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ANNUAL CORPORATE GOVERNANCE REPORT

LISTED LIMITED COMPANIES

ISSUER'S PARTICULARS

YEAR ENDED: 31/12/11

COMPANY TAX ID NO. (CIF): A-81939209

Corporate name: FERROVIAL, S.A.

**ANNUAL CORPORATE GOVERNANCE REPORT OF
LISTED LIMITED COMPANIES**

For a better understanding of this model report and how to fill it out, please read the instructions provided at the end.

A - OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital.

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
03/12/09	146,702,051.00	733,510,255	733,510,255

Indicate whether different types of shares exist with different associated rights.

NO

A.2 List the direct and indirect holders of significant ownership interests in your organisation at year-end, excluding directors:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
SOUTHEASTERN ASSET MANAGEMENT INC	0	36,762,921	5.012
BANCO SANTANDER, S.A.	27,852,797	1,965,039	4.065

Indicate the most significant movements in the shareholder structure during the year.

A.3 Complete the following tables on company directors holding voting rights through company shares:

Name or company name of director	Number of indirect voting rights	Number of indirect voting rights (*)	% of total voting rights
RAFAEL DEL PINO Y CALVO SOTELO	52,248	9,132,708	1.252
SANTIAGO BERGARECHE BUSQUET	2,452,899	0	0.334
JOAQUIN AYUSO GARCIA	91,881	3,647	0.013
IÑIGO MEIRÁS AMUSCO	12,426	0	0.002
GABRIELE BURGIO	37,634	0	0.005
JAIME CARVAJAR URQUIJO	65,118	1,560	0.009
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	163,282	0	0.022
JUAN ARENA DE LA MORA	82,314	0	0.011
KARLOVY, S.L.	7,063	0	0.001
MARIA DEL PINO Y CALVO-SOTELO	14,366	0	0.002
PORTMAN BAELA, S.L.	324,717,793	0	44.269
SANTIAGO FERNÁNDEZ VALBUENA	10,358	0	0.001

Name or company name of the indirect shareholder	Through: Name or company name of the direct shareholder	Number of direct voting rights	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	POLAR CAPITAL BV	9,132,708	1.245
JOAQUIN AYUSO GARCIA	MONTSERRAT DE PAUL CRESPO	3,647	0.000
KARLOVY, S.L.	PORTMAN BAELA S.L.	324,717,793	44.269
JAIME CARVAJAL URQUIJO	ISABEL HOYOS MARTINEZ DE IRUJO	1,560	0.000

% of total voting rights held by the Board of Directors	45.922
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Complete the following tables on share options held by directors:

Name or company name of director	Number of direct share options	Number of indirect share options	Equivalent number of shares	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	3,166,000	0	3,166,000	0.432
JOAQUIN AYUSO GARCIA	2,706,000	0	2,706,000	0.369
IÑIGO MEIRÁS AMUSCO	1,540,000	0	1,540,000	0.210

A.4 Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities:

Type of relationship:

Corporate

Brief description:

As declared on the "Voting rights notification" form filed with the CNMV and with the Company on 1 July 2011, the concerted family group comprising María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through the company Karlovy, of a majority equity shareholding in Portman. Portman in turn owns a 44,269% shareholding in Ferrovial. Karlovy, S.L., in turn, holds a direct equity shareholding of 0.001% of the share capital of Ferrovial. The concerted family group comprising the aforementioned persons has control, through Karlovy and Portman, of 44.270% of the share capital of Ferrovial." According to this communication, the members of the concerted family group - that is, María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo, in addition to Karlovy, S.L. and Portman Baela, S.L. held a total sum of 334,302,007 direct and indirect shares representing 45.576% of the capital of Ferrovial.

Name or corporate name
PORTMAN BAELA S.L.

Type of relationship:

Corporate

Brief description:

See above

Name or corporate name
KARLOVY, S.L.
SHAREHOLDERS OF PORTMAN BAELA, S.L. AND KARLOVY, S.L.

A.5 Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Type of relationship:

Corporate

Brief description:

Director of Ferrovial, S.A.

Name or corporate name
MARIA DEL PINO Y CALVO-SOTELO

Type of relationship:

Corporate

Brief description:

Chairman and Chief Executive Officer of Ferrovial, S.A.

Name or corporate name
RAFAEL DEL PINO Y CALVO-SOTELO

Type of relationship:

Corporate

Brief description:

Director of Ferrovial, S.A.

Name or corporate name
KARLOVY, S.L.
PORTMAN BAELA S.L.

A.6 Indicate whether any shareholders' agreements have been notified to the company pursuant to Article 112 of the Securities Market Act. Provide a brief description and list the shareholders bound by the agreement, as applicable.

% of affected share capital:

44.607

Brief description:

On 28 December 2009, Portman Baela, S.L. which held at that date pursuant to the notification a 44.607% interest in Ferrovial, S.A., notified the Company of certain agreements entered into by shareholders of that Company. Under these agreements, ownership of the share capital and voting rights of all shareholders of Portman Baela, S.L. who are corporate entities will at all times devolve to Rafael del Pino y Moreno and/or his direct descendants. The representatives of the said corporate shareholders hereby agree on behalf of the said shareholders that the ownership of the share capital and voting rights of each of them shall devolve to Rafael del Pino y Moreno and/or his direct descendants

Parties to the shareholder agreement
PORTMAN BAELA S.L.

% of affected share capital:

44.607

Brief description:

Likewise, on 28 December 2009 Karlovy, S.L. (the company that has control, within the meaning of article 4 of Law 24/1988 of 28 July [the Stock Market Act], of Portman Baela, S.L. which was at that date the holder of 44.607% of Ferrovial, S.A.), disclosed to Ferrovial, S.A. the agreements entered into by Karlovy shareholders. Under the said agreements a pact was made limiting the transferability of shares in Karlovy, S.L. and imposing an obligation on Karlovy S.L. shareholders to offer their shares in Karlovy S.L. to Karlovy, S.L. and to the other shareholders thereof in the event of any shareholding or voting rights in any corporate shareholder being taken, whether directly or indirectly, by any natural or legal person other than certain specified persons (as provided by the agreement) issued from or belonging to the family of Rafael del Pino y Moreno.

Parties to the shareholder agreement
KARLOVY, S.L.

% of affected share capital:

44.607

Brief description:

See above

Parties to the shareholder agreement
SHAREHOLDERS OF PORTMAN BAELA, S.L. AND KARLOVY, S.L.

Indicate whether the company is aware of the existence of any concerted actions among its shareholders:
Give a brief description as applicable:

YES

% of affected share capital:

45.576

Brief description:

As declared on the "Voting rights notification" form filed with the CNMV and with the Company on 1 July 2011, the concerted family comprising María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through the company Karlovy, of a majority equity shareholding in Portman. Portman in turn owns a 44,269% shareholding in Ferrovial. Karlovy, S.L., in turn, holds a direct equity shareholding of 0.001% of the share capital of Ferrovial. The concerted family group comprising the aforementioned persons has control, through Karlovy and Portman, of 44.270% of the share capital of Ferrovial." According to this communication, the members of the concerted family group - that is, María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo, in addition to Karlovy, S.L. and Portman Baela, S.L. held a total sum of 334,302,007 direct and indirect shares representing 45.576% of the capital of Ferrovial.

Participants in concerted action
PORTMAN BAELA, S.L.

% of affected share capital:

45.576

Brief description:

See above

Participants in concerted action
KARLOVY, S.L.
SHAREHOLDERS OF PORTMAN BAELA, S.L. AND KARLOVY, S.L.

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year:

No amendments to or termination of any of the agreements described above have been notified to the Company.

A.7 Indicate whether any individuals or bodies corporate currently exercise or could exercise control over the company in accordance with article 4 of the Spanish Securities Market Act. If so, identify:

YES

Name or corporate name
KARLOVY, S.L.

Remarks
See Section G)

A.8 Complete the following tables to show the Company's treasury shares:

At year-end:

Number of directly held shares	Number of indirectly held shares (*)	% of total share capital
0	0	0.000

(*) Through:

Total	0
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Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007:

Gain/(loss) on treasury shares during the year (thousands of €)	0
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A.9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting authorising the Board of Directors to purchase and/or transfer treasury shares.

RESOLUTION OF GENERAL MEETING OF THE COMPANY OF 22 OCTOBER 2009

To authorise the Board of Directors to acquire the Company's own shares on the secondary market, either directly or through companies controlled by the Company, subject always to the regulations applicable to such acquisitions and to the following limitations and requirements:

(a) Modes of acquisition: by purchase or any other "inter vivos" transfer for consideration.

(b) Maximum number of shares that can be acquired: shares representing up to ten per cent (10%) of the share capital of the Company, free of all charges and encumbrances and fully paid up, provided that they are not pledged as security for the performance of any obligation and that the nominal value of the shares, in addition to those already in the possession of the Company and any companies controlled by it, does not exceed 10% of the share capital of the Company

(c) Minimum and maximum acquisition price: the minimum acquisition price of shares shall be 75% of the quoted market price thereof; the maximum acquisition price shall be 120% of the quoted market price on the acquisition date.

(d) Maximum trading volume: the maximum daily trading volume for acquisitions of the Company's own shares shall not exceed 25% of the average volume of the Company's shares traded in the last ten trading sessions.

(e) Duration of authorisation: Five (5) years from the date of this Resolution.

In performing these transactions the Company shall adhere to the rules and regulations set out in the Company's internal Code of Conduct.

The Board of Directors is hereby authorised to use all or part of any shares so acquired for the purpose of implementing any remuneration package whose aim or effect is the delivery of shares or share options in accordance with paragraph 3 of article 75.1 of the Public Limited Companies Act [Ley de Sociedades Anónimas].

This authority to acquire shares supersedes the authority granted at the General Meeting of 28 April 2009 and any portion remaining to be allotted under that authority is hereby cancelled.

This authority is subject to the notarial instrument of the merger of the Company and Grupo Ferrovial, S.A. being registered with the Mercantile Registry of Madrid and shall be effective as from the time of such registration.

A.10 Indicate, as applicable, any restrictions imposed by Law or the company's bylaws on exercising voting

rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital: Indicate whether there are any legal restrictions on exercising voting rights:

NO

Maximum percentage of legal restrictions on voting rights a shareholder can exercise	0
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Indicate whether there are any restrictions included in the bylaws on exercising voting rights.

NO

Maximum percentage of restrictions under the company's bylaws on voting rights a shareholder can exercise	0
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Indicate if there are any legal restrictions on the acquisition or transfer of share capital:

NO

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

NO

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted:

B - COMPANY MANAGEMENT STRUCTURE

B.1 Board of Directors

B.1.1. List the maximum and minimum number of directors included in the bylaws.

Maximum number of directors	15
Minimum number of directors	5

B.1.2. Complete the following table with board members' details.

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
RAFAEL DEL PINO Y CALVO SOTELO	-	CHAIRMAN AND CHIEF EXECUTIVE OFFICER	15/07/98	03/12/09	Vote at general shareholders' meeting
SANTIAGO BERGARECHE BUSQUET	-	FIRST DEPUTY CHAIRMAN	03/12/09	03/12/09	Vote at general shareholders' meeting
JOAQUIN AYUSO GARCIA	-	SECOND DEPUTY CHAIRMAN	04/03/02	03/12/09	Vote at general shareholders' meeting
IÑIGO MEIRÁS AMUSCO	-	CHIEF EXECUTIVE OFFICER	03/12/09	03/12/09	Vote at general shareholders' meeting
GABRIELE BURGIO	-	DIRECTOR	03/12/09	03/12/09	Vote at general shareholders' meeting
JAIME CARVAJAL URQUIJO	-	DIRECTOR	03/12/09	03/12/09	Vote at general shareholders' meeting
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	-	DIRECTOR	27/10/04	03/12/09	Vote at general shareholders' meeting
JUAN ARENA DE LA MORA	-	DIRECTOR	03/12/09	03/12/09	Vote at general shareholders' meeting
KARLOVY, S.L.	JOAQUIN DEL PINO Y CALVO-SOTELO	DIRECTOR	25/03/10	25/03/10	CO-OPTATION
MARIA DEL PINO Y CALVO-SOTELO	-	DIRECTOR	03/12/09	03/12/09	Vote at general shareholders' meeting
PORTMAN BAELA S.L.	LEOPOLDO DEL PINO Y CALVO SOTELO	DIRECTOR	15/12/09	15/12/09	Vote at general shareholders' meeting
SANTIAGO FERNÁNDEZ VALBUENA	-	DIRECTOR	03/12/09	03/12/09	Vote at general shareholders' meeting

Total number of directors	12
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Indicate any board members who left during this period.

B.1.3 Complete the following tables on the Board members and their respective categories:

EXECUTIVE DIRECTORS

Name or corporate name of director	Committee proposing appointment	Post held in the company
RAFAEL DEL PINO Y CALVO-SOTELO	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
JOAQUIN AYUSO GARCIA	APPOINTMENTS AND REMUNERATIONS COMMITTEE	2 ND DEPUTY CHAIRMAN
IÑIGO MEIRÁS AMUSCO	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CHIEF EXECUTIVE OFFICER

Total number of executive directors	3
% of the board	25.000

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
KARLOVY, S.L.	APPOINTMENTS AND REMUNERATIONS COMMITTEE	PORTMAN BAELA S.L.
MARIA DEL PINO Y CALVO-SOTELO	APPOINTMENTS AND REMUNERATIONS COMMITTEE	PORTMAN BAELA S.L.
PORTMAN BAELA, S.L	APPOINTMENTS AND REMUNERATIONS COMMITTEE	PORTMAN BAELA S.L.

Total number of proprietary directors	3
% of the board	25.000

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director

SANTIAGO BERGARECHE BUSQUET

Profile

Graduated in Economics and Law from Deusto University.

Has been a member of the Board of Directors of Ferrovial since 1999. Joined Ferrovial in 1995 as Chairman of Agromán. Served as Chief Executive Officer from February 1999 to January 2002.

Joint Chairman of Cepsa, Non-Executive Chairman of Dinamia Capital Privado and Director of Vocento, Maxam, Consulnor and the Deusto Business School.

He was General Manager of Banco Bilbao Vizcaya Argentaria (BBVA), Chairman of

Metrovacesa and Director of Gamesa.

Name or corporate name of director

GABRIELE BURGIO

Profile

Graduated in Law and holds an MBA from INSEAD.

Has been a member of the Board of Directors of Ferrovial since 2002.

Member of the Board of Directors of Banque SYZ Co.

Has been Executive Chairman of NH Hoteles from 1999 to 2011. Mr Burgio has also been Chief Executive Officer and Chairman of NH Italia S.r.l. and Chief Executive Officer of Cofir.

Name or corporate name of director

JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS

Profile

Trained as an industrial engineer at the Universidad Politécnica in Barcelona. A graduate from the Harvard Business School ISMP programme. Mr Sánchez-Junco is a member of the State Corps of Industrial Engineers.

Appointed to the Board of Directors of Ferrovial in 2009. From 2004 to 2009 he served on the Board of Directors of Cintra.

Chairman and General Manager of MAXAM Group; Deputy Non-Executive Chairman of Dinamia Capital Privado.

Before that he was General Manager of Industrias Siderometalúrgicas y Navales and Director-General for Industry at the Ministry for Industry and Energy.

Name or corporate name of director

JUAN ARENA DE LA MORA

Profile

PhD in Industrial Engineering (ICAI); Degree in Business Studies (ICADE); Degree in Psychology; Diploma in Tax Studies and AMP (Harvard Business School).

Has been a member of the Board of Directors of Ferrovial since 2000.

Member of the Boards of Dinamia, Laboratorios Almirall, Everis, Melía Hotels International and PRISA.

He was CEO and Chairman of Bankinter and Member of the Board of TPI. Senior Lecturer at Harvard Business School; Chairman of Fundación SERES, of the Advisory Boards of Unience and Consulnor, and of the Professional Council at ESADE; Member of the Advisory Board at Spencer Stuart, the European Advisory Board at Harvard Business School; member of the Board of Directors of Deusto Business School.

Name or corporate name of director

SANTIAGO FERNÁNDEZ VALBUENA

Profile

Holder of a Degree in Economics from the Universidad Complutense and a PhD and Master's Degree in Economics from Northeastern University, Boston.

Has been a member of the Board of Directors of Ferrovial since 2008.

Chairman of Telefónica Latin America.

Mr. Fernández Valbuena was CEO of Fonditel; Director-General of Strategy, Finance and Development of Telefónica; Chief Executive Officer of Société Générale Valores and Head of Equities at Beta Capital; Lecturer in Applied Economics in the Universidad Complutense and a visiting lecturer at the Instituto de Empresa.

Total number of independent directors	5
% of the board	41.667

OTHER EXTERNAL DIRECTORS

Name or corporate name of director	Committee proposing appointment
JAIME CARVAJAL URQUIJO	APPOINTMENTS AND REMUNERATIONS COMMITTEE

Total number of other external directors	1
% of the board	8.333

List the reasons why these cannot be considered proprietary or independent directors, and detail their relationships with the company, its executives or shareholders.

Name or corporate name of Director

JAIME CARVAJAL URQUIJO

Company, executive or shareholder with whom the relationship is maintained

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Reasons

Jaime Carvajal Urquijo lost his formal status as Independent owing to the elapse of 12 years since his initial appointment in the former Grupo Ferrovial, S.A., in accordance with article 54.3 of the Bylaws.

List any changes in the category of each director which have occurred during the year.

Name or company name of director	Date of change	Previous category	Current category
JAIME CARVAJAL URQUIJO	27/05/11	INDEPENDENT	OTHER EXTERNAL

B.1.4 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

NO

B.1.5 Indicate whether any director has resigned from office before their term of office has expired, whether that director has given the board his/her reasons and through which channel. If made in writing to the whole board, list below the reasons given by that director.

NO

B.1.6 Indicate what powers, if any, have been delegated to the Chief Executive Officer:

Name or corporate name

RAFAEL DEL PINO Y CALVO-SOTELO

Brief description

All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.

Name or corporate name

IÑIGO MEIRÁS AMUSCO

Brief description

All powers except those that cannot, under the law or the Company's Bylaws, be so delegated.

B.1.7 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group:

Name or corporate name	Name of listed company	Post
JOAQUIN AYUSO GARCIA	AUTOPISTA ALCALA ODONELL, S.A.	CHAIRMAN
JOAQUIN AYUSO GARCIA	AUTOPISTA DEL SOL, S.A.	CHAIRMAN
JOAQUIN AYUSO GARCIA	AUTOPISTA MADRID LEVANTE CONCESIONARIA ESPAÑOLA, S.A.	CHAIRMAN
JOAQUIN AYUSO GARCIA	AUTOPISTA MADRID SUR CONCESIONARIA ESPAÑOLA, S.A.	DIRECTOR
JOAQUIN AYUSO GARCIA	FERROVIAL AGROMAN, S.A.	CHAIRMAN
JOAQUIN AYUSO GARCIA	INVERSORA DE AUTOPISTAS DE LEVANTE, S.L.	CHAIRMAN
JOAQUIN AYUSO GARCIA	INVERSORA DE AUTOPISTAS DEL SUR, S.L.	DIRECTOR
IÑIGO MEIRÁS AMUSCO	CINTRA INFRAESTRUCTURAS, S.A.	CHAIRMAN
IÑIGO MEIRÁS AMUSCO	FERROVIAL AEROPUERTOS, S.A.	CHAIRMAN
IÑIGO MEIRÁS AMUSCO	FERROVIAL AGROMAN, S.A.	DIRECTOR
IÑIGO MEIRÁS AMUSCO	FERROVIAL FISA, S.L.	CHAIRMAN
IÑIGO MEIRÁS AMUSCO	FERROVIAL QATAR LLC	DIRECTOR
IÑIGO MEIRÁS AMUSCO	FERROVIAL SERVICIOS, S.A.	CHAIRMAN
IÑIGO MEIRÁS AMUSCO	FINECOFER, S.L.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER

B.1.8 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company:

Name or corporate name	Name of listed company	Post
RAFAEL DEL PINO Y CALVO-SOTELO	BANCO ESPAÑOL DE CRÉDITO, S.A.	DIRECTOR
SANTIAGO BERGARECHE BUSQUET	VOCENTO, S.A.	DIRECTOR
SANTIAGO BERGARECHE BUSQUET	DINAMIA, S.A.	CHAIRMAN
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	DINAMIA, S.A.	VICE-CHAIRMAN
JUAN ARENA DE LA MORA	LABORATORIOS ALMIRALL, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	DINAMIA, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	PRISA, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	MELIA HOTELS INTERNATIONAL, S.A.	DIRECTOR

B.1.9 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

NO

B.1.10 In relation with Recommendation 8 of the Unified Code, indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

Investment and financing policy	YES
Design of the structure of the corporate group	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
The strategic or business plans, management targets and annual budgets	YES
Remuneration and evaluation of senior officers	YES
Risk control and management, and the periodic monitoring of internal information and control systems	YES
Dividend policy, as well as the policies and limits applying to treasury stock	YES

B.1.11 Complete the following tables on the aggregate remuneration paid to directors during the year:

a) In the reporting company:

Item of Remuneration	€000
Fixed remuneration	3,000
Variable remuneration	3,925
Per diems	618
Statutory compensation	1,081
Share options and/or other financial instruments	286
Other	0

Total	8,910
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Other benefits	€000
Advances	0
Loans	0
Funds and pension plans: Contributions	0
Funds and pension plans: Obligations	0
Life insurance premiums	0
Guarantees issued by the company in favour of directors	0

b) For company directors sitting on other governing bodies and/or holding senior management posts within group companies:

Item of Remuneration	€000
Fixed remuneration	0
Variable remuneration	0
Per diems	52
Statutory compensation	0
Share options and/or other financial instruments	0
Other	0

Total	52
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Other benefits	€000
Advances	0
Loans	0
Funds and pension plans: Contributions	0
Funds and pension plans: Obligations	0
Life insurance premiums	0
Guarantees issued by the company in favour of directors	0

c) Total remuneration by type of director:

Type of director	By company	By group
Executives	7,716	52
External proprietary	370	0
External independent	692	0
Other external	132	0

Total	8,910	52
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d) Remuneration as percentage of profit attributable to the parent company:

Total remuneration received by directors (in thousands €)	8,962
Total remuneration received by directors/profit attributable to parent company (%)	0.7

B.1.12 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year:

Name or corporate name	Post
ALVARO ECHANIZ URCELAY	GENERAL MANAGER, REAL ESTATE
JUAN FRANCISCO POLO MARTÍN	HEAD, COMMUNICATION AND CORPORATE RESPONSIBILITY
JAIME AGUIRRE DE CARCER Y MORENO	GENERAL MANAGER, HUMAN RESOURCES
ALBERTO FERREIRO PRADO	HEAD, INTERNAL AUDIT
FEDERICO FLÓREZ GUTIÉRREZ	GENERAL MANAGER, IT SYSTEMS
NICOLAS VILLEN JIMENEZ	GENERAL MANAGER, AIRPORTS
ERNESTO LÓPEZ MOZO	CHIEF FINANCIAL OFFICER
ENRIQUE DÍAZ- RATO REVUELTA	GENERAL MANAGER, MOTORWAYS
SANTIAGO ORTIZ VAAMONDE	GENERAL SECRETARY
SANTIAGO OLIVARES BLÁZQUEZ	GENERAL MANAGER, SERVICES
ALEJANDRO DE LA JOYA RUÍZ DE VELASCO	GENERAL MANAGER, CONSTRUCTION
MARÍA TERESA PULIDO MENDOZA	HEAD OF CORPORATE STRATEGY (from 1 April 2011)

Total remuneration received by senior management (in thousands €)	9,421
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B.1.13 Identify, in aggregate terms, any indemnity or “golden parachute” clauses that exist for members of the senior management (including executive directors) of the company or of its group in the event of dismissal or changes in control. Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group:

Number of beneficiaries	1
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	Board of Directors	General Shareholders' Meeting
Body authorising clauses	NO	NO

Is the General Shareholders' Meeting informed of such clauses?	NO
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B.1.14 Describe the procedures for establishing remuneration for board members and the relevant provisions in the bylaws.

