

ANNUAL CORPORATE GOVERNANCE REPORT

PUBLICLY LISTED COMPANIES

ISSUER IDENTIFICATION

END OF FISCAL YEAR: 31/12/2008

TAX ID NUMBER: A-28606556

Name: GRUPO FERROVIAL, S.A.

STANDARD ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLICLY LISTED COMPANIES

For a better understanding of the model and how it is prepared, please read the instructions for completing the form at the end of this report.

A – OWNERSHIP STRUCTURE

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

Last changed on	Share capital (euros)	Number of shares	Number of votes
31/03/2000	140,264,743,00	140,264,743	140,264,743

Are there different classes of shares with different rights associated with them?

NO

A.2 Provide details on the company's significant shareholders, direct and indirect, at the end of the fiscal year, excluding directors:

Indicate the most significant changes to the shareholder structure last year:

A.3 Complete the following tables on the members of the Board of Directors who possess shares with voting rights:

Name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	11,245	2,283,177	1.636
SANTIAGO BERGARECHE BUSQUET	611,429	0	0.436
JAIME CARVAJAL URQUIJO	15,154	390	0.011
JOAQUIN AYUSO GARCIA	19,416	0	0.014
GABRIELE BURGIO	8,335	0	0.006
JUAN ARENA DE LA MORA	19,504	0	0.014

MARIA DEL PINO Y CALVO-SOTELO	2,570	0	0.002
PORTMAN BAELA, S.L.	81,798,231	0	58.317
SANTIAGO EGUIDAZU MAYOR	8,264	19,991	0.020
SANTIAGO FERNANDEZ VALBUENA	1,568	0	0.001
DON JOSE MARIA PEREZ TREMPs	8,972	0	0.006

Name of indirect shareholder	Through: Name of direct shareholder	Number of direct voting rights	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	TURPINOFIN, B.V.	2,283,177	1.628
JAIME CARVAJAL URQUIJO	ISABEL HOYOS MARTINEZ DE IRUJO	390	0.000
SANTIAGO EGUIDAZU MAYOR	PSJ INDEX SICAV S.A.	19,100	0.014
SANTIAGO EGUIDAZU MAYOR	JORGE EGUIDAZU RAMIREZ	297	0.000
SANTIAGO EGUIDAZU MAYOR	PATRICIA EGUIDAZU RAMIREZ	297	0.000
SANTIAGO EGUIDAZU MAYOR	SANTIAGO EGUIDAZU RAMIREZ	297	0.000

Total percentage of voting rights controlled by the Board of Directors: 60.463%

Complete the following tables on the members of the Board of Directors who hold rights to Company stock:

Name of director	Number of direct stock options	Number of indirect stock options	Equivalent number of shares	% of total voting rights
RAFAEL DEL PINO Y CALVO-SOTELO	791,500	0	791,500	0.564
JOAQUIN AYUSO GARCIA	751,500	0	751,500	0.536
JOSE MARIA PEREZ TREMPs	290,000	0	290,000	0.207

A.4 Indicate, where applicable, the relationships of a family, commercial, contractual or corporate nature that exist

between significant shareholders to the extent that they are known by the Company, except those which are irrelevant or the result of the Company's ordinary business activities:

Type of relationship:
Business

Brief description:
See previous section

Name of related party
PORTMAN BAELA, S.L.

Type of relationship:
Business

Brief description:
According to the notice sent to the CNMV and the company on 28 May 2008, the family group composed of Rafael del Pino y Moreno and his children, María, Rafael and Leopoldo, control 58.317% of the share capital of Grupo Ferrovial, S.A. indirectly through the company Portman Baela, S.L. (percentage updated 31 December 2008).

Rafael del Pino y Moreno passed away on 14 June 2008.

Name of related party
PORTMAN BAELA, S.L.

A.5 Indicate any commercial, contractual or business relations between the significant shareholders and the company and/or group, unless they are irrelevant or the result of the Company's ordinary business activities:

Type of relationship:
Business

Brief description:
Director of Grupo Ferrovial, S.A.

Name of related party
MARIA DEL PINO Y CALVO-SOTELO

Type of relationship:
Business

Brief description:
Director of Grupo Ferrovial, S.A.

Name of related party
RAFAEL DEL PINO Y CALVO-SOTELO

Type of relationship:
Business

Brief description:
Director of Grupo Ferrovial, S.A.

Name of related party
PORTMAN BAELA, S.L.

A.6 State whether the Company has been informed of any shareholders' agreements that affect the company according to article 112 of the Stock Market Act. If so, describe them briefly and list the shareholders involved in the agreement:

YES

Percentage of share capital affects:

58.317

Brief description of the agreement:

In accordance with the stipulations of Article 112.4 of the Securities Market Law, it is placed on record that on 5 October 2007 Portman Baela, S.L, majority shareholder of Grupo Ferrovial, S.A., informed the Company of the agreements reached between the shareholders of such company. According to the terms of such agreements, both the title to share capital and the voting rights of the shareholders of Portman Baela, S.L. which are legal entities are to be held at all times by Mr. Rafael del Pino y Moreno and/or his direct descendants. Moreover, the representatives of the aforementioned legal entity shareholders accept on their behalf that title to capital and the voting rights of each of them are to be held by Mr. Rafael del Pino y Moreno and/or his direct descendants.

Participants in the Shareholders' Agreement
SHAREHOLDERS OF PORTMAN BAELA, S.L.

Percentage of share capital affects:

58.317

Brief description of the agreement:

See explanation above

Participants in the Shareholders' Agreement
SHAREHOLDERS OF PORTMAN BAELA, S.L.

State whether the Company is aware of the existence of concerted actions among shareholders. If so, describe them briefly:

NO

Indicate any changes to or termination of such shareholders' agreements or concerted actions during the fiscal year:

The company is not aware of any.

A.7 Are there any other individuals or legal entities that control could control the company according to article 4 of the Stock Market Act? If so, identify them:

YES

Name of individual or legal entity
PORTMAN BAELA, S.L.

Observations

See section A.4.

A.8 Complete the following tables on the Company's treasury stock:

At the end of the fiscal year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
1,250,374	277,000	1,089

(*) Through:

Name of direct shareholder	Number of direct share
BETONIAL, S.A.	277,000
Total	277,000

Describe any significant changes during the fiscal year, as provided for in Royal Decree 1362/2007:

Notification date	Total direct shares acquired	Total indirect shares acquired	% of total share capital
05/02/2008	1,155,149	0	0.824

Gains(losses) on the shares disposed of during the period (thousands of euros)	-27
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A.9 Describe the terms and conditions of any mandates given to the Board of Directors to buy or sell treasury stock.

RESOLUTION OF THE SHAREHOLDERS' MEETING HELD ON 28 MARCH 2008

One.-

"Authorise the Board of Directors to acquire treasury stock on the market, either directly or via dependent companies, subject to the following limits and requirements:

-Form of acquisition: acquisition via purchase-sale or via any other inter vivos act for a valuable consideration.

-Maximum number of shares to be acquired: up to five per cent (5%) of Grupo Ferrovial, S.A. share capital, free of all liens and encumbrances, provided that the shares have been fully paid up and are not bound to compliance with any type of obligation, and that the par value of the acquired shares plus those held by Grupo Ferrovial, S.A. and any of its dependent companies does not

exceed the aforementioned 5% of Grupo Ferrovial, S.A. share capital

-Minimum and maximum acquisition price: the minimum acquisition price of the shares shall be equivalent to 75% of the market price and the maximum acquisition price shall be 120% of the market price on the date of acquisition.

-Maximum trading volume: the maximum daily trading volume resulting from the acquisition of treasury stock shall not be more than 25% of the average total trading volume of Grupo Ferrovial, S.A. shares in the previous ten sessions.

-Duration of the authorisation: eighteen (18) months from the date of this resolution.

All of these operations shall comply with the regulations regarding this matter contained in the Company's Internal Code of Conduct.

Two.-

Revoke the authorisation regarding this matter that was granted by the Shareholders' Meeting on 30 March 2007.

Three.-

Authorise the Board of Directors to allocate part or all of the treasury stock acquired to the remuneration programmes whose purpose or mechanism is the delivery of shares or stock options, in accordance with the first paragraph of article 75.1 of the Spanish Public Limited Companies Act.

A.10 Indicate any restrictions in the law or in the articles of association on the exercise of voting rights or any legal restrictions on the acquisition or transmission of share capital. Indicate any legal restrictions on exercising voting rights.

NO

Legally-imposed maximum number of voting rights that can be exercised by one shareholder	0
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Indicate any restrictions imposed in the articles of association on exercising voting rights:

NO

Maximum number of voting rights that can be exercised by one shareholder according to restrictions in the articles of association	0
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Indicate any legal restrictions on the acquisition or transmission of share capital:

NO

A.11 State whether the Shareholders' Meeting has agreed to take measures to neutralize a public takeover bid pursuant to the terms of Law 6/2007.

NO

If so, explain the measures adopted and under what terms the restrictions would be removed:

B – ADMINISTRATIVE STRUCTURE OF THE COMPANY

B.1 The Board of Directors

B.1.1 State the maximum and minimum number of directors stipulated in the articles of association:

Maximum number of directors	15
Minimum number of directors	5

B.1.2 Complete the following table on the members of the Board; indicate any board members who stepped down during the year:

Name of Director	Representative	Position held on the Board	First appointed on	Re-elected on	Election procedures
RAFAEL DEL PINO Y CALVO-SOTELO	--	CHAIRMAN	09/01/1992	31/03/2006	VOTE AT SHAREHOLDERS' MEETING
SANTIAGO BERGARECHE BUSQUET	--	1 ST VICE PRESIDENT	23/02/1999	28/03/2008	VOTE AT SHAREHOLDERS' MEETING
JAIME CARVAJAL URQUIJO	--	2 ND VICE PRESIDENT	23/02/1999	28/03/2008	VOTE AT SHAREHOLDERS' MEETING
JOAQUIN AYUSO GARCIA	--	CEO	22/03/2002	28/03/2008	VOTE AT SHAREHOLDERS' MEETING
GABRIELE BURGIO	--	DIRECTOR	28/05/2002	18/03/2005	VOTE AT SHAREHOLDERS' MEETING
JUAN ARENA DE LA MORA	--	DIRECTOR	29/06/2000	31/03/2006	VOTE AT SHAREHOLDERS' MEETING
DONA MARIA DEL PINO Y CALVO-SOTELO	--	DIRECTOR	29/06/2000	30/03/2007	VOTE AT SHAREHOLDERS' MEETING
PORTMAN BAELA, S.L.	EDUARDO TRUEBA CORTES	DIRECTOR	29/06/2000	31/03/2006	VOTE AT SHAREHOLDERS' MEETING

SANTIAGO EGUI DAZUMAYOR	--	DIRECTOR	26/01/2001	31/03/2006	VOTE AT SHAREHOLDERS' MEETING
SANTIAGO FERNANDEZ VALBUENA	--	DIRECTOR	30/05/2008	30/05/2008	CO-OPTATION
JOSE MARIA PEREZ TREMPES	--	SECRETARY- DIRECTOR	09/01/1992	31/03/2006	VOTE AT SHAREHOLDERS' MEETING

Total directors	11
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Indicate any directors who stepped down from the Board of Directors during the year:

Name of Director	Type of director at the time of resignation	Position in the company
EDUARDO TRUEBA CORTES	Proprietary	28.05.2008

B.1.3 Complete the following tables on the members of the Board and their status:

EXECUTIVE DIRECTORS

Name of director	Committee that proposed appointment	Name of the significant shareholder represented or who proposed appointment
RAFAEL DEL PINO Y CALVO-SOTELO	NOMINATION AND REMUNERATION COMMITTEE	Chairman
JOAQUIN AYUSO GARCIA	NOMINATION AND REMUNERATION COMMITTEE	CEO

JOSE MARIA PEREZ TREMP	NOMINATION AND REMUNERATION COMMITTEE	Secretary-Director
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Total number of executive directors	3
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% of total Board members	27,273
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PROPRIETARY EXTERNAL DIRECTORS

Name of director	Committee that proposed appointment	Name of the significant shareholder represented or who proposed appointment
MARIA DEL PINO Y CALVO-SOTELO	NOMINATION AND REMUNERATION COMMITTEE	PORTMAN BAELA, S.L.
PORTMAN BAELA, S.L.	NOMINATION AND REMUNERATION COMMITTEE	PORTMAN BAELA, S.L.

Total number of executive directors	2
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% of total Board members	18,182
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INDEPENDENT EXTERNAL DIRECTORS

Name of director

SANTIAGO BERGARECHE BUSQUET

Background

- Member of the Board of Directors since 1999
- Degree in Economics and Law (Deusto Commercial University)
- Non-executive Chairman Cepsa and Dinamia Capital Privado
- Director of Vocento and Gamesa Corporación Tecnológica S.A.
- Joined the Group in 1995 as the Chairman of Agromán. Was CEO of Grupo Ferrovial between February 1999 and January 2002.

Name of director

JAIME CARVAJAL URQUIJO

Background

- Member of the Board of Directors since 1999
- Degree in Law (Madrid) and Master's Degree in Economics (Cambridge University, UK)
- Chairman of Advent Internacional (España); Ericsson Spain; ABB, S.A. Director of Aviva and Solvay Ibérica
- Former Chairman of Ford España S.A. and Director of Telefónica, Repsol and Unión Fenosa.

Name of Director

GABRIELE BURGIO

Background

- Member of the Board of Directors since June 2002
- Degree in Law and MBA from INSEAD (Fontainebleau)

- Executive Chairman of NH Hoteles since 1999
- CEO of Jolly Hotels SpA since 2006
- Former CEO of Cofir, he worked for Bankers Trust in New York and for Manufacturers Hannover in Italy

Name of Director

JUAN ARENA DE LA MORA

Background

- Member of the Board of Directors since 2000
- PhD in Engineering (ICAI), Degree in Business Studies, Degree in Psychology, Diploma in Tax Studies and AMP (Harvard Business School)
- Director and member of the Audit and Nomination and remuneration Committee of Dianmia
- Director and Chairman of the Audit Committee of Laboratorios Almirall
- Member of Board of Directors and Chairman of the Nomination and remuneration Committee of Everis
- Former CEO and Chairman of Bankinter and Director of TPI
- Was recently elected President and Business and Society Foundation.
- Member of the Advisory Board of Spencer Stuart, President of the Advisory Board of Unience, member of the Board of Mentors of CMI, President of the Professional Board of ESADE, and member of the European Advisory Board of the Harvard Business School and the Board of Directors of Deusto Business School

Name of Director

SANTIAGO EGUIDAZU MAYOR

Background

- Member of the Board of Directors of Grupo Ferrovial, S.A. since 2001
- Degree in Economics and Business Studies
- Civil Service Economist and Trade Expert
- Chairman of the Nmás1 Group
- Former partner, Managing Director and Vice President of AB Asesores, Vice President of Morgan Stanley Dean Witter and Director of Vocento

Name of Director

SANTIAGO FERNÁNDEZ VALBUENA

Background

Member of the Board of Directors since May 2008. Holds a degree in Economics from the Complutense University and a Ph.D. in Economics and Master's from Northeastern University in Boston.

