IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS (AS DEFINED BELOW) LOCATED OR RESIDENT OUTSIDE OF THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer (as defined in the Prospectus) or from Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Bankia, S.A. BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, ING Bank N.V., London Branch and Société Générale in their capacity as joint lead managers and bookrunners (the "Joint Lead Managers and Bookrunners") as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED PROSPECTUS.

Confirmation of your representation: In order to be eligible to view the attached Prospectus or make an investment decision with respect to the securities being offered, prospective investors must be non-U.S. persons (as defined in Regulation S of the Securities Act ("**Regulation S**")) located or resident outside the United States. This Prospectus is being sent to you at your request, and by accessing this Prospectus you shall be deemed to have represented to the Issuer and the Joint Lead Managers and Bookrunners that (1) (a) you are not a U.S. person and (b) you are purchasing the securities being offered in an offshore transaction (within the meaning of Regulation S) and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Islands and the North Mariana Islands), any State of the United States or the District of Columbia, (2) you are otherwise a person to whom it is lawful to send this Prospectus in accordance with applicable laws, and (3) you consent to delivery of such Prospectus by electronic transmission.

The attached Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or the Joint Lead Managers and Bookrunners or any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers and Bookrunners.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

If you are in any doubt as to the contents of the Prospectus or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an appropriately authorised independent financial adviser.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the Joint Lead Managers and Bookrunners or any affiliate of the Joint Lead Managers and Bookrunners is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers and Bookrunners or such affiliate on behalf of the Issuer (as defined in the Prospectus) in such jurisdiction.

This communication is directed solely at (i) persons outside the United Kingdom, (ii) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**"), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities of the Issuer or any member of its group, may otherwise lawfully be communicated or caused to be communicated (all such persons in (i)–(iv) above being "relevant persons"). Any investment activity to which this communication relates will only be available and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

Prospectus dated 21 January 2013

Ferrovial Emisiones, S.A.

(incorporated with limited liability in The Kingdom of Spain)

€500,000,000 3.375 per cent. Notes due 2018
Guaranteed by Ferrovial, S.A. and certain of the subsidiaries of Ferrovial, S.A.
Issue price: 99.692 per cent.

The €500,000,000 3.375 per cent. Notes due 2018 (the "Notes") are issued by Ferrovial Emisiones, S.A. (the "Issuer"). The payment of all amounts due in respect of the Notes will, subject as described herein, be unconditionally and irrevocably guaranteed by Ferrovial, S.A. (the "Parent") and certain of the subsidiaries of the Parent (together with the Parent, the "Guarantors"). A list of the Guarantors as at the Closing Date (as defined below) (the "Original Guarantors") is included under "Overview of the Notes" below.

Interest on the Notes is payable annually in arrear on 30 January in each year. Payments on the Notes will be made without deduction for or on account of taxes to the extent described under "Terms and Conditions of the Notes – Taxation".

The Notes mature on 30 January 2018 (the "Final Maturity Date"). The Notes are subject to redemption in whole, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes as more fully described in "Terms and Conditions of the Bonds – Redemption and Purchase".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "United Kingdom Listing Authority") for the Notes to be admitted to the Official List of the United Kingdom Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for the Notes to be admitted to trading on the London Stock Exchange's regulated market (the "Market"). References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive").

The denomination of the Notes shall be €100,000 and integral multiples of €1,000 in excess thereof.

The Notes will initially be represented by a temporary global note (the "Temporary Global Note"), without interest coupons, which will be deposited on or about 30 January 2013 (the "Closing Date") with a common depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "Permanent Global Note" and, together with the Temporary Global Note, the "Global Notes"), without interest coupons, on or after 11 March 2013 (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See "Summary of Provisions Relating to the Notes While Represented by the Global Notes".

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 5.

The Notes are expected to be rated BBB- by Fitch Ratings Ltd ("Fitch") and BBB- by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Fitch and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) on credit rating agencies (the "CRA Regulation").

Joint Lead Managers and Bookrunners

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

BANKIA

BNP PARIBAS

CITIGROUP

DEUTSCHE BANK

HSBC

ING

SANTANDER GLOBAL BANKING & MARKETS

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

This Prospectus comprises a prospectus for the purposes of Directive 2003/7I/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the "Prospectus Directive") and for the purpose of giving information with regard to the Issuer, each Original Guarantor, the Parent and its consolidated subsidiaries taken as a whole ("Ferrovial" or the "Group") and the Notes which according to the particular nature of the Issuer, each Original Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and each Original Guarantor. The Issuer and each Original Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of each of the Issuer and each Original Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

For the purposes of Prospectus Rule 5.5.4R(2)(f), Deloitte LLP has stated that it is responsible for the auditors' report dated 26 December 2012 relating to the audited financial statements as of and for the year ended 31 December 2010 of 4352238 Canadá Inc. which forms part of the Prospectus and has declared that it has taken all reasonable care to ensure that the information contained in that report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex IX items 1.2 and 13.1 of the Prospectus Directive Regulation and is given solely for the purpose of complying with that provision and for no other purpose.

This Prospectus is to be read and construed in conjunction with any documents which are incorporated herein by reference. See "Documents Incorporated by Reference" for further details.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Original Guarantors or Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Bankia, S.A. BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, ING Bank N.V., London Branch and Société Générale (the "Joint Lead Managers and Bookrunners") to subscribe for or purchase any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Original Guarantors and the Joint Lead Managers and Bookrunners to inform themselves about and to observe any such restrictions.

For a description of certain further restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" herein.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Original Guarantors, the Joint Lead Managers and Bookrunners or BNP Paribas Securities Services, Sucursal en España (the "Commissioner"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Original Guarantors or that there has been no adverse change in the financial position of the Issuer or the Original Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, the Joint Lead Managers and Bookrunners accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer, the Original Guarantors or the issue and offering of the Notes. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and are subject to U.S. tax law requirements. The Notes are being offered in offshore transactions outside the United States in reliance on Regulation S ("Regulation S") under the Securities Act and, unless the Notes are registered under the Securities Act or any other exemption from the registration requirements of the Securities Act is available, may not be offered or sold within the United States or to U.S. persons.

Investors must rely upon their own examination of the Issuer, the Original Guarantors, the Group, the terms of the offering and the financial information contained herein, in making an investment decision. Potential investors should consult their own professional advisors as needed to make their investment decision and to determine whether they are legally permitted to purchase the Notes under applicable laws and regulations.

In this Prospectus, unless otherwise specified or the context requires, references to "€" and "euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended from time to time, references to "£" and "pound sterling" are to the lawful currency of the United Kingdom, references to "US$" and "U.S. Dollars" are to the lawful currency of the United States of America, references to "C$" and "Canadian Dollars" are to the lawful currency of Canada, references to "zł" and "Polish zlotys" are to the lawful currency of Poland and references to "DT" and "Tunisian Dinar" are to the lawful currency of Tunisia.

In connection with this issue, each of the Joint Lead Managers and Bookrunners and any of their respective affiliates acting as an investor for its own account may take up Notes and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with this issue. Accordingly, references in this document to the Notes being issued, offered or placed should be read as including any issue, offering or placement of securities to the Joint Lead Managers and Bookrunners and any of their affiliates acting in such capacity. The Joint Lead Managers and Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In connection with the issue of the Notes, BNP Paribas (the "Stabilising Manager") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

NOTICE TO POTENTIAL INVESTORS

The Notes may not be a suitable investment for all investors.

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different form the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

LEGAL INVESTMENT CONSIDERATIONS MAY RESTRICT CERTAIN INVESTMENTS.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding the Issuer's, the Original Guarantors' and the Group's future financial position and results of operations, the Issuer's, the Original Guarantors' and the Group's strategy, plans, objectives, goals and targets, future developments in the markets in which the Issuer, each Original Guarantor and each other member of the Group participates or is seeking to participate or anticipated regulatory changes in the markets in which the Issuer, each Original Guarantor and each other member of the Group operates or intends to operate. In some cases, investors can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "in the future," "intend," "may," "plan," "potential," "predict," "project," "should," "will" or "would" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and are based on numerous assumptions. The Issuer's, the Original Guarantors' and the Group's actual results of operations, including the Issuer's, the Original Guarantors' and the Group's financial condition and liquidity and the development of the industry in which the Issuer, each Original Guarantor and each other member of the Group operates, may differ materially from (and be more negative than) the forward-looking statements made in, or suggested by, this Prospectus. In addition, even if the Issuer's, the Original Guarantors' and the Group's results of operations, including the Issuer's, the Original Guarantors' or the Group's financial condition and liquidity and the development of the industry in which the Issuer, each Original Guarantor and each other member of the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Investors should read the section of this Prospectus entitled "Risk Factors," the description of the business of the Issuer in the section of this Prospectus entitled "Description of the Issuer" and the description of the business of Ferrovial in the section of this Prospectus entitled "Description of Ferrovial" for a more complete discussion of the factors that could affect the Issuer's and the Original Guarantor's future performance and the markets in which the Issuer, each Original Guarantor and each other member of the Group operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur. Neither the Issuer nor the Original Guarantors undertakes any obligation to update or revise any forward-looking statement, whether as a result of new information or future events or developments.

TABLE OF CONTENTS

OVERVIEW OF THE NOTES

The following overview refers to certain provisions of the Terms and Conditions of the Notes and is qualified in its entirety by more detailed information contained elsewhere in this Prospectus. Prospective investors should read this Prospectus in its entirety. Terms which are defined in "Terms and Conditions of the Notes" have the same meaning when used in this overview.

Issuer	Ferrovial Emisiones, S.A.
Guarantors	The Notes will (subject to Condition 3 (*Guarantees*)), benefit from a guarantee by the Parent and certain subsidiaries of the Parent (together with the Parent, the "Guarantors"), who will guarantee on a joint and several basis claims of the Noteholders under the Notes. The guarantees given by the Guarantors are referred to as "Guarantees".
	The Guarantors as at the Closing Date (the "Original Guarantors") will be:
	Ferrovial, S.A.
	Ferrovial Agromán, S.A.
	Ferrovial Servicios, S.A.
	Cintra Infraestructuras, S.A.
	4352238 Canadá, Inc.
	Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.
	Cespa Gestión de Residuos, S.A.
	Hubco Netherlands B.V.
	The Guarantors may change from time to time. See Condition 3(d) (*Accession of New Subsidiary Guarantors*) *and* 3(e) *(Release of Subsidiary Guarantors)*.
Joint Lead Managers and Bookrunners	Banco Bilbao Vizcaya Argentaria, S.A.
	Banco Santander, S.A.
	Bankia, S.A.
	BNP Paribas
	Citigroup Global Markets Limited
	Deutsche Bank AG, London Branch
	HSBC Bank plc
	ING Bank N.V., London Branch
	Société Générale
Commissioner	BNP Paribas Securities Services, Sucursal en España
	There will be no English law trustee appointed in relation to the Notes but rather a Spanish law Commissioner or *"Comisario"*. See Condition 13 (*Syndicate of Noteholders, Modification and Waiver*) and "Regulations of the Syndicate of Noteholders".
	The Commissioner may require the Noteholders to indemnify it for any costs, losses or liabilities incurred by it when complying with the instructions received from the Noteholders arising from a Noteholders meeting.

Fiscal Agent	BNP Paribas Securities Services, Luxembourg Branch
Issue Amount	€500,000,000
The Offering	The Notes are being offered by the Joint Lead Managers and Bookrunners outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act.
Issue Price	99.692 per cent. of the nominal amount of the Notes.
Final Maturity Date	30 January 2018
Form of Notes	The Notes will be issued in bearer form as described in "Summary of Provisions Relating to the Notes while Represented by the Global Notes".
Denominations	The Notes will have denominations of €100,000 and integral multiple of €1,000 in excess thereof, up to €199,000.
Interest	3.375 per cent. per annum If the Notes are at any point assigned a Non-Investment Grade Rating by a Rating Agency, the interest rate will be increased by 1.25 per cent. per annum (the "Step-up") with effect from, and including, the Interest Payment Date immediately following the date the rating of the Notes was so assigned provided that, if the Notes are no longer assigned a Non-Investment Grade Rating by a Rating Agency, the Step-up shall no longer apply from, and including, the Interest Payment Date immediately following the date the rating of the Notes are no longer assigned a Non-Investment Grade Rating. In the event of a Step-up, the amount of interest payable on each Interest Payment Date in respect of the Interest Period commencing on or after the date a Step-up takes effect and ending on such Interest Payment Date, shall be €46.25 per €1,000 in principal amount of the Notes.
Currency	Euro
Use of Proceeds	The net proceeds received from the sale of the Notes will be used by the Issuer for refinancing existing corporate debt.
Status of the Notes	The Notes and Coupons are direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer ranking at least equally, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
Status of the Guarantees	The obligations of each Guarantor under its Guarantee constitute (or will constitute) direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of such Guarantor ranking at least equally with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
Negative Pledge	The Notes will have the benefit of a negative pledge as described in Condition 4 (Negative Pledge).

Events of Default	The events of default under the Notes are as specified in Condition 10 (*Events of Default*). In particular, the Notes will have the benefit of a cross default provision in relation to other indebtedness of the Issuer, the Guarantors or any Relevant Subsidiary (as defined in Condition 5 (*Definitions*), as described in Condition 10(c)).
Redemption at the option of the Issuer	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time in the event of certain changes affecting taxes as more fully described in Condition7(b) (*Redemption for taxation reasons*).
Change of Control	Upon the occurrence of a Change of Control (as defined in Condition 5 (*Definitions*)), each Noteholder shall have the option to require the Issuer to redeem or purchase the Notes, in whole or in part, at their principal amount plus accrued and unpaid interest up to (but excluding) the date for such redemption or purchase. See Condition 7(c) (*Early redemption at the option of the Noteholders upon a Change of Control*).
Taxation and gross-up	The payment of interest and other amounts in respect of the Notes will be made free of withholding taxes of any Tax Jurisdiction, unless such taxes are required by law to be withheld. In such case the Issuer and/or the Guarantors will pay additional amounts as may be necessary in order that the net amounts receivable by the holder after such deduction or withholding shall equal the respective amounts which would have been receivable by such holder in the absence of such deduction or withholding; except that no such additional amounts shall be payable in certain circumstances set out in the Terms and Conditions of the Notes. See Condition 9 (*Taxation*). The Issuer considers that, according to Royal Decree 1145/2011, it is not obliged to withhold any tax amount provided that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Fiscal Agent, as described "Taxation – Spanish Tax Considerations *Simplified Information Procedures*". In the event that the current applicable procedures are, in the future, modified, amended or supplemented by any Spanish law or regulation, or any ruling of the Spanish Tax Authorities, the Issuer will inform the Noteholders of such information procedures and of their implications, as the Issuer may be required to apply withholding tax on interest payments under the Notes if the Noteholders do not comply with such information procedures. For further information regarding the interpretation of Royal Decree 1145/2011, please refer to "*Risk Factors – Risks relating to Spanish withholding tax*". See Condition 9 (*Taxation*) and "Taxation".
Governing law	The Notes and the Guarantees, and any non-contractual obligations arising out of or in connection with the Notes or the Guarantees, will be governed by and shall be construed in accordance with English law, save that, Condition 2 (*Status of the Notes*), Condition 13 (*Syndicate of Noteholders, Modification and Waiver*) and the Regulations of the Syndicate of Noteholders will be governed by Spanish law. The status of the Guarantee of each Guarantor as described in Condition 3(b) (*Status of the Guarantees*) shall be construed in accordance with the laws where each Guarantor has its centre of main interest, which, in the case of the Guarantee of the Parent shall be Spanish law.

	The courts of England will have jurisdiction to settle any disputes which may arise out of or in connection with the Notes. In accordance with article 25 of the Regulations of the Syndicate of Noteholders, the courts and tribunals of the city of Madrid are to have exclusive jurisdiction to settle any dispute arising from the Regulations of the Syndicate of Noteholders.
Listing and Trading	Application has been made to the United Kingdom Listing Authority for the Notes to be admitted to the Official List of the United Kingdom Listing Authority and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's regulated market.
Clearing	The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Notes have the following International Securities Identification Number ("ISIN") and Common Code: ISIN: XS0879082914 Common Code: 087908291
Language	The legally binding language of this Prospectus is the English language except for the Regulations of the Syndicate of the Noteholders where the legally binding language shall be the Spanish language. The English translation of the Regulations of the Syndicate of the Noteholders is included for information purposes only.
Ratings	The Notes are expected to be rated BBB- by Fitch and BBB- by Standard & Poor's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the "CRA Regulation") as having been issued by Fitch and Standard & Poor's. Fitch and Standard & Poor's are established in the European Union and are registered under the CRA Regulation. As such both Fitch and Standard & Poor's are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such CRA Regulation.
Risk Factors	For a discussion of certain risk factors relating to the Issuer and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see "Risk Factors".

RISK FACTORS

Prospective investors should consider carefully the risks set out below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer or each of the Original Guarantors which, in turn, could have a material adverse effect on the nominal amount and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading or the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below may not be the only risks that the Issuer or each of the Original Guarantors face. The Issuer and the Original Guarantors have described only those risks that they currently consider to be material and there may be additional risks that they do not currently consider to be material or of which they are not currently aware. Prospective investors should read the entire Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

Risks relating to Ferrovial's business and the market in which it operates

Ferrovial's business could be adversely affected by the deterioration of global or Spanish economic conditions.

In the past, Ferrovial's business performance has been closely linked to the economic cycle in the countries, regions and cities in which it operates. Normally, robust economic growth in those areas where it is located results in greater demand for its services, while slow economic growth or economic contraction adversely affects demand for its services.

The global economy and the global financial system continue to experience a period of significant turbulence and uncertainty following the very severe dislocation of the financial markets that began in August 2007 and considerably worsened in 2008. This dislocation has severely restricted general levels of liquidity and the availability of credit and the terms on which credit is available. It has also increased the financial burden on Ferrovial's domestic and institutional customers, degrading their credit quality, reducing their spending capacity and negatively affecting consumer demand.

This market dislocation has also been accompanied by continuing periods of recessionary conditions and trends in many economies throughout the world, including Spain. In addition, certain countries in the Eurozone, including Spain, currently have large sovereign debts and/or fiscal deficits and this has led to concerns and uncertainties in the markets as to whether or not the governments of those countries will be able to pay in full and on time the amounts due in respect of those debts. These concerns have led to significant spikes in secondary market yields for sovereign debt of the affected countries, including Spain, and also to significant exchange rate volatility, especially with respect to the euro. In addition, these concerns and uncertainties have also extended to the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states and could lead to the re-introduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. If one or more member states were to leave the Eurozone or should the euro dissolve entirely, it could have a material adverse impact on the Group's activities in Europe and the impact of these events on Europe and the global financial system could be severe. According to the International Monetary Fund, the world's output increased 5.1% in 2010 and 3.8% in 2011. It is expected to grow 3.3% in 2012 and 3.6% in 2013 (Source: International Monetary Fund World Economic Outlook Report, October 2012).

On 10 October 2012, Standard & Poor's cut Spain's sovereign credit rating by two full notches, citing the declining capacity of Spain's political institutions (both domestic and multilateral) to deal with the severe challenges posed by the current economic and financial crisis. Following such downgrade, Standard & Poor's placed the current ratings assigned to some Spanish corporates on Credit Watch Negative and downgraded certain corporates' credit rating citing that meeting such corporates' refinancing needs could prove increasingly challenging or onerous to achieve due to Spain's tough economic and financial conditions. In light of the new difficulties in the Spanish and global economy, there can be no assurance that in the event of any further downgrade of Spain's sovereign debt, there will not be any further adverse revision of the Parent's credit rating.

In addition the current economic climate has had an adverse effect on the financial conditions of Spanish banks, resulting in the credit rating downgrade of several of these entities. The Group's ability to be mandated for new projects and to maintain existing mandates is dependant on it obtaining and maintaining certain financial guarantees in respect of its obligations under these projects. The recent credit rating downgrades suffered by Spanish banks have made it increasingly difficult for the Parent to obtain and maintain these financial guarantees on commercially reasonable terms. There can be no assurance that if the Spanish banks providing these financial guarantees suffer further downgrades the Parent will be able to obtain and maintain the necessary financial guarantees for its projects.

Further, the continued concern about the fiscal positions of the governments of the affected countries has also raised concerns regarding the exposures of banks to such countries, especially banks domiciled within Europe. These concerns may lead to such banks being unable to obtain funding in the interbank market or interbank funding may become available only at elevated interest rates, which may cause such banks to suffer liquidity stress and potentially insolvency. If this were to happen, the flow of credit to businesses could be severely disrupted, thereby worsening the recessionary conditions and trends.

Continued deterioration in the Spanish and other economies throughout the world negatively affects business and consumer confidence, unemployment trends, the state of the housing market, the commercial real estate sector, the state of the equity, bond and foreign exchange markets, counterparty risk, inflation, the availability and cost of credit, transaction volumes in key markets and the liquidity of the global financial markets, all of which could have a material adverse effect on the business, prospects, financial condition and results of operations of Ferrovial.

Ferrovial is not able to predict how the economic cycle is likely to develop in the short term or the coming years or whether there will be a further deterioration in this recessive phase of the global economic cycle. If both the world's and Spain's economic conditions deteriorate further, the business, financial condition and results of operations of Ferrovial may be adversely affected.

Ferrovial's business is subject to risks related to its international operations.

As a result of its process of diversification, a large part of Ferrovial's operating revenue is generated outside of Spain, in countries such as the United States, Canada, United Kingdom, Ireland, Portugal and Poland. The revenues of, market value of and dividends payable by subsidiaries within the Group are exposed to risks inherent to the countries where they operate. The operations in some of the countries where Ferrovial is present are exposed to various risks related to investments and business, such as:

- fluctuations in local economic growth;
- changes in inflation rates;
- devaluation, depreciation or excessive valuation of local currencies;
- foreign exchange controls or restrictions on profit repatriation;
- changing interest rate environment;
- changes in financial, economic and tax policies;
- social conflicts; and
- political and macro economic instability.

Ferrovial is exposed to these risks in all of its foreign operations to some degree, and such exposure could be material to its business, financial condition and results of operations in emerging markets where the political and legal environment is less stable. Ferrovial cannot assure that it will not be subject to material adverse developments with respect to its international operations or that any insurance coverage it has will be adequate to compensate the Group for any losses arising from such risks.

Ferrovial's business, financial condition and results of operations may be adversely affected if it does not effectively manage its exposure to interest rate and foreign exchange rate risks.

Certain of Ferrovial's indebtedness bears interest at variable rates, generally linked to market benchmarks such as EURIBOR and LIBOR. Any increase in interest rates would increase its finance costs relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. This interest rate fluctuation risk is particularly important in the financing of infrastructure projects and other projects, which are heavily leveraged in their early stages and whose performance depends on possible changes in the interest rate. Ferrovial enters into hedging arrangements to cover interest rate fluctuations on a portion of its debt. In addition, Ferrovial is exposed to exchange rate risks and in order to mitigate these risks Ferrovial enters into foreign exchange derivatives to cover its significant future expected operations and cash flows. Any current or future hedging contracts or foreign exchange derivatives entered into by Ferrovial may not adequately protect its operating results from the effects of interest rate or exchange rate fluctuations. Ferrovial is subject to the creditworthiness of, and in certain circumstances early termination of the hedging agreements by, hedge counterparties. There can be no assurance that future interest rate or exchange rate fluctuations will not have a material adverse effect on Ferrovial's business, financial condition and results of operations.