Procedures for establishing Board members' remuneration and relevant provisions in the Bylaws

(a) Procedures for establishing Board members' remuneration (Regulations of the Board of Directors)

The Nomination and Remuneration Committee makes recommendations to the Board of Directors on the remuneration system and the annual amount to be paid to Directors. With regard to the payment of additional compensation to Directors performing executive functions, any discussion of such compensation for the Board must be preceded by a report from the Committee.

Decisions are taken by the Board of Directors and, where the matter requires higher authorisation, are submitted to the General Shareholders' Meeting for approval.

(b) Provisions of the Bylaws and regulatory requirements governing remuneration paid to the Board of Directors.

The present system of remuneration for the Board of Directors is included in Article 57 of the Bylaws:

"Article 57. Board of Directors Remuneration.

1. Members of the Board of Directors shall receive, as consideration for their duties as such, remuneration pursuant to the Bylaws, the total yearly amount of which will be determined by the General Shareholders' Meeting and reviewed and updated accordingly in keeping with the indices or criteria established by the General Shareholders' Meeting. Said remuneration will comprise the following items: (i) a fixed payment; (ii) allowances for effective attendance at the meetings of the Board of Directors and its delegate or advisory committees; and (iii) the lesser of the two following amounts: (a) the amount that must be added to the two aforementioned concepts to make up the total combined remuneration established by the General Shareholders' Meeting; or (b) an amount equivalent to 0.5% of consolidated profits for the financial year earmarked for allocation to the Company.

In any case, the amount stipulated in section (iii) above may only be effectively paid following compliance with the requirements set forth in article 218 of the Capital Companies Act.

2. The Board of Directors shall, for each financial year, define the method and time of payment and shall likewise agree upon the exact allocation among its members of the total remuneration prescribed by the Bylaws, as described in paragraph one above. Said allocation may be calculated individually, based on the relative involvement of each Board member in performing the duties of the Board

3. The compensation set forth in the preceding two sections will be compatible and without prejudice to fixed salaries; variable remuneration (based on attainment of business/corporate and/or personal performance targets); severance pay following the removal of directors for any reason other than breach of their duties; pensions; insurance policies; employee benefit schemes; deferred payment items; and remuneration formulae involving the delivery of shares, options on same or pegged to value thereof; all the foregoing for those members of the Board of Directors who perform executive functions.

4. The Company can purchase civil liability insurance for its Directors.

5. The Board of Directors shall annually approve a report on the remunerations policy which states the criteria and foundations used to determine remunerations to the directors during the last year and the year in progress, making it available to the shareholders at the time of the call to the Ordinary General Meeting. The content of the report shall be regulated by the Board of Directors Regulations.

(c) Remuneration of the Board of Directors for the year 2011. Combined total amount of annual remuneration

As mentioned above, the Company's present system of remuneration, as set out in article 57 of its Bylaws, is based on the fixing by the Board itself of a single combined annual amount of remuneration for all members of the Board of Directors.

The General Shareholders' Meeting of 22 October 2009 (under the name of Cintra Concesiones de Infraestructuras de Transporte, S.A.) fixed the annual amount of fixed remuneration of the Board of Directors as a whole at €1,772,727, having regard to the number of members of the Board (thirteen) at the time the amount was approved, so that if there was an increase or a decrease in the number of Directors the amount would be adjusted accordingly, based on the time for which incoming and outgoing Directors had held office.

The General Meeting also resolved that, for all years after 2009, the said amount would automatically be reviewed according to any change in the Consumer Price Index.

Pursuant to these resolutions, the fixed annual amount of remuneration for the year 2011 was set at €1,698,938.65 for the 12 members of the Board of Directors, and would be shared out among them in proportion to the amount of time for which they had served.

Components of Board of Directors' remuneration.

Under article 57 of the Bylaws the Board of Directors is responsible for deciding on how the combined annual total amount fixed by the General Shareholders' Meeting is to be distributed among its members. This remuneration shall have the following components:

(i) Fixed remuneration of €420,000 gross per annum for the 12 members of the Board of Directors who were in office at the end of the year. This amount remained unchanged from 2010.

(ii) Per diems for actual attendance at meetings of the Board of Directors and of any delegated or advisory Committees of the Board.

The total amount accruing to Directors in per diem payments for 2011 was €618,000.

(iii) And the lesser of: (a) any amount available, after deduction of the above two amounts, to form the combined total amount fixed by the General Meeting; and (b) an amount equal to 0.5% of the consolidated profit for the year attributable to the Company.

For the year 2011, as the 0.5% of the consolidated profit for the year attributable to the Company was the greater of the two amounts, the sum to be distributed as the third remuneration component was the sum remaining available as described under (a) above, that is, the sum of €660,938.65 gross, again in proportion to the amount of time for which Directors had been in office. For distribution the resulting amount is divided into 14, with the following factors being applied to these amounts to arrive at each individual payment: Chairman of the Board 2; First Deputy Chairman 1.75; Second Deputy Chairman 1.25; all other Board members 1

In accordance with policy laid down by the Board of Directors, the amount payable in respect of this third component is subject to the recipient making a mandatory investment in shares of the Company. The shares are to be purchased in a single transaction during the first stock market trading session after the final date by which periodic financial reports are required to be filed with the CNMV after the holding of a General Shareholders' Meeting approving the financial statements for the year

A breakdown of remuneration payable to each individual Director for the year 2011 is provided in Section G.

Indicate whether the Board has reserved for plenary approval the following decisions:

On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.	NO
Directors' remuneration, and, in the case of executive directors, the additional remuneration for their executive functions and other contract conditions.	YES

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the points included:

YES

The amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to.	YES
Variable components	NO
The main characteristics of pension systems, including an estimate of their amount of annual equivalent cost.	YES
The conditions that the contracts of executive directors exercising executive functions shall respect.	YES

B.1.16 Indicate whether the Board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. Explain the points of the report regarding the remuneration policy as approved by the Board for forthcoming years, the most significant departures in those policies with respect to that applied during the year in question and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants.

YES

Issues covered in the remuneration policy report

Issues covered in the remuneration policy report

As required by article 61 ter of the Spanish Securities Market Act, for the year 2011 the Board of Directors of Ferrovial, S.A. will be drawing up and making available to an Annual Directors Remuneration Report.

Such report will describe aspects relating to the Company's remuneration policy for 2011, the planned policy for future years, a global summary of how the remuneration policy was applied during the year and details of individual remuneration accrued by each Director. In particular:

- Principles, standards and basis of Ferrovial remuneration policy.
- Changes in remuneration policy.
- Relative weight of variable remuneration vs. fixed remuneration and standards for determining components of directors' remuneration package.
- Preliminary work and decision-making process of Nomination and Remuneration Committee and other oversight bodies.
- Amount and nature of fixed components.
- Amount and nature of variable components.
- Long-term saving systems
- Agreed or paid indemnities.
- Contractual conditions
- Supplementary remuneration
- Advances, credits and guarantees
- Other remuneration.
- Deferred remuneration

- Relationship between remuneration and company income.

This report will be put to an advisory vote of the Ordinary General Shareholders' Meeting as a separate point on the agenda.

Role of the Remunerations Committee

As already mentioned, the Annual Report on Remuneration is reviewed by the Nomination and Remuneration Committee before it is formally approved by the Board of Directors.

In the area of remuneration the Committee also has the following responsibilities:

- The power to make recommendations on the Directors' remuneration in accordance with the Bylaws.
- Submitting recommendations to the Board on additional remuneration payable to Executive Directors in respect of their executive functions.
- Overseeing compliance with the remuneration policy set by the Company.

Have external consultancy firms been used?	YES
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Identity of external consultants

(See Section G)

B.1.17 List any Board members who are likewise members of the boards of directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies:

Name or company name of director	Company name or shareholder	Post
RAFAEL DEL PINO Y CALVO-SOTELO	KARLOVY, S.A.	Representative of Chairman & CEO
RAFAEL DEL PINO Y CALVO-SOTELO	PORTMAN BAELA S.L.	Representative of Chairman & CEO
MARÍA DEL PINO Y CALVO-SOTELO	PORTMAN BAELA S.L.	Deputy Chairman & Chief Executive Officer
MARÍA DEL PINO Y CALVO-SOTELO	KARLOVY, S.A.	Deputy Chairman & Chief Executive Officer

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies:

B.1.18 Indicate whether any changes have been made to the regulations of the Board of Directors during the year:

NO

B.1.19 Indicate the procedures for appointing, re-electing, appraising and removing directors. List the competent bodies and the processes and criteria to be followed for each procedure.

Composition of the Board

The Bylaws and Regulations of the Board of Directors require the Board to do its utmost to ensure that external or Non-Executive Directors form an ample majority of Board members. The Board shall also seek to ensure that the group of external Directors forming a majority of Board members includes proprietary and independent Directors, with the latter making up a significant proportion of the group. Independent Directors should, in any event, represent at least one third of all board members.

Recruitment of Directors.

The Regulations of the Board of Directors include a procedure for nominating or shortlisting candidates for appointment or re-appointment as Directors. This procedure, when used to select new Directors, has normally been implemented with assistance from recruitment firms.

The responsibilities of the Nomination and Remuneration Committee include the drawing up of selection criteria on the basis of which candidates are to be chosen. Appointments (or re-appointments) of Directors, under article 26 of the Regulations of the Board of Directors, are to be preceded by:

- a recommendation from the Nomination and Remuneration Committee in the case of an Independent Director.
- a prior report for all other appointments to the Board.

Every effort is made to ensure that successful candidates are of proven reliability, competence and expertise, and special care is taken with appointments to posts of Independent Director, which must be in accordance with the relevant provisions of the Regulations.

Proprietary Directors are not permitted by the Regulations to maintain, directly or indirectly, and in a personal capacity, any significant commercial, business, employment or professional relations with

Ferrovial other than in the performance of the duties inherent to the offices of Chairman and Chief Executive Officer of the Company.

The Regulations of the Board of Directors do not specify any particular qualification or requirement for appointment as Chairman of the Board.

The Regulations require the Company to set up an induction programme for newly-appointed Directors to provide them with a broad and balanced overview of Ferrovial, including its rules on corporate governance.

Directors proposed for appointment, re-election or removal shall not intervene in the corresponding deliberations and voting. All votes shall be taken in secret.

Term of office.

Under the Bylaws and the Regulations of the Board of Directors, Directors shall hold office for a period of three years and may be reappointed.

Independent Directors are required to offer their resignations to the Board and, if seen fit by the Board, to formally present their resignation when they have completed twelve (12) years in office, without prejudice to their continuing to serve as Directors of a different category.

Appointments to the posts of Chief Executive Officer and Secretary to the Board, and membership of Board Committees.

The Nomination and Remuneration Committee is required to:

- Submit a prior report on the appointment, resignation or removal of the Chief Executive Officer or, on a proposal from the Chairman, the Secretary to the Board.
- Propose Board members to sit on Board Committees.

Evaluation of the Board of Directors.

The Regulations of the Board of Directors requires the Board to evaluate every two years:

- its performance workings and the quality and efficiency of its work.
- the performance of the Chairperson and Managing Director of the Company, following consultation with the Nomination and Remuneration Committee.
- the performance of its Committees, on the basis of reports furnished by them.

In 2010 the Board undertook an assessment of the Board's own organisation and functioning. The results of the assessment were discussed in 2011. In the course of its assessment the Board received advice from a specialist firm of consultants.

In 2012, the Board plans to undertake an assessment of its own organisation and functioning. This process will be carried out with the advice of a specialist firm of consultants.

B.1.20. Indicate the cases in which directors must resign.

Rules have been laid down for Director resignations. The Regulations of the Board of Directors provide a set of circumstances in which Directors are required to offer their resignations to the Company and, if considered appropriate by the Company, to formally resign. In addition to termination of a Director's appointment at the end of their term of office or when the General Meeting so decides, the Regulations provide the following grounds of termination:

- In the case of an Executive Director, where the Board of Directors considers it appropriate.

- In the case of Proprietary Directors, when the whole of the shareholding in the Company in respect of which they were appointed is transferred. Directors must also resign from office, in a suitable number, if such shareholding is reduced to a level that requires a reduction in the number of Proprietary Directors.
- In the case of Independent Directors, as already mentioned, when they have completed twelve (12) years in office, without prejudice to their continuing to serve as Directors of a different category.
- When they are in any situation giving rise to a conflict of interest or otherwise prohibiting them from holding office, whether provided for by law or by Company Regulations.
- At the request of the Board of Directors, following a breach of their obligations as a Director.
- Where the Director could, by continuing to serve as a member of the Board, place the interests of Ferrovial in jeopardy.
- On reaching the age of 70 years. The Chairman, the Deputy Chairman when performing executive functions, the Chief Executive Officer and the Secretary to the Board are required to resign on reaching the age of 65 but may continue to serve as Chairman and Deputy Chairman where these do not involve executive functions.
- If there is a significant change in their employment situation or in the conditions relevant to their appointments as Directors.
- Where due to circumstances attributable to the Director, their continuing presence on the Board would, in the Board's opinion, cause serious harm to the assets or reputation of the Company. In particular, if a Director is tried or summoned to attend a court hearing on a charge under section 213 of the Spanish Capital Companies Act, the Board will as soon as possible consider the circumstances of the case and whether or not the Director should remain in office, and report its conclusions in the Annual Report on Corporate Governance.

With regard to Independent Directors, the Regulations of the Board of Directors state that the Board will not ask them to resign before the end of their term of office unless it considers there are reasonable grounds for doing so after a recommendation has been received from the Nomination and Remuneration Committee. Reasonable grounds are considered to exist, in particular, where an Independent Director has failed in his duty or has a conflict of interest, or in any of the circumstances described above.

An Independent Director may also be asked to resign if, as a result of a takeover bid, merger or other transaction of a similar nature, a change in the capital structure of the Company occurs such as to require an adjustment to the proportionality rules laid down in the recommendations on corporate governance.

B.1.21 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person:

YES

Measures for limiting risk

A) Powers of the Board of Directors

The Board of Directors is responsible for performing the management, representational and supervisory tasks necessary to ensure that the Company's objects are achieved and to protect the general interests of the Company and create value for the benefit of all shareholders.

Furthermore, without prejudice to any delegated powers exercisable by it, the Board directly appropriates to itself or to Board Committees the power to deliberate on certain matters on which is it required to reach decisions. These include the following:

- Approval and oversight of strategies for the Company's development.
- Supervision of management activities and evaluation of managers.
- Setting up new companies and acquiring or selling existing shareholdings where such action would result in the taking or losing of a majority shareholding or a proportional shareholding of more than a certain size, or in the launching or discontinuing of one or more business lines.
- Any merger, spin-off or restructuring involving the Company or any company of which the Company is a shareholder.
- Transactions involving investments, disposals, financings or guarantees affecting significant Group assets whose value exceeds certain thresholds.

B) Chief Executive Officer

The Company has had a Chief Executive Officer since it was stock market listed.

c) Lead Director

The Board of Directors has also appointed a Lead Director. (See the following section.)

Indicate, and if necessary, explain, whether rules have been established that enable any of the independent directors to convene Board Meetings or include new items on the agenda, to coordinate and voice the concerns of external directors and oversee the evaluation by the Board of Directors.

YES

Explanation of rules

Lead Director

Article 15 of the Regulations of the Board of Directors requires that where the Chairman is also the Company's first executive, one of the Independent Directors will take the role of coordinating the External Directors. In particular, he/she will act as a conduit for any issues or concerns raised by the external directors and may ask for a Board meeting to be called and for items to be included on the agenda.

The Lead Director must be an Independent Director.

The Lead Director is appointed by the Board of Directors based on a proposal by the Nomination and Remuneration Committee.

At a meeting of the Board held on 30 June 2011, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Santiago Bergareche Busquet Lead Director for a term of one year.

B.1.22. Are qualified majorities, other than legal majorities, required for any type of decisions?

NO

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions:

Description of resolution:

All resolutions

Quorum	%
More than half, at least, of those present (in person or by proxy)	50.01

Type of majority	%
An absolute majority of Directors present	50.01

B.1.23. Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

NO

B.1.24. Indicate whether the Chairman has the casting vote.

YES

Subjects for which a casting vote is required
In a vote on any matter on which there is a tie, the Chairman's vote will be decisive.

B.1.25. Indicate whether the bylaws or the regulations of the Board of Directors set any age limit for directors.

YES

Age limit for Chairman	Age limit for CEO	Age limit for directors
65	65	70

B.1.26 Indicate whether the bylaws or the regulations of the Board of Directors set a limited term of office for independent directors:

YES

Maximum number of years in office	12
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B.1.27 If there are few or no female directors, explain the reasons and describe the initiatives adopted to remedy this situation.

Explanation of reasons and initiatives
The Board of Directors includes one female Director.

Indicate in particular whether the Appointments and Remuneration Committee has established procedures to ensure the selection processes are not subject to implicit bias that will make it difficult to select female directors, and make a conscious effort to search for female candidates who have the required profile:

NO

Indicate the main procedures	

B.1.28 Indicate whether there are any formal processes for granting proxies at board meetings. If so, give brief details.

Under article 47.3 of the Bylaws and article 24.3 of the Regulations of the Board of Directors, if a Director cannot attend in person, he will seek to appoint another member of the Board to act as his proxy; such appointment must be in writing, for a special purpose, and should include voting instructions where the form of the agenda so permits.

B.1.29 Indicate the number of Board meetings held during the year and how many times the board has met without the Chairman's attendance:

Number of board meetings	11
Number of board meetings held in the absence of its chairman	0

Indicate how many meetings of the various board committees were held during the year.

Number of meetings of the Executive or Delegated Committee	9
Number of meetings of the Audit and Compliance Committee	6
Number of meetings of the Appointments and Remunerations Committee	3
Number of meetings of the Appointments Committee	0
Number of meetings of the Remunerations Committee	0

B.1.30 Indicate the number of Board meetings held during the financial year without the attendance of all members. Non-attendance will also include proxies granted without specific instructions:

Number of non-attendances by directors during the year	7
% of non-attendances of the total votes cast during the year	5.303

B.1.31 Indicate whether the individual and consolidated financial statements submitted for approval by the board are certified previously:

YES

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior to their authorisation for issue by the board.

Name	Post
RAFAEL DEL PINO Y CALVO-SOTELO	CHAIRMAN OF THE BOARD OF DIRECTORS
IÑIGO MEIRÁS AMUSCO	CHIEF EXECUTIVE OFFICER
ERNESTO LÓPEZ MOZO	CHIEF FINANCIAL OFFICER

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being submitted to the General Shareholders' Meeting with a qualified Audit Report.

With regard to responsibility for preparing the financial statements, the Regulations of the Board of Directors contain the following provisions:

- Every effort will be made to ensure that there are no qualifications in the Auditor's Report.
- However, when a qualification is made and the Board considers that it should maintain its position, the Chairman of the Audit and Control Committee and, if required, the External Auditor, will publicly explain the nature and extent of the disagreement.

B.1.33 Is the Secretary of the board also a director?

NO

B.1.34 Explain the procedure for appointing and removing the Secretary of the Board, indicating whether his/her appointment and removal have been notified by the Appointments Committee and approved by the board in plenary session.

Appointment and removal procedure
To be appointed Secretary to the Board of Directors it is not necessary to be a Director. Appointments and removals are proposed by the Chairman and approved by the Board on the basis of a report from the Nomination and Remuneration Committee.

Does the Appointments Committee propose appointments?	YES
Does the Appointments Committee advise on dismissals?	YES
Do appointments have to be approved by the board in plenary session?	YES
Do dismissals have to be approved by the board in plenary session?	YES

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

YES

Remarks
Under the Regulations of the Board of Directors the duties of the Secretary to the Board include verifying the Company's compliance with the corporate governance regulations and of interpreting them. He/she will also take account of the corporate governance recommendations which the Company must adopt and will analyse those arising at any time in order to include them in the Company's internal rules.

