the fair value at which the derivatives are recorded at the close of the period, as established in IFRS 13.

The derivative financial instruments subscribed by the Group’s companies are classified within level 2 of the hierarchy for establishing their fair value (Note 3 (r)).

20. PROVISION FOR REPLACEMENT ACTIVITIES

As indicated in Note 3 (o), concessionary companies are subject to compliance with certain contractual obligations, which are recognized and valued in accordance with the best estimate of the necessary disbursement for cancelling the obligation existing at the balance sheet date.

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The movement in the provision for long and short-term replacement activities during the 2015 financial year is as follows:

Thousands of euros	Long-Term	Short-Term
Provision for replacement activities at 31 December 2014	65,636	27,014
Provisions for the period	3,761	-
Financial update (Note 27)	207	-
Applications in the period	-	(8,732)
Provision surplus	-	(11,296)
Transfer to short-term	(6,870)	6,870
Provision for replacement activities at 31 December 2015	62,734	13,856

The provision applications made mainly relate to resurfacing activities and the replacement of structures and different installations carried out on the Group's motorways.

At the close of the 2015 financial year, AUDASA has conducted a reassessment of its investment plan as a result of the savings obtained in the amounts contracted for the renewal of pavement in the 2015 financial year and onwards, which has given rise to a surplus provision in the amount of 10,603 thousand euros. In addition, as a consequence of the reprogramming and readjustment of the investment plan in the area of pavement renewal in 2015 and subsequent years carried out by AUTOESTRADAS, the aforementioned company has recorded a surplus provision of 693 thousand euros. These surpluses are shown under the heading "Provision Surpluses" on the 2015 Consolidated Income Statement.

21. OTHER CURRENT PAYABLES

The detail of this heading on the attached Consolidated Balance Sheet at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Debt with related parties (Note 22)	4,366	2,163
Trade and other payables	8,481	5,745
Personnel	6,875	6,640
Other current debts	12,218	8,303
Other financial liabilities	1,590	1,733
Other Current Payables	33,530	24,583

21.1 INFORMATION ON THE AVERAGE TERM FOR PAYMENT TO SUPPLIERS. THIRD ADDITIONAL PROVISION; "DUTY TO REPORT" OF SPAIN'S LAW 15/2010 OF 5 JULY 2010

Information on the average term for payment to suppliers in 2015 is shown below:

	2015
	Days
Average payment term to suppliers	25
Ratio of transactions paid	29
Ratio of transactions pending payment	12
Thousands of euros	
Total payments made	93,464
Total payments pending	16,845

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As at 31 December 2015, the Group does not have any amounts pending payment relating to business transactions that accumulate a deferment in excess of the legal payment term as per the provisions of Law 3/2004, of 29 December 2004, and its subsequent amendments through Law 15/2010, of 5 July 2010, and Royal Decree-Law 4/2013, of 22 February 2013.

In accordance with the Resolution of 29 January 2016, issued by the Spanish Institute of Accounting and Account Audits, regarding the information to be included in the notes to the consolidated annual accounts concerning the average payment period to suppliers in commercial transactions, these consolidated annual accounts are the first to be prepared by the Group applying said Resolution, and these initial consolidated annual accounts are considered as solely for the purposes of the principle of uniformity and the comparability requirement and, therefore, no comparative figures are given in regard to this new obligation.

22. RELATED PARTIES

The detail of income and expenses and other transactions, carried out by the Group's companies with related parties in the 2015 and 2014 financial years, broken down by type of transaction and by the related party taking part therein, is shown on the attached charts.

The attached charts do not include the transactions that have been eliminated in the process of preparing consolidated financial information. They also do not include the transactions which, carried out under market conditions, are of minimum importance in relation to the financial position and operating results shown in the consolidated annual accounts. These transactions have been carried out in market conditions.

- Transactions with Related Parties during the 2015 and 2014 financial years:

Thousands of euros	2015		
	Group Companies, Associates and Other Related Parties	Other Shareholders, Directors and Managers	Total
INCOME AND EXPENSES			
Operating Expenses	7,501	-	7,501
VALORIZA FACILITIES, S.A.U	435	-	435
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURAS, S.A.	7,066	-	7,066
Finance Expenses - Convertible Debentures (Note 27)	2,122	918	3,040
PEAR LUXEMBOURG INVESTMENT, S.A.R.L.	1,138	-	1,138
KUTXABANK, S.A.	486	-	486
ABANCA CORPORACIÓN INDUSTRIAL Y EMPRESARIAL, S.L. ⁽¹⁾	-	713	713
CASER, S.A.	10	-	10
LIBERBANK, S.A.	-	174	174
SACYR CONCESIONES, S.L.	465	-	465
OTHER (DIRECTORS AND SENIOR MANAGEMENT)	-	12	12
Adjustment for valuation at amortized cost	22	20	42
Finance Expenses - Other Debts	199	-	199
PEAR LUXEMBOURG INVESTMENT, S.A.R.L. (note 19.1)	199	-	199
TOTAL EXPENSES	9,822	918	10,740
Operating Income	341	-	341
AUTOPISTA DE NAVARRA, S.A.	341	-	341
TOTAL INCOME	341	-	341

⁽¹⁾ Up to 16 January 2015, it was called NCG Corporación Industrial, S.A.

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Thousands of euros	2014		
INCOME AND EXPENSES	Group Companies, Associates and Other Related Parties	Other Shareholders, Directors and Managers	Total
Operating Expenses	7,601	-	7,601
VALORIZA FACILITIES, S.A.U	436	-	436
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURAS, S.A.	7,165	-	7,165
Finance Expenses - Convertible Debentures (Note 27)	1,744	746	2,491
PEAR LUXEMBOURG INVESTMENT,S.A.R.L.	941	-	941
KUTXABANK, S.A.	402	-	402
NCG CORPORACIÓN INDUSTRIAL, S.L. ⁽¹⁾	-	301	301
CAIXANOVA INVEST, S.C.R.	-	288	288
CASER, S.A.	9	-	9
LIBERBANK, S.A.	-	144	144
SACYR CONCESIONES, S.L.	384	-	384
OTHER (DIRECTORS AND SENIOR MANAGEMENT)	-	10	10
Adjustment for valuation at amortized cost	9	4	13
Finance Expenses - Other Debts	183	-	183
PEAR LUXEMBOURG INVESTMENT,S.A.R.L. (note 19.1)	183	-	183
TOTAL EXPENSES	9,529	746	10,275
Operating Income	349	-	349
AUTOPISTA DE NAVARRA, S.A.	349	-	349
TOTAL INCOME	349	-	349

⁽¹⁾ Up to 16 January 2015, it was called Abanca Corporación Industrial y Empresarial, S.L.

▪ Balances with Related Parties at 31 December 2015 and 2014:

Thousands of euros	2015		
BALANCES	Group Companies, Associates and Other Related Parties	Other Shareholders, Directors and Managers	Total
Non-Current Convertible Debentures (Note 17.2)	19,436	8,270	27,705
PEAR LUXEMBOURG INVESTMENT,S.A.R.L.	10,596	-	10,596
KUTXABANK, S.A.	4,525	-	4,525
ABANCA CORPORACIÓN INDUSTRIAL Y EMPRESARIAL, S.L. ⁽¹⁾	-	6,633	6,633
CASER, S.A.	96	-	96
LIBERBANK, S.A.	-	1,618	1,618
SACYR CONCESIONES, S.L.	4,325	-	4,325
OTHER (DIRECTORS AND SENIOR MANAGEMENT)	-	109	109
Adjustment for valuation at amortized cost	(107)	(91)	(198)
Other Non-Current Debts	2,446	-	2,446
PEAR LUXEMBOURG INVESTMENT,S.A.R.L. (note 19.1)	2,446	-	2,446
Current Convertible Debentures (Note 17.2)	-	-	-
OTHER (DIRECTORS AND SENIOR MANAGEMENT)	-	-	-
Other Current Debts	4,364	2	4,366
PEAR LUXEMBOURG INVESTMENT,S.A.R.L. (note 19.1)	94	-	94
SACYR, S.A.	-	2	2
VALORIZA FACILITIES, S.A.U	54	-	54
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURAS, S.A.	4,216	-	4,216
TOTAL DEBTS	26,246	8,272	34,518
Current Assets	233	571	804
SACYR CONSTRUCCIÓN, S.A.U.	233	-	233
SACYR, S.A.	-	571	571
TOTAL CREDITS	233	571	804

⁽¹⁾ Up to 16 January 2015, it was called NCG Corporación Industrial, S.A.

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Thousands of euros	2014		
BALANCES	Group Companies, Associates and Other Related Parties	Other Shareholders, Directors and Managers	Total
Non-Current Convertible Debentures (Note 17.2)	17,289	7,399	24,688
PEAR LUXEMBOURG INVESTMENT, S.A.R.L.	9,460	-	9,460
KUTXABANK, S.A.	4,041	-	4,041
NCG CORPORACIÓN INDUSTRIAL, S.L. ⁽¹⁾	-	3,030	3,030
CAIXANOVA INVEST, S.C.R.	-	2,892	2,892
CASER, S.A.	86	-	86
LIBERBANK, S.A.	-	1,445	1,445
SACYR CONCESIONES, S.L.	3,862	-	3,862
OTHER (DIRECTORS AND SENIOR MANAGEMENT)	-	97	97
Adjustment for valuation at amortized cost	(160)	(66)	(226)
Other Non-Current Debts	2,255	-	2,255
PEAR LUXEMBOURG INVESTMENT, S.A.R.L. (note 19.1)	2,255	-	2,255
Current Convertible Debentures (Note 17.2)	22,805	9,758	32,563
PEAR LUXEMBOURG INVESTMENT, S.A.R.L.	12,365	-	12,365
KUTXABANK, S.A.	5,281	-	5,281
NCG CORPORACIÓN INDUSTRIAL, S.L. ⁽¹⁾	-	3,961	3,961
CAIXANOVA INVEST, S.C.R.	-	3,780	3,780
CASER, S.A.	112	-	112
LIBERBANK, S.A.	-	1,889	1,889
SACYR CONCESIONES, S.L.	5,047	-	5,047
OTHER (DIRECTORS AND SENIOR MANAGEMENT)	-	128	128
Other Current Debts	2,161	2	2,163
PEAR LUXEMBOURG INVESTMENT, S.A.R.L. (note 19.1)	87	-	87
SACYR, S.A.	26	2	28
VALORIZA FACILITIES, S.A.U	54	-	54
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURAS, S.A.	1,995	-	1,995
TOTAL DEBTS	44,510	17,159	61,669
Current Assets	233	55	288
SACYR CONSTRUCCIÓN, S.A.U.	233	-	233
SACYR, S.A.	-	55	55
TOTAL CREDITS	233	55	288

⁽¹⁾ Up to 16 January 2015, it was called Abanca Corporación Industrial y Empresarial, S.L.

