





Corporate Governance Report

Coinciding with its stock market debut in May 1999, Ferrovial approved a Board of Directors Regulation and an Internal Code of Conduct in matters relating to the Securities Markets, which contain the regulation of corporate governance, the principles of the Board of Directors actions, organization and functioning, the rules aimed at ensuring a high level of market transparency, and rules of conduct that ensure that there is no interference in the company's share performance. The ultimate goal is to align value-oriented management with respect for the ethical values commonly established in the Spanish market.

That Regulation duly conforms to the recommendations of the Code of Good Governance.

At the time of issuing this report, there were recent initiatives in Spain and elsewhere on the matter; specifically, the European Union has introduced new principles and elaborated upon existing corporate governance principles.

In particular, Law 44/2002 of Measures to Reform the Financial System (the "Finance Law") established rules and the "Report by the special commission to foster transparency and security in the markets and in listed companies" dated 8 January 2003 (the "Aldama Report") was published. Ferrovial has started to review its internal corporate governance regulation, focusing on examining its suitability with respect to the rules established in the Finance Law and the recommendations of those instruments, especially the Aldama Report, in order to fully comply with the Law and conform fully to those recommendations as soon as possible.

Nevertheless, Ferrovial has already added new practices based on the recommendations of the Aldama Report which, in addition to those previously established by the Group, means that, on the issue date of this report, it has achieved a high degree of conformity.

The "Corporate Governance" section of Ferrovial's web site has abundant information on the matter: composition and structure of the Board of Directors, Executive Committee and Advisory Committees, the full text of the Bylaws, of the Board of Directors Regulation and of the Internal Code of Conduct in matters relating to the Securities Markets, information about the Shareholders' Meetings of previous years and specifically the Shareholders' Meeting in 2003, with all the content pertinent to the Meeting.

The information sent to the CNMV for the second half of 2002 and the notes to the financial statements themselves include data about related party transactions, as required by the Law of Measures to Reform the Financial System.

This Corporate Governance report and the notes to the financial statements contain individualized information on the remuneration paid to directors as such, and the aggregate amounts of the different items that comprise the entire remuneration of the members of the Group's Board of Directors, including those of the executive directors.



The Management Report drafted by the Board of Directors contains a list of the Audit and Control Committee's activities. The 2002 individual and consolidated financial statements were certified by the Chairman, CEO and CFO.

The other factors of the Aldama Report which we have not yet decided to apply and those that are awaiting implementation of the Law of Measures to Reform the Financial System will be analyzed in the coming months, so that the corresponding proposals will be submitted to the Board of Directors and the decisions will be included in the text of the internal provisions on Corporate Governance. The recommendation to approve a Shareholders' Meeting Regulation will also be analyzed and a decision will be made.

The 2002 corporate governance report is divided into seven main chapters, each with several sections:

1. Function and composition of the Board of Directors
2. Executive Committee and Advisory Committees
3. Working of the Board of Directors
4. Directors' remuneration
5. Directors' duties
6. Transparency in relations with shareholders, markets and auditors
7. Internal Code of Conduct

1. FUNCTIONS AND COMPOSITION OF THE BOARD OF DIRECTORS

1.1. Functions of the Board of Directors

The Board of Directors Regulation stipulates that the main function of the Board is supervisory, i.e. it:

- Directs company policy.
- Oversees management.
- Evaluates executive performance.
- Adopts the company's most important decisions.



Without prejudice to the powers delegated to it, the Board reserves, directly or through its Committees, the sole power over number of matters, including:

- Appointment, remuneration and, where appropriate, removal of senior managers.
- Approval and monitoring of the strategies established for the Company's development.
- Control and evaluation of the executives' conduct of business.
- Incorporation of new companies and acquisitions or sales of stakes in existing companies, where the latter imply the gain or loss of a majority stake, exceed certain percentages of ownership or represent the commencement or abandonment of business lines.
- Mergers, spin-offs or concentrations involving the Company or any of its direct investees.
- Investment, divestment, financing or guarantee transactions involving substantial Group assets or for amounts above specific thresholds.
- Policy of disclosure to shareholders, markets and public opinion.