Ferrovial's ability to effectively manage its credit risk exposure may affect its business, financial condition and results of operations.

Ferrovial is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could impact its business, financial condition and results of operations.

The risk of late payment in both the public and private sectors is currently increased due to the global financial crisis. The cost of government financing and financing of other public entities, has also increased due to financial stress in Europe, and this may represent an increased risk for Ferrovial's public sector clients. However, in the recent past such risk was partially mitigated by the enactment of Royal Decree 4/2012, also known as Real Decreto de Creación del Fondo de Financiación de los Pagos a Proveedores, of 2 February, that enabled distressed public entities to make certain payments which allowed them to reduce their commercial debts with suppliers.

Although Ferrovial actively manages this credit risk through credit scoring and eventually in certain cases the use of non-recourse factoring contracts and credit insurance, its risk management strategies may not be successful in limiting its exposure to credit risk, which could adversely affect its business, financial condition and results of operations.

In addition, legislation implemented in Spain in 2010 relating to late payments (Ley 15/2010, of 5 July, known as *Ley de Morosidad*), requires that payment terms do not exceed certain limits. If clients of Ferrovial (public or private) do not comply with this stricter legal framework liquidity could be affected. Late payments could cause considerable penalties.

Ferrovial's business, financial condition and results from operations may be adversely affected by its level of indebtedness and its ability to effectively manage its exposure to liquidity risk.

Ferrovial must be able to secure significant levels of financing to be able to continue its operations.

Certain of the industries in which it operates, such as airports and toll roads, require a high level of financing. Ferrovial's ability to secure financing depends on several factors, many of which are beyond its control, including general economic conditions, adverse effects in the debt or capital markets, the availability of funds from financial institutions and monetary policy in the markets in which it operates. If Ferrovial is unable to secure additional financing on favourable terms, or at all, its growth opportunities would be limited and its business, financial condition and results of operations may be materially adversely affected.

In addition, Ferrovial may seek to refinance its existing debt and can give no assurance as to the availability of financing on acceptable terms.

Ferrovial has entered into equity swaps which could result in losses and have a material adverse effect on its business, financial condition and results of operations.

The Parent entered into equity swaps linked to its share price, in order to hedge any potential asset loss derived from the different incentive share plans to which the Parent is a party. Under the general terms of these swaps, if, at the maturity date of each swap, the share price of the Parent decreases below a reference share price (the strike price which is agreed at the inception of each swap) it will make a payment to the counterparty. However, if, at the maturity date of each swap the share price increases above the reference price, it will receive payment from the counterparty. During the lifetime of the swaps the counterparty will pay the Parent cash amounts equal to the dividends generated by those shares and the Parent will pay the counterparty a floating interest rate. If, at the maturity date of the swaps, the listed value of the Parent's shares is below the reference price, Ferrovial will have to pay out the amounts due under the swaps in cash, and its business, financial condition and results of operations may be materially affected.

Further, whilst the equity swaps are not deemed to be hedging derivatives under International Accounting Standards, their market value during a given period of time has an effect on the income statement of the Parent, which will be positive if the share price increases or negative if the share price decreases during that period. If the share price of the Parent decreases below the reference price, the market value of the swap will decrease and the business, financial condition and results of operations of Ferrovial may be materially adversely affected.

The loss of key members of Ferrovial's management and technical team could have a material adverse effect on its business, financial condition and results of operations.

Ferrovial relies on certain key personnel. If, in the future, Ferrovial is unable to attract and retain sufficiently qualified management and technical staff, its business development could be limited or delayed. In addition, if Ferrovial were to lose key members of its senior management or technical staff, and could not find a suitable replacement in a timely manner, its business, financial condition and results of operations could be adversely affected.

Ferrovial operates in highly regulated environments which are subject to changes in regulations.

Ferrovial must comply with both specific airport, toll roads, waste management and treatment, and construction sectors regulations as well as general regulations in the various jurisdictions where it operates. As in all highly regulated sectors, any regulatory changes in these sectors could adversely affect the business, financial condition and results of operations of Ferrovial.

Ferrovial's business, financial condition and results of operations may be adversely affected if it fails to obtain or renew, or if there are any material delays in obtaining requisite government approvals for its projects.

Ferrovial is established in jurisdictions where the industries in which it operates may be regulated. In order to bid, develop and complete a project, the developer may need to obtain permits, licences, certificates and other approvals from the relevant administrative authorities before bidding for the project or at various stages of the project process. There is no assurance that Ferrovial will be able to obtain or maintain such governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect from time to time. If Ferrovial is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its projects, this could lead to delays and its business, financial condition and results of operations may be adversely affected.

Environmental laws could increase Ferrovial's costs.

In the countries where Ferrovial operates, there are local, regional, national and EU bodies which regulate its activities and establish applicable environmental regulations. The technical requirements imposed by environmental regulations are gradually becoming more costly, complex and stringent. These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that Ferrovial is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not effective damage exists or is proven, and Ferrovial could be held jointly and severally liable with other parties. The relevant authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits based on a breach of current regulations.

The entry into force of new laws, the discovery of previously unknown sources of pollution, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase Ferrovial's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities and the business, financial condition and results of operations of Ferrovial may be materially adversely affected.

Ferrovial is subject to litigation risks.

The Group is, and may in the future be a party to judicial, arbitration and regulatory proceedings which arise in the ordinary course of business, including claims relating to compulsory land purchases required for toll road construction, claims relating to defects in construction projects performed or services rendered, claims for third party liability in connection with the use of the Group's assets or the actions of Group employees, employment related claims, environmental claims and tax claims. For a summary of certain legal proceedings relating to the Group, see "Description of Ferrovial – Legal Proceedings". An unfavorable outcome (including an out-of-court settlement) in one or more of such proceedings could have a material adverse effect on Ferrovial's business, financial condition and results of operations.

Decreases in the funds allocated to public sector projects may harm Ferrovial's business, financial condition and results of operations.

Current economic conditions, have led to a sharp reduction in projects for the public sector. A further decrease in the spending on development and execution of public sector projects by governments and local authorities could adversely affect Ferrovial's business, financial condition and results of operations.

Ferrovial operates in highly competitive industries.

Ferrovial, in its ordinary course of business, competes against various groups and companies that may have more experience, resources or local awareness than Ferrovial does. Furthermore, these groups and companies may have greater resources than Ferrovial, whether material, technical or financial, or may demand lower returns on investment and be able to present better technical or economic bids compared to it.

Given this high level of competition, Ferrovial may be unable to secure contracts, either directly or through its investee companies, for new projects in the geographical areas in which it operates. If Ferrovial is unable to obtain contracts for new projects in order to sustain a backlog in line with the current one, or if these projects are only awarded under less favourable terms, Ferrovial's business, financial condition and results of operations may be adversely affected.

Ferrovial's insurance cover may not be adequate or sufficient.

Ferrovial benefits from insurance cover to protect against key insurable risks including fire, earthquakes, acts of terrorism and other natural and man-made disasters. The insurance policy may not be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities. Moreover, there can be no assurance that if insurance cover is cancelled or not renewed, replacement cover will be available at commercially reasonable rates or at all.

Ferrovial may not have, or may cease to have, insurance cover if the loss is not covered under, or is excluded from, an insurance policy including by virtue of exhaustion of applicable cover limits or a policy operating as an excess policy or if the relevant insurer successfully avails itself of defences available to it, such as breach of disclosure duties, breach of policy condition or misrepresentation.

If insurance cover is not available or proves more expensive than in the past, Ferrovial's business, financial condition and results of operations may be materially adversely affected.

The level of Ferrovial's contributions to pension schemes in the United Kingdom may vary.

The funding position of Ferrovial's pension schemes in the United Kingdom may vary from time to time (including as a result of fluctuation in investment values or as a result of changes to actuarial assumptions) thereby affecting the level of Ferrovial's pension costs. Increased pension costs would have a material adverse effect on its business, financial condition and results of operations.

Risks of accidents.

Accidents may occur at Ferrovial's projects, which may severely disrupt operations of Ferrovial and lead to delays in the completion of projects and such delays could result in a loss of income, due to delayed receipt of proceeds from purchasers, as well as potential claims for compensation and termination of contracts by clients. In addition, there is a possibility that any such claims for compensation in relation to such accidents may not be covered by Ferrovial's insurance policies. Any accidents and any consequential claims for damages could therefore have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

Risks Relating to the Services Business Division

Ferrovial Servicios, S.A., Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. and Cespa Gestión de Residuos, S.A. are within the Services business division.

Ferrovial could be held liable for environmental damage resulting from its operations and its insurance for environmental liability may not be sufficient to cover that damage.

Significant liability could be imposed on Ferrovial for damages, clean up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. This is of particular importance in the case of landfills, where costs of sealing are very high and are subject to heavy increases due to changes in environmental law. Ferrovial's insurance for environmental liability may not be sufficient or may not apply to any exposure to which it may be subject resulting from the type of environmental damage in question.

Any substantial liability for environmental damage could have a material adverse effect on Ferrovial's business, financial condition and results of operations.

The public may react negatively to industrial waste management facilities.

Although Ferrovial has not yet encountered any major problems, it may face adverse public opinion in relation to its waste recycling activities near inhabited areas, the expansion of such existing facilities or the construction of new facilities in this business division. Governments responding to public pressure may restrict the current activities of Ferrovial or its plans for future expansion, which could have a material adverse effect on its business, financial condition and results of operations.

Ferrovial's results from operations are affected by the cyclical nature of the waste management business.

The waste management business is cyclical by nature. The demand for waste management services is connected to general economic conditions. Demand generally increases in times of economic growth and decreases during economic contraction periods. Due to the current global financial crisis, the level of spending in waste decreased, and Ferrovial cannot be sure of a favourable change in spending levels in the coming years. If conditions continue to limit spending in the waste management industry, then the business, financial condition and results of operations of Ferrovial may be adversely affected.

Risks Relating to the Construction Business Division

Ferrovial Agromán, S.A. is within the Construction business division.

If investment in the construction industry continues to decrease, Ferrovial's results of operations may be affected.

Investment in the construction sector derives from both the public and private sectors and the level of investment is dependent on general economic conditions. In times of economic growth, investment levels generally increase, with levels decreasing during a recession. The majority of countries within which Ferrovial operates have benefitted from favourable conditions for construction for several years. However, over the last three years, and as a result of the global financial crisis, the situation has considerably deteriorated. Ferrovial cannot make any assurances that the level of investment will increase in the coming years. If conditions continue to limit investment by the public and private construction sectors, then the business, financial condition and results of operations of the Group may be adversely affected.

Ferrovial's business may be affected by a decrease in the funds available for civil engineering projects.

As a result of the current economic conditions, there has been a sharp decrease in tenders for civil engineering works, including for public sector projects. The allocation of funds for civil engineering projects within the annual budget for each of the countries where Ferrovial is present or targeting is mainly dependent on two factors: the budgetary policies of the relevant government and the economic conditions existing at the time. For example, in Spain, there has been a decline of 38.5% in the market levels of tendered civil engineering works, between 2010 and 2011. A further decrease in the spending on development and execution of civil engineering projects by governments and local authorities could adversely affect the business, financial condition and results of operations of Ferrovial.

Difficulties in securing private sector projects may adversely affect Ferrovial's results of operations.

Current economic conditions have resulted in a decrease in procurement by private sector companies. Such companies may be forced to halt the projects already underway due to a lack of funds, or may decide to delay or abandon studies of potential projects while they await more favourable investment conditions. Whilst, standard practice in the private sector is for the construction company to be paid as the works are executed, Ferrovial is exposed to loss of revenue if such work are delayed or cancelled. Reductions in project procurement by the private sector may adversely affect the business, financial condition and results of operations of Ferrovial.

Ferrovial's operations in certain jurisdictions are dependent on funds granted.

Ferrovial currently benefits from funds granted by the European Union for some of its construction operations in Poland, as well as from federal funds granted for its construction activity in the United States. Due to political, economic or other considerations, these funds may no longer be available to Ferrovial or there may be delays in funds being received. Such a cancellation or delay in receipt of funds may have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

Any failure to meet construction project deadlines and budgets may have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

There are certain risks that are inherent to large-scale construction projects, such as shortages, and increased costs, of materials, machinery and labour. If any of Ferrovial's contractors and sub-contractors fail to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions or unexpected technical or environmental difficulties, there may be resulting delays and excess construction costs. Contractor and sub-contractor liability clauses, included in most standard construction agreements entered into with contractors and sub-contractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, Ferrovial may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase Ferrovial's expenses and reduce its income, particularly if it is unable to recover any such expenses from third parties under its concessions, in which case the business, financial condition and results of operations of Ferrovial may be materially adversely affected.

Risks relating to the Toll Roads Business Division

Cintra Infraestructuras, S.A., and 4352238 Canadá, Inc. are within the Toll Roads business division.

Reduced vehicle use on the toll roads operated by Ferrovial's toll road concession companies could adversely affect the Group's business, financial condition and results of operations.

If Ferrovial's toll road concession companies (the "Concession Companies") are unable to maintain an adequate level of vehicle traffic on their toll roads, the Group's toll receipts and profitability will suffer. The tolls collected by the Concession Companies on their toll roads depend on the number of vehicles using such toll roads, the capacity of their portfolios to absorb traffic and their tariffs. In turn, traffic volumes and toll receipts depend on a number of factors, including the quality, convenience and travel time on toll-free roads or toll roads that are not part of the Group's portfolio, the quality and state of repair of the toll roads, the economic climate and fuel prices, the occurrence of natural disasters such as earthquakes and forest fires, meteorological conditions in the countries in which the Concession Companies operate (particularly in Canada), environmental legislation (including measures to restrict motor vehicle use), and the viability and existence of alternative means of transportation, such as air and rail transport, buses and urban mass transportation.

In addition, competition from alternative transport routes could affect the volume of traffic on the toll roads operated by the Concession Companies. In certain cases, the creation of new roads which create an alternative transport route to a toll road, may give the concession company the right to require that the economic balance of their concessions be restored and request compensation. However, an increase in the number and convenience of alternative routes could reduce traffic on the toll roads they operate to a greater degree than that for which they receive compensation.

If the Concession Companies are unable to maintain an adequate level of traffic, the business, financial condition and results of operations of the Group may be adversely affected.

Tariff rate increases on the toll roads operated by the Concession Companies are limited to inflation under some of their concession agreements.

The revenue generated from Ferrovial's toll road business is dependent in part on its tariff rates and the tariff structure is usually established under each individual concession agreement. In certain cases, the Concession Companies have limited or no ability to independently raise tariffs beyond the rate of inflation. During the life of a concession, the relevant government authority may also unilaterally impose additional restrictions on the tariff rates. Whilst the Concession Companies may be able to negotiate compensation from the government authority for changes to their tariff structures, or renegotiate their concession terms in general, the Concession Companies cannot guarantee the success of their negotiations with the relevant government authority.

Ferrovial has substantial investments and indebtedness, many of which are related to costs incurred during the design and construction phase. Ferrovial covers these investments and indebtedness principally from its toll road receipts. If the assumptions underlying Ferrovial's financial models prove to be incorrect and the revenues generated are not sufficient to cover its costs, Ferrovial may be unable to successfully adjust the operating parameters due to inflexible concession terms or reduce its costs to remain profitable, which would have a material adverse effect on Ferrovial's business, financial condition and results of operations of the Group.

During their initial years of operation, Ferrovial's infrastructure concessions generate little or no cash for distribution to the Group

The development and operation of infrastructure concession assets is a capital intensive business. Newer assets are typically highly leveraged to optimise the capital structure with the objective of maximizing shareholder return. The financing structure for a concession is selected based on cash flow projections that Ferrovial models for that concession. A new project is typically financed through a project finance structure, which involves the creation of a legally independent project company financed with debt on a non-recourse basis and with equity contributed by Ferrovial and, in some cases, other investors. As a result of the high rate of leverage, during the initial years of a concession, the costs of financing consume most of a concession's available cash flows, leaving little or no cash flows available for distribution to the Group. In addition, since cash flows constitute the main security for the repayment of project borrowings, credit agreements usually limit the use of funds by shareholders until certain conditions have been met, which is assessed each year. As a result, it is unlikely that cash generated from newer concessions will be available to meet the cash needs of other Group companies, including repayment of amounts due under the Notes. Furthermore, it is possible that Ferrovial's cash flow projections for a concession will not be met, and that concession may take longer than expected to generate cash for its shareholders or may never do so, which could decrease the resources available to other Group companies to meet their financial obligations, including those under the Notes. Such a decrease may have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

Infrastructure concessions have a limited duration.

Upon termination of a concession, the Group must return the infrastructure to the competent governmental authority or owner, in an adequate state of repair, together with any assets and facilities required for operation, and receives no economic compensation whatsoever. If the Concession Companies are unable to extend the duration of their concessions during their lifetime or are unable to secure new concessions to replace any concessions expired, terminated or recovered, this could have a material adverse effect on its business, financial condition and results of operations of the Group.

Any inability to negotiate adequate compensation for terminated and repurchased concessions could reduce the future revenues of Ferrovial.

The Concession Companies derive most of their revenues from operations conducted under their concession agreements. Under the relevant public laws, the governments of the countries in which their concessions are located may unilaterally terminate or repurchase concessions in the public interest, subject to judicial supervision. However, to date there have not been any such unilateral terminations or any repurchases of Ferrovial's toll road concessions. If a governmental authority exercises its option to terminate or repurchase some of Ferrovial's concessions, in general it may receive the compensation provided by law or contract to cover its anticipated profits for the remaining duration of the concession agreements. Ferrovial cannot make any assurances, however, that under such arrangements it would be sufficiently compensated for lost profits. In certain cases, a governmental authority may decide to terminate Ferrovial's concession agreements due to a serious violation of its contractual obligations. Each contract may have different provisions regarding the compensation provided by the relevant authority in the event of early termination of the concession. Depending on each contract's terms and conditions, recovery of its investment might be limited to capped construction costs and land acquisition costs. If it is unable to negotiate adequate compensation for terminated or repurchased concessions, the revenues of the Concession Companies in the future may be reduced, and the business, financial condition and results of operations of the Group may be materially adversely affected.

Difficulties in obtaining the necessary land rights could delay certain Ferrovial concession projects or lead to increased development costs.

In order to build or extend the toll roads or develop the infrastructure assets for the concessions in which Ferrovial has an interest, it must obtain the necessary land rights to carry out such development. Ferrovial may seek to obtain such land rights through market transactions, though it often relies on governmental authority to expropriate the land on which the relevant infrastructure asset is to be constructed. In Spain, Ferrovial generally manages the land acquisition and expropriation process itself, subject to the approval of the relevant government authorities. Laws regarding transfer of land rights and land expropriation, and therefore the costs and process associated with such transfer or expropriation, vary from jurisdiction to jurisdiction. The Concession Companies may be adversely affected by changes in laws governing land transfer and land expropriation, or be exposed to the risk of compulsory purchase cost overruns. They may also incur delays in connection with the transfer of the necessary land rights or with the land expropriation process, which could delay the commencement of operations on their toll roads. In addition, the Concession Companies have in the past been, and may in the future be, subject to legal claims in connection with carrying out land expropriation orders, which have and could result in additional costs in connection with defending against such claims and have and could delay development of the relevant infrastructure assets. Delays or increases in costs for obtaining the necessary land rights could have a material adverse effect on its business, financial condition and results of operations.

The Concession Companies are subject to risks related to its contracts with government entities.

Ferrovial's toll road concessions are granted by government authorities and are subject to special risks, including the risk that the sovereign government will take action contrary to the Group's rights under the concession agreement, for example by unilaterally terminating, amending or expropriating the concessions in the public interest. As stated above, Ferrovial seeks to operate in developed nations where the risk that the sovereign government will take actions of such nature tends to be low, but the Group cannot give any assurance that the relevant governments will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially adversely affect its business. Any such action, which could include the expropriation of the assets of the Concession Companies, could be taken by a relevant government with or without compensation to the Group and this could have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

The Concession Companies depend to a significant extent on the continued availability of attractive levels of government subsidies and soft public financing.

The toll road industry depends to a significant extent on the continued availability of attractive levels of government subsidies and incentives to attract private investments. Such subsidies can be granted for the construction and/or operation of toll roads. There is a risk that political developments, such as a change in government or governmental policy, could result in subsidised sources of financing becoming unavailable and this could have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

The public may react negatively to toll collection and periodic tariff readjustments or public pressure may cause the relevant government to challenge the tariffs set by the Concession Companies.

Although the Concession Companies have not yet encountered any major problems with motorists reacting adversely to its tariffs, for example, by avoiding tolls or refusing to pay tolls, such problems might arise in the future, resulting in lower traffic volumes and reduced toll revenues. These problems could be further aggravated by a perception that the Concession Companies are unable or unwilling to effectively recover tolls and fees from motorists who fail or refuse to pay. In addition, adverse general public opinion may result in pressure to restrict their tariff increases. If public pressure or government action forces the Concession Companies to restrict their tariff increases or reduce their tariffs, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, Ferrovial's business, financial condition and results of operations could be materially adversely affected.

Any delays in toll road construction could have a material adverse effect on Ferrovial's business, financial condition and results of operations.

Certain risks are inherent in the large-scale construction projects currently being undertaken by Ferrovial, such as shortages or increases in the cost of materials and labour, general factors affecting economic activity and financing, malfeasance by its contractors and subcontractors and disruptions, either resulting from adverse weather conditions or from technical or environmental problems. Construction delays will delay the time at which revenues from a toll road concession are received by Ferrovial and will reduce the revenue-generating lifetime of the concession. These factors could increase Ferrovial's costs and reduce its revenues and, particularly if Ferrovial is unable to pass on some or all of these costs under the terms of its concession agreements, could materially adversely affect Ferrovial's business, financial condition and results of operations.

Risks relating to the Airports Business Division

Hubco Netherlands B.V. is within the Airports business division.

The aeronautical income of Heathrow Airports Holdings Group (formerly BAA Group) could decline as a result of a reduction in flights, passengers or other factor outside its control.

Heathrow Airport Holdings Limited (formerly BAA Limited), the company through which Ferrovial currently participates in the airport industry, and its subsidiaries (together "HAH"), generates aeronautical income from airport fees and traffic charges. At Heathrow airport ("Heathrow") and Stansted airport ("Stansted", and together with Heathrow, the "Designated Airports") these charges are regulated and principally levied on the basis of passenger numbers, maximum total aircraft weight and the length of time for which an aircraft is parked at these Designated Airports (see "*Risk Factors — Sale of Stansted*"). The charges are also linked to the rate of inflation, which is liable to change. There are no specific operating contracts with the airlines operating at the Designated Airports. There can therefore be no assurance as to the level of HAH's future aeronautical income from any one or more airline operators. Decisions by, legal disputes with, financial difficulties at, or the failure of a significant airline customer, or the withdrawal of their landing rights, could lead to a reduction in flights and passenger numbers and/or failure or delay in recovering airport fees or landing charges. The effect of decisions by or events at airlines that have a major presence at the Designated Airports could have a particularly material adverse effect on HAH. The number of passengers using the airports operated by HAH may be affected by a number of other factors, including: macroeconomic events whether affecting the global economy, the United Kingdom economy or the Greater London economy in which the Designated Airports are based; competition from United Kingdom and non-United Kingdom airports; wars; riots; political action; industrial action; an increase in airfares due to increased airline costs; decisions by airlines regarding the number, type and capacity of aircraft, as well as the routes on which particular aircrafts are utilised; health scares; disruptions caused by natural disasters such as the volcanic eruption in Iceland in 2010; bad weather, such as the unusual weather conditions experienced at Heathrow and other airports in the northern hemisphere in December 2010, which caused over 4.000 flights to be cancelled and caused significant impact to airline schedules globally; acts of terrorism or cybersecurity threats; changes in domestic or international regulation, including for instance international trade liberalisation developments such as "Open Skies"; the quality of services and facilities, including the impact of construction projects; and the development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems; the introduction of new transport links or technology; and the increased use of communications technology.