He joined the Telefónica Group in January 1997 as the Managing Director of Fonditel. In July 2002, was appointed Director of Finance. In addition to his financial responsibilities, he directs subsidiaries and investees and oversees corporate development operations. He is also a member of the Board of Directors of Portugal Telecom.

He was previously the Director General of Société Générale de Valores and Stock Market Directors for Beta Capital. He has close links to academia as a Professor of Applied Economics at the Complutense University. He has also been a professor at the Business Institute.

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Total number of independent directors	6
% of total Board members	54,545

Explain why they cannot be considered proprietary or independent directors and their relationship to the company, its directors or its shareholders.

Indicate any changes that occurred during the year in the directors' status:

B.1.4 Explain why proprietary directors have been appointed on the recommendation of shareholders who control less than 5% of the share capital, if any.

State whether the Board has denied any formal requests for representation on the Board from shareholders with stakeholdings equal to or greater than those of other shareholders whose requests for the appointment of proprietary shareholders were granted. If so, explain why their requests were denied.

NO

B.1.5 State whether any director has stepped down before the end of his mandate, whether the director has explained his reasons for doing so to the Board and by what means. If the reasons were given in writing to the entire Board, explain below the reasons given:

YES

Name of Director

EDUARDO TRUEBA CORTES

Reason for resignation

To be appointed to act as the representative of the Director, Portman Baela, S.L.

B.1.6 Indicate the powers vested in the Managing Directors(s), if any:

Name of director

JOAQUIN AYUSO GARCÍA

Brief description

All except those which may not legally be delegated

Name of director

RAFAEL DEL PINO Y CALVO-SOTELO

Brief description

All except those which may not legally be delegated

B.1.7 Identify the board members who hold administrative posts or sit on the boards of other companies that are part of the publicly-traded group of companies:

Name of director	Name of Company or Group	Title
RAFAEL DEL PINO Y CALVO-SOTELO	CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE. S.A.	Chairman
RAFAEL DEL PINO Y CALVO-SOTELO	FERROVIAL INFRAESTRUCTURAS. S.A.	Chairman
JOAQUIN AYUSO GARCIA	CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE. S.A.	Vice President
JOAQUIN AYUSO GARCIA	FERROVIAL AEROPUERTOS S.A.	Chairman
JOAQUIN AYUSO GARCIA	FERROVIAL AGROMAN. S.A.	Chairman
JOAQUIN AYUSO GARCIA	FERROVIAL FISA. S.L.	Chairman
JOAQUIN AYUSO GARCIA	FERROVIAL INFRAESTRUCTURAS. S.A.	CEO
JOAQUIN AYUSO GARCIA	FERROVIAL SERVICIOS S.A.	Chairman
JOSE MARIA PEREZ TREMPES	BAA LIMITED	Director
JOSE MARIA PEREZ TREMPES	CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE. S.A.	Director
JOSE MARIA PEREZ TREMPES	FERROVIAL AEROPUERTOS S.A.	Director
JOSE MARIA PEREZ TREMPES	FERROVIAL AGROMAN. S.A.	Director
JOSE MARIA PEREZ TREMPES	FERROVIAL FISA. S.L.	Director
JOSE MARIA PEREZ TREMPES	FERROVIAL INFRAESTRUCTURAS. S.A.	Director
JOSE MARIA PEREZ TREMPES	FERROVIAL INVERSIONES. S.A.	Co-Director
JOSE MARIA PEREZ TREMPES	FERROVIAL SERVICIOS S.A.	Director
JOSE MARIA PEREZ TREMPES	SWISSPORT INTERNATIONAL AG	Director

B.1.8 Please provide the details of any board members who sit on the boards of directors of other companies quoted on the Spanish stock exchange, other than companies of your group, of which the company has been notified:

Name of director	Name of Company or Group	Title
RAFAEL DEL PINO Y CALVO-SOTELO	BANCO ESPANOL DE CREDITO S.A.	DIRECTOR
SANTIAGO BERGARECHE BUSQUET	GAMESA CORPORACION TECNOLOGICA. S.A.	DIRECTOR
SANTIAGO BERGARECHE BUSQUET	VOCENTO. S.A.	DIRECTOR
SANTIAGO BERGARECHE BUSQUET	CEPSA. S.A.	CHAIRMAN
SANTIAGO BERGARECHE BUSQUET	DINAMIA. S.A.	CHAIRMAN
GABRIELE BURGIO	SOTOGRADE. S.A.	DIRECTOR
GABRIELE BURGIO	NH HOTELES. S.A	CHAIRMAN
JUAN ARENA DE LA MORA	LABORATORIOS ALMIRALL. S.A.	DIRECTOR
JUAN ARENA DE LA MORA	DINAMIA. S.A.	DIRECTOR

B.1.9 State and, where necessary, explain whether the company has established rules on the number of board members on its board of directors:

NO

B.1.10 With regard to recommendation number 8 of the Unified Code, indicate which of the company's general policies and strategies the plenary Board has reserved for its own approval:

Investment and financing policy	YES
Definition of the structure of the group of companies	YES
Corporate governance policy	YES
Corporate responsibility policy	YES
The strategic or business plan and the management objectives and annual budgets	YES
The remuneration policies and performance evaluations of executives	YES
The risk management and control policy and periodic tracking of internal information and control systems	YES
The dividend policy and the policy on treasury stock, especially limits	YES

B.1.11 Complete the following tables regarding the aggregate remuneration paid to board members during the fiscal year:

a) In the company to which this report refers:

Remuneration Item	Thousands of euros
Fixed	2,342
Variable	2,779
Allowances	0
Allowances for meeting attendance	0
Stock options and/or other financial instruments	0
Other	0
Total	5,121

Other Benefits	Thousands of euros
Advances	616
Loans granted	0
Pension plans and funds: Contributions	0
Pension plans and funds: Obligations assumed	0
Life insurance premiums	10
Guarantees provided by the company to directors	0

b) For sitting on the boards of other boards of directors and/or occupying executive positions in Group companies:

Remuneration Item	Thousands of euros
Fixed	0
Variable	0
Allowances	0
Allowances for meeting attendance	0
Stock options and/or other financial instruments	0

Other	0
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Total	0
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Other Benefits	Thousands of euros
Advances	0
Loans granted	0
Pension plans and funds: Contributions	0
Pension plans and funds: Obligations assumed	0
Life insurance premiums	0
Guarantees provided by the company to directors	0

c) Total remuneration by director type:

Type of Director	By Company	By Group
Executive	5,121	0
External Proprietary	0	0
External Independent	0	0
Other External	60	0
Total	5,121	0

d) Profits earned by the parent company

Total remuneration paid to directors (thousands of euros)	5,121
Total remuneration paid to directors/profits earned by the parent company (expressed in %)	0.0

B.1.12 List the executive staff members who are not executive directors and indicate the total remuneration paid to them during the fiscal year:

Name of Director	Title
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ALVARO ECHANIZ URCELAY	DIRECTOR OF REAL ESTATE
ALEJANDRO DE LA JOYA RUIZ DE VELASCO	DIRECTOR OF CONSTRUCTION
VALENTIN ALFAYA ARIAS	DIRECTOR OF QUALITY AND THE ENVIRONMENT
JAIME AGUIRRE DE CARCER Y MORENO	DIRECTOR OF HUMAN RESOURCES
NICOLAS VILLEN JIMENEZ	DIRECTOR OF ECONOMICS AND FINANCE
JAVIER ALVAREZ LAORGA	DIRECTOR OF RISKS
GREGORIO PANADERO ILLERA	DIRECTOR OF COMMUNICATIONS
SANTIAGO OLIVARES BLAZQUEZ	DIRECTORS OF SERVICES
ENRIQUE FUENTES EGUSQUIZA	DIRECTOR OF MARKET STUDIES AND ANALYSIS
FEDERICO FLOREZ GUTIERREZ	DIRECTOR OF INFORMATION SYSTEMS
IÑIGO MEIRAS AMUSCO	DIRECTOR OF AIRPORTS
ALBERTO FERREIRO PRADO	DIRECTOR OF INTERNAL AUDIT
IGNACIO MARTINEZ-JORCANO EGUILUZ	DIRECTOR OF INFORMATION SYSTEMS (until April 2008)
JOSE MANUEL RUIZ DE GOPEGUI DRONDA	DIRECTOR OF CONSTRUCTION (until April 2008)

Total remuneration paid to executive staff (thousands of euros)	6,448
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B.1.13 Please indicate whether there are guarantee clauses or golden parachutes for cases of dismissal or control

changes in favour of executive staff members, including executive directors of the company or the group. Indicate whether these contracts must be submitted to and/or approved by the governing bodies of the company or group:

Number of beneficiaries	0	
	Board of Directors	Shareholders' Meeting
Body that authorises the clauses	YES	NO
Is the Shareholders' Meeting informed of the clauses?	NO	

B.1.14 Describe the process for setting the remuneration of the members of the Board of Directors and the relevant clauses of the Articles of Association in this regard.

Process for establishing the remuneration of the members of the Board of Directors and clauses of the Articles of Association

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

The Nomination and Remuneration Committee is responsible for proposing to the Board of Directors the system and amount of the annual remuneration of directors. In respect of the additional remuneration of Board members for reasons of their executive functions, its consideration by the Board must be preceded by the report issued by this same Committee.

The decision falls to the Board of Directors in both cases and, in respect of the points that are compulsory by law, it is also submitted for approval by the Shareholders' Meeting.

b) Clauses in the Articles of Association and in the Regulations regarding remuneration of the Board of Directors

Article 25 of the Articles of Association regulates the remuneration of the directors

1. Members of the Board of Directors shall receive, for the performance of their functions, an overall amount equivalent to 3% of the consolidated results of the business year attributable to the company. The Board may refrain from applying the whole of the profit sharing in the years it deems appropriate, in which case no rights shall accrue for the directors on the part that is not applied. In any case, this participation in the company profits may only become effective after the requirements established in section 130 of the Spanish Corporations Law have been complied with.

Within the limits of the foregoing paragraph, remuneration formulas consisting of the delivery of shares or option rights over them or which are linked to the share price may be established.

2. The Board of Directors shall be responsible for establishing the manner and amount in which the participation, as fixed, shall be distributed among its members in each business year, and this may be done in an individualized manner according to the participation of each Director in the tasks of the Board.

3. The income provided for in this article shall be compatible with and separate from the salaries, remunerations, indemnities, pensions, share options or compensations of any kind established on a general or exceptional basis for those members of the Board of Directors who perform executive duties, whatever the nature of their relationship with the company, whether labour – common or special in senior management– mercantile or through the provision of services, these relationships necessarily being compatible with the status of member of the Board of Directors.

4. The company may subscribe a third-party liability insurance policy for its Directors.

Besides the foregoing, it must be mentioned that article 31 of the Board of Directors Regulations specifies:

- That in order to calculate the percentage that remuneration of the Board means in respect of the results for the year and verify that it falls within the maximum established limits, the qualifications that may possibly be recorded in the external auditor's report and whose impact on the operating statement for the corresponding year is considered significant shall, in any case, be considered.

- And that the Board may establish objective criteria for determining remuneration and its total or partial use for the purchase of shares in the Company, which was done through resolution adopted on 26 February 2003, and was partially modified on 26 March 2004.

a) Compulsory investment in Company shares

Since 2003, all Directors are under the obligation to devote their remuneration (per diem and statutory duty allowances) to the acquisition of shares in the Company itself. Such acquisitions are carried out through purchases made in the market on pre-established dates, and specifically on the first stock exchange business day session immediately following each date established by the Spanish Securities and Investments Board as the deadline for sending periodic economic information. The shares acquired in the same calendar year can only be sold by the interested party three full years after acquiring them, as agreed by the Board of Directors in 2004.

b) Remuneration policy applicable to the Board of Directors in 2008.

The remuneration policy was not modified in 2008 and therefore is the same one that has previously applied. However, when drafting the annual accounts for 2008, the Directors realised that the book results obtained preclude the payment of the statutory

remuneration to the Directors as described in the regulation referred to above.

Consequently, the Board of Directors agreed that the amounts received in the form of per diems for 2008 will be applied to the remuneration payable for 2009 or subsequent fiscal year. Further details on the amounts paid to directors are given in Section G.

Indicate which of the following decisions the plenary Board has reserved for its own approval:

The appointment and removal of executive staff members and their indemnity clauses, at the proposal of the CEO.	NO
The remuneration to be paid to directors and the additional remuneration to be paid to executive directors and other contractual conditions.	YES

B.1.15 State whether the Board of Directors approves a detailed remuneration policy and specify the questions it decides on:

The amount of the fixed components, with an itemised breakdowns, of the allowances paid to directors and their commissions and an estimate of the fixed annual remuneration resulting therefrom.	YES
Variable remuneration or bonuses	NO
Main characteristics of surety systems with an estimate of their equivalent annual cost.	YES
The contractual conditions of executive directors who perform executive functions, including	YES

B.1.16 State whether the Board submits a policy on the remuneration of board members to the Shareholders' Meeting for a vote, as a separate item on the meeting agenda on a consultative basis. Explain the aspects of the report with regard to the remuneration policy approved by the Board for future years, the most significant changes in those policies compared to those of previous fiscal years and an overall summary of how the remuneration policy was applied during the fiscal year. Provide details of the role played by the Remuneration Committee and if any external consultants were used and, if so, the identity of the external consultants:

NO

Aspects of the Remuneration Policy

With regard to 2008, and in accordance with the provisions of article 34.5 of its Regulations, the Board of Directors plans to draw up a Remuneration Report, after a report by the Nomination and Remuneration Committee, in which the following, among other issues, will be described in detail:

- Aspects relating to remuneration policy: approval; the criteria it includes; statutory and regulatory clauses that regulate the remuneration of Board members.
- Remuneration system for the Board of Directors in 2008, with separation of the different items that comprise Executive Directors
- New policy items in respect of previous years.
- Policy for 2009 and subsequent years.
- Other information of interest.

Role played by the Remuneration Committee

As mentioned above, the Nomination and remuneration Committee examines the Remuneration Report before the final draft is prepared by the Board of Directors.

The Committee performs the following functions in relation to remuneration:

- Proposes Director remuneration.
- Issues a report prior to approval by the Board of additional remuneration for executive functions performed by Executive Directors.
- Supervise the observance of the Company's remuneration policy.

Were external advisers used?