- Financial transactions with Related Parties outstanding at 31 December 2015 and 2014, in which the amounts indicated are the financial institutions' participation in syndicated operations:

In thousands of euros

2015				
Entity	Group Company	Type of Operation	Available Limits	Amounts Drawn
KUTXABANK	ITÍNERE	FINANCING	115,701	109,673
	ITÍNERE	GUARANTEES	-	1,791
	ENAITÍNERE	FINANCING	8,661	8,661
	GEBISA	FINANCING	2,600	-
	GEBISA	GUARANTEES	-	56
	AP-1 EUROPISTAS	GUARANTEES	-	1,862
ABANCA	ITÍNERE	FINANCING	72,823	72,457
	ENAITÍNERE	FINANCING	25,027	25,027
	AUTOESTRADAS	GUARANTEES	-	413
LIBERBANK	ITÍNERE	FINANCING	34,079	28,052
	ENAITÍNERE	FINANCING	7,953	7,953

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2014				
Entity	Group Company	Type of Operation	Available Limits	Amounts Drawn
KUTXABANK	ITÍNERE	FINANCING	112,250	107,630
	ITÍNERE	GUARANTEES	-	1,791
	ENAITÍNERE	FINANCING	9,499	9,499
	GEBISA	FINANCING	2,600	305
	GEBISA	GUARANTEES	-	56
	AP-1 EUROPISTAS	GUARANTEES	-	3,907
ABANCA	ITÍNERE	FINANCING	70,500	70,220
	ENAITÍNERE	FINANCING	27,450	27,450
	AUTOESTRADAS	GUARANTEES	-	413
LIBERBANK	ITÍNERE	FINANCING	33,250	28,630
	ENAITÍNERE	FINANCING	8,723	8,723

23. TAX SITUATION

As indicated in Note 3 (q), ITÍNERE INFRAESTRUCTURAS, S.A. and those of its subsidiaries and investee companies that comply with the provisions of Royal Decree 4/2004, of 5 March 2004, by virtue of which the Consolidated Text of Spain's Law of Corporate Income Tax was approved, have chosen, through a resolution of each company's respective competent body, to apply, with effect from 1 January 2009, the Tax Consolidation Regime. This regime was granted by the Spanish State Tax Administration Agency (AEAT) in a communication from the Special Madrid Branch of the AEAT dated 9 July 2009, by virtue of which the holding company was notified that it had been assigned Fiscal Group Number 36/09.

The companies that make up the fiscal consolidation perimeter are as follows: ITÍNERE, ENAITÍNERE, ENA, AUDASA, AUCALSA, AUTOESTRADAS and AP-1 EUROPISTAS.

As a consequence of paying tax under a fiscal consolidation regime, the Consolidated Balance Sheet at 31 December 2015 shows under the "Current Tax Assets" heading an amount due from the Public Treasury of 11,356 thousand euros resulting from the consolidated tax return for the 2015 financial year (30,666 thousand euros at 31 December 2014 that have already been collected as at the date of the preparation of these consolidated annual accounts).

Likewise, at 31 December 2015, the Consolidated Balance Sheet shows under the "Current Tax Liabilities" heading the debt resulting from corporate income tax corresponding to the Group's companies located in Spain that do not pay tax under the fiscal consolidation regime, with a debt that amounts to 183 thousand euros (162 thousand euros at 31 December 2014).

23.1 FINANCIAL YEARS PENDING TAX INSPECTION

As established in the prevailing legislation, taxes cannot be deemed as having been finally settled until the tax returns filed have been inspected by the Tax Authorities or the four-year limitation period has elapsed. As at 31 December 2015, the Group companies that make up the fiscal consolidation perimeter have open for inspection by the Tax Authorities all the main taxes applicable to them since 1 January 2012 (financial year ended 31 December 2011 for Corporate Income Tax). Nevertheless, the Tax Administration's right to check or investigate tax losses offset or pending offsetting, deductions for double taxation and deductions to encourage the pursuit of certain activities, applied or pending application, is limited to a period of 10 years as from the day following the date established for the filing of tax returns or self-assessment returns corresponding to the tax period in which the right to such offsetting or application arose. Once this period has elapsed, the companies must provide appropriate evidence of the tax losses or deductions through the presentation of the tax settlement or self-assessed payment

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and of the accounts, with proof of their deposit with the Mercantile Registry in said period. As a consequence, among others, of the different interpretations of the prevailing tax legislation, additional liabilities may arise as a result of an inspection. The Company's Directors are of the opinion that, should such liabilities arise, they would not have a significant effect on the consolidated annual accounts.

On 11 June 2013, the State Tax Administration Agency initiated inspection and verification activities regarding corporate income tax corresponding to the 2007 and 2008 financial years, periods in which the Company formed part of the 20/02 tax group, the holding company of which was Sacyr, S.A., formerly Sacyr Vallehermoso, S.A. (see Note 1 (c)). As a result of these inspections, the corresponding declarations of conformity and non-conformity have been issued to the holding company of said tax group. According to the information that has been provided to us by Sacyr, S.A., the declaration of conformity has been settled on the date of the preparation of these annual accounts, while the declaration of non-conformity has been appealed on 14 December 2015 by Sacyr, S.A. before the Central Economic Administrative Tribunal (TEAC).

In any case, and in relation to possible contingent liabilities relating to the period in which the Company formed part of the Sacyr, S.A. tax group (up to financial year 2008), the holding company of said tax group undertakes to hold harmless and indemnify ITÍNERE and its investee companies, in accordance with the terms and conditions of the undertaking agreement for the formulation and acceptance of the takeover bid for the shares of ITÍNERE, which was signed in November 2008 between SACYR VALLEHERMOSO, S.A. and CITI INFRASTRUCTURE PARTNERS L.P. (note 1 (c)).

On 16 February 2016, ITÍNERE was informed by the State Tax Administration Agency of the commencement of Corporate Income Tax inspection and verification activities of a partial nature, in regard to corporate income tax for financial year 2013. The Company's Directors are of the opinion that such inspection activities will not give rise to liabilities that would have a significant effect on the consolidated annual accounts.

23.2 TAX RATE

Corporate Income Tax for the 2015 financial year has been calculated by applying the tax rates that correspond to the Group's companies in accordance with the territory in which they have the obligation of paying tax.

Law 27/2014, of 27 November 2014, of Corporate Income Tax, which was published in the Official State Gazette (BOE) on 28 November 2014, includes, among other aspects, the amendment of the general tax rate, which is reduced from 30% to 28% in the 2015 financial year and to 25% for subsequent periods.

The Group Company GEBISA pays Corporate Income Tax in accordance with Regional Rule 3/1996 of 26 June 1996, with the amendments incorporated by Regional Rule 6/2007 of 27 March 2007, which remains in force in spite of the numerous appeals lodged in this respect, including, among others, amendment of the general Corporate Income Tax rate, currently 28%.

At 31 December 2015, the Group has accrued income for corporate income tax in an amount of 6,658 thousand euros (19,555 thousand euros at 31 December 2014).

The reconciliation between the tax expense corresponding to the 2015 and 2014 financial years, resulting from multiplying the accounting profit by the applicable tax rate in Spain, and the actual corporate income tax is as follows:

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Thousands of euros	2015	2014
Consolidated Profit (Loss) before Income Tax	(66,824)	(93,212)
Tax calculated at 28% tax rate (30% in 2014)	18,711	27,964
Permanent differences and consolidation adjustments ⁽¹⁾	(28,840)	(24,521)
Deductions and rebates ⁽²⁾	14,914	20,935
Tax effect exemptions for non-fiscal group dividends ⁽³⁾	2,257	-
Adjustment for different tax rates ⁽⁴⁾	166	(4,822)
Other adjustments	(550)	-
Corporate Income Tax	6,658	19,555
Effective Rate	10.0%	21.0%
Deferred tax assets	6,696	24,711
Deferred tax liabilities	(11,170)	(32,337)
Current Tax	2,184	11,930

- (1) The permanent differences and consolidation adjustments mainly correspond to the adjustments resulting from the limitation on the deductibility of finance expenses, the amortization of goodwill arising prior to the business combination described in Note 1 (d) and the results of the investments recorded in the books using the equity method.
- (2) The deductions and rebates applied in 2015 and 2014 correspond primarily to deductions to avoid double taxation.
- (3) The tax effect arising from dividends received by the Group's companies from companies that do not belong to the tax group is included.
- (4) The adjustment for different tax rates includes the adjustments with an impact on profit and loss arising from the change in tax rates introduced by Law 27/2014, of 27 November 2014, on Corporate Income Tax.

23.3 DEFERRED TAXES

The movement in deferred tax assets and liabilities corresponding to the 2015 and 2014 financial years is as follows:

Thousands of euros	ASSETS				LIABILITIES			
	Deductible Temporary Differences	Negative Tax Bases Pending Compensation	Deductions pending application	Total	For Reimbursable Advances	For Business Combinations	Other Taxable Temporary Differences	Total
Balance at 1 January 2013 (restated)	142,953	36,457	-	179,410	39,179	82,748	3,644	125,571
Additions	18,935	-	-	18,935	-	-	-	-
Removals	(9,292)	(7,267)	-	(16,559)	(517)	(10,902)	(3,644)	(15,063)
Adjustments for change in tax rate	(22,615)	(4,472)	-	(27,087)	(6,390)	(10,884)	-	(17,274)
Balance at 31 December 2014	129,982	24,717	-	154,699	32,272	60,962	-	93,234
Additions	7,439	-	-	7,439	-	-	-	-
Removals	(8,628)	(5,225)	-	(13,853)	(1,053)	(10,176)	-	(11,229)
Transfers	(1,538)	-	1,538	-	-	-	-	-
Impairment	(550)	-	-	(550)	-	-	-	-
Adjustments for change in tax rate	100	166	-	266	59	-	-	59
Balance at 31 December 2015	126,805	19,658	1,538	148,001	31,278	50,786	-	82,064

(Note 23.4)

Deferred tax assets relating to deductible temporary differences mainly result from the adjustments made in application of the IFRSs relating to the deferred financial burden registered by concessionary companies for local purposes, as per the provisions of the adaptation of the General Chart of Accounts to infrastructure concessionary companies, approved by Order EHA/3362/2010 of 23 December 2010, in force in Spain.

In addition to the foregoing, pursuant to the provisions of Law 16/2012 of 27 December 2012, with effect for the tax periods commencing with the years 2013 and 2014, a limitation of 70% is introduced on the deductibility of the depreciation or amortization of tangible and intangible assets and investment properties. In this connection, another new rule is that accounting

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amortization or depreciation that is not tax deductible can be deducted using a straight-line method during a 10-year term or, optionally, during the useful life of the asset, as from the first tax period that commences in the year 2015. As a consequence of the foregoing, at 31 December 2015 the Group's companies have registered deferred tax assets for this concept in an amount of 9,786 thousand euros (13,692 thousand euros at 31 December 2014).