A decrease in the number of passengers using the airports as a result of the factors detailed above could have a material adverse effect on HAH's business, financial condition and results of operations.

A decrease in passenger numbers or other factors outside HAH's control could reduce non-aeronautical income.

HAH's principal sources of non-aeronautical income include retail concession fees and car parking income, property rental income and income from the provision of operational facilities and utilities. Retail concession fees are driven by passenger numbers and propensity of passengers to spend in the shops at the airports. There are a variety of factors which could adversely affect the number of passengers using the airports as discussed under "Aeronautical Income" above. Levels of retail income at the airports may also be affected by changes in the mix of long- and short-haul and transfer and origin and destination passengers; economic factors, including exchange rates and changes in duty free regimes; retail tenant failures; lower retail yields on lease renegotiations; redevelopments or reconfiguration of retail facilities at the airports, which can lead to a temporary or permanent decline in retail concession fees; reduced competitiveness of the airport retail offering; stricter hand luggage and other carry on restrictions; and reduced shopping time as a result of more rigorous and time consuming security procedures. Car parking income could be reduced as a result of increased competition from other modes of transport to the airports, such as buses and trains, as well as increased competition from off-site car parks. Other non-aeronautical income could be reduced as a result of a decrease in demand from airport users, such as car rental properties and airline leasing check-in counters. Any of these factors could have a material adverse effect on the business, financial condition and results of operations of HAH.

The successful implementation of HAH's capital investment programme could be affected by unanticipated construction and planning issues.

HAH's capital investment programme includes major construction projects at the airports it operates and is subject to a number of risks. For example, if HAH is not able to achieve a consensus amongst its airline customers in support of capital investment projects, this could affect the willingness of the Civil Aviation

Authority ("CAA") to include the costs of such projects in the Regulatory Asset Base ("RAB") of the relevant Designated Airport (for further information on the RAB please see "Description of Ferrovial – Ferrovial's Business – Airports – Regulatory Matters" below). Difficulties in obtaining any requisite permits, consents (including environmental consents), licences, planning permissions, compulsory purchase orders or easements could adversely affect the design or increase the cost of the capital expenditure projects or delay or prevent the completion of a project or the commencement of its commercial operation. Although contractors typically share in cost and schedule risks, HAH may face higher than expected construction costs and delays (not all of which may be permitted by the CAA to be included in the RAB of the relevant Designated Airport) and possible shortages of equipment, materials and labour due to the number of major construction projects in the London area.

The commencement of the commercial operation of a newly constructed facility may also give rise to start up problems, such as the breakdown or failure of equipment or processes or the lack of readiness of operators, closure of facilities and disruptions of operations. HAH's construction contracts may contain restricted remedies or limitations on liability such that any sums claimed or amounts paid may be insufficient to cover the financial impact of such breaches of contract. The ability of contractors to meet their financial or other liabilities cannot be assured.

The failure of HAH to recognise, plan for and manage the extent of the impact of construction projects could result in projects overrunning budgets, operational disruptions, capital expenditure trigger rebates to airlines, unsatisfactory facilities at the airports, safety and security performance deficiencies and higher than expected operating costs. Any of these could affect the airports' day-to-day operations and, consequently, have a material adverse effect on HAH's business, financial condition and results of operations.

The Designated Airports are subject to economic regulation by the Civil Aviation Authority, which is subject to change.

HAH's operations at the Designated Airports are subject to regulatory review that results in, amongst other things, the setting of the price caps on certain of the Designated Airports' charges by the CAA. This regulatory review generally takes place every five years; see "Description of Ferrovial – Ferrovial's Business – Airports – Regulation". There can be no assurance that the current or future price caps set by the CAA will be sufficient to allow the Designated Airports to operate at a profit; nor that the present price caps will be increased or at least maintained at current levels; nor that the methodology of the review process at subsequent reviews would not have a material adverse effect on the income of HAH. The CAA has established performance-linked requirements which can negatively impact aeronautical income. For instance, the CAA reduces certain permitted airport charges at Heathrow if prescribed milestones are not met on certain capital investment projects. Under service quality rebate schemes at Heathrow, failure to meet specified targets relating to, among other things, airport cleanliness, security queuing times and stand and jetty availability can result in rebates to airline customers of up to 7% of airport charges.

HAH could be subject to terrorism and/or increased security requirements.

The United Kingdom Government currently assesses the terrorism threat to aviation as "Substantial". Airports continue to operate heightened security measures and were required to introduce additional security measures following the discovery of terrorist plots in August 2006 and December 2009. An incident in 2010 involving cargo aircraft led to additional measures for the cargo industry only. The consequences of any future acts of terrorism may include cancellation or delay of flights, fewer airlines and passengers using the airports, liability for damage or loss and the costs of repairing damage. The implementation of additional security measures at the airports in the future could lead to additional limitations on airport capacity or retail space, overcrowding, increases in operating costs and delays to passenger movement through the airports any of which could have a material adverse effect on HAH's business, financial condition and results of operations.

Incidents could occur at the airports.

Airports are exposed to the risk of incidents, including accidents, as a result of a number of factors including extreme weather conditions, equipment failure, human error and terrorist activities. These inccidents could result in injury or loss of human life, damage to airport infrastructure and short or long term closure of an airport's facilities and may have an impact on passenger traffic levels, which in turn could have a material adverse effect on HAH's business, financial condition and results of operations.

HAH faces a number of operational risks outside its control.

The operation of an airport is a complex undertaking that is subject to a number of factors outside the control of HAH. These factors include weather conditions, variable aircraft movements and traffic congestion. In addition, the Secretary of State for Transport has powers under the Airports Act 1986 to give directions to airport operators in the interests of national security, including closure of airports. Given the nature of these factors, it is not possible to accurately predict their future impact on airport operations from past performance, and any impact from such factors could have a material adverse effect on the business, financial condition and results of operations of HAH.

Sale of Stansted

On 20 August 2012, HAH announced its decision not to appeal to the Supreme Court against the ruling of the Competition Commission of 19 July 2011 that required HAH to sell Stansted. On 18 January 2013, HAH announced that it had agreed to sell its 100% interest in Stansted to Manchester Airports Group for £1,500 million. The transaction is currently expected to close by the end of February 2013.

As part of the disposal of Stansted, HAH is required under the terms of its senior borrower group indebtedness to apply the net disposal proceeds to the repayment of debt. In addition, certain fixed costs of HAH, which are currently allocated to Stansted, will be largely re-allocated to Heathrow. Furthermore, the airports have differing airline customer profiles: mainly full-service airlines at Heathrow and low-cost carriers at Stansted. Although Heathrow has performed considerably better financially since 2009, divestiture of Stansted will mean the Group will service a less diversified customer base, which could increase the risk that future events at an airline could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to the Notes

There is currently no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and Ferrovial's results of operations. Although application has been made for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the Market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Integral multiples of less than €100,000.

The Notes are in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to €199,000. Therefore, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

If definitive Notes are issued, investors should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

The identity of the Guarantors may change and there may be no, or only few, Guarantors.

As at the date hereof, each of the subsidiaries of the Parent which is a guarantor of Principal Indebtedness (as defined in Condition 5 (*Definitions*)) is either a Guarantor or a person which is, under the laws generally applicable to a person of the same legal form, prohibited from being a Guarantor. As at the date hereof, the only Principal Indebtedness constitutes amounts incurred by the Parent under the credit facility agreement dated 12 April 2011, as detailed in the definition of "Principal Indebtedness" in Condition 5 (*Definitions*). The Terms and Conditions of the Notes provide that, if any subsidiary of the Parent becomes a guarantor of Principal Indebtedness, the Parent will ensure that, unless it is prohibited as aforesaid, that subsidiary will become a Guarantor. Furthermore, if a Release Event (as defined in Condition 5 (*Definitions*)) occurs and certain other requirements are met, the relevant Guarantor may be released from its obligations under the Notes. As a result of the operation of these provisions, the identity of the Guarantors may change and there may be no, or only few, Guarantors at any time.

The Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability.

The Guarantees given by the Guarantors provide holders with a direct claim against the relevant Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of each Guarantee would also be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, and capital maintenance or similar laws. They may also include regulations or defences which affect the rights of creditors generally. If a court were to find a Guarantee given by a Guarantor void or unenforceable as a result of such local laws or defences, or to the extent that agreed limitations on Guarantees apply, holders would cease to have any claim in respect of that Guarantor and would be creditors solely of the Issuer and any remaining Guarantors.

Because the identity of the Guarantors may change, the relevant Tax Jurisdictions for determining entitlement to additional amounts may vary.

Condition 9 (*Taxation*) provides that if a withholding or deduction is required in respect of payments under the Notes, the Issuer or relevant Guarantor must pay additional amounts to the Noteholders and Couponholders. No such additional amounts are payable in certain circumstances, including if the Note or Coupon is presented for payment in a Tax Jurisdiction or to a holder having some connection with a Tax Jurisdiction. The concept of Tax Jurisdiction is determined by reference to the jurisdiction in which the Issuer or any Guarantor is resident for tax purposes. On the Closing Date, the Issuer will be tax resident in Spain and the Original Guarantors will be tax resident in Spain, Canada and The Netherlands. However, New Subsidiary Guarantors may accede as guarantors of the Issuer's obligations under the Notes and entities may be released from their guarantees, in each case in the manner described in the Terms and Conditions of the Notes. Accordingly, the Tax Jurisdictions which are relevant for determining whether or not a Noteholder or Couponholder is entitled to receive additional amounts may vary, and so preclude the Noteholder or Couponholder claiming such additional amounts.

The Issuer may redeem the Notes prior to maturity.

The Terms and Conditions of the Notes provide that the Issuer may at its option redeem the Notes prior to maturity, if there is any change in or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 5 (*Definitions*). Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forego a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

As the Global Notes are held by or on behalf of Clearstream, Luxembourg and Euroclear investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by Global Notes. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. In addition, the Issuer has no responsibility for the proper performance by Euroclear and Clearstream, Luxembourg or their participants of their obligations under their respective rules and operating procedures.

The claims of Noteholders may be structurally subordinated to some senior creditors and, to creditors of Non-Recourse Financing.

The operations of the Group are principally conducted through the Parent and its subsidiaries. Accordingly, the Issuer is and will be dependent on the operations of the Group to service its payment obligations in respect of the Notes. The Notes could be structurally subordinated to the claims of some holders of debt securities and other creditors, including trade creditors, of the Group, and to all secured creditors of the Group. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of the Parent or any subsidiary of the Parent, creditors of the Parent or such subsidiary generally will have the right to be paid in full before any distribution is made to the Parent.

In addition, the claims of Noteholders are structurally subordinated to claims made by creditors of Infrastructure Project Indebtedness (as defined herein). The Parent's consolidated annual accounts include, as assets, its equity interests in entities which have raised Infrastructure Project Indebtedness and the Group usually grants security over these equity interests in favour of the relevant creditors. If these creditors were to enforce this security, the Group's assets would be depleted by the value attributable to such equity interests and it would no longer be entitled to the revenues generated by such assets.

The Parent's ability to pay amounts due under the Guarantee will depend on dividends and other payments received from Subsidiaries.

The Parent's results of operations and financial condition are substantially dependent on the trading performance of members of the Group. The Parent's ability to pay amounts due under the Guarantee will depend upon the level of distributions, interest payments and loan repayments, if any, received from the Parent's operating Subsidiaries and associated undertakings, any amounts received on asset disposals and the level of cash balances. Certain of the Parent's operating Subsidiaries and associated undertakings are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such Subsidiaries or associated undertakings.

Modification, waivers and substitution.

The Terms and Conditions of the Notes and the Regulations of the Syndicate of Noteholders (as defined herein) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Issuer may, with the consent of the Fiscal Agent and Commissioner but without the consent of Noteholders, amend the Terms and Conditions of the Notes insofar as they apply to the Notes to correct a manifest error or where the amendments are of a formal, minor or technical nature or to comply with mandatory provisions of law.

Change of law.

The Terms and Conditions of the Notes (with the exception of Condition 13 (*Syndicate of Noteholders, Modification and Waiver*)) are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Condition 13 (*Syndicate of Noteholders, Modification and Waiver*) of the Terms and Conditions of the Notes and the Regulations of the Syndicate of Noteholders are based on Spanish law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Spanish law or administrative practice after the date of this Prospectus.

EU Savings Directive.

Under European Council Directive 2003/48/EC (the "EU Savings Directive") on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. However, the Issuer is required, as provided in Condition 8(f) (*Paying Agents, etc.*) of the Notes, to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Risks related to the Spanish withholding tax regime.

Ferrovial Emisiones, S.A. considers that, pursuant to the provisions of Royal Decree 1145/2011, it is not obliged to withhold taxes in Spain on any interest paid under the Notes to any Noteholder, irrespective of whether such Noteholder is tax resident in Spain. The foregoing is subject to certain information procedures having been fulfilled. These requirements/procedures are described in "Disclosure of Information in relation to the Notes" below.

Under Royal Decree 1145/2011, it is no longer necessary to provide an issuer with information regarding the identity and the tax residence of an investor or the amount of interest paid to it, provided the securities (i) can be regarded as listed debt securities issued under Law 13/1985, and (ii) are initially registered at a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state. Ferrovial Emisiones, S.A. considers that the Notes meet the requirements referred to in (i) and (ii) above and that, consequently, payments made by Ferrovial Emisiones S.A. to Noteholders should be paid free of Spanish withholding tax.

However, in the event that the current applicable procedures were modified, amended or supplemented by, amongst others, a Spanish law, regulation, interpretation or ruling of the Spanish Tax Authorities, Ferrovial Emisiones , S.A. will inform the Noteholders of such information procedures and of their implications, as Ferrovial Emisiones S.A. may be required to apply withholding tax on interest payments under the Notes if the Noteholders would not comply with such information procedures.

Risks related to Spanish Insolvency Law

Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the "Spanish Insolvency Law"), which came into force on 1 September 2004, supersedes, with some exceptions, all pre-existing Spanish provisions which regulated the bankruptcy, insolvency (including suspension of payments) and any process affecting creditors' rights generally, including the ranking of credits in an insolvency.

The Spanish Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators within the required timeframes set forth therein, (ii) actions that cause a detriment to the assets of the insolvent debtor carried out during the two year period preceding the date of its declaration of insolvency may be rescinded, (iii) provisions in a contract granting one party the right to terminate as a mere consequence of the other's declaration of insolvency may not be enforceable, (iv) interest accrued but unpaid as at the commencement of any insolvency proceedings (*concurso*) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations and (v) interest shall cease to accrue from the date of the declaration of insolvency onwards, except for interest relating to credits secured with an in rem security interest up to the amount secured with such in rem security interest.

Certain provisions of the Spanish Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Interest rate risks.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer, the Original Guarantors or the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained in any document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Bonds or the relevant information is included elsewhere in this Prospectus.

The following documents which have been previously published and have been filed with the Financial Services Authority are incorporated in, and form part of, this Prospectus:

(a) the audited consolidated annual accounts, the notes to the audited consolidated annual accounts, directors' reports and the Auditors' reports as of and for the years ended 31 December 2010 and 31 December 2011 of the Parent, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "Consolidated Annual Accounts"); and

(b) the unaudited consolidated financial information as of and for the nine months ended 30 September 2012 of the Parent.

The documents referred to in paragraphs (a) and (b) above are English translations of the original Spanish versions. The Issuer confirms that such translations are accurate translations of the original Spanish text.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus are available free of charge as long as the Notes are outstanding from the registered office of the Issuer and the registered office of the Parent, in each case specified at the end of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following, save for the paragraphs in italics, are the terms and conditions of the Notes which will be incorporated into the Global Notes and endorsed on the Notes in definitive form.

The issue of the €500,000,000 3.375 per cent. Notes due 2018 (the "Notes", which expression shall, unless otherwise indicated, include any further notes issued pursuant to Condition 15 (Further Issues) and consolidated and forming a single series with the Notes) was (save in respect of any such further notes to be issued pursuant to Condition 15 (Further Issues)) authorised by resolutions of a General Shareholders Meeting and of the joint administrators (*administradores mancomunados*) of Ferrovial Emisiones, S.A. (the "Issuer") passed on 28 July 2011 and 20 December 2012, respectively. The guarantee of the Notes was authorised by resolution of a General Shareholders Meeting and of the board of directors of Ferrovial, S.A. (the "Parent") passed on 22 October 2009 and 28 April 2011, respectively, by resolutions of the boards of directors of Ferrovial Servicios, S.A., Ferrovial Agromán, S.A., Cintra Infraestructuras, S.A. and Hubco Netherlands B.V. passed on 8 January 2013, 26 December 2012, 21 December 2012 and 7 January 2013, respectively, by special powers of attorney granted by 4352238 Canada Inc., Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. and Cespa Gestión de Residuos, S.A. on 31 December 2012, 8 January 2013 and 8 January 2013, respectively (together the "Original Subsidiary Guarantors"). A fiscal agency agreement dated 30 January 2013 (the "Fiscal Agency Agreement") has been entered into in relation to the Notes and the coupons relating to them (the "Coupons") between the Issuer, the Parent, the Original Subsidiary Guarantors, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "Fiscal Agent", which expression shall include any successor as fiscal agent under the Fiscal Agency Agreement), the paying agents for the time being (such persons, together with the Fiscal Agent, being referred to below as the "Paying Agents", which expression shall include their successors as Paying Agents under the Fiscal Agency Agreement) and BNP Paribas Securities Services, Sucursal en España as commissioner (the "Commissioner", which expression shall include any successor as commissioner under the Fiscal Agency Agreement).

Copies of the Fiscal Agency Agreement (which contains these terms and conditions (the "Conditions") and the form of Guarantee (as defined below)) are available during normal business hours at the specified office of each of the Paying Agents. The Noteholders are deemed to have notice of all the provisions of the Fiscal Agency Agreement and these Conditions which are applicable to them. The Fiscal Agency Agreement includes the form of the Notes and the Coupons applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

The Issuer, as required by Spanish law, has executed an *escritura pública* (the "Public Deed") before a Spanish notary public in relation to the issue of the Notes and has registered the Public Deed with Madrid's Mercantile Registry. The Public Deed contains, among other information, these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Fiscal Agency Agreement unless the context otherwise requires or unless otherwise stated.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Notes are in bearer form, serially numbered, in nominal amounts of €100,000 each and integral multiples of €1,000 in excess thereof up to €199,000, each with Coupons attached on issue.

(b) Title

Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss and no person will be liable for so treating the holder.

2. STATUS OF THE NOTES

The Notes and Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (Negative Pledge)) unsecured obligations of the Issuer ranking at least equally, without any preference among themselves, with all its other present and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

Interest on the Notes accrued but unpaid as at the commencement of any insolvency proceeding (concurso) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations. Under Spanish law no further interest on the Notes shall be deemed to accrue from the date of the declaration of any insolvency proceeding (concurso) relating to the Issuer.

3. GUARANTEES

(a) Guarantees

Subject to the remaining provisions of this Condition 3, the payment of all sums expressed to be payable by the Issuer under the Notes and the Coupons has been and will be unconditionally and irrevocably guaranteed on a joint and several basis by the Parent, each Original Subsidiary Guarantor and by each other Subsidiary of the Parent that becomes a guarantor in accordance with this Condition 3 (each, a "New Subsidiary Guarantor"). Any such guarantee given by a Guarantor is referred to as a "Guarantee" and together the "Guarantees".

(b) Status of the Guarantees

The obligations of each Guarantor under its Guarantee constitute (or will constitute) direct, unconditional, unsubordinated and (subject to Condition 4 (Negative Pledge)) unsecured obligations of such Guarantor and shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

(c) Identity of Subsidiary Guarantors

Subject to as provided below, the Parent shall procure that: (i) each of its Subsidiaries which is a guarantor of Principal Indebtedness on the Closing Date is (and, until released in accordance with the Conditions, will continue to be) an Original Subsidiary Guarantor; and (ii) each of its Subsidiaries which becomes a guarantor of Principal Indebtedness after the Closing Date becomes (and, until released in accordance with the Conditions, will continue to be) a Subsidiary Guarantor within 30 days of becoming a guarantor of Principal Indebtedness (except that Subsidiaries of the Parent that are or become prohibited or restricted from providing a guarantee with respect to the Notes and the Coupons under laws generally applicable to persons of the same legal form as such Subsidiaries shall not be required to become or continue to be Subsidiary Guarantors provided that if such prohibition or restriction is removed, the Parent shall within 30 days thereof, cause that Subsidiary to become a Subsidiary Guarantor).

(d) Accession of New Subsidiary Guarantors

If a Subsidiary of the Parent is required to become a Subsidiary Guarantor, the Parent shall procure the delivery to the Commissioner and the Fiscal Agent of: (a) a deed of guarantee in favour of the Noteholders and the Couponholders duly executed by the relevant Subsidiary under which it becomes a Subsidiary Guarantor under these Conditions; (b) a supplemental fiscal agency agreement duly executed by the relevant Subsidiary pursuant to which it agrees to be bound by the provisions of the Fiscal Agency Agreement; (c) an Officer's Certificate certifying (i) that the giving of the guarantee by the Subsidiary Guarantor will not breach any restriction imposed on it under laws generally applicable to persons of the same legal form as such Subsidiary; and (ii) the matters to be opined on in the opinions outline in (d) following; and (d) an opinion of legal advisers of recognised standing to the effect that delivery of such deed of guarantee has been validly authorised and that the obligations of the Subsidiary under its Guarantee constitute legal, valid and binding obligations ranking as provided in Condition 3(b) (Status of the Guarantees), and, upon delivery of such documents, the relevant Subsidiary shall be deemed to have become a Subsidiary Guarantor.

The Parent shall notify the Noteholders in accordance with Condition 14 (Notices) of the occurrence of an accession of a New Subsidiary Guarantor in accordance with this paragraph (d).

(e) Release of Subsidiary Guarantors

If (i) a Release Event has occurred with respect to a Subsidiary Guarantor; and (ii) (other than with respect to a Release Event of the type referred to in paragraph (b) of the definition thereof) no Event of Default has occurred and is continuing, the relevant Subsidiary Guarantor shall, subject to Condition 3(g) (Limitations), be released from its obligations under its Guarantee.

As a condition to any release as aforesaid, the Parent shall deliver to the Commissioner and the Fiscal Agent an Officer's Certificate certifying that the above conditions to release have been satisfied (together, with respect to a Release Event of the type referred to in paragraph (b) of the definition thereof, with an opinion of legal advisers of recognised standing to the effect that the relevant change in law has come into effect or will, on a date no earlier than the proposed release date, come into effect) and the Commissioner and the Fiscal Agent shall accept the Officer's Certificate together, if applicable, with the supporting documents mentioned above, as the case may be as sufficient evidence of the occurrence of such Release Event, in which event it shall be conclusive and binding on the Noteholders and the Couponholders and each relevant Subsidiary Guarantor shall be immediately and effectively released from its obligations under its Guarantee.