YES

Identity of advisers

(See section G)

B.1.17 Please identify the members of the Board of Directors who are at once board members, directors or employees of companies which are significant shareholders in the publicly-traded company and/or its group companies:

Name or company name of Director	Name of the significant shareholder	Title
RAFAEL DEL PINO CALVO-SOTELO	PORTMAN BAELA, S.L.	CHAIRMAN
MARIA DEL PINO CALVO-SOTELO	PORTMAN BAELA, S.L.	VICE PRESIDENT

Describe any relevant relationships other than those mentioned above between the members of the Board of Directors and significant shareholders and/or companies of the group:

B.1.18 State whether there were any changes during the year to the Rules of the Board of Directors:

NO

B.1.19 State the procedures for appointing, re-electing, evaluating and removing directors. Describe the competent bodies, the procedures to be followed and the standards applied in each one of these procedures.

Composition of the Board

The Articles of Association and the Regulations stipulate that the Board of Directors must aim for a composition with an ample majority of external or non-executive directors. Similarly, the Board is to aim for a composition of the majority group of external directors made up of Owner and Independent Directors, with the latter accounting for a significant proportion. In any event, and as was approved also in 2007, Independent Directors are to make up at least one third of all Directors.

Selection of Directors

The Board of Directors Regulations establish a procedure for the appointment or prior selection for designation or re-election of Directors. Such procedure, when applied in the selection of new directors, has been overseen by external firms.

The duties of the Nomination and remuneration Committee include the drafting and review of the criteria to be applied with respect to the selection of candidates. According to article 26 of the Rules of the Board of Directors, appointments (or re elections) of Directors are required to be preceded by:

- In the case of Independent Directors, a proposal from the Nomination and remuneration Committee.
- For all other Directors, a prior report.

Every effort is required to be made to ensure that the persons elected are of known solvency, competence and experience, particular care being taken in relation to candidates for positions as Independent Directors, who are required to comply with the pertinent stipulations of the Regulations.

The Board Regulations stipulate that Proprietary Directors may not maintain with Ferrovial personally, either directly or indirectly, significant and stable commercial, economic, employment or professional relations, apart from those of a professional nature inherent in the offices of Chairman and CEO of the Company.

The Rules of the Board do not establish any specific requirements for being named Chairman of the Board.

According to the Rules of the Board, the company will establish an orientation programme for new directors to provide them with the opportunity of familiarizing themselves quickly and efficiently with company, as well as with its corporate governance rules.

Directors affected by appointment, re-appointment or removal proposals shall abstain from participating in the deliberations and voting at which they are discussed. Voting in these cases will be secret.

Term of Office

In accordance with the Articles of Association and Board of Directors Regulations, a Director's term of office is three years, with the possibility of re-appointment.

Independent Directors must tender their resignation to the Board and, should the latter consider advisable, formally present their resignation, when they have been Board members for twelve (12) years, without prejudice to their possible continuation as Directors on a different basis.

Appointment of the CEO, Board Secretary, and members of the Board Committees

The Nomination and remuneration Committee must:

- Give its report prior to the appointment and removal of the CEO and also, at the proposal of the Chairman, of the Board Secretary.
- Propose the members who are to form part of the different Committees.

In accordance with the Articles of Association and Board of Directors Regulations, a Director's term of office is three years, with the possibility of re-appointment.

Assessment of the Board of Directors

In accordance with the new Board of Directors Regulations, the Board will make an annual assessment of the following:

- Its functioning and the quality and efficiency of its work.
- The performance of the Company's Chairman and CEO, after the report of the Appointment and Remuneration Committee.
- The functioning of its Committees, on the basis of the report submitted by them.

In 2008, the organization and operation of the Board as a collective body and its committees were assessed.

The performance of the Chairman and CEO was also analysed individually.

As on other occasions, this process was assisted by the collaboration of a specialist outside firm that appeared before the Board to report on the results of its work.

The Board of Directors also made an assessment of the functioning of the Appointment and Remuneration Committee and the Audit and Control Committee, on the basis of the report drawn up by each of them. In both cases, the result of the assessment is that their functioning is correct and that both Committees satisfactorily fulfil the duties assigned to them.

See section B.1.20

B.1.20 Indicate under what circumstances directors are obliged to resign.

The Board Regulations also establish a system for regulating the removal of Directors that covers the reasons for which a Director must tender his/her resignation. In addition to resigning when the period for which they were appointed ends or when the Shareholders' Meeting so decides, the Regulations also envisage, besides the limitation stated above for Independent Directors, the following causes:

- Executive Directors, when the Board sees fit.
- Proprietary Directors, upon full disposal of the stake in the Company that enabled them to be appointed as such. They shall also resign, in the appropriate number, when that stake decreases to a level that demands a reduction in the number of its Proprietary Directors.
- When Directors incur any of the causes of incompatibility or prohibition envisaged by law or by the internal Regulations.
- At the Board's request, because the Director has violated his/her obligations.
- When the Director's continuance on the Board may jeopardize Ferrovial's interests.
- When Directors reach the age of 70. The Chairman and Deputy Chairman (if Executive), the CEO and Secretary of the Board must resign at the age of 65, but may continue as Directors and hold the office of Chairman or Deputy Chairman if they are not executive.
- When there are significant changes in their professional situation or in the conditions by virtue of which they were appointed as Directors.
- When, because of events attributed to the Director, the Board considers that his/her continuance on the Board causes serious damage to the Company's net worth or reputation. In particular, if the Director should be indicted or become involved in oral proceedings for any of the cases provided for in section 124 of the Corporations Law, the Board shall analyse the circumstances of the case without delay and the appropriateness of whether he/she should continue in the post, reporting on the criterion adopted in the Annual Corporate Governance Report.

With regard to Independent Directors, the Board Regulations establish that the Director will not tender his/her resignation before completing the term of office, unless there is just cause noticed by the Board, after the report of the Appointment and Remuneration Committee. Just cause is understood to exist, in particular, if the Independent Director violates his/her duties, incurs in incompatibility or if any of the causes listed above occurs.

The resignation of Independent Directors may also be proposed if, as a result of takeover bids, mergers or other operations of this kind occur in the share capital structure of the company, thereby making it advisable to review the criteria of proportionality established by good governance recommendations.

B.1.21 Explain whether the Chairman of the Board is also the Chief Operating Officer of the Company. If so, state the measures that have been taken to limit the risk of power accumulating in one person:

YES

Risk-Limiting Measures	
A) Powers of the Board of Directors	
The function of the Board of Directors is to manage, represent and supervise as may be necessary, so as to ensure that	

the Company meets its corporate purpose, while seeking to protect the Company's general interests, this being understood to be maintaining its economic value at maximum, sustained levels and treating all shareholders in the same way.

Also, and without prejudice to the powers delegated to it, the Board has, directly or through its Committees, exclusive powers regarding a number of matters, including:

- Approval of strategic policies, management targets and Ferrovial's annual budget.
- Control of performance and assessment of the Directors.
- Incorporation of new companies and acquisition or sale of stakes in existing companies, where the latter imply obtainment or loss of a majority stake, exceeding certain percentages of ownership, or the commencement or abandonment of business lines.
- Mergers, spin-offs or concentrations involving the Company or any of its direct investees.
- Strategic investments or operations and the performance of investment, disinvestment, financing or guarantee transactions involving substantial group assets or for amounts above specific thresholds.

B) CEO

Since the company's stocks began trading the Stock Exchange, it has also had a Chief Executive Officer.

C) The Board of Directors has also appointed a Lead Director (see below).

State and explain whether rules have been established empowering one of the independent directors to request a meeting or the inclusion of new items on the meeting agenda to coordinate and express the concerns of the external directors and the direct the evaluation by the Board of Directors

YES

Explanation of Rules
<p>Lead Director</p> <p>Article 15 of the Board Regulations establishes that when the Chairman is also the top executive of the Company, one of the Independent Directors will assume coordination of the External Directors. In particular, that person will channel all matters and concerns that the External Directors notify him of and he may request the calling of a Board Meeting and the inclusion of items on the agenda.</p> <p>The Lead Director must be an Independent Director.</p> <p>The Board of Directors is responsible for his appointment at the proposal of the Nomination and Remuneration Committee.</p> <p>At the Board Meeting held on 29 June 2007, Jaime Carvajal Urquijo was appointed Lead Director at the proposal of the Nomination and Remuneration Committee. At the meeting held on 29 May 2008, the Board agreed to extend the term of office of Jaime Carvajal Urquijo for one year on the recommendation of the Nomination and remuneration Committee.</p>

B.1.22 Are special quorums required to take any type of decision, other than the legally-mandated quorums?

NO

Describe how resolutions are passed by the Board of Directors, indicating the attendance quorum required and the type of majority needed to pass resolutions:

Description of the resolution:

All resolutions

Quorum	%
At least one-half of the members	0

Type of majority	%
Absolute majority of attendees	0

B.1.23 Explain whether there are any special requirements, other than those relative to directors, for being appointed Chairman.

NO

B.1.24 Indicate whether the Chairman casts the deciding vote:

YES

Matters in which there is a deciding vote
If there is a tie, the Chairman casts the deciding vote.

B.1.25 State whether the Regulations of the Board set an age limit for Directors:

YES

Age Limit Chairman	Age Limit CEO	Age Limit Directors
65	65	70

B.1.26 Indicate whether the Articles of Association or the Regulations of the Board establish a limited term of office for independent directors:

YES

Maximum number of years of mandate	12
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B.1.27 If there are very few or no female directors, explain the reasons for this and the initiative adopted to correct the situation:

Explanation of the reasons and the initiatives
There is one female Board member at this time. However, article 22.2.a) of the Regulations of the Board establishes that the Board must ensure that the candidate selection process is not implicitly biased in a way which would raise obstacles to the selection of directors based on their personal circumstances.

In particular, state whether the Nomination and remuneration Committee has established procedures to ensure that the selection process is not implicitly flawed in such a way as to impede the selection of female directors and to deliberately search for female candidates who meet the requirements:

NO

B.1.28 State whether there are formal procedures for delegating votes in the Board of Directors. If so, describe them briefly.

According to article 26 of the Articles of Association and 24.2 of the Rules of the Board of Directors, when Board members are unable to attend a meeting personally, they may grant a special proxy to another Board member, including instructions on how to vote on the agenda items.

B.1.29 State the number of Board of Directors meeting held during the fiscal year. Also state how many times the Board of Directors met without the Chairman in attendance:

Number of Board meetings	14
Number of meeting without the Chairman in attendance	0

State the number of meetings held by the different Board committees during the fiscal year:

Number of meetings of the Executive or Delegated Committee	8
Number of meetings of the Audit Committee	6
Number of meeting of the Appointment and Remunerations Committee	4
Number of meetings of the Appointment Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30 State the number of Board of Directors meeting held during the fiscal year without all members in attendance. In your calculation, remember proxies who did not have specific instructions will be considered absences:

Number of absences by directors during the fiscal year.	6
% of absences compared total votes during the fiscal year.	2.440

B.1.31 Indicate whether the individual and consolidated annual income statements presented to the Board for its approval are previously certified:

YES

Identify the person or people who has or have certified the individual and consolidated income statements of the Company to be formulated by the Board:

Name	Title
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RAFAEL DEL PINO Y CALVO-SOTELO	CHAIRMAN
JOAQUIN AYUSO GARCÍA	CEO
NICOLÁS VILLEN JIMÉNEZ	DIRECTOR OF FINANCE

B.1.32 Explain any mechanisms established by the Board of Directors to avoid the individual and consolidated annual income statements being submitted to the Shareholders' Meeting of Shareholders with provisos in the Auditor's Report.

The Rules of the Board stipulate as follows with regard to the formulation of the annual accounts:

- The Board of Directors will make every effort to formulate the annual accounts so that no objections are raised by the auditor.
- However, when the Board considers that it must stand firm in its decisions, the chairman of the Audit and Control Committee and the external auditors, if required, will publicly explain the scope and content of such discrepancies

B.1.33 Is the Secretary of the Board also a Director?

YES

B.1.34 Explain the procedure for appointing and removing the Secretary of the Board, indicating whether the appointment and the removal of the Secretary have been reported by the Appointments Committee and approved by the plenary Board.

Appointment and removal procedure
To be appointed Secretary of the Board, candidates need not be Directors. The Board approves the appointment and removal of the Secretary on the Chairman's recommendation, based on the report of the Nomination and remuneration Committee.

Does the Appointments Committee report the appointment?	YES
Does the Appointments Committee report the removal?	YES
Does the plenary Board approve the appointment?	YES
Does the plenary Board approve the removal?	YES

Is the Secretary of the Board especially entrusted with overseeing compliance with good governance recommendations?

YES

Observations
The Board of Directors Regulations confer on the Secretary of the Board, among other functions, responsibility for verifying compliance with the regulations on corporate governance and their

interpretation, besides considering the recommendations made on this matter which the Company decides to adopt, and to analyse those that arise at any time for their possible inclusion in the Company's internal regulations.

B.1.35 Indicate the mechanisms implemented by the Company to preserve the independence of auditors, financial analysts, investment banks and rating agencies, if any.

Audit and Control Committee

Another function of the Audit and Control Committee is to propose the appointment, conditions of engagement, extent of professional mandate and, where appropriate revocation or non-renewal of the auditor.

Under no circumstances may the Audit and Control Committee propose that the Board of Directors engage an audit firm where the fees it plans to pay, under all headings, exceed five (5) per cent the firm's total revenues in the last business year.

Internal Procedures

According to the Company's internal procedures, the Financial Department is responsible for proposing the engagement of external auditors when new companies are acquired (due diligence) or other special work that requires external auditors is performed.

Besides this, the Company has an internal procedure, modified in 2007, by virtue of which the hiring of any professional consultancy or advisory service from any auditing firms and any entity related to the latter, irrespective of the fact that they may or may not have been entrusted with auditing the annual consolidated and individual accounts of Grupo Ferrovial, S.A. or its group companies, shall require the prior authorization of the Audit and Control Committee or the Financial Department according to whether the value of the services exceeds certain amounts or otherwise. In addition, every six months the Audit and Control Committee will receive a summary of the contracts of this nature that have actually been entered into.

Restrictions on hiring analysts

As regards analysts, the Nomination and Remuneration Committee is responsible for establishing measures for checking that Ferrovial does not hire, as employees or senior managers, persons who have covered the Company at a rating agency in the two years after leaving such agency. The Nomination and remuneration Committee determined that the Corporate Human Resources Department was the most appropriate internal organizational environment for the Company has gone ahead with the implementation of new measures with this aim in view.

B.1.36 State whether the Company changed external auditors during the fiscal year. If so, identify the incoming and outgoing auditors:

NO

Outgoing auditors	Incoming auditors

If there were disagreements with the outgoing auditors, explain them:

NO

B.1.37 Indicate whether the auditor do work for the Company and/or the Group other than auditing work and, if so, whether they declare the amount of the fees received for such work and the percentage which such work represents out of the total fees billed to the Company or the Group:

YES

	Company	Group	Total
Fees paid for work other than auditing work performed (thousands of euros)	83	609	692
Fees paid for work other than auditing work performed as a percent of the total fees invoiced by the auditing firm (en %)	51,670	14,010	15,350

B.1.38 State whether the auditors' report on last year's annual accounts contained provisos. If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of such provisos.

