

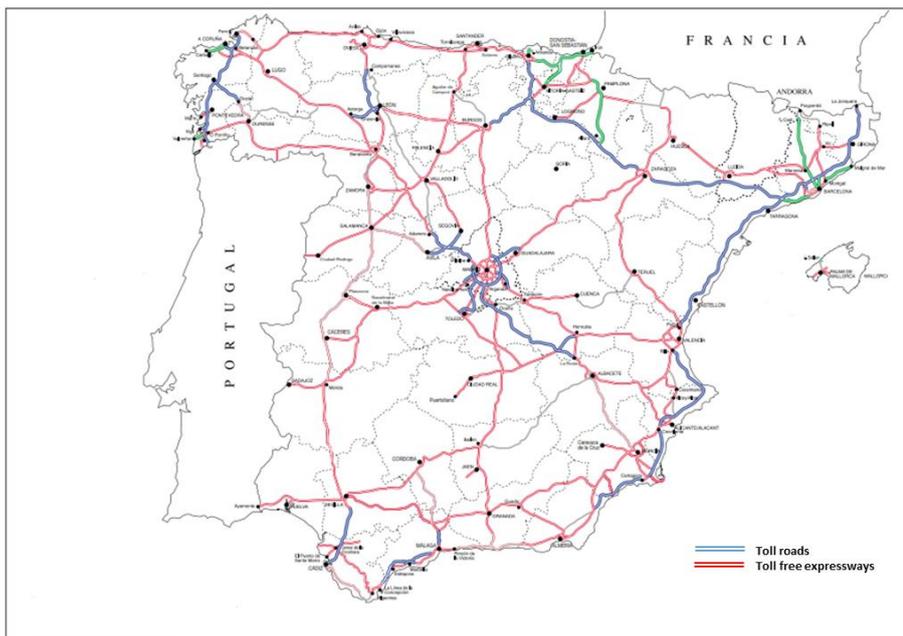
NATIONAL REPORT: SPAIN

At 31/12/2016

Network length

During 2016 no new motorway stretches were opened to traffic. The length of the Spain toll motorway network remains unchanged: 3,404 km composed by 61 km of 4x2 lanes, 475 km of 3x2 lanes, 2,356 km of 2x2 lanes. In this network there are 81 tunnels.

This supposes only 18% of the total high capacity road network which is mostly untolled.



Source: Ministerio de Fomento

TOLL MOTORWAYS NETWORK (KM)		
	2015	2016
IN OPERATION	3,404.01	3,404.01
UNDER CONSTRUCTION	12.30	26.2
PLANNING STAGE	0	0
TOTAL NETWORK	3,416.31	3,430.21

Openings in 2017

In 2017 two stretches of the AP-9 managed by Audasa will be open to traffic: 8 km connecting Santiago de Compostela Airport to the AP-9 motorway and 5.9 km from Cangas to Teis.

Investments

71.2 million euros have been faced during 2016 for the construction of new motorways. In addition, concessionaire companies have invested in the existing network up to 4,606 million euros.

It is estimated that the fiscal return of the whole sector reached 42.9% of the incomes.