B.1.35 Indicate and explain, where applicable, the mechanisms implemented by the company to preserve the independence of the auditor, financial analysts, investment banks and of rating agencies.

Audit and Compliance Committee:

One area of responsibility of the Audit and Control Committee, in addition to those already mentioned, is to advise on the appointment of the Auditor, the terms of his engagement, the scope of his work and on whether or not his appointment should be renewed.

The Committee cannot in any circumstances recommend that the Board employ any auditing firm whose total fees are expected to exceed 5% of the firm's total revenue for the last year.

In any event, the Committee must, on an annual basis, receive from the Auditor written confirmation of its independence with respect to the Company or institutions directly or indirectly connected to the Company, as well as information on any type of additional services provided to these institutions by the said Auditor, or by persons or institutions related to the latter pursuant to the provisions of the Audit Act 19/1988 of 12 July. The Committee issues annually, prior to the issuing of the external auditor's report, a report expressing an opinion on the independence of the external auditor. This report must express an opinion on the provision of the aforementioned additional services.

Internal procedures.

Under the Company's internal procedures the Finance Department is responsible for advising on the engagement of external auditors for due diligence reviews when a new company is to be acquired or for other special tasks requiring the intervention of external auditors.

In addition, the Company has an internal procedure in place under which the engagement of any professional consultancy or advisory services from auditing firms or other organisations related to them, whether or not any of these firms have at the time been engaged to review the consolidated or individual financial statements of Ferrovial S.A. or any company in its group, must have first been authorised either by the Audit and Control Committee or by the Finance Department, depending on whether or not the cost of the services exceeds a certain amount. Every six months the Audit and Control Committee receives a summary report of all employment commitments actually made.

Restrictions on the employment of analysts.

With regard to the employment of analysts, the Nomination and Remuneration Committee is responsible for taking measures to ensure that Ferrovial does not employ any staff or senior executives who have carried out research on the Company for a rating agency within a period of two years after they have left the rating agency's employ. The Nomination and Remuneration Committee decided that the Human Resources Department was the department best equipped to take the measures necessary to prevent the employment of such persons. As a result, in 2008 the Human Resources Department approved an internal procedure for this purpose.

B.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor:

NO

Outgoing auditor	Incoming auditor

Explain any disagreements with the outgoing auditor and the reasons for the same.

B.1.37 Indicate whether the audit firm performs non-audit work for the Company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group.

YES

	Company	Group	Total
Amount of non-audit work (in thousands €)	0	1,002	1,002
Amount of non-audit work as a % of the total amount billed by audit firm	0.000	27.780	27.780

B.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

NO

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	2	2

	Company	Group
Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%)	50.0	50.0

B.1.40 List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies:

B.1.41 Indicate and give details of any procedures through which directors may receive external advice:

YES

Details of procedure
<p>Under the Regulations of the Board of Directors, Directors are at liberty to approach any Senior Manager for information and should inform the Company Chairman when doing so. They are also free to ask the Chairman, the Chief Executive Officer and the Secretary to the Board for any other or further information they may reasonably require.</p> <p>To help Directors in performing their duties, the Regulations of the Board of Directors also provide that Directors may request that legal, accountancy, financial or other expert advisors be engaged at the Company's expense to provide assistance on particular issues where these are of a certain importance or complexity. Any such request should be made to the Chairman of the Company and may only be rejected by the Board in certain limited cases.</p> <p>Finally, there is a special provision in the Regulations under which Audit and Control Committee may, subject to certain requirements, seek expert assistance in performing its duties.</p>

B.1.42 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies:

YES

Details of procedure
<p>Once a year the Board of Directors draws up a schedule of dates and topics for meetings scheduled to take place during the year.</p> <p>Meetings of the Board of Directors are convened by written notice to each Director in person accompanied by the documents they will need to familiarise themselves with the business on the agenda. Save in exceptional circumstances, such notice and documents must be delivered not less than 48 hours in advance of the date of the meeting.</p> <p>In addition Directors are permitted by the Regulations of the Board of Directors to request information directly from Senior Management, and should inform the Company Chairman when doing so. They may also ask the Chairman, the Chief Executive Officer and the Secretary to the Board for any information they may reasonably require.</p>

B.1.43 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

YES

Details of rules

Under the Regulations of the Board of Directors, Directors are required to tender their resignation to the Company in certain circumstances, including the following:

If there is a significant change in their employment situation or in the conditions relevant to their appointments as Directors.

Where due to circumstances attributable to the Director, their continuing presence on the Board would, in the Board's opinion, cause serious harm to the assets or reputation of the Company. In particular, if a Director is tried or summoned to attend a court hearing on a charge under article 124 of the Public Limited Companies Act, now section article 213 of the new Capital Companies Act, the Board will as soon as possible consider the circumstances of the case and whether or not the Director should remain in office, and report its conclusions in the Annual Report on Corporate Governance.

The Regulations of the Board of Directors also requires Directors, as part of their duty of disclosure, to inform the Company of any criminal or other proceedings taken against them which are of a sufficiently serious nature to risk causing grave harm to Ferrovial's reputation.

B.1.44 Indicate whether any director has notified the company that he/she has been indicted or tried for any of the offences stated in article 124 of the Public Limited Companies Act (LSA for its initials in Spanish).

NO

Indicate whether the Board of Directors has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office.

NO

Decision	Explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all the committees of the Board of Directors and their members:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Post	Type
RAFAEL DEL PINO Y CALVO-SOTELO	CHAIRMAN	EXECUTIVE
JAIME CARVAJAL URQUIJO	BOARD MEMBER	OTHER EXTERNAL
JOAQUIN AYUSO GARCIA	BOARD MEMBER	EXECUTIVE
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	BOARD MEMBER	INDEPENDENT
MARIA DEL PINO Y CALVO-SOTELO	BOARD MEMBER	Proprietary
SANTIAGO BERGARECHE BUSQUET	BOARD MEMBER	INDEPENDENT
IÑIGO MEIRÁS AMUSCO	BOARD MEMBER	EXECUTIVE

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Type
GABRIELE BURGIO	CHAIRMAN	INDEPENDENT
JAIME CARVAJAL URQUIJO	BOARD MEMBER	OTHER EXTERNAL
JUAN ARENA DE LA MORA	BOARD MEMBER	INDEPENDENT
SANTIAGO BERGARECHE BUSQUET	BOARD MEMBER	INDEPENDENT

AUDIT AND CONTROL COMMITTEE

Name	Post	Type
SANTIAGO FERNÁNDEZ VALBUENA	CHAIRMAN	INDEPENDENT
GABRIELE BURGIO	BOARD MEMBER	INDEPENDENT
JUAN ARENA DE LA MORA	BOARD MEMBER	INDEPENDENT
PORTMAN BAELA S.L.	BOARD MEMBER	PROPRIETARY

B.2.2. Indicate whether the Audit Committee is responsible for the following.

To supervise the preparation process and monitoring the integrity of financial information on the company and, if applicable, the group, and revising compliance with regulatory requirements, the adequate boundaries of the scope of consolidation and correct application of accounting principles.	YES
To regularly review internal control and risk management systems, so main risks are correctly identified, managed and notified.	YES
To safeguard the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	YES
To establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	YES
To submit to the board proposals for the selection, appointment, reappointment and removal of the external auditor, and the engagement conditions.	YES
To receive regular information from the external auditor on the progress and findings of the audit programme and check that senior management are acting on its recommendations.	YES
To ensure the independence of the external auditor.	YES
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	YES

B.2.3 Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

The Committees set up to advise the Board of Directors are the Audit and Control Committee and the Nomination and Remuneration Committee which were created in Grupo Ferrovial, S.A. (now Ferrovial, S.A.) in 1999.

Both Committees are composed entirely of External Directors as required by the Regulations of the Board of Directors, and their duties are concerned with reporting, advising, supervising and making recommendations within their respective areas of responsibility. The powers of Committees to make recommendations cannot prevent the Board from making decisions within these areas on its own initiative, while taking account of the Committee's report.

The Regulations of the Board of Directors prohibits the taking of any decision against a Committee's recommendation, except by a resolution of the Board of Directors.

The Regulations require that the Chairmen of both Committees be Independent Directors. Both Committees have the same minimum and maximum number of members, which are fixed by the Regulations at between four and six.

The minutes of Advisory Committee meetings are circulated to all Directors. A report on the Committee's deliberations is also given at the first Board meeting to be held after each Committee meeting.

For a description of each Committee's responsibilities, see Section B.2.4.

Committee name

NOMINATION AND REMUNERATIONS COMMITTEE

Brief description

The rules of procedure of the Nomination and Remuneration Committee are as described above for the Audit and Control Committee. The Committee's responsibilities are described in Section B.2.4.

Committee name

EXECUTIVE OR DELEGATE COMMITTEE

Brief description

All powers of the Board of Directors have been delegated to the Executive Committee except for those which under the law or the Bylaws cannot be so delegated. It is responsible for recommending and overseeing Ferrovial's financial, business and investment strategy. However, article 18.1 of the Regulations of the Board of Directors requires that every effort be made to ensure that all decisions of the types listed therein are taken by the Executive Committee in urgent cases only and that they are then confirmed by the Board. The Committee's rules of membership and procedure follow the same principles as are applied to the Board of Directors and are set out in the Regulations. Minutes are taken of all meetings of the Executive Committee and are circulated to all members of the Board to familiarise them with the agenda that was discussed and the decisions reached on each item. For a description of the Committee's responsibilities see Section B.2.4.

B.2.4 Indicate any advisory or consulting powers and, where applicable, the powers delegated to each of the committees:

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

Under article 52 of the Bylaws and article 21 of the Regulations of the Board of Directors, the most significant functions of this Committee are as follows:

In the area of External Audit:

Making recommendations to the Board of Directors, for submission to the General Meeting, on the appointment of the External Auditor and the terms of his engagement.

Serving as a channel of communication between the Board of Directors and the External Auditors. Overseeing the independence of the Auditor. Checking that Senior Managers are acting on the Auditor's recommendations.

Overseeing of any additional services provided to the Company by the External Auditor.

In the area of Internal Audit:

Making recommendations on the selection, appointment, re-appointment or replacement of the head of Internal Audit, and on the department's budget.

Supervising the Internal Audit programme and monitoring compliance.

In the area of financial reporting:

Supervising the process of financial reporting and the report submitted for approval of the Board.

Supervising the effective functioning of the Company's internal control systems.

In the area of risk control:

Analysing and periodically evaluating the main business risks and the systems in place for managing these risks. Finally, in other areas:

Supervising compliance with rules on corporate governance.

Setting up and supervising a "whistle-blowing channel."

Reporting on operations to set up and acquire companies domiciled in tax havens and on those set up for special purposes pursuant to the Regulations of the Board of Directors.

Committee name

NOMINATION AND REMUNERATIONS COMMITTEE

Brief description

The Committee's main responsibilities are: Making recommendations for appointments of Independent Directors and reporting on proposed appointments of other Directors. Submitting reports on appointments to the posts of Chief Executive Officer and Secretary to the Board. Making recommendations for appointments of Committee members. Making a recommendation for the appointment of a Lead Director. Proposing a system of annual remuneration for Directors and the amount of that remuneration, reporting on the annual remuneration paid to Executive Directors and other terms of their contracts. Reporting on the appointment or removal of senior managers directly answerable to the Chief Executive Officer. Reporting on the contracts of and compensation payable to Senior Managers. Reviewing the process for ensuring an orderly succession to the Chairman and the Chief Executive Officer.

Committee name

EXECUTIVE OR DELEGATE COMMITTEE

Brief description

All powers of the Board of Directors have been delegated to the Executive Committee except for those which under the law or the Bylaws cannot be so delegated. It is responsible for recommending and overseeing Ferrovial's financial, business and investment strategy.

B.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also indicate whether an annual report on the activities of each committee has been prepared voluntarily.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

All powers of the Board of Directors have been delegated to the Executive Committee except for those which under the law or the Bylaws cannot be so delegated. The Regulations of the Board of Directors state that Advisory Committees, including the Audit and Control Committee, are to draw up their own rules of procedure and where no special provision has been made the rules that apply will be the rules of procedure established by the Board in its own Regulations, provided that these are compatible with the nature and purpose of the Committee. Each year the Audit and Control Committee prepares a report on its activities which is included as part of the Company's annual business review. Its Chairman also reports to the General Meeting on the Committee's activities.

Committee name

NOMINATION AND REMUNERATION COMMITTEE

Brief description

The Regulations of the Board of Directors state that Advisory Committees, including the Nomination and Remuneration Committee, are to draw up their own rules of procedure and where no special provision has been made the rules that apply will be the rules of procedure established by the Board in its own Regulations, provided that these are compatible with the nature and purpose of the Committee.

Committee name

EXECUTIVE OR DELEGATE COMMITTEE

Brief description

The Executive Committee is governed by the Regulations of the Board of Directors and, where applicable, by the rules applicable to the Board of Directors. The Regulations of the Board of Directors are registered with the Mercantile Registry and can be viewed on the group web site at www.ferrovial.com.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of directors.

YES

C RELATED-PARTY TRANSACTIONS

C.1 Indicate whether the board plenary sessions have reserved the right to approve, based on a favourable report from the Audit Committee or any other committee responsible for this task, transactions which the company carries out with directors, significant shareholders or representatives on the Board, or related parties:

YES

C.2 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies and the significant shareholders in the company:

C.3 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies, and the company's managers or directors.

C.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities:

C.5 Identify, where appropriate, any conflicts of interest affecting company Directors pursuant to Article 127 of the LSA.

NO

C.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Directors are required by the Regulations of the Board of Directors to make every effort to avoid conflicts of interest and are under obligation to give the Secretary to the Board advance notice of any conflict that arises.

If required, the matter is referred to the Board of Directors.

In no circumstances should a Director be present at or take part in any discussions on matters in which he has a personal interest.

These requirements also apply to controlling shareholders, Senior Managers and any persons who are related to any of them.

In particular the Regulations require that a Proprietary Director disclose to the Company any circumstances that could involve a conflict of interest between the shareholders nominating the Proprietary Director and Ferrovial. In these circumstances, all parties concerned are likewise required to abstain from taking any part in the decision process.

In accordance with the Regulations of the Board of Directors , all professional or commercial

transactions involving Ferrovial, S.A. or its subsidiaries and the persons referred to below require the authorisation of the Board of Directors, subject to a report from the Audit and Control Committee. In the case of ordinary transactions involving Ferrovial, the general approval of the Board of Directors will suffice. This authorisation is not necessary, however, for transactions that simultaneously fulfil the following three conditions:

- 1.- They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
- 2.- They are carried out at prices or rates established on a general basis by the party acting as the supplier of the good or service in question.
- 3.- The amount does not exceed more than 1% of the company's annual revenues.

The following persons are subject to these rules:

- Directors of Ferrovial S.A. The person requesting authorisation must vacate the meeting room while the Board deliberates and votes and may not exercise or delegate his or her voting rights.
- Controlling shareholders.
- Natural persons representing directors that are legal persons.
- Senior executives.
- Other managers designated individually by the Board of Directors.
- Persons related to the above listed persons, as defined in the Regulations of the Board of Directors.

Details of related-party transactions in 2011 are provided in Section G.

C.7 Is more than one group company listed in Spain?

NO

Identify the listed subsidiaries in Spain:

D - RISK CONTROL SYSTEMS

D.1 Give a general description of risk policy in the company and/or its group, detailing and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

The Board of Directors is responsible, as per article 8 of the Regulations of the Board of Directors, for approving the risk control and management policy. The Board has determined that risk policy at Ferrovial can be concisely expressed by the following principles:

- Awareness and proportionality of the risk assumed.
- Protection of people's health and integrity.
- Observance of the Code of Ethics
- Definition and delegation of responsibilities
- Distribution of information
- Assessment of risks
- Integration and coordination with other systems

I. Introduction

Ferrovial has implemented a comprehensive risk management system called Ferrovial Risk Management (FRM). The system, which is oriented towards associating risks analysed with the objectives these risks threaten, is applied to all the group's lines of business, including subsidiaries in which Ferrovial has management capacity. The Corporate Risk Management Department is responsible for coordinating the application and operation of the FRM.

II. The Company's Main Risks

Ferrovial operates in countries with different social and economic situations and regulatory frameworks. In general, Ferrovial believes that significant risks are those that may compromise the viability of its businesses; their profitability; and corporate reputation, particularly any factor that may compromise the safety of its employees or third parties affected by its business activities or that might impact on the environment in which those activities are performed.

In particular, the most significant tracked and managed by the system are as follows:

1. Strategic risks

The following is analysis of possible risks related to the market and the environment in which each business operates; those which may arise from alliances with partners; and others related to company's own organisation, its structures of governance and relations with external agents.

Notable among these risks is the monitoring of the following:

(a) Regulatory and socio-political risks

Especially in airport and toll road activities, although other businesses may also be affected by

regulatory changes.

For example, activities related to environmental policies, such as energy efficiency, waste management or wastewater treatment are tightly dependent on sector regulation. The central offices constantly monitor environmental regulatory processes that might affect business areas, seeking to not only control risk for group activities but also exercise influence to exploit opportunities that may arise in new regulatory frameworks.

(b) Risk of buy-back in the concession without payment of compensation (linked to so-called country risk).

Ferrovial's investment focuses mainly on OECD countries since their political, social and economic conditions and legal certainty are considered to be stable and sound. In this context, the risk that the government will denationalise the concessions is sufficiently hedged by the clauses that guarantee indemnity and compensation to concession holders.

(c) Social movements against transport infrastructure or expansion, or movements organised by interest groups favouring the suppression of toll-road charges or any others linked with concession contracts.

Regarding action taken by these interest groups, the corporate and business division Managements are in permanent contact with them in order to meet their expectations and anticipate any possible impact on the company.

2. Operational Risks

Following the chain of each business, the analysis focuses on the possible emergence of risks related to processes of sales, collections and customer relations; in procurement, payment and relations with suppliers and on different risks related to assets and factors of production. Of all these potential risks, special attention is focused on the following:

(a) Quality risks related to deficiencies or delays in executing work or providing services to customers and users.

All business areas have implemented quality management systems. The systems perform continuous follow-up of key indicators, which measure the quality levels of the work delivered (Construction), or the service provided to users (Services, Toll Roads and Airports), with the aim of establishing preventive measures and early courses of action to reduce the probability of risk emergence.

In addition, satisfaction surveys are carried out by independent experts with a view to identifying the critical areas of customer and user dissatisfaction and setting in motion measures designed to solve these deficiencies. These surveys are targeted at representative samples of customers, as well as users of installations and services provided by Ferrovial.

(b) Environmental risks, arising from practices that may generate a significant environmental impact, mainly as an effect of construction work, waste product management or processing, transport infrastructure operation and the provision of other services.

Risks of environmental pollution and damage related to the new European liability system (Directive 2004/35/EC). This is considered a particularly significant risk in the activities carried out by Services (basically at waste product management facilities) and, to a lesser extent, at Airports and Toll Roads (for example, spills from fuel tanks and other ecotoxic substances).

Specific procedures exist for managing environment risk implemented by the business areas of Construction, Services and Airports that are oriented towards identifying and evaluating the most relevant risks, as well as managing, mitigating and controlling them. By developing and implementing these procedures the company anticipated the legal requirements by several years, particularly in Spain as a result of the entry into force of Law 26/2007 on Environmental Responsibility and Royal Decree 2090/2008 which partially implements the law and requires environmental risk analyses for certain activities, as well as the Order of the Ministry of

Environment and Rural and Marine Affairs of 22 June 2011, which lays down a calendar for the entry into force of these obligations. In addition, according to the new environmental liability system, the European Union member states may, from 2012 onwards at the latest, demand financial guarantees from operators in order to remedy these types of risk. For this reason Ferrovial has adopted the decision to anticipate events, and in 2007 it signed an insurance policy covering these risks in the terms established in this European regulation, which remains in force and adapted to the reality of risk.

(c) Risks arising from accidents and catastrophic events:

(i) Liability arising from damage to third parties during service provision.

- Damage to third parties because of the poor state of the highway in Toll Roads activity Liabilities arising from road accidents and incidents caused by a poor state of highway maintenance.

The quality system implemented performs continuous monitoring of the level of highway servicing, which allows the appropriate preventive measures to be carried out. This monitoring is carried out in an indicator scorecard that is periodically reported to the highest executive level in the business area.

In addition, the Corporate Insurance Department has a Public Liability programme with coverage and compensation limits that are in line with the assessment of this risk.

- Incidents or accidents involving aircraft at airports managed by Ferrovial.

- Incidents that may affect the safety of airport users, including those arising from terrorist threat.

Airports managed by Ferrovial comply with international regulations on security. In addition, they have introduced the best practices from the MATRA (Multi-Agency Threat and Risk Assessment) process, which is a mechanism endorsed by public institutions (TRANSEC programme), based on collaboration and the exchange of information between different agencies (government departments, local authorities, emergency services, the police).

Lastly, the Corporate Insurance Department maintains Public Liability and Damage programmes that include cases of terrorist threat, with coverage and compensation limits that are in line with the assessment of this risk.

(ii) Physical damage to infrastructures developed or managed by Ferrovial, mainly due to natural disasters.

There is coverage for Damage to Infrastructures and Loss of Profit that covers impacts caused by natural disasters or other less intensive risks.

3. Compliance risks

The system analyses possible risks associated with the compliance of obligations at three different levels:

(a) Applicable laws, whether contained in generic frameworks (civil, mercantile, penal and labour) in which the company operates, as well as other, more specific regulations applicable: for example, operational obligations related to sector regulations or regulations applicable to security markets for listed companies.

In environmental matters, where laws are especially profuse and technical in nature, adequate knowledge of environmental regulations is ensured with an on-line IT system (SIGMA). Compliance risks are also minimised with the implementation of assessment and monitoring programmes in production centres of business areas in which environmental risks are most significant (Services, Construction, Airports). These systems are linked either to environmental risk management systems (Services) or to those of environmental audit and assessment (Construction, Airports). Compliance assessments are performed by qualified personnel that are independent from the production line. Results are incorporated into key indicators and, if risks of

violation are found, specific measures in each case are decided to prevent the risk occurring.