NO

B.1.39 State how many years in a row the current auditors have been auditing the Company's annual income statements and/or those of the Group. Also state the percentage which the number of years audited by the current firm represents compared to the total number of years for which the income statements have been audited:

	Company	Group
Number of years in a row	6	6

	Company	Group
No. of years audited by the current auditors / no. of years the company's / group's accounts have been audited (%)	31.6 %	31.60 %

B.1.40 Indicate the interests held by the members of the Board of Directors of the Company in the capital of companies with identical, analogous, or complementary types of activities as those making up the business objective of the Company or the Group which have been notified to the Company. Also indicate their titles or the functions they perform in these companies:

B.1.41 Describe the procedures, if any, that exist for directors to receive the advice of external advisers:

YES

Describe the procedure
<p>The Board of Directors Regulations permit Board members to freely request information from Senior Management, informing the Company's Chairman of this, and to request whatever additional information they may reasonably need from the Chairman, the Chief Executive Officer or the Secretary of the Board.</p> <p>The Board of Directors Regulations also establish that, in order to assist them in discharging their duties, Directors may request the engagement, at the Company's expense, of legal, accounting and financial consultants and other experts for major, complex problems. The request for the engagement of external consultants must be made to the Company Chairman, and the Board of Directors may only reject the request in limited circumstances.</p>

Lastly, there is a specific statutory provision that enables members of the Audit and Control Committee to be assisted by experts in the discharge of their duties

B.1.42 Describe the procedures, if any, that exist for directors to receive the information they need to prepare for Board meetings well enough in advance:

YES

Describe the procedure

The Board drafts an annual schedule of dates and matters in respect of its ordinary meetings.

Board meetings are convened by written notice addressed personally to each Director, with the necessary documentation about the intended agenda, at least one day before the date of the meeting, except in extraordinary circumstances.

The Board of Directors Regulations permit Board members to freely request information from Senior Management, informing the Company's Chairman of this, and to request whatever additional information they may reasonably need from the Chairman, the Chief Executive Officer or the Secretary of the Board.

B.1.43 State whether the Company has establishes rules that oblige directors to report and, if necessary, step down in situations which could damage the Company's reputation and, if so, give details:

YES

Explain the Rules

According to the Regulations of the Board of Directors, Directors are under the obligation to place their offices at the disposal of the company under the following circumstances:

In the event of significant changes in the Director's professional situation or in the conditions which led to his appointment to the Board.

When for reasons attributable to the Director, his/her continued Board membership is seriously damaging to the Company's assets or corporate reputation, in the Company's opinion. In particular, in the event of a procedure or commencement of an oral proceeding against the Director in any of the situations referred to in Article 124 of the Spanish Companies Law, the Board shall analyze at the earliest possible opportunity the circumstances of the case and the advisability of the Director's continuation, or otherwise, on the Board, recording the criterion adopted in such respect in the Annual Corporate Governance report.

According to the Rules of the Board of Directors, the Board must notify the Company of any criminal or other charges lodged against it which are significant enough to have a negative impact on Ferrovial's reputation.

B.1.44 State whether any member of the Board of Directors has reported to the Company any criminal charges filed against him for any of the crimes listed in article 124 of the Public Limited Companies Act:

NO

Indicate whether the Board of Directors has analysed the case. If so, explain the reasons for the decision taken as to whether or not the Director should remain in office.

NO

Decision	Reasoned explanation
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B.2 Committees of the Board of Directors

B.2.1 List all Committees of the Board of Directors and their members:

EXECUTIVE OF DELEGATED COMMITTEE

Name	Title	Type
RAFAEL DEL PINO Y CALVO-SOTELO	CHAIRMAN	EXECUTIVE
JAIME CARVAJAL URQUIJO	DIRECTOR	INDEPENDENT
JOAQUIN AYUSO GARCIA	DIRECTOR	EXECUTIVE
MARIA DEL PINO Y CALVO-SOTELO	DIRECTOR	PROPRIETARY
SANTIAGO BERGARECHE BUSQUET	DIRECTOR	INDEPENDENT
SANTIAGO EGUIDAZU MAYOR	DIRECTOR	INDEPENDENT
JOSE MARIA PEREZ TREMPIS	SECRETARY-DIRECTOR	EXECUTIVE

NOMINATION AND REMUNERATION COMMITTEE

Name	Title	Type
JAIME CARVAJAL URQUIJO	CHAIRMAN	INDEPENDENT
GABRIELE BURGIO	DIRECTOR	INDEPENDENT
JUAN ARENA DE LA MORA	DIRECTOR	INDEPENDENT
SANTIAGO BERGARECHE BUSQUET	DIRECTOR	INDEPENDENT

AUDIT AND CONTROL COMMITTEE

Name	Title	Type
SANTIAGO FERNANDEZ VALBUENA	CHAIRMAN	INDEPENDENT
GABRIELE BURGIO	DIRECTOR	INDEPENDENT
JUAN ARENA DE LA MORA	DIRECTOR	INDEPENDENT
PORTMAN BAELA, S.L.	DIRECTOR	PROPRIETARY

B.2.2 State whether the following are functions of the Audit and Control Committee.

Supervising the preparation process and the integrity of the Company's and Group's financial information, ensuring compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting principles.	YES
Periodically reviewing the internal control and risk management systems so that the principal risks are adequately identified, managed and made known.	YES
Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment and re-election of the person responsible for internal auditing services; receiving information periodically on internal audit activities and verifying that executive management are taking the conclusions and recommendations in the reports into account.	YES
Establishing and supervising a mechanisms that enables employees to confidentially and, where deemed appropriate anonymously, report potentially important irregularities, particularly of a financial or accounting nature, which they witness taking place in the Company.	YES
Submitting to the Board proposals for the selection, appointment, re-election and replacement of the external orders and the contracting conditions.	YES
Receiving from the external auditors on a regular basis information on the audit plan and results of its executions and verifying that executive management are taking the recommendations into account.	YES
Ensuring the Independence of the external auditors.	YES
For groups, encouraging the external auditors to assume the responsibility for auditing the accounts of the member companies of the Group.	YES

B.2.3 Describe the organisation and operation of each one of the Board committees and their responsibilities.

Committee Name

AUDIT AND CONTROL COMMITTEE

Brief Description

The Advisory Committees to the Board of Directors are the Audit and Control Committee and the Nomination and Remuneration Committee, which were created in 1999.

Both Committees comprise External Directors only, in accordance with the Board of Directors Regulations, and they have the power of information, advice, supervision and proposal in the matters of their respective authorities. Their powers of proposal do not preclude the possibility of the Board deciding on such matters on its own initiative, while duly consulting the corresponding Committee.

According to the Board Regulations, a decision that clashes with a Committee's recommendations can only be adopted with a resolution by the Board of Directors.

In accordance with the Board Regulations, the Chairmen of both Committees are Independent Directors. They also share the same limits as to minimum and maximum number of members, as established by the Board Regulations, which must be between four and six.

The minutes of the Advisory Committee meetings are distributed to all Directors. In addition, the matters they have discussed are reported on at the first Board meeting to be held after each meeting.

For information on the responsibilities of each committee, see section B.2.4.

Committee Name

NOMINATION AND REMUNERATION COMMITTEE

Brief Description

The rules governing the organisation and operation of the Nomination and remuneration Committee are the same as those of the Audit and Control Committee.

For information on the responsibilities of each committee, see section B.2.4.

Committee Name

EXECUTIVE OR DELEGATED COMMITTEE

Brief Description

As stated earlier, all the powers corresponding to the Board of Directors have been delegated to the Executive Committee, with the exception of powers whose delegation is prohibited by law or by the Articles of Association. It is entrusted with proposing and overseeing Ferrovial's financial, commercial and investment strategies.

However, article 18.1 of the Board of Directors Regulations establishes that every effort shall be made to ensure that the decisions it lists are only adopted by the Executive Committee in cases of urgency, and that in such a case they are ratified subsequently by the Board.

The rules governing the composition and working of this Committee follow the same principles as those governing the Board of Directors and, as stated earlier, are included in the corresponding Regulations.

The appropriate minutes shall be taken at Executive Committee meetings and shall be sent to all members of the Board, in order to inform them of the matters that were discussed and the resolutions adopted in that respect.

For information on the responsibilities of each committee, see section B.2.4.

B.2.4 Indicate the advisory and consultative powers and any powers delegated to each one of the committees:

Committee Name

AUDIT AND CONTROL COMMITTEE

Brief Description

The main functions of this Committee are as follows:

As regards the external auditors:

- To propose the appointment of the external auditors, as well as the conditions for engaging them, to the Board of Directors for subsequent presentation to the Shareholders' Meeting.
- To decide the scope of the Company's group companies in relation to which the auditors must accept responsibility for auditing the accounts.

- To act as a liaison between the Board of Directors and the external auditors, and assess the results of each audit. To receive regular information from them about their work, verifying that Senior Management adopts the auditors' recommendations. To maintain relations with the external auditors for receiving information from them on whatever issues may jeopardize their independence.

- To establish measures for monitoring the provision of advisory and consultancy services by external auditing firms.

As regards financial information:

- To be fully aware of the financial reporting process and internal control systems. To inform the Board of any changes in accounting criteria.

- To supervise the information that the Board of Directors must approve and include in the Company's annual public documentation.

- To assist the Board in its mission of ensuring the accuracy and reliability of periodic financial information.

As regards internal audit:

- To propose the selection, appointment, re-appointment or replacement of the internal audit manager, as well as the budget for this.

- To supervise internal audit services, approve and verify compliance with the audit plan. To be aware of the degree of compliance with corrective measures recommended to Senior Management by the internal audit.

Other functions:

- To analyse and evaluate the main business risks and the systems established for managing and controlling them.

- To establish and supervise a system that permits any employee to notify, in confidence and, if necessary, anonymously, any inefficient situations, inappropriate conduct or possible violations that could have particularly far-reaching effects.

- To supervise compliance with internal regulations covering corporate governance and conduct in the security markets. In particular, to report on exemptions and authorizations in matters relating to Directors' duties, and also on Company transactions with shareholders, Directors and Senior Management that are subject to Board approval.

The Audit and Control Committee drafts an annual report on its activities that is included in the Company's Management Report.

Its Chairman also informs the Shareholders' Meeting of this Committee's activities.

Committee Name

NOMINATION AND REMUNERATION COMMITTEE

Brief Description

Its main functions include:

- Making proposals for the appointment of Independent Directors and informing about proposals for the appointment of the remaining Directors.

- To advise on the appointment of the CEO and the Board Secretary.

- To propose the members that must form part of each of the Committees.

- To propose the Lead Director.

- To propose the system and amount of annual remuneration for directors and report on the annual remuneration of the Executive Directors and other conditions of their contracts.

- To advise on the appointment or dismissal of directors who report directly to the CEO.
- To report on the contracts and remuneration system for Senior Management.
- To analyse the process that permits the smooth transition from one Chairman to the next and from one CEO to the next

Committee Name

EXECUTIVE OR DELEGATED COMMITTEE

Brief Description

As stated earlier, all the powers corresponding to the Board of Directors have been delegated to the Executive Committee, with the exception of powers whose delegation is prohibited by law or by the Articles of Association. It is entrusted with proposing and overseeing Ferrovial's financial, commercial and investment strategies.

B.2.5 Indicate whether there are regulations governing the Board committees, where they are available for consultation and any changes made to them in the fiscal year. Also indicate whether reports on the activities of each committee have been prepared voluntarily.

Committee Name

AUDIT AND CONTROL COMMITTEE

Brief Description

The composition, functions and powers of the Audit and Control Committee are regulated in the Articles of Association.

Moreover, the Board of Directors Regulations establish that the advisory committees shall regulate their own operation and, where there are no specific provisions, the rules of functioning established by the Regulations in relation to the Board shall apply, provided that they are compatible with the committee's nature and purpose.

The Audit and Control Committee drafts an annual report on its activities that is included in the Company's Management Report.

Its Chairman also informs the Shareholders' Meeting of this Committee's activities.

Committee Name

NOMINATION AND REMUNERATION COMMITTEE

Brief Description

The Board of Directors Regulations establish that the advisory committees shall regulate their own operation and, where there are no specific provisions, the rules of functioning established by the Regulations in relation to the Board shall apply, provided that they are compatible with the committee's nature and purpose.

Committee Name

EXECUTIVE COMMITTEE

Brief Description

The Executive Committee is governed in the Board of Directors Regulations by the same rules that apply to the Board of Directors.

The Board of Directors Regulations are available for consultation on Ferrovial's website, www.ferrovial.com.

On 23 February 2007, the Board of Directors approved a new text for the Regulations with the aim of bringing their wording into line with the recommendations of the UCGG as accepted by the Company, and which needed to be included in the internal regulations.

The approval of these new Regulations was reported to the shareholders at the Shareholders' Meeting held on 30 March 2007

B.2.6 Indicate whether the Executive Committee reflects the percentage of participation on the Board of the different board members by type:

YES

C – RELATED PARTY TRANSACTIONS

C.1 State whether the plenary Board has the power to approve, with a favourable report from the Audit Committee or any other entrusted with this function, operations carried out by the Company with directors, significant shareholders or those represented on the Board or with people related to them:

YES

C.2 Provide the details of any relevant operations involving a transfer of resources or obligations between the company or members of the group and the company's significant shareholders:

C.3 Provide the details of any relevant operations involving a transfer of resources or obligations between the company or members of the group and the company's director's or administrators:

Name of significant shareholder	Name of the Group company	Nature of relationship	Type of transaction	Amount (thousands of euros)
JOAQUIN AYUSO GARCIA	FERROVIAL AGROMAN S.A. II FILIALES	Commercial	Service Provision	434
JOAQUIN AYUSO GARCIA	FERROVIAL SERVICIOS S.A. II FILIALES	Commercial	Service Provision	57
RAFAEL DEL PINO Y CALVO- SOTELO	FERROVIAL AGROMAN S.A. II FILIALES	Commercial	Service Provision	44
SANTIAGO EGUIDAZU MAYOR	GRUPO FERROVIAL S.A. II FILIALES	Commercial	Acquisition of goods (finished products or work in progress)	655

C.4 Describe the relevant operations between the Company and members of the same Group of companies, provided that they are not eliminated in the process of preparing the financial statements and are not part of the Company's normal business operations in terms of its object and conditions:

C.5. Indicate any conflicts of interest according to the terms of article 127 of the LSA involving members of the Board of Directors during the fiscal year.

YES

Name of the Director

SANTIAGO EGUIDAZU MAYOR

Description of the conflict of interest

In 2008, the Director Santiago Eguidazu Mayor made known to the Company a potential conflict of interest on the occasion of the hiring of N1 Corporate Finance as an adviser to a consortium for the analysis and preparation of an offer to purchase Cintra Aparcamientos, a company in which the Grupo Ferrovial, S.A. holds an indirect stake.