Financing

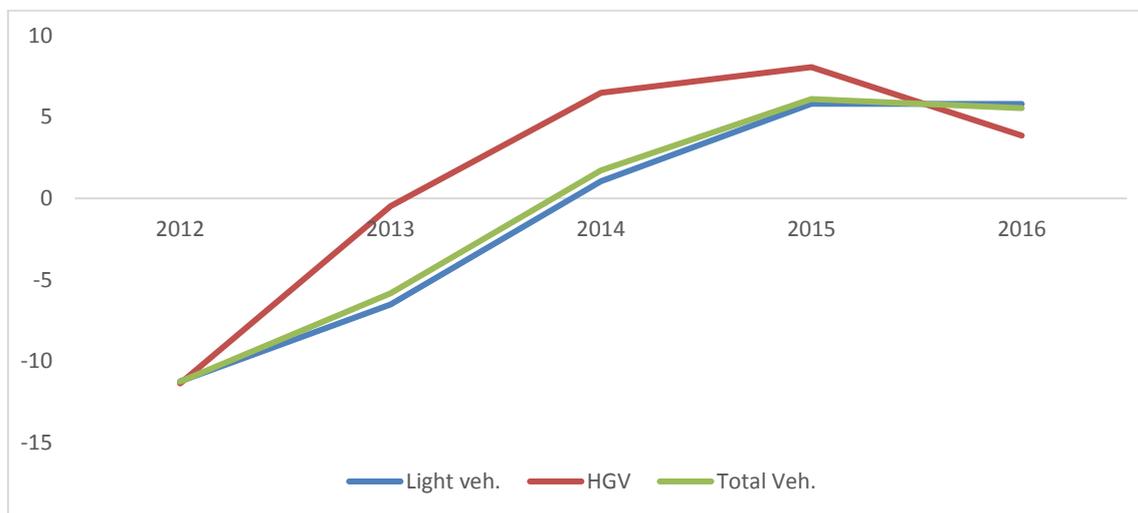
Bank financing is the most extended mechanism to finance toll concessions. Nevertheless, some companies have issued bonds to get additional financing. Private funds are also interested in infrastructure concessions and recently some of them have bought debt of different Spanish companies.

Even though it is not very common, some companies profit of participative loans granted by the Central Administration.

Traffic

2016 is the third year after the economic crisis recording positive figures. The Average Daily Traffic, of those vehicles paying a toll, was 15,855, a 5.55% increase compared to 2015.

Toll paying vehicles	2015	2016	VARIATION
ADT Light veh.	13,068	13,826	5.80%
ADT Heavy veh.	1,954	2,029	3.85%
ADT Total veh.	15,021	15,855	5.55%



Tolling system and tolling technologies used

a. Intelligent transport systems:

ITS are deeply deployed in the toll motorway network. In order to increase the ITS equipment on our roads, toll concessionaire are participating in different projects as Arc Atlantique 2, MedTIS 2 and European ITS Platform. During 2016 project proposals for Arc Atlantique 3, MedTIS

3 and C-ROAD Spain under the Connecting Europe Facility call have been submitted by SEOPAN and its members.

b. Electronic toll collection

In Spain tolls are collected manually, by credit or debit cards or by an electronic toll system (ETC). The Spanish ETC system, VIA-T, reached 4.2 million users in 2016, a 12.7% yearly increase. 43.4% of the total transactions are performed with this system, while 34.0% are collected by cards and 22.6% by cash.

The ETC is based on CEN 278 DSRC 5.8 GHZ technology. It is an interoperable system in use in all motorways and also in many parkings under the commercial name of VIA-T.

Regarding the use of cards, most of concessions are performing on-line transactions and some of them are already adapted to EMV and PCI DSS standards.

Toll rates

The Government's Central Administration, which awards most of the toll motorways in Spain, applies the system included in Law 14/2000 of December 28th. This system takes into account the average Cost of Living Index as well as the traffic levels recorded on the motorways. In 2016 toll tariff rates decreased by -0.6%.

The rest of the awarding Governments, establish other tariffs review policies by solely taking into account a certain percentage of the Average Cost Living Index, except Catalonia that includes a correction factor to compensate previous discounts.

Law 2/2015 states that future toll concessions (and possible rebalances of current concessions) will not review their toll tariffs according to the current system. Instead of this, toll tariff will be reviewed based on a new formula that should be defined considering the real costs of the concession.

Revenues

Toll concessionaire companies reached a net amount of revenues of 1,833.25 million euros (after commercial discounts plus subsidies from different Administrations). This turnover increase was due to the gradual recovery of the Spanish economy and the stability of the petrol price.

Safety

During 2016, 46 people died on the motorway toll network, 8 more than the previous year. Nevertheless the number of fatal accidents was been lower than in 2015 (31 instead of 33), which implies that the fatal accident rate has increased (more people involved in fatal accidents).

The number of accidents also raised, partially due to the increase of traffic, however the accident rates IG1 (injured people/accidents with victims) and IG2 (fatalities/accident with victims) remained stable.

	IG1	IG2
	injured people/accidents with victims	fatalities/accident with victims
2015	1.59	0.04
2016	1.59	0.04

Road safety is always a key issue for Spanish toll roads concessionaries that are still implementing preventive and reactive plans, campaigns and developments on that field.