(b) Contracts with third parties, with special attention for risks that may arise from the moment of their preparation and drafting or those related to differences of interpretation with the counterparty.

(c) Obligations imposed by Ferrovial on itself, mainly through ethical codes or codes of conduct, independently of whether obligations in the other two levels mentioned above have been met.

4. Financial risks

In this fourth area, an analysis is provided of potential risks that may arise in relation to changes in financial figures and/or access to financial markets, cash management, the reliability of financial information or fiscal or tax risks.

In particular, attention is devoted to risks that may emerge related to restrictions in obtaining liquidity and those resulting from credit exposure to financial counterparties and from variations in exchange rates and interest rates, the management of which is discussed further in the next section.

In general, monitoring and managing of financial risks is coordinated centrally by the Financial Department. There is an established risk management policy that is based on the following general objectives:

1. Prioritising the search for natural hedging of exposure to different risks.
2. Facilitating fulfilment of business plans and avoiding, as far as they are manageable, material deviations caused by changes in financial figures.

III. Control Systems

1. Risk Management System (FRM)

FRM (Ferrovial Risk Management) is the system for comprehensive risk management implemented as a tool to support and add value for members of the management team. FRM is structured as follows:

a) Risk Universe

The analysis diagram is based on a common catalogue to be used by the different business lines which classifies the risks into four main areas: strategic risks, operating risks, regulatory risks and financial risks.

b) Identification and evaluation of risks

The identification and evaluation process is based on the use of two new instruments: the Relevance Matrix and the Value Scale. Using these instruments, which guarantees the use of a common and orderly working outline, the direct risk managers identify, prioritise and place a value on the most relevant risks faced by their business units.

Finally, values are assigned to the probability and recurrence of risk, thus yielding a quantification on a common scale of all risks considered relevant.

c) Reporting

In addition to evaluating the risks incorporated in the FRM system, business managers describe the management systems used and propose, as necessary, new controls or modifications of existing ones.

They will also report on the evolution of specific episodes (contingencies) included in the FRM

associated with the different risk categories, according to the structure of the Risk Universe, for a particular reporting period.

Finally, with the FRM system, the recipients of the information on risks and contingencies and the frequency with which they receive it can be modified based on the relevance of the risks and contingencies.

2. Quality assurance systems

All business areas have implemented quality management systems that comply with the ISO 9001 standard. When deemed necessary by relevant stakeholders, these systems are certified by a third party; the interest of these groups in certification is not homogeneous in all countries and businesses. Some 71% of the sales of the Group as a whole have systems that have been certified by accredited bodies (84%, if Airport activities are excluded).

In all cases, these systems are implemented at the production centre level through Quality Plans developed specifically for each one, which ensure (a) prior planning of the relevant processes for product and service quality; (b) a systematic, documented control of such processes; and (c) sufficient feedback for detecting systematic errors and designing corrective or preventive measures in order to prevent or mitigate errors in the future. The most significant variables of the quality systems are grouped in indicators and the Management Committee is informed periodically of their evolution.

Similarly, business activities are subject to periodic audit processes that evaluate compliance with regulations, contractual requirements and objectives. This follow-up is the responsibility of the technical department, independent of the production line.

3. Environmental management systems.

All business areas have implemented environmental management systems that comply with at least the ISO 14001 standard and the EMAS Regulation of the EU. When deemed necessary by relevant stakeholders, these systems are certified by a third party. Some 70% of the sales of the Group as a whole have systems that have been certified by accredited bodies (80%, if Airport activities are excluded). In each production centre, these systems adapt to the reality of the site by means of an environmental management plan that includes systematic planning and control of processes that involve a risk to the environment, applicable legal requirements and the establishment of quantified objectives for improvement of environmental performance.

Furthermore, activities are subject to ongoing examination by means of environmental assessments and audits of processes, practices and the degree of regulatory compliance.

Ferrovial has an innovative environmental risk control and monitoring tool called EPI (environmental performance index), which has been validated by a government-sponsored research centre (King Juan Carlos University in Madrid) and recognised by UNESCO's Environmental Chair. EPI has been implemented and validated in Construction and Services, the activities with the highest degree of environmental risk in Ferrovial, where it functions as an integrated indicator. It also serves as an early-warning system for possible non-compliance of the sustainability policy and applicable legal requirements.

The Group's industrial sites are subject to an environmental assessment and monitoring system that complies with UNE 15008 standard and the requirements of the European Environmental Liability Directive.

Finally, as mentioned above, in order to ensure adequate knowledge of environmental regulations, in 2005 Ferrovial introduced an IT system (SIGMA) containing environmental legal requirements applicable to all production centres.

4. IT security

The aforementioned ICFR is described in section F.

5. Financial risk control mechanisms.

a) Exposure to exchange rate fluctuations:

In general, this risk is managed centrally by the Finance Department by means of a global risk management policy and hedging mechanisms when appropriate.

To ensure that expected cash flows are not affected by exchange rate fluctuations, hedging mechanisms are used in the following transactions:

- Multi-currency projects (awarded or in the bidding process).
- Income from foreign subsidiaries and dividends or refunds of capital to be received from foreign subsidiaries.
- Intra-group loans to foreign subsidiaries in a currency other than the euro.
- Cash of foreign subsidiaries.
- Payments to suppliers in foreign currency.

b) Exposure to interest rate fluctuations:

In financing of infrastructure projects, financiers and rating agencies wish to have a fixed payable interest rate to avert volatility in cash flow expectations. Different hedging alternatives are therefore evaluated throughout the lifetime of the financing (depending on amounts and terms and conditions of payment or cancellation).

With regard to Ferrovial's floating-rate debt, the Finance Department monitors for any changes in the market in order to comply with the hedging policy, in addition to the requirements of lending institutions and rating agencies, by maintaining the lowest possible rates. Such hedges cover nominal rate risks and in some cases inflation risk owing to indexing of income to this benchmark (agreements with the regulator or public entities).

6. Other preventive procedures

a) Occupational health and safety risk prevention systems

OHS risk prevention systems have been applied in all areas in accordance with Law 31/1995 and its implementing regulations. Safety systems are audited periodically by external bodies accredited for this purpose.

The areas with most significant OHS risks, particularly Construction, have health and safety plans specifically designed for each project and are continuously monitored and analysed.

b) Non-payment or default:

The risk of non-payment by private customers, mainly in the Construction area, is mitigated by a study of their solvency prior to the signing of the contract. The contractual requirements are supervised by the Legal and Financial departments in order to ensure that they establish sufficient guarantees in the event of non-payment, including halting the work. During the performance of the work, the Finance department continually monitors the certificates and collection documents, and their effective payment.

c) Crisis notification and management procedures

In the corporate sphere, risk profile is the basis for identifying unexpected situations that may trigger a crisis with significant consequences for the company. Such risks are identified in itemised catalogues for each business activity that are permanently updated and accessible at all levels of the organisation where such situations may occur.

Similarly, there are specific procedures in the business area management systems that include the measures to be implemented at all levels affected by the crisis in order to lessen any harm to people or the environment, besides reducing its economic impact and making it easier for business activity to be resumed in the shortest possible time.

As part of these procedures, there is a protocol for internal and external communication whose aim is, given a crisis situation, for all decision-making levels of the organisation to have access to reliable, adequate information in the shortest possible time.

IV. Risk cover systems

The Ferrovial corporate policy is to arrange insurance for all the business areas through the Corporate Insurance Unit. This department is in the Risk Department in order to take advantage of the risk profile of the group through technical and economic optimisation of the insurance policies subscribed by Ferrovial.

Company policy requires that, in general, insurance cover be arranged for damage to own goods and infrastructure built by group companies, and for third-party liability.

Under this common policy, risks that can be transferred totally or partially via insurance policies are monitored continually, since the company analyses and reviews cover, indemnity caps, exclusions and premium costs.

D.2 Indicate whether the company and/or group has been exposed to different types of risk (operational, technological, financial, legal, reputational, fiscal...) during the year.

YES

If so, indicate the circumstances and whether the established control systems worked adequately:

Risks occurring in the year

Persistent reduction in construction activity in Spain. R-4 refinancing. Liquidity of public customers.

Circumstances responsible for this occurrence

Very difficult international and national financial environment. Reduction in trade.

Operation of control systems

The company's control systems detected threats affecting the company in advance, enabling corrective measures considered necessary, mitigating the potential negative impact of threats.

D.3 Indicate whether there is a committee or other governing body in charge of establishing and supervising these control systems.

YES

If so, explain its duties.

Name of the Committee or Body

Audit and Compliance Committee:

Description of duties

According to the Regulations of the Board of Directors, the Audit and Compliance Committee is

responsible for periodically analysing and evaluating the main business risks and the systems in place for managing and controlling them. The Committee devotes a large part of its meeting calendar to this field of responsibility and it receives the periodic support and assistance of the heads of the relevant corporate departments.

D.4 Identify and describe the processes for compliance with the regulations applicable to the company and/or its group.

Corporate Risk Management

Designs and coordinates the implementation and operation of the Ferrovial Group's risk management system. The system is used by the management team during the process of identifying, assessing and managing risks that jeopardise attainment of objectives of business areas, of objectives in growth and leadership, profitability and sustainable development.

Quality and Environment Department.

Quality and environmental management systems are subject to a continuous process of evaluation and internal audit. The scope of auditing plans covers both central services and production centres. In all cases, audits are performed by central services both in the business area and at corporate level, with the participation of qualified experts that are knowledgeable of the business but independent of the production line.

Processes of continuous monitoring and evaluation of critical variables in quality and the environment have also been implemented. This monitoring, which is in addition to the audits mentioned above, covers all production centres. The information gathered in this monitoring process is grouped into quantitative indicators like the EPI mentioned above, particularly with regard to environmental risks in industrial facilities. The performance of these indicators is regularly reported to management in order to guide decision-making.

Internal Audit.

The Audit Department, which reports directly to the Audit and Control Committee, helps manage and control the risks the Group faces in meeting its objectives.

The Audit Department continually analyses the regulations, control procedures and systems, organisation models and management variables of all the areas of the Group, including the projects within the various business lines and aspects of the various support departments and system audits. The conclusions are then reported to the heads of the areas assessed and the Group's Senior Management and the Audit and Control Committee, including, where appropriate, recommendations for specific actions designed for implementing possible improvements. It also regularly reports on the degree of progress in implementing said recommendations.

The Audit Department also collaborates in investment and post-investment processes, participates actively in fraud prevention and control, and arbitrates internal disputes between the various Grupo Ferrovial companies.

Lastly, it should be mentioned that in order to perform these functions, the Audit Department has the knowledge and experience accumulated from continuous direct contact with the various businesses, and draws on assistance from leading external advisors whenever necessary.

Code of Business Ethics

Since 2004, Ferrovial has had a Code of Business Ethics, approved by the Board of Directors that establishes the basic business ethics principles and commitments that all its companies, employees and executives must respect and comply with in the performance of their activities.

The document complies with the Company's commitment to ensure that relations between the Company, its employees and other stakeholders adhere to the principle of respect for the law, ethical

integrity and respect for human rights.

In parallel, the company has also established a Mailbox on the intranet and post office box where employees can submit anonymously suggestions for improvement, comments or criticisms, report on inefficient situations, inappropriate conduct, possible cases of non-compliance with the Code of Business Ethics or other internal or external rules. In order to expand the number of potential users of this channel, a Whistle-blowing Mailbox was also set up on the both the Spanish and English versions of the website, thus allowing access by any counterparty with dealings with Ferrovial, whether an employee or external entity.

The new Regulations of the Board of Directors confer responsibility for supervising this mechanism on the Audit and Control Committee, which has delegated its operation and control to the Audit Department. The operation of the Mailbox is specified in a procedure published on the intranet and approved by the Chairman and which assigns the related responsibilities while ensuring absolute confidentiality and anonymity if the proponent wishes.

Procedure for protecting Grupo Ferrovial's assets by preventing internal fraud.

An internal procedure whose aim is to protect the corporate assets through the prevention of conduct that could mean internal fraud has been in place in Grupo Ferrovial since 2005. In 2009, the procedure was updated to keep it fully consistent with the reality facing companies and countries in which Ferrovial operates.

The procedure implements the corresponding principle of the Code of Business Ethics and establishes the right and obligation to report behaviour or actions that may jeopardise Group assets. This procedure shall be undertaken either through a superior or through the Mailbox made available to employees for the filing of anonymous or signed reports for analysis and the implementation of any appropriate measures.

E - GENERAL SHAREHOLDERS' MEETINGS

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the Company's bylaws. Describe how it differs from the system of minimum quorums established in the LSA.

NO

	Quorum % other than that established in art. 102 LSA for general cases	Quorum % other than that established in art. 103 LSA for the special cases described in art. 103
Quorum required for first call	0	0
Quorum required for second call	0	0

E.2 Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSA.

NO

Describe how they differ from the rules established under the LSA.

E.3 List all shareholders' rights regarding the General Shareholders' Meetings other than those established under the LSA.

Rights and participation of shareholders.

The Regulations of the General Shareholders' Meeting regulate shareholders' rights in relation to Shareholders' Meetings and, in addition to legally-established provisions. These envisage the following

Powers of the Shareholders' Meeting.

Adopting the recommendations of the Unified Good Governance Code, the Regulations of the General Shareholders' Meeting extends the powers of the latter to being informed of transactions that entail transformation of the Company into a holding company through the "affiliation" or incorporation into dependent companies of essential activities hitherto performed by the Company itself and those other transactions that might have an effect equivalent to liquidation of the Company.

Notice of the General Meeting

As soon as the likely date of the Meeting is known, the Board may post it on the Company's website or disseminate it by any other means it considers appropriate.

The governing body shall consider the advisability of disseminating the notice of meeting via a larger number of media.

Drafting of the agenda

The Board of Directors may consider the suggestions or proposals made in writing by shareholders

and bearing a relation to the Company's activities or interests which it considers to be of interest for the Meeting.

Right to be informed

The Company will post on its website the text of all the resolutions proposed by the Board of Directors with regard to the items on the Agenda, with an explanation of the reasons and timing of each one.

The Company will post on its website the replies given to shareholders in response to the questions they raise on the exercise of their right to be informed.

Attendance of external auditors.

The external auditors must attend the Shareholders' Meetings.

Audit and Control Committee participation

The Chairman of the Audit and Control Committee must participate in Ordinary Shareholders' Meetings and inform shareholders of the main actions carried out by the Committee.

Voting.

Proposals for substantially independent resolutions and, in particular the appointment or ratification of Board members and modifications to the Bylaws may be voted on separately.

The Company allows the financial brokers who act on behalf of various customers to split their vote.

E.4 Indicate the measures, if any, adopted to encourage shareholder participation in General Shareholders' Meetings

Shareholder participation

In accordance with the Regulations of the Board of Directors, one of the Board's functions is to encourage shareholder participation and adopt all appropriate measures to enable the Shareholders' Meeting to perform its functions effectively. The Board must also endeavour to ensure that shareholders have all the necessary information so as to form an accurate opinion about the Company's performance.

The Regulations of the General Shareholders' Meeting contains several provisions that encourage shareholders to participate:

- The Board must consider the advisability of disseminating the notice of meeting via a larger number of media.
- As soon as the likely date of the Meeting is known, the Board may post it on the Company's website or disseminate it by any other means it considers appropriate.
- Shareholders will be told, in the notice, that the Meeting is more likely to be held at first call or at second call on the scheduled dates.
- The Board of Directors may consider the suggestions or proposals made in writing by shareholders and bearing a relation to the Company's activities or interests which it considers to be of interest for the Meeting.
- On giving notice of the Shareholders' Meeting, the Board shall assess whether there are remote communication means enabling shareholders to vote and/or grant proxy while ensuring the identity of the person exercising the right to vote or, if by proxy, the identities of the proxy and shareholder, and whether the use of such means is feasible.

- Shareholders with attendance rights may attend the Shareholders' meeting by using remote communication methods, if the Board of Directors considers, on the occasion of each call to meeting that the technical resources and legal grounds permitting and guaranteeing this form of attendance exist.

- The Company shall post on the website the text of all the proposed resolutions, documents and reports that are mandatory or are determined by the Board of Directors. Proposed resolutions must be accompanied by an explanation of their justification and appropriateness.

- The Company's website shall contain all the information deemed to be useful for enabling shareholders to attend and participate in the Shareholders' Meeting, including the procedure for obtaining the attendance card; instructions on how to cast or delegate votes via remote communication as envisaged in the notice, if appropriate; information on the Meeting venue and how to get there; information on any systems or procedures that enable shareholders to follow the Meeting, and information about the Shareholder Service Department.

- Shareholders may be allowed to follow the Meeting remotely via audiovisual means.

- The possibility of simultaneous translation mechanisms is envisaged.

- The Company will study measures to enable disabled shareholders to access the Meeting room.

- The round of questions at the Shareholders' Meeting is regulated in detail. In addition to taking the floor, shareholders may verbally request any information or clarification they consider appropriate regarding the items on the Agenda.

- Shareholders' rights to be informed before or during the Meeting are guaranteed, in accordance with the law.

In its meeting of 22 February 2011, the Board of Directors of Ferrovial, S.A. agreed to set up an online electronic forum for Ferrovial shareholders (the "Forum") to facilitate communication of individual shareholders and voluntary associations thereof for the Annual General Meeting of the Company. Shareholders and voluntary associations may submit communications on the following:

. Proposals to be presented in addition to the agenda announced in the call for the General Meeting.

. Requests for adherence to such proposals.

. Initiatives to attain a sufficient percentage to exercise minority rights pursuant to the law.

. Offers or requests for voluntary representation.

E.5 Indicate whether the General Shareholders' Meeting is presided by the Chairman of the Board of Directors. List measures, if any, adopted to guarantee the independence and correct operation of the General Shareholders' Meeting:

YES

Details of measures
<p>The Regulations of the General Shareholders' Meeting regulate certain aspects relative to the announcement, preparation and development of the Shareholders' Meeting and the shareholders' rights in relation thereto.</p> <p>The Regulations are considered to be appropriate for guaranteeing the correct functioning of the Shareholders' Meeting.</p> <p>Since the company was floated on the stock exchange, Ferrovial, S.A. has requested the presence of a notary to minute the Shareholders' Meeting and perform related functions, such as helping to organise the round of questions as the Meeting decides, and take note of or look after the statements that the shareholders wish to make.</p>

E.6 Indicate the amendments, if any, made to the General Shareholders' Meeting regulations during the year.

The General Shareholders' Meeting of 1 April 2011 approved modifications to the following articles and sections of the Regulations of the General Shareholders' Meeting: Preamble, articles 4 (classes of General Meetings), 5 (General Shareholders' Meeting competence), 6 (faculty and obligation of calling the General Meeting), 7 (notice of the General Meeting), 13 (public application for representation), 24 (voting of the resolution proposals), 25 (adoption of resolutions and end of the Meeting). The meeting also approved inclusion of a new section 3 in article 8 on the electronic shareholders' forum.

The purpose of the amendment was to adapt the wording of the Regulations to new company law, in particular: (i) removing references to regulations that have been repealed by the Capital Companies Act; (ii) adapt the wording of said articles to the Capital Companies Act and (iii) adapt the wording to the amendment of the Bylaws approved at the same Meeting. Further, the amendment of article 25.1 of the Regulations is considered appropriate to adapt the regime for adoption of agreements in the Annual General Meeting to the express terms of section 201.1 of the Capital Companies Act (Majorities).

In addition, inclusion of a new section 3 in article 8 of the Regulations of the General Shareholders' Meeting was a result of Final Provision Four, section one, point one of Law 12/2010 of 30 June amending, *inter alia*, the Audit Law and the Securities Market Law, which added a new paragraph to section 2 of article 117 of the Securities Market Law and then, following promulgation of the Capital Companies Act, constitutes point two of section 539 of the Capital Companies Act. This modification requires the setting up in the website of a shareholders' electronic forum for the holding of the Annual General Meeting. It was considered appropriate for this obligation to be expressly laid down in the Regulations of the General Shareholders' Meeting.

Text of the amended articles as approved in the Annual General Meeting:

PREAMBLE

These Regulations are adopted by the General Shareholders' Meeting of Ferrovial, S.A. (hereinafter, the "Company") pursuant to the provisions set forth in article 512 Royal Legislative Decree 2/2010, of 28 July approving the consolidated text of the Capital Companies Act. The Regulations are meant to systematise and develop rules governing the organisation and functioning of the General Shareholders' Meeting of the Company. In the preparation of the Regulations, aside from legal rules and Bylaws, the recommendations of the Unified Code of Governance for Listed Companies have been taken into account. The final objective is to facilitate shareholders' participation in the General Meeting, fostering transparency and the disclosure of the procedures involved in the preparation, holding and development of the General Meeting, specifying, developing and broadening the ways in which the Company's shareholders may exercise their voting rights.

Article 4. Classes of General Meetings

1. The General Meeting of Shareholders may be ordinary or extraordinary.
2. The ordinary General Meeting must necessarily be held within the first six months of each year in order to grant discharge to the Board of Directors, if appropriate, and approve, if appropriate, the accounts for the preceding year and decide upon the distribution of results. The ordinary General Meeting shall be valid even if notice is given or it is held outside the established term.
3. Any Meeting other than that established in the preceding section shall be deemed to be an extraordinary General Meeting. However, the General Meeting of Shareholders, even if it has been called as an ordinary Meeting, may also deliberate and decide upon any matters within its scope, in compliance, as the case may be, with the applicable regulations.
4. All Meetings, whether ordinary or extraordinary, are subject to the same rules of procedure and competence.