Mr. Eguidazu is Chairman of N1 IBG, S.A., the parent company of N1 Corporate Finance.

Mr. Eguidazu left the meetings of the Board of Directors and the Executive Committee in which there were debates or reports on this disinvestment and did not receive any information in relation thereto.

It should be noted that on 9 February 2009, Mr. Eguidazu notified the company that the conflict of interest had ceased to exist.

C.6 Describe the mechanisms in place to detect and resolve possible conflicts of interest between the Company and/or its group and its directors, executives or significant shareholders.

The Board of Directors Regulations establishes that, among other obligations, Directors must strive to avoid situations that might involve a conflict of interest, and must provide the Board Secretary with due advance notice of any such situations.

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

In any case, Directors must not attend or intervene in the debates on matters in which they have a personal interest.

These obligations also apply to controlling shareholders, Senior Management and persons related to them.

In particular, the Regulations state that Proprietary Directors must inform the Company of any situations that may involve a conflict of interest between the shareholders who proposed their appointment and Ferrovial. The obligation to refrain from participating in the adoption of the corresponding resolutions is also established in these cases.

In accordance with the Board Regulations, all professional or commercial transactions involving Grupo Ferrovial S.A. or its subsidiaries and the persons referred to below require Board authorisation, 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:

- a) Performed under contracts containing standard terms and applied en masse to many customers.
- b) Effected at prices or rates established on a general basis by the party acting as the supplier of the good or service in question.
- c) Amount does not exceed 1% of the company's annual revenues.

• The following persons are subject to these rules:

• Directors of Grupo Ferrovial S.A. The person requesting authorization must leave the meeting room while the Board

deliberates and votes and may not exercise or delegate his or her voting rights.

- Controlling shareholders.
- Individuals representing Directors that are legal entities
- Senior managers.
- Other managers designated individually by the Board of Directors.
- Persons related to the above persons, as defined in the Board Regulations.

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

YES

Identify the publicly listed subsidiaries:

Publicly Listed Subsidiary
CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A.

State whether the respective areas of activity and business relations between them as well as those of the publicly listed subsidiary with the rest of the Group companies have been publicly defined with precision:

Define the business relations between the parent company and the publicly listed subsidiary and between the latter and the rest of the Group companies
<p>On the occasion of its going public in 2004, Grupo Ferrovial, S.A. and Ferrovial Agromán, S.A. (a subsidiary that operates in the construction business), on the one hand, and Cintra, on the other, signed and made public a Framework Agreement with the aim of regulating the relations between Grupo Ferrovial and its dependent companies, on the one hand, and Cintra and its dependent companies, on the other, in relation to the following two matters:</p> <p>Development of highway transport infrastructure and car park projects</p> <p>In this respect, the Framework Agreement regulates the tasks and obligations of Cintra and the Grupo Ferrovial companies in relation to any tendering for the award of construction and operation, maintenance and/ or operation of highway transport infrastructures and car parks. In connection with these projects, generally speaking and with certain exceptions, Cintra will deal with their operation and the Grupo Ferrovial companies with their construction.</p> <p>Provision of intra-group services.</p> <p>The Framework Agreement also establishes the general regulation applicable to the services provided by Grupo Ferrovial companies to Cintra, and vice versa. As regards both matters, the Framework Agreement plans that Cintra's Related-party Transactions Committee should perform certain supervisory and informative functions, paying special attention to matters relating to Cintra's corporate governance and the prevention of conflicts of interest. The abovementioned Related-party Transactions Committee is responsible, in particular, for supervising compliance with the Framework Agreement.</p>

Identify the mechanisms in place to resolve possible conflicts of interest between the publicly listed subsidiary and the

rest of the Group companies:

Mechanisms in place to resolve possible conflicts of interest

The Framework Agreement mentioned above provides that Cintra's Related-party Transactions Committee should perform certain supervisory and informative functions, paying special attention to matters relating to Cintra's corporate governance and the prevention of conflicts of interest. The abovementioned Related-party Transactions Committee is responsible, in particular, for supervising compliance with the Framework Agreement.

D – RISK CONTROL SYSTEMS

D.1 General description of the risk control policy of the Company and/or Group, detailing and evaluating the risks covered by the system and explaining why the systems adequately cover each type of risk.

According to Article 8 of the Board of Directors Regulations, the Board is responsible for approving the risk management policy. In this regard, the Board has determined that the policy of Grupo Ferrovial in this area should be based on the following principles:

Global risk management from the perspective of sustainable growth.

Consideration of strategic and operating factors in the identification of risks, including economic, regulatory, legal, socio-political, labour and environmental factors.

Use of standardized methods for measuring probability and impact, in addition to economic considerations (contingencies) to facilitate decision-making.

Integration with crisis management and business continuity systems as well as the corporate insurance policy.

Corporate insurance policy geared towards the use of synergies and optimization of coverages and costs, to protect the assets and income statement.

Standardisation of the model Audit and Control Committee reports updated periodically.

I. INTRODUCTION

Since 2003, Ferrovial has operated using a global risk management (GRM) system that covers all its business activities around the world, including the activity of affiliated companies over which it has management capacity.

A new Corporate Risk Management Department was created in 2008 which is overseen by the Chief Executive Officer of the Ferrovial Group. The Department has created a new version of GRM called Ferrovial Risk Management (FRM) which associates the risks more closely with the objectives that are threatened by those risks. This system, described in more detail below, will be implemented by the Group in fiscal year 2009.

II. The Company's Main Risks

Ferrovial operates in countries with different social and economic situations and regulatory frameworks. In this context, a

range of risks arise that are considered to be inherent to Ferrovial's businesses and sectors.

In general, Ferrovial believes that significant risks are those that may compromise the safety of its employees, the profitability of its activities, the financial solvency of the company involved or the Group and the corporate reputation.

In particular, the most significant risks covered by the management system are as follows:

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

Quality management systems, which are described in detail below, have been introduced into all business areas. 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 Car Parks, 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.

2. Environmental risks

a) 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.

b) Risk of failing to comply with current regulations, specifically those related to adapting the group's new activities to the latest environmental and planning regulations.

c) Risks of environmental pollution and damage related to the new European liability system (Directive 2004/35/EC). Although these liabilities are limited in some business areas (Construction), this is considered a significant risk in the activities carried out by Services (basically at waste product management facilities) and, to a lesser extent, at Airports, on Toll Roads and in Car Parks (for example, spills from fuel tanks and other ecotoxic substances).

Environmental risk management procedures have been introduced into these business areas. 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 for covering these risks in the terms established in this European regulation.

Similarly, and in order to ensure adequate knowledge of environmental regulations, in 2005 Ferrovial introduced an on-line information system (SIGMA) that can be consulted via the corporate intranet.

On the other hand, the Quality & Environment Department performs continuous monitoring of environmental legislation that is at the design stage, keeping in close contact with the legislators and participating in consultation groups for putting the new regulations into practice, in order to be ahead of changes in regulations that could affect the activities of Grupo Ferrovial.

Similarly, the business areas with the greatest environmental risk (Construction and Services) have implemented and had certified the environmental management systems that are described in Section II. 1. b). The Toll Roads and Car Parks

division has moved ahead during 2007 with the introduction of an environmental management system that complies with the ISO 14001 standard, which is expected to be certified early in 2008, both in the Spanish and Portuguese toll road concession companies and in the Car Parks activity.

3. Regulatory and socio-political risks, particularly in Airports and Toll Roads and Car Parks activity

a) Risks of regulatory framework changes that could have a negative effect on forecast revenue or on profit margins, mainly in the airport business.

The British airports subsidiary (BAA) maintains permanent relations with the regulatory authorities (Regulation Steering Group), with a view to being ahead of possible regulatory changes.

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

c) Social movements against transport infrastructure construction or expansion, besides movements organized 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.

In relation to other socio-political risks, 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 denationalize the concessions is sufficiently hedged by the clauses that guarantee indemnity and compensation to concession holders.

In any case, the Financial and Legal departments perform constant follow-up of the evolution of these socio-political and regulatory risks.

4. Financial risks, the following being highlighted as the most significant

a) Variation in interest rates, as well as exchange rate fluctuations in activities carried out abroad.

b) Customer non-payment or default.

5. Liability arising from causing damage to third parties during service provision.

i. 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.

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

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

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

The British airports subsidiary (BAA) performs systematic follow-up of compliance with all airport safety rules published by the CAA (British authority) and the ICAO (international body). In addition, the airports managed by Ferrovial have introduced the best practices from the MATRA (Multi-Agency Threat and Risk Assessment) process, which is a mechanism protected by public institutions (TRANSEC programme), based on collaboration and the exchange of information between different agencies (government departments, local authorities, emergency services, the police, etc.).

BAA has also introduced management systems at corporate and business levels that include audit processes through which technical follow-up of the degree of compliance with these matters is performed. Lastly, the Corporate Insurance Department maintains Public Liability and Damage programmes that include cases of terrorist threat, with covers and compensation limits that are in line with the assessment of this risk.

b) Physical damage to infrastructures promoted or managed by Grupo Ferrovial, mainly due to natural disasters.

There are covers for Damage to Infrastructures and Loss of Profit that cover impact caused by natural disasters or other less intensive risks.

6. Other Risks

In addition to the foregoing, although more generic or less specific, labour risks and, in particular, those related to employee health and safety (particularly significant in Construction activity) and those involving damage to goods and assets belonging to group companies, are also risks that are managed by the system.

Irrespective of the special features described in this section, the management systems described in heading II below have been designed from the perspective of global risk management, and affect all areas of Grupo Ferrovial's activity and all corporate spheres. The control systems have been designed for the effective identification, measurement, assessment and prioritization of risks.

III. Control System

1. New Risk Management System (F.R.M.)

F.R.M. (Ferrovial Risk Management) is the new risk management system that will be implemented in 2009 as a support tool for the members of the Cintra management team. F.R.M. is organized around:

a) The Risk Universe:

The analysis diagram is based on a catalogue of common risks 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.

c) Reports: in addition to placing a value on the risks included in the FRM system, the business manager will describe the

risk management systems used and will propose 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. The report will include the area, group and risk category to which the contingency pertains, the market and business it affects, its potential impact, diagnosis and management.

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 and are certified by accredited bodies. In all cases, these systems are implemented at the concession companies 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.

In the context of these Quality Plans and among other control activities, the procedures that have been implemented compel the concession companies to take periodic measurements of variables related to service quality (e.g. road surface roughness and other road safety variables). Periodic reports are also drawn up on bridges, embankments structures and surfaces in order to ensure satisfactory service and road safety levels. The most significant variables are grouped into indicators that are reported to management on a regular basis.

The most significant variables of the quality systems are grouped in indicators and Ferrovial's Management Committee is informed periodically of their evolution

3. Environmental Risk Management Systems

The business areas have implemented environmental management systems that comply with at least the ISO 14001 standard, these systems having been certified by accredited bodies. The Toll Roads and Car Parks area has implemented the system, which will be certified early in 2008. At production centres, these systems are adapted to the site via an environmental management plan that envisages the systematic planning and control of the processes that involve environmental risk, the applicable legal requirements, and the establishment of quantified objectives for improving the production site's environmental performance.

Likewise, activities are subjected to a continuous system of environmental assessment and audit of processes, applicable environmental practices and the level of compliance with legislation. This monitoring is the responsibility of an independent technical department of the production line.

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 recognized by UNESCO's Environmental Chair. The EPI has been implemented and validated in the Construction and Services areas. Therefore, all the activities with the highest environmental risk have an environmental performance indicator throughout the process and the results are reported periodically to the Management Committee and the Audit and Control Committee.

An environmental risk analysis and management procedure, based on the continuous monitoring of business activities, with special emphasis on the industrial facilities that are subject to the liability system mentioned earlier, was introduced in the Services area during 2007. The procedures for assessment of environmental risks and their subsequent management are based on the UNE 150008 standard.

Lastly, and as mentioned earlier, in order to ensure adequate knowledge regarding prevailing regulations on the matter, in 2005 Ferrovial developed an on-line information system (SIGMA) that can be consulted via the corporate intranet, which summarizes the legal requirements in environmental matters for all the production centres in a detailed, simple way and is constantly updated.

4. Other Preventive Procedures

- Occupational safety systems

Occupational safety systems have been applied in accordance with Law 31/1995 and its implementing regulations in all areas and in the corporate sphere. Safety systems are audited periodically by external bodies accredited for this purpose.

The areas with most significant occupational risks, particularly Construction, have health and safety plans specifically designed for each project and are continuously monitored by central services. Monitoring visits access on-site safety measures, including all outsourced activities. The system was co-developed with the Spanish National Institute for Safety and Hygiene in the Workplace (Instituto Nacional de Seguridad e Higiene en el Trabajo) under the framework of an agreement signed between Ferrovial-Agromán and this body in 2004.

- Financial risk control mechanisms

Exposure to exchange rate fluctuations:

In general, management of this risk is centralized through the Finance Department on the basis of general guidelines for limiting exposure which entails the use of hedging mechanisms.

The group's general policy is to denominate its debt in the same currency in which the income from the financed activity is obtained.

In order to ensure that projected cash flows are not affected by exchange rate fluctuations, the following are hedged:

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

Exposure to interest rate variations:

The object is to strike the appropriate balance between debt with fixed and adjustable interest rates so as to be able to adapt to different market circumstances and adhere to the established business plans.

The objective when financing infrastructure projects is to obtain a fixed interest rate when closing the deals with the financiers. When this is not possible, the Company considers hedging that risk during the entire financing term, in its different forms (depending on the situation and on the investment volume).

Regarding the Grupo Ferrovial's floating-rate debt, the Finance Department monitors any market changes in order to take advantage of lower interest rates. Although the trend in previous years was to be exposed to interest rates, the evolution of the Group's financial structure towards a net debt position has given rise to the contracting of cover instruments for recently issued debt. Such cover covers the risk of nominal rates, and in some cases the risk of real rates, because income from the assets they finance is updated through inflation.

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.

- Crisis notification and management procedures

The general risk supervision and control system (global risk management system, GRM) is closely linked to the crisis management and business continuity procedures.

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

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 organization to have access to reliable, adequate information in the shortest possible time

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.

IV. Risk Cover Systems

The Ferrovia corporate policy is to arrange insurance for all the business areas through the Corporate Insurance Unit (organically and functionally, this department is situated in the global risk management area), in order to take advantage of the risk profile of the group through technical and economic optimization of the insurance policies subscribed by Grupo Ferrovia.

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.

The process of optimizing the covers and premiums of the policies subscribed in the different programmes in the international sphere continued throughout 2008, taking advantage of the volume and variety of the exposure to risk of all the businesses and activities, particularly Services, Toll Roads and Car Parks, and Airports.