1.2. Qualitative composition of the Board

The Bylaws and the Regulation state that the Board of Directors shall strive to ensure that external or non-executive Directors represent a broad majority of the Board. The Board shall also strive to ensure that the majority group of external directors includes owners of significant stable stakes in the Company or their representatives (Domianial Directors) and persons of acknowledged prestige who are not related to the executive team or the core shareholders (Independent Directors).

In 2002, the Board of Directors consisted of eleven members (between the minimum of six and maximum of fifteen permitted by the Bylaws), three of whom were executive and the other eight non-executive.

One of the executive directors and three of the non-executive directors represent the majority shareholders. The Board of Directors considers that four of the other five non-executive directors are independent.

The Board of Directors of Grupo Ferrovial, S.A. currently has the following composition:

Chairman and CEO

Rafael del Pino y Calvo-Sotelo Executive and domianial

Vice-Chairmen

Santiago Bergareche Busquet External ⁽¹⁾

Jaime Carvajal Urquijo External independent

CEO

Joaquín Ayuso García Executive

⁽¹⁾ Executive until 25 January 2002



Directors

Fernando del Pino y Calvo-Sotelo	External domanial
PROFESA INVESTMENTS, B.V., represented by María del Pino y Calvo-Sotelo	External domanial
PORTMAN BAELA, S.L., represented by Eduardo Trueba Cortés	External domanial
Juan Arena de la Mora	External independent
Santiago Eguidazu Mayor	External independent
Gabriele Burgio	External independent

Director and Secretary

José María Pérez Tremps	Executive
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Santiago Bergareche Busquet, Vice-Chairman of the Board of Directors, who is currently considered as an external director, was the CEO of Grupo Ferrovial between February 1999 and January 2002, when he resigned from that office; he continues as director and Vice-Chairman of the Board.

Two independent directors also resigned and were replaced by Joaquín Ayuso García (the current CEO) and Gabriele Burgio (a new independent director).

1.3. Officers of the Board of Directors

- Rafael del Pino y Calvo-Sotelo has been the Company's CEO since 1992. On 29 June 2000, the Board of Directors resolved to appoint Rafael del Pino y Calvo-Sotelo as Chairman of the Board of Directors in addition to his position as CEO of the Company.

The company appointed another CEO in February 1999.

- The Vice-Chairmen of the Board of Directors are not executives.

- In July 2000, the Board created an Executive Committee in accordance with the Bylaws, to which it expressly delegated all the powers that correspond to the Board of Directors, except those undelegable by law and the Bylaws.

- The Secretary to the Board is also a director. His mission is to supervise the formal and material legality of the Board of Directors' actions and to ensure that the procedures and rules of governance are respected and regularly revised. His functions include:

- Assisting the Chairman in his tasks.
- Ensuring the good functioning of the Board of Directors.
- Offering the directors any advice and information that may be necessary.
- Conserving the corporate documentation.
- Duly entering the contents of the Board of Directors' meetings in the minutes.
- Certifying the Board of Directors' resolutions.
- Ensuring that the procedures and rules of governance are respected and regularly revised.



2.2.1. Audit and Control Committee

The current composition of the Audit and Control Committee is as follows:

Santiago Eguidazu Mayor *Chairman*

Santiago Bergareche Busquet

PROFESA INVESTMENTS, B.V.,
represented by María del Pino y Calvo-Sotelo

Gabriele Burgio

The main functions of the Audit and Control Committee are as follows:

- Proposing the appointment, conditions of engagement, extent of professional mandate and, where appropriate, revocation or non-renewal of the auditor.
- Supervising compliance with the legal requirements and the correct application of generally accepted accounting principles.
- Liaising between the Board of Directors and external auditors, and evaluating the results of each audit.
- Supervising the information which the Board of Directors must approve and include in its annual public documentation.
- Assisting the Board in its mission of ensuring the correctness and reliability of the periodical financial information.

