Abertis Telecom Terrestre, S.A.U. and Subsidiaries

Unaudited special purpose segmented financial statements for the terrestrial telecommunications business of ABERTIS TELECOM TERRESTRE, S.A.U. and subsidiaries ("Special purpose segmented financial statements"), prepared from the financial statements of Abertis Infraestructuras, S.A. for the years ended 31 December 2012 and 2011.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1). In the event of a discrepancy, the Spanish-language version prevails.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS TELECOM TERRESTRE, S.A.U. AND SUBSIDIARIES

UNAUDITED SPECIAL PURPOSE SEGMENTED BALANCE SHEET AT 31 DECEMBER 2012 AND 2011

(Thousands of Euros)

ASSETS	Notes	31-12-2012	31-12-2011	EQUITY AND LIABILITIES	Notes	31-12-2012	31-12-2011
NON-CURRENT ASSETS:				**EQUITY:**			
Goodwill	Note 6	42,014	42,014	Other equity items		378,590	317,698
Other intangible assets	Note 6	7,068	7,942	Profit for the year	Note 11.1	29,815	60,892
Property, plant and equipment	Note 5	469,655	425,192	**Total equity**		**408,405**	**378,590**
Investments in associates	Note 7	3,281	3,271				
Non-current trade and other receivables	Note 9	7,498	7,771	**NON-CURRENT LIABILITIES:**			
Deferred tax asset	Note 14.4	23,666	16,560	Bank borrowings	Note 12	3,490	5,027
Total non-current assets		**553,182**	**502,750**	Other borrowings	Note 12	12,431	12,898
				Non-current provisions	Note 15	1,814	1,351
				Employee benefit obligations	Note 15	53,498	2,752
				Borrowings from Group undertakings	Note 21.3	91,691	121,484
				Deferred tax liabilities	Note 14.4	48,451	54,130
				Non-current accruals		761	861
				Total non-current liabilities		**212,136**	**198,503**
CURRENT ASSETS:				**CURRENT LIABILITIES:**			
Inventories		286	623	Bank borrowings	Note 12	1,932	1,531
Trade and other receivables	Note 9	158,544	166,097	Other borrowings	Note 12	1,686	3,124
Receivables from Group undertakings and associates	Note 9	1,081	1,656	Current payables to Group undertakings	Note 21.3	331	131
Loans to Group undertakings and associates	Note 9	2,659	1,116	Trade and other payables	Note 13	93,330	88,116
Prepayments	Note 9	1,719	1,236	Payables to Group undertakings and associates	Note 21.3	1,541	3,550
Cash and cash equivalents	Note 10	1,982	67	Current accruals	Note 15	92	-
Total current assets		**166,271**	**170,795**	**Total current liabilities**		**98,912**	**96,452**
TOTAL ASSETS		**719,453**	**673,545**	**TOTAL EQUITY AND LIABILITIES**		**719,453**	**673,545**

These special purpose segmented balance sheets should be read together with Notes 1 to 22.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1).
In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS TELECOM TERRESTRE, S.A.U. AND SUBSIDIARIES

UNAUDITED SPECIAL PURPOSE SEGMENTED INCOME STATEMENTS FOR 2012 AND 2011

(Thousands of Euros)

	Notes	2012	2011
Services		391,687	407,485
Other operating income		6,544	1,887
Operating income	**Note 16.1**	**398,231**	**409,372**
Staff costs	Note 16.2	(146,987)	(102,082)
Other operating expenses	Note 16.3	(140,604)	(149,021)
Change in operating provisions and allowances		372	(6,715)
Losses on non-current assets		(43)	(286)
Operating profit before depreciation and amortization		**110,969**	**151,268**
Depreciation and amortisation charge	Notes 5 and 6	(68,590)	(65,651)
Profit from operations		**42,379**	**85,617**
Finance income	Note 16.4	221	1,487
Finance costs	Note 16.4	(3,628)	(2,652)
Net financial loss		**(3,407)**	**(1,165)**
Profit (loss) of companies accounted for using the equity method	Note 7	10	22
Profit before tax		**38,982**	**84,474**
Income tax	Note 14.3	(9,167)	(23,582)
Profit for the year		**29,815**	**60,892**
Attributable to non-controlling interests		-	-
Attributable to shareholders of the Company		**29,815**	**60,892**

These special purpose segmented income statements should be read together with Notes 1 to 22.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1).
In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS TELECOM TERRESTRE, S.A.U. AND SUBSIDIARIES

UNAUDITED SPECIAL PURPOSE SEGMENTED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR 2012 AND 2011

(Thousands of Euros)

	2012	2011
PROFIT FOR THE YEAR	**29,815**	**60,892**
Income and expenses recognised directly in equity, transferable to the consolidated income statement	-	-
Total comprehensive income	**29,815**	**60,892**

These special purpose segmented statements of comprehensive income should be read together with Notes 1 to 22.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1).
In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS TELECOM TERRESTRE, S.A.U. AND SUBSIDIARIES

UNAUDITED SPECIAL PURPOSE SEGMENTED STATEMENTS OF CHANGES IN EQUITY FOR 2012 AND 2011

(Thousands of Euros)

	Other equity items	Profit/(Loss)	Equity
At 31 December 2010	**272,053**	**45,645**	**317,698**
Total recognised income and expenses	-	60,892	60,892
Other changes in equity	45,645	(45,645)	-
At 31 December 2011	**317,698**	**60,892**	**378,590**
Total recognised income and expenses	-	29,815	29,815
Other changes in equity	60,892	(60,892)	-
At 31 December 2012	**378,590**	**29,815**	**408,405**

These special purpose segmented statements of changes in equity should be read together with Notes 1 to 22.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1).
In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS TELECOM TERRESTRE, S.A.U. AND SUBSIDIARIES

UNAUDITED SPECIAL PURPOSE SEGMENTED STATEMENTS OF CASH FLOWS FOR 2012 AND 2011

(Thousands of Euros)

	Notes	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		**38,982**	**84,474**
Adjustments to profit-		**122,437**	**73,894**
Depreciation and amortisation charge	Notes 5 and 6	68,590	65,651
Gains/(losses) on derecognition and disposals of non-current assets		43	385
Changes in provisions		(372)	6,715
Employee benefit obligations		50,779	-
Interest and other income	Note 16.4	(221)	(1,487)
Interest and other expenses	Note 16.4	3,628	2,652
Share of results of companies accounted for using the equity method	Note 7	(10)	(22)
Changes in current assets/current liabilities-		**35,065**	**(65,901)**
Inventories		337	938
Trade and other receivables		7,208	(26,156)
Other current assets and liabilities		27,520	(40,683)
Cash flows generated by operations		**196,484**	**92,467**
Interest paid		(2,378)	(990)
Interest received		221	1,487
Income tax paid	Note 16.4	(25,805)	(3,208)
Employee benefit obligations and current provisions		7	(503)
Other liabilities		(22,607)	352
Total net cash flows from operating activities (I)		**145,922**	**89,605**
Net cash flows from investing activities-		**(109,727)**	**(30,306)**
Purchases of property, plant and equipment and intangible assets		(109,727)	(30,588)
Proceeds from disposal of non-current assets		-	282
Cash flows from financing activities (II)		**(109,727)**	**(30,306)**
Net cash flows from financing activities-		**(34,280)**	**(59,449)**
Proceeds from issue of bank borrowings		900	3,871
Repayment of borrowings from Group companies		(31,667)	(61,521)
Repayment and redemption of bank borrowings		(3,513)	(1,799)
Total cash flows from financing activities (II)		**(34,280)**	**(59,449)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (A)+(B)+(C)		**1,915**	**(150)**
Cash and cash equivalents at beginning of year		67	217
Cash and cash equivalents at end of year		1,982	67

These special purpose segmented statements of cash flows should be read together with Notes 1 to 22.

Translation of special-purpose financial statements originally issued in Spanish (see Note 2.1). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Telecom Terrestre, S.A.U. and Subsidiaries

Notes to the unaudited special purpose segmented financial statements for the terrestrial telecommunications business of Abertis Telecom Terrestre, S.A.U. and subsidiaries, prepared from the financial statements of Abertis Infraestructuras, S.A. for the years ended 31 December 2012 and 2011.

1. General information on the Abertis Telecom Terrestre Group

The terrestrial telecommunications business of Abertis Infraestructuras, S.A. is formed by a group of subsidiaries and associates that engage in this line of business, of which Abertis Telecom Terrestre, S.A.U.. is the Parent, as described in Note 2.1.

Abertis Telecom Terrestre, S.A. (sole-shareholder company) (the "Parent") was incorporated in Barcelona on 25 June 2008. Its registered office is at Avenida del Parc Logístic No. 12-20, Barcelona. On 17 October 2013, it changed its name from ABERTIS AMERICANA, S.L.U. to its current name. On 17 November 2014, the sole shareholder approved the change of corporate form from a private limited liability company to a public limited liability company, and it was registered in the Companies Register on 15 December 2014.

The Parent's corporate purpose, as set out in its bylaws, includes:

- The establishment of all kind of telecommunication infrastructures and/or networks, as well as the provision, management, marketing and distribution, on its own account or on account of third parties, of all type of services based on or through such infrastructures and/or networks.

- The planning, technical assistance, management, organisation, coordination, supervision, maintenance and conservation of such installations and services under any type of contractual arrangement allowed by law, especially administrative concessions.

- In addition to these activities, the companies' corporate purposes may also include the management, operation and conservation of freight centres or similar facilities at airports, as well as the design, execution, management and control of investments in the infrastructures and facilities referred to in the preceding section.

Abertis Telecom Terrestre, S.A.U. is the head of a group that engages in the management of terrestrial telecommunications infrastructure, which forms the Abertis Telecom Terrestre group ("the Abertis Telecom Terrestre Group" or "the Group").

The Parent of the Abertis Telecom Terrestre Group is Abertis Infraestructuras, S.A., with registered address in Barcelona, as it holds all shares of the Parent. The consolidated financial statements of Abertis Infraestructuras, S.A. for 2012 were authorised for issue by the Directors of Abertis Infraestructuras, S.A. at a meeting of the Board of Directors held on 18 February 2013 and filed with the Barcelona Companies Register.

2. Basis of presentation of the special purpose segmented financial statements

2.1. Basis of presentation of the special purpose segmented financial statements

For the purpose of restructuring the terrestrial telecommunications business of Abertis Infraestructuras, S.A. and differentiating the terrestrial telecommunications business from the satellite telecommunications business, on 18 October 2013, the Directors of Abertis Telecom Satélites, S.A.U. (formerly Abertis Telecom, S.A.U.) and of Abertis Telecom Terrestre, S.A.U. (formerly Abertis Americana, S.L.U.) (both companies controlled by Abertis Infraestructuras, S.A., which composes the Abertis Group) drew up a partial spin-off ("the spin-off"), whereby the first company spun off all assets and liabilities on its balance sheet relating to the terrestrial telecommunications business unit to the second company. The deed for the partial spin-off of Abertis Telecom Satélites, S.A.U., as the spun-off company, in favour of Abertis Telecom Terrestre, S.A.U., as the receiving company, entailing the spin-off of the economic unit comprising investments in terrestrial telecommunications companies from the assets of Abertis Telecom Satélites, S.A.U., was executed on 16 December 2013. The date of the spin-off was the date the plan was filed with the Companies Register; i.e., 17 December 2013, at which time all the related assets and liabilities of the spun-off company were effectively transferred. The effective date after which all the operations of Abertis Telecom Satélites, S.A.U. are considered to be carried out by Abertis Telecom Terrestre, S.A.U. for accounting purposes was 1 January 2013.

Therefore, 2013 was the first year in which Abertis Telecom Terrestre, S.A.U. was the head of a consolidation group and the first year in which the consolidated financial statements were prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS) for the year ended 31 December 2013. There are no consolidated financial statements from previous years, taking into account that the Parent was not required to prepare consolidated financial statements as it belonged to the Abertis Group which, as the Parent's group (and with Abertis Infraestructuras, S.A. as the Parent), presented consolidated financial statements in accordance with EU-IFRS.

Within the context of a possible initial public offering for the Parent's shares on the Spanish securities market, it was considered appropriate to prepare special purpose segmented financial statements for the years ended 31 December 2012 and 2011 presenting the Abertis Infraestructuras Group's terrestrial telecommunications business for these years for the purpose of providing investors with uniform and comparable historical financial information.

The accompanying special purpose segmented financial statements were prepared based on the accounting records of the Abertis Infraestructuras Group (the Parent of which, Abertis Infraestructuras, S.A., prepares consolidated financial statements in accordance with EU-IFRS) for 2012 and 2011, carving out the Abertis Infraestructuras Group's terrestrial telecommunications business and taking into account criteria that are uniform with the spin-off carried out by the Directors of Abertis Telecom Satélites, S.A.U. and Abertis Telecom Terrestre, S.A.U., as mentioned above. The accompanying special purpose segmented financial statements were therefore prepared only for the purpose of showing the Abertis Infraestructuras Group's terrestrial telecommunications business for 2012 and 2011, periods in which, despite the existence of the Group's terrestrial telecommunications business, the aforementioned spin-off had not been carried out, for which reason Abertis Telecom Terrestre, S.A.U. became the Parent and head of this business in 2013.