Deferred tax liabilities correspond to the tax effect resulting from fair-value valuation adjustments of the assets and liabilities acquired in the business combination carried out in 2009 (see Note 1 (d)). The heading also includes the tax effect of the valuation at fair value of the repayable advances granted to AUDASA and AUCALSA.

The Consolidated Global Income Statement includes the tax effect of the income and expenses directly attributable to equity deriving from the cash flow hedges, as well as that generated by the transfers to the Consolidated Income Statement of the aforesaid hedges.

As a result of this change in tax rates established in Law 27/2014, of 27 November 2014, on Corporate Income Tax, published in the Official State Gazette (BOE) dated 28 November 2014, the Group's companies have adjusted the balance of their deferred taxes in 2015 and 2014, valuing them at the applicable tax rate at the estimated moment of their reversal and allocating these adjustments to the profit and loss account or equity, depending on the criterion adopted in the recording in the accounts of the item that gave rise to the aforesaid deferred tax's recognition.

Based on the foregoing, the deferred tax asset and liability balance was adjusted and the impact resulting from these adjustments is shown in the line "Adjustments for Changes in the Tax Rate" in the above chart. The effects of these adjustments on consolidated equity are broken down as follows:

Thousands of euros	2015	2014
Adjustments with impact on (*):		
- Consolidated Income Statement	166	(4,811)
- Cash flow hedge reserves	100	(1,058)
- Accumulated gains and other reserves	192	(2,370)
Total	458	(8,238)

(*) Includes the effect of the adjustments corresponding to AUDENASA, whose deferred tax amounts, in application of IFRS 11, do not appear on the Balance Sheet.

In regard to the deferred tax asset resulting from the limitation on the deductibility of depreciation or amortization established by Law 16/2012 of 27 December 2012, the 37th Transitional Provision of Law 27/2014, of 27 November 2014, establishes that companies shall have the right to a deduction in the total tax liability of 5% of the amounts included in the tax period's tax base as a consequence of the fiscal reversal of the adjusted expense for the depreciation or amortization not deducted in the 2013 and 2014 periods (deduction of 2% in 2015). As a consequence of the foregoing, at 31 December 2015 the Group has registered deductions pending application for an amount of 1,538 thousand euros, corresponding to reversal of temporary measures. In this respect, AP-1 EUROPISTAS considers that there are doubts concerning the application of the aforesaid deduction prior to the end of the concession period. Consequently, on 31 December 2015 it has proceeded to the impairment of the deferred tax asset corresponding to said deduction in an amount of 550 thousand euros, although it is studying the possibility of recovering this credit, in view of its special nature, since it corresponds to the reversal of temporary tax measures.

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23.4 NEGATIVE TAX BASES AND DEDUCTIONS PENDING APPLICATION

At 31 December 2015, the Group has tax credits for an amount of 19,658 thousand euros, mainly corresponding to negative tax bases pending offsetting against future profits. The detail by companies of these tax credits pending offsetting or application is as follows:

Thousands of euros	Negative Tax Bases Pending Compensation
ITÍNERE	139
ENAITÍNERE	14,294
AUCALSA	4,232
AUDENASA	
AUTOESTRADAS	992
Total	19,658

These tax credits have been registered under the “Deferred Tax Assets” heading on the attached Balance Sheet. The Directors of the holding Company are of the opinion that future tax gains will be generated that will allow these tax credits to be offset.

In addition, the Group company, ENAITÍNERE, has negative tax bases pending offsetting in the amount of 8,950 thousand euros, generated prior to the Company’s inclusion in the consolidated tax group, that have not been registered owing to the existence of doubts as to their future recovery.

As per the provisions of Royal Decree-Law 9/2011 of 19 August 2011 and its subsequent amendment through Royal Decree 20/2012 of 14 July 2012, the fiscal consolidation Group has had the offsetting of negative tax bases in the 2015 and 2014 financial years limited to 25% of the tax base prior to such offsetting. As a consequence of the foregoing, during the 2015 financial year, the Company has offset negative tax bases for an amount of 5,225 thousand euros (7,267 thousand euros in 2014).

Pursuant to the provisions of Royal Decree 12/2012 of 30 March 2012, with effect for the tax periods starting 1 January 2012, a limitation has been introduced on the extent to which finance expenses can be deducted, with the result that only net finance expenses up to an amount of 30% of the financial year’s operating profit can be deducted.

At 31 December 2015, the Group accumulates net finance expenses that it has not been able to deduct because they exceed the limit established by the aforesaid Royal Decree, for an amount of 210,587 thousand euros (140,203 thousand euros at 31 December 2014). Given the estimated period for their recovery, the Group’s companies have chosen not to register the tax credits resulting from the application of the aforementioned limitation.

As per the provisions of Law 27/2014 of 27 November 2014, there is no time limit for offsetting negative tax bases or for the deduction of tax credits resulting from the limitation on the deductibility of finance expenses.

24. NET REVENUE

The breakdown of revenue by activities corresponding to the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
Toll revenue	231,808	223,165
Public Administration compensation	27,303	25,646
Rendering of services	681	349
Net Revenue	259,792	249,160

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The distribution of revenue by activities corresponding to the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
AUDASA	134,246	127,748
AP-1 EUROPISTAS	65,007	62,839
AUCALSA	36,906	35,015
AUTOESTRADAS	13,328	13,523
GEBISA	9,624	9,686
ITÍNERE	153	76
ENA	529	273
Net Revenue	259,792	249,160

All of the consolidated revenue has been generated in the Spanish market.

25. PERSONNEL EXPENSES

The detail of personnel expenses registered in the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
Salaries and wages	25,526	26,269
Employee benefits expense	7,419	7,591
Personnel Expenses	32,945	33,860

The employee benefits and other similar expenses in the 2015 financial year, in the amount of 6,722 thousand euros, correspond to the Social Security costs of the Group's companies (6,806 thousand euros in the 2014).

Details of the average workforce in 2015 and 2014, by professional category, are as follows:

	2015	2014
Managers	18	18
Technical Staff	51	53
Admin. Staff	72	73
Other Staff	453	462
Temporary Staff	12	23
Total	606	629

The detail of distribution by category and gender as at 31 December 2015 and 2014 is as follows:

	Men		Women	
	2015	2014	2015	2014
Managers	16	16	2	2
Technical Staff	41	43	15	13
Admin. Staff	29	30	37	38
Other Staff	338	339	172	179
Temporary Staff	13	13	7	11
Total	437	441	233	243

As at 31 December 2015 and 2014, the Company's Board of Directors is made up of 12 men and 3 women.

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26. EXTERNAL SERVICES AND OTHER OPERATING EXPENSES

The detail of the accounts that make up this heading relating to the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
Supplies	2,431	2,531
Conservation and repairs	12,151	13,152
Insurance	1,956	2,010
Leases and royalties	708	730
Independent professional services	3,607	2,472
Banking services	1,391	1,563
Advertising, marketing and public relations	339	312
Other operating expenses	1,530	1,814
Taxes	2,080	2,134
External Services and Other Operating Expenses	26,194	26,718

Other Operating Expenses includes a provision for liabilities allocated by GEBISA at 31 December 2015 in an amount of 150 thousand euros, for the purpose of covering the estimated contingent liability relating to a possible financial charge that could derive from the investigation initiated by the National Social Security Institute (INSS) regarding the Social Security benefits to be received by a worker subcontracted by the Company, as a result of a work accident.

27. FINANCE INCOME AND EXPENSES

The detail of finance income and expenses corresponding to the 2015 and 2014 financial years is shown below:

Thousands of euros	2015	2014
Finance expenses	(151,025)	(154,174)
Updating of provision for replacement activities (Note 20)	(207)	549
Finance Expenses	(151,231)	(153,625)
Finance income	3,295	4,314
Finance Income	3,295	4,314
Change in fair value of financial instruments (Note 19.3)	(721)	2,758
Impairment and Gains (Losses) on Disposal of Financial Instruments	56	-
Total Finance Profit and Loss	(148,602)	(146,552)

The breakdown, by concept, of the finance expenses recorded in the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
Debt with Financial Institutions	(82,390)	(85,251)
Non-convertible debentures	(76,012)	(71,922)
Convertible debentures	(3,040)	(2,491)
Other finance expenses	(2,597)	(3,237)
Net finance expenses allocated to investment	13,014	8,727
Total Finance Expense	(151,025)	(154,174)

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28. PROFIT OR LOSS FOR THE PERIOD

The detail of the profit or loss attributable to the holding company, taking into account consolidation adjustments net of the tax effect and broken down by companies, corresponding to the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
ITÍNERE	(44,374)	(45,334)
ENAITÍNERE ⁽¹⁾	(28,516)	(23,986)
ENA	(2,278)	(1,885)
AUDASA	10,216	(5,294)
AUCALSA	(1,222)	(2,956)
AUDENASA	585	(588)
AUTOESTRADAS	2,622	2,356
AP-1 EUROPISTAS	2,152	3,300
AUBISA	-	47
GEBISA	780	807
BIP & DRIVE	(323)	(301)
Profit (Loss) from Continued Operations ⁽²⁾	(60,359)	(73,834)
Profit (Loss) from Discontinued Operations	-	22,842
Financial Year Profit (Loss)	(60,359)	(50,992)

⁽¹⁾ Includes the profit (loss) attributable to PARTICIPACIONES AP-1 EUROPISTAS in financial year 2014

⁽²⁾ Includes the profit (loss) attributable to the holding company

29. INFORMATION ON THE COMPANY'S DIRECTORS AND SENIOR MANAGEMENT

Remuneration paid during the 2015 financial year for all the members of the Board of Directors for all concepts has amounted to 200 thousand euros (260 thousand euros in 2014).

Members of the Company's Senior Management who form part of its Board of Directors have received remuneration in a total amount of 796 thousand euros (866 thousand euros in the 2014 financial year), whereas those who do not form part of the Board have received remuneration in a total amount of 1,316 thousand euros (1,412 thousand euros in the 2014 financial year).

As at 31 December 2015 and 2014, the Company holds loans in favour of the members of the Board of Directors in an amount of 333 thousand euros, which are remunerated at an interest rate indexed to Euribor plus a spread of 1%. No liabilities have been undertaken relating to pensions or life insurance payments in favour of the members of the Board of Directors or Senior Management and there are no debit or credit balances held with the Company other than those referred to above at 31 December 2015 and 2014 (see Notes 17.2 and 22).

During the 2015 and 2014 financial years, the Company's Directors have not carried out any transactions with the Company or any other of the Group Companies outside their ordinary business or in conditions other than market conditions. Similarly, the Company's Directors and the persons related or linked to them have not been involved in any situation of conflict of interest that pursuant to the provisions of Section 229 of the Consolidated Text of Spain's Law of Capital Companies needs to be notified.

