

Itinere
Infraestructuras,
S.A.

Annual Accounts
31 December 2015

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 Annual Accounts

To the Shareholders of
Itínere Infraestructuras, S.A.

Report on the Annual Accounts

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

Directors' Responsibility for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of Itínere Infraestructuras, S.A. in accordance with the financial reporting framework applicable to the entity in Spain, specified in note 2 to the accompanying annual accounts, and for such internal control that they determine is necessary to enable the preparation of 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 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 annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 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 annual accounts for 2015 give a true and fair view, in all material respects, of the equity and financial position of Itínere Infraestructuras, S.A. at 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria set forth therein.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2015 contains such explanations as the Directors consider relevant to the situation of the Company, its business performance and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2015. Our work as auditors is limited to the verification of the 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 the Company.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Manuel Martín Barbón

7 April 2016

ITÍNERE INFRAESTRUCTURAS, S.A.

**Balance Sheets
at 31 December 2015 and 2014
(stated in euros)**

	Notes	2015	2014
ASSETS			
NON-CURRENT ASSETS		2,302,563,513.09	2,289,909,829.51
Intangible assets	5	19,069.08	21,630.70
Computer Applications		19,069.08	21,630.70
Tangible assets	6	350,582.32	439,814.46
Technical installations and other tangible assets		350,582.32	439,814.46
Investment properties	7	686,639.54	761,819.54
Land and buildings		686,639.54	761,819.54
Long-term investments in Group Companies and Associates	10	2,301,123,773.08	2,281,350,024.17
Equity instruments		2,301,123,773.08	1,768,636,484.34
Loans to companies	9	-	512,713,539.83
Long-Term Financial Investments	9	62,061.43	62,061.43
Other financial assets		62,061.43	62,061.43
Deferred Tax Assets	18	321,387.64	7,274,479.21
CURRENT ASSETS		68,365,615.85	101,092,430.33
Trade and other Receivables	11	57,067,066.47	56,269,644.11
Trade receivables from Group Companies and Associates	9 + 19	14,131,077.35	12,854,248.66
Other Receivables	9	578,027.13	57,376.81
Personnel	9	334,697.83	333,461.00
Current Tax Assets	18	42,023,264.16	43,024,557.64
Short-term Accruals		199,750.51	190,941.16
Cash and Cash Equivalents	12	11,098,798.87	44,631,845.06
Cash		3,094,941.34	44,631,845.06
Cash equivalents		8,003,857.53	-
TOTAL ASSETS		2,370,929,128.94	2,391,002,259.84

The accompanying notes 1 to 30 form a comprehensive part of the Annual Accounts at 31 December 2015

ITÍNERE INFRAESTRUCTURAS, S.A.

**Balance Sheets
at 31 December 2015 and 2014
(stated in euros)**

	Notes	2015	2014
EQUITY AND LIABILITIES			
EQUITY		1,258,007,167.07	1,279,844,806.00
Capital and Reserves	13	1,258,406,797.77	1,285,394,930.79
Capital		221,874,386.30	221,874,386.30
Share Premium		1,038,559,639.56	1,038,559,639.56
Legal Reserves		26,955,789.44	26,955,789.44
Other Reserves		508,561,015.20	508,561,015.20
Own Shares and Equity Holdings		(211,737.24)	(211,737.24)
Profit and loss from previous financial years		(510,344,162.47)	(504,383,319.87)
Profit (loss) for the period		(26,988,133.02)	(5,960,842.60)
Adjustments for change in value		(443,373.05)	(5,609,724.98)
Hedging transactions		(443,373.05)	(5,609,724.98)
Grants, Donations and Legacies received	14	43,742.35	59,600.19
NON-CURRENT LIABILITIES		997,140,156.55	977,711,226.36
Long-term Debts	9	640,422,452.57	632,063,544.15
Debentures and other marketable securities	15	12,691,324.65	11,309,291.86
Debt with financial institutions	16	627,731,127.92	617,315,669.64
Derivatives		-	3,438,582.65
Long-term Debts with Group Companies and Associates	9 + 19	356,703,123.20	345,626,932.89
Deferred Tax Liabilities	18	14,580.78	20,749.32
CURRENT LIABILITIES		115,781,805.32	133,446,227.48
Short-term debts	9	14,838,188.03	33,561,554.03
Debentures and other marketable securities	15	-	14,917,296.19
Debt with financial institutions	16	14,246,273.95	14,434,080.04
Derivatives		591,164.08	4,209,427.80
Other financial liabilities		750.00	750.00
Short-term Debts with Group Companies and Associates	9 + 19	88,215,854.70	85,592,059.87
Trade and other payables		12,610,476.19	14,175,327.21
Other payables	9	571,988.42	2,347,972.00
Personnel	9	5,484,432.43	5,509,564.60
Other debt with Public Administrations	17	6,554,055.34	6,317,790.61
Short-term Accruals		117,286.40	117,286.37
TOTAL EQUITY AND LIABILITIES		2,370,929,128.94	2,391,002,259.84

The accompanying notes 1 to 30 form a comprehensive part of the Annual Accounts at 31 December 2015

ITÍNERE INFRAESTRUCTURAS, S.A.

**Income Statement
for the financial years ended
31 December 2015 and 2014
(stated in euros)**

	Notes	2015	2014
Net Revenue	20	7,514,898.76	7,269,585.27
Rendering of services		7,514,898.76	7,269,585.27
Other operating income		284,807.33	855,443.34
Ancillary and other current management income		284,807.33	854,582.04
Operating grants taken to financial year profit or loss		-	861.30
Personnel expenses	23	(3,287,839.28)	(3,617,226.37)
Salaries and wages		(3,050,016.88)	(3,366,000.93)
Employee benefits expense		(237,822.40)	(251,225.44)
Other operating expenses		(2,341,876.32)	(5,592,884.80)
External services	21	(2,287,454.49)	(5,538,543.51)
Taxes		(54,421.83)	(54,341.29)
Asset amortization and depreciation	5, 6 + 7	(191,093.89)	(208,685.98)
Allocation of Grants and Other Non-Financial Assets	9 + 14	-	382,735.75
Impairment and gains (losses) on disposal of fixed assets		(5,739.72)	(435,481.97)
Gains (losses) on disposal and other	5	(5,739.72)	(435,481.97)
Other profit (loss)		2,635.49	-
OPERATING PROFIT (LOSS)		1,975,792.37	(1,346,514.76)
Finance Income	22	18,862,723.74	39,687,125.87
From stakes in equity instruments		-	3,583,842.72
From Group Companies and Associates		-	3,583,842.72
From marketable securities and other financial instruments		18,862,723.74	36,103,283.15
From Group Companies and Associates	10 + 19	18,797,417.40	35,784,112.22
From third parties		65,306.34	319,170.93
Finance Expenses	22	(46,754,888.98)	(61,603,337.49)
Amounts owed to Group Companies and Associates	19	(10,958,751.08)	(24,925,736.68)
Amounts owed to third parties		(35,796,137.90)	(36,677,600.81)
Allocation of grants, donations and legacies of a financial nature	14	22,026.38	26,536.30
Exchange gains (losses)	24	(73,361.54)	4,625,329.72
Impairment and gains (losses) on disposal of financial instruments		40,600.27	18,496,398.88
Gains (losses) on disposal and other	10	40,600.27	18,496,398.88
FINANCIAL PROFIT OR LOSS		(27,902,900.13)	1,232,053.28
PROFIT (LOSS) BEFORE INCOME TAX		(25,927,107.76)	(114,461.48)
Corporate Income Tax	18	(1,228,008.95)	(5,278,213.26)
Adjustments to Corporate Income Tax	18	166,983.69	(568,167.86)
PROFIT (LOSS) FOR THE PERIOD FROM ONGOING OPERATIONS		(26,988,133.02)	(5,960,842.60)
FINANCIAL YEAR PROFIT (LOSS)		(26,988,133.02)	(5,960,842.60)

The accompanying notes 1 to 30 form a comprehensive part
of the Annual Accounts at 31 December 2015

ITÍNERE INFRAESTRUCTURAS, S.A.

Statement of Changes in Equity
for the financial years ended
31 December 2015 and 2014
(stated in euros)

STATEMENT OF INCOME AND EXPENSES RECOGNIZED IN EQUITY

	Notes	2015	2014
A) Profit (loss) for the period		(26,988,133.02)	(5,960,842.60)
Income and expenses recognized directly in equity			
Cash flow hedges	9	(272,124.67)	(2,237,973.82)
Tax effect		161,617.45	418,630.46
B) Total income and expenses recognized directly in equity		(110,507.22)	(1,819,343.36)
Transfers to the profit and loss account			
Cash flow hedges	9	7,328,971.04	6,590,675.57
Grants, donations and legacies received	14	(22,026.38)	(409,272.05)
Tax effect		(2,045,943.35)	(1,854,421.06)
C) Total transfers to the Profit and Loss Account		5,261,001.31	4,326,982.47
TOTAL RECOGNIZED INCOME AND EXPENSES (A+B+C)		(21,837,638.93)	(3,453,203.50)

STATEMENT OF TOTAL CHANGES IN EQUITY

	Registered Capital	Reserves	(Own shares and equity holdings)	Profit and loss from previous financial years	Financial year profit (loss)	Adjustments for change in value	Grants, donations and legacies received	TOTAL
BALANCE AT YEAR-END 2013	221,874,386.30	1,571,125,194.35	(211,737.24)	(530,944,568.55)	29,512,498.53	(8,400,498.53)	342,734.62	1,283,298,009.48
Total recognized income and expenses	-	-	-	-	(5,960,842.60)	2,790,773.54	(283,134.44)	(3,453,203.50)
Other changes in equity	-	2,951,249.85	-	26,561,248.68	(29,512,498.53)	-	-	-
Transfers between equity items	-	2,951,249.85	-	26,561,248.68	(29,512,498.53)	-	-	-
BALANCE AT YEAR-END 2014	221,874,386.30	1,574,076,444.20	(211,737.24)	(504,383,319.87)	(5,960,842.60)	(5,609,724.98)	59,600.19	1,279,844,806.00
Total recognized income and expenses	-	-	-	-	(26,988,133.02)	5,166,351.93	(15,857.84)	(21,837,638.93)
Other changes in equity	-	-	-	(5,960,842.60)	5,960,842.60	-	-	-
Transfers between equity items	-	-	-	(5,960,842.60)	5,960,842.60	-	-	-
BALANCE AT YEAR-END 2015	221,874,386.30	1,574,076,444.20	(211,737.24)	(510,344,162.47)	(26,988,133.02)	(443,373.05)	43,742.35	1,258,007,167.07

The accompanying notes 1 to 30 form a comprehensive part of the Annual Accounts at 31 December 2015

**Statement of Cash Flows
for the financial years ended
31 December 2015 and 2014
(stated in euros)**

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		5,245,913.55	(32,032,154.10)
Profit (loss) for the financial year before tax		(25,927,107.76)	(114,461.48)
Adjustments to profit or loss		28,099,733.74	(971,482.38)
Amortization and depreciation of fixed assets (+)	5, 6 + 7	191,093.89	208,685.98
Allocation of grants (-)		-	(383,597.05)
Profit and loss due to write-offs and disposals of financial instruments (+/-)		(34,860.55)	(18,060,916.91)
Finance income and allocation of grants of a financial nature (-)	22 + 14	(18,884,750.12)	(39,713,662.17)
Finance expenses (+)	22	46,754,888.98	61,603,337.49
Exchange gains (losses) (+/-)		73,361.54	(4,625,329.72)
Changes in working capital		(508,171.11)	4,443,287.33
Trade and other receivables (+/-)		7,681,341.56	12,742,134.20
Trade and other payables (+/-)		(8,189,512.67)	(8,298,846.87)
Other cash flows from operating activities		3,581,458.68	(35,389,497.57)
Interest paid (-)		(18,772,451.24)	(33,409,912.59)
Dividends received (+)	22	-	4,180,414.23
Interest received (+)		49,405.16	247,077.70
Income tax received (paid) (+/-)		22,304,504.76	(6,407,076.91)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(938,187.92)	(4,234,151.53)
Payments for investments (-)		(1,049,254.00)	(4,234,151.53)
Group Companies and Associates	10	(1,049,254.00)	(4,234,151.53)
Proceeds from divestments (+)		111,066.08	-
Group Companies and Associates		111,066.08	-
CASH FLOWS FROM FINANCING ACTIVITIES		(37,840,771.82)	65,381,962.04
Proceeds and payments relating to financial liability instruments		(37,840,771.82)	65,381,962.04
Issue:			
Debtures and other marketable securities (+)	15	-	54,760,906.26
Debt with financial institutions (+)	16	-	11,000,000.00
Redemption and repayment of:			
Debtures and other marketable securities (-)		(31,264,200.00)	-
Debt with financial institutions (-)	16	(6,460,832.17)	-
Other debt (-)	9	(115,739.65)	(378,944.22)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		(33,533,046.19)	29,115,656.41
Cash and cash equivalents at beginning of period		44,631,845.06	15,516,188.65
Cash and cash equivalents at end of period		11,098,798.87	44,631,845.06

The accompanying notes 1 to 30 form a comprehensive part
of the Annual Accounts at 31 December 2015

ITÍNERE INFRAESTRUCTURAS, S.A.
Notes to the 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, of 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.
- 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.

ITÍNERE INFRAESTRUCTURAS, S.A.
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- 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.

The main shareholder of ITÍNERE is ARECIBO SERVICIOS Y GESTIONES, S.L. (hereinafter, ARECIBO), which on 31 December 2015 had a 54.19% stake in the capital of ITÍNERE (Note 13).

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. As 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.