The Audit and Control Committee held four meetings in 2002. One of its main activities was to commence a process to select the audit firm to review the 2003 financial statements of the company and its consolidated group; this matter will be submitted to the next Shareholders' Meeting. In this process, the suitability and incompatibility requirements established by the current Audit Law, as amended by the Finance Law, were complied with.

One of the novelties regarding this matter in the Finance Law is that listed companies must include rules in their bylaws for the creation, working and powers of an Audit Committee.

In accordance with this legal provision, an Audit Committee regulation that is very similar to the one contained in the Grupo Ferrovial Board Regulation since 1999 will be submitted to the Shareholders' Meeting.

The proposal envisages, for example, that all members of the Audit and Control Committee be external and that its Chairman be an independent director.



2.2.2. Nomination and Remuneration Committee

The current composition of the Nomination and Remuneration Committee is as follows:

Juan Arena de la Mora *Chairman*

Santiago Bergareche Busquet

Jaime Carvajal Urquijo

Santiago Eguidazu Mayor

The main functions of the Nomination and Remuneration Committee are as follows:

- Formulating and reviewing the criteria to be followed for the composition of the Board of Directors and the selection of candidates.
- Informing the proposals for the appointment of directors.
- Proposing the members of each Committee.
- Informing the system and amount of annual remuneration for directors.
- Informing the appointment or dismissal of the executives who report directly to the CEO.
- Informing the remuneration system for senior management.

The Nomination and Remuneration Committee held seven meetings in 2002.

3. WORKING OF THE BOARD OF DIRECTORS

3.1. Board meetings

The Regulation establishes that the Board shall meet normally on a monthly basis or at the Chairperson's initiative whenever the latter sees fit in the interests of the good working of the Company, or whenever at least two Board members so request.

The Regulation also establishes the obligation to draft an annual schedule of ordinary meetings and envisages at least one meeting per year to evaluate the functioning and quality of its work.

The Chairperson is charged with organizing the debate in such a way as to encourage the participation of all the directors in the Board's deliberations.

In 2002, all the meetings were convened in writing with due notice and remittal of the necessary documentation about the items on the agenda.

It is considered that the information supplied to the Board of Directors in 2002 was appropriate and sufficient for it to familiarize itself with the matters for deliberation; senior executives frequently attended Board meetings to present the matters in their areas of responsibility.

The Board of Directors held eleven meetings in 2002.

3.2. Appointment and re-appointment of Directors

The Regulation establishes a procedure for the appointment and re-appointment of directors, which commences with a proposal by the Nomination and Remuneration Committee.

Candidates must be persons of acknowledged ability, competence and experience, and the appointment of independent directors, which may only take place after a formal selection process, must be extremely rigorous.

The Board of Directors cannot propose or designate for the post of independent director a person:

- who occupies a management position in the Company.
- with family ties (up to third degree of kinship by blood or second degree by marriage) or linked in any other way of similar significance to the executive directors or any other of the Company's senior executives.

In 2002, a CEO and an independent director were appointed in accordance with these rules, at the proposal of the Nomination and Remuneration Committee.

3.3. Resignation of Directors

Directors must resign from office upon completion of the period for which they were appointed and when so decided by the Shareholders' Meeting or the Board of Directors by virtue of the powers conferred upon them by law or the Bylaws.

The Regulation also establishes the reasons for which a director must tender his/her resignation to the Board of Directors.

- In the case of executive directors, whenever the Board of Directors sees fit.
- In the case of domanial directors, upon disposal of their holding in the Company.
- In the event of infringement of any of the incompatibility regulations or legal prohibitions.
- Upon request by the Board of Directors due to breach of the director's obligations.
- When the director's position on the Board of Directors may jeopardize the Company's interests.
- Upon reaching the age of 70. The Chairperson and Vice-Chairperson (if executives), the CEO and Secretary of the Board must resign at 65, but may continue as directors and hold the office of Chairperson or Vice-Chairperson if they are not executives.