These special purpose segmented financial statements are not necessarily indicative of the results that would have been obtained by the Abertis Telecom Terrestre Group if it had operated under the same legal structure during these years, or of the business' future results. Therefore, these special purpose segmented financial statements may not be used for any purposes other than those mentioned above.

These special purpose segmented financial statements for 2012 and 2011 were prepared in accordance with the following segmented scope of consolidation for terrestrial telecommunication companies of the Abertis Infraestructuras Group, and consolidation adjustments made by the Abertis Infraestructuras Group that do not apply to the preparation of these special purpose segmented financial statements are not taken into account:

- Full consolidation of Abertis Telecom Terrestre, S.A.U., Retevisión-I, S.A.U., Tradia Telecom, S.A.U., Abertis Tower, S.A.U. and Gestora del Espectro, S.L., subsidiaries wholly owned by the Abertis Infraestructuras Group.

- Proportionate consolidation of Adesal Telecom, S.L., in which the Abertis Infraestructuras Group had a 51% ownership interest with joint control.

- Consolidation using the equity method of Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA) and Torre de Collserola, S.A., in which the Abertis Infraestructuras Group had a 25% and a 41.75% ownership interest, respectively.

- Other assets and liabilities of Abertis Telecom Satélites, S.A.U., which were identified and associated with the terrestrial telecommunications business (without being considered business entities), and in any case applying criteria that are uniform with the spin-off.

The detail of the Parent's subsidiaries, jointly controlled entities and associates, which together with the Parent made up the segmented consolidated group at 31 December 2012 and 2011, is set out in Appendices I, II and III, respectively.

Independent auditors' reports were issued on 18 February 2013 and 22 February 2012 for the shareholders of Abertis Infraestructuras, S.A. for 2012 and 2011 on the consolidated financial statements of the Abertis Infraestructuras Group.

These special purpose segmented financial statements for 2012 and 2011 were authorised for issue by the Board of Directors of Abertis Telecom Terrestre, S.A.U. at its meeting held on 27 February 2015.

The accounting policies used in preparing these special purpose segmented financial statements are the same as those used by the Abertis Infraestructuras Group in preparing its consolidated financial statements for these years, prepared in accordance with EU-IFRSs (since the accompanying special financial statements were obtained from the Abertis Infraestructuras Group's accounting records via the spin-off of the terrestrial telecommunications business), according to current regulations in force at the date of preparation of the Abertis Infraestructuras Group's consolidated financial statements for 2012 and 2011. The Abertis Infraestructuras Group's consolidated financial statements for 2012 and 2011 were prepared based on the accounting records of the Abertis Infraestructuras Group and its subsidiaries, and, accordingly, present fairly the Abertis Infraestructuras Group’s equity, financial position, results and cash flows for 2012 and 2011, and were prepared by the Board of Directors of Abertis Infraestructuras, S.A. at its meetings on 18 February 2013 and 21 February 2012, respectively.

In preparing these special purpose segmented financial statements, all mandatory accounting principles and rules and measurement bases with a material effect on these financial statements, as well as alternatives thereto, were taken into account. For the purpose of respecting the Abertis Infraestructuras Group's historical financial information, only significant events that took place up until the date of the auditors' report issued on the underlying financial statements were taken into account in preparing these special purpose segmented financial statements.

2.2. *Adoption of IFRSs*

These special purpose segmented financial statements were prepared from the consolidated financial statements of the Abertis Infraestructuras Group, which are presented in accordance with International Financial Reporting Standards, in conformity with the terms set forth by Regulation (EC) No. 1606/2002 of the European Parliament and by the Council on 19 July 2002. In Spain, the obligation to present financial statements under EU-approved IFRSs is also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on tax, administrative, labour and social security measures.

The main accounting policies and measurement bases adopted by the Group in 2012 are presented in Note 3.

2.2.1. Standards and interpretations effective in 2012 and 2011

Standards, amendments and interpretations that became effective in 2012 and 2011 (detailed below) were taken into account with effect from 1 January 2012. This did not have a material impact on the preparation of these special purpose segmented financial statements.

Approved for use in the European Union		Mandatory application for annual periods beginning on or after:
Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income (issued in June 2011)	Minor amendment in relation to presentation of items of other comprehensive income	Annual periods beginning on or after 1 July 2012
Amendments to IFRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets (published in October 2010)	Extends and reinforces the disclosures on transfers of financial assets	Annual periods beginning on or after 1 July 2011

2.2.2. Standards and interpretations issued but not yet effective in 2012 and 2011

At the date of authorisation for issue of these special purpose segmented financial statements, the following standards, amendments and interpretations had been published by the IASB but had not yet become effective, either because their effective date is after the date of the special purpose segmented financial statements or because they had yet to be adopted by the European Union:

New standards, amendments and interpretations		Mandatory application for annual periods beginning on or after:
Provides guidance on how to measure deferred taxes arising from investment property measured at fair value under IAS 40.	Provides guidance on how to measure deferred taxes arising from investment property measured at fair value under IAS 40.	Annual periods beginning on or after 1 January 2013
IFRS 9 - Financial Instruments: Classification and Measurement (issued in November 2009 and in October 2010) and subsequent amendments to IFRS 9 and IFRS 7 on the effective date and transition disclosures (issued in December 2011)	Replaces the requirements for classifying and measuring financial assets and liabilities and for derecognition of IAS 39.	Annual periods beginning on or after 1 January 2015
IFRS 10 Consolidated Financial Statements (issued in May 2011)	Replaces the consolidation guidance in IAS 27.	Annual periods beginning on or after 1 January 2014
IFRS 11 Joint Arrangements (issued in May 2011)	Replaces IAS 31 on joint ventures.	Annual periods beginning on or after 1 January 2014

New standards, amendments and interpretations		Mandatory application for annual periods beginning on or after:
IFRS 12 Disclosure of Interests in Other Entities (issued in May 2011)	Single standard that sets out disclosures related to interests in subsidiaries, associates, joint ventures and unconsolidated entities.	Annual periods beginning on or after 1 January 2014
IFRS 13 Fair Value Measurement (issued in May 2011)	Sets out a framework for measuring fair value.	Annual periods beginning on or after 1 January 2013
IAS 27 (Revised) Separate Financial Statements (issued in May 2011)	The standard was revised because, following the issuance of IFRS 10, it will now include only the separate financial statements of an entity.	Annual periods beginning on or after 1 January 2014
IAS 28 (Revised) Investments in Associates and Joint Ventures (issued in May 2011)	Simultaneous revision related to the issuance of IFRS 11 Joint Arrangements	Annual periods beginning on or after 1 January 2014
Amendments to IAS 19 Employee Benefits (issued in June 2011)	The amendments mainly affect defined benefit plans, as one of the fundamental changes is the elimination of the "corridor" approach.	Annual periods beginning on or after 1 January 2013
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (issued in December 2011)	Further clarifications of rules for offsetting financial assets and liabilities of IAS 32 and introduction of new associated disclosures in IFRS 7	Annual periods beginning on or after 1 January 2014
Amendments to IFRS 7 Offsetting Financial Assets and Financial Liabilities (issued in December 2011)	Introduces new disclosures related to offsetting financial assets and financial liabilities under IAS 32	Annual periods beginning on or after 1 January 2013
Improvements to IFRSs 2009-2011 Cycle (issued in May 2012)	Minor amendments to certain standards	Annual periods beginning on or after 1 January 2013
Transition rules: Amendments to IFRS 10, 11 and 12 (issued in June 2012)	Clarification on the transition rules applying to these standards.	Annual periods beginning on or after 1 January 2013
IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine (issued in October 2011)	The International Financial Reporting Interpretations Committee (IFRIC) deals with the accounting treatment of the costs of removing waste materials in surface mines.	Annual periods beginning on or after 1 January 2013

The Abertis Infraestructuras Group has not considered the early application of the standards and interpretations referred to above, and in any event, would consider applying them only once they are approved by the European Union.

The Parent's Directors have, nevertheless, evaluated the potential impact of the future application of these standards, and consider that their entry into force will not have a material impact on the Group's consolidated financial statements, except as noted below.

The application of IFRS 11 means, under the circumstances of control at the date of preparation of these special purpose segmented financial statements, that the Group company Adesal Telecom, S.L. (that was proportionately consolidated) would be accounted for using the equity method. This would make it necessary to reclassify all assets and liabilities of the subsidiary that was previously proportionately consolidated to an investment recognised under “Investments in associates” in the segmented balance sheet. Therefore, the effect on equity would be neutral.

2.3. *Presentation currency of the Group*

These special purpose segmented financial statements are presented in euros because the euro is the currency of the main economic area in which the Group operates.

2.4. *Responsibility for the information provided and accounting estimates and judgements made*

The preparation of the special purpose segmented financial statements under IFRSs requires the Parent's management to make certain accounting estimates and judgements. These are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events, that are considered reasonable under the circumstances. Although the estimates used were based on the best information available at the date of preparation of these special purpose segmented financial statements, in accordance with IAS 8, any modification in the future to these estimations would be applied prospectively from that time, and the effect of the change in the estimates would be recognised in the segmented income statement.

The main estimates and judgements considered in preparing the special purpose segmented financial statements are as follows:

- Useful lives of items of property, plant and equipment and intangible assets (see Notes 3.1 and 3.2).

- Assumptions used in the impairment tests to determine the recoverable amounts of goodwill and other non-financial assets (see Notes 3.2 and 3.3) and financial assets (see Notes 3.4 and 6).

- Fair value of the derivative financial instruments, available-for-sale financial assets or other financial instruments (see Notes 3.5 and 8).

- The calculation of provisions and contingencies (see Note 3.11).

- Actuarial assumptions used in determining liabilities for pension obligations and other obligations to employees (see Notes 3.10 and 15).

- Estimated income tax expense and recoverability of deferred tax assets (see Notes 3.9 and 14).

- Evaluation of litigation, obligations, and contingent assets and liabilities at year-end (see Notes 3.11 and 17).

The special purpose segmented financial statements have been prepared on the basis of historical cost, except in the cases specifically mentioned in these Notes, such as those items measured at fair value, which are mentioned in Note 4.2.

The special purpose segmented financial statements have been prepared on the basis of uniformity in recognition and measurement. When a new standard amending existing measurement bases becomes applicable, it is applied in accordance with the transition criterion provided in the standard.

Certain amounts in the segmented income statement and the segmented balance sheet were grouped together for the sake of clarity. These items are disclosed in the Notes to the special purpose segmented financial statements.

The distinction presented in the segmented balance sheet between current and non-current items was made on the basis of whether they fall due within one year or more, respectively.

In addition, the special purpose segmented financial statements include all disclosures considered necessary for their correct presentation under company law in force in Spain.

2.5. *Comparative information*

The information contained in these special purpose segmented financial statements for 2011 is presented solely for comparison purposes.

2.6. *Materiality*

In deciding what information to disclose in the Notes on the various items of the special purpose segmented financial statements or other matters, the Group assessed their materiality in relation to the special purpose segmented financial statements for 2012.

2.7. *Consolidation principles*

2.7.1. Methods of consolidation

Subsidiaries

Subsidiaries are all entities in which the Group directly or indirectly controls the financial and operating policies. This normally occurs when the Group holds more than half of an entity's voting rights. Additionally, in order to evaluate whether the Group controls another entity, the existence and effect of any potential voting rights that that are exercisable or convertible is considered. Subsidiaries are consolidated as from the date on which control passes to Abertis Telecom Terrestre, S.A.U., and they are excluded from consolidation on the date on which control ceases to exist.

In this respect, at 31 December 2012 and 2011, the Group fully consolidated the subsidiaries over which it exercises effective control.

Appendix I to these Notes provides details on all the subsidiaries included in the scope of consolidation at 31 December 2012 and 2011.

Jointly controlled entities (joint ventures)

These companies have a contractual arrangement with a third party to share control of their activity, and the strategic financial and operating decisions related to that activity require the unanimous consent of the parties that share control.

The interests of the Group in jointly controlled entities are proportionately consolidated in accordance with EU-IFRSs in force in 2012.

The Group has an ownership interest above 50% in one company (Adesal Telecom, S.L.) that is not fully consolidated as important decisions require the favourable vote of one or more other shareholders. Therefore, this interest has been proportionately consolidated, since joint control is considered to exist (see Note 18).

Appendix II to these Notes gives information on the jointly controlled entities included in the scope of consolidation at 31 December 2012 and 2011.