Article 5. General Shareholders' Meeting Competence

The General Shareholders' Meeting has the competence to decide upon any matters attributed to it by law or the Bylaws. Particularly, by way of illustration only, it is competent for:

- a) grant discharge to the Board of Directors;
- b) approving, if applicable, the individual and consolidated annual accounts, and deciding upon the distribution of results;
- c) appointing and removing members of the Board of Directors, as well as ratifying or revoking appointments of members of the Board of Directors by co-option, establishing the remuneration of the Board of Directors referred to in article 57.1 of the Company Bylaws;
- d) appointing and dismissing the Company's auditors;
- e) resolving upon the increase or reduction of the share capital, the transformation, merger, spin-off, segregation, the moving of the Company's registered address abroad, the issue of bonds and, in general, any amendments of the Bylaws;
- f) resolving to grant activities thus far developed by the Company to other entities controlled by the Company, even if the latter has the full control of said entities;
- g) resolving to wind up and liquidate the Company or any other operations with an effect equivalent to the liquidation of the Company;
- h) authorising the Board of Directors to increase the share capital or to issue bonds and other securities;
- i) deciding upon the matters submitted by the governing body for deliberation and approval;
- j) the approval of these Regulations and subsequent amendments thereto;

Article 6. Faculty and obligation of calling the General Meeting

1. General Shareholders' Meetings shall be called by the Board of Directors.
2. The Board of Directors shall call a General Meeting:
 - a) When appropriate pursuant to the provisions in Article 4 above for the ordinary General Meeting
 - b) When it is requested by a number of shareholders holding at least five per cent (5%) of the share capital, stating on the request the matters to be discussed at the Meeting; in this case, the Board of Directors shall have a maximum of fifteen days, starting from when notice was served by a Notary Public for the purpose, to call the meeting with the minimum notice required by law.
 - c) Whenever it deems it appropriate in the interest of the Company or whenever required by law.
3. The Board of Directors shall prepare the agenda, necessarily including the matters that were requested.
4. If the ordinary General Meeting is not called within the legal term, it may be called, at the request of the shareholders and with the presence of the Directors, by the mercantile court corresponding to the company's registered offices.
5. In the event of death or removal of a majority of the members of the Board of Directors, there being no designated replacements, any shareholder may apply to the mercantile court corresponding to the company's registered offices in order to request that notice be given of a Shareholders' Meeting to appoint directors. Any remaining director may also give notice of a Shareholders' Meeting for that sole purpose.

Article 7. Notice of the General Meeting

1. Notice for both ordinary and extraordinary General Meetings shall be given by means of an announcement published in the Official Gazette of the Mercantile Registry ("BORME") and on the company's website at least one month before the date scheduled for holding the meeting, except in cases where the law establishes a different term, in which case what is provided by law shall apply. The governing body shall consider whether it is appropriate to disseminate the notice of meeting through a larger number of public media.

2. The announcement shall state the company's name, the date, place and time of the meeting at first call, together with all the matters to be discussed and any other issues which, as the case may be, are to be included therein in conformity with the provisions in these Regulations. The announcement may also indicate the date on which, if applicable, the Meeting shall be held at second call. At least twenty-four hours must elapse between the first and second meeting. To the extent possible, shareholders shall be advised of the greater probability of the Meeting being held at first or at second call.

3. The notice shall clearly and concisely describe all the matters to be discussed. When drawing up the agenda, the Directors may take into account any suggestions or proposals made in writing by the shareholders which, in relation to the Company's activities or interests, it may deem of interest for the Meeting.

4. Shareholders representing at least five per cent of the share capital may request that a supplement be published in addition to the notice of a General Shareholders' Meeting, including one or more items on the agenda. For such purpose, such shareholders shall indicate the number of shares they own or represent. This right shall be exercised by means of a certified notification, to be received at the registered address within five days following the publication of the notice.

The supplement to the notice shall be published at least fifteen days before the date scheduled for the Meeting. The non-publication of the supplement to the notice within the legally established term shall render the Meeting null and void.

5. The provisions in this article shall have no effects where a legal provision demands different requirements for Meetings dealing with certain matters, in which case what is specifically established must be heeded.

6. The notice shall mention the shareholders' right to examine the resolution proposals that are to be submitted to the Meeting for approval, the necessary or mandatory documents or reports and any others which, not being mandatory, are determined by the Directors in each case, at the registered address, to consult them on the Company's website and, as the case may be, to obtain them free of charge and immediately.

7. When calling each General Meeting, the governing body shall examine whether means of remote communication are available to enable shareholders to vote and/or delegate their vote, duly guaranteeing the identity of the party exercising its right to vote or, in the case of a delegation, the identity of the representative and the represented party, as well as the feasibility of using those means.

If the governing body determines that such means are available and may be used, it shall include on the notice a description of the specific means of remote communication that the shareholders may use to exercise or delegate their vote, including the instructions that must necessarily be followed in this regard.

8. The Company shall forward the announcement of the notice of the General Meeting to the Spanish Securities Exchange Commission, as well as to the Governing Companies of the Stock Exchanges ("Sociedades Receptoras de las Bolsas de Valores") on which the Company's shares are listed, in order to be inserted in the corresponding Stock Exchange Bulletins, in accordance with the applicable regulations in each case. Likewise, the text of the announcement shall be published on the Company's website.

9. Subject to the foregoing, whenever the governing body is aware of the likely date on which the next General Meeting will be held, it may notify this particular on the Company's website or by any other means it deems appropriate.

Article 13. Public application for representation

1. In those cases where the Company Directors themselves, the depositories of securities or the persons in charge of book entries request a representation on their behalf or on behalf of others and, in general, whenever an application is publicly made, the rules contained in the applicable legislation and implementing regulations shall apply. In particular, the proxy shall indicate how the representative shall vote in the absence of accurate instructions and in any event subject to the provisions established by Law. Delegations may also include any items which, even if they are not stated on the agenda of the notice of the Meeting, are discussed at the General Meeting because the Law allows them to be discussed, and representatives may also vote in the manner they deem most appropriate for the interests of their principal in the event that no voting instructions were given in relation to matters not included on the agenda.

2. A public application for representation shall be deemed to have been made whenever one same person holds the representation of more than three shareholders.

3. Pursuant to the provisions of the applicable legislation, a Director who is publicly appointed as representative cannot exercise the voting rights corresponding to the shares that are represented in respect of the items on the agenda in respect of which that Director is in a situation of conflict of interest and, in any event, in respect of the following decisions:

a) His/her appointment or ratification as a member of the Board of Directors;

b) His/her removal, separation or resignation as a member of the Board of Directors;

c) The exercise of Company action for liability against said Director; and

d) The approval or ratification, where appropriate, of Company operations with that Director, with companies controlled by, represented by or acting on behalf of that Director. Considering the possibility of such conflict arising, representation could be conferred to another person alternatively and subsidiarily.

Article 24. Voting of the resolution proposals

1. Once the shareholders' interventions have come to an end and the necessary information or explanations have been provided pursuant to the provisions in these Regulations, the resolution proposals on the matters included on the agenda shall be subject to voting, and if there are any other resolutions which, due to legal order, were not included on the agenda, they shall also be voted. It shall not be necessary for the Secretary to previously read out the resolution proposals the text of which has been submitted to the shareholders at the beginning of the meeting, except where it is requested by any shareholder for any or all the proposals or when the Chairman deems it convenient. In any event, the attendants will be told the item of the agenda to which the resolution proposal being subject to voting refers.

2. Each of the items on the agenda will be subject to vote separately. However, if the circumstances make it advisable, the Chairman may decide that proposals corresponding to different items on the agenda be voted jointly; in such event the result of the vote shall be considered individually for each proposal if none of those present states that they wish to change their vote in respect of any of said items. Conversely, the minutes shall record the voting changes stated by each shareholder and the voting result corresponding to each proposal as a consequence of such changes. In any event, there will be a separate vote for the appointment and ratification of members of the Board of Directors and, in the event of an amendment of the Bylaws, each article or group of articles which are substantially independent shall be voted separately.

3. The process for the adoption of resolutions shall be carried out following the agenda provided in the notice of the Meeting. The resolutions proposed by the Board of Directors shall be subject to voting in the first place. In any event, once a resolution proposal is approved all the other proposals related to the same issue that are incompatible with it will automatically be excluded, not being subject to voting.

4. As a general rule and notwithstanding any alternative systems that may be implemented if the Chairman so decides due to the conditions and nature or content of the proposal, the counting of votes for the resolution proposals shall be carried out as follows:

(a) Affirmative votes shall be those corresponding to all shares attending the meeting, whether present and represented, deducting (i) those votes corresponding to the shares whose holders or representatives have cast a vote against, a blank vote or abstain from voting, by communicating their vote or the abstention to the Notary Public (or, in the absence thereof, to the Secretary or the staff assisting him/her), so that it can be placed on record; (ii) votes corresponding to the shares whose holders have cast a vote against, a blank vote or have expressly stated their abstention from voting, via the remote means of communication mentioned in section 6 below of this article; and (iii) votes corresponding to shares whose holders or representatives have left the meeting before the voting for the resolution proposal took place and who have recorded such fact with the Notary Public (or, in the absence thereof, with the Secretary). (a) Affirmative votes shall be those corresponding to all shares attending the meeting, whether present and represented, deducting (i) those votes corresponding to the shares whose holders or representatives have cast a vote against, a blank vote or abstain from voting, by communicating their vote or the abstention to the Notary Public (or, in the absence thereof, to the Secretary or the staff assisting him/her), so that it can be placed on record; (ii) votes corresponding to the shares whose holders have cast a vote against, a blank vote or have expressly stated their abstention from voting, via the remote means of communication mentioned in section 6 below of this article; and (iii) votes corresponding to shares whose holders or representatives have left the meeting before the voting for the resolution proposal took place and who have recorded such fact with the Notary Public (or, in the absence thereof, with the Secretary).

(b) The communications or statements to the Notary Public (or, in the absence thereof, to the Secretary or to the staff assisting him/her) provided in the preceding section and related to the way a vote is cast or abstention may be carried out individually with respect to each resolution proposal or jointly for several or all of them, by stating to the Notary Public (or, in the absence thereof, to the Secretary or the staff assisting him/her) the identity and status (shareholder or representative) of whom is carrying them out, the number of shares referred to and whether the way the vote was cast or abstention, as the case may be.

(c) For the adoption of resolutions related to matters not included on the agenda, the shares of shareholders who have participated at the Meeting via remote voting systems shall not be considered to be shares attending the meeting whether present or represented. For the adoption of any of the resolutions referred to in section 514 of the Capital Companies Act, the shares which cannot exercise voting rights due to the application of what is established in said provision shall not be considered to be present or represented at the Meeting.

5. Among the alternative voting systems, insofar as it is technically possible and the fulfilment of all legal conditions is guaranteed, the Directors may establish electronic vote counting systems.

It will be possible to divide votes so that financial agents who appear as legitimate shareholders acting on behalf of different clients may cast their vote in conformity with the instructions of their clients.

6. If pursuant to Article 7 of these Regulations, the notice of the Meeting accepts the possibility of casting votes remotely via one or several remote voting systems and, subject to the specific instructions established therein for each of these systems, in order for the vote to be valid and hence to be accepted by the Company, the document on which the vote is recorded shall include at least the following indications:

- a) the date on which the Meeting is held and the agenda;
- b) the shareholder's identity;
- c) the number of shares held by the shareholder; and
- d) a statement of the way the vote is cast in respect of each item on the agenda.

Article 25. Adoption of resolutions and end of the Meeting

1. Motions will be passed by a simple majority vote of the shareholders present, either personally or by proxy, in the General Meeting, except for the cases in which the Law or the Bylaws establish a higher majority. Each share confers one vote. In the resolutions referred to in article 24.4 (c) above, the shares which, according to what is established in said paragraph, are not considered to be present or

represented, shall not be considered among the total shares for the purpose of calculating the above-mentioned majority.

2. The Chairman shall state that the resolutions are approved once there is record of the existence of sufficient affirmative votes, notwithstanding the record in the Minutes of the way the vote is cast or abstention by shareholders attending the meeting who make the relevant indication to the Notary Public (or, in the absence thereof, to the Secretary or staff assisting him/her).

3. Once the voting of the resolution proposals is over and the result is proclaimed by the Chairman, the Meeting shall come to an end and the Chairman shall adjourn the meeting.

Article 8. Availability of information on the Company's website after a meeting is called

1. Aside from the requirements established by law or in the Bylaws and pursuant to these Regulations, as from the date of publication of the notice of a General Meeting, the Company shall publish on its website the text of any resolution proposals prepared by the Directors in relation to the items on the agenda, together with an explanation on the justification and appropriateness of same, as well as any reports that are mandatory or determined by the governing body.

2. Furthermore, as from the date the notice is announced, the Company website shall include any information that is considered useful or appropriate to enable the attendance and participation of the shareholders at the Meeting, including, as the case may be and by way of illustration only, the following:

a) the procedure for obtaining an attendance card;

(b) instructions for exercising or delegating a remote vote through the means that have been provided, as the case may be, in the notice of the Meeting;

(c) information on the place where the Meeting will be held and the way in which it may be reached and accessed;

d) instructions for attending the Meeting by any telematic means provided, as the case may be, in the notice of the Meeting, pursuant to the provisions established in the Bylaws and in these Regulations;

e) information, as the case may be, on any systems or procedures enabling the Meeting to be followed; and

f) information on the Shareholder Assistance Department (telephone number, email, offices, working hours and other similar data)

3. An Electronic Shareholders' Forum will be created on the company's website with a view to facilitating communication prior to Shareholders' Meetings. The Forum will be accessible to individual shareholders and any voluntary associations of shareholders that are validly constituted and registered in the special register created at the Spanish Securities Exchange Commission. In the Forum, shareholders may publish proposals they plan to present as supplements to the announced agenda, requests for support for such proposals, initiatives to reach the percentage required to exercise minority rights envisaged by law, and proxy offers or solicitations. The Board of Directors will establish the rules governing the working, scope and duration of the Forum, as well as the guarantees and conditions for access, registration, consultation and use, in accordance with current regulations.

E.7 Indicate the attendance figures for the General Shareholders' Meetings held during the year:

Attendance data					
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
01/04/11	2.205	64.019	0.000	0.000	66.224

E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held during the year and the percentage of votes with which each resolution was adopted.

FIRST ITEM ON THE AGENDA.

Point of information

SECOND ITEM ON THE AGENDA.

APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS –BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CHANGES IN NET ASSETS, CASH FLOW STATEMENT AND ANNUAL REPORT - AND THE INDIVIDUAL MANAGEMENT REPORT OF FERROVIAL, S.A. AND THE CONSOLIDATED FINANCIAL STATEMENT AND MANAGEMENT RPEORT OF THE CONSOLIDATED GROUP FOR THE YEAR ENDED 31 December 2010.

Votes in favour: 485,569,735 shares (99.9612%)

Votes against: 607 shares (0.0001%)

Abstentions: 119,050 shares (0.0245%)

Unmarked ballots: 4,800 (0.0010%)

THIRD ITEM ON THE AGENDA.

DISTRIBUTION OF RESULTS AND DIVIDENDS

3.1. PROPOSED DISTRIBUTION OF 2010 PROFIT

Votes in favour: 482,005,489 shares (99.2274%)

Votes against: 10,973 shares (0.0023%)

Abstentions: 3,672,930 shares (0.7561%)

Unmarked ballots: 4,800 (0.0010%)

3.2. DISTRIBUTION OF DIVIDENDS AGAINST VOLUNTARY RESERVES.

Votes in favour: 482,005,489 shares (99.2274%)

Votes against: 10,973 shares (0.0023%)

Abstentions: 3,672,930 shares (0.7561%)

Unmarked ballots: 4,800 (0.0010%)

FOURTH ITEM ON THE AGENDA.

APPROVAL OF THE PERFORMANCE OF THE BOARD OF DIRECTORS IN 2010.

Votes in favour: 481,475,534 shares (99.1183%)

Votes against: 1,406,748 shares (0.2896%)

Abstentions: 2,807,110 shares (0.5779%)

Unmarked ballots: 4,800 (0.0010%)

FIFTH ITEM ON THE AGENDA.

ESTABLISHMENT OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF FERROVIAL, S.A.

Votes in favour: 485,573,905 shares (99.9621%)

Votes against: 2,656 shares (0.0005%)

Abstentions: 112,831 shares (0.0232%)

Unmarked ballots: 4,800 (0.0010%)

SIXTH ITEM ON THE AGENDA.

AMENDMENT OF ARTICLES 1 (LEGAL NAME), 8 (NON-VOTING SHARES), 10 (MULTIPLE OWNERS), 12 (CAPITAL CALLS), 13 (CAPITAL INCREASE), 16 (CAPITAL REDUCTION), 17 (FORCED REDEMPTION), 22 (DISTRIBUTION OF RESPONSIBILITIES), 25 (TYPES OF GENERAL MEETINGS), 26 (POWER AND REQUIREMENT TO CALL A MEETING), 27 (CALLING THE GENERAL MEETING), 34 (DELIBERATION AND ADOPTION OF RESOLUTIONS) 42 (QUALITATIVE BOARD MEMBERSHIP), 49 (DELEGATION OF POWERS), 52 (DUTIES OF THE AUDIT AND CONTROL COMMITTEE), 56 (GENERAL OBLIGATIONS OF DIRECTORS) AND 57 (BOARD OF DIRECTORS REMUNERATION) OF THE BYLAWS IN ORDER TO BRING THESE INTO LINE WITH THE NEW PROVISIONS OF (I) ROYAL LEGISLATIVE DECREE 1/2010 DATED JULY 2 ADOPTING THE CONSOLIDATED TEXT OF THE CAPITAL COMPANIES ACT AND (II) ACT 12/2010 DATED JUNE 30 AMENDING ACT 19/1988 DATED JULY 12 ON AUDITING OF FINANCIAL STATEMENTS, ACT 24/1988 DATED JULY 28 ON THE SECURITIES MARKET AND THE CONSOLIDATED TEXT OF THE LIMITED LIABILITY COMPANIES ACT ADOPTED BY ROYAL LEGISLATIVE DECREE 1564/1989, DATED DECEMBER 22.

Votes in favour: 483,075,869 shares (99.4477%)

Votes against: 325,226 shares (0.0670%)

Abstentions: 2,288,297 shares (0.4711%)

Unmarked ballots: 4.800 (0.0010%)

SEVENTH ITEM ON THE AGENDA.

AMENDMENT OF THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING:

7.1 AMENDMENT OF THE FOLLOWING ARTICLES AND SECTIONS OF THE REGULATIONS OF THE MEETING: PREAMBLE, ARTICLES 4 (CLASSES OF GENERAL MEETINGS), 5 (GENERAL SHAREHOLDERS' MEETING COMPETENCE), 6 (FACULTY AND OBLIGATION OF CALLING THE GENERAL MEETING), 7 (NOTICE OF THE GENERAL MEETING), 13 (PUBLIC

APPLICATION FOR REPRESENTATION), 24 (VOTING OF THE RESOLUTION PROPOSALS), 25 (ADOPTION OF RESOLUTIONS AND END OF THE MEETING), WITH THE AIM OF BRINGING THESE TEXTS INTO LINE WITH THE AMENDMENTS TO THE BYLAWS CARRIED OUT IN THE PREVIOUS ITEM ON THE AGENDA.

Votes in favour: 485,239,044 shares (99.8931%)

Votes against: 326,438 shares (0.0672%)

Abstentions: 123,910 shares (0.0255%)

Unmarked ballots: 4,800 (0.0010%)

7.2 INCLUSION OF NEW SECTION 3 IN ARTICLE 8 ON ELECTRONIC SHAREHOLDERS' FORUM

Votes in favour: 485,562,278 shares (99.9596%)

Votes against: 3,204 shares (0.0007%)

Abstentions: 123,910 shares (0.0255%)

Unmarked ballots: 4,800 (0.0010%)

EIGHTH ITEM ON THE AGENDA.

APPROVAL OF THE PARTICIPATION OF MEMBERS OF SENIOR MANAGEMENT AND MEMBERS OF THE BOARD OF DIRECTORS WITH EXECUTIVE FUNCTIONS IN A REMUNERATION SYSTEM UNDER WHICH PAYMENT OF UP TO €12,000 OF THEIR VARIABLE REMUNERATION MAY BE MADE IN COMPANY SHARES

Votes in favour: 485,560,191 shares (99.9592%)

Votes against: 9,081 shares (0.0019%)

Abstentions: 120,120 shares (0.0247%)

Unmarked ballots: 4,800 (0.0010%)

NINTH ITEM ON THE AGENDA.

DELEGATION OF POWERS FOR FORMALISATION, REGISTRATION AND EXECUTION OF RESOLUTIONS PASSED BY THE GENERAL MEETING, AND EMPOWERMENT TO FORMALISE DEPOSIT OF THE ANNUAL FINANCIAL STATEMENTS MENTIONED IN ARTICLE 279 OF THE CAPITAL COMPANIES ACT.

Votes in favour: 485,577,896 shares (99.9628%)

Votes against: 1,769 shares (0.0004%)

Abstentions: 109,727 shares (0.0226%)

Unmarked ballots: 4,800 (0.0010%)

E.9 Indicate whether the bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

YES

E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the General Meeting.

The rights of shareholders to be represented at the Shareholders Meeting are regulated in articles 29 of the Bylaws and 12 and 13 of the Regulations of the General Shareholders' Meeting. These regulations are considered to adequately guarantee shareholders' rights to be represented at the meeting and to delegate their votes.

E.11 Indicate whether the company is aware of the policy of institutional investors on whether or not to participate in the company's decision-making processes:

NO

E.12 Indicate the address and method for accessing corporate governance content on your company's website.

The Company's website, www.ferrovial.com, has a home page link giving access to the Corporate Governance section.

The Corporate Governance section can also be accessed from the "Information for Shareholders and Investors" section.