D.2 State whether any of the different types of risks materialised during the fiscal year (operational, technological, financial, reputational, fiscal, etc.) affecting the Company and/or Group:

YES

If so, describe the circumstances under which this occurred and whether the established control systems were effective.

Risks identified in the fiscal year

Customary risks arising from the Group's normal business operations.

Circumstances under which they occurred

The normal and habitual causes associated with business operations.

Effectiveness of control systems

The prevention, information and control mechanisms were found to function effectively and, therefore, the methods provided and the risk management systems are considered to have worked satisfactorily to date.

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

mechanisms.

YES

If so, describe its functions.

Name of the body or committee

Audit and Control Committee

Description of functions

According to the Board of Directors Rules, one of the Audit and Control Committee's responsibilities is to periodically analyse and evaluate the main business risks and the systems in place for managing and controlling them. The Committee spends a good deal of time on this and receives the support and collaboration of the corporate Risk and Insurance units.

Name of the body or committee

Internal Audit

Description of functions

Evaluates the effectiveness of the measures in place to manage, monitor and control the identified risks at the corporate level.

Name of the body or committee

Corporate Risk Department

Description of functions

Reporting directly to the CEO, its mission is to make provide the management team with support tools for managing the risks to which the different businesses are exposed, seeking to optimise the accumulated knowledge to the Group's benefit and that of the different agents involved.

Name of the body or committee

Corporate Insurance Unit

Description of functions

Created in 2004 to perform the functions described in section D.4, it is part of the Corporate Risk Department.

D.4 Identification and description of the processes for ensuring compliance with the regulations affecting the Company and/or 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 staff to identify, evaluate and manage the risks that pose a threat to the achievement of the goals of the different business lines, goals which strive to achieve growth and leadership, profitability and sustainable development.

Internal Audit

The Audit Department, which reports directly to the Chairman and is at the disposal of the Board of Directors through the Audit and Control Committee, contributes to managing the risks the Group faces in meeting its objectives.

The Audit Department continually analyses the control procedures and systems, organization models and management variables of the main areas of Grupo Ferrovial, including the projects within the various business lines and aspects of the various support departments. The conclusions are then reported to the heads of the areas assessed and the Group's Senior Management, including, where appropriate, recommendations for specific actions designed for implementing possible improvements.

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, Grupo Ferrovial, S.A. has 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 interest groups adhere to the principle of respect for the law, ethical integrity and respect for human rights.

In parallel, the company has also established a Complaint Mailbox for reporting inefficient situations, inappropriate conduct, possible cases of non-compliance with the Code of Business Ethics or other internal or external rules. The Mailbox is accessible to all employees through the corporate intranet. The complaints can be made anonymously using a secure procedure which guarantees the anonymity of the person reporting the situation. The Company also has a post office box number for employees who prefer this alternative.

The new Board of Directors Regulations which were approved on 23 February 2007 confer responsibility for supervising this mechanism on the Audit and Control Committee. As part of that process, the corporate internal procedure which regulates the operation of the Complaint Mailbox was published in 2008.

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.

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 jeopardize Group assets either to a superior or the Complaint Mailbox available to employees for filing anonymous or signed reports.

E – THE SHAREHOLDERS' MEETING

E.1 Indicate and describe any differences between the minimum quorum requirements set out in the Public Limited Companies Act (LSA) and the quorum needed to hold the Shareholders' Meeting.

NO

	Quorum % different than established in article 102 LSA for general matters	Quorum % different than established in article 103 LSA for special matters 103
Quorum required on first meeting date	0	0
Quorum required on second meeting date	0	0

E.2 Describe the system for passing resolutions and how it differs from the system set out in the Public Limited Companies Act (LSA):

NO

E.3 List the shareholders' rights with regard to Shareholders' Meetings that differ from those established in the Public Corporations Act.

Rights and participation of shareholders

The Shareholders' Meeting Regulations regulate shareholders' rights in relation to Shareholders' Meetings and, in addition to the provisions established in the Spanish Corporations Law, they envisage the following:

Powers of the Shareholders' Meeting.

Adopting UCGG recommendations, the Shareholders' Meeting Regulations extend 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.

Announcement of meetings

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 for 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.

Voting

Proposals for substantially independent resolutions and, in particular the appointment or ratification of Board members and modifications to the Articles of Association 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 steps taken, if any, to encourage the participation of shareholders in Shareholders' Meetings.

Shareholder participation

In accordance with the Board of Directors Regulations, 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 Shareholders' Meeting Regulations contain 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.
- When the Board is aware of the likely date of the next Shareholders' Meeting, it can communicate this through the company's website or via 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.
- In order to draw up the Agenda, the Board may consider the suggestions and proposals made in writing by the shareholders and which bear a relation to the Company's activities and interests, and which it deems to be of interest to the meeting.
- On giving notice of the Shareholders' Meeting, the Board shall assess whether there are distance 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 distance 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 the text of all the proposed resolutions, and the documents and reports that are mandatory or are determined by the Board of Directors in each case, on the website. 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 at a distance 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 Spanish Corporations Law.

E.5 State whether the Chairman of the Shareholders' Meeting is the same person as the Chairman of the Board of Directors. If so, describe any measures that have been adopted to guarantee the independence and efficacy of the Shareholders' Meeting:

YES

Description of Measures
The Shareholders' Meeting Regulations approved on 26 March 2004 regulate certain aspects relative to the announcement,

preparation and development of the Shareholders' Meeting and the shareholders' rights in relation thereto.

The Shareholders' Meeting Regulations are considered to be appropriate for guaranteeing the correct functioning of the Shareholders' Meeting.

Since the company was floated on the stock exchange, Grupo Ferrovial, S.A. has requested the presence of a notary to minute the Shareholders' Meeting and perform related functions, such as helping to organize the round of questions as the Meeting decides, and take note of or look after the literal statements that the shareholders wish to make.

E.6 Indicate any changes made to the Shareholders' Meeting Regulations during the fiscal year.

There were no changes in 2008.

E.7 Indicate the attendance rates at Shareholders' Meetings held during the fiscal year referred to in this report:

Attendance rates

Meeting date	% physically present	% represented	% distance votes		Total:
			Electronic votes	Other	
28.03.2008	60,200	8,120	0	0	68,320

E.8 Briefly describe the resolutions passed at the general meetings held during the fiscal year in question and the percentage by which each was passed.

ADDITIONAL CONTENT OF THE MANAGEMENT REPORT PURSUANT TO ARTICLE 116 BIS OF THE SECURITIES MARKET LAW

APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS (BALANCE SHEET, INCOME STATEMENT AND NOTES TO FINANCIAL STATEMENTS) AND THE DIRECTORS' REPORT AUTHORISED BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008."

The resolution was approved by 95,775,530 shares, i.e. 98.37% of quorum; 13,446 shares voted against (0.01% of quorum) and 44,742 shares abstained (0.05% of quorum).

APPROVAL OF THE FINANCIAL STATEMENTS - BALANCE SHEET, INCOME STATEMENT, STATEMENT OF RECOGNISED INCOME AND EXPENSE, CASH FLOW STATEMENT AND NOTES TO FINANCIAL STATEMENTS - AND THE DIRECTORS' REPORT OF THE COMPANY'S CONSOLIDATED GROUP AUTHORISED BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008.

The resolution was approved by 95,775,530 shares, i.e. 98.37% of quorum; 13,446

Shares voted against (0.01% of quorum) and 44,742 shares abstained (0.05% of quorum).

APPROVAL OF THE DISTRIBUTION OF THE YEAR 2007 INCOME AND PAYMENT OF DIVIDENDS AGAINST VOLUNTARY RESERVES

Resolution passed; votes in favour: 95,781,353 shares (98.37% of the quorum); votes against: 51,150 shares (0.05% of the quorum); abstentions: 1,215 shares.

APPROVAL OF THE CONDUCT OF BUSINESS BY THE BOARD OF DIRECTORS IN 2008.

The resolution was approved by 95,819,057 shares, i.e. 98.41% of quorum; 13,446 shares voted against, i.e. 0.01% of quorum; 1,215 shares abstained.

APPOINTMENT OF EDUARDO TRUEBA CORTÉS

The resolution was approved by 94,020,134 shares (96.56% of the quorum); 690,900 shares voted against (0.71% of the quorum); and 1,122,684 shares abstained (1.15% of the quorum).

RE-APPOINTMENT OF SANTIAGO BERGARECHE BUSQUET AS DIRECTOR.

The resolution was approved by 94,651,703 shares (97.21% of the quorum); 59,331 shares voted against (0.06% of the quorum); and 1,122,684 shares abstained (1.15% of the quorum).

RE-APPOINTMENT OF JAIME CARVAJAL Y URQUIJO.

The resolution was approved by 94,694,438 shares (97.26% of the quorum); 14,526 shares voted against (0.01% of the quorum); and 1,124,754 shares abstained (1.16% of the quorum).

RE-APPOINTMENT OF JOAQUÍN AYUSO GARCÍA

The resolution was approved by 95,485,508 shares, i.e. 98.07% of quorum; 13,526 shares voted against (0.01% of quorum) and 334,684 shares abstained (0.34% of quorum).

RE-APPOINTMENT OF GABRIELE BURGIO

The resolution was approved by 95,468,047 shares (98.05% of the quorum); 51,210 shares voted against (0.05% of the quorum); and 314,461 shares abstained (0.32% of the quorum).

RE-APPOINTMENT OF AUDITORS OF THE COMPANY AND ITS CONSOLIDATED GROUP FOR 2008 (PricewaterhouseCoopers Auditores, S.L.).

The resolution was approved by 94,990,518 shares, i.e. 97.56% of quorum; 841,985 shares voted against, i.e. 0.86% of quorum; 1,215 shares abstained.

APPROVAL OF A STOCK OPTIONS PLAN APPLICABLE TO BOARD MEMBERS WITH EXECUTIVE FUNCTIONS AND TO SENIOR MANAGERS WHO REPORT DIRECTLY TO THE BOARD OR TO ITS DELEGATE BODIES.

The resolution was approved by 95,275,026 shares (97.85% of quorum); 221,497 shares voted against (0.23% of quorum) and 337,195 shares abstained (0.35% of quorum).

APPROVAL OF THE PARTICIPATION BY SENIOR MANAGEMENT AND MEMBERS OF THE BOARD OF DIRECTORS OF GRUPO FERROVIAL, S.A. WITH EXECUTIVE FUNCTIONS IN A REMUNERATION SYSTEM CONSISTING OF THE PAYMENT OF UP TO 12,000 EURO OF THE VARIABLE REMUNERATION IN THE FORM OF COMPANY SHARES.

The resolution was approved by 95,387,469 shares (97.97% of quorum); 109,054 shares voted against (0.11% of quorum) and 337,195 shares abstained (0.35% of quorum).

AUTHORISATION OF THE BOARD OF DIRECTORS TO ACQUIRE SHARES OF THE COMPANY ON THE MARKET, EITHER DIRECTLY OR VIA DEPENDENT COMPANIES, IN ACCORDANCE WITH THE APPLICABLE LEGISLATION IN EACH CASE AND REVOCATION OF THE AUTHORISATION REGARDING THIS MATTER THAT WAS GRANTED BY THE SHAREHOLDERS' MEETING ON 30 MARCH 2007 AND AUTHORISATION OF THE BOARD OF DIRECTORS TO ALLOCATE PART OR ALL OF THE OWN SHARES THAT ARE ACQUIRED TO THE REMUNERATION PROGRAMMES WHOSE PURPOSE OR MECHANISM IS THE DELIVERY OF SHARES OR STOCK OPTIONS, IN ACCORDANCE WITH ARTICLE 75.1 OF THE SPANISH CORPORATIONS LAW.

The resolution was approved by 95,100,318 shares, i.e. 97.67% of quorum; 100 shares voted against and 733,300 shares abstained (i.e. 0.75% of quorum).

DELEGATION OF POWERS TO FORMALIZE AND EXPRESS AS A PUBLIC INSTRUMENT THE RESOLUTIONS ADOPTED BY THIS SHAREHOLDERS' MEETING AND, IN PARTICULAR, TO PRESENT FOR FILING AT THE MERCANTILE REGISTRY THE ANNUAL ACCOUNTS REFERRED TO IN ARTICLE 218 OF THE SPANISH CORPORATIONS LAW.

Resolution passed; votes in favour: 95,832,503 shares (98.42% of the quorum); abstentions: 1,215 shares.

E.9 State whether there are any restrictions in the Articles of Incorporation establishing the minimum number of shares needed to attend the Shareholders' Meeting:

YES

Number of shares needed to attend the Shareholders' Meeting	100
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E.10 Indicate and give the reasons for the Company's policies relative to voting by proxy at the Shareholders' Meeting.

The rights of shareholders to be represented at the Shareholders Meeting are regulated in articles 15 of the Articles of Association and 12 and 13 of the Shareholders' Meeting Regulations. 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 investor with regard to participating in Company decisions:

NO

E.12 Indicate the address of the corporate website and how the corporate governance contents can be accessed on the site.

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 – LEVEL OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's level of compliance with the recommendations of the Unified Code on Good Corporate Governance. In those cases where the Company does not comply with the recommendations, explain the recommendations, standards, practices or criteria applied by the Company.

1. The bylaws of listed companies may not limit the number of votes held by a single shareholder, or impose other restrictions on the company's takeover via the market acquisition of its shares.

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

Complies

2. In the exceptional event that a dominant and subsidiary company are separately listed, they must both sign and publish an agreement specifying exactly:

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

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

See sections: C.4 and C.7

Complies

3. Even if not expressly required under company law, Boards of Directors should submit the following decisions to the General Shareholders' Meeting for approval or ratification:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the originating firm, even though the latter retains full control of the former;

b) Any 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 its 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 "effective modification of the corporate purpose" carries with it an element of lack of security and definition.

4. The proposals set out in the resolutions to be passed by the Shareholders' Meeting, including the information mentioned in Recommendation 28, are made public when the Shareholders' Meeting is announced.

Complies

5. Separate votes will be taken at the Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case:

a) Appointment or ratification of directors, with separate voting on each candidate;

b) Changes to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Complies

6. Companies will allow split votes, so that financial intermediaries who are shareholders of record but acting on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies

7. The Board of Directors shall perform its duties with unity of purpose and independence from Management, according all shareholders the same treatment. It shall be guided at all times by the company's best interest, to be understood as maximising the company's value over time. It will ensure that the company abides by the laws and regulations in its relations 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 core components of the Board's mission shall be to approve the company's strategy, authorise the organisational resources to carry it forward, and ensure that management meets the objectives set while pursuing the company's interests and corporate purpose.

As such, the Board in full shall approve:

a) The company's general policies and strategies.

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) Policy on treasury shares, and the limits to apply.

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

b) The following business decisions:

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

See section: B.1.14

- ii) Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and the approval of their contracts.