The Parent shall notify the Noteholders in accordance with Condition 14 (Notices) of the occurrence of a Release Event (identifying the released Guarantor(s)).

(f) Annual Certification

The Parent shall, by no later than 30 April in each year, deliver to the Commissioner and the Fiscal Agent an Officer's Certificate listing those of its Subsidiaries that were, as at 31 December of the previous year, (i) Relevant Subsidiaries; (ii) Infrastructure Project Subsidiaries, and/or (iii) guarantors of Principal Indebtedness.

In such Officer's Certificate, the Parent shall certify that (a) except for (i) any Subsidiary specified in the certificate as being prohibited or restricted from providing a guarantee with respect to the Notes and the Coupons under laws generally applicable to persons of the same legal form as such Subsidiary, and (ii) any Subsidiary duly released pursuant to Condition 3(e) (Release of Subsidiary Guarantors) between 31 December of the previous year and the date of the relevant Officer's Certificate, all such Subsidiaries listed as being guarantors of Principal Indebtedness are Subsidiary Guarantors, and (b) the limitations (if any) contained in any Guarantee of a Subsidiary Guarantor comply with Condition 3(g) (Limitations).

(g) Limitations

If a Subsidiary of the Parent that is a guarantor of Principal Indebtedness is prohibited or restricted under laws generally applicable to persons of the same legal form as it from becoming a Subsidiary Guarantor, but such prohibition or restriction could be avoided by the inclusion of limitations in the Guarantee to be given by it, such Subsidiary of the Issuer shall become a Subsidiary Guarantor provided that its Guarantee shall incorporate and shall be given subject to such limitations.

If, as a result of a change in law taking effect after the Closing Date (in respect of Original Subsidiary Guarantors) or the date on which a Subsidiary became a Guarantor (in respect of New Subsidiary Guarantors), the guarantee of a Subsidiary Guarantor becomes prohibited or restricted under laws generally applicable to persons of the same legal form as it from continuing to be a Subsidiary Guarantor, but such prohibition or restriction could be avoided by the inclusion of limitations in the Guarantee given by it, the Guarantee of such Subsidiary Guarantor shall be deemed to incorporate the applicable limitations as of the date such change in law comes into effect, and the Issuer shall procure that the Guarantee of such Subsidiary Guarantor is amended within 30 days of the Parent becoming aware of any such prohibition or restriction to reflect such limitations.

In the circumstances described above, the limitations applicable to such Guarantee shall be the minimum limitations required under relevant laws in order that the prohibition or restriction be avoided.

4. NEGATIVE PLEDGE

So long as any of the Notes or Coupons remain outstanding (as defined in the Fiscal Agency Agreement), neither the Issuer nor any of the Guarantors will create or permit to subsist, and the Issuer will ensure that no Relevant Subsidiary will create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each a "Security Interest") upon the whole or any part of its present or future property or assets (including any uncalled capital) to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness unless in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to ensure that:

(i) all amounts payable under the Notes and the Coupons are secured equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be; or

(ii) any other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable under the Notes and the Coupons as shall be approved by a resolution of the Syndicate of Noteholders,

provided that any Relevant Subsidiary or Subsidiary Guarantor acquired after the Closing Date may have an outstanding Security Interest with respect to Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) of such Relevant Subsidiary or Subsidiary Guarantor so long as such Security Interest was outstanding on the date on which such Relevant Subsidiary or Subsidiary Guarantor became a Subsidiary and was not created in contemplation of such Relevant Subsidiary or Subsidiary Guarantor becoming a Subsidiary or such Security Interest was created in substitution for or to replace either such outstanding Security Interest or any such substituted or replacement Security Interest and is not increased in amount after the date that such Relevant Subsidiary or Subsidiary Guarantor became a Subsidiary of the Parent.

5. DEFINITIONS

In these Conditions, unless otherwise provided:

"business day" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

A "Change of Control" shall be deemed to have occurred at each time that any person or group of persons acting in concert, in each case other than a Relevant Person, acquire(s) control, directly or indirectly, of the Parent.

"Change of Control Period" means the period commencing on the date that is the earlier of: (1) the date of the occurrence of the relevant Change of Control; and (2) the date of the first relevant Potential Change of Control Announcement (if any), and ending on the date which is 90 days after the date of the occurrence of the relevant Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

"Clearstream, Luxembourg" means Clearstream Banking, *société anonyme*.

"Closing Date" means 30 January 2013.

"Commissioner" has the meaning provided in Condition 13 (Syndicate of Noteholders, Modification and Waiver).

"control" means (a) the acquisition or control of more than 50 per cent. of the Voting Rights or (b) the right to appoint and/or remove all or the majority of the members of the Parent's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise and "controlled" shall be construed accordingly.

"Couponholder" means the holders of the Coupons (whether or not attached to the relevant Notes).

"EBITDA" means, in relation to the Parent or any of its Subsidiaries for any relevant period, the profit from operations (*resultado de explotación*) of such entity after adding back depreciation and amortisation charge (*dotaciones a la amortización de inmovilizado*) and impairment and disposals of non-current assets (*deterioros y enajenación de inmovilizado*) and, to the extent not already included, the dividends and other distributions received by that entity from Infrastructure Project Subsidiaries, in each case as derived from the statements of the relevant entity in respect of such period.

"Euroclear" means Euroclear Bank S.A./N.V.

"Event of Default" has the meaning provided in Condition 10 (Events of Default).

"Final Maturity Date" means 30 January 2018.

"Global Notes" means the Temporary Global Note and the Permanent Global Note.

"Group" means the Parent and its Subsidiaries.

"Guarantor" means the Parent and each Subsidiary Guarantor.

"IFRS-EU" means International Financial Reporting Standards as adopted by the European Union.

"Infrastructure Project" means any project carried out by an entity pursuant to one or more contracts for any of the construction, upgrading, operation and maintenance of infrastructure or for the performance of other services, where the entity is one in which the Group has interest (whether alone or together with other partners) and which finances the investment required in the project with Infrastructure Project Indebtedness and its share capital or other equity contribution made to it.

"Infrastructure Project Indebtedness" means indebtedness where the recourse of the creditors thereof is limited to any or all of (a) the relevant Infrastructure Project (or the concession or assets related thereto), (b) the share capital of, or other equity contribution to, the entity or entities developing, financing or otherwise directly involved in the relevant project; and (c) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such indebtedness.

"Infrastructure Project Subsidiary" means any Subsidiary of the Parent:

(a) that develops an Infrastructure Project as its sole activity; or

(b) whose sole purpose is to incur Infrastructure Project Indebtedness in connection with an Infrastructure Project; or

(c) whose sole purpose is to facilitate the investment by the Group and its partners in the share capital of, or other equity contribution to, a Subsidiary falling within paragraph (a) or (b) above; or

(d) which is also a direct or indirect wholly-owned Subsidiary of a Subsidiary falling within paragraphs (a) to (c) above.

For the avoidance of doubt, FGP Topco Ltd (an English registered company with number 05723691) and its Subsidiaries as at the Closing Date, and any other entity (not previously being a member of the Group) which becomes its Subsidiary on or after the Closing Date are each considered Infrastructure Project Subsidiaries.

"Investment Grade Rating" means: (a) with respect to S&P, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (b) with respect to Moody's, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); and (c) with respect to Fitch Ratings, any of the categories from and including AAA to and including BBB- (or equivalent successor categories).

"Material Subsidiary" means, at any relevant time, a Subsidiary of the Parent:

(a) whose total assets or EBITDA at any relevant time represent no less than 7 per cent. of the total assets or EBITDA, respectively, of the Reduced Group, as calculated by reference to, in the case of the Reduced Group, the contribution of the Reduced Group to and, in the case of the relevant Subsidiary, its contribution to, in each case, the total assets or EBIDTA of the Group as determined from the then latest audited consolidated annual accounts of the Parent prepared in accordance with IFRS-EU provided that, if the then latest audited consolidated accounts of the Parent show EBITDA as a negative number for the relevant financial period then there shall be substituted for the words "EBITDA" the words "total operating income" (*total ingresos de explotación*) for the purposes of this definition; or

(b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

"Material Subsidiary Guarantor" means a Subsidiary Guarantor that is a Material Subsidiary.

"Non-Investment Grade Rating" means: (a) with respect to S&P, any of the categories below BBB- (or equivalent successor categories); (b) with respect to Moody's, any of the categories below Baa3 (or equivalent successor categories); and (c) with respect to Fitch Ratings, any of the categories below BBB- (or equivalent successor categories).

"Noteholders" and "holders" mean the holders of the Notes.

"Officer's Certificate" means a certificate of a duly authorised officer of the Issuer or, as the case may be, a Guarantor whose responsibilities extend to the subject matter of such certificate.

a "person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"Potential Change of Control Announcement" means any public announcement or public statement by the Parent, or any actual or *bona fide* potential bidder relating to any potential Change of Control.

"Principal Indebtedness" means any present or future financial indebtedness for or in respect of moneys borrowed or raised which is or may be incurred by the Parent under:

(a) the credit facility agreement dated 12 April 2011 entered into by, inter alia, the Parent as borrower, certain subsidiaries of the Parent as guarantors and Banco Bilbao Vizcaya Argentaria, S.A. as agent (and the facilities made available under any other agreement(s) entered into to extend, renew or refinance such facility (or their extensions, renewals or refinancing)); and

(b) any other agreement provided that (i) the aggregate principal amount of indebtedness incurred by the Parent thereunder as at the Closing Date or as at any date falling after the Closing Date is equal to or more than €50,000,000 (or its equivalent in another currency), and (ii) in no event shall any indebtedness incurred by the Parent and owed to any of its Subsidiaries be considered as Principal Indebtedness under this paragraph (b).

In these Conditions, a Subsidiary shall be deemed to become a guarantor of Principal Indebtedness (i) in the case of paragraph (a) above, on the date it accedes to any such agreement as a guarantor, and (ii) in the case of paragraph (b) above, (I) if an agreement meets the requirements of paragraph (b) on the date the Subsidiary accedes to such agreement as a guarantor, on the date it accedes to any such agreement as a guarantor, or (II) if an agreement meets the requirements of paragraph (b) after the date the Subsidiary accedes to such agreement as a guarantor, on the first financial quarter end date of the Parent falling after the date on which such agreement meets the requirements of paragraph (b) provided such agreement continues to meet such requirements on that financial quarter end date.

"Put Period" means 30 days after a Put Event Notice has been published in accordance with Condition 14 (Notices).

"Rating Agency" means any of the following: (a) Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("S&P"); (b) Moody's Investors Service Limited ("Moody's"); or (c) Fitch Ratings Ltd ("Fitch Ratings"), and, in each case, their respective successors.

A "Rating Downgrade" shall be deemed to have occurred in respect of a Change of Control if: (a) within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is: (i) withdrawn; (ii) ceases to be an Investment Grade Rating; or (iii) if the rating assigned to the Notes by any Rating Agency which is current at the time the Change of Control Period begins is below an Investment Grade Rating, that rating is lowered one full rating notch by any Rating Agency (for example BB+ to BB by S&P), provided that a Rating Downgrade shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency withdrawing or lowering the rating does not publicly announce or confirm in writing to the Issuer that the reduction or withdrawal was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control; or (b) at the time of the Change of Control occurs there is no rating assigned to the Notes.

"Reduced Group" means the Parent and its Subsidiaries (other than Infrastructure Project Subsidiaries).

A "Release Event" occurs in relation to a Subsidiary Guarantor if at any time while the Notes or Coupons remain outstanding, (a) the Subsidiary Guarantor is unconditionally released from all guarantees given by it of Principal Indebtedness; or (b) as a result of a change in law taking effect after the Closing Date (in respect of an Original Subsidiary Guarantor) or the date upon which the relevant Subsidiary became a Subsidiary Guarantor (in respect of a New Subsidiary Guarantor), the guarantee of the Notes and Coupons given by the Subsidiary Guarantor is prohibited or restricted under laws generally applicable to persons of the same legal form as that Subsidiary Guarantor.

"Relevant Date" means, in respect of any Note or Coupon, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Noteholders or the Couponholders in accordance with Condition 14 (Notices) that, upon further presentation of the Note or Coupon, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

"Relevant Indebtedness" means:

(a) Principal Indebtedness; and

(b) any present or future indebtedness (whether being principal, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other securities market, except that in no event shall indebtedness in respect of any Infrastructure Project Indebtedness (or any guarantee or indemnity of the same) be considered as "Relevant Indebtedness".

"Relevant Person" means Portman Baela, S.L., or any of the direct or indirect shareholders of Portman Baela, S.L., or, in each case, any of their respective affiliates, successors or descendants, as the case may be, or any persons or entities which directly or indirectly control or are controlled by any of them, in each case whether acting individually or as a group.

"Relevant Subsidiary" means each Material Subsidiary but excluding any Material Subsidiary which is also (a) an Infrastructure Project Subsidiary; or (b) Budimex, S.A., any of its Subsidiaries as at the Closing Date, and any other entity (not previously being a member of the Group) which becomes its Subsidiary on or after the Closing Date.

"Subsidiary" of any person means (i) a company of which more than 50 per cent. of the voting rights are owned or controlled, directly or indirectly, by such person or by one or more other Subsidiaries of such person or by such person and one or more Subsidiaries thereof or (ii) any other person in which such person, or one or more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Subsidiary Guarantor" means, subject to Condition 3(e) (Release of Subsidiary *Guarantors*), the Original Subsidiary Guarantors and each New Subsidiary Guarantor.

"Syndicate of Noteholders" has the meaning provided in Condition 13 (Syndicate of Noteholders, Modification and Waiver).

"TARGET Business Day" means a day on which the TARGET System is operating.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

"Tax Jurisdiction" means any jurisdiction under the laws of which the Issuer or any Guarantor is organised or in which it is resident for tax purposes, or any political subdivision or any authority thereof or therein having power to tax.

"Voting Rights" means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

6. INTEREST

(a) Interest Rate

Subject to the following paragraph in this Condition 6(a), the Notes bear interest from and including the Closing Date at the rate of 3.375 per cent. (the "Rate of Interest") per annum. Interest shall be payable annually in arrear on 30 January each year (an "Interest Payment Date"), commencing with the Interest Payment Date falling on 30 January 2013 and ending on the Final Maturity Date in respect of the period from (and including) the preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next succeeding Interest Payment Date (each an "Interest Period"). The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on such Interest Payment Date shall be €33.75 per €1,000 in principal amount of the Notes.

If the Notes are at any point assigned a Non-Investment Grade Rating by a Rating Agency, the interest rate will be increased by 1.25 per cent. per annum (the "Step-up") with effect from, and including, the Interest Payment Date immediately following the date the rating of the Notes was so assigned provided that, if the Notes are no longer assigned a Non-Investment Grade Rating by a Rating Agency, the Step-up shall no longer apply from, and including, the Interest Payment Date immediately following the date the rating of the Notes are no longer assigned a Non-Investment Grade Rating. In the event of a Step-up, the amount of interest payable on each Interest Payment Date in respect of the Interest Period commencing on or after the date a Step-up takes effect and ending on such Interest Payment Date, shall be €46.25 per €1,000 in principal amount of the Notes.

If as described in the paragraph above a Step-up comes into effect or subsequently no longer applies, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Step-up or dissaplication thereof, to the Noteholders in accordance with Condition 14 (Notices).

Save as provided above in relation to the amounts of interest payable per €1,000 in principal amount of the Notes, if interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, the day-count fraction will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last), rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(b) Accrual of Interest

Each Note will cease to bear interest where such Note is being redeemed or repaid pursuant to Condition 7 (Redemption and Purchase) or Condition 10 (Events of Default), from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal amount of the Notes is improperly withheld or refused, in which event interest will continue to accrue as provided in Condition 6(a) (Interest *Rate*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (ii) the day 7 (seven) days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

7. REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously purchased and cancelled or redeemed as herein provided, the Notes will be redeemed at their principal amount on the Final Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.

(b) Redemption for taxation reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantees were called, a Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (Taxation) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the relevant Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees, as the case may be) then be due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Commissioner an Officer's Certificate of the Issuer (or the relevant Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of legal advisers of recognised standing to the effect that the Issuer (or the relevant Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) Early redemption at the option of the Noteholders upon a Change of Control

If a Change of Control occurs and, during the Change of Control Period, a Rating Downgrade occurs (together a "Put Event"), each Noteholder shall have the option (unless, prior to the giving of the Put Notice (as defined below), the Issuer gives notice to redeem the Notes in accordance with Condition 7 (b) (Redemption for taxation *reasons*)), to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes at their principal amount plus accrued and unpaid interest up to (but excluding) the Put Date (the "Put Option").

If a Put Event occurs, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Put Event (a "Put Event Notice") to the Noteholders in accordance with Condition 14 (Notices) specifying the nature of the Put Event and the procedure for exercising the Put Option contained in this Condition 7(c) as well as the date upon which the Put Period will end.

To exercise the Put Option, a Noteholder must within the Put Period deposit such Note(s) at the specified office of any Paying Agent, during normal business hours on any business day in the city of the specified office of any Paying Agent, together with a duly signed and completed notice of exercise in the then current form obtainable from any Paying Agent (a "Put Notice") and in which the Noteholder must specify a bank account to which payment is to be made under this Condition 7(d). Any Note should be deposited together with all Coupons relating thereto maturing after the Put Date (as defined below) failing which an amount corresponding to the aggregate amount payable in respect of such missing Coupons will be deducted from the redemption amount otherwise payable under this Condition.

The Issuer shall redeem, or at its option, purchase (or procure the purchase of) the relevant Note(s) on the date (the "Put Date") seven days after the expiration of the Put Period unless previously redeemed or purchased and cancelled. A Put Notice, once given, shall be irrevocable.

(d) Notice of redemption

All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(e) Purchase

Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, each of the Issuer or the Guarantors, or any of their respective Subsidiaries, may at any time purchase Notes in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons relating to them). Such Notes may be held, re-sold or reissued or, at the option of the relevant purchaser, surrendered to the Fiscal Agent for cancellation, and while held by or on behalf of the Issuer, a Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Syndicate of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Syndicate of Noteholders or for the purposes of Condition 13 (Syndicate of Noteholders, Modification and Waiver).

(f) Cancellation

All Notes which are redeemed and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be reissued or resold. Notes purchased by the Issuer, any Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them may be surrendered to the Fiscal Agent for cancellation and, if so surrendered, shall be cancelled.

8. PAYMENTS

(a) Method of payment

Payments of principal and interest will be made against presentation and surrender (or, in the case of partial payment only, endorsement) of the relevant Notes or Coupons, as the case may be, at the specified office of any of the Paying Agents. Each payment in respect of the Notes or the Coupons pursuant to this Condition will be by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than a presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.

(b) Payments subject to fiscal laws

Without prejudice to the application of the provisions of Condition 9 (Taxation), all payments in respect of the Notes or the Coupons are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders or the Couponholders in respect of such payments.

(c) Surrender of unmatured Coupons

Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date for the relevant payment of principal.

(d) Delay in payment

Noteholders or Couponholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due (i) as a result of the due date not being a business day, or (ii) if the Noteholder or Couponholders is late in surrendering the relevant Note or Coupon (where such surrender is required pursuant to these Conditions as a precondition to any payment).

(e) Business Days

In this Condition, "business day" means a day (other than a Saturday or Sunday) which is a TARGET Business Day and in the case of presentation or surrender of a Note or a Coupon, on which commercial banks and foreign exchange markets are open for business in the place of the specified office of the relevant Paying Agent, to whom the relevant Note or Coupon is presented or surrendered.

(f) Paying Agents, etc.

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right under the Fiscal Agency Agreement at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will (i) maintain a Fiscal Agent, (ii) maintain a Paying Agent having a specified office in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer and/or any Guarantor is incorporated, and (iii) maintain a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any change in the Paying Agents or their specified offices will promptly be given by the Issuer to the Noteholders in accordance with Condition 14 (Notices).

9. TAXATION

All payments in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by applicable laws or regulations. In that event the Issuer or, as the case may be, the relevant Guarantor (subject to the terms of the relevant Guarantee) shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon or, as the case may be, under the Guarantee:

(a) presented for payment in any Tax Jurisdiction; or

(b) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than (i) the mere holding of such Note or Coupon, or (ii) the receipt of principal, interest, or other amounts in respect of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the relevant holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; or

(e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(f) (in respect of any payment by the Issuer) to, or to a third party on behalf of, a Noteholder who does not provide such information concerning such Noteholder's identity and tax residence to the Issuer or an agent acting on behalf of the Issuer as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1145/2011 eventually made by the Spanish Tax Authorities.

10. EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") shall have occurred and is continuing:

(a) default is made in the payment on the due date of principal or interest in respect of any of the Notes and such failure continues for a period of 7 (seven) days in the case of principal (other than on the Final Maturity Date) and 14 (fourteen) days in the case of interest; or

(b) the Issuer or a Guarantor does not perform or comply with any one or more of its other obligations in respect of the Notes or, as the case may be, the relevant Guarantee, which default is incapable of remedy or is not remedied within 30 (thirty) days after written notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

(c) (i) any other present or future indebtedness of the Issuer, a Guarantor or any Relevant Subsidiary for or in respect of any moneys borrowed or raised becomes, or is declared, due and payable prior to its stated maturity otherwise than (A) at the option of the Issuer, a Guarantor, the Relevant Subsidiary or (B) at the option of the creditor of such indebtedness in circumstances where no event of default (howsoever described) has occurred; or

(ii) any such present or future indebtedness of the Issuer a Guarantor or any Relevant Subsidiaries is not paid when due or, as the case may be, within any applicable grace period; or

(iii) the Issuer, a Guarantor or any Relevant Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €50,000,000 or its equivalent; or

(d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, a Guarantor or any Relevant Subsidiary and is not discharged or stayed within 30 (thirty) days provided that the aggregate amount of property, assets and/or revenues involved in any such distress, attachment, execution or legal process equals or exceeds €50,000,000 or its equivalent; or

(e) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, a Guarantor or any Relevant Subsidiary in respect of an obligation the principal amount of which equals or exceeds €50,000,000 or its equivalent is enforced (including by the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(f) the Issuer, a Guarantor or any Relevant Subsidiary is insolvent or bankrupt (*concurso*) or unable to pay its debts, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer, a Guarantor or any Relevant Subsidiary; or

(g) an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer, a Guarantor or any Relevant Subsidiary, or the Issuer, a Guarantor or any Relevant Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the Syndicate of Noteholders;

(ii) where the undertakings and assets are transferred to or otherwise vested in any other members of the Group on a solvent basis, provided that until the next audited consolidated annual accounts of the Parent are available, except in the case of the companies and entities referred to in (a) or (b) of the definition of Relevant Subsidiary which shall under no circumstances become or be deemed to be Relevant Subsidiaries, both the transferee and the transferor shall be deemed to be Relevant Subsidiaries for the purposes of these Conditions; or (iii) where the undertakings and assets are transferred to any other person provided that the undertakings and assets are transferred to that person on an arm's length basis; or

(h) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantors lawfully to exercise their respective rights and perform and comply with their respective obligations under the Notes and the Guarantees; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Notes and the Guarantees admissible in evidence is not taken, fulfilled or done; or

(i) any event occurs which under the laws of any relevant jurisdiction has a similar effect to any of the events referred to in any of the foregoing paragraphs;

(j) (i) it is or will become unlawful for the Issuer or the Parent to perform or comply with any of its obligations under or in respect of the Notes or its Guarantee (as the case may be); or

(ii) it is or will become unlawful for any Material Subsidiary Guarantor to perform or comply with any of its obligations under or in respect of its Guarantee or a Release Event of the type referred to in paragraph (b) of the definition thereof shall have occurred with respect to a Material Subsidiary Guarantor or the Guarantee given by a Material Subsidiary Guarantor is required to be amended pursuant to Condition 3(g) (Limitations), unless, within 30 days of date of the same occurring, one or more other Subsidiaries of the Parent whose aggregate total assets and EBITDA are at least equal to the total assets and EBITDA of the relevant Material Subsidiary Guarantor have become Subsidiary Guarantors and the terms of each Guarantee given by such other Subsidiary Guarantors are no worse than the terms of the Guarantee originally given by the relevant Material Subsidiary Guarantor; or

(k) the Issuer ceases to be a wholly-owned Subsidiary of the Parent,

then, any Note may, by notice in writing given to the Fiscal Agent at its specified office by (i) the Commissioner acting upon a resolution of the Syndicate of Noteholders, in respect of all Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Noteholders, any Noteholder in respect of such Note, be declared immediately due and payable whereupon it shall become immediately due and payable at their principal amount, together with accrued interest, without further formality.