The website conforms to the form and content regulated by CNMV Circular 1/2004, dated 17 March.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with Corporate Governance recommendations. Should the company not comply with any of them, explain the recommendations, standards, practices or criteria the company applies.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C4 and C7

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

- a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;
- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- c) Operations that effectively add up to the company's liquidation

Complies partially

It is assumed, and this has been included in its Regulations, that the powers of the Shareholders' Meeting include that of expressing its opinion on the subject matter of this Recommendation, with the exception of paragraph b), since it is considered that its adoption would mean a significant difficulty in the possible performance of corporate transactions, besides which it is understood that the concept "fundamental corporate change" carries with it an element of lack of security and definition.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the

objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) The company's general policies and strategies, and, in particular:
 - i) The strategic or business plan, management targets and annual budgets;
 - ii) Investment and financing policy;
 - iii) Design of the structure of the corporate group;
 - iv) Corporate governance policy;
 - v) Corporate social responsibility policy;
 - vi) Remuneration and evaluation of senior officers;
 - vii) Risk control and management, and the periodic monitoring of internal information and control systems;
 - viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See sections: B.1.10, B.1.13, B.1.14 and D.3

- b) The following decisions:

- i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B.1.14

- ii) Directors' remuneration, and, in the case of executive directors, the additional remuneration for their executive functions and other contract conditions.

See section: B.1.14

- iii) The financial information that all listed companies must periodically disclose.
 - iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
 - v) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

- c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form contracts applied on an across-the-board basis to a large number of clients;
2. They go through at market rates, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Complies partially

However, in relation to the provisions of section b.i) the Board of Directors considers that the decision regarding the appointment and possible dismissal of senior managers should be the responsibility of the Company's Chief Executive. Despite this, the Board of Directors Regulations confer powers on the Nomination and Remuneration Committee for drawing up reports prior to the appointment and removal from office of directors who report directly to the Chief Executive Officer.

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Complies

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14

Complies

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3

Complies

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.

2. In companies with a plurality of shareholders represented on the board but not otherwise related.

See sections: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3

Complies

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a

formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections B.1.3 and B.1.4

Complies

15. When women directors are few or non-existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections B.1.2, B.1.27 and B.2.3

Complies partially

The Board of Director presently has one woman among its twelve members. Further, the Nomination and Remuneration Committee has the task of ensuring that, in any selection processes, there is no implicit bias against women candidates owing to personal circumstances.

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See section B.1.42

Complies

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See section B.1.21

Complies partially

Recommendation 17 is actually comprised of a set of recommendations, the majority of which Ferroviaal complies with.

The only point in which the Company does not comply with the Recommendation is that the Lead Director does not have the duty leading the Board's evaluation of the Chairman. The Company believes that this role must be fulfilled by the Board on the basis of a report from the Nomination and Remuneration Committee.

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;

c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.1.34

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Complies

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30

Complies

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Complies

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation;
- b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19

Complies partially

The Company complies with the recommendation and evaluates the quality and efficiency of the Board's operation, the performance of the Chairman and the Chief Executive of the Company and the performance of its committees.

However, the Board believes that it is sufficient and more practical for the periodicity of these evaluations to be every two years rather than annually.

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.42

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41

Complies

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
- b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies partially

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

- a) On the proposal of the Nomination Committee, in the case of independent directors.
- b) Subject to a report from the Nomination Committee in all other cases.

See section: B.1.2

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise;
- c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.
- d) The date of their first and subsequent appointments as a company director; and
- e) Shares held in the company and any options on the same.

Complies

29. Independent directors should not stay on as such for a continued period of more than 12 years.

See section: B.1.2

Complies

30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and B.1.2

Complies

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in Article 124 of the Public Limited Companies Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose and explain all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board; director or otherwise.

Complies

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Not applicable

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

a) The amount of the fixed components, itemised, where necessary, of board and board committee attendance fees, with an estimate of the fixed annual remuneration they give rise to.

b) Variable components, in particular:

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items;

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other non cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) The conditions to apply to the contracts of executive directors exercising senior management functions, among them:

i) Duration;

ii) Notice periods; and

iii) Any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual relation between company and executive director.

See section: B.1.15

Complies partially

The Board of Directors believes that forecasting in advance the estimated variable remunerations may be an unnecessary constraint with disruptive effects when determining the real variable remuneration of the Directors.

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3 and B.1.3

Explain

The company has had a system of mandatory investment in company shares since 2003. At present, it consists of the obligation of devoting just one of the three components of board remuneration that is received in cash upon purchase of Company shares.

This commitment to invest part of the remuneration in Ferrovial shares applies to all the members of the Board of Directors; directors may thus acquire shares prior to leaving their position and provided that three full mandates have elapsed since the mandate in which the purchase occurred.

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Complies

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section B.1.16

Complies partially

The Annual Report on Director Remuneration is put to an advisory vote in accordance with article 61 ter of the Securities Market Act. However, the Company does not comply with this recommendation to the extent that Recommendation 35 must be complied with.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) A breakdown of the compensation obtained by each company director, to include where appropriate:

i) Participation and attendance fees and other fixed directors payments;

ii) Additional compensation for acting as chairman or member of a board committee;

iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;

v) Any severance packages agreed or paid;

vi) Any compensation they receive as directors of other companies in the group;

vii) The remuneration executive directors receive in respect of their senior management posts;

viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:

i) Number of shares or options awarded in the year, and the terms set for their execution;

ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;

iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;

iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Complies

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 and B.2.6

Complies

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Complies

44. In addition to the Audit Committee mandatory under the Securities Market Act, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;

b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.

c) Committees should be chaired by an independent director.

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meeting proceedings should be minuted and a copy of the minutes sent to all board members.

See sections: B.2.1 and B.2.3

Complies

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, ...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See section: D

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.

b) Receive regular information from the external auditor on the progress and findings of the audit programme and check that senior management are acting on its recommendations.

c) Monitor the independence of the external auditor, to which end:

i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;

iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.

d) In the case of groups, the Committee urges the group auditor to take on the auditing of all component companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Complies partially

In relation to accepting the recommendation concerning the possible existence of disagreements with the outgoing auditor and, if any, explaining them, the Board of Directors considers that this statement represents a strain factor in possible episodes involving a change of auditor and a restricting element in the decision-making capacity of the company in respect of changing its external auditor.

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1

Complies

55. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Complies

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for directors and senior officers;
 - ii) The individual remuneration and other contractual conditions of executive directors.
 - iii) The standard conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 and B.2.3

Complies partially

It should be indicated that the function of making proposals to the Board on the individual remuneration of Board members and other conditions in their contracts should remain with the Chairman or the Chief Executive or that, consequently, the role of the Nomination and Remuneration Committee should be to report.

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies

G OTHER INFORMATION OF INTEREST

If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report, indicate and explain below.

CODE OF GOOD TAX PRACTICES

At its meeting of 25 November 2010, the Board of Directors resolved that Ferrovial would adhere to the Code of Good Tax Practices. The adhesion was reported to the Spanish Tax Agency on 7 February 2011.

In accordance with the provisions of the Code of Good Tax Practices, it is expressly stated that Ferrovial has effectively complied with the content of the same, particularly:

1. No opaque structures shall be used for the purposes of preventing knowledge by the Spanish Tax Agency of entities that ultimately engage in business activities or who own rights or goods involved.
2. It collaborates with the Tax Agency in the detection and search for fraudulent tax practices that may occur in markets where the group operates and provide any information requested.
3. In its meeting of 23 February 2012, the Board of Directors of Ferrovial was briefed on the tax policies applied by the group in the 2011 fiscal year.
4. In transactions and matters that have been submitted to the approval of the Board of Directors during the 2011 fiscal year, the Board has been briefed on the tax consequences of the same when they have become a material factor.

SECTION A.2

Subsequent to the end of the fiscal year (26 January 2012) BANCO SANTANDER, S.A. notified the CNMV and the Company that its stake in the company had declined to 2.644%.

SECTION A.3

The Directors Rafael and Maria del Pino and Calvo Sotelo, as well as Leopoldo and Joaquín del Pino y Calvo-Sotelo (representing the Directors PORTMAN BAELA, S.L. and KARLOVY, S.L., respectively) are part of the "family group" that indirectly controls the company capital, as indicated in section A.4

It has been recorded that the number of indirect voting rights of KARLOVY, S.L. is 0 (zero) for the sole purpose of preventing the computer application from counting twice the shares held directly by PORTMAN BAELA, S.L. (company controlled by KARLOVY, S.L. as per the meaning in article 4 of the Securities Market Act). Notwithstanding the foregoing, the second table in section A.3 herein shows that KARLOVY, S.L. indirectly holds 324,717,793 shares through PORTMAN BAELA, S.L.

Subsequent to the end of the fiscal year (20 January 2012), PORTMAN BAELA S.L. informed the CNMV and the Company that its share in FERROVIAL was reduced to 43.613%.

In the following note on Directors' remuneration, information is provided on remuneration systems that have given rise to these allocations to Executive Directors.

SECTION A.7

Although the direct and indirect share held by KARLOVY, S.L. through PORTMAN BAELA S.L. (44.270% as at 31/12/11) does not imply control pursuant to article 42 of the Commerce Code, to which article 4 of the LMV refers, the present situation is a de facto continuation of the situation in Grupo Ferrovial S.A. prior to the merger in 2009 with Cintra Concesiones de Infraestructuras de Transporte, S.A.

As declared on the "Voting rights notification" form filed with the CNMV and with the Company on 1 July 2011, the family group consisting of María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through Karlovy, of a majority of the share capital of Portman. Portman owns 44.269% of the share capital of Ferrovial. Karlovy, S.L., in turn, has a direct shareholding of 0.001% in Ferrovial. The family group comprising the foregoing persons controls 44.270% of the share capital of Ferrovial through Karlovy and Portman. According to the aforementioned notification, the direct and indirect shares of all members of the family group – namely, María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo Sotelo, and Karlovy, S.L. and Portman Baela, S.L – totalled 334,302,007 shares, representing 45.576% of the capital of Ferrovial.

SECTION B.1.2.

The chart indicates the date of the first appointment of the Directors of FERROVIAL, S.A. the entity resulting from the merger between Grupo Ferrovial S.A. and Cintra Concesiones de Infraestructuras de Transporte S.A. in 2009. However, the dates of the first appointment in the Board of the Directors of the former Grupo Ferrovial S.A. with which Ferrovial maintains continuity are as follows:

Joaquín del Pino Calvo-Sotelo 9/1/92

Santiago Bergereche Busquet 23/2/99

Joaquin Ayuso Garcia 22/3/02

Iñigo Meirás Amusco 20/10/09

Jaime Carvajal Urquijo 23/2/99

PORTMAN BAELA S.L. 26/6/00

Juan Arena de la Mora 26/6/00

Gabriele Burgio 31/5/02

María del Pino y Calvo-Sotelo 29/9/06

Santiago Fernandez Valbuena 29/5/08

The Directors Jose Fernando Sanchez-Junco and KARLOVY S.L. were not members of the Board of Directors of Grupo Ferrovial, S.A.

SECTION B.1.11.

The amount specified as "insurance premiums" are for insurance policies to cover risks of death of which the benefits are solely of the Executive Directors.

The following shows, as in the Annual Report of the Company and its Remuneration Report, the individualised remuneration of a statutory nature earned by members of the Board of Directors in 2011, calculated as described in section B.1.14.

(in €)

Rafael del Pino Calvo-Sotelo

- Fixed remuneration €35,000
- Per diems: €98,000.00
- Remainder/Variable: €94,419.81
- Total: €227,419.81

Santiago Bergareche Busquet

- Fixed remuneration: €35,000
- Per diems: €48,500.00
- Remainder/Variable: €82,617.33
- Total: €166,117.33

Joaquín Ayuso Garcia

- Fixed remuneration: €35,000
- Per diems: €53,000.00
- Remainder/Variable: €59,012.38
- Total: €147,012.38

Inigo Meiras Amusco

- Fixed remuneration: €35,000
- Per diems: €49,000.00
- Remainder/Variable: €47,209.90
- Total: €131,209.90

Jaime Carvajal Urquijo

- Fixed remuneration: €35,000
- Per diems: €49,500.00
- Remanente variable: €47,209.90
- Total: €131,709.90

PORTMAN BAELA S.L.

- Fixed remuneration: €35,000
- Per diems: €39,000.00
- Remainder/Variable: €47,209.90
- Total: €121,209.90

Juan Arena de la Mora

- Fixed remuneration €35,000
- Per diems: €44,500.00
- Remainder/Variable: €47,209.90
- Total: €126,709.90

Gabriele Burgio

- Fixed remuneration: €35,000
- Per diems: €52,500.00
- Remainder/Variable: €47,209.90
- Total: €134,709.90

Maria del Pino Calvo-Sotelo

. Fixed remuneration €35,000
- Per diems: €51,000
- Remainder/Variable: €47,209.90
- Total: €133,209.90

Santiago Fernandez Valbuena
- Fixed remuneration: €35,000
- Per diems: €51,000
- Remainder/Variable: €47,209.90
- Total: €133,209.90

Jose Fernando Sanchez-Junco Mans
- Fixed remuneration: €35,000
- Per diems: €49,000.00
- Remainder/Variable: €47,209.90
- Total: €131,209.90

KARLOVY, S.L.
- Fixed remuneration: €35,000.00
- Per diems: €33,000.00
- Remainder/Variable: €47,209.90
- Total: €115,209.90

TOTAL FIXED REMUNERATION: €420,000.00
TOTAL PER DIEMS: €618,000.00
TOTAL REMAINDER/VARIABLE: €660,938.65
TOTAL STATUTORY REMUNERATION OF THE BOARD OF DIRECTORS: €1,698,938.65

Directors' individual remuneration is also announced (data in thousands of €)

Rafael del Pino y Calvo-Sotelo:
- Fixed remuneration €1,150.00
- Variable remuneration: €1,679.02
- Boards of subsidiaries: 0
- Exercise of stock options: 0
- Total: €2,829.02

Joaquin Ayuso Garcia:
- Fixed remuneration €900.00
- Variable remuneration: €702.05
- Boards of subsidiaries: €51.98
- Exercise of stock options: €285.67
- Total: €1,939.70

Iñigo Meiras Amusco:
- Fixed remuneration €950.00
- Variable remuneration: €1,543.82
- Boards of subsidiaries: 0
- Exercise of stock options: 0
- Total: €2,493.82

2011 TOTAL: €7,262.54

IN-KIND REMUNERATION

Life insurance premiums in 2011:
- Rafael del Pino y Calvo-Sotelo: €4.06
- Joaquin Ayuso Garcia: €5.32
- Inigo Meiras Amusco: €2.58
- Total: €11.96

B.1.12.

With regard to the identification of executive management staff in this section, the information on the positions of Director of Corporate Strategy reflect only a part of the 2011 fiscal year, as noted.

As it has done in previous years, Grupo Ferrovial itemises the remuneration paid to executive staff in fiscal year 2011, broken down by type:

Fixed remuneration €4,305.6 thousand

Variable remuneration €4,508.3 thousand

Share options and/or other financial instruments Exercise of remuneration rights referenced to stock values: Stock option plans: € 573.7 thousand

-From membership on boards of directors of other companies in the group, multi-group or associated companies: €18.8 thousand.

Loans No loans were granted and no repayments made of loans granted.

-Life insurance premiums: €15 thousand.

-No contributions were made to pension plans or funds during the year and no obligations of this kind were assumed in 2011.

The people taken into account for the calculation of these amounts are identified in SECTION B.1.12 with the scores made at the start of this note. These amounts do not include the remuneration paid to senior management members who are or have been Executive Directors, which have been listed in Section B.1.11.A).

INFORMATION ON SHARE-LINKED REMUNERATION PLANS

Stock option plans

Under the merger between Grupo Ferrovial and Cintra Concesiones de Infraestructuras de Transport, S.A. in 2009 and in accordance with the terms of the Merger Plan, the company resulting from the merger, Ferrovial S.A. has succeeded the former Grupo Ferrovial as the entity subject to the obligations of said plans. Rights under the stock option plan were automatically converted into options on the stock of Ferrovial S.A. in the terms resulting from the swap equation set forth in said Plan.

In 2004, the General Shareholders' Meeting authorised a remuneration system consisting of a stock option plan for members of the Board of Directors who exercise executive functions and those who exercise senior management functions reporting directly to the Board or to the Board committees.

In 2006 and 2008, the General Shareholders' Meeting approved two new stock option plans with the same beneficiaries.

Detailed information is provided on all these plans in the Note to the Annual Report on the share-linked remuneration plans.

Modification of Stock option plans

In 2008, the Board of Directors agreed to modify the stock option plans approved through 2007 by extending the execution period from three to five years, as established in the subsequent plans (2007 and 2008). With regard to the stock option plans whose beneficiaries are executive directors or directors pertaining to the company's Management Committee or who report directly to the Board of Directors or its delegated bodies, the validity of the modification was submitted for the approval of the Company's Shareholder' Meeting.

Performance-based share delivery plan

On 17 December 2009, the Board of Directors approved a remuneration plan consisting of the delivery of shares in Ferrovial S.A. The total number of shares that may be delivered annually under this Plan may not exceed 2,420,000 representing 0.33% of the share capital of Ferrovial S.A.

It consists of the assignment to earnings of a number of units that will serve as the basis for determining the final number of shares they may receive as a result of participating in the Plan.

The Plan shall be in effect for three years and annual assignments of units shall be made in 2010, 2011 and 2012. Shares shall be delivered in the year of the third anniversary of the assignment of the pertinent units.

Delivery shall depend on continued employment in the company for a period of three years (except for special circumstances) and the attainment in that period of the maturity in fees calculated according to the flow of activity and the EBITDA/net productive assets ratio.

The Plan is for both executives and members of the Board of Directors of Ferrovial, S.A. who perform executive functions and those who perform executive management functions reporting directly to the Board and its delegated bodies. The CNMV was informed of the terms of the Plan on 13 January 2010. The application of this programme to senior management was approved by the Shareholders' Meeting of 29 June 2010.

The CNMV was informed of the individual allocations made under this plan to senior management and executive board members on 12 July 2010 and 10 March 2011.

Below are the number of units allocated to Board members that, as at 31 December 2011, were considered executives, as per the Plan described in the foregoing paragraphs:

2010 allocation:

Rafael del Pino Calvo-Sotelo:

- Units: 150,000
- Number of voting rights: 150,000
- % of voting rights: 0.020%

Joaquín Ayuso Garcia:

- Units: 50,000
- Number of voting rights: 50,000
- % of voting rights: 0.007%

Iñigo Meirás Amusco:

- Units: 150,000
- Number of voting rights: 150,000
- % of voting rights: 0.020%

2011 allocation:

Rafael del Pino Calvo-Sotelo:

- Units: 132,000
- Number of voting rights: 132,000
- % of voting rights: 0.018%

Inigo Meiras Amusco:

- Units: 132,000
- Number of voting rights: 132,000
- % of voting rights: 0.018%

Other information on remuneration.

The contracts between the Company and members of its Senior Management, including two Executive Directors, envisage expressly their entitlement to receive the severance payments established in Article 56 of the Workers' Statute in the event of wrongful dismissal.

Similarly, eleven members of Senior Management including two Executive Directors, with a view to fostering loyalty on their part and permanent allegiance to the company, are recognised as being entitled to deferred remuneration. This extraordinary remuneration would be payable only in the event of any of the following circumstances:

- Termination of the relationship by mutual agreement when the Senior Manager reaches a certain age.

Unjustified dismissal or abandonment of the Company on the latter's initiative without justification for dismissal, prior to the senior executive reaching the age initially agreed upon, if the aforementioned amount exceeded that resulting from applying the Workers Statute.

Death or invalidity of the Senior Manager.

To cover this incentive each year, the Company contributes to a group savings insurance policy, of which the Company itself is both policyholder and beneficiary, quantified according to a certain percentage of the total monetary remuneration of each senior executive. Contributions for this item in fiscal year 2011 totalled €2,653.7 thousand.

SECTION B.1.13.

-It should be noted that companies in the Ferrovial group occasionally hire non-senior managers, mainly foreigners, for which clauses have been included providing severance pay in the event of wrongful dismissal.

The contracts of two members of senior management contain further rights in their favour, including obligations of early notice by the Company in the event of wrongful dismissal.

SECTION B.1.16.

In forming the remunerative structure of the management team, including Executive Directors, the Company has sought external advice and consultancy whenever this has been necessary for analysing formulas or schemes that make the remuneration of Ferrovial's senior management appropriate, the aim being always to attract and retain talent.

On the other hand, the Company uses reports drawn up by external consultants for making comparisons with outside firms with a similar size and structure, and for guaranteeing that the remuneration offered by Ferrovial is competitive.

SECTION B.1.25.

The age limit of 65 years for the Chairman applies when the Chairman is an executive.

SECTION B.1.26

The next General Shareholders' Meeting of the company is expected to vote on removing section 3 of article 54 of the Bylaws, which states that "In no case shall independent directors remain in office as such, for a period in excess of twelve years".

SECTION B.1.39

For the purposes of this section, the data for years prior to the merger in 2009 referring to Ferrovial, S.A. are of Cintra Concesiones de Infraestructuras de Transporte, S.A.

SECTION C- NOTES ON RELATED-PARTY OPERATIONS

In accordance with the Regulations of the Board of Directors of Ferrovial, all transactions carried out with controlling shareholders, directors or members of senior management as well as their related parties shall require Board authorisation, based on a report by the Audit and Control Committee.

Further, all operations were carried out on an arm's length basis as common turnover or trade of the company and its group.

The Company provides information about related-party transactions, in accordance with the definitions and criteria laid down in the Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and Circular 1/2008 of the CNMV, of 30 January.

SECTION C.1: TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS

A breakdown of the most relevant transactions effected in 2011 with significant shareholders, with members of the "controlling family group" (except for the individuals who are also company Board directors, who are included in the following section) and entities related through shareholdings to persons from the "controlling family group", as indicated in the section on company ownership structure is given below:

(in thousands of €)

Ferrovial Agromán, S.A./subsidiaries

- Construction work: €423 thousand

Ferrovial Servicios, S.A. /subsidiaries

- Integral office management services in Madrid: €434 thousand

- Integral office management services in Madrid: €84 thousand

Ferrovial Conservación, S.A.