30. PERFORMANCE BONDS AND GUARANTEES

As at 31 December 2015 and 2014, the Group has issued performance bonds and guarantees through different financial institutions for the following amounts:

Thousands of euros	2015	2014
Construction perform. bonds	15,592	7,382
Operating perform. bonds	49,504	47,831
Bank guarantees	1,559	3,061
Other financial guarantees	4,599	4,676
Total	71,254	62,950

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In addition, by virtue of the financial agreements signed by the Group's companies, certain undertakings exist, as referred to in Note 17.

The Company's Directors are of the opinion that no liabilities will arise as a consequence of these bonds, commitments and guarantees.

31. LAWSUITS AND CONTINGENT LIABILITIES

Some of the Group's companies are involved in legal and extra-judicial disputes within the ordinary course of their activities (disputes with suppliers, customers, Public Administrations, private persons, employees, etc.). The appropriate provisions are made in those cases in which it is considered that there is a possibility of a ruling going against the Group. The Directors are of the opinion that, in the event of a ruling against the Group, none of these proceedings will have a significant effect on the Group's financial information for the 2015 financial year.

32. ENVIRONMENT

Regular work is carried out for the protection and improvement of the environment and for the motorways' integration in the landscape. These tasks refer to the cutting back of undergrowth in the median, shoulder and service and rest areas, the pruning of bushes and the clearing of weeds from roadsides, and the planting of bushes or other plant species in the median and other areas of the motorway.

The amount of the ordinary expenses corresponding to the above activities is not significant and it is not considered necessary to make any provisions for liabilities and charges corresponding to these environmental activities. Consequently, no amounts have been charged to these provisions at the close of the current financial year.

33. OTHER INFORMATION

Fees for audit services relating to the financial year ended 31 December 2015 included in the consolidated annual accounts corresponding to the holding company and all the consolidated companies amount to 165,710 euros (176,760 euros in the 2014 financial year), for accounting verification services they amount to 6,400 euros (9,600 euros in financial year 2014) and for other services, 259,860 thousand euros.

The amounts indicated refer exclusively to audit services and other accounting verification services and include all the fees relating to these concepts for the 2015 financial year, irrespective of the moment at which they were invoiced.

At the same time, other entities affiliated to KPMG International invoiced the ITÍNERE Group an amount of 99,069 euros for tax advisory and other services during the 2015 financial year (107,500 euros in 2014).

34. ECONOMIC-FINANCIAL PLANS

In accordance with the prevailing Spanish legislation, the Group's concessionary companies duly submitted to the concession-granting Administrations their Economic-Financial Plans that foresee the complete recovery of the investment in the motorway plus the deferred financial burden and the debt's amortization in the concession period, guaranteeing adequate remuneration of capital and reserves.

On 31 January 2012, some of the Group's companies submitted some Updated Financial Forecasts to the concession-granting Administration (presented at the Administration's request), which included the modifications deriving from the accounting rules that apply to concessionary companies after the entry into force of Order EHA/3362/2010 of 23 December 2010, in which

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certain accounting estimates that act as the basis for the calculation and registration of certain indicators were reviewed and updated.

On 19 November 2014, the Regional Government of Navarre approved the new Economic-Financial Plan of AUDENASA.

As regards the criteria adopted by the concessionary companies for establishing the most important indicators for their respective Economic-Financial Plans, the most significant are:

- **CPI:** An average annual variation in the Consumer Price Index in the region of 2% has been estimated for up to the end of the respective concession periods.
- **Traffic:** Average Daily Traffic (hereinafter, ADT) throughout the concession periods has been calculated taking into account the traffic growth series contemplated in each financial model, which make up the concession agreement's economic-financial balance scenario. Traffic growth assumptions constitute one of the main bases of the Economic-Financial Plan owing to the fact that forecast revenues and, consequently, the systematics for the recognition of the activated financial burden depend on them, as per the accounting rules in accordance with which the companies prepare their individual annual accounts.
- **Toll Rate Review:** The toll rates to be applied by the companies are regulated by the concession-granting entities and are reviewed annually as established in the legislation applicable to that effect. In some cases, the review formula includes a correction factor based on deviations between forecast ADTs and those actually obtained. As mentioned in Note 12, part of the toll revenues received by the Group's companies are provided by the concession-granting Administrations, by virtue of the provisions of the contracts and covenants governing the different concession agreements and all other related legislation.
- **Toll Revenue:** Toll revenue forecasts are obtained as a result of the application of traffic growth and toll rate review assumptions.
- **Operating Charges:** In general, their evolution is linked to variations in the CPI.
- **Finance Expenses:** When calculating finance expenses, each company's current financial structure is taken into account. Conditions similar to those contemplated in the respective Economic-Financial Plans originally presented by the companies to the Administrations or the versions updated on the basis of the latest debt issues made are taken into account in the refinancing that takes place throughout the concession period.
- **Replacement Investments:** The companies have prepared multi-annual plans of the infrastructure activities to be carried out throughout the concession period or up to the date of the infrastructures' reversion to the respective concession-granting entities, designed to guarantee adequate rendering of the services that constitute their corporate purpose. These plans act as the basis for the systematic registration of the corresponding provisions based on the infrastructures' use up to the moment at which these activities have to be carried out, as a result of their continuous wear and the obligation of maintaining them in an adequate condition for their use (Note 20).

The detail of the toll rate updates to be applied in 2016 in the Group's concessionary companies is as follows:

Concessionary Company	Concession Arrangement	Legislation on which Price Review is based	Tariff Variation 2016
AUDASA	AP-9 El Ferrol-Tuy	Law 14/2000 of 29 December 2000 of State Administration	-0.55%
AP-1 EUROPISTAS	AP-1 Burgos-Armiñon	"	-0.45%
AUCALSA	AP-66 Campomanes-León	"	-0.59%
AUDENASA	AP-15 Túdela-Irurzún	Agreement of 25 May 2007 of the Navarre Regional Government	-0.665% (*)
AUTOESTRADAS	AG-55 A Coruña-Carballo and AG-57 Puxeiros- Val Miñor	Royal Decree 210/1990 of 16 February 1990 and Decree 100/2008 of 17 April 2008 of the Galicia Regional Government	-0.665% (*)

(*) These companies review their toll rates on the basis of 95% of the inter-annual variation in the CPI in October.

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35. ASPECTS DERIVING FROM TRANSITION TO IFRS-11

The provisions of this standard affect the consolidation method that applies to the 50% owned Group company, AUDENASA which, since its entry into force, is consolidated using the equity method.

For the purposes of a better understanding of the Group's main figures, taking into account the consolidation standard prior to the entry into force of IFRS 11 – Joint Arrangements – the Consolidated Income Statements for the years ended 31 December 2015 and 2014 are shown below for comparative purposes, obtained through the consolidation of AUDENASA using the proportional consolidation method.

	2015 (Proportional Integration Method)	2014 (Proportional Integration Method)
Net Revenue	279,489	268,155
Work carried out by the Group for assets	860	392
Other operating income	3,831	4,022
Allocation of grants	35	418
Gains (losses) on sales of assets	3	(403)
Provision surpluses	11,664	-
Total Operating Income	295,882	272,584
Supplies	(1,674)	(769)
Personnel Expenses	(35,379)	(36,352)
Provisions for fixed asset amortization and depreciation	(144,728)	(144,805)
External services and other operating expenses	(27,480)	(27,873)
Change in trade provisions	(9)	271
Provision for replacement activities	(5,308)	(10,260)
Total Operating Expenses	(214,578)	(219,788)
OPERATING PROFIT (LOSS)	81,304	52,796
Other interest and similar income	3,368	4,350
Total Finance Income	3,368	4,350
Finance and similar expenses	(151,354)	(153,816)
Total Finance Expense	(151,354)	(153,816)
Change in Fair Value of Financial Instruments	(721)	2,758
FINANCIAL PROFIT OR LOSS	(148,707)	(146,708)
Profit (loss) of companies recorded under the equity method	(323)	(301)
CONSOLIDATED PROFIT (LOSS) BEFORE TAX	(67,726)	(94,213)
Corporate Income Tax	7,560	20,556
CONSOLIDATED PROFIT (LOSS) FROM CONTINUED OPERATIONS	(60,166)	(73,657)
CONSOLIDATED PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	22,842
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(60,166)	(50,815)
Attributable to:		
Minority shareholders' equity	(193)	(177)
HOLDING COMPANY	(60,359)	(50,992)

36. EVENTS SUBSEQUENT TO THE CLOSING OF THE ACCOUNTS

- On 15 January 2016, end date of the outstanding interest period at the close of the financial year of the syndicated loan subscribed by ENAITÍNERE, said company has amortized 24,100 thousand euros with which, at that date, the loan principal amounted to 1,010,754 thousand euros.

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- In accordance with the provisions of the financing contract signed by ITÍNERE, novated on 3 July 2014, on 29 January 2016, the Company has paid in cash the portion of the accrued interest as provided for in the contract, having capitalized 7,584 thousand euros pursuant to the terms of said contract. In addition, it has proceeded to the early repayment of the live balance of tranche B, plus all of the accrued interest, for an amount of 4,903 thousand euros (note 17.3).
- On 16 February 2016, ITÍNERE has received a cash dividend from its investee company ENAITÍNERE, S.A.U., for an amount of 50,000 thousand euros, charged to unrestricted reserves.
- Within the framework of the joint and simultaneous refinancing of the debt of ITÍNERE and its investee company, ENAITÍNERE, there has been a non-extinguishing modifying novation of the financing agreement entered into by the Company in August 2011 and novated in July 2014. The aforesaid novation, which has an effective date of 16 February 2016, has consisted mainly of the extension of the maturity date until 6 October 2025, the reduction of the margin applicable to the financing, the modification of the interest payment regime to have payment made entirely in cash, the unification of the loan's tranches, with the elimination of those allocated to the credit line and the obligation to allocate the dividend received from ENAITÍNERE mentioned in the previous section to repayment.
- On 16 February 2016, date of entry into force of the loan novation agreement, ITÍNERE has proceeded to the early repayment of an amount of 11,700 thousand euros, meaning that on the date of formulation of these annual accounts the Company maintains a debt with financial institutions that amounts to 571,082 thousand euros.
- Furthermore, on the effective date of 16 February 2016, ENAITÍNERE has amortized in advance the syndicated loan taken out in financial year 2013, by contracting two credit facilities; a syndicated loan for an amount of 760,754 thousand euros and a bilateral loan for 300,000 thousand euros, both with a maturity date of 6 October 2025 and with the same property collateral as the cancelled financing. These new loans, in addition to the amortization of the existing syndicated loan, have been used to pay ITÍNERE the dividend referred to above charged to voluntary reserves for an amount of 50,000 thousand euros.