Associates

Associates are companies over which the Group exercises significant influence and with which it has a long-term relationship that fosters and influences its business even though it has a small representation in the management and control bodies. Along with this representation, the Group generally holds between 20% and 50% of the company's voting rights, unless it can be clearly demonstrated that such influence does not exist or unless the Group holds less than 20% of those rights and it can be clearly demonstrated that said influence does exist.

Investments in associates are accounted for using the equity method, or are initially recognised at cost. The investments of Abertis Telecom Terrestre, S.A.U. in associates include, as per IAS 28, goodwill (net of any accumulated impairment losses) identified in the acquisition, and are recognised under “Investments in associates” in the consolidated balance sheet.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the cost of the acquisition. Therefore, the Group interprets the cost of an investment in an associate acquired in stages to be the sum of the amounts paid at each acquisition plus the share of the profits and other changes in shareholders' equity less any impairment that may have arisen.

Thereafter, the Group's share of the profit (loss) and reserves of associates is recognised in the consolidated income statement and as consolidation reserves (other comprehensive income), respectively, with the value of the shareholding as the balancing entry in both cases. Dividends received and/or accrued after acquisition are adjusted against the amount of the investment.

If the Group’s share of the losses of an associate is equal to or greater than the value of its financial investment, including any other outstanding account receivable not guaranteed, further losses will not be recognised unless obligations have been incurred, guarantees have been furnished or payments have been made on behalf of the associate.

Appendix III to these Notes provides details on the associates included in the scope of consolidation using the equity method at 31 December 2012 and 2011.

2.7.2. Standardisation of timing and valuation

The reporting periods for all companies included in the Abertis Telecom Terrestre Group's scope of consolidation end on 31 December. For the purposes of the consolidation process, the respective financial statements prepared under IFRS principles were used. In accordance with current legislation, these companies present financial statements as set forth in the applicable standards.

The measurement bases applied by the Group companies are largely consistent. However, where necessary, adjustments were made to standardise the measurement bases and ensure that the accounting policies of the companies included in the scope of consolidation were uniform with the policies adopted by the Group.

2.7.3. Differences on first-time consolidation

The subsidiaries acquired by the Group are accounted for using the acquisition method in accordance with the revised IFRS 3. Acquisition cost is the fair value of the assets acquired and the equity instruments issued, and of the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs that are directly attributable to the transaction are recognised directly in the consolidated income statement for the year in which the transaction takes place.

The identifiable assets acquired, the contingent assets and liabilities assumed and any non-controlling interest in a business combination are initially measured at their acquisition-date fair value. For each business combination, the Group may elect to recognise any non-controlling interest in the acquiree at fair value or according to the proportionate share of the non-controlling interest in the acquiree's net identifiable assets.

The excess over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the respective cash-generating unit (CGU).

The Group makes a provisional allocation of the purchase price for the business combination at the acquisition date; this initial assessment is reviewed, as appropriate, within 12 months from the date control is obtained.

The resulting goodwill is allocated to the various CGUs expected to benefit from the business combination's synergies, regardless of any other acquired assets and liabilities allocated to these CGUs or groups of CGUs.

However, if the acquisition cost is below the fair value of the acquiree's net assets, such as in a bargain purchase, the difference is recognised as a gain directly in the segmented statement of comprehensive income.

Goodwill arising on consolidation is not systematically amortised and is subject to an annual impairment test, as indicated in Note 3.3.

In a business combination achieved in stages, when control is obtained, the assets and liabilities of the business acquired, including any previously held interest, must be remeasured at fair value. Any resulting gain or loss with respect to previously recognised assets and liabilities must be recognised in the segmented income statement, without generating any additional goodwill.

In the case of acquisitions of associates in stages, goodwill is calculated for each acquisition based on the cost and the interest in the fair value of the net assets acquired on each acquisition date.

As indicated in Note 2.7.1, goodwill relating to acquisitions of associates is included as an increase in the value of the respective investment and is recognised in accordance with Note 3.2.2.

2.7.4. Elimination of inter-company transactions

Inter-company transactions and balances are eliminated, as are unrealised gains vis-à-vis third parties on transactions between or among Group companies. Unrealised losses are also eliminated, unless there is evidence of an impairment loss on the transferred asset.

In transactions with jointly controlled entities (joint ventures), only the share of the gains or losses from transactions with Group companies relating to other venturers is recognised.

Gains and losses from transactions between the Group and its associates are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates not related to the investor.

2.7.5. Translation of financial statements denominated in foreign currencies

The financial statements of the foreign companies, none of which operate in a hyperinflationary economy, presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the consolidated financial statements (the euro) are translated to euros using the closing exchange rate, according to which:

- Equity is translated at the historical exchange rate.
- Items in the income statement are translated using the average exchange rate for the period as an approximation of the exchange rate at the transaction date.
- The other balance sheet items are translated at the closing exchange rate.

Any exchange differences arising from applying this method are included under "Translation differences" in equity in the segmented balance sheet.

2.7.6. Other

Currency translation differences arising from the translation of a net investment in foreign operations and from loans and other instruments in a currency other than the euro designated as hedges of those investments are recognised in equity. When the investment is sold, any exchange differences are recognised in the consolidated income statement as part of the gain or loss on the sale.

Adjustments to goodwill and to fair value arising from the acquisition of a foreign operation are considered assets and liabilities of the foreign operation and are translated using the closing exchange rate.

3. Accounting policies and measurement bases

The main accounting policies and measurement bases used to prepare the special purpose segmented financial statements for 2012 and 2011 are detailed as follows: None of the standards were applied early.

3.1. Property, Plant and Equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses. Property, plant and equipment includes the legal revaluations applied in years prior to 1 January 2004 allowed under local accounting standards. The amounts were taken as acquisition cost, under IFRS 1 “First-time Adoption of International Financial Reporting Standards”.

Grants related to assets received reduce the cost of acquisition of property, plant and equipment, and are recognised when the entity complies with conditions attaching to collection. These grants are taken to profit or loss on a straight-line basis over the useful life of the asset financed, with a reduction in the depreciation charge for the year.

Staff costs and other expenses, as well as net borrowing costs directly related to property, plant and equipment, are capitalised as part of the investment until the assets are put to use.

Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase the capacity or productivity or extend the useful life of the asset are capitalised as part of the cost of the related asset, provided that the carrying amount of the assets replaced and derecognised from inventories is known or can be estimated.

The costs of upkeep and maintenance are charged to the consolidated income statement in the year in which they are incurred.

The depreciation of property, plant and equipment is calculated systematically, using the straight-line method, over the useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

Asset	Rate
Buildings and other constructions	2-14%
Machinery	6-30%
Tools	7-30%
Other fixtures	7-20%
Furniture	10-20%
Computer equipment	20-33%
Other items of property, plant and equipment	8-25%

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately reduced to its recoverable amount, and the effect is taken to the consolidated income statement for the year. The Group therefore periodically determines whether there is any indication of impairment.

Gains or losses recognised on the sale or disposal of an asset in this item are stated at the difference between carrying amount and sale price, and are recognised in the accompanying consolidated income statement under “Other income” or “Other expenses”.

3.2. Goodwill and other intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, useful life being evaluated on the basis of prudent estimates. Any grants related to assets reduce the cost of acquisition of the intangible asset and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable.

3.2.1. Computer software

Refers mainly to the amounts paid for access to property or for usage rights on computer programmes, only when usage is expected to span several years.

Computer software is stated at acquisition cost and amortised over its useful life (between 3 and 5 years). Computer software maintenance costs are charged to the consolidated income statement in the year in which they are incurred.

3.2.2. Goodwill

Goodwill generated in various business combinations represents the excess of the cost over the fair or market value of the acquisition-date amounts of all the identifiable net assets of the acquiree.

Goodwill is considered an asset of acquiree (with the exception of goodwill generated before 1 January 2004, which pursuant to IFRS 1 was considered an asset of the acquirer). Therefore, in the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary’s functional currency and translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2.7.6.

Any impairment of goodwill recognised separately (that of subsidiaries and joint ventures) is reviewed annually through an impairment test of goodwill, to determine whether its value has declined to a level below the carrying amount, and any impairment loss is recognised in consolidated profit or loss for the year, as applicable (see Notes 3.3 and 6). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill included in the carrying amount of the investment in associates is not tested separately. Rather, under IAS 36, whenever there is an indication that the investment may be impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with the carrying amount.

The loss or gain on the sale of an entity includes the carrying amount of its goodwill.

3.3. Impairment losses on non-financial assets

The Group assesses, at each reporting date, whether there is an indication than an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required (in the case of goodwill), the Group estimates the asset's recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows that the asset is expected to generate are discounted to their present value using an interest rate that reflects the current time value of money and the risks specific to the assets (risk premium; see Note 6).

In the event that the asset analysed does not generate cash flows that are independent of those from other assets (as is the case for goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets) is estimated. In the event of an impairment loss for a cash-generating unit, the loss is first allocated to reduce the carrying amount of any goodwill allocated and then to the other assets pro rata on the basis of the carrying amount of each asset.

Impairment losses (excess of an asset's carrying amount over the recoverable amount) are recognised in the consolidated income statement for the year.

With the exception of goodwill, where impairment losses are irreversible, the Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. This reversal would be recognised in the consolidated income statement for the year.

3.4. Investments and other financial assets (excluding derivative financial instruments)

When financial assets not measured at fair value through profit or loss are initially recognised, the Group measures them at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset.

The Group determines the classification of its financial assets at initial recognition. At 31 December 2012, financial assets were classified into the following categories:

3.4.1. Trade and other receivables

This account mainly relates to:

- Loans granted to associates or related parties, which are measured at amortised cost using the effective interest method. This value is reduced by the corresponding valuation adjustment for the impairment of the asset, as applicable.

- Deposits and guarantees recognised at their nominal value, which does not differ significantly from their amortised cost.

- Trade accounts receivable, which are measured at their nominal amount, which is similar to fair value at initial recognition. This value is reduced, if necessary, by the corresponding provision for bad debts (impairment loss) whenever there is objective evidence that the amount owed will not be partially or fully collected. This amount is charged against the consolidated income statement for the year.

At least at each reporting date, the Group determines whether there is any indication that an asset or group of assets is impaired, so that any impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

3.5. *Derivative financial instruments*

The Group uses derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments were classified as cash flow hedges and recognised at fair value (both initially and subsequently), using valuations based on the analysis of discounted cash flows using assumptions that are mainly based on the market conditions at the reporting date for unlisted derivative instruments.

According to IAS 39, all derivative financial instruments are recognised as assets or liabilities on the consolidated balance sheet at their fair value, with changes in fair value recognised in consolidated profit or loss for the year. However, with hedge accounting, the effective portion of the hedge (fair value hedges, cash flow hedges and hedges of a net investment in a foreign currency) is recognised in equity.

At the inception of the hedge, the Group documents the relationship between the hedging instruments and the hedged items, as well as its risk management objective and the strategy for undertaking the hedge. The Group also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged risk.

The fair value of the derivative financial instruments used for hedging purposes is set out in Note 8.

Hedge accounting, when considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or when it no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Classification on the balance sheet as current or non-current will depend on whether the maturity of the hedge at year-end is less or more than one year.

The criteria used to account for these instruments are as follows:

Cash flow hedges

The effective portion of the gain or loss on derivatives classified as cash flow hedges, net of the related tax effect, is recognised in equity under “Valuation adjustments - Hedges" until the hedging instrument matures, is sold, no longer meets the criteria for hedge accounting or it is no longer probable that the transaction will take place, at which time any cumulative gains or losses recognised are transferred to the income statement for the year.

Any positive or negative differences in the valuation of the derivatives corresponding to the ineffective portion are recognised directly in profit or loss for the year under “Change in fair value of financial instruments”.

This type of hedge corresponds primarily to those derivatives entered into by the Group that convert floating rate debt to fixed rate debt.

Derivatives not classified as accounting hedges

In the case of derivatives that do not qualify as hedging instruments, the positive or negative difference resulting from the fair value adjustments are taken directly to the income statement for the year.

The Group does not use any derivative instruments which do not qualify as hedging instruments.

Fair value and valuation techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified into level 1, 2 or 3 depending on the extent to which inputs used are observable and the importance of those inputs for measuring fair value in its entirety, as described below:

- Level 1 – Inputs are based on quoted prices (unadjusted) in active markets for identical assets or liabilities].

- Level 2 – Inputs are based on quoted prices for similar assets or liabilities in active markets (not included in level 1), prices quoted for identical or similar assets or liabilities in markets that are not active, techniques based on valuation models for which all relevant inputs are observable in the market or can be corroborated by observable market data.

- Level 3 – In general, inputs are unobservable and reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in the valuation models are significant in the fair values of the assets and liabilities.

To determine the fair value of its derivatives, the Group uses valuation techniques based on expected total exposure (which includes both current exposure as well as potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The expected total exposure of the derivatives is obtained using observable market inputs such as interest rate, exchange rate and volatility curves in accordance with the market conditions at the measurement date. The inputs used for the probability of default by the Group and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market.