See section: B.1.14

- iii) The financial information listed companies must periodically disclose.
- iv) Investments or operations considered strategic by virtue of their amount or special characteristics; in particular, items requiring ratification by the Shareholders' Meeting as specified in Recommendation 4;
- v) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the group's transparency.

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 will not be required for related-party transactions that simultaneously meet the following three conditions:

- 1) They are governed by standard contracts applied on an across-the-board basis to a large number of clients;
- 2) They go through at market rates, set on a general basis by the person supplying the goods or services;
- 3) Their amount is not material for the company, as defined in Recommendation 40 e).

Related-party transactions may only be approved on the basis of a favourable report from the Audit Committee. Directors related to the transaction may neither exercise nor delegate their votes, and shall be absent from the meeting room while the Board deliberates and votes.

The above powers may not be delegated -with the exception of those mentioned in b) and c), which can be delegated to the Executive Committee in urgent cases, subject to subsequent ratification 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, and should continue being, the responsibility of the Company's Chief Executive Officer. 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 the effectiveness and participatory nature of its functioning, the Board of Directors should comprise between five and fifteen members.

See section: B.1.1

Complies

10. The number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group, while external directors (i.e., proprietary directors and independents) occupy an ample majority of board places.

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

Complies

11. In the exceptional case where an external director cannot be considered either proprietary or independent, the company must explain this circumstance and disclose his or her ties with the company or its managers or, alternatively, with its shareholders.

See section: B.1.3

Not Applicable

12. Among external directors, the relation between proprietary members and independents should reflect the proportion between the capital represented on the Board and the remainder of the company's capital. This criterion of strict proportionality may be relaxed, so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent, in the following cases:

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 shall invariably be three or more and, represent at least a third of all board members.

See section: B.1.3

Complies

14. The nature of each director must be explained to the Shareholders' Meeting of Shareholders, which shall make or ratify his or her appointment. Such determination shall subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report. The Annual Corporate Governance Report must justify any appointment of a proprietary director representing a shareholder with an equity stake of less than 5%. Reasons should also be stated for any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others already having proprietary directors.

See sections: B.1.3 and B.1.4

Complies

15. When women directors are few or nonexistent, the Board should state the reasons for this situation and the initiatives taken to correct it; In particular, the Nomination Committee should take steps to ensure that:

a) The process of filling Board vacancies has no hidden 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

16. The Chairman shall be responsible for the proper operation of the Board of Directors. He or she will ensure that directors are supplied with sufficient information in advance of board meetings, and will work to ensure a good level of debate. He or she will organise and coordinate regular evaluations of the Board and, when different from the chairman of the Board, the company's chief executive, along with the chairmen of the relevant committees.

See section: B.1.42

Complies

17. When Chairman and chief executive are one and the same, a Deputy Chairman will be appointed from among the company's independent directors. This Deputy Chairman will be empowered to request the calling of Board meetings or the inclusion of new business on the agenda, may organise coordinating meetings among external directors and will take charge of the Chairman's evaluation. One of his or her duties will be to voice the concerns of external directors.

See section: B.1.21

Complies

18. The Secretary shall take steps 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 the good governance recommendations of this Unified Code and adhere to the letter and spirit of those accepted by the company.

To safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal must be proposed by the Nomination Committee and approved by a full board meeting. The relevant appointment and removal procedures must be spelled out in the board's regulations

See section: B.1.34

Complies.

19. The Board of Directors must 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 not initially envisaged in the agenda.

See section: B.1.29

Complies

20. Director absences will 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 try to do so to another director in the same category.

See sections: B.1.28 and B.1.30

Complies

21. The Secretary shall keep the minutes of Board meetings. 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 member expressing them will request that they be recorded in the minute book.

Complies

22. The Board will evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's stewardship;
- b) How well the Chairman and chief executive have carried out their duties;
- c) The Board will also evaluate the performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19

Complies.

23. All directors shall be entitled 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 shall be entitled to call on the company for the advice and guidance they need to carry out their supervisory duties. The company shall establish 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 shall organise induction courses for new directors to supply them rapidly with the information they need on the company and its corporate governance rules. Directors will also be offered refresher courses when circumstances so advise.

Complies

26. Directors shall devote sufficient time and effort to perform their duties effectively. As such:

- a) They shall apprise the Nomination Committee of any professional obligations that might detract from the necessary dedication;
- b) Companies should limit the number of directorships their Board members can hold.

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

Complies partially.

The Board of Directors does not consider it necessary to adopt the recommendation that urges the Company to limit the number of Boards to which a Director may belong, since it understands that control over this matter is sufficiently well preserved with the function performed by the Nomination and Remuneration Committee for reviewing the professional commitments of each Board Member.

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholder's Meeting will 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 will post the following director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Other directorships held, and any professional activity in other companies, listed or otherwise;
- c) a reasoned explanation of the director's classification as executive, proprietary or independent, as the case may be; in the case of proprietary directors, stating the shareholder they represent or to whom they are affiliated.
- 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 may not remain on the Board for more than 12 years in a row.

See section: B.1.2

Complies

30. Proprietary directors shall resign when the shareholders they represent dispose of the shares owned in their entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, they must reduce their director numbers correspondingly.

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

Complies

31. The Board of Directors may 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 on the proposal of the Appointments 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 section 5 of part III of the definitions of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation causes changes in the capital structure of the company, 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 shall have rules requiring directors to report and if necessary to resign when the company's good reputation could be tarnished. In particular, Directors will inform the Board immediately of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted for any of the crimes stated in article 124 of the Public Limited Companies Law, the Board will examine and, in view of the particular circumstances and potential harm to the company's name and reputation The moment a director is indicted for any of the crimes stated in article 124 of the particular circumstances and potential harm to the company's name and reputation.

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 harm the corporate interest; in particular, independent directors should strenuously challenge any decision that might unjustifiably harm 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 term of this Recommendation will also apply to the Board Secretary in the discharge of his or her duties.

Complies

34. Directors who give up their place before their tenure expires, through resignation or otherwise, will state their reasons in a letter to be sent to all members of the board. As well as being filed as a significant event, the removal of any director and the motives for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Complies

35. The company's remuneration policy, as approved by its Board of Directors, will 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 payment they give rise to.

b) Performance-related 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 stock options or any performance-related remuneration; and

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

iv) In the case of performance-related awards, the remuneration policy statement will be accompanied by an estimate of the total remuneration resulting as a function of degree of compliance with the applicable benchmarks.

c) Main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), including an estimate of the equivalent annual cost.

d) Remuneration policy will also specify the conditions to apply to the contracts of executive directors exercising senior management functions. Among them:

i) The term of their contracts

ii) Notice periods

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 considers that to anticipate the estimated value of variable remuneration may be an unnecessary, disturbing constriction factor, when it comes to the actual defining of the variable remuneration payable to Executive Directors.

36. Remuneration comprising the delivery of shares in the company or other companies in the group, stock options or other share-based incentives, or incentive payments linked to the company's performance or membership of pension schemes shall be confined to executive directors. The delivery of shares is excluded from this limitation, when such delivery is contingent on directors retaining the shares till the end of their tenure.

See sections: A.3 and B.1.3

Complies

37. Director remuneration shall sufficiently compensate them for the commitment, qualifications and responsibility that the post entails, but should not be so high as to jeopardise 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 performance-related 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 will submit a consultative report on the directors' remuneration policy to the vote of the General Shareholders' Meeting, as a separate point on the agenda. The said report shall be provided to shareholders along with the Annual Accounts and Directors' Report. 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 questions referred to in Recommendation 35, except points potentially involving 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. The report stated in the preceding Recommendation shall also provide a general summary of how remuneration policy was implemented in the prior year. The role of the Remuneration Committee in designing the policy will be reported to the Meeting and, if external advisors have been retained, the identity of the same.

See section: B.1.16

Complies partially.

The Board of Directors Regulations establish that the Board of Directors shall draw up a Report on the remuneration policy it has approved; the policy planned, where appropriate, for future years; the most significant changes that have occurred in respect of previous years and other points of interest that it considers appropriate. This report, which was drawn up for the first time in relation to remuneration in 2007, will also be drawn up for the fiscal year ended 31 December 2008 and put before the shareholders on the occasion of the Shareholders' Meeting that is to take place in 2009.

However, the Board of Directors considers that this recommendation means, as regards voting on a consultative basis, introducing a distortion of attributions of powers between the Shareholders' Meeting and the Board of Directors and represents a potential element of confusion.

41. The report shall also provide a detail of the payments made in the period to individual directors, including:

- a) A breakdown of the remuneration obtained by each company director, to include where appropriate:
- i) Participation and attendance fees and other fixed director 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 indemnities agreed or paid on the termination of their functions;
 - 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 considered 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, stock options or other share-based incentives, 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 partially.

The Report includes information on the remunerative concepts stated in the Recommendation, and individualizes the amounts corresponding to per diem and statutory duty allowances paid to Directors. However the remuneration corresponding to the performance of Senior Management functions by Executive Directors is not presented in an individualized form, since it is understood that relevant information for shareholders and the market in general is that relating to the remunerative cost of the management team and not necessarily the individualized remuneration paid to each one of its component members.

42. When the company has a Delegate or Executive Committee (hereafter, "Executive Committee"), the breakdown of its members by director category should roughly mirror that of the Board itself.

See sections: B.2.1 and B.2.6

Complies

43. The Board shall be kept fully informed of the business transacted and decisions made by the Executive Committee. All Board members will receive a copy of the Committee's minutes.

Complies

44. In addition to the Audit Committee, which is mandatory under the Securities Market Law, the Board of Directors will form a Committee, or two separate committees: appointments and remuneration. The rules governing the make-up and operation of the Audit Committee and the Committee or committees of Nominations and Remuneration will be set forth in the board regulations, and will include the following at least:

- a) The Board of Directors will appoint the members of these committees with regard to the knowledge, skills and experience of its directors and the terms of reference of each committee; will discuss their proposals and reports; and will be formally responsible for overseeing and evaluating their work;
- b) These committees will be composed exclusively of external directors and will have a minimum of three members. This is without prejudice to executive directors or senior officers attending meetings, for informational purposes, at the committees' invitation.
- c) All committees should have a majority of independent directors and be chaired by one of their number.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings will be minuted and a copy 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 will be assigned 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, will be appointed with regard to their knowledge and experience in accounting and auditing matters.

Complies

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

48. The head of internal auditor, where no such function exists, the company's senior internal management control officer shall 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 shall 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 probability of risks occurring and 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 sections: D

Complies

50. The Audit Committee's role will 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 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) Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular report backs on its activities; and verify that senior management are acting on the conclusions and recommendations of its reports.

d) Establish and supervise a mechanism whereby staff can report any irregularities they detect in the course of their work anonymously or confidentially.

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) Oversee the independence of the external auditor, to which end:

i) The company will notify any change of auditor to the CNMV as a significant event, stating the reasons for its decision.

ii) The Committee will 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 will investigate the issues giving rise to the resignation of any external auditor.

d) For groups, it will encourage the external auditors to assume the responsibility for auditing the accounts of the member companies of the Group.

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 may meet with any company employee or manager, even ordering their appearance without the presence of any senior officer.

Complies

52. The Audit Committee will report on the following points from Recommendation 8 before Board decision-making:

a) The financial information listed companies must periodically disclose. The Committee shall ensure that intermediate 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 when a different supervisory and control committee is responsible for informing in advance.

See sections: B.2.2 and B.2.3

Complies

53. The Board of Directors shall 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 Board Chairman and the auditors will give a clear account to shareholders of their scope and content.

See section: B.1.38

Complies

54. A majority of the members of the Appointments or Nomination and remuneration Committee will be independent directors.

See section: B.2.1

Complies

55. The Appointments Committee will have the following functions in addition to those stated in earlier Recommendations:

a) Evaluate the skills, knowledge and experience of the Board, define the roles and abilities 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 the pertinent 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.

c) 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 will consult with the company's Chairman and chief executive, especially with regard to executive director appointments. Any director may suggest candidates to fill director vacancies to the Nomination Committee for their consideration.

Complies

57. The Remuneration Committee will 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 of directors and the forms of contract the company should conclude with each executive director;

iii) Hiring modalities for senior officers.

b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 y B.2.3

Complies partially

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 the CEO (smooth transition).

58. The Remuneration Committee will consult with the Chairman or CEO, especially on issues involving executive directors and senior officers.

Complies

G – OTHER INFORMATION OF INTEREST

If there are any relevant principles or aspects relative to the company's corporate governance practices that have not been addressed above, please explain them below.

SECTION A.3: TABLE ON SHARE OWNERSHIP BY MEMBERS OF THE BOARD OF DIRECTORS: The Directors Rafael and Maria del Pino y Calvo-Sotelo are part of the "family group" that indirectly controls 58.317% of the share capital through PORTMAN BAELA S.L., as indicated in SECTION A.4.

SECTION A.3.: PERCENTAGE OF OWNERSHIP OF BY MEMBERS OF THE BOARD OF DIRECTORS COMPARED TO THE TOTAL SHARE CAPITAL: At 31 December 2008, the aggregate share ownership of board members, without considering the stake of the controlling shareholder, was 2.146% or 3,010,015 share.

SECTION A.3.: RIGHTS TO COMPANY SHARES: The following note on the remuneration of Board members provides information on the remuneration systems that have given rise to the remuneration paid to Executive Directors .

SECTION A.5.: In addition to the contents of this section, it should be noted that Leopoldo del Pino y Calvo-Sotelo is the Director of Cintra Spain.

SECTION B.1.11 A): BOARD MEMBER REMUNERATION:

- The amount shown as advances refers to the per diems received in 2007 which, as indicated, the Board of Directors agreed to allocate to 2009 or successive fiscal years.

- The amount shown for insurance premiums refers to the insurance policies covering the risk of death which only apply to Executive Directors.

SECTION B.1.12: With regard to the identification of executive management staff in this section, it should be noted that changes were made to the occupants of the posts of Director of Construction and Director of Information Systems in April 2009 and to the post of Director of Internal Audit in May of 2008. The Corporate Risk Department was created in May.

As it has done in previous years, Grupo Ferrovial itemizes the remuneration paid to executive staff in fiscal year 2008, broken down by type:

- Fixed remuneration: 3,738 million euro

- Bonuses: 2,393 million euro

- Stock options and/or other financial instruments: exercise of remuneration rights referenced to stock values: stock option plans: 315 million euro

With regard to the last item, it should be noted that the amounts indicated are the remuneration amounts received by the beneficiaries as a result of exercising stock options pursuant to the general conditions of the plans described below.

In addition, executive staff received 46,000 euro for sitting on the Boards of Directors of other group, multigroup or associated enterprises.

- Loans granted. None. Loans in the amount of 265 million euro were repaid in full bringing the balance to zero at 31/12/2008.

- Life insurance premiums: 16 million euro.

No contributions were made to pension plans or funds during the year and no obligations of this kind were assumed in 2008.