ITÍNERE is the holding company of a Group of companies that submits consolidated annual accounts separately from these individual annual accounts. The aforesaid consolidated accounts, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, show total assets at 31 December 2015 of 4,431,515 thousand euros, equity of 1,120,911 thousand euros and a consolidated loss attributable to the holding company of 60,359 thousand euros (4,590,106 thousand euros, 1,171,834 thousand euros and a loss of 50,992 thousand euros, respectively, corresponding to the 2014 financial year's comparative figures, which appear in the consolidated annual accounts of said year.

(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 100% subsidiary, ENAITÍNERE, S.A.). The aforesaid contribution represented the transfer of all human resources and assets related 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

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

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 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.

(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, by virtue of which and once these conditions had been fulfilled, in 2009 a change in the Company's controlling shareholder took place, 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 their assets and liabilities to the absorbing company, which acquired, through sole succession, the rights and obligations thereof. In this respect, 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 merger, a difference arose corresponding to the excess between the purchase price of ITÍNERE for the part acquired by the merged companies and the book value of the acquired assets and assumed liabilities on the transaction date, which was assigned to certain investments in group companies identified as cash-generating units.

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

(e) Business Development

- 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 corresponding provisions of the Spanish Law of Capital Companies. Consequently, the deeds of dissolution and liquidation of these companies were executed on 10 June 2015 and 19 October 2015, respectively.

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

- 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.
- On 17 July 2015, ITÍNERE also 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.
- 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 Itinere Chile, S.A.) and INVERSIONES TORRELODONES LTDA., companies in which ITÍNERE held a stake at 31 December 2013, were liquidated and sold, respectively (see Note 10).

2. BASIS OF PRESENTATION

(a) True and Fair View and Going Concern

The annual accounts have been obtained from the Company's accounting records and are presented in accordance with the prevailing mercantile legislation and the rules established in Royal Decree 1514/2007, by virtue of which the new General Chart of Accounts was approved, with the aim of giving a true and fair view at 31 December 2015 of the Company's net equity, financial position and operating results, in addition to the changes in its equity and cash flows corresponding to the financial year ended on that date.

These annual accounts, which have been prepared by the Company's Directors, will be put to the Annual General Meeting of Shareholders for approval, and it is expected that they will be approved without any changes. Similarly, the annual accounts for the 2014 financial year were approved by the Annual General Meeting of Shareholders held on 2 June 2015.

At 31 December 2015, the Company's working capital is negative in 47,220 thousand euros (negative in 32,354 thousand euros at 31 December 2014). Nevertheless, the Company's Directors have prepared these annual accounts under the principle of ongoing management, given the fact that they are of the opinion that this situation will not affect its future development, due to the Company's peculiarities and the quality of its assets, as well as the cash-flow generation estimates and the composition of its current liabilities which, at 31 December 2015, include balances with different Group companies for an amount of 88,784 thousand euros (Note 19), which are not expected to be demanded in the short term due to the fact that ITÍNERE manages the Group's cash in a centralized way.

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

(b) Critical Aspects of the Estimation and Valuation of Uncertainty

In the preparation of the Company's annual accounts, the Directors have made estimates based on past experience and other factors that, in accordance with current circumstances, are deemed to be fair and constitute the basis for establishing the book value of the assets and liabilities whose value cannot easily be established from other sources. The Company reviews its estimates in an ongoing way and, as and when applicable, their effects are recognized prospectively. However, given the uncertainty inherent in them, there is an important risk of adjustments arising in the future in the values of the affected assets and liabilities should there be a significant change in the assumptions, facts and circumstances on which they are based.

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The key assumptions relating to the future and other relevant data on the estimation of uncertainty at the financial year's closing date, associated with an important risk of involving significant changes in the value of the assets and liabilities, are as follows:

▪ *Non-Financial Asset Impairment*

The Company makes an annual analysis of whether or not impairment indicators exist for non-financial assets (tangible and intangible assets, investment properties and investments in Group companies), through the performance of appropriate value impairment tests whenever the circumstances make this advisable. To do this, the recoverable value of the aforesaid assets is determined.

As a consequence of the merger process referred to in Note 1 (d), an amount for goodwill arose and was allocated to the net assets that constitute the cash-generating units to which the cash-generating capacity corresponding to the aforesaid goodwill can be attributed, which the Company subjects to an annual impairment test. The establishment of the recoverable value of these cash-generating units (hereinafter, CGUs) to which goodwill has been allocated involves the use of estimates. This recoverable value is the value in use of these cash-generating units, which corresponds to investments in Group companies (see Note 10). In general, the Company uses cash flow discounting methods for establishing these values that take into account past experience and represent the best estimate as to their future evolution.

▪ *Deferred Tax Assets*

Recognition of deferred tax assets is made on the basis of future estimates made by the Company in connection with the likelihood of future taxable profit being available to permit their recovery.

▪ *Provisions*

The Company recognizes risk provisions through judgments and estimates relating to the likelihood of such risks occurring and in order to determine the amount thereof, with the corresponding provisions being registered when the risk is considered likely.

▪ *Calculation of Fair Values*

The calculation of fair values may involve the establishment of future cash flows and the assumption of hypotheses relating to the future values of these flows in addition to the discount rates applicable to them. These estimates and related assumptions are based on past experience and other factors deemed to be fair, in accordance with the circumstances surrounding the activity conducted by the Company.

▪ *Hedge Effectiveness Tests*

The tests performed to measure the effectiveness of accounting hedges are based on the estimation of certain variables of the hedged element and of the hedge itself, including counterparty risk, which means that their calculation is subject to variations.

(c) *Comparative Information*

In fulfilment of the obligation established in Article 35.6 of the Commercial Code and in application of the principle of uniformity and the comparability requirement, the annual accounts for the 2015 financial year include comparative figures relating to the 2014 financial year.

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3. DISTRIBUTION OF PROFIT

- (a) The proposed distribution of profit or loss for the financial year ended 31 December 2015, formulated by the Directors and pending approval by the General Meeting of Shareholders, consists of the transfer in full of the 2015 financial year losses, in an amount of 26,550,574.13 euros, to losses from previous financial years.
- (b) The distribution of profit or loss corresponding to the financial year ended 31 December 2014, made during 2015, is shown on the Statement of Changes in Equity, which forms a comprehensive part of these annual accounts.

4. REGISTRATION AND VALUATION RULES

The main registration and valuation rules used by the Company in the preparation of the annual accounts corresponding to the financial year ended 31 December 2015 are as follows:

(a) Intangible Assets

This heading includes computer applications that are valued at their acquisition price, less accumulated amortization and possible value impairment corrections. At 31 December 2013, it also included the costs incurred by the Company in relation to the development of computer applications, which it considered would allow the enhancement of certain processes associated with technical aspects of the motorway concessionary companies. During the 2014 financial year, the Company wrote off the aforesaid costs.

These intangible assets have a defined useful life and will be systematically amortized within an estimated 5-year period. Their recoverability is analyzed whenever events or changes occur that indicate that the net book value may not be recoverable. The applied methods and amortization periods are reviewed at the end of the financial year and, where appropriate, are adjusted prospectively.

(b) Tangible Assets

These are shown at their purchase price or production cost, reduced by their accumulated depreciation and possible value impairment adjustments.

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

	Years
Other installations, tools and furniture	5 - 10
Other fixed assets	3 - 6

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

At the closing of each financial year, the Company reviews and, where applicable, adjusts the useful life and depreciation method of its tangible assets and, when appropriate, adjusts them prospectively.

(c) Investment Properties

Investment properties comprise the land and buildings that are leased or available for lease to third parties. Constructions are depreciated using the straight-line method on the basis of an estimated 33-year useful life.

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The valuation rules described in connection with “Tangible Assets” are fully applicable to investment properties.

Transfers of assets to investment properties are only made when there is a change in the use of the corresponding assets.

(d) Non-Financial Asset Impairment

The book value of non-financial assets registered by the Company is reviewed at the date of the Balance Sheet in order to establish whether or not signs exist of impairment and, as and when applicable, to make the corresponding value adjustments. For this, these assets’ recoverable value is estimated, being the greater of either their fair value less the costs to sell or their value in use.

In order to establish the value in use, forecast future flows are discounted to their present value using pre-tax discount rates that reflect current market estimates of the time value of money and the risks specific to the asset. In the case of assets that do not generate highly independent cash flows, the recoverable amount is determined for the cash-generating units to which the assets being valued belong.

Likewise, and regardless of the existence or otherwise of signs of value impairment, on a yearly basis at least, the Company checks any potential value impairment that could affect goodwill and intangible assets with an undefined useful life.

At the same time, if the Company has reasonable doubts as to the technical success or financial and commercial profitability of the research and development projects in progress, the amounts registered on the Balance Sheet are recognized directly as losses from intangible assets in the Income Statement and are not reversible.

Value impairment adjustments are recognized for all the assets or, when applicable, the cash-generating units to which the assets belong when their book value exceeds the estimated recoverable amount. These adjustments are recorded in the Income Statement and revert when the circumstances that gave rise to them cease to exist. Likewise, the reversal of an impairment loss is recorded in the Income Statement and is limited to the asset’s book value net of the depreciation that would appear in the books had the value impairment not been recognized previously. Value impairment losses corresponding to goodwill are not reversible.

(e) Operating Leases

Costs deriving from operating lease agreements are charged to the Income Statement in the period in which they are incurred.

All collections and payments that may be made when contracting an operating lease will be treated as a collection or payment on account, which will be attributed to profit or loss throughout the lease period as and when the leased asset’s profit is assigned or received.

(f) Financial Instruments

Financial instruments are classified at the moment of their initial recognition as a financial asset, a financial liability or an equity instrument, depending on the contractual agreement’s economic base and the definitions of financial asset, financial liability and equity instrument.

The Company classifies financial instruments in the different categories on the basis of their characteristics and the Company’s intentions at the moment of their initial recognition, as follows:

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(i) Financial Assets

The financial assets owned by the Company are classified in the following categories:

- **Loans and Receivables:** These are financial assets originated by the sale of goods or the rendering of services through the Company's commercial 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 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 the amortized cost. Accrued interest is recorded in the Income Statement, applying the effective interest rate method.

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

- **Investments in Group companies and associates:** Investments in Group companies, jointly controlled entities and associates are initially valued at their acquisition price plus all the transaction costs directly attributable to them.

Similarly, as a consequence of the acquisition price distribution carried out within the framework of the business combination implemented during the 2009 financial year, the value of the "Equity Investments in Group Companies and Associates" heading has been adjusted so as to reflect the fair value of the acquired identifiable assets, whose value is reasonably measurable. The methodology applied to establish the fair value of these investments is based on the discounting of cash flows after debt service contributed by the identified cash-generating units, amongst which the aforesaid distribution was made.

The financial book value of financial assets is corrected by the Company and charged to the Income Statement whenever there is objective evidence that impairment has been incurred as a result of events occurring after their initial recognition that give rise to a reduction or delay in estimated future cash flows.

In the case of financial assets in Group companies, jointly controlled entities and associates, the necessary value adjustments are made when objective evidence exists that an investment's book value will not be recoverable. This value adjustment is calculated as the difference between the aforesaid book value and the recoverable amount, with the latter being deemed to be the greater of the fair value less costs to sell or the current value of future cash flows resulting from the investment, calculated as the estimated participation in the cash flows that are expected to be generated by the investee company/subsidiary, from either its ordinary activities or from their disposal or deregistration in the accounts.

In the case of financial assets recorded in the accounts at their amortized cost, the impairment loss is the difference between their book value and the current value of the future cash flows that it is estimated are going to be generated, discounted at the effective interest rate calculated at the moment of their initial recognition. For variable interest rate financial assets, the effective interest rate on the closing date of the annual accounts is used, in accordance with the contractual terms and conditions.

The reversals of value adjustments due to impairment is recognized in the Income Statement with the limit of the book value of the credit or, as and when applicable, the investment that would be recognized at the reversal date had the value impairment not been registered.

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The removal of all or part of a financial asset is registered when the contractual rights on the financial asset's cash flows expire or are assigned, it being necessary for the benefits and risks inherent in their ownership to be substantially transferred.

The profit or loss from a financial asset's deregistration forms part of the operating result of the financial year in which it occurs and is determined as the difference between the consideration received net of the attributable transaction costs, taking into account any new asset obtained less any assumed liability, and the financial asset's book value plus any accumulated amount directly recognized in equity.

(ii) Financial Liabilities

The Company's financial liabilities are classified in the category of "Trade and other Payables", which includes financial liabilities originated by the purchase of goods and services in the Company's transactions and amounts payable from non-commercial transactions which are not derivative instruments and do not have a commercial origin.

They are valued initially at their fair value less the transaction costs directly attributable to them, as and when applicable and, subsequently, at their amortized cost. Accrued interest is registered in the Income Statement applying the effective interest rate method.

Nevertheless, amounts payable from commercial transactions with maturity not exceeding one year and that do not have a contractual interest rate, the amount of which is expected to be paid in the short term, are valued at their nominal value when the effect of not updating the cash flows is insignificant.

The removal of a financial liability is registered when the obligation deriving from it is cancelled. Likewise, in the case of the exchange of debt instruments, provided that they have substantially different conditions, or when a substantial change arises in a liability's current conditions, its removal is registered, recognizing the new financial liability that may arise. In the case of the exchange of debt instruments with substantially similar conditions, the original financial liability is not removed from the Balance Sheet and the amount of the commissions paid is registered as an adjustment to its book value.

The profit or loss from a financial liability's deregistration forms part of the profit or loss of the financial year in which it occurs and is determined as the difference between the financial liability's book value and the consideration paid, including the attributable transaction costs, also incorporating any assigned asset other than the cash or assumed liability.

(g) Hedge Operations and Financial Derivatives

As at 31 December 2015 and 2014, the Company has contracted different hedging operations for the purpose of hedging the risk resulting from variations in the interest rates contracted in its financing operations.

Initially, they are recognized on the Balance Sheet at their fair value and, subsequently, the necessary value adjustments are made to reflect their market value at any given moment.