In addition, to adjust fair value to credit risk, the 40% market standard, which corresponds to the CDS on senior corporate debt, was applied as the recovery rate.

3.6. Inventories

Inventories comprise mainly technical equipment which, after installation, will be sold. Inventories are measured at cost, less any necessary valuation adjustments and the corresponding write-down, as applicable.

3.7. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits in banks and highly liquid, current investments with a maturity of three months or less.

3.8. Financial liabilities

Borrowings are initially recognised at fair value, including the costs incurred in raising the debt. In subsequent periods, they are measured at amortised cost. Any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if significant, is recognised in the consolidated income statement over the term of the debt at the effective interest rate.

The Group considers that the terms of financial liabilities are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist. In the case of an exchange of debt instruments between the Group and a third party with substantially different terms, the Group derecognises the original financial liability and recognises the new financial liability. The difference between the carrying amount of the original liability and the consideration paid, including attributable transactions costs, is recognised in the segmented income statement for the year.

3.9. Income tax

The income tax expense (income) is the total amount accrued in this connection during the year, representing both current and deferred tax.

Both the current and the deferred tax expense (income) are recognised in the consolidated income statement. However, the tax effect from items that are recognised directly in other comprehensive income or in equity is recognised in other comprehensive income or in equity.

The deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts in the Group's consolidated financial statements, according to the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities that arise from temporary differences with subsidiaries, jointly controlled entities and/or associates are always recognised, unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which to offset the deductible temporary differences or the unused tax losses or unused tax credits can be utilised. Any deferred tax assets that arise due to temporary differences with subsidiaries, jointly controlled entities and/or associates are recognised if, in addition, it is probable that they will be reversed in the foreseeable future.

The recoverability of deferred tax assets is assessed when they are generated, and at the end of each reporting period, depending on the earnings forecasts for the companies included in their respective business plans.

3.10. Employee benefits

Under the respective collective bargaining agreements, various Group companies have the following obligations with their employees:

3.10.1. Post-employment benefits

Defined contribution obligations

In relation to defined contribution employee welfare instruments (which basically include employee pension plans and group insurance policies), the Group makes fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Consequently, the obligations under this type of plan are limited to the payment of contributions, the annual expense of which is recognised in the consolidated income statement for the year as the obligations arise.

Defined benefit obligations

Defined benefit obligations relate mainly to bonuses or payments for retirement from the Group and temporary and/or life-time annuities.

With regard to these obligations, where the Group assumes certain actuarial and investment risks, the liability recognised on the balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefits is made annually by independent actuaries using the projected unit credit method to determine both the present value of the obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur. They are not included in the consolidated income statement, but presented in the statement of comprehensive income.

3.10.2. Other non-current benefits

Regarding other non-current employee benefits, relating mainly to length of service at the Group, the liability recognised on the balance sheet coincides with the present value of the obligations at the reporting date as they do not include any plan assets.

The projected unit credit method is used to determine both the present value of the obligations at the reporting date and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions—unlike post-employment obligations—are recognised in the segmented income statement for the year in which they occur.

3.10.3. Share-based payments

As indicated in Note 15.1, the Group has a management compensation plan consisting of the distribution of options on Abertis Infraestructuras, S.A. shares that can only be equity-settled.

This plan is measured at its fair value at the grant date using a generally accepted financial calculation method, which, *inter alia*, takes into account the option exercise price, volatility, exercise term, expected dividends and the risk-free interest rate.

The cost of the plan is charged to the consolidated income statement as a staff cost as it accrues during the period of time specified for the employee to remain in the company's employ to exercise the option, with a balancing entry in consolidated equity, without any remeasurement, as set forth in IFRS 2. Nevertheless, at the end of the reporting period, the Group reviews its original estimates of the number of options expected to be exercisable (which relates, *inter alia*, to the impact of any bonus share issue), and recognises, if applicable, the impact of this review on the income statement by making the corresponding adjustment to consolidated equity, as accrued during the period of time specified for the employee to remain in the company's employee in order to exercise the option.

3.11. *Provisions and contingencies*

The Group makes a distinction between:

- Provisions, understood as credit balances covering present obligations at the reporting date as a result of past events which could give rise to a loss for the Group, which is certain as to its nature but uncertain as to its amount and/or timing.

- Contingent liabilities, understood as possible obligations arising as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the consolidated entities.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the provision is the present value of the future cash flows estimated to settle the present obligation.

Provisions recognised relate to the estimated amounts required to meet probable or certain liabilities stemming from ongoing litigation, compensation or other items resulting from the Group's activity that entail future payments that have been measured on the basis of currently available information. They are recognised as soon as the liability or obligation requiring compensation or payment to a third party arises, and bearing in mind the other conditions set forth in IFRSs.

3.12. Revenue recognition

Revenue from the rendering of services is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. It relates mainly to the provision of audiovisual services, radio communications for closed groups of users, television and radio broadcasting, infrastructure rental, data transmission to operators and other non-recurring income.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends income from investments is recognised when the shareholders' right to receive payment has been established, e.g., when the shareholders' meetings of the investees approve the dividend payment.

3.13. Recognition of expenses

Expenses are recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets. The register of an expense should occur based on the actual flow of goods and services, irrespective of when the corresponding payments are made. Any payment made for a service to be received over a set period of time, should be treated as a prepayment and registered as an asset in the consolidated balance sheet under the heading 'Prepayments' and should be taken to the consolidated income statement as and when the Group receives the service.

Expenses are recorded immediately when a payment generates no future economic benefits or when it does not comply with the requirements to be registered as an asset.

An expense is also recorded when a liability is recorded and no corresponding asset is simultaneously recorded as would be the case for liabilities for guarantees.

3.14. Leases

Leases are classified as operating leases when they meet the conditions set forth in IAS 17, that is, when the ownership of the leased asset and substantially all of the risks and rewards incidental to ownership are attributable to the lessor, and the related expenses, including any incentives granted by the lessor, are stated on the basis of their accrual in the consolidated income statement.

3.15. Activities affecting the environment

Each year, costs arising from legal environmental requirements are either recognised as an expense or capitalised, depending on their nature. The amounts capitalised are depreciated over their useful life.

It was not considered necessary to make any provision for environmental risks and expenses, given that there are no contingencies in relation to environmental protection.

3.16. Related party transactions

The Group carries out all its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Group's Directors consider that there are no significant risks that could give rise to material liabilities in the future.

3.17. Segmented statements of cash flows

The following terms are used in the segmented statements of cash flows with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents.

- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of the Group's equity and borrowings.

In the preparation of the segmented statement of cash flows, cash and cash equivalents were considered to include cash on hand, demand deposits at banks and other current, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. Financial risk and capital management

4.1. Factors of financial risk

The Group’s activities are exposed to various financial risks as detailed below. The Group's General Finance Department oversees the management of financial risks.

4.1.1. Foreign currency risk

All the Group's transactions are denominated in euros and, therefore, it is not exposed to foreign currency risk.

4.1.2. Interest rate risk

The Group is exposed to interest rate risk through its non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

The purpose of managing interest rate risk is to achieve a balance in the debt structure so as to enable volatility in the income statement to be minimised over several years. Accordingly, the Group enters into interest rate derivatives (see Note 8).

4.1.3. Credit risk

Given the nature of the Group's businesses, it has no significant concentrations of credit risk, as there are no significant trade receivables other than receivables from public authorities (which the Group monitors on a monthly basis).

Credit risk arises mainly from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including outstanding receivables and committed transactions.

During the years for which information is reported, no credit limits were exceeded and management does not expect to incur losses as a result of default by any of the counterparties indicated above.

4.1.4. Liquidity risk

The Group carries out prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of finance through established credit facilities from the Parent of the Abertis Infraestructuras Group, as well as the ability to liquidate market positions.

Expected treasury outflows for the Group's borrowings are detailed in Note 12.

4.2. Fair value measurements

Assets and liabilities measured at fair value are classified according to the hierarchy established in Note 3.5, with the breakdown at 31 December 2012 of the Group's liabilities measured at level 3 fair value.

The fair value of financial instruments traded in active markets is based on the market prices at the reporting date. The quoted market price used for financial assets is the current bid price.

The fair value of the financial instruments not quoted on active markets is determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on the existing market conditions at each reporting date, thus incorporating the concept of transfer, through which the credit risk is taken into account.

4.3. Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern so as to deliver returns to its sole shareholder, as well as profits to the holders of equity instruments and to maintain an optimal capital structure and lower costs.

The Group monitors capital using a leverage ratio, in keeping with standard industry practice. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as given in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as given in the special purpose segmented balance sheet, plus net debt.

5. Property, Plant and Equipment

The changes in this heading in the segmented balance sheets in 2012 and 2011 were as follows:

	Thousands of euros			
	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction and advances	Total
At 1 January 2012:				
Cost	186,101	1,035,200	2,410	1,223,711
Accumulated depreciation	(108,021)	(690,498)	-	(798,519)
Carrying amount	**78,080**	**344,702**	**2,410**	**425,192**
2012:				
Carrying amount at beginning of year	78,080	344,702	2,410	425,192
Additions	71,109	36,960	1,025	109,094
Disposals	(13)	(6,699)	-	(6,712)
Transfers	120	1,330	(1,450)	-
Other	1	(824)	-	(823)
Retirements	6	6,662	-	6,668
Depreciation charge	(9,403)	(55,433)	-	(64,836)
Other	-	1,072	-	1,072
Carrying amount at end of year	**139,900**	**327,770**	**1,985**	**469,655**
At 31 December 2012:				
Cost	257,318	1,065,967	1,985	1,325,270
Accumulated depreciation	(117,418)	(738,197)	-	(855,615)
Carrying amount	**139,900**	**327,770**	**1,985**	**469,655**

	Thousands of euros			
	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction and advances	Total
At 1 January 2011:				
Cost	183,342	1,006,887	12,797	1,203,026
Accumulated depreciation	(101,163)	(643,404)	-	(744,567)
Carrying amount	**82,179**	**363,483**	**12,797**	**458,459**
2011:				
Carrying amount at beginning of year	82,179	363,483	12,797	458,459
Additions	2,064	26,566	1,078	29,708
Disposals	(237)	(8,716)	-	(8,953)
Transfers	932	10,463	(11,465)	(70)
Retirements	94	8,357	-	8,451
Depreciation charge	(6,952)	(55,627)	-	(62,579)
Other	-	176	-	176
Carrying amount at end of year	**78,080**	**344,702**	**2,410**	**425,192**
At 31 December 2011:				
Cost	186,101	1,035,200	2,410	1,223,711
Accumulated depreciation	(108,021)	(690,498)	-	(798,519)
Carrying amount	**78,080**	**344,702**	**2,410**	**425,192**

The additions in 2012 relate mainly to mobile telephone communication towers acquired by Abertis Tower, S.A.U. from a Spanish mobile telephone operator, according to the contracts entered into on 30 March, 27 September and 17 December 2012. The total amount of the purchase was EUR 90 million.

In 2012 and 2011 there were also additions made related to expanding the business and maintaining the Group's operations. Investments were mainly made in deploying digital terrestrial television, in the digital dividend to comply with the plan for freeing up the digital dividend in accordance with Law 2/2011, and in upgrading technical equipment to comply with the Spanish National Technical Plan approved by Royal Decree 944/2005.

The retirements in 2012 and 2011 relate basically to write-downs and disposals of sundry items of equipment and spare parts

As at 31 December 2012 and 2011 the detail of the additions of property, plant and equipment by investment type is as follows:

Type of investment	Thousands of euros	
	31/12/2012	31/12/2011
Inorganic growth [(1)]	90,000	-
Organic growth [(2)]	7,085	17,223
Maintenance investment [(3)]	12,009	12,485
Total	**109,094**	**29,708**

(1) Inorganic growth: acquisitions mainly of infrastructures for site rentals in projects that generate new income.
(2) Organic growth: expansions to the network of tower infrastructure for site rental, equipment for radio broadcasting, the broadcasting of network services and other, and the radio communications network in pre-existing projects that generate additional income.
(3) Maintenance investment: investments in existing assets.

Commitments to acquire property, plant and equipment at 31 December 2012 amounted to EUR 1,171 thousand (EUR 1,340 thousand in 2011).

At 31 December 2012, fully depreciated property, plant and equipment amounted to EUR 624,934 thousand (EUR 595,975 thousand in 2011).

At 31 December 2012 and 2011, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

Lastly, it is Group policy to take out all insurance policies considered necessary to cover possible risks that might affect its property, plant and equipment.