The syndicated loan is indexed to Euribor 6 months and provides for partial repayments, while the bilateral loan is at a fixed rate with no partial repayments. Interest rate hedges associated with the cancelled financing are maintained for these new transactions.

- Lastly, and within the framework of the aforesaid refinancing process, on 1 March 2016 the modifying novation of an issue of convertible subordinated debentures issued by ITÍNERE in 2014 has been placed on public record, by virtue of which it has modified the final maturity of the issue, which has been set in October 2025, except for 1,705 debentures representing 15.5% of the issue, the maturity date of which continues to be October 2018.
- As mentioned in Note 23.1, on 16 February 2016 ITÍNERE has been informed by the State Tax Administration Agency of the commencement of Corporate Income Tax investigation and verification activities, of a partial nature, in regard to corporate income tax for financial year 2013. The Company's Directors are of the opinion that such inspection activities will not give rise to liabilities that would have a significant effect on the consolidated annual accounts.

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APPENDIX I: CONSOLIDATION PERIMETER AT 31 DECEMBER 2015 AND 2014

Company and Registered Office	Percentage Stake	Shareholder	Investment (Mill. Euros)		Relationship	Consolidation Method	Activity
			2015	2014			
Itinere Infraestructuras, S.A. C/ Capuchinos de Basurto 6, Bilbao, Spain	-	Body of Shareholders (Note 16)	-	-	-	Global Consolidation	Concession Holding
Enaitinere, S.A.U. Pza. Carlos Trias Bertrán 7, Madrid - Spain	100.00%	Itinere Infraestructuras, S.A.	2,583.96	1,836.60	Subsidiary	Global Consolidation	Stake in ENA Infraestructuras, S.A.
ENA Infraestructuras, S.A. (ENA) Pza. Carlos Trias Bertrán 7, Madrid - Spain	100.00%	Enaitinere, S.A.U.	1,588.33	1,588.33	Subsidiary	Global Consolidation	Motorway construction and operation
Participaciones AP-1 Europistas, S.L. (*) Pza. Carlos Trias Bertrán 7, Madrid - Spain	100.00%	Itinere Infraestructuras, S.A.	-	148.43	Subsidiary	Global Consolidation	Stake in AP-1 Europistas C.E.S.A.
Autopistas del Atlántico, C.E.S.A. (AUDASA) C/ Alfredo Vicentí 15, A Coruña - Spain	100.00%	ENA Infraestructuras S.A.	114.9	114.9	Subsidiary	Global Consolidation	El Ferrol - Tuy (AP-9) Motorway Concession
Astur-Leonesa, S.A. Motorway Concession (AUCALSA) Parque Empresarial ASIPO II, Llanera, Asturias, Spain	100.00%	ENA Infraestructuras S.A.	214.63	214.63	Subsidiary	Global Consolidation	Campomanes - León (AP-66) Motorway Concession
Autopista de Navarra, S.A. (AUDENASA) Autopista AP-15 Km. 83-Sur en Tajoanar, Navarre, Spain	50.00%	ENA Infraestructuras S.A.	40.31	40.31	Joint Venture	Equity Method	Iruizún - Autopista Ebro (AP-15) Motorway Concession
Autopistas de Galicia, S.A. (AUTOESTRADAS) C/ Alfredo Vicentí 13, A Coruña - Spain	100.00%	ENA Infraestructuras S.A.	30.18	30.18	Subsidiary	Global Consolidation	A Coruña - Carballo (AG-55 and AG-57) Motorway Concession
AP-1 Europistas, Concesionaria del Estado, S.A. (AP-1 EUROPISTAS) ⁽¹⁾ Cardenajimeno, toll area of Castañares, Burgos, Spain Spain	100.00%	Enaitinere, S.A.U.	148.43	148.43	Subsidiary	Global Consolidation	AP-1 (AP-1) Motorway Concession
Gestión de Infraestructuras de Bizkaia, S.A. (GEBISA) Camino de Capuchinos 6, Bilbao, Spain	55.00%	AP-1 Europistas, Concesionaria del Estado, S.A.	0.41	0.41	Subsidiary	Global Consolidation	Operation and conservation of the AP-8 motorway
Autopistas de Bizkaia, S.A. (AUBISA) C/ Capuchinos de Basurto 6, Bilbao, Spain	70.00%	Itinere Infraestructuras, S.A.	-	0.04	Subsidiary	Global Consolidation	Company dissolved and liquidated in 2015 (Note 1 (e))
Túneles de Artenda, S.A. (TÚNELES DE ARTXANDA) C/ Capuchinos de Basurto 6, Bilbao, Spain	50.00%	Itinere Infraestructuras, S.A.	-	0.03	Joint Venture	Equity Method	Company dissolved and liquidated in 2015 (Note 1 (e))
Tacel Inversiones, S.A. (TACEL) Feal - San Mamede de Ribadulla, Vedra, A Coruña, Spain	9.36% 9.00%	Itinere Infraestructuras, S.A. ENA Infraestructuras S.A.	3.13 3.01	3.13 3.01	Associate	Equity Method	Santiago Compostela - Alto Sto. Domingo Motorway Concession Holding
Autopista Central Gallega, C.E.S.A. (ACEGA) Feal - San Mamede de Ribadulla, Vedra, A Coruña, Spain	100.00%	Tacel Inversiones, S.A.	32.89	32.89	Associate	Equity Method	Santiago Compostela - Alto Sto. Domingo Motorway Concession Holding
Bip & Drive, S.A. (BIP & DRIVE) ⁽²⁾ Plaza de Colón, 2, Madrid - Spain	20.00%	Itinere Infraestructuras, S.A.	1.82	0.77	Joint Venture	Equity Method	Rendering of collection system management services

The indirect percentages are shown in accordance with the stake's direct holder.

⁽¹⁾ As at 31 December 2014, AP-1 Europistas, C.E.S.A. was wholly owned by Participaciones AP-1 Europistas, S.L., a company that merged with Enaitinere, S.A. on 17 July 2015, through the absorption of the first by the second (Note 1 (d)).

⁽²⁾ As at 31 December 2014, ITÍNERE held a stake of 25% in the capital of BIP & DRIVE, S.A. As mentioned in Note 1 (e), in 2015 the percentage of this holding has been diluted to its current 20%.

This Appendix forms a comprehensive part of Note 2 (d) of the Notes to the Consolidated Annual Accounts, in conjunction with which it should be read.

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APPENDIX II: INFORMATION ON MINORITY SHAREHOLDINGS IN SUBSIDIARIES AND INVESTEE COMPANIES AT 31 DECEMBER 2015 AND 2014

Thousands of euros	GEBISA		AUBISA		TOTAL	
	2015	2014	2015	2014	2015	2014
Percentage of Minority shareholders' equity	45%	45%	(*)	30%		
Information on Financial Situation						
Non-current assets	334	318	-	-	334	318
Non-current liabilities	150	-	-	-	150	-
Total non-current assets	184	318	-	-	184	318
Current assets	3,288	3,030	-	196	3,288	3,226
Current liabilities	1,955	2,262	-	56	1,955	2,318
Total current assets	1,332	768	-	139	1,332	907
Net assets	1,516	1,086	-	139	1,516	1,226
Book value of minority shareholders' equity	682	489	-	42	682	531
Information on the Income Statement						
Ordinary income	9,689	9,686	-	72	9,689	9,757
Profit (loss) from continued operations	430	348	-	67	430	415
Profit (loss) from discontinued operations	-	-	-	-	-	-
Profit (loss) for the period	430	348	-	67	430	415
Other comprehensive profit (loss)	-	-	-	-	-	-
Total comprehensive profit (loss)	430	348	-	67	430	415
Consolidated profit (loss) allocated to minority shareholders	193	157	-	20	193	177
Information on the Statement of Cash Flows						
Cash flows from operating activities	650	771	-	(398)	650	373
Cash flows from investment activities	(137)	(294)	-	-	(137)	(294)
Cash flows from financing activities, prior to dividends paid to minority shareholders	(305)	(475)	-	(539)	(305)	(1,014)
Dividends paid to minority shareholders	-	-	-	(231)	-	(231)
Net increase (decrease) in cash and cash equivalents	208	1	-	(1,168)	208	(1,167)

(*) Company dissolved and liquidated in 2015

This Appendix forms a comprehensive part of Note 15.5 of the Notes to the Consolidated Annual Accounts, in conjunction with which it should be read.

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APPENDIX III: DETAIL OF LISTED DEBENTURES AT 31 DECEMBER 2015

Agent	Group Company	Year of Issue	Maturity Date	Interest Rate	Thousands of euros	
					Nominal Amount	Amount at 31/12/2015
ABANCA	AUDASA	2006	2016	3.70%	66,801	66,694
ABANCA	AUCALSA	2006	2016	3.70%	50,643	50,550
BANKIA	AUDASA	2008	2018	4.85%	95,326	93,961
CAIXABANK	AUCALSA	2014	2019	4.35%	229,400	221,218
CAIXABANK	AUDASA	2014	2020	4.75%	400,000	386,723
BANCO SABADELL	AUDASA	2011	2021	6.00%	66,111	63,812
BANCO SABADELL	AUDASA	2012	2022	5.75%	180,304	173,207
BANKIA	AUDASA	2013	2023	5.20%	193,000	182,801
CAIXABANK	AUDASA	2015	2025	3.75%	63,451	61,812
Total Debentures Issued					1,345,036	1,300,779

There is no significant difference between the book value and the fair value of the debentures being traded at 31 December 2015.

These issues are listed on the AIAF, Spain's benchmark market for Corporate Debt and Private Fixed Income, which operates the Spanish financial markets. The fair value can be found on the following website:

<http://www.aiaf.es/esp/aspx/aiaf/Precios.aspx>

Unlike over-the-counter markets, AIAF is a regulated market and is subject to control and supervision by the pertinent authorities who oversee its operation and the procedures followed for listing securities and disseminating information.

This Appendix forms a comprehensive part of Note 17.1 of the Notes to the Consolidated Annual Accounts, in conjunction with which it should be read.