On being designated highly efficient cash flow hedges, any changes in the value of these derivatives are registered under Equity, net of the tax effect.

Initially and then regularly throughout the instrument's life, the Company checks to ensure that the hedge ratio is efficient, that is, that it can be expected that any changes in the hedged item's cash flows will be prospectively offset almost completely against those of the instrument and that, retrospectively, the hedge's results will fluctuate between a variation range of 80% and 125% with respect to the results of the hedged item.

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The fair value at which the financial derivatives contracted by the Company have been valued includes a credit risk adjustment, the aim of which is to reflect not only own risk but also that of the counterparty.

(h) Equity Instruments

The treasury stock held by the Company at 31 December 2015 and 2014 is registered under the "Own Shares and Equity Holdings" heading on the attached Balance Sheet and is valued at its average acquisition cost. Charges deriving from these transactions are registered directly against Equity as a reduction in reserves.

(i) Cash and Cash Equivalents

This heading includes petty cash, amounts in current accounts and deposits and temporary acquisitions of assets that meet all the following requirements:

- They are convertible into cash.
- Their maturity does not exceed three months from their acquisition date.
- They are not subject to a significant risk of change in their value.
- They form part of the Company's normal cash and cash equivalent management policy.

(j) Foreign Currency Transactions

The functional currency used by the Company is the euro, meaning that all transactions in other currencies are deemed to be denominated in a foreign currency and are registered as per the exchange rates in force on each transaction date.

At the end of the financial year, monetary assets and liabilities denominated in a foreign currency are converted by applying the exchange rate in force on the Balance Sheet date. Exchange gains and losses are directly attributed to the Income Statement of the financial year in which they occur.

Non-monetary items valued at their historic cost are valued by applying the exchange rate in force on the transaction date.

Non-monetary items valued at fair value are valued by applying the exchange rate in force on the date the fair value is established. Exchange gains and losses are registered directly under Equity if the non-monetary item is valued against equity or in the Income Statement if it is valued against the financial year's profit or loss.

(k) Corporate Income Tax

Income or expenses for corporate income tax includes both current and deferred taxes.

The financial year's corporate income tax income or expense is calculated as the sum of the current tax, which results from the application of the corresponding tax rate to the financial year's tax base after applying existing rebates and deductions, and the variation in deferred tax assets and liabilities recorded in the accounts.

The deferred tax income or expense corresponds to the recognition or cancellation of deferred tax assets and liabilities. These arise as a result of the different valuations, either accounting or fiscal, attributed to the assets and liabilities and certain of the Company's

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equity instruments, insofar as they have a future fiscal effect, as well as the negative tax bases registered or applied.

Current corporate income tax assets or liabilities are valued at the amounts expected be paid or recovered from the tax authorities, pursuant to the tax regulations and rates in force or that have been approved and are pending publication at the closing date of the financial year.

Current or deferred income tax is recognized in profit or loss, except when it have arisen from a transaction or an economic event that has been recognized in the same or a different period, charged to equity or from a business combination.

(i) Recognition of Deferred Tax Liabilities

The company recognizes deferred tax liabilities 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 does not affect the accounting result or the gross tax base.

(ii) Recognition of Deferred Tax Assets

Deferred tax assets are only recognized insofar as it is considered probable that the Company is going to have future taxable profits that will allow the offsetting of such assets, or when the tax laws contemplate the possibility of the future conversion of deferred tax assets into credits against the Spanish Public Administration.

The Company recognizes the conversion of a deferred tax asset in an account receivable against the Spanish Public Administration, which is receivable according to the provisions of the current tax laws. For these purposes, the removal of a deferred tax asset is recognized with a charge to deferred income tax and the account receivable with a credit to current income tax. Similarly, the Company recognizes the exchange of a deferred tax asset for Public Debt securities, when it obtains title to the same.

Unless there is evidence to the contrary, it is not considered likely that the Company will have future taxable profits, when it is foreseen that its future recovery will take place in a period of more than ten years from the date of the year-end close, regardless of the nature of the deferred tax asset or in the case of credits deriving from tax deductions and other tax benefits that cannot be applied due to a shortfall in tax payable, when after the occurrence of the activity or the obtaining of returns that give rise to the right to a deduction or rebate, there are reasonable doubts as to the fulfilment of the requirements to put them into effect.

The Company recognizes deferred tax assets deriving from offsettable tax losses only when it is probable that taxable profits will be obtained in the future that will allow them to be offset in a period not exceeding that established by the applicable tax laws, with a maximum limit of ten years, unless there is evidence that it is likely that they can be recovered in a longer period, when the tax laws allow them to be offset in a longer period or do not establish time limits for their offsetting.

On the other hand, it is probable that the Company 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.

The Company recognizes deferred tax assets that have not been recognized because they exceed the ten-year recovery period insofar as the future reversal period does not exceed ten years from the closing date of the financial year or when there are sufficient taxable temporary differences.

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

(iii) Valuation of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are valued at the tax rates expected at the moment of their reversal, as per the approved current regulations and in accordance with the manner in which it is rationally envisaged that the deferred tax asset or liability will be recovered or paid. For these purposes, the Company has considered the deduction for the reversal of temporary measures covered in the 37th Transitional Provision 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 associated with the non-deductibility of the amortizations taken in financial years 2013 and 2014.

Adjustments to the deferred tax asset and liability valuations are attributed to the Income Statement, except to the extent that the affected deferred tax assets and liabilities have their origin in book entries made directly to Equity.

(iv) Classification and Offsetting

Deferred tax assets and liabilities are recognized on the balance sheet as non-current assets or liabilities, irrespective of the expected date of realization or settlement.

(v) Taxation under a Fiscal Consolidation Regime

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

Since it pays Income Tax under a consolidated tax regime, the Company records the balances deriving from said tax in the accounts of group companies and associates on the accompanying balance sheet. Expenses or income incurred by corporate income tax of companies under a fiscal consolidation regime is established taking into account not only the parameters to be considered in the case of individual taxation, as indicated above, but also the following:

- Temporary and permanent differences that occur as a result of the elimination of profit or loss in operations between Group companies, deriving from the process of establishing the consolidated tax base.
- The rebates and deductions and the tax losses that correspond to each company in the tax group that pays tax under the fiscal consolidation regime will be attributed to the company that carried out the activity or obtained the necessary income to earn the right to the tax rebate or deduction.

Temporary differences deriving from the elimination of gains or losses between companies in the tax group are recognized in the company that has generated the profit or loss and are valued at the applicable tax rate.

For the portion of tax loss originating from some of the companies in the Group that has been offset by other Companies in the Consolidated Group, a reciprocal credit and debit will arise between the companies to which it corresponds and the companies offsetting it. In the event of a tax loss that cannot be offset by the rest of the companies in the Consolidated Group,

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these tax losses available for carryforward are recognized as deferred tax assets, with the tax group being considered as the taxable entity for their recovery.

(l) **Income and Expenses**

Income and expenses are attributed on the basis of the actual flow of the goods and services they represent, regardless of the time at which the monetary or financial flow occurs.

Income is recognized when it is probable that the Company will obtain a profit or economic returns from the transaction and the amount of the income and the costs incurred or to be incurred can be reliably valued.

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 Company may grant, in addition, where applicable, to the interest incorporated in the credit's nominal value. Indirect taxes imposed on the operations that are chargeable to third parties do not form part of income.

As regards income from the rendering of services, this is recognized taking into account the extent to which the service has been rendered at the Balance Sheet date, provided that the transaction's profit or loss can be reliably estimated.

(m) **Equity Elements of an Environmental Nature**

Due to the type of activity conducted by the Company, no actions relating to the environment are required.

(n) **Grants, Donations and Legacies received**

This heading reflects the difference between the fair value at which certain loans granted to the Company at zero interest are registered and the amount granted, on the understanding that this difference is an interest-rate subsidy.

The allocation of the aforesaid subsidy 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) **Transactions with Related Parties**

Transactions with related parties are recorded in the accounts at the fair value of the consideration paid or received, in accordance with the valuation rules described above.

(p) **Classification of Assets and Liabilities as Current and Non-Current**

Assets and liabilities are shown on the Balance Sheet classified as current or non-current. To this end, assets and liabilities are classified as current when they are linked to the Company's normal operating cycle and are expected to be sold, consumed, realized or liquidated during the course thereof, those whose maturity, disposal or realization is expected to occur within a maximum one-year term, those classified as held for trading and cash and other liquid assets, the use of which is not restricted by a term in excess of one year.

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5. INTANGIBLE ASSETS

Their detail and movement are as follows:

	Computer applications	Computer applications under development	Total
Thousands of euros			
Cost at 31 December 2013	91	436	527
Removals due to impairment	-	(436)	(436)
Cost at 31 December 2014	91	-	91
Accumulated depreciation at 31 December 2013	(55)	-	(55)
Additions	(14)	-	(14)
Accumulated depreciation at 31 December 2014	(69)	-	(69)
Net book value at 31 December 2014	22	-	22
Cost at 31 December 2014	91	-	91
Additions	15	-	15
Removals	(39)	-	(39)
Cost at 31 December 2015	67	-	67
Accumulated depreciation at 31 December 2014	(69)	-	(69)
Additions	(12)	-	(12)
Removals	33	-	33
Accumulated depreciation at 31 December 2015	(48)	-	(48)
Net book value at 31 December 2015	19	-	19

Computer applications under development mainly include the costs incurred by the Company since the 2007 financial year in 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 436 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). The aforesaid loss has been included under the heading "Impairment and Gains (Losses) on Disposal of Fixed Assets" on the attached Income Statement.

At 31 December 2015, the Company has fully amortized intangible assets for an amount of 6 thousand euros (no amounts 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.

All the Company's assets are related to business activities pertaining to its corporate purpose and are located within Spain.

6. TANGIBLE ASSETS

Their detail and movement are as follows:

	Other installations, tools and furniture	Other fixed assets	Total
Thousands of euros			
Cost at 31 December 2013	1,023	1,106	2,129
Cost at 31 December 2014	1,023	1,106	2,129
Accumulated depreciation at 31 December 2013	(515)	(1,056)	(1,571)
Additions	(98)	(20)	(118)
Accumulated depreciation at 31 December 2014	(613)	(1,076)	(1,689)
Net book value at 31 December 2014	410	30	440
Cost at 31 December 2014	1,023	1,106	2,129
Additions	1	14	15
Cost at 31 December 2015	1,024	1,120	2,144
Accumulated depreciation at 31 December 2014	(613)	(1,076)	(1,689)
Additions	(85)	(19)	(104)
Accumulated depreciation at 31 December 2015	(698)	(1,095)	(1,793)
Net book value at 31 December 2015	326	25	351

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At 31 December 2015, the Company has fully depreciated tangible assets for an amount of 1,248 thousand euros (1,161 thousand euros at 31 December 2014).

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

All the Company's assets are related to business activities pertaining to its corporate purpose and are located within Spain.

The Company has signed insurance policies to adequately cover the risks to which the different tangible asset elements are exposed.

7. INVESTMENT PROPERTIES

Their detail and movement are as follows:

Thousands of euros	Land and buildings
Cost at 31 December 2013	2,535
Cost at 31 December 2014	2,535
Accumulated depreciation at 31 December 2013	(1,698)
Additions	(75)
Accumulated depreciation at 31 December 2014	(1,773)
Net book value at 31 December 2014	762
Cost at 31 December 2014	2,535
Cost at 31 December 2015	2,535
Accumulated depreciation at 31 December 2014	(1,773)
Additions	(75)
Accumulated depreciation at 31 December 2015	(1,848)
Net book value at 31 December 2015	687

Investment properties registered at 31 December 2015 and 2014 correspond to two business premises located in buildings in Bilbao and Vitoria owned by the Company. As at 31 December 2015 and 2014, both premises are available for leasing.

The expenses deriving from the investment properties owned by the Company correspond to their annual depreciation and maintenance charges, which have amounted to 46 thousand euros during the 2015 and 2014 financial years. All the charges are registered on the Income Statement 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.

There are no restrictions either on making property investments or on the collection of the income resulting from these properties.

There are no contractual obligations for the acquisition, construction or development of investment properties or for their repair, maintenance or improvement.

The Company has signed insurance policies to adequately cover the risks to which the different tangible asset elements are exposed.

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8. LEASES

At 31 December 2015, the Company, as the lessee, has a signed an operating lease for offices with the company Metrovacesa, S.A., which expires in September 2021. Details of the minimum rents, as per the conditions currently in force, without taking into account the repercussion of communal expenses or future CPI-based increases, are as follows:

Maturity	Thousands of euros
Up to 1 year	307
Between 1 and 4 years	1,171
Total Maturities	1,478

9. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

The above financial assets, all of which fall under the category of Loans and Receivables, are broken down on the attached Balance Sheet as follows:

Thousands of euros	Loans and Receivables	
FINANCIAL ASSETS	2015	2014
Non-Current Financial Assets:		
Long-term investments in Group Companies and Associates	-	512,714
Loans to companies (Notes 10 and 19)	-	512,714
Long-term financial investments	62	62
Other financial assets	62	62
Total Non-Current Financial Assets	62	512,776
Current financial assets:		
Trade and other receivables	15,044	13,245
Receivables, Group Companies and Associates (Note 19)	14,131	12,854
Other receivables (note 11)	578	58
Personnel (note 11)	335	333
Total Current Financial Assets	15,044	13,245
Total Financial Assets	15,106	526,021

As at 31 December 2015 and 2014, there is no significant difference between the book value and the fair value of the financial assets.

(a) Other Financial Assets

As at 31 December 2015 and 2014, this item mainly refers to the deposit handed over by the Company in connection with the lease of its offices (see Note 8).