6. Goodwill and other intangible assets

The changes in this heading in the accompanying segmented balance sheets in 2012 and 2011 were as follows:

	Thousands of euros		
	Goodwill	Computer software and other intangible assets	Total
At 1 January 2012:			
Cost	51,176	36,066	87,242
Accumulated amortisation and impairment losses	(9,162)	(28,124)	(37,286)
Carrying amount	**42,014**	**7,942**	**49,956**
2012:			
Carrying amount at beginning of year	42,014	7,942	49,956
Other	-	(2)	(2)
Additions	-	2,882	2,882
Disposals	-	(3)	(3)
Amortisation charge	-	(3,754)	(3,754)
Retirements	-	3	3
Carrying amount at end of year	**42,014**	**7,068**	**49,082**
At 31 December 2012:			
Cost	51,176	38,943	90,119
Accumulated amortisation	(9,162)	(31,875)	(41,037)
Carrying amount	**42,014**	**7,068**	**49,082**

	Thousands of euros		
	Goodwill	Computer software and other intangible assets	Total
At 1 January 2011:			
Cost	51,176	32,702	83,878
Accumulated amortisation and impairment losses	(9,162)	(24,968)	(34,130)
Carrying amount	**42,014**	**7,734**	**49,748**
2011:			
Carrying amount at beginning of year	42,014	7,734	49,748
Other	-	4	4
Additions	-	3,548	3,548
Disposals	-	(258)	(258)
Transfers	-	70	70
Retirements	-	93	93
Other amortisation	-	(177)	(177)
Amortisation charge	-	(3,072)	(3,072)
Carrying amount at end of year	**42,014**	**7,942**	**49,956**
At 31 December 2011:			
Cost	51,176	36,066	87,242
Accumulated amortisation	(9,162)	(28,124)	(37,286)
Carrying amount	**42,014**	**7,942**	**49,956**

The additions amounting to EUR 2,881 thousand in 2012 (EUR 3,548 thousand in 2011) under “Computer software and other intangible assets” relate basically to developments related to the Group's business.

Commitments to acquire intangible assets at 31 December 2012 amounted to EUR 897 thousand (EUR 1,053 thousand in 2011).

At 31 December 2012, fully amortised intangible assets amounted to EUR 28,831 thousand (EUR 25,690 thousand in 2011).

6.1 Goodwill

The goodwill amounting to EUR 42,014 thousand relates to the difference between the carrying amount of the assets contributed in the capital increases through non-monetary contributions and the estimated market value of the line of business contributed by Centre de Telecomunicacions i Tecnologies de la Informació (the Centre) of the Catalonia Autonomous Community Government in 2000, net of recognised impairment. The cash-generating unit of this goodwill is the entire business of Tradia Telecom, S.A.U.

6.2 Impairment

As indicated in Note 3.2, at the end of each reporting period goodwill or other recognised assets are assessed for impairment based on a calculation of the value in use of their respective cash-generating unit or their market value (price of similar, recent transactions in the market), if the latter is higher.

The value in use of the investments was calculated as follows:

- The period over which the related investment is expected to generate cash flows was determined.

- Prior to the preparation of revenue and expense projections, the projections made as part of the impairment tests for the prior year were reviewed to evaluate possible variances, In the review of the 2011 impairment tests with regard to the 2012 results, no significant variances were detected.

- The respective revenue and expense projections were made using the following general criteria:

  - For revenue, trends were forecast assuming an average annual increase of 1.7%.

  - For expenses, trends were considered in light of expected changes in the respective CPIs and the projected performance of the business.

  - In addition, the Group considered the impact of infrastructure maintenance and upgrade work to be carried out, using the best estimates available based on the experience of each company and taking into account the projected performance of the activity.

- The cash inflow projections based on the revenue and expense projection made as set forth above were discounted at the rate resulting from adding, to the long-term cost of money, the risk premium assigned by the market to each country where the activity takes place, the risk premium assigned by the market to each business (over the long term in both cases), as well as the financial structure of the company or corresponding cash-generating unit. The discount rate used in the impairment test was 9.39%.

Projections for the first five years are generally based on the budget and on the most recent medium-term projection approved by Management.

As a result of the impairment test carried out, the unit to which the goodwill recognised is allocated is deemed capable of recovering the net value recognised at 31 December 2012. Consequently, there is no need to recognise any provision for impairment.

As at 31 December 2012 and 2011 the detail of the additions of Intangible fixed assets by investment type is as follows:

Type of investment	Thousands of euros	
	31/12/2012	31/12/2011
Inorganic growth [(1)]	-	-
Organic growth [(2)]	716	544
Maintenance investment [(3)]	2,166	3,004
Total	**2,882**	**3,548**

(1) Inorganic growth: acquisitions mainly of infrastructures for site rentals in projects that generate new income.
(2) Organic growth: expansions to the network of tower infrastructure for site rental, equipment for radio broadcasting, the broadcasting of network services and other, and the radio communications network in pre-existing projects that generate additional income.
(3) Maintenance investment: investments in existing assets.

7. Investments in associates

The changes in this heading in the accompanying segmented balance sheets in 2012 and 2011 were as follows:

	Thousands of euros	
	2012	2011
At 1 January	3,271	3,249
Profit for the period	10	22
At 31 December	**3,281**	**3,271**

The detail of investments in associates accounted for using the equity method at 31 December is as follows:

	Thousands of euros	
	2012	2011
Torre de Collserola, S.A.	2,629	2,620
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	652	651
Investment in associates	**3,281**	**3,271**

Note: See information on associates in Appendix III,

In addition to the impairment tests referred to above, the Group carried out impairment tests to determine the recoverability of the investments in associates. To carry out these tests, the Group considered future cash flow projections, No indication was found of a need to recognise any impairment losses in the consolidated income statement for 2012 and 2011.

8. Derivative financial instruments

The Group has interest rate swaps with a balance of EUR 4,255 thousand locking in a fixed rate of interest of 4,27% for its financial loans maturing in 2015. The fair value of derivative financial instruments (cash flow hedges) at year-end amounted to a liability of EUR 171 thousand (EUR 367 thousand at year-end 2011).

The total fair value of a hedging derivative is classified as a non-current asset or liability if the remaining term to maturity of the hedged item is over 12 months, and as a current asset or liability if the remaining term to maturity of the hedged item is less than 12 months.

None of the outstanding derivative financial assets was renegotiated during the year. There was no ineffectiveness from hedges that should be recognised.

9. Trade and other receivables

The detail of "Trade and other receivables" in the accompanying segmented balance sheets at 31 December 2012 and 2011 is as follows:

	Thousands of euros					
	31 December 2012			31 December 2011		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables	-	175,308	175,308	-	184,912	184,912
Allowances for doubtful debts (write-downs)	-	(19,526)	(19,526)	-	(21,793)	(21,793)
Trade receivables - net	**-**	**155,782**	**155,782**	**-**	**163,119**	**163,119**
Deposits	-	467	467	-	486	486
Loans to third parties	3,463	596	4,059	3,651	422	4,073
Other financial assets	1,103	1,347	2,450	2,011	1,828	3,839
PROFIT grants (coordination)	2,932	331	3,263	2,109	242	2,351
Trade receivables and other non-current receivables	**7,498**	**2,741**	**10,239**	**7,771**	**2,978**	**10,749**
Other receivables from public authorities (Note 14.2)	-	1,215	1,215	-	459	459
Other receivables – related parties (see Note 21.3)	-	3,740	3,740	-	2,772	2,772
Other receivables	-	525	525	-	777	777
Other accounts receivable	**-**	**5,480**	**5,480**	**-**	**4,008**	**4,008**
Trade and other receivables	**7,498**	**164,003**	**171,501**	**7,771**	**170,105**	**177,876**

Receivables are shown at amortised cost, which does not differ significantly from their nominal value.

Non-current and current loans to third parties relate mainly to a receivable from Teledifusión de Madrid, S.A., which does not bear interest and has a collection schedule as set out in the agreement entered into by the parties until 2020.

The Group plays the role of coordinator for certain aid under the National Plan for Scientific Research, Development and Technological Innovation (PROFIT) granted by the Spanish Ministry for Industry, Tourism and Trade. "Non-current and current investments" includes receivables related to this coordinating role of EUR 3,263 thousand (EUR 2,351 thousand in 2011) from the third parties that participate in the PROFIT plant to which the Group had previously assigned the related portion of the amount received by the Group in PROFIT grants, The full amount of PROFIT grants received by the Group (and partially assigned to third parties) is recognised under "Other non-current financial liabilities" (see Note 12).

The Group includes mainly non-current guarantees given under "Other financial assets".

No unmatured guarantee was renegotiated during the year.

10. Cash and cash equivalents

The breakdown of "Cash and cash equivalents" in the segmented balance sheets at 31 December 2012 and 2011 is as follows:

	Thousands of euros	
	2012	2011
Cash on hand and at banks	707	67
Term deposits at credit institutions maturing in less than 3 months	1,275	-
Cash and cash equivalents	**1,982**	**67**

11. Shareholders' equity

11.1. Consolidated profit

The contribution of each company in the scope of consolidation to consolidated profit/(loss) for the year is as follows:

	Thousands of euros	
	2012	2011
Abertis Telecom Terrestre, S.A.U.	(1,990)	(1,057)
Adesal Telecom, S.L.	658	583
Retevisión-I, S.A.U.	26,863	55,361
Tradia Telecom, S.A.U.	5,817	5,983
Abertis Tower, S.A.U.	(1,543)	-
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	1	16
Torre Collserola, S.A.	9	6
Profit for the Group	**29,815**	**60,892**

12. Borrowings

The breakdown of borrowings is as follows:

	Thousands of euros					
	2012			2011		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans	3,490	1,932	5,422	5,027	1,531	6,558
Derivative financial instruments (Note 8)	171	-	171	367	-	367
Other loans	12,260	1,686	13,946	12,531	3,124	15,655
Borrowings	**15,921**	**3,618**	**19,539**	**17,925**	**4,655**	**22,580**

Maturities of the Group's borrowings based on the stipulated repayment schedule are as follows:

2012	Thousands of euros							
	Current	Non-current						
	2013	2014	2015	2016	2017	Subsequent years	Total	Total
Loan - CaixaBank (absorbing company of Banco de Valencia, S.A.)	767	786	807	829	852	216	3,490	4,257
Derivative financial instruments - CaixaBank (absorbing company of Banco de Valencia, S.A.)	-	-	171	-	-	-	171	171
Loan - CaixaBank	1,165	-	-	-	-	-	-	1,165
Other financial liabilities	1,686	1,327	1,341	1,229	1,234	7,129	12,260	13,946
Total	**3,618**	**2,113**	**2,319**	**2,058**	**2,086**	**7,345**	**15,921**	**19,539**

2011	Thousands of euros							
	Current	Non-current						
	2012	2013	2014	2015	2016	Subsequent years	Total	Total
Loan - CaixaBank (absorbing company of Banco de Valencia, S.A.)	735	951	788	814	840	869	4,262	4,997
Derivative financial instruments - CaixaBank (absorbing company of Banco de Valencia, S.A.)	-	-	-	-	-	367	367	367
Loan - CaixaBank	796	765	-	-	-	-	765	1,561
Other financial liabilities	3,124	1,161	1,434	1,225	1,231	7,480	12,531	15,655
Total	**4,655**	**2,877**	**2,222**	**2,039**	**2,071**	**8,716**	**17,925**	**22,580**

Current and non-current bank borrowings from related party credit institutions (CaixaBank) amounted to EUR 1,932 thousand and EUR 3,490 thousand, respectively (EUR 1,531 thousand and EUR 5,027 thousand, respectively, in 2011). The detail is as follows:

- One of the Group's companies entered into a factoring agreement in 2009 with CaixaBank (absorbing company of Banco Valencia, S.A.) with a limit of EUR 2,346 thousand, no set maturity and no balance drawn down in 2012 (EUR 1,339 thousand drawn down in 2011).

- This company also has a loan with CaixaBank (absorbing company of Banco de Valencia, S.A.) for EUR 6,248 thousand bearing interest at market rates and maturing in 2018. At year-end 2012, EUR 4,255 thousand had been drawn (EUR 4,995 thousand at the end of 2011). Accrued interest payable on the bank loan at the end of 2012 amounted to EUR 2 thousand (EUR 2 thousand in 2011).

The carrying amount of current borrowings is similar to their fair value. The fair value of fixed rate borrowings, amounting to EUR 4,255 thousand, not including the interest payable, is calculated by discounting the payment flows of each debt by the currency rate curve to which it is linked, and in the case of bonds, the issuer's credit curve is added, which is estimated on the basis of the quoted prices of liquid obligations observed for the issuer in its reference markets.

Meanwhile, in 2009, the Group took out a bank loan from CaixaBank with a limit of EUR 1,5 million bearing interest at market rates and maturing in 2013, The outstanding balance at year-end 2012 was EUR 1,165 thousand (fully drawn down at year-end 2011).

In addition, in 2009, the Group entered into a credit facility with CaixaBank with a limit of EUR 510 thousand and a market interest rate, maturing in 2012, and which was renewed until December 2013 (no balance was drawn down in 2012 and EUR 238 thousand was drawn down in 2011). Accrued interest payable on the bank loan at year-end 2012 amounted to EUR 17 thousand (EUR 31 thousand at year-end 2011).