11. PRESCRIPTION

Claims for payment in respect of principal and interest shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the appropriate Relevant Date in respect of such payment and thereafter any principal interest or other sums payable in respect of such Notes shall be forfeited and revert to the Issuer.

12. REPLACEMENT OF NOTES AND COUPONS

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange requirements or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Guarantors may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. SYNDICATE OF NOTEHOLDERS, MODIFICATION AND WAIVER

(a) Syndicate of Noteholders

Noteholders shall meet in accordance with certain regulations governing the Syndicate of Noteholders (the "Regulations"). The Regulations contain the rules governing the Syndicate of Noteholders and the rules governing its relationship with the Issuer and are attached to the Public Deed and are included in the Fiscal Agency Agreement.

BNP Paribas Securities Services, Sucursal en España has been appointed as a temporary Commissioner for the Noteholders. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; and (ii) become a member of the Syndicate of Noteholders. Upon the subscription of the Notes, the temporary Commissioner will call a general meeting of the Syndicate of Noteholders to ratify or reject the acts of the temporary Commissioner, confirm its appointment or appoint a substitute Commissioner for it and to ratify the Regulations. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have granted to the Fiscal Agent full power and authority to take any action and/or to execute and deliver any document or notices for the purposes of attending on behalf of the Noteholders the first meeting of the Syndicate of Noteholders called to confirm the appointment of the temporary Commissioner, approve its actions and ratify the Regulations contained in the Fiscal Agency Agreement and the Public Deed, and vote in favour of each of those resolutions.

Provisions for meetings of the Syndicate of Noteholders are contained in the Regulations and in the Fiscal Agency Agreement. Such provisions shall have effect as if incorporated herein.

The Issuer may, with the consent of the Fiscal Agent and the Commissioner, but without the consent of the holders of the Notes, amend these Conditions insofar as they may apply to the Notes to correct a manifest error or which amendments are of a formal, minor or technical nature or to comply with mandatory provisions of law.

In addition to the above, the Issuer and the Noteholders, the latter with the sanction of a resolution of the Syndicate of Noteholders, may agree any modification, whether material or not, to these Conditions and any waiver of any breach or proposed breach of these Conditions.

For the purposes of these Conditions:

(i) "Commissioner" means the comisario as this term is defined under the Spanish Corporations Law (*Ley de Sociedades de Capital*) of the Syndicate of Noteholders; and

(ii) "Syndicate of Noteholders" means the sindicato as this term is described under the Spanish Corporations law (*Ley de Sociedades de Capital*).

In accordance with Spanish law, a general meeting of the Syndicate of Noteholders shall be validly constituted upon first being convened provided that Noteholders holding or representing two-thirds of the Notes outstanding attend. If the necessary quorum is not achieved at the first meeting, a second general meeting may be reconvened to meet one month after the first general meeting and shall be validly constituted regardless of the number of Noteholders who attend. A resolution shall be passed by holders holding an absolute majority in nominal amount of Notes present or duly represented at any properly constituted meeting.

(b) Modification of Fiscal Agency Agreement

The Issuer and the Guarantors shall only permit any modification, waiver or authorisation of any breach or proposed breach or any failure to comply with the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) Notification to the Noteholders

Any modification, waiver or authorisation in accordance with this Condition 13 shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (Notices).

14. NOTICES

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Fiscal Agent may approve.

Notwithstanding the above, while all the Notes are represented by the Global Notes and the Global Notes are deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and such notices shall be deemed to have been given to Noteholders on the day of delivery to Euroclear and/or Clearstream, Luxembourg. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Notes) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Notes) or upon such terms as to interest, conversion, redemption and otherwise as the Issuer may determine at the time of their issue.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17. GOVERNING LAW AND JURISDICTION

(a) Governing Law

Save as described below, the Fiscal Agency Agreement, the Notes, the Coupons, the Guarantees and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The status of the Notes as described in Condition 2 (Status of the Notes) and the provisions of Condition 13 (Syndicate of Noteholders, Modification and Waiver) relating to the appointment of the Commissioner and the Syndicate of Noteholders are governed by, and shall be construed in accordance with, Spanish law. The status of the Guarantee of each Guarantor as described in Condition 3(b) (*Status of the Guarantees*) shall be construed in accordance with the laws where each Guarantor has its centre of main interest, which, in the case of the Guarantee of the Parent shall be Spanish law.

(b) Jurisdiction

(i) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Coupons or the Guarantees and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Coupons or the Guarantees ("Proceedings") may be brought in such courts. Each of the Issuer and the Guarantors irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Noteholders and Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(ii) In accordance with article 25 of the Regulations of the Syndicate of Noteholders, the courts and tribunals of the city of Madrid are to have exclusive jurisdiction to settle any dispute arising from the Regulations of the Syndicate of Noteholders.

(c) Agent for Service of Process

Each of the Issuer and the Guarantors irrevocably appoints Sherard Secretariat Services Limited at its registered office for the time being, currently at The Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ as its agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer or a Guarantor, as the case may be, does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

The following are the Regulations of the Syndicate of Noteholders referred to in the Terms and Conditions of the Notes which will be incorporated by reference into the Global Notes and endorsed on the Notes in definitive form. The Spanish version of the Regulations of the Syndicate of Noteholders is the legally binding version. The English translation provided below is an accurate translation of the original Spanish text given for information purposes only.

REGLAMENTO

A continuación se recoge el Reglamento del Sindicato de Bonistas de la Emisión de bonos de FERROVIAL EMISIONES, S.A., denominada "EMISIÓN DE BONOS DE FERROVIAL EMISIONES, S.A., 2013 (la "Emisión").

En caso de discrepancia la versión española prevalecerá.

TÍTULO I

CONSTITUCIÓN, DENOMINACIÓN, OBJETO, DOMICILIO Y DURACIÓN DEL SINDICATO DE BONISTAS.

ARTÍCULO 1°. – CONSTITUCIÓN

Con sujeción a lo dispuesto en el Capítulo IV del Título XI del Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital (la "Ley de Sociedades de Capital"), quedará constituido, una vez inscrita en el Registro Mercantil la escritura pública relativa a la Emisión, un sindicato de los titulares de los Bonos (los "Bonistas") que integran la "EMISIÓN DE BONOS DE FERROVIAL EMISIONES, S.A., 2013".

Este Sindicato se regirá por el presente Reglamento, por la Ley de Sociedades de Capital, por las disposiciones de los estatutos sociales de Ferrovial Emisiones, S.A. (la "Sociedad Emisora") y demás disposiciones legales vigentes.

ARTÍCULO 2°. – DENOMINACIÓN

El Sindicato se denominará "SINDICATO DE BONISTAS DE LA EMISIÓN DE BONOS DE FERROVIAL EMISIONES, S.A., 2013".

ARTÍCULO 3°. – OBJETO

El Sindicato tendrá por objeto la representación y defensa de los legítimos intereses de los Bonistas frente a Ferrovial Emisiones, S.A., mediante el ejercicio de los derechos que le reconocen las Leyes por las que se rigen y el presente Reglamento, para ejercerlos y conservarlos de forma colectiva, y bajo la representación que se determina en las presentes normas.

REGULATIONS

The Regulations that follow correspond to the Syndicate of Noteholders of the Notes which compose the "ISSUE OF NOTES OF FERROVIAL EMISIONES, S.A., 2013" (the "Issue").

In the case of discrepancy, the Spanish version shall prevail.

TITLE I

INCORPORATION, NAME, PURPOSE, ADDRESS AND DURATION FOR THE SYNDICATE OF NOTEHOLDERS.

ARTICLE 1°. – INCORPORATION

In accordance with the provisions of Chapter IV of Title XI of the Spanish Royal Legislative Decree 1/2010, of July, 2, 2010, approving the Spanish Capital Companies Act ("*Real Decreto Legislativo 1/2010, de 2 de julio, que aprueba el texto refundido de la Ley de Sociedades de Capital*") (the "Spanish Capital Companies Act"), there shall be incorporated, once the Public Deed of the Issue has been registered with the Mercantile Registry, a Syndicate of the owners of the Notes (hereinafter, the "Noteholders") which compose the "ISSUE OF NOTES OF FERROVIAL EMISIONES, S.A., 2013".

This Syndicate shall be governed by these Regulations, by the Spanish Capital Companies Act, by the applicable provisions of the articles of association of Ferrovial Emisiones, S.A. (the "Issuer") and other applicable legislation.

ARTICLE 2°. – NAME

The Syndicate shall be named "SYNDICATE OF NOTEHOLDERS OF THE ISSUE OF NOTES OF FERROVIAL EMISIONES, S.A., 2013".

ARTICLE 3°. – PURPOSE

This Syndicate is formed for the purpose of representing and protecting the lawful interest of the Noteholders before Ferrovial Emisiones, S.A., by means of the exercise of the rights granted by the applicable laws and the present Regulations, to exercise and preserve them in a collective way and under the representation determined by these Regulations.

ARTÍCULO 4°. – DOMICILIO

El domicilio del Sindicato se fija en Ribera del Loira, 42, Parque Empresarial de las Naciones, 28042 Madrid.

La Asamblea General de Bonistas podrá, sin embargo, reunirse, cuando se considere oportuno, en otro lugar de la ciudad de Madrid, expresándose así en la convocatoria.

ARTÍCULO 5°. – DURACIÓN

El Sindicato estará en vigor hasta que los Bonistas se hayan reintegrado de cuantos derechos derivados de los Bonos por principal, intereses o cualquier otro concepto les correspondan.

TÍTULO II

RÉGIMEN DEL SINDICATO

ARTÍCULO 6°. – ÓRGANOS DEL SINDICATO

El gobierno del Sindicato corresponderá:

(a) A la Asamblea General de Bonistas (la "Asamblea General").

(b) Al Comisario de la Asamblea General de Bonistas (el "Comisario").

ARTÍCULO 7°. – NATURALEZA JURÍDICA

La Asamblea General, debidamente convocada y constituida, es el órgano de expresión de la voluntad de los Bonistas, con sujeción al presente Reglamento, y sus acuerdos vinculan a todos los Bonistas en la forma establecida por las Leyes.

ARTÍCULO 8°. – LEGITIMACIÓN PARA CONVOCATORIA

La Asamblea General será convocada por el Consejo de Administración de la Sociedad Emisora o por el Comisario, siempre que cualquiera de ellos lo estime conveniente.

Sin perjuicio de lo anterior, el Comisario deberá convocarla cuando lo soliciten por escrito, y expresando el objeto de la convocatoria, los Bonistas que representen, por lo menos, la vigésima parte del importe total de la Emisión que no esté amortizado. En este caso, la Asamblea General deberá convocarse para ser celebrada dentro de los cuarenta y cinco (45) días siguientes a aquél en que el Comisario hubiere recibido la solicitud.

ARTICLE 4°. – ADDRESS

The address of the Syndicate shall be located at Ribera del Loira, 42, Parque Empresarial de las Naciones, 28042 Madrid.

However, the Noteholders General Meeting is also authorised to hold a meeting, when considered convenient, in any other place in Madrid that is specified in the notice convening the meeting.

ARTICLE 5°. – DURATION

This Syndicate shall be in force until the Noteholders have been reimbursed for any rights deriving from the Notes they may hold for the principal, interest or any other concept.

TITLE II

SYNDICATE'S REGIME

ARTICLE 6°. – SYNDICATE MANAGEMENT BODIES

The Management bodies of the Syndicate are:

(a) The General Meeting of Noteholders (the "General Meeting").

(b) The Commissioner of the General Meeting of Noteholders (the "Commissioner").

ARTICLE 7°. – LEGAL NATURE

The General Meeting, duly called and constituted, is the body of expression of the Noteholders' will, subject to the provisions of these Regulations, and its resolutions are binding for all the Noteholders in the way established by the Law.

ARTICLE 8°. – CONVENING MEETINGS

The General Meeting shall be convened by the Board of Directors of the Issuer or by the Commissioner, whenever they may deem it convenient.

Notwithstanding the above, the Commissioner shall convene a General Meeting when Noteholders holding at least the twentieth of the non-amortised entire amount of the Issue, request it by writing. In such case, the General Meeting shall be held within forty five (45) days following the receipt of the written notice by the Commissioner.

ARTÍCULO 9°. – FORMA DE CONVOCATORIA

La convocatoria de la Asamblea General se hará, por lo menos quince (15) días antes de la fecha fijada para su celebración, mediante (i) anuncio que se publicará en el "Boletín Oficial del Registro Mercantil" y, si se estima conveniente, en uno o más periódicos de mayor difusión nacional o internacional o (ii) notificación a los Bonistas de conformidad con los términos y condiciones de los Bonos.

Cuando la Asamblea General sea convocada para tratar o resolver asuntos relativos a la modificación de los términos y condiciones de Emisión de los Bonos y otros de trascendencia análoga, a juicio del Comisario, deberá ser convocada en la forma establecida en la Ley de Sociedades de Capital para la junta general de accionistas. En todo caso, se expresará en el anuncio el nombre de la sociedad y la denominación del Sindicato, el lugar y la fecha de reunión, los asuntos que hayan de tratarse y la forma de acreditar la titularidad de los Bonos para tener derecho de asistencia a la Asamblea General.

ARTICLE 9°. – PROCEDURE FOR CONVENING MEETINGS

The General Meeting shall be convened at least fifteen (15) days before the date set for the meeting, by (i) notice published in the Official Gazette of the Mercantile Registry and, if considered convenient, in one or more newspapers of significant national or international circulation or (ii) notice to the Noteholders in accordance with the terms and conditions of the Notes.

When the General Meeting is convened to consider or resolve matters relating to the amendment of the terms and conditions of the Issue of the Notes or any other matters considered to be of similar relevance by the Commissioner, it should be convened in the manner set out in the Spanish Capital Companies Act for the general meeting of shareholders. In any case, the notice shall state the name of the company and the naming of the Syndicate, the place and the date for the meeting, the agenda for the meeting and the way in which the ownership of the Notes shall be proved in order to have the right to attend the meeting.

ARTÍCULO 10°. – DERECHO DE ASISTENCIA

Tendrán derecho de asistencia a la Asamblea General los Bonistas que lo sean, con cinco (5) días de antelación, por lo menos, a aquél en que haya de celebrarse la reunión.

Los Consejeros de la Sociedad Emisora y el Agente Fiscal (Fiscal Agent) de la Emisión tendrán derecho de asistencia a la Asamblea General aunque no hubieren sido convocados.

ARTICLE 10°. – RIGHT TO ATTEND MEETINGS

Noteholders who have been so at least five (5) days prior to the date on which the meeting is scheduled, shall have the right to attend the meeting.

The members of the Board of Directors of the Issuer and the Fiscal Agent under the Issue shall have the right to attend the meeting even if they have not been requested to attend.

ARTÍCULO 11°. – DERECHO DE REPRESENTACIÓN

Todo Bonista que tenga derecho de asistencia a la Asamblea General podrá hacerse representar por medio de otra persona. La representación deberá conferirse por escrito y con carácter especial para cada Asamblea General.

ARTICLE 11°. – RIGHT TO BE REPRESENTED

All Noteholders having the right to attend the meetings also have the right to be represented by another person. Appointment of a proxy must be in writing and only for each particular meeting.

ARTÍCULO 12°. – QUÓRUM DE ASISTENCIA Y ADOPCIÓN DE ACUERDOS

La Asamblea General podrá adoptar acuerdos siempre que los Bonistas asistentes a la misma o debidamente representados en la misma representen al menos las dos terceras partes del saldo vivo de los Bonos, debiendo adoptarse estos acuerdos por mayoría absoluta del saldo vivo de los Bonos asistentes o debidamente representados.

ARTICLE 12°. – QUORUM FOR MEETINGS AND TO PASS RESOLUTIONS

The General Meeting shall be entitled to pass resolutions if Noteholders representing at least two thirds of the outstanding Notes are present or duly represented at the meeting, and these resolutions shall be approved by an absolute majority of the outstanding Notes present or duly represented at the meeting.

En el caso de que no se lograre la concurrencia de las dos terceras partes del saldo vivo de los Bonos, podrá convocarse una nueva Asamblea General para su celebración un mes después de su convocatoria, pudiendo entonces tomarse los acuerdos con independencia del saldo vivo de los Bonos que asistan o estén debidamente representados en la misma y adoptándose los acuerdos por mayoría absoluta del saldo vivo de los Bonos asistentes o debidamente representados.

In the case that two thirds of the outstanding Notes are not present or duly represented at the first meeting of the General Meeting, a new General Meeting may be convened to be held one month after the call, and will be validly constituted regardless of the number of outstanding Notes present or duly represented and the resolutions may be passed by absolute majority of the outstanding Notes present or duly represented at the meeting.

No obstante, la Asamblea General se entenderá convocada y quedará válidamente constituida para tratar de cualquier asunto de la competencia del Sindicato, siempre que estén presentes o debidamente representados los Bonistas titulares de todos los Bonos y los asistentes acepten por unanimidad la celebración de la Asamblea General.

Nevertheless, the General Meeting shall be deemed validly constituted to transact any business within the remit of the Syndicate if Noteholders representing all the outstanding Notes are present or duly represented, and provided that they unanimously approve the holding of such meeting.

ARTÍCULO 13°. – DERECHO DE VOTO

En las reuniones de la Asamblea General se conferirá derecho a un voto por cada importe nominal de Bonos igual a 1.000 euros, presente o representado.

ARTICLE 13°. – VOTING RIGHTS

In the meetings of the General Meeting, the right to one vote shall be granted for each €1,000 nominal amount of Notes, present or represented.

ARTÍCULO 14°. – PRESIDENCIA DE LA ASAMBLEA GENERAL

La Asamblea General estará presidida por el Comisario, quien dirigirá los debates, dará por terminadas las discusiones cuando lo estime conveniente y dispondrá que los asuntos sean sometidos a votación.

ARTICLE 14°. – PRESIDENT OF THE GENERAL MEETING

The Commissioner shall be the president of the General Meeting, shall chair the discussions, shall have the right to bring the discussions to an end when he considers it convenient and shall arrange for matters to be put to the vote.

ARTÍCULO 15°. – LISTA DE ASISTENCIA

El Comisario formará, antes de entrar a discutir el orden del día, la lista de los asistentes, expresando el carácter y representación de cada uno y el número de Bonos propios o ajenos con que concurren.

ARTICLE 15°. – ATTENDANCE LIST

Before discussing the agenda for the meeting, the Commissioner shall form the attendance list, stating the nature and representation of each of the Noteholders present and the number of Notes at the meeting, both directly owned and/or represented.

ARTÍCULO 16°. – FACULTADES DE LA ASAMBLEA GENERAL

La Asamblea General podrá acordar lo necesario para la mejor defensa de los legítimos intereses de los mismos frente a la Sociedad Emisora; modificar, de acuerdo con la misma, los términos y condiciones de los Bonos; destituir o nombrar Comisario; ejercer, cuando proceda, las acciones judiciales correspondientes y aprobar los gastos ocasionados por la defensa de los intereses de los Bonistas.

ARTICLE 16°. – POWER OF THE GENERAL MEETING

The General Meeting may pass resolutions necessary for the best protection of Noteholders' lawful interests before the Issuer; to modify, in accordance with the Issuer, the terms and conditions of the Notes; dismiss or appoint the Commissioner; to exercise, when appropriate, the corresponding legal claims and to approve the expenses caused by the defense of the Noteholder's interest.

ARTÍCULO 17°. – IMPUGNACIÓN DE LOS ACUERDOS

Los acuerdos de la Asamblea General podrán ser impugnados por los Bonistas conforme a lo dispuesto en el Capítulo IX del Título V de la Ley de Sociedades de Capital.

ARTICLE 17°. – CHALLENGE OF RESOLUTIONS

The resolutions of the General Meeting may be challenged by the Noteholders in accordance with Chapter IX of Title V of the Spanish Capital Companies Act.

ARTÍCULO 18°. – ACTAS

El acta de la sesión podrá ser aprobada por la propia Asamblea General, acto seguido de haberse celebrado ésta, o, en su defecto, dentro del plazo de quince (15) días, por el Comisario y al menos un Bonista designado al efecto por la Asamblea General.

ARTICLE 18°. – MINUTES

The minutes of the meeting may be approved by the General Meeting, after the meeting has been held or, if not, within a term of fifteen (15) days by the Commissioner and at least one Noteholder appointed for such purpose by the General Meeting.

ARTÍCULO 19°. – CERTIFICACIONES

Las certificaciones de las actas de los acuerdos de la Asamblea General serán expedidas por el Comisario.

ARTICLE 19°. – CERTIFICATES

The certificates of the minutes of the resolutions of the General Meeting shall be issued by the Commissioner.

ARTÍCULO 20°. – EJERCICIO INDIVIDUAL DE ACCIONES

Los Bonistas sólo podrán ejercitar individualmente las acciones judiciales o extrajudiciales que corresponda cuando no contradigan los acuerdos adoptados previamente por el Sindicato, dentro de su competencia, y sean compatibles con las facultades que al mismo se hubiesen conferido.

ARTICLE 20°. – INDIVIDUAL EXERCISE OF ACTIONS

The Noteholders will only be entitled to individually exercise judicial or extra judicial claims if such claims do not contradict the resolutions previously adopted by the Syndicate, within its powers, and are compatible with the faculties conferred upon the Syndicate.

ARTÍCULO 21°. – GASTOS DEL SINDICATO

Los gastos normales que ocasione el sostenimiento del Sindicato correrán a cargo de la Sociedad Emisora, no pudiendo exceder en ningún caso del uno por ciento (1%) de los intereses anuales devengados por los Bonos.

ARTICLE 21°. – EXPENSES OF THE SYNDICATE

The ordinary expenses resulting from the maintenance of the Syndicate shall be for the account of the Issuer, but they will not exceed, in any year, an amount of one per cent (1%) of the annual interests accrued by the Notes.

TITULO III

DEL COMISARIO

TITLE III

THE COMMISSIONER

ARTÍCULO 22°. – NATURALEZA JURÍDICA DEL COMISARIO

Incumbe al Comisario ostentar la representación legal del Sindicato y actuar de órgano de relación entre éste y la Sociedad Emisora.

ARTICLE 22°. – NATURE OF THE COMMISSIONER

The Commissioner shall bear the legal representation of the Syndicate and shall be the body for liaison between the Syndicate and the Issuer.