FINANCIAL LIABILITIES

The composition of financial liabilities by categories at 31 December 2015 and 2014 is as follows:

Thousands of euros										
Classes Categories	Debentures and other Marketable Securities		Debt with Financial Institutions		Trade and Other Payables		Derivatives and Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Debts and items payable	12,691	11,309	627,731	617,316	-	-	356,703	345,627	997,125	974,252
Hedge derivatives	-	-	-	-	-	-	-	3,439	-	3,439
Long-Term Financial Liabilities	12,691	11,309	627,731	617,316	-	-	356,703	349,066	997,125	977,691
Debts and items payable	-	14,917	14,246	14,434	6,057	7,859	88,216	85,592	108,519	122,802
Liabilities at fair value with changes in profit and loss	-	-	-	-	-	-	-	-	-	-
Hedge Derivatives	-	-	-	-	-	-	591	4,209	591	4,209
Short-Term Financial Liabilities	-	14,917	14,246	14,434	6,057	7,859	88,807	89,801	109,110	127,011
Total Financial Liabilities	12,691	26,227	641,977	631,750	6,057	7,859	445,510	438,867	1,106,235	1,104,703

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The above financial liabilities are broken down on the attached Balance Sheet as follows:

Thousands of euros

FINANCIAL LIABILITIES	Debentures and other Marketable Securities		Debt with Financial Institutions		Trade and Other Payables		Derivatives and Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Non-current financial liabilities:										
Long-term debts	12,691	11,309	627,731	617,316	-	-	-	3,439	640,422	632,064
Debentures and other marketable securities (Note 15)	12,691	11,309	-	-	-	-	-	-	12,691	11,309
Debt with financial institutions (Note 16)	-	-	627,731	617,316	-	-	-	-	627,731	617,316
Derivatives	-	-	-	-	-	-	-	3,439	-	3,439
Long-term debt with Group Companies and Associates (Note 19)	-	-	-	-	-	-	356,703	345,627	356,703	345,627
Total Non-Current Financial Liabilities	12,691	11,309	627,731	617,316	-	-	356,703	349,066	997,125	977,691
Current Financial Liabilities:										
Short-term debt	-	14,917	14,246	14,434	1	1	591	4,209	14,838	33,561
Debentures and other marketable securities (Note 15)	-	14,917	-	-	-	-	-	-	-	14,917
Debt with financial institutions (Note 16)	-	-	14,246	14,434	-	-	-	-	14,246	14,434
Derivatives	-	-	-	-	-	-	591	4,209	591	4,209
Other financial liabilities	-	-	-	-	1	1	-	-	1	1
Short-term debts with Group Companies and Associates (Note 19)	-	-	-	-	-	-	88,216	85,592	88,216	85,592
Trade and other payables	-	-	-	-	6,056	7,858	-	-	6,056	7,858
Other payables	-	-	-	-	572	2,348	-	-	572	2,348
Personnel	-	-	-	-	5,484	5,510	-	-	5,484	5,510
Total Current Financial Liabilities	-	14,917	14,246	14,434	6,057	7,859	88,807	89,801	109,110	127,011
Total Financial Liabilities	12,691	26,227	641,977	631,750	6,057	7,859	445,510	438,867	1,106,235	1,104,703

As at 31 December 2015 and 2014, there is no significant difference between the book value and the fair value of the financial liabilities.

(a) Derivatives

As indicated in Note 4 (g), in accordance with the terms and conditions of the syndicated loan contracted by the Company in August 2011, the latter has signed financial swap contracts with certain financial institutions for the purpose of hedging the interest rate risk associated with this loan, for a total notional amount of 313,250 thousand euros. The fixed interest rate associated with these contracts is 2.426% and they mature in 2016 (see Note 16).

In this regard, the Company meets the requirements established by the accounting rules for the classification of these financial instruments taken out as highly efficient hedges, carrying out prospective and retrospective analyses.

At 31 December 2015, the valuation of the aforesaid instruments is 591 thousand euros, including the credit risk adjustment of the derivatives, which amounts to 9 thousand euros at 31 December 2015.

During the 2015 financial year, the Company has transferred a total of 7,329 thousand euros from Equity to the Income Statement, due to the effect of interest rate hedges (6,591 thousand euros at 31 December 2014). This amount, together with the expenses generated by the respective hedged items, is shown under the Finance Expenses heading (see Note 16).

(b) Other Financial Liabilities

On 29 March 2007, ITÍNERE and the Spanish Centre for Industrial and Technological Development (CDTI in its Spanish initials) formalized an interest-free privileged credit that can be transformed into a capital grant when certain conditions are met, as collaboration in the development of the Publicly Funded Industrial Research Project called Linear Infrastructure Pavement Management System, for a maximum amount of 1,782 thousand euros. During the 2009 financial year, the Company made drawdowns against this loan for a nominal value of 446 thousand euros, which were amortized during 2010 and 2011, in accordance with the contract's maturity schedule.

On 25 July 2012, the Company made a new drawdown against the aforesaid loan for a nominal value of 931 thousand euros, of which 273 thousand euros corresponding to the non-reimbursable part thereof were registered as a capital grant (see Note 14).

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In fulfilment of the forecast maturity schedule, this loan was cancelled during the 2014 financial year, allocating to profit or loss the capital grant associated with the aforesaid loan for an amount of 273 thousand euros (see Note 14).

- (c) 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	5
Ratio of transactions paid	5
Ratio of transactions pending payment	1
Thousands of euros	Amount
Total payments made	3,637
Total payments pending	77

As at 31 December 2015, the Company 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 annual accounts concerning the average payment period to suppliers in commercial transactions, these annual accounts are the first to be prepared by the Company applying said Resolution, and these initial annual accounts are considered as solely for the purposes of the principle of uniformity and the comparability requirement and, consequently, no comparative figures are given in regard to this new obligation.

10. INVESTMENTS IN GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

Their detail and movement at 31 December 2015 and 2014 are as follows:

Thousands of euros	Balance at 31/12/2013	Additions	Removals	Balance at 31/12/2014	Additions	Removals	Transfers	Balance at 31/12/2015
Enaitínere, S.A.U.	1,836,642	-	-	1,836,642	747,324	-	-	2,583,966
Participaciones AP-1 Europistas, S.L.	215,813	-	-	215,813	-	(215,813)	-	-
Constructora e Inmobiliaria Itinere Chile Ltda.	339,039	-	(339,039)	-	-	-	-	-
Inversiones Torrelodones Ltda.	119,490	3,462	(122,952)	-	-	-	-	-
Autopistas de Bizkaia, S.A.	42	-	-	42	-	(42)	-	-
Equity Instruments in Group Companies	2,511,026	3,462	(461,991)	2,052,497	747,324	(215,855)	-	2,583,966
Túneles de Arxanda, S.A.	31	-	-	31	-	(31)	-	-
Equity Instruments in Jointly Controlled Entities	31	-	-	31	-	(31)	-	-
Tacel Inversiones, S.A.	3,130	-	-	3,130	-	-	-	3,130
Bip&Drive, S.A.	-	772	-	-	1,049	-	-	1,821
Equity Instruments in Associates	3,130	772	-	3,902	1,049	-	-	4,951
Enaitínere, S.A.U.	(250,646)	-	-	(250,646)	-	-	(34,018)	(284,664)
Participaciones AP-1 Europistas, S.L.	(34,018)	-	-	(34,018)	-	-	34,018	-
Tacel Inversiones, S.A.	(3,130)	-	-	(3,130)	-	-	-	(3,130)
Valuation Adjustments for Impairment	(287,794)	-	-	(287,794)	-	-	-	(287,794)
EQUITY INSTRUMENTS	2,226,393	4,234	(461,991)	1,768,636	748,373	(215,886)	-	2,301,123
Enaitínere, S.A.U.	476,929	35,785	-	512,714	18,797	(531,511)	-	-
Tacel Inversiones, S.A.	1,217	-	-	1,217	-	-	-	1,217
Loans to Group Companies, Jointly Controlled Entities and Assoc. (Note 18)	478,146	35,785	-	513,931	18,797	(531,511)	-	1,217
Tacel Inversiones, S.A.	(1,217)	-	-	(1,217)	-	-	-	(1,217)
Valuation Adjustments for Impairment	(1,217)	-	-	(1,217)	-	-	-	(1,217)
LOANS TO COMPANIES	476,929	35,785	-	512,714	18,797	(531,511)	-	-
TOTAL	2,703,322	40,019	(461,991)	2,281,350	767,170	(747,397)	-	2,301,123

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(a) Equity Instruments in Group Companies

On 30 June 2015, ENAITÍNERE, S.L.U. increased its share capital by 92,708 thousand euros through an increase in the nominal value of its company shares, in the amount of 2.00 euros per share, for a total premium of 438,803 thousand euros. This share capital increase was carried out through the capitalization of the participating loan held by ITÍNERE with the Company for an amount of 531,511 thousand euros which, in compliance with the stipulations of mercantile laws, was declared due, liquid and enforceable on 30 June 2015.

On 17 July 2015, ITÍNERE, 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, the Sole Shareholder of ENAITÍNERE, S.L.U. resolved its transformation into a Public Limited Company, approving the transformation balance sheet and subsequent amendment of the corporate bylaws.

On 17 March 2015, the General Meeting of AUTOPISTAS DE BIZKAIA, S.A. declared this company dissolved and approved the liquidation transactions in accordance with the corresponding provisions pursuant to the Law of Capital Companies. Consequently, on 19 October 2015, the deed of dissolution and liquidation of this company was executed. The profit or loss resulting from this liquidation amounts to a profit of 58 thousand euros.

On 14 February 2014, ITÍNERE proceeded to reinvest the dividend paid by CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. for an amount of 3,462 thousand euros, through the subscription of the whole of the capital increase carried out by INVERSIONES TORRELODONES LTDA (Notes 22 and 24).

On 28 May 2014, ITÍNERE proceeded to sell its stake in INVERSIONES TORRELODONES LTDA., in which it held a 100% stake, together with ENA INFRAESTRUCTURAS, S.A. Payment of this sale was implemented through the handing over of the loan held by INVERSIONES TORRELODONES LTDA. with ITÍNERE which, in turn, was transferred to the purchasing party. The outcome of this sale, shown in the attached 2014 Income Statement, amounted to a loss of 2,260 thousand euros, included under the heading "Impairment and Gains (Losses) on Disposal of Financial Instruments - Gains (Losses) on Disposals and Other", in addition to an exchange loss of 3,708 thousand euros (Note 24).

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. ITÍNERE was entitled to 95.32% of the aforesaid company's liquidation value, whose only asset at that date was a credit with ITÍNERE that, by a resolution of the partners, was awarded in full and in kind to ITÍNERE through the assignment and transfer of full ownership, which gave rise to the cancellation of the same due to commingling (see Note 19). The result registered by the Company from the liquidation of its stake in CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. was a profit of 20,907 thousand euros included under the heading "Impairment and Gains (Losses) from Disposal of Financial Instruments – Gains (Losses) on Disposals and Other" on the attached 2014 Income Statement (Note 24).

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The detail of equity investments in Group companies at 31 December 2015 is as follows:

Thousands of euros									
Name of Company	% Stake	Capital	Reserves	Other Equity Items	Operating Profit (Loss)	Other Profit (Loss)	Equity	Book Value (*)	Dividends Received
Enaitínere, S.A.U. (*)	100.00%	139,062	788,089	(10,444)	(670)	28,889	944,925	2,299,302	-

(*) Includes allocation of goodwill resulting from the business combination carried out in the 2009 financial year (see Note 1 (d)).

Name of Company	Activity	Address
Enaitínere, S.A.U.	Concession Holding - stake in ENA Infraestructuras, S.A.	Plaza Carlos Trías Bertrán 7, Madrid, Spain Madrid - Spain

The activity of ENAITÍNERE, S.A.U. is the rendering of services to trading corporations and the purchase and sale of commercial companies and their assets. At 31 December 2015, it owns 100% of the capital of ENA INFRAESTRUCTURAS, S.A.U., the holding company of the Group of the same name, whose main activity is the direction and coordination of management, the introduction of common policies and the management of the cash and debt of its subsidiaries and investee companies: AUTOPISTAS DEL ATLÁNTICO CONCESIONARIA ESPAÑOLA, S.A.U. (AUDASA), AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U. (AUCALSA), AUTOPISTAS DE NAVARRA, S.A. (AUDENASA), AND AUTOESTRADAS DE GALICIA, CONCESIONARIA DE LA XUNTA DE GALICIA, S.A. (AUTOESTRADAS) and, following the merger with PARTICIPACIONES AP-1 EUROPISTAS, S.L. that took place in 2015, of 100% of the capital of AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A., beneficiary of the administrative concession agreement for the construction, operation and conservation of the AP-1 Burgos-Armiñón motorway which, in turn, has a 55% stake in GESTION DE INFRAESTRUCTURAS DE BIZKAIA, S.A., whose activity consists of the operation and conservation of the AP-8 motorway for the stretch that runs through the historic territory of Bizkaia.

The Company has registered a value adjustment due to impairment in connection with its subsidiary, ENAITÍNERE S.A.U., for an amount of 284,664 thousand euros, of which 34,018 thousand euros correspond to a value adjustment registered by PARTICIPACIONES AP-1 EUROPISTAS, S.L.U, in relation to AP-1 EUROPISTAS, C.E.S.A, as a result of the impairment test carried out in 2012, through which the current value of the future cash flows that are expected to be obtained from the aforesaid companies was estimated.

The aforesaid impairment was the consequence of the decline in traffic levels on the motorways operated by the subsidiaries and investee companies and the resulting impact on future estimates, in addition to changes in the tax laws, particularly Royal Decree Law 12/2012 and its implementing regulations, which introduced limitations on the extent to which finance expenses can be deducted, affecting the Group's financing structure and the predicted evolution of which differs from initial projections, as well as the tightening of the financial market's conditions and the impact on future projections.

At the close of the 2015 financial year, the Company has not identified the existence of any signs of impairment of its financial investment in group companies, so it has not been necessary to register a value adjustment over and above that already registered.