Accordingly, “Other financial liabilities” relates mainly to certain grants awarded (arranged as repayable advances) to other Group companies (Retevisión-I, S.A.U. and Tradia Telecom, S.A.U.) under the Ministry for Industry, Tourism and Trade's PROFIT programme. According to the technical-financial terms of the grant resolutions, the repayable advances bear no interest.

13. Trade and other payables

The detail of “Trade and other payables” at 31 December is as follows:

	Thousands of euros	
	2012	2011
Trade payables	50,238	53,231
Other payables to public authorities (Note 14,2)	22,274	20,153
Remuneration payable	9,066	11,636
Other payables	11,752	3,096
Trade and other payables	**93,330**	**88,116**

Group companies with tax residence in Spain have changed their terms of payment in line with Additional Provision Three of the “Disclosure Requirement” in Law 15/2010, of 5 July, In accordance with the provisions of the aforementioned Law, information concerning payments made and outstanding payments at the reporting date is given below:

	2012		2011	
	Thousands of euros	%	Thousands of euros	%
Payments made within the statutory limit	135,380	99%	156,807	98%
Other payments	1,205	1%	3,392	2%
Total payments in the year	136,585	100%	160,199	100%
Average late payment days (*)	102	-	113	-
Weighted average late payment days	27	-	28	-
Deferrals at the reporting date exceeding the statutory limit	354	-	859	-

(*) Average number of days for payments to suppliers made after the statutory limit,

The primary reason for the outstanding balance payable to suppliers beyond the legal payment period is certain one-off deviations caused largely by the fact that objections have been raised regarding certain amounts when the work has not been fully concluded. These tasks have been paid for once the objections have been cleared up by the supplier.

The figures in the preceding table on payments to suppliers refer to suppliers whose nature makes them trade creditors because they are suppliers of goods and services. Therefore, they include the figures relating to "Suppliers", "Suppliers, Group companies and associates" and "Other payables" under current liabilities in the segmented balance sheet.

The figure for weighted average late payment days was calculated by multiplying each supplier payment in the year over the statutory payment period by the number of days over the period and dividing the sum of these amounts by the total amount of payments made in the year past the statutory limit.

According to Law 3/2004, of 29 December, establishing measures on combating late payment in commercial transactions, the statutory payment period applicable to the Group in 2012 was 75 days (85 days in 2011).

14. Income tax and tax situation

14.1. Tax-related disclosures

Companies composing the Abertis Telecom Terrestre Group file consolidated income tax, Abertis Infraestructuras, S.A. is the Parent of the tax group, the subsidiaries of which are Spanish companies at least 75% owned by it.

In addition, some Group companies (Retevisión-I, S.A.U., Tradia Telecom, S.A.U., Adesal Telecom, S.L. y Abertis Tower. S.A.U.) file consolidated value added tax (VAT) returns, Abertis Infraestructuras, S.A. is also the Parent of this tax group.

At 31 December 2012, Group companies have, for the most part, all the taxes applicable to them since 2009 open to inspection, As a result of the different interpretations that could be afforded to Spanish tax legislation applicable to some transactions, contingent tax liabilities could arise in the future, which are difficult to quantify objectively. The Directors consider, however, that any additional assessments that might be made would not significantly affect the Group's consolidated financial statements.

14.2. *Tax receivables and payables*

The tax receivables at 31 December 2012 and 2011 are as follows:

	Thousands of euros	
	2012	2011
VAT refundable	2	2
Canary Island tax refundable	5	132
Other taxes	1,208	325
Tax receivables	**1,215**	**459**

Tax payables at 31 December 2012 and 2011 are as follows:

	Thousands of euros	
	2012	2011
VAT payable	16,698	15,669
Canary Island tax payable	93	2
Social security payable	2,229	2,409
Personal income tax withholdings	2,145	2,055
Other taxes	1,109	18
Tax payables	**22,274**	**20,153**

14.3. *Income tax expense*

The standard income tax rate for 2012 and 2011 is 30%.

The reconciliation of net income and expenses for the year to taxable income for income tax purposes is as follows:

	Thousands of euros	
	2012	2011
Profit before tax	38,982	84,474
Theoretical tax [1]	(11,695)	(25,342)
Non-deductible expenses	(555)	(431)
Other tax effects	3,083	2,191
Income tax expense	**(9,167)**	**(23,582)**

[1] Theoretical tax applying the general tax rate of 30%,

"Non-deductible expenses" in 2012 include items that, in accordance with prevailing tax legislation, are not tax deductible, none of which individually is for a significant amount.

The main income tax items for the year are as follows:

	Thousands of euros	
	2012	2011
Current tax	(24,360)	(1,662)
Deferred tax	14,927	(23,982)
Tax from prior years / other	266	2,062
	(9,167)	**(23,582)**

The adjustment to the calculation of the expense accrued in 2012 and the taxes paid abroad that are similar to income tax resulted in an increase in the income tax expense of EUR 9 thousand (EUR 2,094 thousand in 2011).

The tax credits used in 2012 amounting to EUR 3,078 thousand relate to R&D activities, donations and unused tax credits for the periods prior to its inclusion in the Abertis Infraestructuras consolidated tax group (EUR 91 thousand in 2011).

Tax withholdings and prepayments made total EUR 25,898 thousand (EUR 3,208 thousand in 2011).

14.4. Deferred taxes

The breakdown of the deferred taxes is as follows:

	Thousands of euros	
	2012	2011
Deferred tax assets:		
Provision for third-party liabilities	17,951	-
Employee benefit obligations	3,759	2,239
Other provisions	18	14
Timing differences in revenue and expense recognition	1,324	7,032
Tax loss carryforwards	563	7,165
Derivatives	51	110
	23,666	**16,560**
Deferred tax liabilities:		
Accelerated depreciation and amortisation	(41,374)	(47,051)
Government grants	3	1
Other	(7,080)	(7,080)
	(48,451)	**(54,130)**
Deferred taxes	**(24,785)**	**(37,570)**

The changes in 2012 and 2011 in deferred tax assets and liabilities were as follows:

Temporary differences	Thousands of euros			
	2012		2011	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	16,560	54,130	17,701	31,259
Charges/(credits) to income	7,175	(7,752)	(18,955)	5,027
Charges/(credits) to equity	(59)	-	(8)	-
Other	(10)	2,073	17,822	17,844
At 31 December	**23,666**	**48,451**	**16,560**	**54,130**

The deferred tax assets recognised at the end of 2012 relate to the tax effect associated with non-current employee benefit obligations, provisions for third-party liability, temporary differences between income and expenses, impairment losses on loans as a result of insolvencies of debtors, and derivatives.

The Group has also recognised tax loss carryforwards, which were recognised since it is probable that the Group will have future taxable profit against which they can be utilised, In this regard, the deferred tax assets recognised at 31 December 2012 amount to EUR 563 thousand (EUR 7,165 thousand in 2011) and relate to the following tax losses:

Year	Tax loss (thousands of euros)	Last year for use
2000	1,877	2018

Also, at 31 December 2012, the Group did not have any unused tax credits.

The deferred tax liabilities recognised at year-end of 2012 relate to the tax effect associated with the recognition of various grants received by the Group, timing differences between the accounting and tax methods for recognising income and expenses, and the accelerated amortisation of new intangible assets acquired in 2009, 2010 and 2011.

Lastly, the Group applies the terms stipulated in Article 1 of Law 4/2008, amending Article 12,3 of the Corporate Tax Law, without having to make any compensatory adjustments in this connection in its 2011 income tax return.

15. Non-current provisions and non-current and current employment benefit obligations

The detail of "Non-current provisions" and "Non-current and current employee benefit obligations" is as follows:

	Thousands of euros	
	2012	2011
Non-current provisions	1,814	1,351
Total non-current provisions	**1,814**	**1,351**
Share options	91	-
Non-current defined benefit obligations	2,628	2,752
Other non-current provisions	50,779	-
Total non-current benefit obligations	**53,498**	**2,752**
Other current provisions	92	-
Total current provisions	**92**	**-**

15.1. Share options

On 13 June 2007, the General Shareholders' Meeting of Abertis Infraestructuras, S.A. approved a share option plan for its management personnel and its subsidiaries (Plan 2007).

On 1 April 2008, the General Shareholders' Meeting of Abertis Infraestructuras, S.A. approved another share option plan for its management personnel and that of its subsidiaries (Plan 2008).

On 31 March 2009, the General Shareholders' Meeting of Abertis Infraestructuras, S.A. approved another share option plan for its management personnel and that of its subsidiaries (Plan 2009).

In addition, on 27 April 2010, the General Shareholders' Meeting of Abertis Infraestructuras, S.A. approved another share option plan for management personnel and its subsidiaries (Plan 2010).

All four plans have a 3-year vesting period in order to exercise the options as from the date they are given, i,e,, 14 June 2010, 2 April 2011, 1 April 2012, and 28 April 2013, respectively, At the end of the vesting period, management personnel may exercise the options received over a period of two years, The options may be settled in shares only.

Each option coincides with one share. The maximum number of options under Plan 2008 is 183,754; under Plan 2009, 102,128; and under Plan 2010, 283,809. At 31 December 2012, Plan 2007 was completely settled.

The exercise price for the options is the average share price for Abertis Infraestructuras, S.A. quoted over the three months prior to the Shareholders' Meeting of 1 April 2008 (EUR 20,5100/share) for Plan 2008 and over the three months prior to the Shareholders' Meeting of 31 March 2009 (EUR 12,0600/share) for Plan 2009, and the average share price quoted from 4 January 2010 to 26 April 2010, both inclusive (EUR 14,5700/share), adjusted for the effect of possible bonus share issues.

As a result, the changes were as follows:

	Plan 2007		Plan 2008		Plan 2009		Plan 2010	
	Number of options	Maturity	Number of options	Maturity	Number of options	Maturity	Number of options	Maturity
At 1 January 2011	**140,665**	**2012**	**194,464**	**2013**	**205,061**	**2014**	**260,925**	**2015**
Concession	-		-		-		-	
Bonus issue [(1)]	6,716		9,369		10,071		13,028	
Disposals	(12,455)		(14,237)		(3,886)		(3,647)	
At 31 December 2011	**134,926**	**2012**	**189,596**	**2013**	**211,246**	**2014**	**270,306**	**2015**
Concession	-		-		-		-	
Bonus issue [(2)]	-		8,742		7,116		13,503	
Disposals	(12,758)		(14,584)		(116,234)		-	
Disposals due to termination	(122,168)		-		-		-	
At 31 December 2012	**-**	**2012**	**183,754**	**2013**	**102,128**	**2014**	**283,809**	**2015**

(1) Effect on the options granted from the bonus issue charged to reserves in the ratio of one new share for each 20 former shares approved at the General Shareholders' Meeting of 21 June 2011, according to Plans 2007, 2008, 2009 and 2010,

(2) Effect on the options granted from the bonus issue charged to reserves in the ratio of one new share for each 20 former shares approved at the General Shareholders' Meeting of 27 March 2012, according to Plans 2008, 2009 and 2010.

Abertis Infraestructuras, S.A. has sufficient treasury shares to cover any potential delivery of shares.

These commitments are recognised on the liability side of the balance sheet and are measured at their fair value when given using a financial calculation method in which the exercise price of the option, volatility, exercise term, expected dividends and the risk-free rate are taken into consideration.

The cost of the plan is charged to the income statement as a staff cost as it accrues during the period of time required for the employee to remain at the company in order to exercise the option, while a non-current provision is recognised as a balancing entry. The amount recognised in the income statement at 31 December 2012 totals EUR 231 thousand (EUR 403 thousand in 2011),

15.2. Current and non-current provisions

The balance recognised under non-current provisions includes the amounts claimed in unresolved litigation at 31 December 2012 and 2011, and other risks relating to the Group's management, in which a ruling against the Group will mostly likely be handed down, The amounts were estimated based on the amounts claimed or stipulated in court rulings issued at the end of each year shown and appealed against, Labour-related lawsuits amount mainly to EUR 1,573 thousand (EUR 1,135 thousand in 2011) and civil proceedings to EUR 333 thousand (EUR 216 thousand in 2011).

15.3. Non-current defined benefit obligations

The pension commitments and obligations are covered using insurance policies/separate entities, with the amounts not included in the balance sheet. Nevertheless, this heading includes the hedges (relevant obligations and assets) for which there is a continued legal obligation or implied obligation to meet the agreed benefits.

Together with the above obligations, the liability side of the accompanying balance sheet includes EUR 2,628 thousand under "Non-current provisions" (EUR 2,752 thousand in 2011) relating to the measurement of employee commitments arising from certain non-current obligations related to employees' length of service with the Group. The amount recognised for these obligations in 2012 as a decrease in staff costs totals EUR 1 thousand (EUR 438 thousand in 2011) and as a finance cost totals EUR 94 thousand (EUR 118 thousand in 2011).