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APPENDIX IV: DETAIL OF DEBTS WITH FINANCIAL INSTITUTIONS AT 31 DECEMBER 2015

Thousands of euros

Agent	Company	Original Amount	Currency	Start Date	Maturity	Interest Rate	Short-Term	Long-Term	Total
LOANS									
BANCO SANTANDER	ENAITÍNERE	1,176,236	Euro	2013	2018	Euribor 6m + margin	-	1,017,997	1,017,997
BANCO SABADELL	ITÍNERE	608,500	Euro	2011	2018	Euribor 6m + margin	-	622,485	622,485
MINISTRY OF INDUSTRY	ITÍNERE	678	Euro	2007	2021	Zero rate	62	266	328
MINISTRY OF INDUSTRY	ITÍNERE	441	Euro	2008	2020	Zero rate	54	153	207
EUROPEAN INVESTMENT BANK	AUTOESTRADAS	15,025	Euro	1998	2016	Fixed rate 5.07%	1,252	-	1,252
BANCO SANTANDER	AUTOESTRADAS	25,000	Euro	2015	2019	Euribor 6m+1%	-	23,807	23,807
INTEREST DEBT							35,071	-	35,071
						Total Loans	36,439	1,664,708	1,701,147
CREDIT POLICIES									
BANCO SABADELL	ITÍNERE	22,440	Euro	2011	2018	Euribor 6m + margin	-	4,827	4,827
KUTXABANK	GEBISA	600	Euro	2013	2016	Euribor 3m + margin	-	-	-
KUTXABANK - FACTORING	GEBISA	2,000	Euro	2013	2016	Euribor 3m + margin	-	-	-
						Total Policies	-	4,827	4,827
						Total Debt with Financial Institutions	36,439	1,669,535	1,705,974

There is no significant difference between the book value and the fair value of debts with financial institutions at 31 December 2015.

This Appendix forms a comprehensive part of Note 17.3 of the Notes to the Consolidated Annual Accounts, in conjunction with which it should be read.

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1. PROGRESS OF THE ITÍNERE GROUP IN 2015

The activity of ITÍNERE INFRAESTRUCTURAS, S.A. in 2015 has focused on the management of its subsidiaries and investee companies, the activity of which is primarily the mature motorway concession business in Spain. At 31 December 2015, ITÍNERE held stakes in a total of 6 concessionary companies, all of whose motorways are in operation (with a total of 609.2 km) and in one company that manages the operation of other road infrastructures, and also in another company, the corporate purpose of which is the rendering of collection management services through the electronic toll payment system.

During 2015, ITÍNERE has carried out the management and coordination activities of the Group's companies, which have conducted their business as usual. The financial year has been marked by the start of a turnaround in the general economic crisis, which had been negatively affecting motorway traffic in recent years. Although the overall economic improvement in 2015 can only be classified as moderate, it appears to indicate the beginning of a recovery after several years of contraction.

Of the most relevant events of the year, it is important to highlight the following:

- The stabilization ITÍNERE's debt, through the novation of the syndicated loan agreement, the nominal value of which amounted to 629.3 million euros at the year-end close. On 6 October 2015, this loan was novated and recast for the purpose of extending its maturity to the date that resulted from the refinancing of ENAITÍNERE's debt and to improve the remaining terms and conditions. The entry into force of the novation was subject to precedent conditions, which have been met on 16 February 2016 and, consequently, the new maturity date of the loan is 6 October 2025 and the nominal amount, after the repayments made, is 571.1 million euros.
- The refinancing of ENAITÍNERE's debt, like the above, was subject to precedent conditions which have been met in February 2016, and which have permitted an extension of the due date of the debt until 2025, as is explained in greater detail later on. In order to simply the existing corporate structure, in August 2015 there was a merger by absorption of PARTICIPACIONES AP-1 EUROPISTAS by ENAITÍNERE and, simultaneously, the corporate transformation of ENAITÍNERE into a Public Limited Company.
- Our investee company, AUTOPISTAS DEL ATLÁNTICO, C.E.S.A, has initiated the construction work for the enlargement of the AP-9 motorway, corresponding to the Vigo access (including the Puente de Rande Bridge) and the Santiago North – Santiago South section.

As we pointed out at the beginning of these comments, after a long period of economic crisis, financial year 2015 has embarked on a path of improvement in the overall economic situation, which has also been reflected in the motorway sector. The recovery of the sector's traffic got off to a tentative start in the 2014 financial year, after 6 consecutive years of decline. During 2015, this growth in traffic on Spain's motorways has become consolidated, achieving an improvement of 5.9%. The total Mean Daily Intensity of the ITÍNERE Group in 2015 attained a figure of 17,095 vehicles, with a positive variation of 4.25% with respect to 2014. The Mean Daily Intensity of lightweight vehicles for all the Group's motorways for the whole of the 2015 financial year is 14,852, representing a growth of 4.13% when compared with the figure for 2014. At the same time, the same coefficient for heavy vehicles gives a figure of 2,243 vehicles, which is an increase of 5.07% with respect to the preceding period.

The main consolidated financial figures included in the consolidated annual accounts for 2015 are discussed briefly below:

- Consolidated revenue for 2015 amounts to 259.8 million euros, 4.3% more than the 2014 financial year's comparative figure, as a result of the economic recovery that has been taking place over the last financial year, which has been reflected in a recovery of traffic levels on our motorways. Taking the proportional income of AUDENASA, revenue would have been 279.5 million euros, 4.2% higher than the previous year's figure.

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- Consolidated EBITDA in 2015 amounts to 203.5 million euros, representing a 78.3% margin on the indicated revenue, 1.3 percentage points more than in 2014. This represents an increase of 6.0% when compared with the previous financial year, as a consequence of higher income and the application of an ongoing savings policy, which has also allowed a reduction of 0.9% in current operating expenses, in spite of weather conditions during the winter season giving rise to a significant increase in road works. Taking the proportional contribution of AUDENASA, as was done prior to the application of IFRS 11, this figure would be 219.7 million euros in 2015.
- The amortization of concession assets, which is carried out using the straight-line method, represents a total amortization amount of 129.2 million euros. The allocation of provisions for replacement work during the 2015 financial year is 3.8 million euros, and surplus provisions of 11.3 million euros have been recorded, arising from the effect of savings obtained in pavement renewal. All of this puts the 2015 EBIT at 81.9 million euros, with a margin over revenue of 31.5%, representing a 50.9% increase with respect to 2014.
- The financial result shows a negative amount of 148.6 million euros, with a worsening of 2.0 million euros with respect to the figure obtained in 2014. This is mainly the result of the variation of the AP-1 inflation derivative (-5.1 million euros), the effect of which is partially offset with the variation of the impact on profit and loss of ENAITÍNERE's CAPs (+1.6 million euros); of the greater finance cost of the convertible debentures issued by ITÍNERE in July 2014 (-0.5 million euros); of the effect of the financing in 2014 in AUDASA and AUCALSA for an amount of 134.6 million euros and 229.4 million euros, respectively (approximate impact of 966 thousand euros) and, as is common knowledge, AUDASA issued 265.4 million euros of additional debentures to finance the motorway enlargement works, the net finance expenses of which are capitalized as the greater value of the concession asset (13.0 million euros in 2015). The variation experienced by the finance cost for the updating of provisions has also contributed to the evolution of the financial result.
- At the close of 2015, it has not been necessary to register any impairment-based value adjustments relating to consolidation goodwill; with this the financial year's consolidated profit or loss attributed to the holding company is a loss of 60.4 million euros.
- Gross financial debt at the close of the reporting period amounts to 3,037.4 million euros, which represents the financing associated with projects, meaning that 78% of the total financial debt is without recourse. Net financial debt is 2,724.3 million euros.
- The net investment in concession arrangements at the end of the reporting period has amounted to 2,688.6 euros, including the allocation of fair values resulting from the Acquisition Price Distribution carried out in 2009.

The motorway concession sector activity is inevitably closely linked to the general evolution in the economy which, in general terms, has been adverse in recent years, but which began to show the first signs of recovery in 2014, an improvement that has been consolidated in 2015. In 2015, the Spanish economy returns to positive growth in GDP and in employment unseen since 2007, in conditions of minimum inflation, a current-account balance of payments surplus and containment of the public deficit.

GDP in Spain in 2015 has increased 3.2% compared to 2014, which represents a growth of 18 tenths compared to 2014, when it was 1.4%. Fourth quarter growth was 0.8%, with domestic demand contributing 4.1 percentage points (the same as the previous quarter), while foreign demand was down six tenths, one less than in the previous quarter. With these figures, GDP returns to growth rates similar to those registered before the crisis, and this average growth is similar to that registered in 2003 and 2004, years of the real-estate boom. Spain, moreover, is the country that has grown the most of all the major Eurozone countries, well above the United Kingdom (the U.K. economy increased 2.2% in 2015) and doubling or tripling the growth of Germany, France and Italy. The main driving force behind economic growth has been final household consumption, which advanced 3.5%, the same

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annual rate as the economy. On the demand side, investments reduced their growth rate somewhat, with a noteworthy investment figure in capital goods, which closed the year at a rate of 10.9%. Construction is once again sending signals of recovery and its annual growth rate increased to 5.2%, higher than the GDP.

In line with the evolution of the GDP, employment figures have also shown significant improvement. The number of employed people, in terms of full-time equivalent employment, reached an annual rate of 3% in 2015, which represents an increase of approximately 495,000 full-time jobs in one year. The stronger pace of job creation is mainly due to salaried employment, which went from an increase of 1.4% in 2014 to 3.4% in 2015. Production per employee increased slightly by 0.2%, one tenth less than in 2014, and remuneration per salaried employee increased 0.5%, after a decline of 0.6% in the previous year, meaning that unit labour costs show an increase of 0.3% (-0.8% in 2014). During 2015, industrial production increased 3.2%. As regards the services sector, its dynamism continues, particularly in tourism, which continues firmly along the path of growth. Thus, by the end of 2015, 68.1 million tourists had visited Spain, representing an inter-annual growth of 4.9%, exceeding that of 2014.

Opinion indicators also point to improved private consumption and, bearing this out, the consumer confidence indicator, prepared by the Spanish Centre of Sociological Research (CIS), reached a level of 107.4 in December 2015, a historic maximum of the progression that started in September 2004 and exceeding a level of 100 (above which consumer perception is positive). However, the subsequent evolution of this indicator at the onset of 2016 reveals some uncertainty as a result of the country's political instability, as well as the international economic situation, which raises some concerns.

The annual rate of change of the CPI at December 2015 was 0.0%, three tenths higher than that registered the previous month. The annual underlying inflation rate, which does not include the prices of energy or unprocessed food products, ended the 2015 financial year at 0.9%. In the course of 2015, the CPI only registered positive year-on-year rates in three months: June and July (0.1% in both cases) and December, with 0.0%. This evolution, as had already occurred in the previous financial year, has been determined largely by the evolution of fuel prices. After two years of negative price change rates, everything indicates that we are about to begin a period of rising inflation. The factors that lead to this conclusion are the following: the disappearance of the knock-on effect caused by the strong drop in oil prices during 2015; the weakening of the euro against the U.S. dollar as a result of the divergence in monetary policies between the two sides of the Atlantic, and the improvement of the labour market, with an expected increase in the number of employed persons estimated in the area of 400,000 net new jobs in 2016, which will have a positive impact on household income and confidence, encouraging consumption and pushing prices higher.