(b) Equity Instruments in Jointly Controlled Entities.

On 17 March 2015, the General Meeting of Shareholders of TÚNELES DE ARTXANDA, S.A. declared this company dissolved and approved the liquidation transactions in accordance with the corresponding provisions pursuant to the Law of Capital Companies. Consequently, on 10 June 2015, the deed of dissolution and liquidation of this company was executed. The profit or loss resulting from the liquidation of the aforesaid company amounts to a loss of 17 thousand euros.

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(c) Equity Investments in Associates

The detail of equity investments in associates at 31 December 2015 is as follows:

Thousands of euros									
Name of Company	%Stake	Capital	Reserves	Other Equity Items	Operating Profit (Loss)	Other Profit (Loss)	Equity	Book Value	Dividends Received
Tacel Inversiones, S.A.	9.36%	33,450	(137)	-	(8)	2	33,308	-	-
Bip&Drive, S.A.	20.00%	2,420	6,194	-	(2,154)	538	6,998	1,821	-
These companies are audited by Deloitte S.L.									

Name of Company	Activity	Address
Tacel Inversiones, S.A.	Concession Holding (stake in ACEGA)	C/ Feal - San Mamede de Ribadulla, Vedra, A Coruña , Spain
Bip&Drive, S.A.	Telematic collection of right of access to infrastructures	Plaza Colón, 2; Planta 19. Madrid - Spain

Tacel Inversiones, S.A. is the sole shareholder of “Autopista Central Gallega, C.E.S.A.”, a 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 company’s duration is limited to the concession period, which will terminate on 25 November 2074.

ITÍNERE registered a value adjustment due to impairment of 100% of the value of its stake in Tacel Inversiones, S.A. in 2012, resulting from the impairment test carried out by the Company at the close of that financial year, through which the current value of the future cash flows that are expected to be obtained from the Autopista Central Gallega, C.E.S.A. project was estimated. The aforesaid impairment was a 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.

BIP & DRIVE, S.A. a company in which ITÍNERE has a 20% stake in the corporate capital at 31 December 2015, was incorporated on 18 March 2014. During the 2015 financial year cash disbursements were made to it for a total amount of 1,049 thousand euros (772 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.

The Company has informed these investee companies of the percentage stake held in them.

(d) Loans to Group Companies, Jointly Controlled Entities and Associates

As indicated in Note 9, on 30 June 2015 ENAITÍNERE conducted a capital increase through the capitalization of the loan it held with ITÍNERE, which on that date amounted to 531,511 thousand euros and, in compliance with the stipulations of mercantile laws, was declared due, liquid and enforceable. This loan corresponded to the participating loan granted by the Company in 2003 in the amount of 303,243 thousand euros plus capitalized interest. The loan was granted for the purpose of financing part of the purchase of ENA INFRAESTRUCTURAS, S.A.U., together with a subordinated loan for 9,393 thousand euros. On 17 July 2009, ENAITÍNERE, S.L.U. partially cancelled this participating loan in an amount of 16,117 thousand euros and cancelled the subordinated loan in full, by virtue of the loan concession agreement signed by both companies on 26 June 2009, under the provisions of the undertaking agreement for the formulation and acceptance of a takeover bid for the shares of ITÍNERE, through which ENAITÍNERE assigned the loans and/or debts that up until that date it had held with Sacyr Vallehermoso, S.A. for their liquidation, in the terms and conditions established in the aforesaid share purchase agreement.

The participating loan accrued interest calculated at the close of the financial year, provided that certain contractually established conditions relating to the evolution of the consolidated capital and reserves of the sub-group comprised of the ENA INFRAESTRUCTURAS, S.A. and its subsidiaries were met; the accrued interest was expected to be paid on the final maturity date, being capitalized on an annual basis. The maturity date was set at November 2018.

The total amount of interest accrued by the participating loan up to the date of capitalization amounted to 244,385 thousand euros (225,589 thousand euros in 2014), of which 18,797

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thousand euros correspond to interest accrued in 2015 (35,785 thousand euros during the 2014 financial year) (Notes 19 and 22).

On 28 December 2006, the company, Tacel Inversiones, S.A., signed a participating loan agreement with its shareholders for a total amount of 13,000 thousand euros, with the original maturity being 31 July 2013, in which the Company participates with an amount of 1,217 thousand euros. On that same date, this loan was substituted by novation, with the new maturity being established as 30 June 2016. This loan was granted to allow the borrower to meet its payment obligations with the construction company joint venture and accrues interest in line with the borrowing company's business evolution. During the 2015 and 2014 financial years, the conditions established for this purpose have not been met and, therefore, no interest has accrued.

At the close of the 2012 financial year, the Company registered a value adjustment due to impairment for the total amount of the loan, for the same reasons as those given above with respect to the impairment of the stake registered during the 2012 financial year.

11. TRADE AND OTHER RECEIVABLES

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

Thousands of euros	2015	2014
Receivables, Group Companies and Associates (Note 19)	14,131	12,854
Other Receivables	578	58
Personnel (Note 25)	335	333
Current tax assets (note 18)	42,023	43,025
Trade and other Receivables	57,067	56,270

The Other Receivables item refers to the balances with related parties at 31 December 2015, in an amount of 571 thousand euros (55 thousand euros at 31 December 2014) (see Note 19).

At 31 December 2015, the Current Tax Assets heading includes 11,990 thousand euros corresponding to the settlement of corporate income tax for the 2015 financial year resulting from taxation under a fiscal consolidation regime, in addition to corporate income tax corresponding to the 2014 financial year for 30,667 thousand euros which, at 31 December 2015, was pending collection although at the date of the preparation of these accounts it had been collected (see Note 18).

12. CASH AND CASH EQUIVALENTS

As at 31 December 2015 and 2014, the Cash Equivalents heading includes bank deposits and other deposits with a maturity of not more than 3 months from their contract date. At 31 December 2015, these assets accrue interest at an average rate of 0.40% (0.55% at 31 December 2014).

13. CAPITAL AND RESERVES

The detail and movement are shown on the Statement of Changes in Equity, which forms a comprehensive part of these annual accounts.

(a) Registered Capital

On 25 September 2012, 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.

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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 composition of the share capital at 31 December 2015 and 2014 is as follows:

	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.

(b) Share Premium

As 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.

(c) Legal Reserve

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 on the Income Statement when there are no other reserves available. At 31 December 2015 and 2014, the Company has provisioned this reserve for an amount of 26,956 thousand euros.

(d) Goodwill Reserve

In compliance with the provisions of the prevailing legislation, during the 2012 financial year the Company provisioned a goodwill reserve for an amount of 20,814 thousand euros. This reserve is restricted for as long as the item appears on the Balance Sheet. As a result of the allocation in 2012 of a value adjustment due to impairment of the total amount of the goodwill that arose in the business combination carried out in 2009, in 2015 this reserve was transferred to voluntary reserves.

(e) Other Reserves

This includes voluntary reserves amounting to 502,281 thousand euros at 31 December 2015 (481,467 thousand euros at 31 December 2014), as well as others resulting from the first application of the General Chart of Accounts in force since 1 January 2008, in the amount of 6,280 thousand euros.

Voluntary reserves can be used at will, except when, as a result of distribution, equity falls below the Company's share capital.

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Their movement during the 2015 and 2014 financial years, in thousands of euros, is as follows:

Thousands of euros	2015	2014
Balance at 1 January	487,747	487,747
Transfer to goodwill reserve	20,814	-
Balance at 31 December	508,561	487,747

Profit attributed directly to equity cannot be distributed, either directly or indirectly.

14. GRANTS, DONATIONS AND LEGACIES RECEIVED

As at 31 December 2015 and 2014, the detail and movement of capital grants is as follows:

Thousands of euros	2015	2014
Balance at 1 January	60	343
Allocation to Profit or Loss (*)	(16)	(286)
Adjustment for change in tax rate (Note 18)	-	3
Balance at 31 December	44	60
(*) Net of tax effect		

At 31 December 2015, this heading includes the difference between the fair value at which the zero interest rate loans granted to the Company 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 16).

As mentioned in note 9 (b), 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 Income Statement.

Up to 31 December 2015, income in the amount of 236 thousand euros, net of the tax effect, has been transferred to the Income Statement, as the allocation of grants, donations and legacies of a financial nature, of which 16 thousand euros correspond to the 2015 financial year (286 thousand euros in the 2014 financial year, which includes income for an amount of 268 thousand euros, net of the tax effect, corresponding to the allocation of grants relating to non-financial and other assets).

15. DEBENTURES AND OTHER NEGOTIABLE SECURITIES

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 which was to meet the payment of the tax obligations resulting from the divestment process in Chile implemented during 2014 (Notes 1 (e) and 10), 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.

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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 30, 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. This 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 Income Statement, in application of the effective interest rate method, in an amount of 3,039 thousand euros (2,491 thousand euros in 2014) (Note 22).

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				TOTAL
		Long-Term		Short-Term		TOTAL	Long-Term		Short-Term		
		Other Group Companies	Other Related Parties	Other Group Companies	Other Related Parties		Other Group Companies	Other Related Parties	Other Group Companies	Other Related Parties	
Subscriber											
Kutabank, S.A.	1,784	4,525	-	-	-	4,525	4,041	-	5,281	-	9,322
Pear Luxembourg Investment S.Á.R.L.	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. ⁽¹⁾	-	-	-	-	-	-	-	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.	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	-	(107)	(91)	-	-	(198)	(122)	(103)	-	-	(225)
TOTAL	11,000	15,014	12,691	-	-	27,705	13,379	11,309	17,646	14,917	57,251

⁽¹⁾ In 2015, Caixanova Invest, S.C.R. has been dissolved and its assets have been transferred to Abanca Corporación Industrial y Empresarial, S.L.

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

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16. DEBT WITH FINANCIAL INSTITUTIONS

The breakdown between short and long term balances held with financial institutions at 31 December 2015 and 2014 is as follows:

Thousands of euros	Short-Term		Long-Term		Total	
	2015	2014	2015	2014	2015	2014
Debt with financial institutions	116	116	627,731	617,316	627,847	617,432
Interest debt	14,130	14,318	-	-	14,130	14,318
Debt with Financial Institutions	14,246	14,434	627,731	617,316	641,977	631,751

The detail of balances held with financial institutions at 31 December 2015 is as follows:

Thousands of euros

Description/Agent	Original Amount	Currency	Date		Interest Rate	Principal		Total
			Start	Maturity		Short-Term	Long-Term	
Syndicated loan (Tranche A)	608,500	EUR	2011	2018	EURIBOR 6M+ MARGIN	-	622,485	622,485
Ministry of Industry	678	EUR	2007	2021	ZERO RATE	62	266	328
Ministry of Industry	441	EUR	2008	2020	ZERO RATE	54	153	207
Interest debt	-	EUR	-	-	-	14,130	-	14,130
Loans	609,619					14,246	622,904	637,150
Syndicated loan (Tranche B)	22,440	EUR	2011	2018	EURIBOR 6M+ MARGIN	-	4,827	4,827
Liquidity and cash lines	22,440					-	4,827	4,827
Debt with Financial Institutions						14,246	627,731	641,977

On 3 August 2011, the Company 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 an amount of 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, S.L.U. and PARTICIPACIONES AP-1, S.L.U. (currently called ENAITÍNERE, S.A.U.) took place. 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 constitute a total of 313,250 thousand euros (Note 9).

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 15).

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.

As indicated in the loan agreement, the Company has agreed to comply with a series of obligations throughout the lifetime thereof, highlighting, among others, those associated with the following aspects:

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- Pledge on the balance of the Reserve Account and Operating Accounts
- Pledge on the credit rights resulting from the interest rate hedge and from the tax Group's fiscal consolidation
- Pledge on the tranche B available credit
- Limits on the level of indebtedness assumed by the Company and its investee companies, both overall and individually

On 5 June 2007, the Ministry of Industry, Trade and Tourism granted ITÍNERE an interest-free preferential repayable loan for 678 thousand euros, for the execution of a project for the analysis of telecommunications systems applied to tolls by satellite positioning (see Note 14). This loan's final maturity is 30 June 2021 and 11 partial repayments have been scheduled.

During the 2008 financial year, the Ministry of Industry, Trade and Tourism granted ITÍNERE an interest-free preferential repayable loan for 441 thousand euros for the execution of a project for the development of an independent power system (see Notes 5 and 14). The loan's final maturity is 30 December 2020.

The detail by maturities of the long-term amounts owed to financial institutions at 31 December 2015 is as follows:

Maturities	Thousands of euros
2017	116
2018	627,428
2019 and subsequent	187
Total Maturities	627,731

Interest accrued and pending maturity at 31 December 2015 amounts to 14,130 thousand euros (14,318 thousand euros at 31 December 2014), of which 3,166 thousand euros correspond to the interest rate hedge agreements signed by the Company (2,841 thousand euros at 31 December 2014). These amounts are shown under "Debts with Financial Institutions" under the "Current Liabilities – Debts with Financial Institutions" heading on the attached Balance Sheet.

During the 2015 financial year, in application of the effective interest rate method, financial expenses in the amount of 27,074 thousand euros (28,945 thousand euros during the 2014 financial year) have been registered on the Income Statement.

It is a Company policy to renew all of its credit facilities upon their maturity. Nevertheless, as mentioned in note 30, in February 2016, the Company 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.

17. PUBLIC ENTITIES

The detail of accounts payable with Public Entities at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Payables, Treasury Department:		
Tax withholdings	115	195
VAT	6,421	6,106
Payables, Social Security	18	17
Public Administrations	6,554	6,318

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18. TAX SITUATION

As indicated in Note 4(k), the Company pays tax under a fiscal consolidation regime, forming part of Fiscal Consolidation Group No. 36/09 since 1 January 2009, of which it is the holding company, and which is made up of ITÍNERE and the companies resident in Spain that comprise its consolidated tax group.