3.4. Information to Directors

The Company has established the appropriate channels to enable the directors to access the necessary information concerning the Company and its Spanish and foreign subsidiaries.

The Regulation includes the power to freely and directly request information from all senior executives that report directly to the CEO. Through the Chairperson, Vice-Chairperson, CEO or Secretary to the Board, directors may request such information as they may reasonably require.

These persons must provide the information requested either directly or via the appropriate interlocutors. Directors may even request the services, at the Company's expense, of legal, accounting, financial or other expert advisors.



4. DIRECTORS' REMUNERATION

4.1. Applicable provisions

Article 25 of the Company Bylaws regulates this matter and its content is reproduced in article 26 of the Board of Directors Regulation.

It establishes that the members of the Board of Directors "shall receive an amount equivalent to 3% of the year's consolidated results attributable to the Company and that the Board of Directors may decide not to apply this entire amount, in which case directors do not accrue any rights in respect of the amount not applied".

On 22 March 2002, the Shareholders' Meeting approved the resolution to include in the bylaws the possibility of establishing directors' remuneration formulae consisting of delivery of shares or stock options or pegged to the share price, within the aforementioned limits.

In accordance with that resolution, the Shareholders' Meeting resolved that a part of directors' remuneration be pegged to the share price in accordance with the terms set out below.

4.2. Remuneration system in 2002

Within the limits established by the Bylaws and the Board Regulation, in 2002 the Company approved a remuneration structure applicable to all the directors, with the following items:

- Per diems for attending Board of Directors, Executive Committee and Advisory Committee meetings.
- Variable remuneration based on the year's earnings.
- Variable remuneration pegged to share price changes in the year.

4.2.1. Per diems for attendance

In the first quarter of 2002, the per diems for attendance applicable to each director, in accordance with the system originated in prior years, was established at 1,803 euros gross for each Board of Directors meeting and at 1,502 euros gross for any of its Committees.


Those amounts were changed, with effect from 1 April 2002, to 3,500 euros gross for attending the Board of Directors meeting and 1,500 euros gross for attending the Executive and Advisory Committee meetings.

4.2.2. Earnings-based variable remuneration

This remuneration is quantified by applying the year-on-year increase in the group's consolidated earnings in 2002 to 50% of the total per diems for attending Board of Directors meetings.

This variable remuneration will be payable in 2003, once the 2002 consolidated results are approved by the Shareholders' Meeting on 21 March 2003.

¹ Per diems accrued to the Board amounted to 33,409.12 euros in 2002



Consolidated earnings increased by 18.1% year-on-year in 2002, excluding the extraordinary gains on the sale of 40% of Cintra. Those are the consolidated earnings disclosed in the financial statements drafted by the Board of Directors on 26 February 2003; consequently, based on his/her period of service on the Board in 2002, each director will receive annual remuneration of 19,736.43 euros.

4.2.3. Share-based variable remuneration

This is quantified by applying, to the 20,000 euros set for 2002, the increase in share price found by comparing the weighted average prices in December 2001 and 2002.

This remuneration will also be received in 2003 and the applicable parameters have already been published. The weighted average share price was 20.8 euros in December 2001 and 24.92 euros in December 2002, i.e. a 19.8% increase in 2002.

Consequently, each director will receive 23,960 euros this year, based on his/her period of service on the Board of Directors in 2002.

4.2.4. Remuneration of the First Vice-Chairperson and the Chairperson of the Advisory Committees

The First Vice-Chairperson receives an additional 150,000 euros per year.

The Chairpersons of the Audit and Control Committee and the Nomination and Remuneration Committee receive 6,000 euros each per year.

4.3. Remuneration disclosed in the 2002 financial statements

In prior years, the company's financial statements explained the Board of Directors remuneration in accordance with the calculation method in force in the reporting year.