In relation to the Group's defined benefit obligations with employees, the reconciliation of the opening and closing balances of the actuarial value of these obligations is as follows:

	Thousands of euros	
	2012	2011
At 1 January	2,752	3,195
Current service cost	153	182
Interest cost	94	118
Actuarial losses/(gains)	(152)	(622)
Benefits paid	(235)	(179)
Transfers	16	58
At 31 December	**2,628**	**2,752**

The reconciliation of opening and closing balances of the actuarial fair value of the assets tied to these obligations is as follows:

	Thousands of euros	
	2012	2011
At 1 January	-	-
Sponsor contributions	152	619
Benefits paid	(152)	(619)
At 31 December	**-**	**-**

The actuarial assumptions (demographic and financial) used constitute the best estimates on the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2012	2011
Annual discount rate	1,00%	3,00%
Salary increase rate	2,75%	2,75%

15,4, Other non-current provisions

On 21 December 2012, two Group companies, Retevisión and Tradia, reached an agreement with worker representatives over a voluntary redundancy plan through 2014, as well as a special redundancy agreement due to the closure of certain operating centres. The plans were expected to affect 220 workers, with a total cost of EUR 50,779 thousand, which was provisioned in full at year-end.

16, Revenue and expenses

16.1 Operating income

The detail of operating income is as follows:

	Thousands of euros	
	2012	2011
Rendering of services	391,646	407,225
Other operating income	6,544	1,887
Work on non-current assets	41	260
Revenues	**398,231**	**409,372**

Revenue from the rendering of services relates mainly to the provision of radio communications for closed groups of users, television and radio broadcasting, infrastructure rental and data transmission to operators, consultancy and other non-recurring income, Most sales are made in Spain,

16.2. Staff costs

The detail of staff costs is as follows:

	Thousands of euros	
	2012	2011
Wages and salaries	71,355	74,069
Termination benefits	54,497	6,520
Social Security contributions	15,618	16,341
Retirement fund and other contingencies and commitments	1,691	1,367
Other employee benefit costs	3,826	3,785
Staff costs	**146,987**	**102,082**

The average number of employees at the Group, its subsidiaries and jointly controlled entities in 2012 and 2011, broken down by job category and gender, is as follows:

	2012			2011		
	Male	Female	Total	Male	Female	Total
Senior management	17	1	18	19	1	20
Middle management	41	16	57	50	17	67
Other employees	1,016	217	1,233	1,044	227	1,271
Average number of employees	**1,074**	**234**	**1,308**	**1,113**	**245**	**1,358**

16.3. Other operating expenses

The detail of "Other operating expenses" in the consolidated income statement is as follows:

	Thousands of euros	
	2012	2011
Outside services and other expenses	132,669	141,680
Taxes	7,935	7,341
Other operating expenses	**140,604**	**149,021**

The detail of "Other operating expenses" is as follows:

	Thousands of euros	
	2012	2011
Repairs and maintenance	20,088	18,313
Leases and royalties	41,198	45,214
Utilities	21,682	18,667
Other outside services	57,636	66,827
Other operating expenses	**140,604**	**149,021**

16.4. Financial result

The breakdown of finance income and costs by item is as follows:

	Thousands of euros	
	2012	2011
Interest and other income	221	1,487
Finance income	**221**	**1,487**
Interest on loans from banks and others	(3,628)	(2,652)
Finance costs	**(3,628)**	**(2,652)**

17. Commitments and obligations

17.1. Contingent liabilities

On 19 May 2009, the National Competition Commission (CNC) handed down a ruling imposing a sanction of EUR 22,7 million against Abertis Telecom, as it was considered to have abused its dominant position in relation to certain clauses of the DTT contracts, Abertis Telecom filed an appeal for judicial review against the aforementioned CNC ruling with the Judicial Review Chamber of the National Appellate Court (Appeal no, 333/2009), requesting the stay of the execution of the ruling as injunctive relief, On 10 January 2010, the Judicial Review Chamber of the National Appellate Court handed down a court order partially upholding the injunctive relief and resolved to stay the execution of the payment of the fine.

On 16 February 2012, the Judicial Review Chamber of the National Appellate Court handed down a judgement which dismissed the appeal for judicial review filed by Abertis Telecom, Abertis Telecom filed an appeal for dismissal against the aforementioned judgement with the Supreme Court (Appeal no, 8/2064/2012), for which a ruling has yet to be handed down.

On 8 February 2012, the National Competition Commission (CNC) handed down a ruling imposing a sanction of EUR 13,7 million against Abertis Telecom, as it was considered to have abused its dominant position by narrowing the margins between the collocation price at its centres offered to SES ASTRA and the commercial conditions under which the retail transport service is provided to Spanish televisions, Abertis Telecom filed an appeal for judicial review against the aforementioned CNC ruling with the Judicial Review Chamber of the National Appellate Court (Appeal no, 139/2012), requesting the stay of the execution of the ruling as injunctive relief. On 18 June 2012, the Judicial Review Chamber of the National Appellate Court handed down a court order upholding the injunctive relief and resolved to stay the execution of the payment of the fine, A ruling has yet to be handed down with regard to the aforementioned appeal for judicial review filed with the Judicial Review Chamber of the National Appellate Court.

In any case, the final ruling on both proceedings is not expected to have a significant impact on the Group's equity in relation to these special purpose segmented financial statements for 2012, since solid arguments are considered to exist, which in turn are supported by reports issued by the Group's legal advisors, to defend the fact that the sanctions proposed by the National Competition Commission have no legal basis.

Guarantees

At 31 December 2012, the Group had provided two guarantees amounting to EUR 36,4 million to cover the disputed rulings with the National Competition Commission as explained above. At 31 December 2011, the Group had provided a single guarantee amounting to EUR 22,7 million.

In addition, at 31 December 2012, the Group had guarantees with third parties amounting to EUR 35,218 thousand (EUR 42,975 thousand in 2011). These relate mainly to guarantees provided by financial institutions before public authorities in connection with grants and technical guarantees, and before third parties in connection with rental guarantees.

In addition, at 31 December 2012, the Group had guarantees to third parties amounting to EUR 1,386 thousand (EUR 1,395 thousand in 2011) provided by CaixaBank (formerly Banco de Valencia, S.A.) mainly in connection with the Comdes network. These guarantees are not expected to give rise to liabilities.

i) *Purchase commitments*

There are no commitments to invest in property, plant and equipment and intangible assets in addition to those set out in Notes 5 and 6, respectively.

ii) *Operating lease commitments*

The Group leases sites, spaces, equipment and vehicles under operating leases.

Most of the leases are for one year and have a renewable option at expiry under market terms, In some cases, the lease term is greater than one year, also with renewal options.

Total future minimal rentals payable under operating leases are recurring, as all the current leases are considered to be essential for the Group's operations.

The expense recognised in the income statement for the year relating to operating leases totalled EUR 21,048 thousand (EUR 19,957 thousand in 2011). This corresponds fully to the minimum rental payments, No contingent rents were recognised.

18, Investments in jointly controlled entities

The Group has investments in the following jointly controlled entities that are proportionately consolidated:

Company:	Activity	2012	2011
Adesal Telecom, S.L. (1)	Communications and audiovisual services	51,10%	51,10%

(1) Proportionately consolidated company with a 51% shareholding, pursuant to existing shareholders' agreements according to which relevant decisions on their activity are to be taken in conjunction with other shareholders.

At 31 December 2012 and 2011, the jointly controlled entity did not contribute contingent liabilities or commitments to purchase tangible or intangible assets.

The effect of the proportionate consolidation of jointly controlled entities, broken down by business segment, on the special purpose segmented financial statements is set out below, (See Note 2.7.1 on methods of consolidation).

31 December 2012	Thousands of euros Adesal
ASSETS	
Non-current assets	5,566
Current assets	6,485
	12,051
LIABILITIES	
Non-current liabilities	4,350
Current liabilities	2,589
	6,939
NET ASSETS	**5,112**
RESULTS	
Income	3,684
Expenses	(3,025)
Profit attributable to shareholders of the Company	**659**

Note: Amounts included in the segmented balance sheet and segmented income statement.

31 December 2011	Thousands of euros Adesal
ASSETS	
Non-current assets	7,062
Current assets	7,288
	14,350
LIABILITIES	
Non-current liabilities	6,222
Current liabilities	3,811
	10,033
NET ASSETS	**4,317**
RESULTS	
Income	3,867
Expenses	(3,284)
Profit attributable to shareholders of the Company	**583**

Note: Amounts included in the segmented balance sheet and segmented income statement.

19. Environmental information

It is Group policy to pay maximum attention to environmental protection and conservation, and each investee adopts measures to minimise the environmental impact of the infrastructure that it manages and ensure the maximum degree of integration into the surrounding area.

At year-end 2012 and 2011, the Group did not recognise any provision for potential environmental risks as it estimated that there were no significant contingencies related to potential lawsuits, indemnities or other items as its operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

The Group incurred environmental expenses on civil engineering projects, equipment and environmental permit projects. The acquisition cost of these activities at year-end 2012 amounted to EUR 3,809 thousand (EUR 3,343 thousand in 2011), with accumulated depreciation and amortisation of EUR 1,330 thousand (EUR 1,109 thousand in 2010.

Expenses incurred to protect and improve the environment recognised directly in the income statement amounted to EUR 757 thousand (EUR 652 thousand in 2011) and related mainly to expenses arising from consultancy services and external waste management.

Potential contingencies, indemnities and other environmental risks which the Group could incur are sufficiently covered by its third-party liability insurance policies.

20. Segment reporting

The Group's business segment information included in this note is presented in accordance with the disclosure requirements set forth in IFRS 8, Operating Segments.

Group management has no segmented information and does not use such information in making decisions. It is therefore not possible to present the profit or loss of each segment or to separate assets and liabilities by segment, given that the Group's main network is used for the three types of services in its business and the associated expenses are not distributed internally among the businesses.

Accordingly, operating income for each of the various lines of service in 2012 and 2011 is as follows:

	Thousands of euros			
	2012			
	Broadcasting infrastructure	Telecom site rental	Network services and other	Total
Revenue (services)	275,655	35,837	80,195	391,687
Other income	-	430	6,114	6,544
Operating income	**275,655**	**36,267**	**86,309**	**398,231**

	Thousands of euros			
	2011			
	Broadcasting infrastructure	Telecom site rental	Network services and other	Total
Revenue (services)	288,757	32,968	85,760	407,485
Other income	-	-	1,887	1,887
Operating income	**288,757**	**32,968**	**87,647**	**409,372**

Income from the provision of services relates mainly to:

- Broadcasting infrastructure activities which consist of the distribution and transmission of television and FM radio signals, as well as the operation and maintenance of radio broadcasting networks, the provision of connectivity for media content, OTT radio broadcasting services (over-the-top multi-screen services) and other services. The radio broadcasting infrastructure activities were created in 2001 with the acquisition of Tradia Telecom, S.A.U. and the acquisition of Retevisión-I, S.A.U. in 2003. This business line generated the majority of the Group's consolidated income.

- Telecom site rental which consists of providing passive access to its wireless infrastructure for mobile network operators and other wireless and broadband telecommunications network operators through infrastructure hosting and telecommunications equipment co-location. The Group mainly provides wireless operators with access to its communications and broadcasting infrastructure through medium- and long-term contracts for its antennas, which transmit various signals related to wireless data and voice transmission, while the telecommunications operators maintain and operate the necessary equipment.

- Network and other services, including connectivity services for telecommunications operators (other than broadcasting operators), radio communication, operation and maintenance services, commercial services, Smart Cities/IoT ("Internet of Things") and other services.

The consolidated activity and results of the Group are shown below:

	Miles de Euros	
	2012	**2011**
Broadcasting infrastructure	275,655	288,757
Site Rental	36,267	32,968
Network services and other	86,309	87,647
Operating income	**398,231**	**409,372**
Staff costs	(146,987)	(102,082)
Repairs and maintenance	(20,088)	(18,313)
Leases and rentals	(41,198)	(45,214)
Utilities	(21,682)	(18,667)
General services and others	(57,307)	(73,828)
	(287,262)	(258,104)
Operating result before deprecition and amortization (EBITDA)	**110,969**	**151,268**

21. Related parties

21.1. Directors and Senior Management

No expenses were incurred in relation to wages and salaries, attendance fees or remuneration to the Group's Directors in 2012. In addition, no advances or loans were granted to Directors, nor have obligations on their behalf been assumed in respect of guarantees. Lastly, in 2012, there were no obligations regarding pensions, retirement plans or life or medical insurance premiums.

Total remuneration paid in 2012 to senior management, understood to be management personnel who have full general management power or report directly to them and have responsibility and control over the Group's business areas, amounted to EUR 6,213 thousand (EUR 4,864 thousand in 2011), of which EUR 5,121 thousand (EUR 3,990 thousand in 2011) related to current remuneration, EUR 477 thousand (EUR 485 thousand in 2011) to pension plan contributions, EUR 107 thousand (EUR 105 thousand in 2011) to life insurance, accident and health insurance contributions and EUR 508 thousand (EUR 284 thousand in 2011) to other remuneration.