ARTÍCULO 23°. – NOMBRAMIENTO Y DURACIÓN DEL CARGO

Sin perjuicio del nombramiento inicial del Comisario provisional, que deberá ser ratificado por la Asamblea General, esta última tendrá facultad para nombrar al Comisario y ejercerá su cargo en tanto no sea destituido por la Asamblea General.

ARTICLE 23°. – APPOINTMENT AND DURATION OF THE OFFICE

Notwithstanding the initial appointment of the provisional Commissioner, which will require the ratification of the General Meeting, this latter shall have the power to appoint the Commissioner and he shall exercise his office as long as he is not dismissed by the General Meeting.

ARTÍCULO 24°. – FACULTADES

Serán facultades del Comisario:

1° Tutelar los intereses comunes de los Bonistas.

ARTICLE 24°. – FACULTIES

The Commissioner shall have the following faculties:

1° To protect the common interest of the Noteholders.

2° Convocar y presidir las Asambleas Generales.

2° To call and act as president of the General Meeting.

3° Informar a la Sociedad Emisora de los acuerdos del Sindicato.

3° To inform the Issuer of the resolutions passed by the Syndicate.

4° Vigilar el pago de los intereses y del principal.

4° To control the payment of the principal and the interest.

5° Llevar a cabo todas las actuaciones que estén previstas realice o pueda llevar a cabo el Comisario de acuerdo con los términos y condiciones de los Bonos.

5° To carry out all those actions provided for in the terms and conditions of the Notes to be carried out or that may be carried out by the Commissioner.

6° Ejecutar los acuerdos de la Asamblea General.

6° To execute the resolutions of the General Meeting.

7° Ejercitar las acciones que correspondan al Sindicato.

7° To exercise the actions corresponding to the Syndicate.

8° En general, las que le confiere la Ley y el presente Reglamento.

8° In general, the ones granted to him by Law and the present Regulations.

TITULO IV

DISPOSICIONES ESPECIALES

ARTÍCULO 25°. – SUMISIÓN A FUERO

Para cuantas cuestiones se deriven de este Reglamento, los Bonistas, por el solo hecho de serlo, se someten, de forma exclusiva, con renuncia expresa a cualquier otro fuero que pudiera corresponderles, a la jurisdicción de los Juzgados y Tribunales de la ciudad de Madrid.

TITLE IV

SPECIAL DISPOSITIONS

ARTICLE 25°. – JURISDICTION

For any dispute arising from these Regulations, the Noteholders, by the sole fact of being so, shall submit to the exclusive jurisdiction of the courts and tribunals of the city of Madrid.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The Fiscal Agency Agreement, the Temporary Global Note and the Permanent Global Note contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1 Exchange

The Temporary Global Note is exchangeable in whole or in part for interests in the Permanent Global Note on or after a date which is expected to be 11 March 2013, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note.

The Permanent Global Note is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the definitive Notes described below only:

(a) if the Permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) if principal in respect of any Notes is not paid when due and payable.

Thereupon, the holder may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date specified in the notice.

If principal in respect of any Notes is not paid when due and payable the holder of the Permanent Global Note may, by notice to the Fiscal Agent (which may but need not be the default notice referred to in "– Default" below), require the exchange of a specified principal amount of the Permanent Global Note (which may be equal to or (provided that, if the Permanent Global Note is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Notes represented thereby) for definitive Notes on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date the holder of the Permanent Global Note may surrender the Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note, or on endorsement in respect of the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Fiscal Agency Agreement. On exchange in full of the Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant definitive Notes.

"Exchange Date" means a day falling not less than 60 days or, in the case of exchange pursuant to (b) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (a) above, in the cities in which the relevant clearing system is located.

2 Payments

No payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the Permanent Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Permanent Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 8(f) (*Paying Agents, etc.*) and Condition 9 (*Taxation*) will apply to the definitive Notes only. For the purpose of any payments made in respect of a Global Bond, Condition 8(e) (*Business Days*) shall not apply, and all such payments shall be made on a day on which the TARGET System is open.

3 Notices

So long as the Notes are represented by the Permanent Global Note and the Permanent Global Note is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

4 Prescription

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 5 (*Definitions*)).

5 Purchase and Cancellation

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Permanent Global Note.

6 Default

The Permanent Global Note provides that the holder or the Commissioner may cause the Permanent Global Note or a portion of it to become due and payable in the circumstances described in Condition 10 (*Events of Default*) by stating in the notice to the Fiscal Agent the principal amount of Notes which is being declared due and payable. If principal in respect of any Note is not paid when due and payable, the holder of the Permanent Global Note may elect that the Permanent Global Note becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions of the Permanent Global Note executed by the Issuer as a deed poll.

7 Put Option

The Noteholders' put option in Condition 7(c) (*Early redemption at the option of the Noteholders upon a Change of Control*) may be exercised by the holder of the Permanent Global Note, giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting the Permanent Global Bond for endorsement of exercise within the time limits specified in Condition 7(c) (*Early redemption at the option of the Noteholders upon a Change of Control*).

FORM OF GUARANTEE

This is the text of the form of guarantee relating to each Guarantor in respect of the Notes.

THIS DEED OF GUARANTEE is made on [●]

BY

(1) [●] (the "**Guarantor**")

IN FAVOUR OF

(2) **THE NOTEHOLDERS** (as defined in the Conditions); and

(3) **THE RELEVANT ACCOUNT HOLDERS** (as defined in the Permanent Global Note).

WHEREAS

(A) Ferrovial Emisiones, S.A. (the "**Issuer**") proposes to issue €500,000,000 3.375 per cent Notes due 2018 (the "**Notes**") in connection with which the Issuer and the Original Guarantors (as defined in the Conditions (as defined below)) have become parties to the fiscal agency agreement (the "**Fiscal Agency Agreement**" as amended, supplemented or restated from time to time) to be dated on or around 30 January 2013 made between BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**" which expression shall include any successor as fiscal agent under the Fiscal Agency Agreement), BNP Paribas Securities Services, Sucursal en España as commissioner (the "**Commissioner**" which expression shall include any successor as commissioner under the Fiscal Agency Agreement) and the Issuer.

(B) The Guarantor has duly authorised the giving of a guarantee on an unconditional, unsubordinated and unsecured basis to guarantee the payment of all sums expressed to be payable by the Issuer under the Notes and Coupons, such guarantee becoming effective as at the date of this Deed of Guarantee.

THIS DEED OF GUARANTEE WITNESSES AND IT IS DECLARED as follows:

1. Interpretation

1(A) All terms and expressions which have defined meanings in the terms and conditions of the Notes (the "Conditions") or the Fiscal Agency Agreement shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1(B) Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1(C) All references in this Deed of Guarantee to an agreement, instrument or other document (including the Conditions and the Fiscal Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time.

1(D) Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1(E) Clause headings are for ease of reference only.

2. Guarantee and Indemnity

2(A) The Guarantor hereby, jointly and severally with all other Guarantors for the time being of the Notes, unconditionally and irrevocably guarantees:

(i) to each Noteholder the due and punctual payment of all sums expressed to be payable from time to time by the Issuer in respect of such Note as and when the same shall become due and payable and agrees unconditionally to pay to such Noteholder, forthwith on demand by such Noteholder and in the manner and currency prescribed by the Conditions for payments by the Issuer thereunder, any and every sum or sums of money which the Issuer shall at any time be liable to pay under or pursuant to such Note and which the Issuer shall have failed to pay at the time such demand is made; and

(ii) to each Relevant Account Holder the due and punctual payment of all amounts due to such Relevant Account Holder under the Direct Enforcement Rights set out in the Permanent Global Note as and when the same shall become due and payable and agrees unconditionally to pay to such Relevant Account Holder, forthwith on demand by such Relevant Account Holder and in the manner and in the currency prescribed by the Conditions for payments by the Issuer thereunder, any and every sum or sums of money which the relevant Issuer shall at any time be liable to pay under or pursuant to the Direct Enforcement Rights and which the Issuer shall have failed to pay at the time demand is made.

2(B) The Guarantor hereby, jointly and severally with all other Guarantors for the time being of the Notes, unconditionally and irrevocably undertakes to each Noteholder and each Relevant Account Holder that, should any amount referred to in Clause 2(A) not be recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note or any provision of any Note being or becoming void, unenforceable or otherwise invalid under any applicable law) then, notwithstanding that the same may have been known to such Noteholder or Relevant Account Holder, the Guarantor will, forthwith on demand by such Noteholder or Relevant Account Holder, pay such amount by way of a full indemnity in the manner and in the currency prescribed by the Conditions for payments under the Notes. This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

3. Preservation of Rights

3(A) The obligations of the Guarantor herein contained shall be deemed to be undertaken as sole principal debtor and not merely a surety.

3(B) The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matters or things whatsoever and, in particular but without limitation, shall not be considered satisfied by any partial payment or satisfaction of all or any of the Issuer's obligations under the Notes and shall continue in full force and effect in respect of the Notes until final repayment in full of all amounts owing by the Issuer thereunder and total satisfaction of all the Issuer's actual and contingent obligations thereunder.

3(C) The obligations expressed to be assumed by the Guarantor herein will not be discharged, nor will its liability under such obligations be affected, by anything which would not discharge its obligations or affect its liability if it were the sole principal debtor, including:

(i) the insolvency, winding-up (*liquidación*), dissolution (*disolución*), amalgamation, reconstruction or reorganisation of the Issuer or any analogous proceeding in any jurisdiction or any change in its status, function, control or ownership; or

(ii) any of the obligations of the Issuer under the Notes being or becoming illegal, invalid or unenforceable in any respect; or

(iii) time or other indulgence being granted or agreed to be granted to the Issuer in respect of its obligations under any of the Notes; or

(iv) any amendment to, or any variation, waiver or release of, any obligation of the Issuer under the Notes or to any security or other guarantee or indemnity; or

(v) the enforcement or absence of enforcement of any obligation of the Issuer under the Notes or of any security or other guarantee or indemnity; or

(vi) the taking, existence or release of any security, guarantee or indemnity.

3(D) Any settlement or discharge between the Guarantor and the Noteholders or the Relevant Account Holders or any of them shall be conditional upon no payment to the Noteholders or the Relevant Account Holders or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Noteholders and the Relevant Account Holders shall each be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

3(E) No Noteholder or Relevant Account Holder shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

(i) to make any demand of the Issuer, other than the presentation of the Note; or

(ii) to take any action or obtain judgment in any court against the Issuer; or

(iii) to make or file any claim or proof in a winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer and, save as aforesaid, the Guarantor hereby expressly waives, in respect of each Note, presentment, demand, protest and notice of dishonour.

3(F) The Guarantor agrees that so long as any sums are or may be owed by the Issuer under the Notes or the Issuer is under any other actual or contingent obligations thereunder, the Guarantor shall not exercise rights which the Guarantor may at any time have by reason of the performance of the obligations expressed to be assumed by the Guarantor herein:

(i) to be indemnified by the Issuer; and/or

(ii) to claim any contribution from any other guarantor of the Issuer's obligations under the Notes; and/or

(iii) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes by any Noteholder or Relevant Account Holder; and/or

(iv) to be subrogated to the rights of any Noteholder or Relevant Account Holder against the Issuer in respect of amounts paid by the Guarantor pursuant to the provisions of this Deed of Guarantee.

3(G) The obligations of the Guarantor hereunder will at all times rank as described in Condition 3(b) (*Status of the Guarantees*).

4. Incorporation of Terms

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

5. Deposit of Deed of Guarantee

A copy of this Deed of Guarantee shall be delivered to the Commissioner and the Fiscal Agent. A duly executed original of this Deed of Guarantee shall be deposited with and held by the Fiscal Agent until the earliest of (1) the date on which all the obligations of the Issuer under or in respect of the Notes have been discharged in full, or (2) the date on which the Guarantor is released from its obligations under this Deed of Guarantee. The Guarantor hereby acknowledges the right of every Noteholder and every Relevant Account Holder to the production of this Deed of Guarantee.

6. Stamp Duties

The Guarantor will pay any stamp duty or other documentary taxes (including any penalties and interest in respect thereof) payable in connection with the execution and delivery of this Deed of Guarantee, and will, to the extent permitted by applicable law, indemnify each Noteholder and each Relevant Account Holder from all liabilities arising from any failure to pay, or delay in paying, such taxes.

7. Currency Indemnity

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under this Deed of Guarantee or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal, or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Noteholder and Relevant Account Holder on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency, and (ii) the rate of exchange quoted on the same day at or around 11.00 a.m. (London time) on the appropriate Reuters, Bloomberg or equivalent screen which such Noteholder or Relevant Account Holder may in the ordinary course of business use for the sale of the second currency against a purchase of the first currency, upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

8. Deed Poll; Benefit of Guarantee

8(A) This Deed of Guarantee shall take effect as a deed poll for the benefit of the Noteholders and the Relevant Account Holders from time to time.

8(B) The obligations expressed to be assumed by the Guarantor herein shall be for the benefit of each Noteholder and Relevant Account Holder, and each Noteholder and each Relevant Account Holder shall be entitled severally to enforce such obligations against the Guarantor.

9. New Subsidiary Guarantors

The Guarantor hereby consents to any Subsidiary of the Issuer becoming a New Subsidiary Guarantor in accordance with Condition 3(d) (*Accession of New Subsidiary Guarantors*).

10. Release Event

Notwithstanding any provisions herein, the Guarantor shall be released from its obligations under this Deed of Guarantee, and this Deed of Guarantee shall immediately cease to have any effect in accordance with, and upon satisfaction of, the terms of Condition 3(e) (*Release of Subsidiary Guarantors*).

11. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

12. Modification

This Deed of Guarantee may be modified by the Guarantor in respect of the Notes with the sanction of a resolution of the Syndicate of Noteholders

13. Notices

Notices to the Guarantor shall be in the English language and shall be by letter or fax and shall be delivered to the Guarantor at:

Ferrovial, S.A.
Calle Príncipe de Vergara, 135
28002 Madrid
Spain
Fax Number.: +34 586 27 49
Attention of: Luis Alberto Pascual Oliva

or any other address of which written notice has been given to the Noteholders. Such communications will take effect, in the case of a letter, when delivered or in the case of fax, when the relevant delivery receipt is received by the sender; provided that any communication which is received outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place.

14. Law and Jurisdiction

14(A) This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

14(B) The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed of Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Deed of Guarantee ("**Proceedings**") (including any Proceedings related to any non-contractual obligations arising out of or in connection with this Agreement) may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of the Noteholders and the Relevant Account Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

14(C) The Guarantor irrevocably appoints Sherard Secretariat Services Limited as its authorised agent for service of process in England in respect of Proceedings in England. If for any reason such agent shall cease to be such agent for the service of process, the Guarantor shall forthwith appoint a new agent for service of process in England and notify the Noteholders of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

15. Third Parties

No person other than each Noteholder and each Relevant Account Holder shall have any right to enforce any term of this Deed of Guarantee under the Contracts (Rights of Third Parties) Act 1999.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are estimated at €496.20 million. The net proceeds will be used for refinancing existing corporate debt.

The expenses in connection with the transaction are expected to amount to €2.26 million, including an estimate of total expenses related to the admission to trading of £4,200.

DESCRIPTION OF THE ISSUER

General Information

The Issuer is an indirectly wholly owned subsidiary of Ferrovial, S.A. (the "Parent"). The Issuer was incorporated in Madrid on 9 May 2006 as a corporation (*sociedad anónima*) for an indefinite period under the name of Baroslia, S.A. and changed its name to Ferrovial Emisiones, S.A. on July 7, 2008. It is currently registered in the Mercantile Register of Madrid in volume 22873, sheet 84, page M-409577 and entry 1.

The Issuer's current registered office is located at Calle Príncipe de Vergara 135, 28002 Madrid, Spain, with telephone number +34 91 586 25 00.

Share capital and major shareholders

As at 31 December 2011, the Issuer's issued and paid up share capital was €60,200 made up of 60,200 ordinary shares of minimal value €1 each. The Issuer is an indirectly wholly-owned subsidiary of the Parent.

Business

The net proceeds from the issuance of the Notes will be deposited with the Parent and used for the general corporate purposes of the Group.

The objects of the Issuer are the issue of preferred securities (*participaciones preferentes*) and/or other debt securities.

The Issuer has not engaged, since its incorporation, in any activities, whether trading activities or otherwise, other than those incidental to its incorporation, matters referred to as contemplated in this Prospectus and matters which are incidental or ancillary to the above.

Management

The Joint Directors of the Issuer as at the date hereof are the following:

Name	Position
Ernesto López Mozo	Joint Director
Jorge Gil Villén	Joint Director

The business address of the Joint Directors of the Issuer is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the Joint Directors listed above and their duties to the Issuer.

Management Structure of the Issuer

The Management Committee has the following composition:

Name	Position
Ernesto López Mozo	Joint Director
Jorge Gil Villén	Joint Director

The business address of the members of the Management Committee of the Issuer is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Management Committee listed above and their duties to the Issuer.

DESCRIPTION OF FERROVIAL

The Issuer (together with the Parent and the consolidated subsidiaries of the Parent, "Ferrovial" or the "Group") is a leading infrastructure group, operating through its toll roads, services, construction and airports business divisions. It is present in over 15 countries and owns or operates some of the world's most significant infrastructure assets, such as the 407 ETR in Toronto, Heathrow airport in London, the Chicago Skyway toll road in the U.S. and the Ausol toll road in Spain. The Parent is part of Spain's IBEX-35 as well as the Dow Jones Sustainability Indexes and FTSE4Good sustainability index.

Group Structure

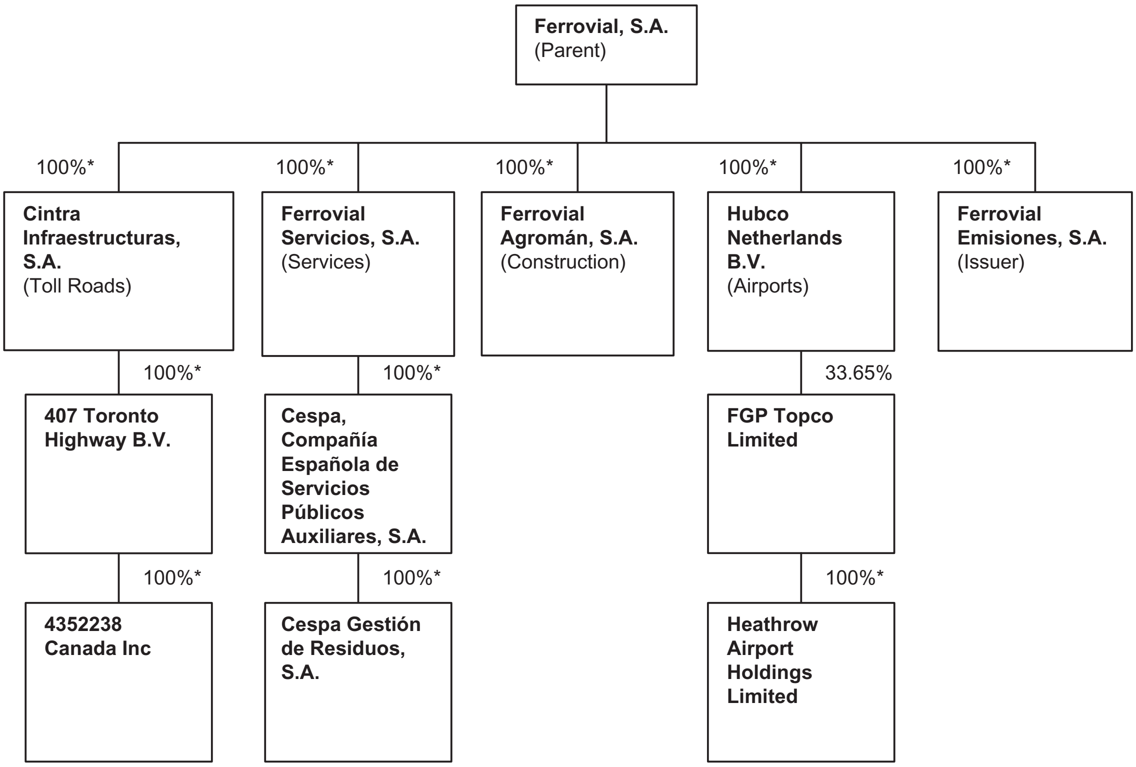
The Issuer was incorporated in 2006 as an indirectly wholly owned subsidiary of Grupo Ferrovial, S.A. ("Grupo Ferrovial"), the then parent of the Ferrovial group.

In 2009, Grupo Ferrovial underwent a merger with Cintra Concesiones de Infraestructuras de Transporte, S.A. ("Cintra Concesiones"), the completion of which was registered before the Mercantile Registry on 3 December 2009. The merger was structured as a "reverse" merger (*fusión inversa*) where the subsidiary, Cintra Concesiones increased its capital to absorb the parent, Grupo Ferrovial. This resulted in the extinguishment by means of dissolution without liquidation of Grupo Ferrovial and the transfer in block of all its assets and liabilities to Cintra Concesiones. Consequently, Cintra Concesiones acquired by universal succession (*sucesión universal*) all the rights and obligations of Grupo Ferrovial. Following the merger, Cintra Concesiones became the parent of the Group and changed its name to Ferrovial, S.A. One of the consequences of this merger on the Group was that the minority shareholders of Cintra Concesiones became shareholders of the Parent.

At the same time as completion of the merger between Cintra Concesiones and Grupo Ferrovial, Cintra Concesiones transferred to Cintra Infraestructuras, S.A. ("Cintra"), most of the shareholdings it held in concessionaires through which the Group conducts its infrastructure concession business. This transfer was made by means of a segregation of assets and was registered before the Mercantile Registry on 3 December 2009. Following such transfer of assets, Cintra became the parent company of the infrastructure concession business (save for some concessionaries' assets which are held directly by the Parent).

At 31 December 2011, the Group was comprised of the Parent and 298 companies: 218 subsidiary companies and 80 associate companies.

The summarised corporate structure of the Group as at the date hereof, showing the Parent, the Issuer and the entities that head up each business division, is as follows:



* Directly and/or indirectly held.

Original Guarantors

Ferrovial, S.A.

General Information

Ferrovial, S.A. (the "Parent") was incorporated in Madrid on 3 February 1998 as a corporation (*sociedad anónima*) for an indefinite period under the name of Cintra Concesiones de Infraestructuras de Transporte, S.A. and on 3 December 2009 it merged with Grupo Ferrovial and changed its corporate name to "Ferrovial, S.A.". It is currently registered in the Mercantile Register of Madrid in volume 20,624, folio 152, section 8, sheet M-204873 and entry 182.

The Parent's current registered office is located at Calle Príncipe de Vergara 135, 28002 Madrid, Spain, with telephone number +34 91 586 25 00.

Share capital and major shareholders

As at 31 December 2011, the Parent's share capital was €146,702,051, made up of 733,510,255 ordinary shares of nominal value €0.20 each, represented by book entries and forming a single class. The Parent's share capital is fully subscribed and paid up. The Parent's shares have been listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "Spanish Stock Exchanges") and quoted on the Automated Quotation System ("AQS") of the Spanish Stock Exchanges since 26 October 2004. The Parent is the result of a reverse merger (*fusión inversa*) (see "Description of Ferrovial – Group Structure" above) between Grupo Ferrovial and Cintra Concesiones. Grupo Ferrovial was listed on the Spanish Stock Exchanges and quoted on the AQS on 5 May 1999.