According to results of the EPA (Working Population Survey), for the last quarter of 2015 the unemployment rate in Spain dropped 2.8 points and ended the year at 20.9%. In all, there were 680,000 fewer unemployed persons, which puts the number of unemployed at 4,779,500 people. This improvement in the employment trend can be attributed to the greater strength of economic activity, the effects of the last labour market reforms in 2012 and a restrictive wage policy.

Within this general context, we will now comment on the specific financial activity carried out by ITÍNERE and its subsidiaries and investee companies. In addition to meeting the financial needs of the different Group Companies at any given moment, the activity in this area is permanently focused on the analysis and prospecting of possible Group debt financing transactions that add value and improve structural efficiency. Thus, of the activities during the 2015 financial year, the following milestones in the financial area can be highlighted:

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- **Cancellation of the AUDENASA working capital line of credit:** The credit facility maintained by AUDENASA for an amount of up to 9 million euros was cancelled in February 2015 because there was no longer any need for it, given its recurrent and positive working capital and cash situation.
- **AUTOESTRADAS loan:** In May 2015 a bilateral loan agreement was signed with Banco Santander, S.A, for an amount of 25 million euros with maturity in June 2019 and a variable interest rate indexed to Euribor plus margin. The loan does not involve any property collateral or interest rate hedges.
- **AUDASA Debenture Issue:** After obtaining the necessary authorizations, in the month of December AUDASA issued and listed an issue of tax-deductible debentures, with the guarantee of ENA INFRAESTRUCTURAS, for an amount of 63.5 million euros, with a 10-year term, a coupon of 3.75% and similar characteristics to those of previous issues. The issue, addressed to the retail market, was not insured and was a complete success, being subscribed for an amount higher than that issued. The subscribed amount was 258.7 million euros and, as contemplated in the issue prospectus, the corresponding proportional distribution was carried out. The issue securities are listed on the AIAF (Spain's Association of Financial Asset Brokers) market, on the SEND platform. The object of the issue was to meet the maturity of a debenture issue, also tax-deductible, for an amount of 63.5 million euros, with a maturity date within the financial year.
- **Novation through substitution of the ITÍNERE Syndicated Loan:** The loan subscribed in August 2011 was novated through substitution in July 2014 for the purpose, among others, of extending its maturity to October 2018 and adapting debt servicing to the Company's cash flows. On 6 October 2015 it was newly novated and recast for the purpose of extending its maturity up to the same date as that resulting from the refinancing of ENAITÍNERE's debt; unifying the various financing tranches into a single one, eliminating those corresponding to a liquidity line; modifying the interest payment regime, making it entirely in cash, and reducing the applicable margin; repayment of 50 million euros charged to dividends receivable from its investee company ENAITÍNERE, upon fulfilment of the financing conditions established for the latter, and the elimination and/or modification of other terms and conditions of the financing agreement agreed by the parties. The entry into force of the novation is subject to a precedent condition, consisting of the contracting by ENAITÍNERE of sufficient financing for the cancellation of part of the debt subscribed in October 2013, and ITÍNERE's receipt of a dividend from ENAITÍNERE for an amount of 50 million euros, to be distributed among ITÍNERE's lenders as repayment. On 16 February 2016 the precedent condition was met and, consequently, the new aforementioned novation entered into force, meaning that the new due date of the loan is 6 October 2025 and the nominal amount, after the repayments made, is 571.1 million euros.
- **Refinancing of the ENAITÍNERE Syndicated Loan:** The syndicated loan formalized by ENAITÍNERE and PARTICIPACIONES AP-1 EUROPISTAS jointly and severally in October 2013 had a maturity date in October 2018. During the first part of the 2015 financial year, the necessary analysis and work was performed to take advantage of possible market opportunities that would make it possible to implement improvements in the structure of this financing, for the purpose of extending the maturity date, reducing the finance cost, diversifying the financing sources and analyzing the possibility of freeing up funds for its holding company, ITÍNERE. As a result of the above, in October 2015 a new syndicated loan was subscribed, for a maximum term of 10 years and subject to a condition subsequent, under which the amount of the loan, together with the formalization of another debt instrument for a minimum amount of 300 million euros, would allow the full repayment of the 2013 loan and, in addition, pay an extraordinary dividend to the holding company ITÍNERE for an amount of 50 million euros. As part of the refinancing process and for the purpose of simplifying the corporate structure, in August 2015 there was a merger by absorption of PARTICIPACIONES AP-1 EUROPISTAS by ENAITÍNERE and, simultaneously, the corporate transformation of ENAITÍNERE into a Public Limited Company. In February 2016, the condition

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subsequent of the syndicated loan was fulfilled, through the contracting of a bilateral loan for an amount of 300 million euros, meaning that both credit transactions have entered into force and, consequently, the previous loan, the nominal amount of which was 1,010.8 million euros, has been fully repaid and an extraordinary dividend of 50 million euros has been paid to ITÍNERE. The due date of both transactions is October 2025; the interest rate of the syndicated loan is indexed to Euribor plus a margin of 2%, while the interest rate of the bilateral loan is fixed. The guarantees provided in the new financing are identical to those existing under the previous financing and include, among others, the pledging of shares representing the corporate capital of ENA Infraestructuras, ENAITÍNERE and AP-1 EUROPISTAS. This financing is without recourse to the holding company ITÍNERE and allow, when certain conditions are fulfilled, the release of funds in favour of ITÍNERE.

With the materialization in February 2016 of the transactions described in the holding and sub-holding company, improvements have been made in the financial structure of the Group, providing long-term financial stability.

As at 31 December 2015, the Group's companies do not have any amounts pending payment relating to business transactions that accumulate a deferment in excess of the legal payment term as per the provisions of Law 3/2004 of 29 December 2004 and its subsequent amendments through Law 15/2010 of 5 July 2010 and Royal Decree-Law 4/2013 of 22 February 2013. The average term for payment to the Group's suppliers in 2015 was 25 days.

2. EVENTS SUBSEQUENT TO THE CLOSING OF THE ACCOUNTS

In application of the respective procedures for the review of tariffs and tolls on the Group's motorways (in the case of those owned by the State Administration, that established in Law 14/2000 of 29 December 2000; in the case of those for which the Regional Governments are responsible, that established in the specific applicable legislation), with effect 1 January 2016, the review of the tolls to be applied has been authorized, which has involved a slight reduction in tariffs of between 0.45% and 0.67% and, consequently, a reduction in some tolls. The concessionary companies for which the Regional Governments are responsible review their tariffs on the basis of 95% of the inter-annual fluctuation in the CPI at October, whereas the concessionary companies for which the Ministry of Public Works is responsible carry out the toll rate review on the basis of the average variation in the CPIs of the period between the months of October of the previous and current years, also taking into account a correction factor based on deviations between the forecast ADT and the figure actually obtained.

Since the closing of the 2015 financial year, important events have arisen that are referred to in Note 36 of the attached annual accounts, in relation to the debt refinancing process, among which we point out the following:

- Within the framework of the joint and simultaneous refinancing of the debt of ITÍNERE and its investee company, ENAITÍNERE, there has been a non-extinguishing modifying novation of the financing agreement entered into by the Company in August 2011 and novated in July 2014. The aforesaid novation, which has an effective date of 16 February 2016, has consisted mainly of the extension of the maturity date until 6 October 2025, the reduction of the margin applicable to the financing, the modification of the interest payment regime to have payment made entirely in cash, the unification of the loan's tranches, with the elimination of those allocated to the credit line and the obligation to allocate the dividend received from ENAITÍNERE to repayment (50 million euros charged to unrestricted reserves, collected in cash on the indicated date).
- As a result of the above repayment, as well as those made on 29 January 2016 (4,903 thousand euros) and another on 16 February 2016 (11,700 thousand euros), the debt balance with financial institutions on the date of preparation of the annual accounts stands at 571.1 million euros.

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- In addition, and within the framework of the aforesaid refinancing process, the final maturity of the issue of subordinated convertible debentures has been modified and has been set in October 2025, except for 1,705 debentures representing 15.5% of the issue, the maturity date of which continues to be October 2018.

Lastly, on 16 February 2016 ITÍNERE was informed by the State Tax Administration Agency of the commencement of Corporate Income Tax investigation and verification activities, of a partial nature, in regard to corporate income tax for financial year 2013. The Company's Directors are of the opinion that such inspection activities will not give rise to liabilities that would have a significant effect on the annual accounts.

3. FORESEEABLE EVOLUTION OF THE COMPANY

The activity to be conducted by ITÍNERE in the forthcoming years will focus on the management of its subsidiaries and investee companies, in accordance with the guidelines proposed by the shareholders.

After having obtained the necessary funds for the enlargement of the motorway's capacity, as per Royal Decree 1733/2011, and following the commencement of the construction work in 2015, work will go ahead in 2016 on the enlargement of the AP-9 AUTOPISTA DEL ATLÁNTICO motorway, consisting in the construction of new lanes in the Santiago de Compostela bypass section, as well as the Cangas link-Teis link section and the enlargement of the Puente de Rande Bridge. These works will contribute to enhancing services for users.

At a financial level, it is important to point out that after the process of the joint and simultaneous refinancing of the debt of ITÍNERE and its investee company ENAITÍNERE, which has been completed in February 2016 and which involved the extension of the due date until October 2025, virtually all of the Group's debt is long term. After having amortized the aforementioned amounts of ITÍNERE's debt in February 2016, the contractual debt maturities within the Group during 2016 amount to 118.6 million euros, of which 66.8 million euros correspond to the AUDASA debenture issue, 50.6 million to an AUCALSA debenture issue and 1.25 million euros to AUTOESTRADAS. The Company's Directors reasonably estimate that these debt maturities of AUDASA and AUCALSA will be refinanced throughout the 2016 financial year. It should be noted that at the close of 2015, AUDASA had a cash balance of 238.5 million euros.

In regard to this refinancing, it is important to underline the Group's ample experience in these types of operations. Even in such adverse situations as those experienced in the financial markets in recent years, the debentures issued in the periods from 2011 to 2015 periods (for amounts of 66, 180, 193, 629.4 and 63.5 million euros, respectively) have been a great success, with high levels of over-subscription, a clear sign of investor confidence in the projects being developed by the Group's issuing companies.

Based on the foregoing, the Directors are confident that this debt will be refinanced at its maturity, although this opinion is conditional upon the specific circumstances of the financial markets at the moment of the refinancing.

At a financial level, and while the aforementioned transaction concluded in February 2016 represents long-term financial stability, all opportunities that enable the financial structure of the Company and its Group to be continuously improved will continue to be analyzed so as to maintain the high degree of solidity and solvency that has made it possible to meet all of its commitments over the entire lifetime of the Company and of its subsidiaries and investee companies.