- Lease to Ferrovial of office premises in Madrid owned by shareholders: €136 thousand

SECTION C.2: TRANSACTIONS WITH DIRECTORS AND SENIOR MANAGEMENT.

The transactions carried out in 2011 with Directors, representatives of Directors and Senior Management of the company are listed below. Further, note is made of the transactions with Banesto, NH Hoteles, Ericsson, Asea Brown Boveri, Cepsa, Aviva, Almirall, Universidad de Deusto, ESADE, Acerinox, Dornier, Holcim, Banco Pastor, Telefónica, Meliá Hotels, Maxam and Bimarón pursuant to the second section of Order EHA/3050/2004, given that certain company directors are or were at some time in 2011 members of the Board of Directors or Senior Management of these companies:

(in thousands of €)

Rafael del Pino y Calvo-Sotelo

Ferrovial Servicios, S.A./subsidiaries

- Cleaning and maintenance services: €61 thousand

Ericsson

Ferrovial Servicios, S.A./subsidiaries

- Integral service management: €104 thousand

Almirall Laboratorios

Ferrovial Servicios, S.A. /subsidiaries

-Waste recovery services: €122 thousand

Universidad de Deusto

Ferrovial Servicios, S.A./subsidiaries

-Maintenance services: €168 thousand

Aviva
Grupo Ferrovial companies
-Contracting of insurance policies: €2,653 thousand

Maxam Europe and group companies
Ferrovial Agromán, S.A./subsidiaries
-Receipt of supplies of explosives and detonators: €104 thousand

Banesto
Grupo Ferrovial companies
- Payment of commissions and settlements of derivatives transactions: €11,254 thousand
- Interest paid: €2,171 thousand
- Interest payment: €12,179 thousand
- Balance drawn down from guarantee lines: €256,400 thousand
- Balance drawn down from guarantee lines: €28,400 thousand
- Balance drawn down from guarantee lines: €302,900 thousand

NH Hoteles and group companies
Grupo Ferrovial companies
- Hotel and catering services provided by NH Hoteles and group companies: €1 thousand

Cepsa
Ferrovial Agromán, S.A. /subsidiaries
-Construction work: €227 thousand
Grupo Ferrovial companies
-Receipt of fuel supplies: 16,160 thousand Euros
Ferrovial Servicios, S.A. /subsidiaries
-Maintenance services: €53 thousand

Esade
Corporation
- Receipt of training services: €222 thousand

Everis and group companies
Cintra
- Receipt of advertising services: €5 thousand
Corporation
- Receipt of IT project services: €198 thousand

Asea Brown Boverly
Ferrovial Agromán S.A. /subsidiaries
- Receipt of equipment repair and maintenance services: €8 thousand
Ferrovial Servicios, S.A./subsidiaries
-Waste recovery services: €19 thousand

Telefónica
Grupo Ferrovial companies
-Receipt of telecommunication services: €12,309 thousand

Meliá Hoteles and group companies
Grupo Ferrovial companies
- Receipt of hotel and catering services: €43 thousand
Ferrovial Servicios, S.A./subsidiaries
-Maintenance services: €9 thousand

Bimarán and group companies
Ferrovial Agromán, S.A./subsidiaries
- Construction work: €1,439 thousand

Empark
Ferrovial Servicios, S.A. /subsidiaries

-Waste recovery services: €21 thousand
Ferrovial Servicios, S.A. / Ferrovia Agromán S.A./subsidiaries
- Receipt of parking rental services: €19 thousand
Ferrovial Servicios, S.A./subsidiaries
-Maintenance services: €21 thousand
Cintra
- Re-invoicing of expenses, customer balances and stock pending commercialisation: €17 thousand
Ferrovial Agromán, S.A./subsidiaries
- Construction work: €847 thousand

Acerinox
Ferrovial Servicios, S.A./subsidiaries
-Waste recovery services: €7 thousand

Dornier
Ferrovial Servicios, S.A./subsidiaries
- Conservation services: €41 thousand
- Maintenance services: €4 thousand

Holcim
Ferrovial Agromán, S.A./subsidiaries
- Purchase of cement: €1 thousand euros

Banco Pastor
Grupo Ferrovia companies
- Balance drawn down from credit lines: €16,300 thousand
- Loan agreements. Guarantee: €350 thousand
- Interest paid: €30 thousand
- Interest payment: €163 thousand
- Balance drawn down from guarantee lines: €400 thousand
- Bank fee payment: €167 thousand

OTHER INFORMATION ON TRANSACTIONS WITH SHAREHOLDERS, DIRECTORS AND SENIOR MANAGEMENT:

Finally, in addition to the foregoing transactions, there were nine transactions in 2011 with members of the controlling family group or companies related to them, Directors and members of Senior Management, either directly or through related persons for a combined total of €44 thousand (€21 thousand in 2010) for the collection and/or execution of minor work in residences or offices; services of assembly, repair, maintenance of facilities and waste recovery and integral management services, as well as the receipt of a number of services of a duration and sum that are not significant and carried out on an arm's-length basis. In transactions where Ferrovia companies acted as the service provider, the total profit obtained was €3 thousand (€1 thousand in 2010) and the balance was €17 thousand (0 in 2010).

For information on remuneration and loans to Directors and Senior Management, see the section on Remuneration of the Board of Directors and Senior Management.

SECTION C.3: TRANSACTIONS WITH GROUP COMPANIES.

Mentioned below are transactions carried out between Ferrovia companies which, since they form part of normal operations as regards their purpose and conditions, have not been eliminated for the following reason when drawing up the consolidated financial statements of the Company.

As explained in detail in the Notes to the Financial Statements, balances and transactions relating to construction work performed by the construction division for the infrastructure concession companies are not eliminated in the above-mentioned process of drawing up the consolidated financial statements since, at a consolidated level, these types of contract are rated as being construction contracts in which the works are understood as being carried out, insofar as these works are being executed, for third parties, since the final owner of the work performed, from both an economic and legal standpoint, is the granting administration.

In 2011, Ferrovial's construction division invoiced the aforesaid companies for the work performed and for advances related to that work, a total of €668,386 thousand, recognising €664,820 thousand as sales for that work.

The earnings not eliminated in the process of consolidation deriving from these transactions assignable to the percentage Ferrovial holds in the concessionary companies receiving the works and net of taxes and minority interests was €32,148 thousand in 2011.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Recommendation 2.

At present, no other company in the Ferrovial group is listed on the stock exchange apart from Ferrovial itself. However, when this circumstance did arise (the listing of Cintra Concesiones de Infraestructuras de Transporte S.A. and Grupo Ferrovial S.A.) the company has fully complied with this recommendation and, hence:

The Board of Directors of the Company has been assigned the responsibility under its Regulations to oversee that, if the Company and a subsidiary are listed simultaneously a public and precise definition is given of the respective areas of activities and the business dealings that may exist between them and the other companies in the group, and the mechanisms established to resolve any conflicts of interest.

Upon the listing in 2004 of Cintra, Grupo Ferrovial S.A. and Ferrovial Agroman (a subsidiary that operates in the construction business), on the one hand, and Cintra on the other, they signed and made public a Framework Agreement to regulate the dealings between Grupo Ferrovial and its subsidiaries on the one hand, and Cintra and its subsidiaries on the other.

-Finally, the Framework Agreement envisaged that Cintra's Related Operations Committee would exercise certain functions of supervision and reporting, with special attention to matters related to the corporate governance of Cintra and prevention of situations of conflicts of interest. In particular, this Related Operations Committee would be responsible for overseeing compliance of the Framework Agreement.

Recommendation 29.

The next General Shareholders' Meeting of the company is expected to vote on removing section 3 of article 54 of the Bylaws, which states that "In no case shall independent directors remain in office as such, for a period in excess of twelve years".

Recommendation 38.

The Company complies in its internal regulations, to the extent provided for in these Recommendations, although the situation in which its application would be appropriate has not arisen to date.

Recommendation 55.

The Company complies, although the powers of the Nomination and Remuneration Committee on the subject of the Chairman's and CEO's succession refer to the process that permits the orderly succession of the Chairman and CEO.

You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

Binding definition of independent director:

List any independent directors who maintain, or have maintained in the past, a relationship with the company, its significant shareholders or managers, when the significance or importance thereof would dictate that the directors in question may not be considered independent pursuant to the definition set forth in section 5 of the Unified Good Governance Code:

NO

Date and signature:

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on:

23/02/12

List whether any directors voted against or abstained from voting on the approval of this Report.

NO

APPENDIX TO ANNUAL REPORT ON CORPORATE GOVERNANCE OF FERROVIAL, S.A. OF 2011

The Sustainable Economy Act 2/2011 of 4 March ("Sustainable Economy Act") amended Securities Market Act 24/1988 of 28 July ("Securities Market Act") and added a new chapter VI called "On the annual report on corporate governance" which includes a new article 61 bis that regulates the annual report on corporate governance ("IAGC" in Spanish). Said article incorporates, *inter alia*, a new section in the annual report on corporate governance describing the main characteristics of internal control over financial reporting and management of risks in listed companies.

The Sustainable Economy Act also repealed article 116 of the Securities Market Act that required the inclusion of certain additional information in the management report.

Taking into account that the model of the annual report on corporate governance has not yet been implemented in regulation, the company has used the model still in force pursuant to Circular 4/2007 of 27 December of the Spanish Securities Market Exchange ("CNMV"), with the inclusion in this appendix of the additional information required under the Sustainable Economy Act not included in the aforementioned model and which is set forth in the following sections.

1. Information on securities that are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class, the rights and obligations attaching to it and the percentage of total share capital that own shares represent and significant variations thereof. (Art. 61 bis 4 a 3 of the Securities Market Act).

None of the Bank's securities trade on non-EC exchanges.

2. Any restrictions on the transfer of securities and any restrictions on voting rights. (art. 61 bis 4 b Ley del Mercado de Valores).

There are no restrictions of any kind in the Company Bylaws for the acquisition or transfer of share capital other than those set forth in corporate regulations.

There are no legal or bylaw-stipulated restrictions on voting rights, except for section 83.1 of the Capital Companies Act and article 12.2 of the Bylaws (which state that shareholders in arrears in capital payments payable may not vote).

3. Rules governing the amendment of the articles of association (article 61 bis 4 of the Securities Market Act).

Amendments of the Bylaws must comply with sections 194 and 290 of the Capital Companies Act.

4. Significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid and the effects thereof except where such disclosure could pose a serious risk to the company. This exception is not applicable when the company is legally obliged to disclose the information. (Art. 61 bis 4 c 4 Ley del Mercado de Valores).

Currently in force is a corporate financing agreement with certain lending institutions that includes, as grounds for early maturity, a change in the control of Ferrovial S.A. The amount of the contract was €1,560.57 million, of which €1,019.57 have been drawn down.

The Company and its group is party to less onerous contracts, mainly financial in nature, that require authorisations or set conditions for a change of control or corporate transactions such as a merger or spin-off.

There are contracts with suppliers of IT and telecommunication services that include a change of control in Ferrovial, S.A. among the grounds for early termination.

5. Agreements between the company and its board members or employees providing for compensation if they are made redundant without valid reason following a takeover bid. (Art. 61 bis 4 c 5 of the Securities

Market Act).

At 31 December 2011, the contracts between the Company and members of its Senior Management, including two Executive Directors, envisage expressly their entitlement to receive the compensation established in Article 56 of the Workers' Statute in the event of unjustified dismissal.

In the Ferrovial company group, the contracts of some executives, mainly those working abroad, contain clauses that provide for indemnities or obligations of prior notice by the Company for cases of unjustified dismissal.

Similarly, 11 members of Senior Management including two Executive Directors are recognized as being entitled to deferred remuneration with a view to fostering loyalty on their part and permanent allegiance to the company. This extraordinary remuneration would be payable only in the event of any of the following circumstances:

- Removal of the senior executive by mutual agreement or upon reaching a certain age.
- Unjustified dismissal or abandonment of the Company on the latter's initiative without justification for dismissal, prior to the senior executive reaching the age initially agreed upon, if the aforementioned amount exceeded that resulting from applying the Workers Statute.
- The death or disability of the senior executive.

To cover this incentive each year, the Company contributes to a group savings insurance policy, of which the Company itself is both policyholder and beneficiary, quantified according to a certain percentage of the total monetary remuneration of each senior executive.

6. A description of the main characteristics of the internal control and risk management systems with regard to the statutory financial reporting. (Art. 61 bis 4.h of the Securities Market Act).

Introduction

The Spanish regulatory framework on financial reporting has been substantially altered recently with regard to internal control on financial reporting in a number of legislative initiatives.

The Sustainable Economy Law established the obligation to include a description of the ICFR in the Annual Corporate Governance report. A new section H requires "a description of the key aspects of the internal control and risk management systems with respect to the financial reporting process". That Law is enforceable since 2011.

On 26 October 2011, the CNMV published a draft Ministerial Order and Circular to implement the content of the legal obligation. At the same time, audit companies have drawn up an Auditor Procedure Guide in order to define the work to be carried out by auditors in preparing a report on said description.

The draft Circular is consistent with the document approved in June 2010 by the Internal Control Task Force (GTCl in Spanish) set up at the proposal of the CNMV ("Internal control over financial reporting in listed companies"), based on the COSO report, which included a catalogue of good practices and policies related to the components of Internal Control On Financial Reporting (hereinafter, ICFR). The draft sets forth in 10 points the 16 internal control practices in the June 2010 document, grouped into five sub-sections, which correspond to the five components or basic indicators of the internal control system:

1. The entity's control environment
2. Assessment of financial risks
3. Control activities
4. Information and communication
5. Supervision/Monitoring

This document describes the ICFR mechanisms in place at Ferrovial, S.A. (hereinafter, Ferrovial) pursuant to the Securities Market Act and based on the implementation of said law by the CNMV circular. The structure of this

document consists of answers to questions or parts of section F contained in the draft.

F. Description of the main characteristics of the internal control and risk management systems with regard to Ferrovia's internal control over financial reporting (ICFR).

F.1 The entity's control environment

Provide information on at least the following items and specify their main characteristics:

F.1.1. Bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

Bylaws and Regulations of the Board of Directors

The responsibilities of the Board of Directors and of the Audit and Control Committee (hereinafter ACC) over financial reporting are established in the company's Bylaws and in the Regulations of the Board of Directors.

The Board of Directors is responsible for drafting clear and precise financial statements and to supervise the information that is to be provided periodically to the markets, ensuring that the information is drafted in accordance with the same principles as the financial statements and that it is equally reliable.

Article 8.2.e of the Board Regulations assigns the Board the responsibility of "monitoring the Company's financial statements, at least every quarter, and supervising the information that is provided periodically to the markets or supervisory authorities, ensuring that the information is drafted in accordance with the same principles as the financial statements and that it is equally reliable. For this purpose, the assistance of the external auditors or any Ferrovia executive may be called upon".

Further, article 8.2.d assigns it the duty of "Issuing the financial statements in clear and precise terms so that they can be easily understood while seeking to avoid qualifications by the auditor.

In turn, the duties of the ACC include supervising the effectiveness of internal control of the company and supervising the process of drawing up and submitting regulating financial reporting.

Under article 52, b and c of the company Bylaws, as amended by the General Shareholders' Meeting of 1 April 2011, the ACC has the following duties:

- "Monitoring the effectiveness of the company's internal control, internal audit and risk management systems, and discussing with the company's auditors any significant weaknesses detected in the internal control system during the audit".
- "Supervising the process of drawing up and presenting the regulated financial information".

General framework of Internal Control On Financial Reporting (ICFR)

The general framework of the internal control on financial reporting system (ICFRS) accessible to all employees on the company Intranet, assigns Senior Management, which includes members of the Management Committee, the responsibility of designing, implementing and maintaining the ICFRS. Therefore, this responsibility not only falls within finance, but rather affects the entire organisation, as financial reporting feeds on the activity and information generated by business areas and other supporting areas such as HR, Legal Affairs or IT Systems.

Finance is engaged in coordinating such tasks at a global level through the Group Finance Department (hereinafter, GFD) which will monitor all phases of the system and report to the ACC on progress in implementation and monitoring. Such coordination is carried out in each business area by the individual Finance Departments of the same.

F.1.2. List of the components in place in relation to the process of preparing the financial information, if any:

- ***Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process:***

Under the Regulations of the Board of Directors, the responsibilities of the Nomination and Remuneration Committee (an advisory body of the Board of Directors) include analysing the process for orderly succession of the Chairman and Chief Executive Officer, who is appointed by the Board, and reporting on the appointment or removal of executives accountable to the CEO.

The Chief Executive Officer, with the participation of the Head of Human Resources in his advisory role to the CEO, is responsible for setting up the organisational structure for the first line of reporting in the organisation (executives who report to him).

In turn, the latter are responsible for making changes in the organisational structure under their immediate control, subject to the authorisation of the CEO and with the advice of the Head of Human Resources.

The Compensation and Benefits Department, under the Human Resources Department, periodically evaluates the classification and description of all job positions in the group with a view to maintaining an appropriate separation of functions, avoiding redundancies and ensuring the co-ordination of different departments thus achieving greater efficiency of operations in the company.

A detailed organisation chart is available to all employees on the company intranet.

- ***Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:***

Code of Business Ethics

The company has a Code of Business Ethics issued by the Chairman that is available to employees on the company Intranet. The code includes the basic principles of conduct: respect for the law, ethical integrity, respect for human rights, respectful treatment and prohibition of discrimination and so on. It contains a specific mention of the preparation of financial reporting: "As the guiding principle in its business conduct towards shareholders, investors, analysts and the market in general, Ferrovial undertakes to disclose truthful, and complete information that provides an accurate view of the company and Group, their corporate activities and their business strategies".

The Audit and Control Committee is responsible for supervising compliance with the Code of Ethics. Through Internal Audit, it is periodically informed of all activities and measures taken. In this work, Internal Audit receives assistance from HR and Legal Affairs when it believes the work to be performed falls within the scope of their responsibilities.

With regard to the degree of dissemination and instruction, the company obligates its employees to take an online course in business ethics in which the basic principles of the code are explained. In 2010, 3,600 employees in organisations of Ferrovial companies in Spain participated in this mandatory course and were asked questions to verify that they properly understood said principles.

In 2011, mandatory online courses were organised on the reform of the Penal Code and the Code of Good Tax Practices, with participants answering questionnaires to obtain a certificate.

Crime Prevention Protocol in Spain

With the entry into force of the reform of the Penal Code in December 2010, the Board of Directors issued a Crime Prevention Protocol in Spain that is available to all employees on the company Intranet. The protocol includes a series of prohibited conducts, including crimes that may affect financial reporting at Ferrovial, such as fraud, corruption, bribery, falsification of financial statements and falsification in calculation of tax, and a list of rules that prevent the commission of crimes, such rules including the regulatory framework of the ICFR.

Internal Code of Conduct

Finally, it should be mentioned that the company has an Internal Code of Conduct in matters relating to the securities markets that is applicable to Directors of the company and the most significant subsidiaries, Executives, External Advisors and, generally, to any other person that may have access to insider information in the group.

In 2003, the Board of Directors of Ferrovial approved a revised text of the Internal Code of Conduct to replace the text approved in 1999, thus adapting it to the Financial System Reform Act of 2002 (Finance Act) and ensuring a high degree of transparency vis-à-vis the market by laying down norms of conduct aimed at preventing interference in the performance of company capital in the securities markets.

- ***Complaints channel, for the reporting to the Audit Committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.***

Pursuant to article 21, section i) of the Regulations of the Board of Directors, the ACC must “Establish and supervise a system that enables any employee to report, confidentially and, if he/she wishes, anonymously, any situation of inefficiency, improper behaviour or violations of importance, particularly with regard to finance or accounting, within Ferrovial”.

The company has an anonymous complaints channel that is accessible through the Intranet for employees and the websites (in both the Spanish and English versions) that allows any interested counterparty to report to the ACC finance and accounting irregularities or breaches of the code of conduct and irregular activities in the organisation. Ferrovial also has a postbox for those who prefer to use this channel.

All these mechanisms can be used in a secure, personalised or anonymous manner and allow for the provision of documentary evidence.

The ACC supervises these channels and it receives periodic reports on the activities and measures taken through Internal Audit. In this supervisory role, Internal Audit receives assistance from HR and Legal Affairs when it believes the work to be performed falls within the scope of their responsibilities.

The functioning of the channel is regulated in a corporate procedure issued by the Chairman that is accessible to all employees on the intranet.

- ***Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.***

The managers of departments engaged in preparing financial information must ensure their staff receive training and refresher courses. HR and, specifically, the Corporate University, are responsible for implementing the required training programmes.

Ferrovial has a Corporate University, Summa, (hereinafter, the University) with the mission of conveying the values of Ferrovial and fostering the development of differential talent in the organisation.

The managers of the University meet each year with the GFD to coordinate training for personnel involved in the preparation and revision of financial information. The GFD co-ordinates the training requirements of all affected areas. Subsequently, the managers of the University provide the GFD with a summary of the actions taken in the academic year.

The University has a broad range of courses, including a specific finance training course (finance classroom), which is supplemented by special workshops.

In addition, finance courses are imparted and managed directly by HR areas of the business units involved.

In 2011, approximately 600 people working in finance received 19,415 hours of training in finance, with a special focus on updating and recycling knowledge of accounting rules, such as IFRS, US/UK GAAP, Spanish accounting rules, analysis and consolidation of financial statements and knowledge of auditing, internal control and risk management, as well as subjects of a complex or subjective nature, as they are influenced by judgements or estimates, such as derivatives, project finance and application of the IFRIC-12.

F.2 Assessment of financial risks

Report the following at least:

F.2.1. The main characteristics of the process of risk identification process, including risks of error or fraud, stating whether:

- ***The process exists and is documented.***

Ferrovial has implemented an integral risk management system called Ferrovial Risk Management (FRM), which is described in greater detail in section X of the Annual Corporate Governance report.

The system, which is oriented towards associating risks analysed with the control objectives these risks threaten, is applied to all the group's lines of business, including subsidiaries in which Ferrovial has management capacity.