The major shareholder of the Parent is Portman Baela, S.L., which at 31 December 2011 held 44.269% of the share capital. Portman Baela, S.L. is a company controlled by the "family group" formed by Fernando del Pino y Calvo Sotelo, Maria del Pino y Calvo Sotelo, Rafael del Pino y Calvo Sotelo, Leopoldo del Pino y Calvo Sotelo and Joaquin del Pino y Calvo Sotelo. In addition, Mr. Rafael del Pino y Calvo Sotelo held 1.252% of the share capital of the Parent at 31 December 2011.

Ferrovial Agromán, S.A.

General Information

Ferrovial Agromán, S.A. ("Ferrovial Agromán") was incorporated as a corporation (*sociedad anónima*) in Madrid, on 8 July 1929 under the name of Agromán, Empresa Constructora S.A. On 9 June 1999 it changed its name to Ferrovial Agromán, S.A. It is currently registered in the Mercantile Register of Madrid, in volume 20,119, folio 127 and sheet M-8385.

Ferrovial Agromán's current registered office is located at Ribera del Loira 42, Edificio 3, Campo de las Naciones, 28042 Madrid, with telephone number +34 91 300 85 00.

Share capital and major shareholders

Ferrovial Agromán is an indirectly wholly-owned subsidiary of the Parent.

Ferrovial Servicios, S.A.

General Information

Ferrovial Servicios, S.A. ("Ferrovial Servicios") was incorporated as a corporation (*sociedad anónima*) for an indefinite period in Madrid, on 6 February 1992 under the name of Servicio de Recogida de Residuos, S.A. On 13 November 1995 it changed its name to Ferrovial Servicios, S.A. It is currently registered in the Mercantile Register of Madrid, in volume 2081, folio 134 and sheet M-36972.

Ferrovial Servicios' current registered office is located at Calle Príncipe de Vergara, 135, 28,002 Madrid, with telephone number +34 91 338 83 00.

Share capital and major shareholders

Ferrovial Servicios is an indirectly wholly-owned subsidiary of the Parent.

Cintra Infraestructuras, S.A.

General Information

Cintra was incorporated as a corporation (*sociedad anónima*) for an indefinite period, in Madrid, on 8 June 2009. It is currently registered in the Mercantile Register of Madrid, in volume 26,795, folio 8 and sheet M-482817.

Cintra's current registered office is located at Plaza Manuel Gómez Moreno 2, Edificio Alfredo Mahou, 28020 Madrid, with telephone number +34 91 418 56 00.

Share capital and major shareholders

Cintra is an indirectly wholly-owned subsidiary of the Parent.

4352238 Canadá, Inc.

General Information

4352238 Canadá, Inc. ("Canadá, Inc."), a Canadian company bearing Corporate Tax Identification number A-435223-8 was incorporated on 26 April 2006. It is currently registered in the federal files through Industry Canada, with the number 4352238, and in the Ontario files through the Ontario Ministry of Government Services with the number 3019826.

Canadá, Inc.'s current registered office is located at 100 King Street West, Suite 6600, 1 First Canadian Place, Toronto, Ontario, Canada.

Share capital and major shareholders

Canadá, Inc. is an indirectly wholly-owned subsidiary of the Parent.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

General Information

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. ("Cespa") was incorporated as a corporation (*sociedad anónima*) for an indefinite period in Madrid on 5 July 2000 under the name of Marliara, S.A. On 11 July 2004, Marliara, S.A. changed its name to Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. It is currently registered in the Mercantile Register of Barcelona, in volume 37,494, folio 105 and sheet B-306.914.

Cespa's current registered office is located at Avenida de la Catedral 6-8, 08002 Barcelona with telephone number +34 93 247 91 00.

Share capital and major shareholders

Cespa is an indirectly wholly-owned subsidiary of the Parent.

Cespa Gestión de Residuos, S.A.

General Information

Cespa Gestión de Residuos, S.A., ("Cespa Gestión de Residuos") was incorporated as a corporation (*sociedad anónima*) for an indefinite period in Burgos (Spain) on 3 February 1992. It is currently registered in the Mercantile Register of Barcelona in volume 21.830 folio 44 and sheet B-27774.

Cespa Gestión de Residuos' current registered office is located at Avda. Catedral, 6-8, Barcelona, with telephone number +34 93 247 91 00.

Share capital and major shareholders

Cespa Gestión de Residuos is a directly wholly-owned subsidiary of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A..

Hubco Netherlands, B.V.

General Information

Hubco Netherlands B.V. ("Hubco"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), organised under the laws of the Netherlands on 18 February 2010. Hubco has its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and is registered at the Trade Register of the Chamber of Commerce and Industry for Amsterdam under number 08219934.

Hubco's current registered office is located at Naritaweg 165, 1043 BW Amsterdam, The Netherlands.

Hubco did not engage, since its incorporation on 31 December 2010, in any activities, whether trading activities or otherwise, other than those incidental to its incorporation, matters referred to as contemplated in this Prospectus and matters which are incidental or ancillary to the above.

Share capital and major shareholders

Hubco is an indirectly wholly-owned subsidiary of the Parent.

Ferrovial's Business

Ferrovial was founded in 1952 as a construction group focusing on railway infrastructure. Ferrovial later expanded its business into other activities and has been active internationally for over 40 years and has over 68,000 employees.

Ferrovial is one of the world's leading infrastructure groups with operations in a range of sectors including services, construction, management and maintenance of toll roads and airports. Since 2000 Ferrovial has invested in diversifying its business and expanding internationally. This policy of expansion and diversification included the acquisition of 407 ETR in Canada, in 1999, Budimex, S.A. ("Budimex") in Poland, in 2000, Amey plc ("Amey") and Cespa, in the United Kingdom and Spain, respectively, in 2003, W.W. Webber, LLC ("Webber") in the U.S., in 2005, and Heathrow Airport Holdings Limited (formerly BAA Limited) in the United Kingdom, in 2006, as well as the award of the concession to operate the Chicago Skyway in 2004, the Indiana Toll Road in 2006, the Texas SH-130 in 2007, the North Tarrant Expressway ("NTE") in 2009 and the Lyndon B. Johnson Expressway ("LBJ") in 2010, all such concessions in the U.S.

Ferrovial undertakes its activities through four business divisions: Services; Construction; Toll Roads and Airports. The Toll Roads and Airports business divisions are the main divisions of Ferrovial financed through non-recoruse financing.

The table below sets out, the entities that head up each business division, the activities of each business division and each business division's EBITDA on a consolidated basis as of and for the years ended 31 December 2011 and 2010:

			Year ended 31 December,	
			2011[(1)]	2010[(1)]
Business Division	**Group Companies**	**Description**	**EBITDA[(2)] (millions of euros)**	**EBITDA[(2)] (millions of euros)**
Services	Ferrovial Servicios, S.A., Amey Plc, Cespa, Compañia Española de Servicios Públicos Auxiliares, S.A., Ferroser Infraestructuras, S.A.	Management of infrastructure and facilities; collection, treatment and disposal of urban and industrial waste; and provision of urban services (services provided to local authorities such as street/ beach cleaning and gardening)	311.8	409.8
Construction	Ferrovial Agromán, S.A., Cadagua, S.A., Budimex, S.A. and W.W. Webber, LLC	Construction and execution of civil engineering, building and industrial projects, including waste treatment, water desalination and drinking water plants	247.6	231.1
Toll Roads	Cintra Infraestructuras, S.A.	Development, financing, execution and operation, of toll road infrastructure	283.2	629.6
Airports	HAH, Ltd.	Development, financing and operation of airports	(10.7)	1,271.8
Other		Mainly consolidation adjustments and overheads	(13.3)	(27.9)
Total			**818.5**	**2,514.3**

Notes:

(1) Figures for the year ended 31 December 2011 were extracted from the 2011 Consolidated Annual Accounts and figures as of and for the year ended 31 December 2010 were extracted from the 2010 Consolidated Annual Accounts.

(2) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.

The table below sets out Ferrovial's total assets, revenues and EBITDA distribution by geographical area as of and for the years ended 31 December 2011 and 31 December 2010:

	As of and for the year ended					
	Total assets		Revenues		EBITDA(1)	
Geographic Area	**2011(2)**	**2010(2)**	**2011(2)**	**2010(2)**	**2011(2)**	**2010(2)**
	(millions of euros)					
Spain	10,642.3	9,116.1	3,369.2	3,765.0	429.4	369.7
United Kingdom	3,765.2	22,941.9	1,553.8	4,202.6	134.3	1,400.2
United States and Canada	7,201.3	6,831.3	746.3	1,407.8	96.4	372.3
Poland	1,213.3	1,185.7	1,394.3	1,169.7	74.2	69.9
Chile	141.4	39.3	45.1	202.4	4.5	108.7
Rest of Europe	0	3,010.6	275.8	1,140.8	76.6	157.4
Other	8.9	162.0	61.2	280.8	3.2	36.2
Total	**22,972.4**	**43,287.0**	**7,445.8**	**12,169.2**	**818.5**	**2,514.3**

Notes:

(1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.

(2) Figures as of and for the year ended 31 December 2011 were extracted from the 2011 Consolidated Annual Accounts and figures as of and for the year ended 31 December 2010 were extracted from the 2010 Consolidated Annual Accounts.

For the year ended 31 December 2011, 48% of Ferrovial's EBITDA was generated outside of Spain.

As a result of its business and geographical diversification, Ferrovial has a broad and diversified client base and has no significant dependence on any single client account.

Ferrovial's backlog, defined as the part of the contracts signed pending execution, was approximately €12.4 billion and €10.0 billion for the Services and Construction business divisions, respectively, as of 31 December 2011.

Services Business Division

Summary

The activities of the Services business division of Ferrovial comprise infrastructure and facility maintenance and management, waste management, and urban and industrial services.

The Group conducts its infrastructure and facility maintenance and management activities primarily through Amey in the United Kingdom and Ferrovial Servicios and some of its subsidiaries, which jointly operate under the Ferroser brand in Spain and Portugal. Amey is one of the United Kingdom's leading support services companies, and is principally active in urban, road and rail maintenance. Ferrovial Servicios is one of the main players in the Spanish market for infrastructure upkeep and facility management services.

Ferrovial conducts its waste management and urban services activities primarily through Cespa, which operates in Spain and Portugal, in the collection, treatment and disposal of all types of waste, street and beach cleaning and gardening.

On 2 November 2010, Ferrovial entered into an agreement with PAI Partners to sell Swissport International AG ("Swissport"), the world largest independent handling company. The transaction was completed on 17 February 2011. For this reason, the results of Swissport are still included in the 2010 Consolidated Annual Accounts.

In 2010, the joint venture AmeyCespa Ltd. ("AmeyCespa") (formed by Amey and Cespa) acquired the Dickerson Group, including its indirect shareholding in Donarbon Waste Management Ltd. ("Donarbon"), specializing in waste treatment and management, for the amount of €59.0 million. Also in 2010, this business division was awarded the Birmingham city contract for the maintenance of roads and other infrastructure through Amey in the United Kingdom and the Murcia contract for street cleaning, waste collection and waste treatment through Cespa in Spain. At the begining of 2012, Amey won a 25 year contract to deliver all highway maintenance services on behalf of Sheffield city.

In 2011, the Intelligent Cities Division was created to achieve efficient, innovative and high quality infrastructure services for local authorities. By utilizing a new integrated service model, the Services business division is able to support cities by reducing public expenditures and improving service delivery.

In 2011, the Services business division started to provide road maintenance services in Poland, entering in 2012 in the fields of waste management, industrial construction and technical maintenance services in Poland.

The contribution of new contracts at Amey (such as the above mentioned Birmingham city contract and the backlog of Donarbon) together with cost control and portfolio selection in the Spanish business have led to a positive performance of the Services business division in the current challenging economic environment.

Division results of operations and backlog

The table below sets out the revenues, EBITDA and backlog for the key services companies of the Group for the years ended 31 December 2011 and 31 December 2010:

	As of and for the year ended 31 December 2010					
	Revenues (millions of euros)		EBITDA[1] (millions of euros)		Backlog[2] (millions of euros)	
	2011	2010	2011	2010	2011	2010
Cespa	955.6	951.6	154.5	161.1	4,824.1	4,340.4
Ferroser	582.5	547.3	44.1	41.4	1,348.0	1,445.1
Amey	1,283.7	1,099.0	113.3	111.9	6,252.6	6,592.4
Swissport[3]	—	1,301.6	—	107.4	—	—
Others	(0.9)	(3.5)	(0.2)	(12.0)	—	—
Total	**2,820.9**	**3,896.0**	**311.8**	**409.8**	**12,424.7**	**12,378**
National[4]	1,537.2	1,495.3	198.4	190.6	6,172.1	5,785.6
International	1,283.7	2,400.7	113.4	219.2	6,252.6	6,592.4

Notes:

(1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.

(2) Backlog is defined as the part of the contracts signed pending execution.

(3) Swissport was sold on 2 November 2010.

(4) National includes Cespa, Ferroser and others.

In the year ended 31 December 2011, the Group's revenues from the Services business division were €2.8 billion representing 37.9% of the Group's total revenues.

In 31 December 2011, the backlog for the Services business division reached an all-time high of €12.4 billion, which represents an increase of 0.4% when compared with 31 December 2010 (€12.3 billion). This is mainly due to the award of the following contracts, in Spain, the 20 year waste collection and treatment contract in the province of Murcia (amounting to €951.0 million) and the Prisioner Escort Custody Service contract signed in the United Kingdom (amounting to £305 million).

Inception

This business division has been active since 1992, and acquired its current structure through the acquisition of Amey and Cespa in the United Kingdom and Spain, respectively, in 2003.

Customers and Type of Contracts

Ferrovial typically operates its business in the Services business division through multiyear contracts signed with the Public sector, (such as Highways Agency, Network Rail, Transport for London, Scottish Executive in the United Kingdom) and local councils (such as the Madrid, Barcelona, Murcia and Huelva local councils), private hospitals, shopping centres and corporations, as further described below.

Activities

Amey

Amey is one of the leading companies in the United Kingdom support services sector active in transport, roads, railways, bridges, schools, airports, public spaces and office areas. Since its acquisition by Ferrovial in 2003, it has experienced considerable success in recovering a preeminent position in the infrastructure and facility management industry. Amey provides integrated operation and maintenance of all types of rail and road assets (pavements, tracks, signalling systems and information displays), local government infrastructure (such as roads, footways, street lightning assets, schools or vehicle fleets) and provides facilities management services (such as mechanical and electrical maintenance, cleaning, portering, gardening, catering or security of working spaces, relocation planning, energy efficiency or waste minimization). Amey also provides related consulting and logistics services.

In May 2010, Amey sold its 66.7% interest in Tube Lines, Ltd. ("Tube Lines"), the concession company for maintenance and management of the Jubilee, Northern and Piccadilly lines of the London Underground, to Transport for London for the amount of £207.0 million. Amey recovered the investment made in Tube Lines and remains in charge of the maintenance and management of the infrastructure of these three lines via a service contract. The terms of the service contract are very similar to those existing previously, and Amey recovers an equivalent return under the service contract as it previously recovered via its shareholding in Tube Lines.

In 2011, GEOAmey, a joint venture between Amey and GEO Group, landed the first contract from the United Kingdom Ministry of Justice to provide prison escort and custodial services ("PECS") for over 70% of England and Wales for an initial period of seven years (amounting to £305 million). In addition, various contracts for road maintenance and other infrastructures were awarded.

At the begining of 2012, Amey won the Sheffield highways maintenance project (amounting to £2 billion). A 25 years contract delivering all highway maintenance services on behalf of Sheffield City Council.

Cespa

Cespa is one of the main players in the Spanish and Portuguese market within the waste management and urban services industries. Ferrovial acquired Cespa in 2003 and has grown significantly since then. Its activities include the collection and management of solid urban waste, selective waste collection, street cleaning, drainage and sewer maintenance, beach cleaning, management of clean/green points, construction and maintenance of green spaces, construction of forestry infrastructure and upkeep of urban furniture and areas for children. Cespa handles 9 million tonnes of waste per annum through its collection and treatment activities, which it operates through 141 waste treatment facilities and 34 landfills. With over 15,000 employees, Cespa caters to the needs of local councils, private customers and other bodies, providing services to over 800 municipalities and ten thousand industrial clients through the following two business lines:

- Waste management: collection, transport, treatment and disposal of most usual types of solid waste (municipal, commercial, industrial and construction and demolition). Treatment and disposal activities are performed through both owned and leased facilities (such as transfer stations, treatment facilities and landfills). Cespa's clients are Local Authorities or private companies. In 2010, Amey and Cespa established AmeyCespa, a 50% joint venture to provide waste services in the United Kingdom. AmeyCespa combines Amey's expertise of the United Kingdom public services market, and Cespa's expertise in waste management and operations.
- Urban services: street and beach cleaning and horticulture and gardening services for Local Authorities, either through bundled or independent contracts.

Regulation

Over the last 20 years regulation has become tighter, imposing detailed requirements on waste management activities and causing a significant change in the way in which waste management services are provided. Larger investments have become necessary to meet regulatory targets in two main fronts: minimizing the amount of waste disposed through landfills and minimising the environmental impact of any waste activity.

Ferroser

Ferroser is the brand under which Ferrovial carries out its business relating to integrated management and facility management, integrated infrastructure upkeep and indoor management and cleaning (together, the "Ferroser Business").

Being one of the main participants in the Spanish market for infrastructure upkeep and facility management services, employing more than 16,000 people, Ferroser Business managed buildings with a total of more than 5 million square meters for the public and private sectors and maintained approximately 7,500 kilometres of expressways and roads in 2011.

In 2011, the revenues of the Ferroser Business were €582.5 million and EBITDA €44.1 million, which represents 20.7% of the total revenues and 14.1% of the total EBITDA of the Services business division for that year.

Ferroser Infraestructuras, S.A. ("Ferroser Infraestructuras"), one of the two companies which operate under the Ferroser brand in Spain (the other being Ferrovial Servicios itself), was acquired in 2000, and has experienced double digit organic growth since then. All two companies enjoy a solid position in the Spanish market and strong brand recognition. The Ferroser Business splits its activities into three segments corresponding to each of the following companies:

- Integrated Management and Facility Management. Ferrovial Servicios is one of the leaders of its sector in Spain in terms of revenues. It renders services that range from budgeting to designing the most appropriate space for each organisation, as well as the integrated management of all the operating services of building-maintenance, including cleaning, gardening, auxiliary services, and industrial maintenance. This segment is the largest contributor to revenues and EBITDA of the Ferroser Business, with a 35.7% contribution in 2011 to the total revenues and 21.2% contribution to the total EBITDA.
- Integrated Infrastructure Upkeep. Ferroser Infraestructuras is one of the leaders of its sector in Spain in terms of revenues. It manages approximately 7,000 kilometres of expressways and roads, including tunnels, and carries out the maintenance of 28,000 municipal and airport signs and 40,000 traffic and street lighting. It specialises in full-service infrastructure maintenance, manufacture and installation of marking and signage on roads, airports and cities, and road traffic management. In 2011, Ferroser Infraestructuras' revenues were €125 million and EBITDA was €24.2 million. This segment contributed 21.5% of the total revenues of the Ferroser Business, 54.9% of the total EBITDA of the Ferroser Business and enjoyed higher margins than Ferrovial Servicios' activity in the Integrated Management and Facility Management segment.
- Indoor Management and Cleaning. Ferroser Infraestructuras is one of the main companies in Spain for this service. It specialises in ordinary and specific cleaning of public buildings, infrastructure and private facilities within a wide range of sectors (offices, general industry, hotels, health, education, stations and airports, department stores, etc.). Examples of the type of services provided are: hygiene, pest control and legionella treatments; air conditioning and smoke refusals; industrial cleaning; rolling stock (trains and metro); and hospitals and health related facilities. In 2011, Ferroser Infraestructuras's revenues were €249.6 million and EBITDA was €10.6 million, representing 42.8% of the total revenue and 24% of the total EBITDA of the Ferroser Business.

The main revenue sources of the Ferroser Business are evenly split between the private sector, and various Local, Regional and Central government agencies. Although the Ferroser Business has more private sector clients, larger contracts in the public sector, especially among regional governments, make this area especially relevant. Four of the five top clients by revenue belong to the Public sector, with the Health Department of the Andalusia Regional Government and the Spanish Ministry of Public Works representing the two largest clients by revenue. The rest of the revenue comes from many smaller clients, none of which contributes more than 3% to the total revenues of the Ferroser Business.

Construction Business Division

Summary

Ferrovial conducts its construction activities through Ferrovial Agromán, a wholly owned subsidiary of the Parent, a leading Spanish construction company with over 80 years of experience in the industry. Ferrovial Agromán is involved in all areas of civil engineering, residential building and non-residential building, in Spain as well as internationally. Ferrovial Agromán is also involved in water treatment plant engineering and construction through its wholly owned subsidiary Cadagua, S.A. ("Cadagua"), recognised internationally for seawater desalination plants.

Ferrovial has been a pioneer in leading the expansion of Spanish construction companies into stable international markets. For example, the Group has established a strong presence in Poland and the United States, where it functions through its local subsidiaries, Budimex and Webber respectively. The Group also functions through permanent branch offices and subsidiaries in core markets such as the United Kingdom, the United States, Canada, Puerto Rico, Chile, Australia, Ireland, Italy and Portugal.

Among the various contracts awarded in 2011 are Crossrail c300 and c410 projects (amounting to €185 million, in the United Kingdom), a sea water desalination plant (amounting to €60 million, in Morocco), S8 Walichnowy (amounting to €160 million, in Poland), Railway Ilawa Line 9 (amounting to €180 million, in Poland), 290 Highway (amounting to €85 million, in Texas-USA), SH 99 Highway (amounting to €80 million, in Texas-USA) and IH 35 Highway (amounting to €75 million, in Texas – USA); and some relevant contracts in Spain such as CPD (Data Process Center) Telefónica (Alcalá de Henares) and Purchena Highway (Andalucía).

During 2012 Ferrovial has been awarded, amongst others, the construction of the 407 East Extension (amounting to €308 million, in Canada), Padornelo-Lubián tunnel (amounting to €92 million, Madrid-Galicia railway) US 290 Harris City (amounting to €86 million, in USA) T3 integrated baggage system at Heathrow Airport (amounting to €83 million, in the United Kingdom), Espiño tunnel for ADIF (amounting to €83 million, in Spain) and Lublin ring road connection (amounting to €62 million, in Poland).

Division results of operations and backlog

The table below sets out the revenues, EBITDA and backlog for the key construction companies of the Group as of and for the years ended 31 December 2011 and 31 December 2010:

	Year ended 31 December					
	Revenues (millions of euros)		EBITDA(1) (millions of euros)		Backlog(2) (millions of euros)	
	2011(3)	2010(3)	2011(3)	2010(3)	2011(3)	2010(3)
Ferrovial Agromán	2,396.1	2,887.7	151.1	132.1	5,866.9	6,403.4
National	1,655.3	1,997.0	121.6	100.6	2,766.3	3,180.8
International	740.8	890.7	29.5	31.5	3,100.6	3,222.7
Cadagua	115.2	141.6	7.3	11.2	560.1	509.8
Budimex	1,323.5	1,014.5	72.2	62.3	1,919.7	1,743.2
Webber	424.9	490.2	17.1	25.4	1,650.6	1,529.3
Others	(15.9)	(8.8)	—	—	—	—
Total	**4,243.8**	**4,525.1**	**247.7**	**231.1**	**9,997.2**	**10,185.7**
National(4)	1,770.5	2,138.6	128.9	111.9	3,326.4	3,690.5
International	2,473.3	2,386.5	118.8	119.2	6,670.8	6,495.2

Notes:

(1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.