In order to improve the transparency and currency of that information, in 2002 a system was established based on the following principles:

- The Board of Directors remuneration in 2002 is reported on an accrual basis, so it contains the remuneration allocated for work performed between 1 January and 31 December 2002, even if some of it is settled and paid in 2003.
- The various remuneration items paid to each director by virtue of that position are detailed.
- Information about the remuneration of the Group's senior management team is disclosed on an aggregated basis.
- Remuneration for executive directors other than that received in their capacity as directors is included together with the remuneration for senior management and it is broken down by item, number of beneficiaries and positions.



Consequently, the remuneration accrued by the Company's Board of Directors in 2002 is summarized as follows:

- The directors accrued an aggregate 1,186,000² euros² in bylaw mandated remuneration, broken down as follows:
 - Per diems for attending Board of Directors, Executive Committee and Advisory Committee meetings: 557,960 euros.
 - Variable remuneration based on the year's earnings: 217,100 euros.
 - Variable remuneration based on the share price: 263,559 euros.
 - Other items including the remuneration established for the First Vice-Chairperson of the Board of Directors and the Chairpersons of the Advisory Committees: 148,000 euros.

The amounts broken down by each member are as follows:

	Board, Executive Committee and Advisory Committee per diems	Earnings-based variable remuneration	Share-based variable remuneration	Other items	Total
Rafael del Pino y Calvo-Sotelo	52,921.77	19,736.43	23,960.00		96,618.20
Santiago Bergareche Busquet	60,421.77	19,736.43	23,960.00	137,500.00	241,618.20
Jaime Carvajal Urquijo	63,426.83	19,736.43	23,960.00		107,123.26
Joaquín Ayuso García ³	41,803.04	16,447.02	19,966.66		78,216.72
Fernando del Pino y Calvo-Sotelo	50,924.30	19,736.43	23,960.00		94,620.73
Profesa Investments BV	41,921.77	19,736.43	23,960.00		85,618.20
Portman Baela SL	39,419.24	19,736.43	23,960.00		83,115.67
Juan Arena de la Mora ¹	44,924.30	19,736.43	23,960.00	4,000.00	92,620.73
Santiago Eguidazu Mayor ⁵	48,419.24	19,736.43	23,960.00	3,000.00	95,115.67
Gabriele Burgio ⁶	21,000.00	11,512.91	13,976.66		46,489.57
José María Pérez Tremps	52,921.77	19,736.43	23,960.00		96,618.20
Manuel Azpilicueta ⁷	22,426.83	6,578.81	7,986.66	2,000.00	38,992.30
Javier Vega de Seoane ⁸	17,429.36	4,934.10	5,990.00	1,500.00	29,853.46
TOTAL	557,960.22	217,100.71	263,559.98	148,000.00	1,186,620.91

- The executive and external directors of Grupo Ferrovial, S.A. who are also members of the governing bodies of other Group, multi-group or associated undertaking received a combined total of 186,800 euros.

² If the cash payment system had been applied in 2002, the Board of Directors remuneration according to the bylaws would have totaled 1,123,890 euros.

¹ He served on the Board for 10 months in 2002.

¹ Chairman of the Nomination and Remuneration Committee

³ Chairman of the Audit and Control Committee

⁶ He served on the Board for 7 months in 2002.

⁷ Chairman of the Nomination and Remuneration Committee until he resigned. He served on the Board for 4 months in 2002.

⁸ Chairman of the Audit and Control Committee until he resigned. He served on the Board for 3 months in 2002.

4.4. Remuneration of the Board members with executive functions⁹, including senior management

The Chairman of the Board of Directors, the CEO, the Director-Secretary, and the senior executive of the Company immediately answerable to the Chairman or CEO (of whom there are nine) accrued the following remuneration in 2002:

- Salary in cash:	3,014,900 euros
- Salary in kind:	97,600 euros
- Incentives for meeting objectives:	2,922,300 euros
- Remuneration for members of governing bodies of other Group, multi-group or associated undertakings (excluding executive directors):	157,300 euros
- Indemnities and other compensation:	276,400 euros

Share-based remuneration:

A share-based remuneration system was established for the company's senior management, including the members of the Board of Directors with executive functions. On the issue date of this report, executive directors had been allotted the rights corresponding to 624,204 shares and the rest of senior management the rights corresponding to 797,292 shares.