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4. MAIN RISKS AND UNCERTAINTIES

As regards possible "Market Risk", the concessionary companies in which ITÍNERE holds stakes operate on the basis of concession agreements with Administrations that establish the right to the restoration of financial and economic balance in the event of circumstances occurring beyond the concessionary company's control, all of which significantly limits the activity's risks. Nevertheless, some risk factors can be identified, as summarized below:

- **Demand Risk:** In the motorway concession business, the tolls collected by the concessionary companies, which represent their main source of income, depend on the number of vehicles that use these toll motorways and the capacity of these motorways to attract traffic. In turn, traffic intensity and toll revenue depend on numerous factors, including the motorway's quality and state of conservation, the convenience and duration of the journey on toll-free alternative highways or on other toll motorways not operated by the Group, the economic environment and fuel prices, weather conditions, environmental legislation (including measures to restrict the use of motor vehicles in order to reduce pollution), the occurrence of natural disasters, and the existence and viability of alternative means of transport, such as air transport and railways, or other means of interurban transport. Given the current characteristics of the ITÍNERE portfolio (mature, well-consolidated businesses), demand risk can be considered low as regards some of the factors mentioned.
- **Regulatory Risk:** The ITÍNERE subsidiaries and investee companies are subject to compliance with the regulations, whether specific to the sector or of a general nature (accounting, environmental, labour, data protection, fiscal and other rules and regulations). As occurs in all highly regulated sectors, changes in the regulations can have a negative effect on the Company's business. In the case of significant regulatory changes (including tax modifications), the Group's concessionary companies, in certain circumstances, would have the right to amend the terms and conditions of the concession or to negotiate certain changes in them with the responsible Administration, so as to achieve financial and economic restitution.
- **Risk in the Expansion of Business to other Countries:** No specific projects for expansion into other countries are currently envisaged. Nevertheless, should ITÍNERE decide to expand its business to other countries on the grounds that this would contribute to its future growth and profitability, prior to an investment of this type being authorized, an in-depth analysis would be carried out in the field. Although any expansion into new geographical scopes involves a risk, the management team's prior experience in international development would mitigate these risks.

As regards general economic progress, as already mentioned throughout this Report, the current panorama would seem to point to an improvement in the economic situation in Spain and, while not without risks, in the general framework of the global economy as well. Based on the experience of previous years, the conclusion can be drawn that the evolution in traffic is directly related to the behaviour of the main macroeconomic variables.

Other risks to which the Group's companies are exposed are as follows:

- Risk of damage or injury caused during infrastructure construction, conservation or enlargement work.
- Risks relating to occupational hazard prevention.
- Risks associated with loss of property.

ITÍNERE and its subsidiaries and investee companies have sufficient control systems in place to be able to identify, quantify, evaluate and remedy all these risks in such a way that they can be minimized or avoided. In addition, the Group has adopted a policy of contracting and maintaining insurance policies to cover these and other aspects.

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5. FINANCIAL RISK MANAGEMENT POLICIES

As far as the concessionary companies are concerned, to a large extent the financial risk management policies of both the Company and the Group and, consequently, the instruments for their achievement, are determined by the specific legislation and regulations of the infrastructure concession activity sector, the respective concession agreements, the projects' degree of maturity, the concession's remaining years and the very nature of the business, without forgetting, of course, the prevailing situation in the financial markets at any given moment.

Thus, the structure, type of financing, hedges, guarantees and, in short, all the other most appropriate financing instruments are selected on the basis of the nature of and the risks inherent in each project to be financed, so as to mitigate them as far as is possible, without ignoring the balance between cost, risk, guarantees and term.

Financing of the concessionary and vehicle companies in which ITÍNERE has stakes is encompassed under so-called "project financing" in which the supplier of the funds assumes a substantial part of the project evolution debt-related risks, with recourse being limited to the developers or shareholders. Two of the Group's main companies (AUDASA and AUCALSA) are wholly financed through the issue of tax-deductible debentures addressed to the retail market.

The financial policy and management of ITÍNERE is decided and executed by the Company's Financial Management, subject to the approval of its Senior Management. Briefly, this policy, as regards financial risk management, is as follows:

- **Interest Rate Risk:** Of the Group's total consolidated debt, a very substantial part, 72%, is at a fixed rate, which reduces the businesses' exposure to rising interest rates. This debt, both that associated with projects and corporate debt, is made up of tax-deductible debenture issues with a single amortization at maturity (representing 56.2% of project debt at fixed interest rates and a term of between 5 and 10 years) and loans from financial institutions. This fixing of bank debt interest rates is materialized through financial hedge instruments, such as interest rate swaps (IRS) or CAP contracts. A possible variation of ± 100 basis points in interest rates would have an approximate effect of between +7.0 and -0.8 million euros on the financial year's net consolidated profit or loss.

On 29 January 2016, the derivative financial instruments taken out by the Group's Holding Company in 2011 have expired, meaning that from that date on all of the financial debt contracted by the ITÍNERE is at a variable interest rate. Notwithstanding the above, given the economic circumstances, current interest rates and those foreseen for the medium term, this situation will probably mean a reduction in the finance costs of the Company in the years to come. In any case, the evolution of the markets is constantly monitored and, if deemed advisable, the contracting of new hedge instruments can be studied.

Furthermore, as has already been mentioned, the Group Company ENAITÍNERE has signed hedge contracts (both interest rate swaps (IRS) and CAP contracts) with certain institutions, in accordance with the provisions of their respective financing contracts, for the purpose of hedging the interest rate risk associated with them, which will mature in 2018. Virtually the entire portfolio of financial swap contracts complies with the requirements established by the accounting standards for their classification as efficient hedges. The fair value of the derivatives subscribed by the Group at 31 December 2015 amounts to 11,121 thousand euros (Note 19.3).

- **Exchange Rate Risk:** The Group's policy is to contract indebtedness in the same currency as that in which business flows are produced, which means that there is no significant risk relating to exchange rates.

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- **Credit Risk:** Given the characteristics of the activity conducted by ITÍNERE (holding of a Group of concessionary companies), most of its income is obtained from the rendering of services to its subsidiaries and investee companies. Consequently, due to the nature of the business conducted by the Group, the risk of non-payment is low. As far as this risk in its subsidiaries and investee companies is concerned, it is virtually non-existent owing to the fact that revenue is received in cash or through credit card or electronic means of payment, the non-payment risk of which is assumed by the management companies. Likewise, part of the revenue derives from the payments that the various concession-granting Administrations, the Autonomous Regions and Central Government make in accordance with the terms and conditions of the respective concession agreements.
- **Refinancing Risk:** As mentioned in notes 17.3 and 36 to the annual report, effective as of 16 February 2016, ITÍNERE and ENAITÍNERE have proceeded to the non-extinguishing modifying novation of the refinancing of their respective syndicated loans, which has involved, among other modifications, the extension of the maturity dates of said loan agreements until 6 October 2025. The contractual debt maturities within the Group during 2016 amount to 118.7 million euros, of which 117.4 million euros correspond to the respective tax-deductible debenture issues of AUDASA and AUCALSA, which mature halfway through the financial year and which, as their maturities approach, will be refinanced through the most adequate instrument, depending on the prevailing circumstances of the financial markets, including the listing of a new public or private debenture issue. At the same time, AUDASA holds a cash balance of 238.5 million euros at the close of 2015. The remaining amount (1.2 million euros) corresponds to the contractual maturity of AUTOESTRADAS that will be serviced with the company's cash flows. Therefore, the risk is mitigated due to the fact that the businesses have recurring revenues and long-term concession periods. Virtually the whole of the Group's debt is long term and, consequently, the Company's Directors are of the opinion that this risk is low.
- **Liquidity Risk:** Due to the particular characteristics of the Company and the composition of its current liabilities, as well as debt refinancing and cash flow generation estimates, there are sufficient funds for the Company to meet its payment commitments. At the same time, within the different concessionary companies that make up ITÍNERE, the liquidity risk is low due to the nature and characteristics of their collections and payments, their EBITDA, the projects' financial structure, toll systems and a predictable and systematic replacement investment programme. Consequently, the Company's Directors are of the opinion that this risk is low.
- **Price Risk:** This risk is very low given the fact that the revenue of ITÍNERE is associated with the activity of its subsidiaries and investee companies. These companies, in turn, are not exposed to this risk either, because they operate in a regulated market in which the prices applied are reviewed on the basis of the variation in the Consumer Price Index (CPI).

6. RESEARCH & DEVELOPMENT ACTIVITIES

The Company is not involved in any R&D plans which, due to their importance or expected outcomes, could significantly transform the activity's evolution.

7. TREASURY STOCK ACQUISITIONS

During the 2015 financial year, the Company has not acquired any own shares. As a consequence of the acquisitions of previous financial years, at 31 December 2015 it owns 53,469 shares, representing 0.01% of its corporate capital. These acquisitions were made in accordance with the resolution adopted by the General Meeting of Shareholders held on 24 June 2009, authorizing the derivative acquisition of own shares by the Company and/or its controlled companies, with the limits and requirements established by the prevailing legislation.

**ITÍNERE INFRAESTRUCTURAS, S.A.
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ONE: In fulfilment of the provisions of Article 253 of the Law of Capital Companies and Article 37 of the Commercial Code, the Directors of the Company, **ITÍNERE INFRAESTRUCTURAS, S.A.**, have prepared these Consolidated Annual Accounts comprising the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Global Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Consolidated Notes, together with the Consolidated Directors' Report, corresponding to the financial year ended 31 December 2015, included on pages 1 to 82 of this document, with the signature of the Secretary to the Board of Directors.

TWO: At the same time, the Company's Directors declare that the Company's books that form the basis of these consolidated annual accounts do not contain any items which, by their nature, need to be included in the specific environmental information document provided for in Order JUS/206/2009 of 28 January 2009.

Signed in Madrid on 30 March 2016.

D. Pedro Pérez Fernández
Chairman

D. Francisco Javier Pérez Gracia
Managing Director

D. Antonio Herrera Bustamante
Director

ARECIBO SERVICIOS Y GESTIONES, S.L.,
represented by Ms Vicky Chan
Director

CAIXANOVA INVEST, SCR de Régimen Simplificado, S.A.,
represented by Mr Juan María Hernández Andrés
Director

LIBERBANK CAPITAL, S.A.
represented by Mr. Ignacio Javier López de Herro Bravo
Director

ABANCA CORPORACIÓN INDUSTRIAL Y EMPRESARIAL, S.L.
represented by Mr. Javier José Carral Martínez
Director

D. Mark Edw in Lorkin
Director

D. Michael Osborne
Director

D^a Holly Keller Koeppel
Director

D^a. Cynthia Joan Praschnik
Director

D. Fernando Mendezona Peña
Director

D. Carlos Mjangos Gorozarri
Director

D. José M^a Orihuela Uzal
Director

D. Francisco Pedras Camacho
Director

D. José Luis González Carazo
Secretary, non-Director