21.2. *Other disclosures on Directors*

In accordance with the provisions of articles 229 and 230 of the Spanish Limited Liability Companies Law, in order to increase the transparency of listed companies and disclose information received from their Directors, set out below are the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes corporate purpose of the Parent, Abertis Telecom Terrestre, S.A.U., in which the Directors and/or persons linked to the Directors have a direct or indirect interest or perform duties or functions, as appropriate, and the positions held in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes corporate purpose of the Parent, Abertis Telecom Terrestre, S.A.U.

Director	Company:	Activity	% interest in share capital	Duties/Position
Francisco José Aljaro Navarro	Abertis Infraestructuras, S.A.	Infrastructure concessions	0.0041	General Manager of Finance and Corporate Development
	Abertis Tower, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Tradia Telecom, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Retevisión-I, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Hispasat, S.A.	Satellite telecommunications infrastructure operator	-	Natural person representative of Abertis Telecom Satélites, S.A. (since 18/09/2013)
	Abertis Telecom Satélites, S.A.U. (formerly Abertis Telecom, S.A.U.)	Satellite telecommunications services	-	Joint and several director
Josep Maria Coronas Guinart	Abertis Infraestructuras, S.A.	Infrastructure concessions	0.0012	Corporate Secretary
	Abertis Tower, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Tradia Telecom, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Retevisión-I, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Abertis Telecom Satélites, S.A.U. (formerly Abertis Telecom, S.A.U.)	Satellite telecommunications services	-	Joint and several director
	Hispasat, S.A.	Satellite telecommunications infrastructure operator	-	Director (since 12/11/2013)
Francisco Reynés Massanet	Abertis Infraestructuras, S.A.	Infrastructure concessions	-	Chief Executive Officer
	Abertis Tower, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Tradia Telecom, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Retevisión-I, S.A.U.	Telecommunications infrastructure operator	-	Joint and several director
	Abertis Telecom Satélites, S.A.U. (formerly Abertis Telecom, S.A.U.)	Satellite telecommunications services	-	Joint and several director
	Hispasat, S.A.	Satellite telecommunications infrastructure operator	-	Director
Frinyco, S.L. (related party of Mr, Reynés)	Abertis Infraestructuras, S.A.	Infrastructure concessions	0.0042	-

In addition, pursuant to article 229 of the Spanish Limited Liability Companies Law, the directors and/or persons linked to the directors inform that there are no other situations that may involve a direct or indirect conflict between their own interest and the Company's interests,

21.3. Group companies and associates

The financial assets and liabilities held by the Group in Abertis Infraestructuras Group companies and associates are as follows:

31 December 2012	Thousands of euros			
	Financial assets		Financial liabilities	
	Current loans	Other commercial assets	Non-current payables	Current payables
Abertis Infraestructuras, S.A.	2,659	-	91,691	331
Hispasat, S.A.	-	-	-	1,569
Serviabertis, S,L	-	-	-	(507)
Torre de Collserola, S.A.	-	-	-	194
Consorcio de Telecomunicaciones Avanzadas, S.A.	-	192	-	6
Servicios Audiovisuales Overon, S.L.	-	878	-	273
Autopistas C.E.S.A.	-	-	-	6
Autopistes de Catalunya, S.A.	-	6	-	-
Autopistas Vasco-Aragonesa, Concesionaria Española, S.A.	-	8	-	-
Autopistas Aumar, S.A.C.E.	-	(3)	-	-
Total	**2,659**	**1,081**	**91,691**	**1,872**

31 December 2011	Thousands of euros		
	Financial assets	Financial liabilities	
	Current loans	Non-current payables	Current payables
Abertis Infraestructuras, S.A.	1,116	121,484	131
Servicios Audiovisuales Overon, S.L.	1,069	-	899
Serviabertis, S.A.	-	-	202
Hispasat, S.A.	-	-	1,675
Eutelsat Communications, S.A.	17	-	-
Torre de Collserola, S.A.	-	-	170
Consorcio de Telecomunicaciones Avanzadas, S.A.	236	-	1
Iberpistas, S.A.	49	-	-
Skylogic, S,P,A,	128	-	507
Sevisur Logística, S.A.	-	-	9
Autopistas C.E.S.A.	78	-	-
Autopistas C.E.S.A.	-	-	84
Autopistas Aumar, S.A.C.E.	79	-	-
Túnel del Cadí, S.A.	-	-	1
Saba Parques Logísticos, S.A.	-	-	1
Araba Logística, S.A.	-	-	1
Total	**2,772**	**121,484**	**3,681**

Current receivables relate to a receivable from Abertis Infraestructuras, S.A., Parent of the tax group, of EUR 2,659 thousand (EUR 1,116 thousand in 2011) for the consolidated tax regime in relation to corporate income tax and for the group of entities in relation to VAT, under which amounts payable to and receivable from the tax authorities are replaced by receivables from and payables to the parent of the consolidated tax group.

The Group recognises under "Non-current payables to Group companies" the amount of the loan entered into with Abertis Infraestructuras, S.A. on 26 June 2008. This loan was initially set to mature in April 2012, but was renewed in 2011 to mature in December 2014. This loan earns interest at market rates, The amount outstanding at 31 December 2012 totalled EUR 91,691 thousand (EUR 121,484 thousand at year-end 2011).

"Current payables to Group companies" includes EUR 331 thousand (EUR 131 thousand in 2011) from Abertis Infraestructuras, S.A. for the consolidated tax regime in relation to corporate income tax and for the group of entities in relation to VAT, under which amounts payable to and receivable from the tax authorities are replaced by receivables from and payables to the parent of the consolidated tax group.

The remaining balances related to transactions carried out in the ordinary course of the Group's business.

The transactions carried out with Abertis Infraestructuras Group companies and associates are as follows:

	Thousands of euros			
	2012			
	Income		Expenses	
	Services rendered	Other operating income	Services received	Accrued interest
Iberpistas, S.A.	41	-	41	-
Servicios Audiovisuales Overon, S.L.	2,193	2	688	-
Consorcio de Telecomunicaciones Avanzadas, S.A.	659	-	75	-
Skylogic, S,P,A,	337	-	235	-
Autopistas Aumar, S.A.C.E.	184	-	-	-
Autopistas de Catalunya, S.A.	38	-	-	-
Autopista Vasco Aragonesa, S.A.	22	-	-	-
Autopistas C.E.S,A	11	-	169	-
Eutelsat Communications, S.A.	-	(33)	-	-
Abertis Infraestructuras, S.A.	-	-	6,077	2,277
Serviabertis, S.L.	-	-	14,604	-
Torre Collserola, S.A.	-	-	2,580	-
Hispasat, S.A.	-	-	15,567	-
Infraestructures Viaries de Catalunya, S.A.	-	-	13	-
Total	**3,485**	**(31)**	**40,049**	**2,277**

	Thousands of euros			
	2011			
	Income		Expenses	
	Services rendered	Other operating income	Services received	Accrued interest
Autopistas C.E.S,A	76	-	163	-
Autopistes de Catalunya, S.A.	38	-	-	-
Autopistas Aumar, S.A.C.E.	269	-	-	-
Autopista Vasco Aragonesa, S.A.	10	-	4	-
Servicios Audiovisuales Overon, S.L.	3,084	2	2,166	-
Consorcio de Telecomunicaciones Avanzadas, S.A.	644	-	4	-
Iberpistas, S.A.	41	-	48	-
Skylogic, S,P,A,	526	-	(599)	-
Eutelsat Communications, S.A.	-	17	-	-
Abertis Infraestructuras, S.A.	-	13	6,052	1,663
Serviabertis, S.L.	-	3	18,108	-
Hispasat, S.A.	-	-	20,998	-
Infraestructures Viaries de Catalunya, S.A.	-	-	10	-
Túnel del Cadí, S.A.	-	-	2	-
Saba Parques Logísticos, S.A.	-	-	8	-
Torre de Collserola, S.A.	-	-	2,437	-
Araba Logística, S.A.	-	-	1	-
Sevisur Logística, S.A.	-	-	88	-
Total	**4,688**	**35**	**49,490**	**1,663**

The Group has a service level agreement with Serviabertis, S.L. whereby the latter provides general, purchasing and management services (personnel, corporate services and treasury), and systems and project development services, The Group also has a service agreement with Abertis Infraestructuras S.A. whereby the latter provides services relative to legal-financial, tax and organisation matters and people, planning and the promotion of new activities as well as other support services, Other transactions with Group companies and associates relate to commercial transactions.

Financial interest with Abertis Infraestructuras S.A. entails interest accrued on the Group's loan indicated above.

21.4. Other related parties

Other related parties, in addition to the Group companies and associates indicated in Note 2 above as defined in the General Accounting Plan, include shareholders (and their subsidiaries) of Abertis Infraestructuras, S.A. that exercise significant influence over it, those with a right to appoint a director or those with a stake above 5%.

At 31 December 2012, guarantees with related parties were granted with a limit of EUR 15,386 thousand (EUR 23,395 thousand in 2011), which at year-end were drawn down in the amount of EUR 8,117 thousand (EUR 10,393 thousand at year-end 2011).

At 31 December 2012, the Company was involved in the following transactions with the related party CaixaBank, S.A.: a loan for EUR 4,257 thousand maturing in 2018 (see Note 12); a credit facility drawn down for EUR 1,165 thousand maturing in December 2013; a fixed-term deposit of EUR 1,275 thousand; and a liability for the measurement of derivative financial instruments amounting to EUR 171 thousand (see Note 8).

22. Subsequent events

For the purpose of respecting the historical financial information, only significant events that took place up until the date of the last auditors' report issued on the aforementioned underlying financial statements (i,e, until 18 February 2013, the date of the auditors' report of the Abertis Infraestructuras Group's consolidated financial statements) were taken into account in preparing these special purpose segmented financial statements.

Barcelona, on 27 February 2015

Appendix I

Subsidiaries included in the segmented scope of consolidation

Company:	Address	Ownership interest		Company holding the interest	Accounting method	Activity	Auditor
		Cost (Thousands of euros)	%				
Direct ownership:							
Retevisión-I, S.A.U.	Av, Del Parc Logístic, 12-20 08040 Barcelona	368,938	100%	Abertis Telecom Terrestre, S.A.U.	Full consolidation	Telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Av, Del Parc Logístic, 12-20 08040 Barcelona	127,121	100%	Abertis Telecom Terrestre, S.A.U.	Full consolidation	Telecommunications infrastructure operator	Deloitte
Abertis Tower, S.A.U.	Avda, Parc Logístic 12-20, 08040 Barcelona	28,457	100%	Abertis Telecom Terrestre, S.A.U.	Full consolidation	Telecommunications infrastructure operator	Deloitte
Indirect ownership interest:							
Gestora del Espectro, S.L.	Av, Del Parc Logístic, 12-20 08040 Barcelona	3	100%	Retevisión-I, S.A.U.	Full consolidation	Development, implementation, management and marketing of telecommunication services	-

This appendix forms an integral part of Note 2.7.1 to the special purpose segmented financial statements for 2012 with which it should be read.

Figures in foreign currency are translated to euros using exchange rates at the end of the reporting period.

Appendix II

Jointly controlled entities included in the segmented scope of consolidation

Company:	Address	Ownership interest Cost (Thousands of euros)	%	Company holding the interest	Accounting method	Activity	Auditor
Through Tradia Telecom: Adesal Telecom, S.L.	Ausias March 20, Valencia	3,297	51,10%	Tradia Telecom, S.A.U.	Proportionate consolidation	Construction and operation of telecommunications infrastructure	Deloitte

This appendix forms an integral part of Note 2.7.1 to the special purpose segmented financial statements for 2012 with which it should be read.

Figures in foreign currency are translated to euros using exchange rates at the end of the reporting period.

Appendix III

Associates included in the segmented scope of consolidation

Company:	Address	Ownership interest		Thousands of euros				Company holding the interest	Accounting method	Activity	Auditor
		Cost (Thousands of euros)	%	Assets	Liabilities	Income	Profit/(loss)				
Indirect ownership interest: Through Retevisión-I, S.A.U. and Tradia Telecom, S.A.U.-											
Torre de Collserola, S.A.	Ctra, de Vallvidrera al Tibidabo, s/n, Barcelona	2,439	41,75%	21,509	15,211	4,438	22	Retevisión-I, S.A.U.	Equity method	Construction and operations of telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste, Alcantarilla (Murcia)	250	25%	3,519	913	1,831	3	Tradia Telecom, S.A.U.	Equity method	Provision of related services for telecommunications concessions and operators	Other auditors

This appendix forms an integral part of Note 2.7.1 to the special purpose segmented financial statements for 2012 with which it should be read.

Figures in foreign currency are translated to euros using exchange rates at the end of the reporting period.