This system was established due to the resolutions adopted by the Shareholders' Meeting on 31 March 2000 and 31 March 2001. The Comisión Nacional del Mercado de Valores was duly informed of the approval of the system and the rights assigned to each beneficiary.

The maximum number of shares for the purposes of calculating the overall directors' remuneration authorized by the Shareholders' Meeting is 1,702,647, i.e. 1.213% of capital stock.

This system consists of granting the right to receive the amount by which the share price appreciates between the date the right was granted and the date it was exercised, which must be between three and six years from the date the right was granted. This right and the specific amount to be received is conditional upon obtaining a minimum rate of return on consolidated equity.

To date no amount has been paid under this system.

The remuneration is payable to the persons with the following positions:

- Chairperson of the Board of Directors	- CEO (*)
- Director-Secretary and General Secretary	- CFO
- General Manager of Human Resources	- General Manager of Construction (*)
- General Manager of Infrastructure	- General Manager of Real Estate (*)
- General Manager of Services	- External Relations and Communications Manager
- General Manager of Telecommunications	- Audit Manager

⁹The former CEO resigned in January 2002 and the new CEO was appointed in March 2002

(*) There were changes in these positions in 2002



5. DIRECTORS' DUTIES

Article 27 and subsequent articles of the Regulation contain broad rules on directors' obligations which arise from the general duties of diligence and loyalty.

The main duties established by the company are as follows:

- Directors must keep secret the deliberations of the Board of Directors and the Advisory Committees and must not reveal the information to which they have had access in the discharge of their duties. This obligation shall persist even after they cease to be directors.
- A director may not be a director of a rival company.
- Directors may not provide representation or consultancy services to competitors of Grupo Ferrovial or its subsidiaries unless the Board of Directors approves those services following a report by the Nomination and Remuneration Committee.
- Directors are obliged to inform the company of:
 - Directorships or senior management positions they have in other companies that do not compete.
 - Shares they own of the company.
 - Situations that may constitute a conflict of interests with the company.
- Directors may not enter into professional or commercial transactions with the Company unless the Board of Directors approves said transactions following consultation with the Nomination and Remuneration Committee.
- Directors must refrain from attending meetings or intervening in deliberations which affect matters in which they have a personal interest.

6. TRANSPARENCY IN RELATIONS WITH SHAREHOLDERS, MARKETS AND AUDITORS

6.1. Transactions with significant shareholders

The Board Regulation contains provisions relating to significant shareholders, including the need for the Board of Directors to approve material transactions by the Company with significant shareholders after consultation with the Nomination and Remuneration Committee.

In compliance with the provisions of the Finance Law, the half-yearly information that the company provides to the markets must contain the amount of the transactions performed with related parties, including significant shareholders, directors and senior executives, in the second half of 2002.

That information is also included in the 2002 notes to the financial statements, which quantifies the transactions with related parties in that year.

Those transactions were not significant and they were all performed under arm's-length conditions.



6.2. Information to markets

The Board of Directors has established the necessary mechanisms for informing shareholders, investors and the market in general about the ownership structure, the corporate governance rules and the own share policy.

In addition to the extensive information on the company's web site about share performance, significant events, communiqués to the CNMV, periodic public disclosures and analysts' reports, in February 2003 the Group posted extensive information about its corporate governance, in line with the latest recommendations on the matter, including:

A. Corporate administration structure:

- Functions and composition of the Board of Directors, Executive Committee and Advisory Committees.
- Directors' shareholdings.
- The company's organization rules: the Bylaws, the Board Regulation, the Internal Code of Conduct, and the 2000 and 2001 annual corporate governance reports.

B. Shareholders' Meeting:

- Information about the 2002 Shareholders' Meeting, including the speech by the Chairman and CEO and the presentation.
- The notice and the documentation for shareholders in connection with the 2003 Shareholders' Meeting: the agenda, all the proposals, individual and consolidated financial statements, auditors' report and Board of Directors report about the amendment to the bylaws regarding the addition of the Audit and Control Committee regulation, and the full text thereof.