	Definition and method of calculation	In number for one billion kilometres travelled in 2016	Variation in % in 2015/2016
Personal injury rate	Seriously Injured : A person who remains hospitalized over 24 hours resulting from injuries caused by a traffic accident	1,697	6%
Fatal accident rate	Fatal accident : Accident in which one or more people are killed within the subsequent 24 hours.	31	-6%
Rate of dead	Fatality : A person who dies on the spot or within the subsequent 30 days as a result of a traffic accident.	46	21%

Long-term forecasts and tendencies

In 2016 the Spanish economy has continued its positive economic trend, thanks to our dynamic export and tourist sectors and the good evolution of the internal demand.

This was possible despite the fact that, over the whole year, we had no formal government elected: the results of the general elections on June 26th shown a Parliament very divided and the political parties were not able to raise coalitions to appoint a government. So the general elections were repeated on December 20th.

This lack of government implies that no budget has been approved for 2017 and, for the time being, the country is ruled and works with an extension of the public budget of 2016.

Another negative effect of the lack of government is that no infrastructure strategy, plans or schemes were adopted last year.

Significant actions already started (and/or to be achieved in 2016) and foreseen for 2017.

In 2016 the interoperability process with Portugal has continued and it is already a fact in most of the motorways: VIA-T OBUs are already accepted in all Portuguese motorways and Via Verde Portugal OBUs are accepted in the toll network of Itinere and Abertis, reaching 70% of the Spanish toll network.

A new Public contracts law is under approval process at the Parliament. This law will transposed Directive 2014/24/UE on public procurement and Directive 2014/23/EU on the award of concession contracts and will rule future public contracts. To this extend, SEOPAN has elaborated with the collaboration of the firms DELOITTE and URÍA MENÉNDEZ an international benchmark on concessions better practices and a set of recommendation to improve the Spanish legal framework.

The new infrastructure Minister has announced his intention to propose a National Pact on Infrastructure which will –hopefully- identify infrastructure needs, new projects and financial schemes. Taking into account the limitation of public funds (public deficit control, increasing cost of social subsidies –pensions, unemployment, health, education...-), the deployment of future infrastructure should only be possible through concession schemes and applying financial models already used in Europe -as pay per use-.

8 toll concessionaires are facing the last stages of their bankruptcy proceedings. Most of their debt has been sold by financial entities to distress funds and negotiations with the government are still in process.

Country: SPAIN	Indicate below how you calculate each figure provided in the "2015" column	2016 Figure
Network length (Km)..... 2 x 2 lanes (Km)..... 2 x 3 lanes (Km)..... 2 x 4 lanes (Km).....	Km financed by toll (includes non-tolled stretches financed by tolls collected in other toll roads)	3,404.01 2,425 484.4 61.1
Number of km in construction		26.20
Forecasts of opening motorways section		13.9
Annual toll revenues* (in millions of Euros)		1,833.25
VAT % (Indicate the VAT % percentage to the toll revenues)		21%
Permanent staff		3,313
Average daily traffic (light vehicles)		13,826
Average daily traffic (heavy vehicles)		2,029
Average daily traffic (total = light + heavy vehicles)		15,855
Total number of accidents		5,418
Number of personal injury accidents		1,067
Number of dead		46
Fatality rate	Fatal accident rate: Accident in which one or more people are killed within the subsequent 24 hours. Fatality rate: A person who dies on the spot or within the subsequent 30 days as a result of a traffic accident	23%
Kilometres travelled (10 ⁶ x km)		20,952
Number of toll transactions (Total) Number of toll transactions (light vehicles): Number of toll transactions (heavy vehicles):	Total	457,990,216 N/A N/A
Number of toll stations		242

Number of toll lanes		2,582
Number of ETC lanes		2,131
Number of ETC subscribers (Total):		4,020,412
Number of ETC subscribers (light vehicles):	Not applicable in Spain: On Board Units are interchangeable between vehicles. No distinction is made between light and heavy vehicles.	n/a
Number of ETC subscribers (heavy vehicles):		n/a
Number of service areas (equipped with petrol stations)		92
Number of rest areas		119
Number of restaurants		95
Number of hotels		5