The companies that comprise the fiscal consolidation perimeter at 31 December 2015 are as follows: ITÍNERE INFRAESTRUCTURAS, S.A., ENAITÍNERE, S.A.U., ENA INFRAESTRUCTURAS, S.A., AUTOPISTAS DEL ATLÁNTICO, C.E.S.A., AUTOPISTA CONCESIONARIA ASTUR LEONESA, S.A., AUTOESTRADAS DE GALICIA, A.G., C.X.G., S.A., and AP-1 EUROPISTAS, C.E.S.A.

At 31 December 2015, the Company has registered an income tax expense for an amount of 1,228 thousand euros (5,278 thousand euros at 31 December 2014). The detail and composition of corporate income tax corresponding to the 2015 and 2014 financial years are as follows:

Thousands of euros	2015	2014
Corporate Income Tax:	1,228	5,278
Current tax	1,225	5,297
Deferred tax	3	(19)
Corporate Income Tax	1,228	5,278

As a consequence of paying tax under a fiscal consolidation regime, at 31 December 2015 the Company recorded a receivable with the Treasury Department in the amount of 11,356 thousand euros, corresponding to the corporate income tax prepayment made in the 2015 financial year, as well as 30,667 thousand euros corresponding to corporate income tax in financial year 2014 which, as at the date of the preparation of these annual accounts, have already been collected (43,025 thousand euros at 31 December 2014) (see Note 11).

The reconciliation between the net amount of the financial year's income and expenses and the corporate income tax base, which the Company expects to contribute to the 2015 financial year's consolidated tax return and that contributed to the 2014 financial year's tax return, is as follows:

Thousands of euros	2015			2014		
	Income Statement	Income and Expenses directly attributed to Equity	Total	Income Statement	Income and Expenses directly attributed to Equity	Total
Balance of financial year income and expenses	(26,988)	5,066	(21,922)	(5,961)	2,761	(3,200)
Corporate Income Tax	1,061	1,969	3,030	5,846	1,183	7,029
Permanent differences:	30,314	-	30,314	33,417	-	33,417
Income from foreign source	-	-	-	21,955	-	21,955
Non-deductible finance expenses	30,310	-	30,310	11,462	-	11,462
Miscellaneous	3	-	3	-	-	-
Temporary differences:	(13)	(7,035)	(7,048)	63	(3,944)	(3,881)
Arising in previous financial years	(13)	-	(13)	-	-	-
Reversal of limitation on deductibility of amortizations	(13)	-	(13)	-	-	-
Arising in the period	-	(7,035)	(7,035)	63	(3,944)	(3,881)
Cash flow hedge	-	(7,057)	(7,057)	-	(4,353)	(4,353)
Grants	-	22	22	-	409	409
Limitation on deductibility of amortizations	-	-	-	63	-	63
Tax Base	4,373	-	4,374	33,365	-	33,366
Total tax liability (taxable income)	1,225	-	1,225	10,009	-	10,009
Deductions and other	-	-	-	(4,712)	-	(4,712)
Net Tax Payable	1,225	-	1,225	5,297	-	5,297

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Within the framework of the divestment process in Chile carried out by the Company during the 2014 financial year (see Note 10) and in application of the provisions of Sections 21 and 32 of Spain's Law of Corporate Income Tax, income from a foreign source partially subject to taxation in the calculation of the 2014 financial year's corporate income tax was identified. Consequently, a positive adjustment was made to the tax base of the aforesaid 2014 financial year's corporate income tax for an amount of 21,955 thousand euros, which includes 17,279 thousand euros as income from a foreign source subject to taxation and 4,676 thousand euros as tax paid by the foreign company with the right to deduction so as to avoid double international taxation.

In addition to the foregoing, the Company applied a deduction so as to avoid the double taxation deriving from the dividends received in 2014 from its investee company, AUTOPISTAS DE BIZKAIA, S.A., for an amount of 122 thousand euros.

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 Company accumulates net finance expenses that it has not been able to deduct because they exceed the limit established by the aforesaid Royal Decree, in an amount of 89,160 thousand euros (58,850 thousand euros at 31 December 2014). The Company has adopted a criterion of prudence, choosing not to register tax credits resulting from the application of the aforesaid limitation.

The reconciliation between the corporate income tax expense and the result of multiplying the rates applicable to all recognized income and expenses, differentiating between current and deferred tax expenses, is as follows:

	2015			2014		
	Income Statement	Income and Expenses directly attributed to Equity	Total	Income Statement	Income and Expenses directly attributed to Equity	Total
Thousands of euros						
Profit or loss before tax on ongoing operations	(25,927)	7,035	(18,892)	(114)	3,944	3,830
Permanent differences	30,314	-	30,314	33,417	-	33,417
Applicable tax rate	28%	28%	28%	30%	30%	30%
Theoretical tax burden	1,227	1,970	3,197	9,991	1,183	11,174
Effect of:						
Deductions and other	-	-	-	(4,712)	-	(4,712)
Effective tax expense	1,227	1,970	3,197	5,278	1,183	6,462
Breakdown:						
Current	1,225	-	1,225	5,297	-	5,297
Deferred	3	-	3	(19)	-	(19)
Corporate Income Tax	1,228	-	1,228	5,278	-	5,278

The detail of taxes directly recognized in Equity at 31 December 2015 and 2014 is as follows:

	2015			2014		
	Increases	Reductions	Total	Increases	Reductions	Total
Thousands of euros						
From deferred tax:						
Arising in the period:	76	(2,046)	(1,970)	671	(1,854)	(1,183)
Grants	-	6	6	-	123	123
Cash flow hedge	76	(2,052)	(1,976)	671	(1,977)	(1,306)
Total deferred tax	76	(2,046)	(1,970)	671	(1,854)	(1,183)
Total Tax recognized directly in Equity	76	(2,046)	(1,970)	671	(1,854)	(1,183)

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The detail and movement of deferred taxes at 31 December 2015 and 2014 are as follows:

	ASSETS					LIABILITIES
	Cash Flow Hedges	Negative tax bases pending compensation	Other deductible temporary differences	Deductions pending application	TOTAL	Grants and other
Thousands of euros						
Balance at 31 December 2013	3,600	13,034	19	-	16,653	147
Additions	671	-	19	-	690	-
Removals	(1,977)	(7,267)	-	-	(9,244)	(123)
Adjustments for change in tax rate	(256)	(568)	-	-	(824)	(3)
Balance at 31 December 2014	2,038	5,199	38	-	7,275	21
Additions	76	-	-	-	76	-
Removals	(2,052)	(5,226)	(3)	-	(7,281)	(6)
Transfers	-	-	(6)	6	-	-
Adjustments for change in tax rate	86	166	-	-	252	-
Balance at 31 December 2015	148	139	29	6	322	15

At 31 December 2015, the Company holds activated negative tax bases pending offsetting in future financial years, generated in the 2011 financial year, the value of which, at the prevailing tax rate, amounts to 139 thousand euros. In this respect, and pursuant to 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 in which the Company is included may only offset negative tax bases in the 2015 financial year up to a limit of 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 5,226 thousand euros.

At 31 December 2015, the Company holds no negative tax bases other than those referred to above.

In accordance with the provisions of Law 16/2012 of 27 December 2012, with effect for the tax periods commencing within the years 2013 and 2014, a limit of 70% was introduced on the deductibility of the depreciation or amortization of tangible and intangible assets and investment properties. In this respect, another new rule is that accounting 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 commencing in the year 2015. As a consequence of the foregoing, at 31 December 2015 the Company has registered a deferred tax asset for this concept for an amount of 29 thousand euros (38 thousand euros at 31 December 2014).

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, amongst 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. As a result of this amendment, in 2014 the Company proceeded to adjust the balance of its deferred taxes, valuing them at the rate in force at the estimated time of the reversal and allocating these adjustments to the Income Statement or Equity, depending on the criterion followed in the accounting of the item that originated the recognition of the aforesaid deferred tax.

Based on the foregoing, in 2014 the deferred tax asset amount deriving from cash flow hedge contracts signed by the Company was reduced by 256 thousand euros, which were allocated to Equity. At 31 December 2015, the Company has registered an increase in the aforesaid assets for an amount of 86 thousand euros.

In addition, in financial year 2014 the deferred tax asset amount deriving from credits due to losses to be offset was reduced by 568 thousand euros, which were allocated to profit or loss. In this respect, at 31 December 2015, the Company has registered a positive adjustment to corporate income tax for an amount of 167 thousand euros. Both amounts are shown under the heading "Adjustments to Income Tax" on the attached Income Statement.

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Similarly, the deferred tax liability amount resulting from grants was reduced by 3 thousand euros in 2014, which were allocated to Equity.

In connection with 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 Company has registered deductions pending application for an amount of 6 thousand euros, corresponding to reversal of temporary measures.

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. At the date of the preparation of these annual accounts, the Company has open for inspection by the Tax Authorities all the main taxes applicable to it since 1 January 2012 (the 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 Company must provide appropriate evidence of the tax losses or deductions through the presentation of the tax settlement or self-assessed payment 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 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 procedures, the corresponding documents of conformity and nonconformity 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 document of conformity has been settled on the date of the preparation of these annual accounts, while the document of nonconformity 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, the Company 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 annual accounts.

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19. BALANCES AND TRANSACTIONS WITH GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES, ASSOCIATES AND OTHER RELATED PARTIES

The debit and credit balances with Group Companies, Jointly Controlled Entities, Associates and other Related Parties at 31 December 2015 and 2014 are as follows:

Thousands of euros	2015		2014	
	Other Group Companies	Other Related Parties	Other Group Companies	Other Related Parties
Loans to companies (Note 10)	-	-	512,714	-
Long-term receivables with Group Companies, Jointly Controlled Entities and Associates	-	-	512,714	-
Trade and other receivables (Note 11)	14,131	571	12,854	55
Enaitinere, S.A.U.	816	-	816	-
Ena Infraestructuras, S.A.	393	-	65	-
Ena Infraestructuras, S.A., VAT Group	16	-	30	-
Autopistas del Atlántico, C.E.S.A., fiscal consolidation	4,731	-	2,119	-
Autopistas del Atlántico, C.E.S.A., VAT Group	3,692	-	3,758	-
Autopista Astur Leonesa, S.A., fiscal consolidation	33	-	163	-
Autopista Astur Leonesa, S.A., VAT Group	1,248	-	1,162	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	36	-	-	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U., fiscal consolidation	395	-	257	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U., VAT Group	65	-	91	-
Participaciones AP-1 Europistas, S.L. ⁽²⁾ , Fiscal consolidation	-	-	1,530	-
AP-1 Europistas Concesionaria del Estado, S.A.U.	295	-	46	-
AP-1 Europistas Concesionaria del Estado, S.A.U., fiscal consolidation	1,053	-	1,780	-
AP-1 Europistas Concesionaria del Estado, S.A.U., VAT Group	1,305	-	953	-
Gestión de Infraestructuras de Bizkaia, S.A.	53	-	84	-
Sacyr, S.A.	-	571	-	55
Short-term receivables with Group Companies, Jointly Controlled Entities and Associates	14,131	571	12,854	55
Long-term debt - Convertible debentures (Note 15)	15,014	12,691	13,379	11,309
Pear Luxembourg Investment S.Á.R.L.	10,596	-	9,460	-
Kutxabank, S.A.	4,525	-	4,041	-
Abanca Corporación Industrial y Empresarial, S.L.	-	6,633	-	3,030
Caixanova Invest, S.C.R. ⁽¹⁾	-	-	-	2,892
Caser, S.A.	-	96	-	86
Liberbank, S.A.	-	1,618	-	1,445
Sacyr Concesiones, S.L.	-	4,325	-	3,862
Other (Directors and Senior Management)	-	109	-	97
Adjustment for valuation at amortized cost	(107)	(91)	(122)	(103)
Long-term debts - Other debts	341,688	-	332,248	-
Pear Luxembourg Investment S.Á.R.L.	2,446	-	2,255	-
Ena Infraestructuras, S.A.	76,523	-	74,521	-
Participaciones AP-1 Europistas, S.L. ⁽²⁾	-	-	176,511	-
Enaitinere, S.A.U.	181,895	-	-	-
AP-1 Europistas Concesionaria del Estado, S.A.U.	80,824	-	78,961	-
Long-term payables to Group Companies, Jointly Controlled Entities and Associates	356,703	12,691	345,627	11,309
Short-term debt - Convertible debentures (Note 15)	-	-	17,646	14,917
Pear Luxembourg Investment S.Á.R.L.	-	-	12,365	-
Kutxabank, S.A.	-	-	5,281	-
Abanca Corporación Industrial y Empresarial, S.L.	-	-	-	3,961
Caixanova Invest, S.C.R. ⁽¹⁾	-	-	-	3,780
Caser, S.A.	-	-	-	112
Liberbank, S.A.	-	-	-	1,889
Sacyr Concesiones, S.L.	-	-	-	5,047
Other (Directors and Senior Management)	-	-	-	128
Short-term debt - Other debt	2,500	-	2,633	-
Pear Luxembourg Investment S.Á.R.L.	94	-	87	-
Ena Infraestructuras, S.A.	1	-	-	-
Enaitinere, S.A.U.	2,405	-	-	-
Participaciones AP-1 Europistas, S.L. ⁽²⁾	-	-	2,546	-
Trade and other payables	85,716	-	65,313	-
Enaitinere, S.A.U., Fiscal consolidation	74,402	-	53,948	-
Ena Infraestructuras, S.A.	2,017	-	2,022	-
Ena Infraestructuras, S.A., fiscal consolidation	9,297	-	9,343	-
Short-term payables to Group Companies, Jointly Controlled Entities and Associates	88,216	-	85,592	14,917

⁽¹⁾ In 2015, Caixanova Invest, S.C.R. has been dissolved and its assets have been transferred to Abanca Corporación Industrial y Empresarial, S.L.