Another new feature in 2002 was the inclusion of information about the accounting standards applicable to the company's business lines in order to describe the accounting of certain financial events considered to be relevant for interpreting the results of each business division, so that the standards applicable under the current regulation and those applied by other companies in the sector may be compared.

The Board of Directors, with the support of the Audit and Control Committee, believes that the financial information conveyed to the markets has been drafted in accordance with the same principles, criteria and professional practices as those used for the financial statements and that they are equally reliable.

In 2002, all the periodic information supplied to the market was first analyzed at an Audit and Control Committee meeting.

Also in 2002, the following measures were adopted to provide the market with extensive information about the company's and subsidiaries' activities and conduct of business.



In 2002, we held over 250 meetings with analysts and institutional investors, mainly in the US, UK, Germany, Switzerland, Italy, France, Portugal, Holland, Scandinavia and Spain. We also participated in various construction industry conferences in January, February, September, November and December in several European cities. We televised the release of 2001 results live to analysts in February 2002 and the Ordinary Shareholders' Meeting in March. We also held conference calls to present quarterly results to foreign investors on the same day they were presented in Madrid.

6.3. Relations with external auditors

In 2002, the Audit and Control Committee examined the situations which might jeopardize the independence of the external auditors.

The fees accrued to the audit firms relating to Grupo Ferrovial and its entities, subsidiaries and investees amounted to 1,501 million euros.

The remuneration received by the external auditor amounted to 765,400 euros, i.e. 0.37% of the firm's total revenues in Spain.

The breakdown of this amount is as follows:

- 586,000 euros in audit fees (91% of the total fees paid).
- 179,000 euros in fees for other consulting services.

6.4. Financial statements

The Board fully accepts the recommendation to ensure that the accounts drafted by it and submitted to the Shareholders' Meeting should be free of audit qualifications. To date, the company has always presented a clean auditors' report.

6.5. Information about the company's governance rules

This report is to provide information about the governance rules applied by Grupo Ferrovial in 2002, disclose the action principles, basic organizational and functional rules, and the code of conduct of the Board of Directors and to explain the changes introduced in 2002 and to date in 2003.



7. INTERNAL CODE OF CONDUCT

Simultaneously with the Board Regulation, the company approved an Internal Code of Conduct in matters relating to the Securities Markets, applicable to directors and managers of Grupo Ferrovial and its main subsidiaries.

The main aspects of the code as applied in 2002 were as follows:

- **Disclosure of sale and purchase of company shares.** The new directors or managers appointed in 2002 received a description of the applicable regulation, a share ownership disclosure form and the text of the Internal Code of Conduct.

At 2002 year-end, apart from the directors, 66 managers were affected by this regulation; they own a total of 41,324 shares, i.e. 0.029% of capital.

- **Restricted information.** Persons subject to this Internal Code of Conduct in possession of any type of restricted information must not:

- Trade with company shares.
- Divulge said information to third parties.
- Recommend that third parties buy or sell shares.

- **Significant events.** In 2002, Ferrovial continued with its policy of informing the markets about events, decisions and resolutions that affect the company and group, such as significant investments and divestments, directors' appointments or resignations, Shareholders' Meeting resolutions, dividend payments and strategic agreements with other groups.

- **Own shares.** Grupo Ferrovial, S.A. and its subsidiaries owned 4,478,115 own shares (3.20% of capital) at the beginning of 2002 and 3,104,917 own shares (2.22% of capital) at 2002 year-end.

The Internal Code of Conduct prohibits the Company from trading with own shares during the fifteen-day period prior to the publication of company results.

In 2003, the Company will study several aspects of the Internal Code of Conduct in order to add principles as a result of new legislation applicable in matters such as obligations while studying or negotiating significant transactions, the use of inside information and the dissemination of significant information.

Madrid, 26 February 2003