The company has an FRM procedure that is the responsibility of the Risk Department reporting directly to the Chief Executive Officer, and which is accessible to all employees on the company intranet.

The Risk Universe is part of a common catalogue to be used by different businesses, which classifies risks into four main areas: strategic risks, operational risks, regulatory risks and financial risks.

- ***The process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency:***

The financial risks of FRM include identification of risk and associated controls related to the reliability of financial information (FRM ICFR), which is a separate section within the FRM.

The design of the content of the information to be reported in the FRM framework relating to ICFR is the responsibility of the GFD. This process covers all the objectives of financial reporting, namely: existence and occurrence; completeness; valuation; presentation; disclosure and comparability and rights and obligations.

This system is structured as follows:

a) The Risk Universe

The research structure is based on a common catalogue for all businesses that classifies risks according to different items in the financial statements.

b) Risk identification and assessment

The identification and assessment process is based on the use of two new instruments: the Relevance Matrix and the Assessment Scale.

The Relevance Matrix is an ordered and systematic structure that analyses the exposure of a business to different risk categories defined in the Risk Universe in relation to the control objectives.

The Matrix is used to establish the priority of risk categories to be assessed according to relevance.

Once the matrix has been reviewed and a decision made as to what risks are applicable, relevant and of concern, the second risk assessment phase begins. Here the risks defined as applicable and relevant are assessed, independently of whether they are of concern at present.

The assessment of risks defined as applicable and relevant will be based on an Assessment Scale.

The Assessment Scale is designed to make two different risk assessments: one for inherent risk and another for residual risk (after controls), in accordance with their potential impact, likelihood of occurrence and exposure.

To assess the possible impact should the risk occur, circumstances such as the following have been taken into account: the complexity of transactions and applicable rules, the volume of transactions, the complexity of calculations, application of judgements, estimates or projections, may be subject to fraud, has been identified by internal/external auditor in the past, errors committed in the past.

The final risk assessment will be the product of the assessments made of the impact, likelihood and exposure, thus yielding a value for risk that will place it in one of the following two categories:

Significant risk

Non-significant risk

With the use of these instruments to ensure the use of a common and ordered working process, direct managers will identify, prioritise and assess the most relevant risks faced by their businesses.

c) Reporting

In addition to evaluating the risks incorporated in the FRM ICFR system, business managers describe the management systems used and propose, as necessary, new controls or modifications of existing ones.

Business areas and their Finance Departments are responsible for providing the required information in the process of risk identification and controls.

The complete process is executed once a year in co-ordination with the Risk Department. Then, a selective review is made of information on risk categories a manager believes has undergone significant change since the last complete analysis.

- ***The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements:***

As mentioned above, the FRM takes into account strategic risks, operational risks, compliance risks and financial risks.

- **Which of the company's governing body is responsible for overseeing the process:**

The GFD informs the ACC of the results of the process of analysing risk related to the reliability of financial information. The Risk Department reports the results of the overall process of risk analysis, including financial risks.

- **A specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.:**

Within the Group Finance Department, Accounting performs a number of controls to ensure the consolidation of all companies as required by law. Companies that report already-consolidated information to the group have the same mechanisms with a view to ensuring the completeness of the process.

At present, there are three processes for companies whose consolidated information is prepared centrally at group level:

- Investment requests: acquisition of companies is subject to authorisation. A copy of the signed authorisation is received by members of the Executive Committee.
- The Secretary General updates the organisational chart: whenever a company is incorporated to the Group, the Secretary General updates the organisational chart and distributes it.
- Interface between Consolidation tool and SAP: When a company is added in SAP, the interface detects it and the consolidation tool issues notice for incorporation to the same, thus ensuring the consistency of information in the two systems.

In 2011, an analysis was made of the process for identifying the perimeter in companies that report sub-consolidated companies, mainly Amey and Budimex, and that have the same processes.

F.3 Control activities

Indicate if the following processes exist and their main characteristics:

F.3.1. Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case.

The GFD submits to the ACC prior to publication and approval by the Board both the financial statements and the periodic financial information presented in the markets, with a special emphasis on the main judgements and assumptions in the most complex areas or in which the accounting impact is most significant.

The Regulations of the Board of Directors states that the statements presented for approval by the Board must first be certified by the Chairman, the Group Chief Executive Officer and the Group Chief Financial Officer.

Prior to such certification, the Chief Executive Officers and Chief Financial Officers of the businesses and main subsidiaries must certify the information reported for the purposes of preparation of the bi-yearly and yearly consolidated financial statements of the group for their own areas of responsibility.

The report describing the ICFR is drawn up by the Group CFO with the co-operation of pertinent corporate departments and is submitted to the ACC for review and approval.

Documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements.

All business areas have controls of critical processes to ensure the reliability of financial information. Such controls in certain cases are included in written procedures or in the functioning of reporting systems

serving as the basis for preparation of financial information.

Since 2006, such processes and related control processes have been systematically documented. This documentation is produced systematically through the following steps:

1. Analysis of the financial statements of the affected companies and setting key control objectives in financial reporting for different items composing it.
2. Description of processes with a narrative and a flow chart.
3. Identification of controls in processes.
4. Assignment of existing controls to each of the key control objectives.
5. Identification of possible improvements and adoption of action plan for their implementation.

Yearly election of processes is made by the GFD according to the risks identified in the risk identification process described in F.2.1 and it is done at two levels: by business line or across business lines.

The following work on internal control was performed in 2011:

- Documentation of the process of valuation and accounting of derivatives and financial expenses at Corporate, Cintra and BAA.
- Analysis of the process for identifying the standardisation process in the companies of Cintra USA owing to differences between the financial information reported locally prepared according to US GAAP and the consolidated information under IFRS.
- Documentation of the process of perimeter identification in Budimex, Amey and BAA.
- Documentation of the controls relating to the recognition of provisions in Budimex and Webber.
- Documentation of the process of applying IFRIC 12.
- Documentation of the process of pensions in Amey and BAA.

Opportunities for improvement have been identified in this work and the following action plans have been adopted to implement such improvements.

The GFD periodically submits, at least twice a year, a report to the ACC on progress in work on the design and implementation of proposals for improvement and maintenance of ICFR.

Closing of accounts procedure.

The company has a closing of accounts procedure which is applicable to all business. The process is coordinated by the GFD, which issues instructions and sets a calendar for milestones.

Further, the company has a process for corporate closing of accounts that is available on the company intranet. It describes the content of the corporate controls for the accounting close that are performed centrally to assure the reliability of the consolidated financial information and the monitoring and updating mechanisms, and how these are to be recorded.

Specific review of critical judgements, estimates, evaluations and projections.

The GFD prepares a document on judgements and estimates in the yearly closing that is submitted to the ACC.

In addition, given that accounting rules require the use of judgements and estimates based on long-term projections for recording certain transactions, the company has a process for medium and long-term

projections that specifies the finance models to be used to ensure the coherence of the different types of financial reporting. The company also has a process for evaluating derivatives and measurements to test their effectiveness.

Both processes, issued by the GFD, are on the company intranet to ensure that all employees are familiar with them.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information:

The Information Systems Department (hereinafter, the DGSI) has the strategic mission of facilitating attainment of Ferrovial's objectives through the use of information technologies oriented towards achieving greater effectiveness and efficiency, thus creating value and leading innovation.

Management and control of the services provided by DGSI are aligned with international standard ISO 20000/ITIL and are structured in the following processes:

1. Service Strategy that ensures the correct alignment of the DGSI with the business and the financial control of services.
2. Service Provision, which ensures control over the development, capacity, availability, continuity and security of services.
3. Service Support, which ensures control over changes, configurations, incidences and problems related to the provision of services.
4. Management of Continuous Improvement through setting up of control mechanisms of service levels and deployment of scorecards.

These processes, in turn, open up sub-processes that contain the control activities necessary to cover risks relating to management of IT systems that support processes related to the preparation of financial reporting. Such sub-processes include:

- **Continuity management:** Ferrovial has implemented a Business Continuity Model aligned with international standard BS 25999 that properly manages grave contingencies and the acceptable recovery of critical processes in such circumstances. This model regulates the following matters, among others:
 - Global Business Continuity Policy.
 - Governing Framework and Responsibilities.
 - Business Impact Analysis (BIA) to correctly identify the critical processes for business continuity.
 - Incident Response Structure, including measures to back up and recover information in contingency situations, such as management of back-up copies and recovery of information in systems disasters.
- **Change management and control** through the setting up of procedures in different fields (development of products and services, technology infrastructures, etc.) to ensure that changes in IT systems supporting financial information are evaluated, approved, implemented and reviewed in a controlled manner.

Ferrovial also has a Corporate IT Security Framework with the mission of safeguarding the completeness, confidentiality and availability of its information.

Within this framework, Ferrovial acknowledges the strategic importance of its information assets and establishes a series of general guidelines in order to protect information from unauthorised destruction, unavailability, manipulation or disclosure.

Ferrovial has an IT Security Committee with the following main duties:

- Develop a General Corporate IT Security Framework and ensure its correct implementation in Ferrovial by executing and monitoring initiatives in information security.
- Develop rules, procedures and, generally, control mechanisms to regulate correct Access and treatment by Ferrovial employees and collaborators of both IT and the systems processing information.
- Oversee compliance with both internal and legal rules and control mechanisms in force in Ferrovial in information security.

Ferrovial also has an IT Security Department, within IT Systems, that is responsible for leading governance, strategy and management of IT security by defining, implementing, operating and monitoring models, architectures and security and control systems that protect the value of information and ensure its completeness, availability and confidentiality.

Management of IT security is aligned with international standards ISO/IEC 27001, including and regulating, among others, a process of continuous improvement in risk management, matters such as control of access and segregation of functions to ensure that treatment of financial information supported by IT systems is performed in an authorised and supervised manner that is proportional to the needs of users in performing tasks.

The Ferrovial IT Security Management System (SGSI) is prepared for certification under standard ISO/IEC 27001 in 2012.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements:

When the company outsources certain activities, it verifies the technical exercise and skills of the subcontractor. The group has implemented control activities to check the soundness of the conclusions of independent experts.

The following have been identified as the most significant outsourced activities with an impact in the financial statements.

- Outsourcing of hardware and software management of IT systems

1. The DGSi has specific procedures for controlling outsourced services through contractual regulation of the following:

- Alignment/certification of provision of service in terms of international standards (including ISO/IEC 20000 and ISO/IEC 27001).
- Setting up of obligatory and periodic processes of auditing and service reviews.
- Establishment and management of service levels.

- Actuarial studies of pensions

Information on pensions reported in the consolidated financial statements is based on the actuarial calculations of firms of recognised prestige. This information is checked by the company, which possesses controls to ensure its reliability.

In addition, arising from the internal control work performed in 2011 regarding the description of the pension process discussed in section F.5.3.1, the company has requested for a certification or a specific report of internal control (as per SAS 70, AAF 01/06 or a similar standard) of companies subcontracted by the Trustees, responsible for the processes of valuing assets in the funds and administering the same, as a source of information of the calculations by the actuary contracted by the company.

The company has an internal procedure for contracting professional consulting or advisory services with auditing firms and parties that are related or part of the same network, independently of whether they are engaged at the time in reviewing the consolidated or individual financial statements of Ferrovial or its investees. Certain approval levels are required that depend on the amount, including approval from the ACC. Under this procedure, at least three bids must be requested for each job, in the absence of a justified cause. The reason for the outsourcing must be explained.

The General Secretariat is responsible for co-ordinating the appointment of the individuals or firms providing legal services such as lawyers, solicitors, notaries and brokers to Group companies and for supervising the provision of services and accrual of fees.

F.4 Information and communication

Provide information at least on whether the following items are available and specify their main characteristics:

F4.1. A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations:

This is a centralised corporate function for the entire geographic scope of the group.

The Accounting Policies and Internal Control Department, which reports to Planning and Control within the Group Finance Department, is responsible for defining and maintaining the accounting rules manual (Ferrovial GAAP) up to date and available on the company intranet and answer questions or resolve conflicts related to its interpretation. The last update was made in January 2012.

Ferrovial GAAP incorporates all the IFRS changes adopted by the European Union and the standards defined by Ferrovial in cases where the IFRS offer different alternatives or a mandatory standard does not apply.

This department must prepare technical notes when important decisions need to be taken in relation to accounting standards to document that decisions are sufficiently grounded.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

The GFD continuously oversees that there is an appropriate proportion of subsidiaries whose transactional and consolidation IT systems are those applicable at the group level and that they gather information in a standard format. It also determines which standard reporting system (Monthly Report) will be used in companies whose systems are not used at group level and which are material to the consolidated financial information of the group in order to ensure the consistency of reported information.

At the transactional system level, Ferrovial has a harmonised system internally called SAP Fidelio which includes companies that accounted for 64% of sales, 75% of EBITDA and 75% of assets in 2011. Companies outside SAP Fidelio are mainly Amey and Budimex.

Ferrovial has a consolidation tool called Cartesis Finance in which all companies are consolidated, except for the sub-consolidated financial statements of Amey and Budimex, and entities consolidated by the equity method, which are reported in a standard monthly report format and consolidated with other company groups. The monthly report includes the necessary disclosures for the preparation of financial statements and, regarding the ICFR, it includes the certification of the Chief Financial Officer and the Chief Executive Officer of such subsidiaries, as discussed in section F.3.1.

F.5 Monitoring

Provide information on at least the following items and specify their main characteristics:

F.5.1. ICFR monitoring activities undertaken by the Audit Committee, including an indication of whether

the entity has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Also describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information:

Ferrovial has an Internal Audit Department that reports directly to the ACC of the Board of Directors, which ensures total independence and objectivity of those employees making management decisions when reviews are conducted. The functions under the Regulations of the Board of Directors and the ACC that affect Internal Audit include proposing and removing its own manager, approving the budget and ensuring that the human and material resources are appropriate for the performance of its duties. Members of the team exclusively carry out audit work.

The scope of Internal Audit's work includes all companies in the Ferrovial Group. Therefore, it is a centralised corporate function that performs work in any company, process, area or system, whether national or international, in which Ferrovial participates.

The annual work programme is drawn up on the basis of risk parameters included in a priority matrix (intrinsic risk, controls, sector, activity, country, age, etc.) which determine what work is a priority for the next year when applied to the total "auditable universe". This planning proposal is discussed with Senior Management with a view to incorporating its proposals and submitted to the ACC for approval prior to the start of the year. Then, during the year, the degree of progress in planning is reported, as are any deviations, and these are explained. The guiding principle is that all work considered priority must be audited during the current year and others are positioned for the following years. Hence, a review of the entire auditable universe will have been completed once a certain number of years have elapsed, which we believe is sound and representative of the level of risk.

The scope of Internal Audit's work is global, as it includes reviewing the financial statements (both as part of accounting and the past) and the following areas: the balance sheet and income statement, both financial and future: business plans, budgets, finance models, etc.), analysing effectiveness and efficiency of processes, internal controls, the design and compliance with applicable internal and external regulations, the functional completeness and sufficiency of IT systems and organisational structures.

If Internal Audit deems it appropriate, it may engage external advisors for specific technical expertise in the matter audited or to reinforce audit capacity in a specific moment.

The Internal Audit report contains three sections: in addition to an overall opinion of the performance of the audited unit (company, system, process, etc.) sufficient details are provided on any opportunities for improvement. These details are incorporated in recommendations to managers, with dates for implementation and subsequent verification. The report is unique, and it is issued and distributed to all the heads of the audited unit, the Ferrovial Management Committee and Senior Management.

This philosophy is applicable uniformly to all the work of Internal Audit. In the specific field of ICFR, the effectiveness and design of internal controls is analysed, as noted previously with regard to work performed in audited units. Further, work to be performed in 2012, includes a global audit of the implementation process of ICFR.

F.5.2. Indication of the existence of discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments to the company's senior management and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Regulations of the Board of Directors states that the functions of the ACC include discussing with auditors any significant weakness in the internal control system encountered in the audit.

Under the Board Regulations, the external auditor submits to the ACC on a yearly basis any weaknesses in internal control found in the course of audit work.

Such weaknesses are incorporated to the ICFR action plan of while the GFD is responsible for designing

an action plan to correct them and report the progress to the ACC.

In the Recommendations section of the audit report, recommendations for improvement are given for any weaknesses found. The direct managers of the audited units commit to implementing the recommendations on dates to be agreed with Internal Audit, which performs a quarterly evaluation of their effective implementation. This information is also periodically reported to Senior Management and the ACC for their information and for any measures deemed appropriate. In some cases, implementation of the recommendations of Internal Audit is made part of the personal objectives of the manager responsible, thus affecting attainment of variable remuneration.

F.6 Other significant information

F.7 External auditor review

Review stating:

F.7.1. Whether the ICFR information supplied to the market has been reviewed by an external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

Ferrovial has asked the external auditor to issue a review on the information provided by the company in this document. The review is attached hereto as an Appendix and is based on the professional guide established by auditor corporations, which is in line with the "Procedures for external auditor review" included in the GTCI document of June 2010.

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Auditor's report on "Information relating to Internal Control over Financial Reporting (ICFR)" of Ferrovial, S.A. for 2011.

To the Directors,

The Securities Market Act 24/1988 of 28 July, as amended by the Sustainable Economy Act 2/2011 of 4 March requires, for fiscal years starting on 1 January 2011, that the Annual Report on Corporate Governance include a description of the main characteristics of the internal systems of control and risk management for the process of reporting regulated financial information. On this point, the Spanish Securities Market Commission (CNMV) published on 26 October 2011 a Draft Circular modifying the model for the Annual Report on Corporate Governance to be published, including the manner in which the main characteristics of their ICFR were to be described. In its letter of 28 December 2011, the CNMV recalls the aforesaid legal changes to be taken into consideration in the preparation of "Information on ICFR" until definitive publication of the CNMV Circular that is define the new model for the corporate governance report.

Pursuant to sub-section 7 of the content of ICFR in the model for the Annual Report on Corporate Governance of the CNMV Draft Circular, requiring that companies mention if the description of ICFR has been reviewed by the external auditor and, if so, that they include the report, corporations representing auditors published on 28 October 2011 a Guide and approximate model for the auditor's report (hereinafter, the Draft Guide). In addition, Circular E01/2012 of 25 January 2012, the Institute of Certified Auditors of Spain [*Instituto de Censores Jurados de Cuentas de España*] sets forth certain additional considerations regarding the same matter.

Pursuant to the request from the Board of Directors of Ferrovial, S.A. (hereinafter, the Company) and to our proposal letter of 16 January 2012, we have applied certain procedures to "Information on ICFR" included in the Annual Report on Corporate Governance of Ferrovial, S.A. for 2011, summarising the internal control processes of the Company for annual financial reporting.

The Board of Directors is responsible for taking appropriate measures to reasonable assure the implementation, maintenance and supervision of a proper system of internal control and to make improvements in said system, and to prepare and establish the content of the attached Information on ICFR.

Hence, independently of the quality of the design and operation of the Company's internal control system for annual financial reporting, it must be recalled that this allows only for reasonable, but not absolute, assurance of the objectives being sought, owing to the limitations inherent to any internal control system.

In the course of our work of auditing the financial statements and, in accordance with auditing rules, the sole purpose of our evaluation of the Company's internal control is to establish the scope, nature and timing of the process of auditing the Company's financial statements. Consequently, our evaluation of internal control for said auditing of financial statements did not have sufficient scope to allow us to issue a specific opinion of the effectiveness of said internal control over regulated financial reporting.

For the purposes of this report, we have applied only the specific procedures described below and indicated in the Auditor's Report Guide relating the information on the internal control system for financial reporting of listed companies published by the Spanish Securities Market Commission on its website, which specifies the work to be performed, its scope and the content of this report. As the work arising from said procedures has a small scope that is substantially narrower than an audit or a review of the internal control system, we express no opinion on

the effectiveness of the same or its design or operating effectiveness in relation to the Company's annual financial reporting in 2011 described in the attached Information on ICFR. Hence, if we had applied procedures in addition to those laid down in the aforementioned Guide or if we had performed an audit or review of the internal control system of regulated annual financial reporting, other facts or matters we would have reported might have emerged.

Since this specific work does not constitute an audit and it is not subject to the Revised Text of the Audit Act approved by Royal Legislative Decree 1/2011 of 1 July, we express no audit opinion as per the terms of the aforesaid law.

The following procedures were applied:

1. Reading and comprehension of the information prepared by the company pursuant to the ICFR included in the Annual Report on Corporate Governance of Ferrovial, S.A. for 2011, and evaluation of whether said information covers all required information to comply with the minimum content described in the model for the Annual Report on Corporate Governance of the CNMV Draft Circular.
2. Questions asked of staff responsible for preparing information specified in point 1 above, with a view to: (i) gain an understanding of the process used in their elaboration; (ii) obtain information to allow for evaluating if the terminology accords with the definitions in the reference framework; (iii) obtain information on whether the described control procedures are implemented and operating in the company.
3. Review of supporting documentation for the information specified in point 1 above, and that it has included, mainly the information made available to the staff responsible for drawing up information describing the ICFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal or external specialists in their function of supporting the audit committee.
4. Comparison of information specified in point 1 above with the knowledge of the ICFR of the company obtained from the application of the procedures in the framework of audit work for the financial statements.
5. Reading of minutes of meetings of the Board of Directors, audit committee and other committees of the company to evaluate the consistency between matters addressed therein related to the ICFR and the information specified in point 1 above.
6. Acquisition of the General Representation Letter relating to work properly performed signed by persons responsible for preparing and approving the information specified in point 1 above.

As a result of the procedures applied to information on the ICFR no inconsistencies or incidences that might affect the same have been found.

This report has been prepared exclusively in the framework of the requirements laid down by the Securities Market Act 24/1988 of 2 July, as amended by the Sustainable Economy Act 2/2011 of 4 March and the CNMV Draft Circular of 26 October 2011 for the description of the ICFR in Annual Reports on Corporate Governance.

DELOITTE, S.L.

Javier Parada Pardo

23 February 2012