⁽²⁾ Company dissolved as a result of its absorption by ENAITINERE, S.A.U. within the framework of the merger carried out in 2015.

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At 31 December 2015, the Company has a credit with ENAITÍNERE, S.A.U. for an amount of 816 thousand euros, corresponding to certain expenses relating to the purchase of ENA INFRAESTRUCTURAS, S.A.U., which were originally borne by ITÍNERE and which are still pending payment.

As at 31 December 2015 and 2014, the Company has accounts receivable of a commercial origin with its investee companies deriving from comprehensive management services rendered during each of these financial years by virtue of the contracts signed by the parties.

As at 31 December 2015 and 2014, ITÍNERE has credits and debits with the companies in its Group integrated under the consolidated taxation regime relating to Corporate Income Tax (see Note 18).

As at 31 December 2015 and 2014, ITÍNERE has Value Added Tax credits with the companies in its Group adhered to the special Company Group regime, in which the member companies have been paying tax since 1 January 2010 and for which ITÍNERE is the holding company.

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 interest at the end of the settlement period, if not paid. This loan has accrued interest during the 2015 financial year in an amount of 200 thousand euros, of which 94 thousand euros are pending maturity (183 thousand euros during the 2014 financial year of which 87 thousand euros were pending maturity at the close of the 2014 financial year).

On 29 June 2009, the Company signed a subordinated loan agreement with PARTICIPACIONES AP-1 EUROPISTAS, S.L. (currently called ENAITÍNERE, S.A.U.), following the merger of the two companies in 2015 (Note 1 (e)) for an original amount of 148,000 thousand euros, with a single maturity in October 2013, which, by virtue of an Appendix dated 18 October 2013, was extended to 30 November 2018. This loan's interest rate is indexed to Euribor at 6 months plus a margin that fluctuates between 2.25% and 2.75%. This agreement contemplates the capitalization of interest if it is not paid at the end of each settlement period. At 31 December 2015, the loan's nominal amount is 181,895 thousand euros (176,511 thousand euros at 31 December 2014). Interest accrued during the 2015 financial year and pending payment at 31 December 2015 amounts to 5,242 thousand euros, of which 5,384 thousand euros have been capitalized during the period (5,487 thousand euros and 3,818 thousand euros, respectively, at 31 December 2014).

On 1 March 2011, ITÍNERE and AP-1 EUROPISTAS C.E.S.A. signed an Appendix to the financing agreement initially signed on 30 April 2008 for the purpose of amending certain terms and conditions of said agreement. As per the foregoing, the settlement of interest is annual and its calculation is indexed to Euribor at 1 year plus margin. Likewise, capitalization of interest at the end of the settlement period, if not paid, has been provided for. This agreement will mature on 30 November 2018, although it allows total and partial voluntary prepayments. The balance pending payment under the agreement at 31 December 2015 is 80,824 thousand euros (78,961 thousand euros at 31 December 2014). During the 2015 financial year, this loan has accrued interest, which has been capitalized in an amount of 1,863 thousand euros (1,996 thousand euros in the 2014 financial year).

Within the framework of the divestment process in Chile carried out in 2014, the loans that ITÍNERE held with CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. (formerly ITÍNERE CHILE, S.A.) and INVERSORA BOADILLA, SpA, were cancelled, for an amount of 372,749 thousand euros and 117,272 thousand euros, respectively. During the 2014 financial year, the aforesaid balances accrued interest in an amount of 14,345 thousand euros, of which 12,454 thousand euros corresponded to the balance payable to CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA. and 1,891 thousand euros to INVERSIONES BOADILLA LTDA. Likewise, and in connection with the aforesaid payables, in 2014 exchange gains were registered up to their cancellation date in an amount of 8,336 thousand euros.

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The details of divestment process in Chile, as well as the cancellation of the aforesaid account payable, are included in the annual accounts corresponding to the financial year ended 31 December 2014.

On 4 December 2009, ITÍNERE and ENA INFRAESTRUCTURAS, S.A. signed a credit assignment document through which the Company was subrogated in the position of Sacyr Vallehermoso, S.A. (currently Sacyr, S.A.) before ENA INFRAESTRUCTURAS, S.A., as a result of the materialization of the contracts of sale of stakes of the company Inversora de Autopistas del Sur, S.L., the sale of shares of the company Alazor Inversiones, S.L. and assignment of the loan with that company, which had been signed on 15 December 2008 between ENA INFRAESTRUCTURAS, S.A. and Sacyr Vallehermoso, S.A. As a consequence of the foregoing, at 31 December 2015, the Company has a balance payable to ENA INFRAESTRUCTURAS, S.A. for a nominal amount of 53,743 thousand euros. This balance is remunerated at a variable interest rate indexed to Euribor at 1 year plus margin. The aforesaid document provides for the capitalization of interest at the end of the settlement period, if not paid. Total capitalized interest amounts to 9,577 thousand euros, of which 1,460 thousand euros have accrued during the 2015 financial year (1,564 thousand euros during the 2014 financial year). The balances have a scheduled maturity date in 2018.

In addition, and as a consequence of the liquidation of CONSTRUCTORA E INMOBILIARIA ITÍNERE CHILE LTDA., at 31 December 2015 ITÍNERE has a debt with ENA for an amount of 13,203 thousand euros with a single maturity at 31 December 2018, the interest rate of which is indexed to Euribor plus margin. This credit provides for the capitalization of interest at the end of the settlement period, if not paid. During the 2015 financial year, this loan has accrued interest, which has been capitalized in an amount of 547 thousand euros (no interest was accrued in the 2014 financial year).

Additionally, at 31 December 2015 and 2014, the Company has balances of a financial nature with related parties that comprise the banking syndicate with which the syndicated loan is held (Note 16), as per the following detail:

Thousands of euros	2015	2014
Loans ⁽¹⁾		
ABANCA	72,322	70,000
KUTXABANK	107,451	104,000
LIBERBANK	25,829	25,000
Liquidity lines drawn ⁽²⁾		
ABANCA	135	220
KUTXABANK	2,223	3,630
LIBERBANK	2,223	3,630
Liquidity lines not used ⁽²⁾		
ABANCA	365	280
KUTXABANK	6,027	4,620
LIBERBANK	6,027	4,620

⁽¹⁾ Participation in the syndicated loan of financial institutions that are related parties.

⁽²⁾ Participation in the liquidity line of financial institutions that are related parties.

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The detail of transactions with Group Companies, Jointly Controlled entities and Other Related Parties during the 2015 and 2014 financial years is as follows:

Thousands of euros	2015				2014			
	Other Group Companies	Jointly Controlled Entities	Total	Other Related Parties	Other Group Companies	Jointly Controlled Entities	Total	Other Related Parties
Finance Expenses - Convertible Debentures	1,647	-	1,647	1,392	1,350	-	1,350	1,141
Pear Luxembourg Investment S.Á.R.L.	1,138	-	1,138	-	941	-	941	-
Kutxabank, S.A.	486	-	486	-	402	-	402	-
Abanca Corporación Industrial y Empresarial, S.L.	-	-	-	713	-	-	-	301
Caixanova Invest, S.C.R. ⁽¹⁾	-	-	-	-	-	-	-	288
Caser, S.A.	-	-	-	10	-	-	-	9
Liberbank, S.A.	-	-	-	174	-	-	-	144
Sacyr Concesiones, S.L.	-	-	-	465	-	-	-	384
Other (Directors and Senior Management)	-	-	-	12	-	-	-	10
Adjustment for valuation at amortized cost	22	-	22	19	7	-	7	6
Finance Expenses - Other Debts	9,312	-	9,312	-	23,576	-	23,576	-
Pear Luxembourg Investment S.Á.R.L.	200	-	200	-	183	-	183	-
Participaciones AP-1 Europistas, S.L. ⁽²⁾	-	-	-	-	5,487	-	5,487	-
AP-1 Europistas Concesionaria del Estado, S.A.U.	1,863	-	1,863	-	1,996	-	1,996	-
Ena Infraestructuras, S.A.	2,007	-	2,007	-	1,564	-	1,564	-
Constructora e Inmobiliaria Itinere Chile Ltda.	-	-	-	-	12,454	-	12,454	-
Inversiones Boadilla SpA	-	-	-	-	1,891	-	1,891	-
Enaitinere, S.A.U.	5,242	-	5,242	-	-	-	-	-
Total Expenses	10,959	-	10,959	1,392	24,926	-	24,926	1,141
Finance Income	18,797	-	18,797	-	39,369	-	39,369	-
Enaitinere, S.A.U.	18,797	-	18,797	-	35,785	-	35,785	-
Autopistas de Bizkaia, S.A.	-	-	-	-	122	-	122	-
Constructora e Inmobiliaria Itinere Chile Ltda.	-	-	-	-	3,462	-	3,462	-
Management and Collaboration Agreements	6,811	-	6,811	-	6,566	-	6,566	-
Ena Infraestructuras, S.A.	3,690	-	3,690	-	3,526	-	3,526	-
AP-1 Europistas Concesionaria del Estado, S.A.U.	2,600	-	2,600	-	2,514	-	2,514	-
Autopistas de Bizkaia, S.A.	-	-	-	-	-	-	-	-
Gestión de Infraestructuras de Bizkaia, S.A.	521	-	521	-	527	-	527	-
Rendering of Services and Other Income	829	153	982	4	1,356	153	1,509	44
Autopistas de Navarra, S.A.	-	153	153	-	-	153	153	-
Autopista Astur Leonesa, S.A.	85	-	85	-	404	-	404	-
Autopistas del Atlántico, C.E.S.A.	285	-	285	-	283	-	283	-
Autopistas de Bizkaia, S.A.	-	-	-	-	-	-	-	-
AP-1 Europistas Concesionaria del Estado, S.A.U.	138	-	138	-	139	-	139	-
Gestión de Infraestructuras de Bizkaia, S.A.	22	-	22	-	90	-	90	-
Participaciones AP-1 Europistas, S.L. ⁽²⁾	-	-	-	-	1	-	1	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	29	-	29	-	30	-	30	-
Ena Infraestructuras, S.A.	258	-	258	-	401	-	401	-
Enaitinere, S.A.U.	13	-	13	-	7	-	7	-
Bip&Drive, S.A.	-	-	-	4	-	-	-	44
Total Income	26,437	153	26,590	4	47,291	153	47,444	44

⁽¹⁾ In 2015, Caixanova Invest, S.C.R. has been dissolved and its assets have been transferred to Abanca Corporación Industrial y Empresarial, S.L.

⁽²⁾ Company dissolved as a result of its absorption by ENAITINERE, S.A.U. within the framework of the merger carried out in 2015.

Transactions with related parties refer to the Company's normal Business and are carried out at market prices.

20. NET REVENUE

Revenue obtained during the 2015 and 2014 financial years is as follows:

Thousands of euros	2015	2014
Income from the rendering of services:	6,811	6,566
Ena Infraestructuras, S.A.	3,690	3,526
AP-1 Europistas Concesionaria del Estado, S.A.U.	2,600	2,514
Gestión de Infraestructuras de Bizkaia, S.A.	520	526
Other services to Group Companies, Jointly Controlled Entities and other Related Parties	704	704
Revenue	7,515	7,270

By virtue of the different contracts signed by the Company with certain Group Companies and Associates, a total of 6,811 thousand euros has been invoiced during the 2015 financial year (6,566 thousand euros during the 2014 financial year), for technical, operational, financial and legal advisory services.

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The revenue recorded by the Company in the 2015 and 2014 financial years has been obtained in Spain.

21. EXTERNAL SERVICES

The detail of external services at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Leases and royalties	466	492
Conservation and repairs	32	35
Independent professional services	624	3,297
Insurance premiums	763	762
Banking and similar services	47	46
Advertising, promotion and public relations	22	17
Supplies	66	73
Other services	267	817
External services	2,287	5,539

22. FINANCE INCOME AND EXPENSES

The detail of finance income at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Income on stakes in equity investments in Group Companies, Jointly Controlled Entities and Associates (Note 19)	-	3,584
Interest from loans to Group Companies, Jointly Controlled Entities and Associates (Notes 10 and 19)	18,797	35,785
Interest from other marketable securities	42	11
Other interest and similar income	23	307
Finance Income	18,862	39,687

The detail of income from stakes in equity instruments in Group Companies, Jointly Controlled entities and Associates at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Autopistas de Bizkaia, S.A.	-	122
Constructora e Inmobiliaria Itinere Chile Ltda. (Note 10)	-	3,462
Income on equity investments in Group Cos., Jointly Controlled Entities and Associates	-	3,584

The detail of finance expenses, by concepts, is as follows:

Thousands of euros	2015	2014
Interest on debts with Group Companies, Jointly Controlled Entities and Associates (Note 19)	10,959	24,926
Interest on debentures (Note 15)	1,647	1,350
Interest on other debts	9,312	23,576
Interest on debts	34,403	35,536
Interest on debentures with Other Related Parties (Note 15)	1,392	1,141
Finance Expenses	46,755	61,603

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23. PERSONNEL

The average number of employees during the 2015 and 2014 financial years, distributed by categories, is as follows:

	2015	2014
Managers	8	9
Technical Staff	3	3
Admin. Staff	3	3
Total	14	15

As at 31 December 2015 and 2014, the distribution of the Company's workforce, by category and gender, is as follows:

	Men		Women	
	2015	2014	2015	2014
Managers	7	8	1	1
Technical Staff	2	2	1	1
Admin. Staff	-	-	3	3
Total	9	10	5	5

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

Of the 2015 financial year employee benefits, 172 thousand euros correspond to the Company's social security costs (179 thousand euros in 2014).