The people taken into account for the calculation of these amounts are identified in Section B.1.12. It does not include the remuneration paid to executive staff members who are at once members of the Board of Directors, who are listed in Section B.1.11 A).

STOCK OPTION PLAN (2004) On 26 March 2004, the Annual Shareholders' meeting authorised a remuneration system consisting of a stock option plan for Executive Board Directors and senior managers reporting directly to the Board or to the Board committees.

The plan consists of granting stock options of Grupo Ferrovial, S.A., which can only be exercised between three and six years after granting, so they cannot be exercised until 2007. This right is conditional upon attainment of a minimum rate of return on consolidated equity.

Each option corresponds to one share and the total options that may be granted under the plan may not exceed 1,700,000, equal to 1,700,000 shares (1.21% of the share capital of Grupo Ferrovial, S.A).

In order to determine the price for exercising the option, the value of the Company shares that is taken as a reference is the listed price, this being understood as the arithmetical average of the average weighted changes in the twenty stock market sessions prior to the date on which the options were granted.

The system carries with it a premium of one (1) euro per share.

In order to offset future appreciation in the Company's share value, a hedge was arranged with a financial institution.

The Spanish Securities and Investments Board was informed of this system and the individual allocations on 26 and 31 March and 7 May 2004.

The percentage of options assigned to these people compared to the total number of options granted varies between 18.95% and 0.95%.

STOCK OPTION PLAN (2006): On 31 March 2006, the Shareholders' Meeting approved the application of a remuneration system consisting of a Stock Options Plan applicable to Executive Directors and to members of Senior Management, in practically identical terms to those of the Options Plan approved in 2004, as described in the preceding section.

The system consists of granting stock options of Grupo Ferrovial, S.A., which can only be exercised between three and six years after granting, so they cannot be exercised until 2009. This right is conditional upon attainment of a minimum rate of return on consolidated equity. Each option corresponds to one share..

Each option corresponds to one share and the total options that may be granted under the plan may not exceed 950,000 equal to 950,000 shares (0.68% of the share capital of Grupo Ferrovial, S.A.

In order to determine the price for exercising the option, the value of the Company shares that is taken as a reference is the listed price, this being understood as the arithmetical average of the average weighted changes in the twenty stock market sessions prior to the date on which the options were granted. The option's strike price was established at 65.92 euros, except for one of the participants who joined the plan at a later date and for whom the established price was set at 66.40 euros.

The system carries with it a premium of two (2) euros per share.

In order to offset future appreciation in the Company's share value, a hedge was arranged with a financial institution.

The Spanish Securities and Investments Board was informed of this system and the individual allocations on 31 March, 10 and 12 May and 3 November 2006.

STOCK OPTION PLAN (2008): On 28 March 2008, the Shareholders' Meeting approved a stock option plan applicable to the members of the Board of Directors who perform executive functions and those who perform executive management functions reporting directly to the Board and its delegated bodies, the terms of which are very similar to those of the plans approved in 2004 and 2006, described above.

The plan consists of granting stock options of Grupo Ferrovial, S.A., which can only be exercised between three and eight years after granting. This right will be dependent upon attainment of a certain ratio of EBITDA to net productive assets.

The options may be exercised by third parties in years 4, 5 and 6 from their arrangement, with the unexercised portion accumulating in the subsequent periods.

Each option corresponds to one share and the total number of options that can be granted under the plan cannot exceed 1,650,000, equivalent to 1,650,000 shares (1.18% of capital of Grupo Ferrovial, S.A.).

In order to determine the price for exercising the option, the value of the Company shares that is taken as a reference is the listed price, this being understood as the arithmetical average of the average weighted changes in the twenty stock market sessions prior to the date on which the options were granted.

The system carries with it a premium of one euro and ninety-eight cents (€1.98) per share to be paid by the beneficiary.

In order to offset future appreciation in the Company's share value, a hedge was arranged with a financial institution.

The Spanish Securities and Investments Board was informed of this system and the individual allocations on 28 March and 5 and 13 May 2008.

Modification of Stock Option Plans

On 18 December 2008, the Board of Directors agreed to modify the stock option plans approved through 2007 by extending the execution period. As mentioned above, the period established in the plans approved through 2007 was three years, which the Board agreed to extend to five years, which is the term established in the plans approved in subsequent years (2007 and 2008). The change was introduced due to the stock market situation in order to preserve the essential objectives of these remuneration plans.

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 is contingent upon the approval of the Company's Shareholder' Meeting.

Section A.3 specifies the stock options assigned to the executive directors as a form of remuneration.

SECTION B.1.13: Other information on remuneration

The contracts between the Company and members of its Senior Management, including 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, nine members of Senior Management including two Executive Directors, with a view to fostering loyalty on their part and permanent allegiance to the company, are recognized as being entitled to deferred extraordinary remuneration 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;
- Unfair dismissal or abandonment of the company at the company's initiative, without there being grounds for dismissal, prior to the date on which the senior manager reaches the agreed age, in the event that the sum in question is higher than that resulting from the application of Workers' Statute stipulations;
- Death or invalidity of the Senior Manager.

In order to cover this incentive, the company makes annual contributions under a collective saving insurance plan, which names the Company as both policyholder and beneficiary. The contributions are calculated as a certain percentage of the total cash remuneration corresponding to each Senior Manager. The contributions for this item in fiscal year 2008 totalled 2,190 thousand euro.

Finally, taken as a group the persons who at any given time in fiscal year 2008 were members of senior management received a total of 3,571 thousand euro in severance pay.

SECTION B.1.14.: The individual per diem amounts received by the directors as part of their 2008 remuneration packages which, as explained above, will be allocated to remuneration in 2009 and subsequent years, were follows:

Rafael del Pino y Calvo-Sotelo	70,250.00	Santiago
Bergareche Busquet	62,250.00	
Jaime Carvajal Urquijo	68,250.00	
Joaquin Ayuso Garcia	56,250.00	
Portman Baela, S.L. (10 mos.)	41,750.00	
Juan Arena de la Mora	54,250.00	
Santiago Eguidazu Mayor	54,250.00	
Gabriele Burgio	61,750.00	
Maria del Pino y Calvo-Sotelo	56,250.00	Santiago
Fernández Valbuena (7 mos.)	27,250.0	

Eduardo Trueba Cortes (2 mos.) □ 6,500.00
José María Pérez Tremps □ 56,250.00

TOTAL 615,250.00

- The amount time in the position is shown in parentheses. If no parenthesis, full year.

- The breakdown by type of per diem is as follows: Board meeting attendance 3,250Euros/meeting. Executive Committee 2,000Euros/meeting. Nomination and remuneration Committee and Audit and Control Committee 1,500Euros/meeting. (The Chairman of each committee receives double the amounts shown).

SECTION B.1.16. In forming the remunerative structure of the management team, the Executive Directors among them, 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.1.40: Also, Leopoldo del Pino y Calvo-Sotelo (a Related Party of Rafael and María del Pino y Calvo-Sotelo according to the provisions of section 127 Ter. 5 of the Spanish Corporations Law), indirectly controls 0.011% of the share capital of Cintra Concesiones de Infraestructuras de Transportes, S.A. and holds the following positions or functions: Co-Director of Cintra Aparcamientos, S.A., Co-Director of Dornier S.A. Sociedad Unipersonal, Director of Sociedad Municipal de Aparcamientos y Servicios, S.A., Chairman of Autopista del Sol Concesionaria Española, S.A., Chairman of Aparcamient Escaldes Centre, S.A., Chairman of Serranopark, S.A., Vice President of Estacionamientos Urbanos de Leon, S.A., Chairman of Autopista Terrasa-Manresa Concesionaria de la Generalitat de Catalunya, S.A., Director of Autopista Madrid Sur Concesionaria Española, S.A., Chairman of Autopista Madrid Levante Concesionaria Española, S.A., Vice President of Autopista Trados 45, S.A., Chairman of Inversora Autopistas de Levante S.L., Chairman of Inversora Autopistas del Sur S.L., Chairman of Autopista Alcalá O'donnell, S.A., Co-Director of Inversora Autopistas de Cataluña S.L., Co-Director of Cintra Inversora de Autopistas de Cataluña, S.L. and Director of Cintra Car Parks UK Ltd

C. RELATED PARTY OPERATIONS.

I.- NOTES ON RELATED-PARTY OPERATIONS.

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

Furthermore, the transactions must be carried out on an arm's length basis and be part of the Company's or Group's normal business transactions.

The Company provides information about related party transactions, in accordance with the definitions and criteria stated in the Ministry of Economy and Finance Order EHA/3050/2004, dated 15 September, and the CNMV Circular 1/2005, dated 1 April.

II. – NOTES TO SECTION C.1: OPERATIONS WITH SIGNIFICANT SHAREHOLDERS

A breakdown of the most relevant transactions effected in 2008 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:

Member of the "controlling family group // entities related to them

Ferrovial Agroman S.A. / subsidiaries (commercial)

- Construction work: 1.811 thousand euro
- Construction work: 1.716 thousand euro

Ferrovial Servicios S.A. / subsidiaries (commercial)

- Integral office management services in Madrid: 405 thousand euro
- Integral office management services in Madrid: 341 thousand euro

Ferrovial Conservación S.A. / subsidiaries (commercial)

- Lease of offices in Madrid owned by shareholders to Ferrovial: 405 thousand euro

III.- NOTES TO SECTION C.2.: OPERATIONS WITH DIRECTORS AND SENIOR MANAGEMENT.

The transactions carried out in 2008 with Directors and Senior Management of the company are listed below. Also, the transactions with Banesto, NH Hoteles, Bankinter, Ericsson, Asea Brown Boveri Cepsa, Almirall, Aviva and Telefónica are disclosed in accordance with section 2 of Order EHA/3050/2004, since certain Directors are, or have been at some time during 2008, members of the Board of Directors of the companies stated:

Banesto (Commercial): Grupo Ferrovial companies

- Collection of business commissions and settlement of collective derivative transactions: 7,074 thousand euro
- Payment of commissions on derivative transactions: 17,479 thousand euro
- Interest paid: 5,328 thousand euro
- Interest paid: 32,347 thousand euro
- Outstanding balance of guarantee lines: 298,400 thousand euro
- Outstanding balance of confirming and documentary credit lines: 30,300 thousand euro
- Outstanding balance of credit lines: 308,800 thousand euro

Banesto: Ferrovial Servicios

- Provision of cleaning and maintenance services: 3,656 thousand euro

Ericsson (commercial)

Ferrovial Servicios S.A. / subsidiaries

- Provision of integral management services: 80 thousand euro

Aviva (commercial)

Grupo Ferrovial companies

- Insurance policies: 2,057 thousand euro

NH Hoteles and Group companies (commercial)

Grupo Ferrovial companies

- Hotel and catering services provided by NH Hoteles and group companies: 78 thousand euro

Almirall (commercial)

Ferrovial Servicios S.A. / subsidiaries

- Provision of integral management services: 127 thousand euro

Cepsa (commercial)

Ferrovial Agroman S.A. / subsidiaries

- Construction work: 1,651 thousand euro

Ferrovial Servicios S.A. / subsidiaries

- Provision of waste collection services: 10 thousand euro

- Reception of fuel supplies: 6,031 thousand euro

Asea Brown Boveri (commercial): Ferrovial Servicios S.A. / subsidiaries

- Equipment repair and maintenance services received: 880 thousand euro

- Provision of waste collection services: 19 thousand euro

Telefonica (commercial): Grupo Ferrovial companies

- Reception of telecommunications services: 8,233 thousand euro

Other information on operations with shareholders and directors.

The following members of the Board of Directors used the corporate jet owned by Grupo Ferrovial. The services were provided by the company which normally operates the corporate jet: Rafael del Pino y Calvo-Sotelo: 42 thousand euro; Santiago Fernandez Valbuena: 13 thousand euro

In addition to the foregoing, in 2008 there were thirteen transactions with members of the controlling family group or entities related to them, Directors and senior management, either directly or through related parties, which totalled 186 thousand euro for the collection

and/or execution of minor construction work in residential or business locations; the provision of assembly, repair and maintenance services, waste collection, integral management and the reception of diverse services; all of which were for an insignificant duration and amount and carried out under market conditions.

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

IV.- NOTES TO SECTION C.3.: TRANSACTIONS WITH GROUP COMPANIES.

Mentioned below are transactions carried out between Grupo Ferrovial 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 Note 2.2.d) of the Company Report, 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 2008, Grupo Ferrovial's construction division invoiced the infrastructure division for the work performed, and for advances related to that work, a total of 408,417,000 euros, recognizing 317,538 euros as sales for that work (490,036,000 euros in 2006).

F.- LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Recommendation 15: There is, among its ten members, one female Director on the Board of Directors at present. On the other hand, one of the functions of the Nomination and Remuneration Committee is to endeavour to ensure that when any selection procedure commences, it does not contain any implicit bias standing in the way of the potential appointment of Directors by reason of their personal circumstances.

Recommendation 17: The Lead Director is not entrusted with the responsibility of directing the Board's evaluation of the Chairman.

Recommendation 36: However, in order to avoid confusion, it must be pointed out that since 2003 the Company has been operating a system whereby the per diem and statutory duty allowances received by the Directors must compulsorily be invested in Company shares. This system, which is not, therefore, a delivery of shares in the sense indicated by the Recommendation, permits disinvestment of the shares when three full business years have elapsed since the year in which their acquisition occurred.

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 (smooth transition).

Please include below any other information or clarification regarding previous sections of the report, to the extent that they are relevant and non-repetitive.

More specifically, indicate whether the company is bound by any law other than Spanish law as far as corporate governance is concerned and if so include any information it is obligated to provide which is different than the information requested in this report.

Binding definition of an independent director:

State whether any of the independent directors has or has had a relationship with the company, its shareholders or its directors which, had it been significant or important enough, would have meant that the director could not be considered independent as defined in section 5 of the Unified Code of Good Corporate Governance.

Name of Director

Type of Relationship

Business

Explanation

In 2007, Mr. Eguidazu informed the Company of the existence of new relations of a professional nature through N más Uno Agencia de Valores with the Company's "family control group" and with firms linked with the latter. The Director Mr. Eguidazu is Chairman of N más Uno IBG S.A., the parent company of the group. In this case, the transaction consisted of providing consultancy prior to taking up stakes in various companies. The Nomination and Remuneration Committee examined details of the business relationship and decided that it was not important enough to compromise Mr. Eguidazu's independence, in accordance with the binding definition given in the Unified Code of Good Governance as included in the Board Regulations.

In 2008, the Nomination and remuneration Committee, as part of its annual review of the status of each Director pursuant to article 12.2 of the Board of Director Regulations, once again analysed the business relationship, which had not changed, and confirmed its opinion that the independence of Mr. Eguidazu as a Director was not compromised.

NO

Signed and dated:

This Annual Corporate Governance Report was approved by the Board of Directors at the session held on

25/02/2009

State whether any directors voted against or abstained from the vote to approve this Report.

NO