24. DIVESTMENT PROCESS IN CHILE

As indicated in Note 1 (e), during 2014 the Company carried out a divestment process in Chile, in which the Chilean companies in which ITÍNERE held stakes were liquidated or sold (see Note 10). The detail of the income and expenses associated with this process, shown on the 2014 financial year's Income Statement, is as follows:

Thousands of euros	2014
Operating income	134
Operating expense	(2,962)
OPERATING PROFIT (LOSS)	(2,828)
Finance income (Notes 10 and 19):	3,462
- From dividends of Constructora e Inmobiliaria Itínere Chile Ltda.	3,462
Finance expenses (Note 19):	(14,345)
- Resulting from loan to Inversiones Boadilla Ltda.	(1,891)
- Resulting from loan to Constructora e Inmobiliaria Itínere Chile Ltda.	(12,454)
Exchange gains (losses) (Notes 10 and 19):	4,628
- Resulting from disposal of Inversiones Torrelodones Ltda.	(3,708)
- Resulting from loan to Inversiones Boadilla Ltda.	3,855
- Resulting from loan to Constructora e Inmobiliaria Itínere Chile Ltda.	4,481
Gains (losses) on disposal of financial instruments (Note 10):	18,496
- Disposal of Inversiones Torrelodones Ltda.	(2,260)
- Liquidation of Constructora e Inmobiliaria Itínere Chile Ltda.	20,907
- Other gains (losses)	(151)
FINANCIAL PROFIT OR LOSS	12,241
Corporate Income Tax (*)	(4,893)
PROFIT (LOSS) FROM THE DIVESTMENT PROCESS IN CHILE	4,520

(*) Tax effect resulting from income and expenses recorded in 2014 relating to the stakes in Chilean companies.

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25. INFORMATION RELATING TO 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, nor are any debit or credit balances held with the Company other than those referred to above at 31 December 2015 and 2014 (see Notes 15 and 19).

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 which, pursuant to the provisions of Section 229 of the Consolidated Text of Spain's Law of Capital Companies, needs to be notified.

26. GUARANTEES ENTERED INTO WITH THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

As at 31 December 2015 and 2014, the Company has provided bank guarantees to different public bodies as performance bonds, as per the following detail:

Thousands of euros	2015	2014
Research & Development Projects	924	1,001
Miscellaneous	1,791	1,791
Total	2,715	2,792

The foregoing bank guarantees are valid up to 2021 in the case of those relating to R&D projects and are indefinite in the case of the other bank guarantees.

In addition, under the finance agreement signed by the Company, certain commitments exist as referred to in Note 16.

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

27. ENVIRONMENT

The activity conducted by the Company does not require any actions relating to the environment. For this reason, it has not incurred any charges of this type during the 2015 and 2014 financial years nor are any provisions to cover risks and charges corresponding to environmental activities considered necessary.

The Company's Directors declare that there are no items that need to be included in the separate environmental information document provided for in Order JUS/206/2009 of 28 January 2009.

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28. INFORMATION ON THE NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS

To a large extent, the Company's financial risk management policies and, consequently, the instruments for their implementation, are determined by the nature of the activity and by the situation that reigns in the financial markets at any given moment.

Thus, the structure, type of financing, hedges, guarantees and, in short, the most appropriate financing instruments are selected in accordance with the nature and the risks inherent in the projects to be financed, with a view to their mitigation to the extent that this is possible.

Financing of the concessionary companies in which ITÍNERE has stakes is encompassed within so-called "project financing", in which the supplier of the funds assumes a substantial part of the risks in the project's evolution, with recourse being limited to the shareholders or developers. Whenever necessary, ITÍNERE supplements the financing of projects with own funds.

The financial policy and management of ITÍNERE is determined and executed by the Company's Financial Management, in a manner consistent with the financial structure and cash flows of the Group as a whole, with the financial risk management being, briefly, as follows:

- **Interest Rate Risk:** The Company's corporate debt with financial institutions is at a variable interest rate indexed to Euribor, although at 31 December 2015 approximately 49.82% of this debt is at a fixed rate (50.62% at 31 December 2014) through financial hedge instruments, such as interest rate swaps, which greatly reduces its exposure to increases in interest rates (see Note 9 – Financial Liabilities). On 29 January 2016, the derivative financial instruments taken out by the Company 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.

A possible variation of ± 100 basis points in the reference interest rates would have a quantitative effect on the financial year's profit or loss valued at $\pm 4,720$ thousand euros at 31 December 2015 (2,144 thousand euros at 31 December 2014).

- **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.
- **Credit Risk:** Given the characteristics of the activity conducted by ITÍNERE (holding of a Group of concessionary companies), the major part of its income is obtained from the rendering of services to these companies. Consequently, due to the nature of the business conducted by the Group, the risk of non-payment is low.
- **Refinancing Risk:** As mentioned in Note 30, effective as of 16 February 2016, the Company has proceeded to the non-extinguishing modifying novation of the financing agreement entered into by the Company in August 2011 and novated in July 2014, which has involved, among other modifications, the extension of the maturity date of said loan agreement until 6 October 2025. Consequently, virtually all of ITÍNERE's debt is long term and, consequently, the Company's Directors are of the opinion that this risk is low.
- **Liquidity Risk:** As mentioned in Note 2 (a), the company's working capital is negative. Notwithstanding the foregoing, as a consequence of the Company's peculiarities and the quality of its assets, the cash-flow generation estimates and the composition of its current liabilities which, at 31 December 2015, include balances with different Group companies that are not expected to be demanded in the short term due to the fact that ITÍNERE manages the Group's cash in a centralized way, it can be deemed that the Company will be able to meet its

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short and medium term payment obligations. 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 ITÍNERE's income is associated with the activity of its subsidiaries and investee companies, which 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).

29. OTHER INFORMATION

KPMG Auditores, S.L., the company that audits the Company's annual accounts, has rendered professional services during the financial years ended 31 December 2015 and 2014 for a fee amount of 70,700 euros in each of the periods.

The amount indicated refers exclusively to audit services and includes all the fees relating to the 2015 and 2014 audits, irrespective of the moment at which they were invoiced. During the 2015 and 2014 financial years, KPMG Auditores, S.L. has also rendered other accounting verification services, for a fee amount of 3,200 euros in each of the periods.

During the 2015 financial year, other entities affiliated to KPMG International have invoiced the Company the amount of 99,069 euros as fees for tax advisory and other services (107,500 euros in the 2014 financial year).

30. EVENTS SUBSEQUENT TO THE CLOSING OF THE ACCOUNTS

- In accordance with the provisions of the financing contract signed by the Company, novated on 3 July 2014, on 29 January 2016, ITÍNERE 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 16).
- On 16 February 2016, the Company 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, S.A.U., it has proceeded to the 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 consolidation 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, S.A.U., 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.
- In addition, and within the framework of the aforesaid refinancing process, on 1 March 2016, it has placed on public record the modifying novation of an issue of convertible subordinated debentures, 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.

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Notes to the Annual Accounts

- Furthermore, the Company has proceeded to the novation of the loan agreements it has with its subsidiary companies, modifying the final maturity date, which has been extended to October 2025, having adapted, where appropriate, the margin applicable to the aforesaid agreements in keeping with the new financial cost of ITÍNERE's debt.
- As mentioned in Note 18, on 16 February 2016 the Company 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.

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1. EVOLUTION OF THE COMPANY'S BUSINESS AND SITUATION

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, as well as 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 conducted its tasks of management and co-ordination of the Group's companies, which have carried out their activity 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.

Revenue, mainly corresponding to the invoicing of services to investee companies, has increased by 3.4% as a consequence of the evolution in the Group's activity. Current operating expenses have been reduced by 9.9% in comparison with the previous financial year, with 2015 EBITDA showing a positive result of 2.2 million euros.

As established in the accounting rules and regulations, at the close of the 2015 financial year, the Company has not identified any signs of impairment in prior financial years in its financial investments, so it has not been deemed necessary to register any additional value impairment changes over and above those already registered in previous financial years. As will be remembered, during the 2012 financial year it was necessary to make a value adjustment due to impairment for the total amount of the goodwill recognized in 2009 at an individual level, in addition to portfolio loan loss provisions relating to the stakes in Group companies to which part of the goodwill that arose in the merger process carried out in 2009 (ENAITÍNERE and Participaciones AP-1) and the investment in TACEL INVERSIONES was allocated. The total impact of these value adjustments due to impairment represented a negative adjustment of the Company's profit or loss in the 2012 financial year, amounting to 303.2 million euros. The factors determining this impairment were the negative evolution in the Group companies' business and its subsequent impact on future estimates, including changes in the tax rules

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and regulations that affect the Group's financing structure (particularly Royal Decree-Law 12/2012 and the regulations for its application) and the tightening of the conditions of the financial markets.

Net finance income shows a negative figure of 27.9 million euros. This net finance figure includes finance expenses for an amount of 46.8 million euros corresponding to corporate debt (both with third parties and other inter-company debt) and finance income (18.9 million euros), mainly generated by an inter-company loan, which are lower in comparison to the previous year, due to the capitalization of the loan with ENAITÍNERE and because no dividends have been received.

As we all know, since the 2012 financial year there is a limit on the tax deductibility of finance expenses according to which only net finance expenses up to an amount of 30% of the financial year's operating profit can be deducted, with it being possible for the net finance expenses not deducted in the financial year to be deducted in the following financial years with no time limit and with the same percentage limitation. Consequently, in spite of the losses, a Corporate Income Tax expense is accrued at the close of 2015 in the amount of 1.2 million euros.

All of the foregoing has resulted in a loss in the 2015 financial year of 27.0 million euros.

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 company's operating revenue in 2015 (taking into account the proportional contribution of AUDENASA) has amounted to 279.1 million euros, an increase of 4.2% with respect to the 2014 financial year's comparative figure, reflecting the consolidation of the improvement that has taken place in Spanish economy over the last period. The EBITDA which these companies contribute to the consolidated figure in 2015 amounts to 218.1 million euros, representing a 78.1% margin on the revenue indicated, 1.3 percentage points more than in 2014.

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, which 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 annual rate as the economy. On the demand side, investments reduced their growth rate somewhat, with a noteworthy investment

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figure for 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 also showed 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, 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). Notwithstanding the subsequent evolution of this indicator at the onset of 2016, it 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 its structural efficiency. Thus, of the activities during the 2015 financial year, the following milestones in the financial area can be highlighted:

- **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.

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- **AUTOESTRADAS loan:** In May 2015 a bilateral loan agreement was signed with Banco Santander, S.A. for an amount of 25 million euros with due date in June 2019 and a variable interest rate indexed to the 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 in 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 following purposes: extension of its maturity up to the same date as that resulting from the refinancing of ENAITÍNERE's debt; consolidation of the various financing tranches into a single one, eliminating those corresponding to a liquidity line; modification of 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 maturity 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, payment of 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 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

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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.

At 31 December 2015, the Company 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. The average term for payment to suppliers in 2015 was 5 days.

2. EVENTS SUBSEQUENT TO THE CLOSING OF THE ACCOUNTS

Since the closing of the 2015 financial year, important events have arisen that are referred to in Note 30 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 consolidation 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 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.
- 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.
- Furthermore, the Company has proceeded to the novation of the loan agreements it has with its subsidiary companies, modifying the final maturity date, which has been extended to October 2025, having adapted, where appropriate, the margin applicable to the new financial cost of ITÍNERE's debt.

Lastly, on 16 February 2016, the Company 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.

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3. FORESEEABLE EVOLUTION OF THE COMPANY

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

After obtaining the necessary funds for the enlargement of the motorway's capacity, as per Royal Decree 1733/2011, and having initiated 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 in the course of 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, the Group's ample experience in these types of operations has to be underlined. 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 (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, while the aforementioned transaction, concluded in February 2016, represents long-term financial stability, any opportunities that enable the constant improvement of the financial structure of the Company and its Group will continue to be analyzed, so as to maintain the high degree of solidity and solvency that has made it possible to meet all commitments of the Company and its subsidiaries and investee companies for as long as they have been in existence.

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 in all highly regulated sectors, regulatory changes 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 some 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 project for expansion into other countries is 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 relating to the 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.

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, the most appropriate financing instruments, are selected in accordance with the nature of and the risks inherent in the projects to be financed, so as to mitigate them as far as is possible, without neglecting the necessary balance between cost, risk, guarantees and term.

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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:** The Company's corporate debt with financial institutions is at a variable interest rate indexed to Euribor, although at 31 December 2015 approximately 49.82% of this debt is at a fixed rate, through financial hedge instruments, such as interest rate swaps, which greatly reduces exposure to increases in interest rates. On 29 January 2016, the derivative financial instruments taken out by the Company 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.

A possible variation of ± 100 basis points in the reference interest rates would have a quantitative effect on the financial year's profit or loss valued at $\pm 4,720$ thousand euros at 31 December 2015 (2,144 thousand euros at 31 December 2014).

- **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.
- **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 Note 30 to the annual report, effective as of 16 February 2016, the Company has proceeded to the non-extinguishing modifying novation of the financing agreement entered into by the Company in August 2011 and novated in July 2014, which has involved, among other modifications, the extension of the maturity date of said loan agreement until 6 October 2025. Consequently, virtually all of ITÍNERE'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, can 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.

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**PROPOSED DISTRIBUTION OF PROFIT OR LOSS
FOR THE 2015 FINANCIAL YEAR**

The 2015 financial year's operating result has been a loss of 26,988,133.02 euros, which will be transferred in full to losses from previous financial years.

ITÍNERE INFRAESTRUCTURAS, S.A.

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 Annual Accounts, comprising the Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes, the Directors' Report and the Proposed Distribution of the Company's Profit or Loss, corresponding to the financial year ended 31 December 2015, included on pages 1 to 56 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, which form the basis of these annual accounts, do not contain any items that, by their nature, need to be included in the specific environmental information document provided for in Order of the Ministry of Justice 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 Hierro 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 Iv^a Orihuela Uzal
Director

D. Francisco Pedras Camacho
Director

D. José Luis González Carazo
Secretary, non-Director