(2) Backlog is defined as the part of the contracts signed pending execution.

(3) Figures as of and for the year ended 31 December 2011 were extracted from the 2011 Consolidated Annual Accounts and figures as of and for the year ended 31 December 2010 were extracted from the 2010 Consolidated Annual Accounts.

(4) National includes the domestic activity of Ferrovial Agromán and Cadagua. Cadagua figures include international activity (as of 31 December 2011 international revenues represent 32% of the total revenues of Cadagua).

In 2011, international operations contributed 58% and 48%, respectively, in terms of the Group's revenues and EBITDA from the Construction business division for the year ended 31 December 2011. The strong growth in the international business was boosted by record figures reported by Budimex and Webber, which generated 53.2% and 17.1% respectively of the total revenue of the international construction business division for the year ended 31 December 2011, and by the commencement of large projects in the United States and the United Kingdom.

Revenues for the Construction business division for the year ended 31 December 2011 were €4.2 billion, which represents 57% of Ferrovials's total revenue. The backlog at 31 December 2011 totalled €10.0 billion.

The table below sets out the backlog (defined as the part of the contracts signed pending execution) by project type for the years ended 31 December 2011 and 31 December 2010:

	Year ended 31 December (millions of euros)	
	2011	**2010**
Civil work	7,602.4	7,749.2
Residential work	363.7	417.2
Non-residential work	1,334.8	1,381.5
Industrial Work	696.3	637.7
Total	**9,997.2**	**10,185.7**

As of 31 December 2011, the backlog was €10.0 billion, with the international backlog amounting to €6.67 billion or 66.7% of the total backlog. The United States accounts for 48% of the international backlog, followed by Poland, representing 28.8% of the international backlog, the United Kingdom, representing 9.9% and the remaining 13.3% relating to other OECD countries.

Civil works and industrial backlog represented 83% of total backlog as of 31 December 2011, with only 3.6% coming from residential building and the remaining 13.3% coming from non-residential building.

Inception

Ferrovial was founded in 1952, since when it has developed and expanded its Construction business division nationally and internationally mainly through the award of several contracts in countries such as the United Kingdom, the United States, Canada, etc. and through strategic acquisitions such as Budimex in Poland and Webber in the United States.

Ferrovial has a great expertise in large and complex international projects, mainly through working for its Group companies, such as Cintra or HAH, but also through working for third party clients.

In 1985, Ferrovial expanded its national expertise to include the field of engineering and construction of water purification and treatment plants, through the acquisition of a 100% holding in the Spanish company Cadagua.

In 1995, Ferrovial acquired a 98.27% interest in Agromán Empresa Constructora, S.A. ("Agromán Constructora"), a Spanish construction company founded in 1927. On 5 October 1999, Ferrovial merged with Agromán Constructora and incorporated Ferrovial Agromán, which became Spain's largest construction company. Ferrovial then acquired the remaining interest in Ferrovial Agromán, therefore becoming the sole shareholder of Ferrovial Agromán and completing the integration process of the construction business into the Group.

Ferrovial continued to expand its international construction business division through the acquisition of a 59.06% holding in the Polish construction company Budimex in 2000, and the acquisition of a 100% holding in the U.S. company Webber in 2005.

Customers and Type of Contracts

According to Ferrovial Agromán's backlog as of 31 December 2011, clients from the public sector account for 51.6% of the total backlog, with Group companies representing 37.5% and private customers representing 11.0%.

Activities

Ferrovial Agromán

Ferrovial Agromán is the Group company that heads up Ferrovial's Construction business division and is involved in all areas of construction, including civil works, building and industrial works, both in Spain and internationally. Within the context of civil works, the company designs and builds all types of infrastructure including roads, railways, hydraulic works, maritime works, hydroelectric works and industrial projects. Ferrovial Agromán's building activities include the construction of non-residential buildings (including airports, sports facilities, health centres, schools and cultural buildings, shopping and leisure centres, museums, hotels, building refurbishment projects, offices, factories and industrial warehouses) and residential construction.

As at 31 December 2011, Ferrovial Agromán had more than 1,100 works in execution and had completed the construction of over 3,750 kilometres of highway concessions, 15,100 kilometres of roads, 440 kilometres of tunnels, 4,500 kilometres of railways including the AVE high speed train network in Spain, 3,500 kilometres of gas and oil pipelines, 6,150 kilometres of water pipelines, 145 dams, 30 kilometers of quays and port infrastructures and 35 airports.

Ferrovial Agromán reported total revenues of €2.4 billion in the year ended 31 December 2011, with revenues from international activities totalling €0.74 billion, which represented 31% of Ferrovial Agromán's total revenue. The backlog at 31 December 2011 totalled €5.9 billion.

Budimex

Budimex, a company founded in 1968, has been listed on the Warsaw stock exchange since 1995. It is currently the leading construction company in Poland in terms of revenue.

Budimex is focused on the construction of civil works (such as roads, highways, railways, airports and bridges), industrial construction, residential building and non-residential building. Civil works and industrial construction together represented 65% of Budimex's revenue and 73% of its backlog in the year ended 31 December 2011.

Budimex reported total revenues of €1.3 billion in the year ended 31 December 2011. The backlog at the close of the year amounted to €1.9 billion.

In 2012, Budimex purchased one of Poland's main railroad infrastructure construction companies, Przedsiebiorstwo Napraw Infrastruktur ("PNI"), for around €51 million. In June 2012, the Budimex Board announced its decision to write down the value of its stake in PNI.

Webber

Webber specialises in construction of infrastructure works, such as roads, highways, bridges and airport runways. In 2009, it was named as the leading transport infrastructure company in the State of Texas according to Engineering News Record magazine. Webber is also a market leader in the production and distribution of recycled construction aggregates and asphalt in the Houston city area of Texas.

Webber has constructed more than 50 kilometres of toll road, 1,200 kilometres of new highways, 8 airports (including completely constructing 8 major runways and related taxiways) and has participated in more than 1,600 Texas Department of Transportation projects.

Webber reported total revenues of €424.9 million in the year ended 31 December 2011. The backlog at 31 December 2011 totalled €1.7 billion.

As commented above, some projects awarded during 2011 has been 290 Highway, SH 99 Highway and IH 35 Highway, all of which are located in the USA.

Cadagua

Cadagua is recognised as a pioneering and leading force among Spanish companies in the field of engineering and construction of water treatment plants. Cadagua has designed and built over 220 water treatment plants (drinking, waste and desalination) and over 140 industrial waste water treatment plants, achieving a total treatment capacity of over 15,000,000 cubic meters/day. Over 21 million inhabitants benefit from the maintenance and operating services of Cadagua.

Cadagua has vast experience in international markets, especially in the construction of sea water desalination plants, and also drinking and waste water treatment plants,. During 2011 Cadagua was awarded contracts in Spain, Morocco, Chile, Poland and the United Kingdom. Cadagua also has a permanent presence in Poland, the Middle East (with a central office in Dubai), Oman, Morocco, the United Kingdom and New Delhi, where it has established its own offices.

Cadagua reported total revenues of €115.2 million in the year ended 31 December 2011 with backlog at 31 December 2011 totalling €560.1 million.

Toll Roads Business Division

Summary

Ferrovial's activities in the Toll Roads business division include the development, financing, execution and operation of toll road projects. The Group conducts its operations in this business division through Cintra, a wholly owned subsidiary of the Parent, which is one of the leading toll roads development and management companies in the world in terms of number of projects, investment volume and kilometres managed (Source: Public Works Financing). At 31 December 2011, Cintra's toll roads portfolio consisted of 19 toll road concessions, comprising close to 2,000 kilometres of motorway with 738 kilometres under construction, and with a total investment of more than €20 billion. Cintra's portfolio of concessions is internationally diversified with interests in toll road concessions located in Canada, United States, Spain, Portugal, Ireland and Greece and with approximately 82% of its net revenues and EBITDA coming from outside of Spain. The toll concession portfolio of Ferrovial includes the 407 ETR concession in Toronto, Canada, which is perceived to be a reference asset in the toll road concession business worldwide. Cintra's current strategy for the toll roads business division focuses on growth through both the award of new concessions and the efficient management of its existing portfolio.

In the first quarter of 2012, Cintra won three new concessions, 407 East Extension (Toronto, Canadá), A66 Benavente – Zamora and Almanzora-Purchena (both in Spain). It is important to note that Cintra sold its remaining participation in the Chile concessions in 2011.

Division results of operations

As of 31 December 2011, Cintra had 19 toll roads, 13 in operation and 6 in construction in 6 countries. The following table sets forth the revenues and EBITDA for each of Cintra's toll road concessions, for the years ended 31 December 2011 and 31 December 2010:

		Year ended 31 December			
		Revenues (millions of euros)		EBITDA[(1)] (millions of euros)	
Country	**Toll Road**	**2011[(2)]**	**2010[(2)]**	**2011[(2)]**	**2010[(2)]**
United States	Chicago Skyway	49.0	46.0	41.7	38.3
Spain	Ausol	53.4	53.8	40.4	36.9
Spain	Autema	81.7	78.8	68.4	63.5
Spain	Radial 4	30.9	19.9	21.8	10.9
Spain	Ocaña-La Roda	24.2	16.4	16.9	8.3
Portugal	Norte Litoral	53.1	56.8	40	34.9
Portugal	Algarve	34.9	35.5	29.8	30.9
Ireland	M4-M6	21.4	22.9	14.6	15.9
Ireland	M3	35.7	33.8	29.7	29.4
Chile[(3)]	Chilean Toll Roads	—	153.1	—	102.5
Equity Accounted[(4)]					
Canada	407 ETR[(5)]	489.6	456.6	401.7	365.7
United States	Indiana Toll Road	133.3	131.8	109.1	105.1
Greece	Ionian Roads	66.2	74.6	37.6	47.6
Spain	M45	—	25.4	—	23.7

Notes:

(1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.

(2) Figures for the year ended 31 December 2011 were extracted from the 2011 Consolidated Annual Accounts and figures for the year ended 31 December 2010 were extracted from the 2010 Consolidated Annual Accounts. Revenues and EBITDA correspond to main assets.

(3) Chilean Toll Roads were sold in 2011.

(4) Figures show total revenues and EBITDA generated by these toll road concessions. Ferrovial owns 43.2%, 50% and 33.3% of the 407 ETR, Indiana Toll Road and Ionian Roads respectively, and accounts each of them under the equity method. At 31 December 2010, Ferrovial also owned 50% of the M45 toll road, which it accounted under the equity method. Ferrovial sold its stake in the M45 in January 2011.

(5) This has been equity-accounted since the fourth quarter of 2010.

In the year ended 31 December 2011, the Group's revenues from the Toll Roads business division were €389.7 million, representing 5% of the Group's total revenues.

Inception

Ferrovial first began its toll road activities in 1968 with the AP-8 Bilbao–Behobia toll road concession and over the next forty years the Group continued to develop and expand its toll road business. On 3 February 1998, Grupo Ferrovial, the then parent of the Group, incorporated Cintra Concesiones, in which it held a 100% stake, with the aim of consolidating and optimising the infrastructure development business. In 1999, it was awarded the 407 ETR toll road concession in Canada. The Group continued to develop its infrastructure business through Cintra Concesiones, which had its initial public offering in October 2004.

In 2009, Grupo Ferrovial merged with Cintra Concesiones and created Ferrovial, S.A. (see "Description of Ferrovial – Group Structure").

Customers and Type of Contracts

Ferrovial operates its toll road business through concession agreements. Concession agreements are contracts under which a public sector entity agrees with a private company to construct and operate certain infrastructure for a period of time in consideration for the right to collect tolls (or to be paid shadow tolls by the grantor of the concession), with the company returning the infrastructure to the public sector entity at the end of the concession life.

Toll road concession projects are long-term, capital-intensive projects that can typically be divided into two distinct phases; the construction phase and the operation phase. The construction phase, involving the design and construction of the toll road, typically ranges from two to five years and is characterized by large capital expenditures during which usually no revenues are received, except for projects that include transferred sections already in operation.

Once the construction phase is complete, the operation phase begins, which involves operating and maintaining the toll road and tolling equipment related to the concession. In a few cases, the operation phase may commence while certain parts of the toll road are still under construction, allowing tolls to be collected on the operational sections of the motorway. The operation phase is characterized by a generally increasing level of revenues as tolls are collected, a lower level of capital expenditures and the incurrence of operating expenses and generally increasing cash flows. Revenues from toll road concessions depend on the tariffs charged, which are typically set by the relevant governmental authority in the concession agreement. The tariffs usually increase in line with inflation, except in the case of the 407 ETR, the Chicago Skyway and the Indiana Toll Road where tariff increases can exceed the rate of inflation, in the same way it will apply to the North Tarrant Express and LBJ Express Concessions when they start operating. The revenues also depend on the level of traffic on the road, which can be affected by general economic conditions, weather and other factors. Expenses during the operation phase consist principally of financing expenses, which depend primarily on interest rates, and operating expenses, which depend primarily on the length and age of the toll road, as well as factors such as traffic volumes and weather conditions.

The industry is principally debt-financed, as long-term concession agreements generally provide a basis for non-recourse long-term debt ("project finance"), which results in high financing expenses. However as the concession matures once the construction phase is over and a traffic growth pattern is established and its risk profile improves, there are opportunities to refinance.

Cintra has a young portfolio of toll roads with a weighted average remaining life of more than 70 years, such as, the 407 ETR in Canda and Chicago Skywayin the United States. Cintra expects that the operating revenues and EBITDA of the Toll Roads business division will increase as its toll road portfolio matures and more of its toll roads become operational and as traffic volumes increase on those already in operation. In addition, as its toll roads mature there is potential for increased returns on equity through refinancing and releveraging.

In May 2012 Ferrovial was awarded, in a consortium with SNC-Lavalin, a contract to design, build, finance, and maintain the first phase of the Highway 407 East project, in Ontario, Canada. The contract is for a 30-year concession starting from the date the highway opens to traffic, which is scheduled for the end of 2015. Highway 407 East will be a publicly owned and controlled tolled highway. The Province of Ontario will set the toll rates and retain all toll revenues generated on the new highway.

Activities

The table below sets forth the traffic volume for each of the Group's toll road concessions for the years ended 31 December 2011 and 31 December 2010:

		Year ended 31 December	
		Average Daily Traffic Intensity (Vkt[1] /Highway Length/Day)	
Country	**Toll Road**	**2011**	**2010**
United States	Chicago Skyway	42,066	44,987
Spain	Ausol I	14,254	15,623
Spain	Ausol II	15,576	16,594
Spain	Autema	19,114	20,583
Spain	Radial 4	6,796	8,314
Spain	Ocaña-La Roda	3,822	4,128
Portugal	Norte Litoral	23,734	30,019
Portugal	Algarve	16,970	18,817
Ireland	M4-M6	25,759	25,926
Ireland	M3	25,935	23,601
Chile[2]	Santiago-Talca	—	78,690
Chile[2]	Talca-Chillán	—	45,225
Chile[2]	Chillán-Collipulli	—	28,522
Chile[2]	Collipulli-Temuco	—	32,536
Chile[2]	Temuco-Rio Bueno	—	20,900
Equity Accounted		**—**	
Canada	407 ETR	59,394	59,675[3]
United States	Indiana Toll Road	27,142	27,924
Greeceg	Ionian Roads	34,441	38,544
Spain	M45	—	60,650

Notes:

(1) Vkt means vehicle kilometres travelled.

(2) Chilean Toll Roads were sold in 2011.

(3) In publicly available information, traffic information in relation to the 407 ETR toll road is usually presented in terms of VKT (in 1000 units) rather than in terms of Average Daily Traffic Intensity (ADTI). This metric unit can be calculated by multiplication of the ADTI by the length of the toll road (107 kilometres for tolling) and then by the number of days in the year (365 days). VKT (in 1000 units) for the year ended 31 December 2011 was 2,325,517 and for the year ended 31 December 2010 was 2,336,551.

A brief description of Cintra's principal toll road concessions, by geographical area, is as follows:

Canada

- The 407 Express Toll Route

The 407 ETR concession in Canada, in which the Group holds a 43.23% interest, is the first all electronic open access toll road in the world.

It covers 108 kilometres in an east-west direction, traversing Canada's largest and most affluent urban centre, the Greater Toronto Area ("GTA").

On 5 October 2010, Ferrovial entered into an agreement with Canada Pension Plan Investment Board ("CPPIB") for the sale of 10% of the share capital of the 407 ETR for C$894.3 million. The share transfer took place on 18 November 2010. After the mentioned transaction Cintra holds a 43,23% interest in the 407 ETR.

In May 1999, 407 ETR was privatised and Cintra was awarded the concession which involves the construction or completion of seven interchanges, the construction of the east (15 kilometres) and west (24 kilometres) extensions of the highway (both completed in 2001) and the financing, maintenance and operation of the entire stretch of the 407 ETR for a period of 99 years (ending in 2098).

In 2011, more than 26 kilometres of new lanes (13 kilometres in each direction) on the 407 ETR were opened to traffic. In addition, the 407 ETR has new lanes in construction almost every year. Due to the existence of very high volumes of traffic, Cintra tends to begin construction before it has a contractual obligation to do so. Since the extensions completed in 2001, 173 kilometres of total new lanes have been added.

The 407 ETR passes through some of the fastest growing and most affluent municipalities in Canada and provides an alternative route to one of the most congested roads in North America. Traffic levels on the 407 ETR have increased in the majority of years since its privatisation in May 1999.

The 407 ETR is also the world's first all-electronic open access toll highway whereby tolls are calculated while vehicles are in motion, by means of vehicle identification at entry and exit points either through transponders or video-based license plate imaging. By removing the need for toll barriers, this toll collection system enables free flow of traffic along the highway allowing high traffic volumes to be handled without long queues.

The 407 ETR has an innovative tariff structure which provides the possibility of freely raising prices without prior authorisation from the Ontario Ministry of Transportation provided that the traffic is maintained above a certain threshold. This system makes it possible for Ferrovial to optimize revenues, by adjusting toll fees to the time savings offered to drivers by the toll highway.

The 407 ETR concession generated revenues of €489.6 million for the year ended 31 December 2011 (which has been equity-accounted since the fourth quarter of 2010).

United States

- Chicago Skyway Toll Bridge System

The Chicago Skyway links the Dan Ryan Express way (the main southern access to the city of Chicago) with the Indiana Toll Road. The Chicago Skyway is 12.5 kilometres long with approximately 37% of the toll road consisting of elevated structures, including a 750 meter bridge over the Calumet River. The toll road was opened to traffic in 1959 and a concession (in which Cintra has a 55% interest) was awarded in 2005, for a period of 99 years (ending in 2104). The concession involves a conservation and improvement programme for the existing infrastructure and was the first privatisation in the United States of an existing and operating (brownfield) toll road.

The Chicago Skyway provides an alternative route to a highly congested corridor connecting Chicago with a major residential and leisure area. In terms of traffic, approximately 91.9% of the vehicles using the motorway in 2011 were light vehicles and the remaining 8.1% were heavy vehicles.

The Chicago Skyway has a toll structure which allows for rate increases above the rate of inflation until 2017 and for subsequent annual increases equal to the highest of the following: 2%, inflation for the period or increase in nominal per capita gross domestic product ("GDP").

The Chicago Skyway concession generated revenues of €49.0 million in the year ended 31 December 2011, which accounted for 12.6% of Cintra's total revenues for the year ending 31 December 2011.

- Indiana Toll Road

The Indiana Toll Road concession represents another one of the concessions managed by Cintra in the United States, in which Ferrovial has a 50% stake. Cintra was awarded the concession in 2006 for a period of 75 years (ending in 2081). The toll road comprises two separate sections: the western section which is 37 kilometres long with an open toll system where users pay a single tariff which is independent of kilometres travelled, which connects with the Chicago Skyway; and the eastern section which is 217 kilometres long and operates under a ticket system where the users pay according to kilometres travelled. This toll road forms part of the main route linking Chicago and the Midwest with New York, and registers a large volume of freight traffic.

The Indiana Toll Road has an attractive pricing system, with increases exceeding inflation until 2010. Since 2011, there is an annual review based on the highest of the following: 2%, inflation for the period or the increase in nominal GDP per capita.

The Indiana Toll Road generated revenues of €133.3 million in the year ended 31 December 2011.

- Other Toll Roads in the United States

Ferrovial also has three toll road concessions which are currently under construction in the United States; the NTE in Texas (in which Cintra has a 56.67% stake), a 21.4 kilometre toll road, the term for which ends in 2061; the LBJ in Dallas (in which Cintra has a 51.0% stake), a 27.4 kilometre toll road, the term for which ends in 2061 and segments 5 and 6 of SH-130 highway, which started operating in November 2012 (in which Cintra has a 65.0% stake), running between San Antonio and North Austin, totalling 64.0 kilometres and terminating in 2062.

LBJ and NTE are two of the first existing "managed lanes" projects. Under the "managed lanes" system, tariffs charged are dynamic and may be changed every five minutes to manage traffic volume and ensure a minimum speed of 50 miles per hour (80.5 kilometres per hour).

Spain

- Ausol

Together, Cintra's Spanish Ausol I and Ausol II concessions cover 77 kilometres of toll roads and 28 kilometres of toll-free roads on the Costa del Sol motorway in southern Spain. The Ausol I concession covers the 82.7 kilometres segment between Malaga and Estepona, providing a link between the three town bypasses of Fuengirola, Marbella and Estepona. The segments of the motorway which pass Benalmádena, Marbella and Estepona are toll-free. The Ausol II concession (22.5 kilometres) covers the fully tolled southern extension of the Costa del Sol motorway from Estepona to Guadiaro.

The Ausol I concession was awarded in 1996, and became operational in June 1999. Ausol II was awarded in June 1999 and became operational in August 2002. The Ausol I and II concessions have 50 and 55 year terms, ending in 2046 and 2054, respectively. Cintra holds an 80% interest in the concessions.

The Ausol concessions provide a toll road in one of the corridors with the highest population growth in Spain, providing an alternative route in a highly congested semi-urban corridor.

As the Costa del Sol motorway is located along a popular vacation destination, traffic levels are subject to seasonal fluctuations, with higher traffic levels recorded in the summer and around the Easter holiday. Accordingly, the tariff structure of the Ausol concessions provides for these seasonal fluctuations by providing high and low season tariffs that vary according to vehicle type and motorway sections travelled. The toll rates are inflation indexed with an adjustment in the case of traffic exceeding established thresholds.

The Ausol concessions generated revenues of €53.4 million in the year ended 31 December 2011, which accounted for 13.7 % of Cintra's total revenues for the year ending 31 December 2011.

- Autema

Cintra's Spanish concession for the 48 kilometre toll road from Sant Cugat to Manresa in Catalonia is one of its more mature assets. The concession for the Terrassa to Manresa segment of C-16 motorway was awarded in 1986 and was modified in 1989 to include the 12 kilometre segment between Sant Cugat and Terrassa. Construction was completed in 1991 and the project has been fully operational as a toll road for the last 21 years. The concession, the term of which was increased by 15 years in 1993 to a total of 50 years, will expire on 1 January 2037. Cintra holds a 76.28% stake in the concession.

The Autema motorway is one of the roads leading to Barcelona and is a commuter corridor. The increase in traffic levels for Autema has been significant in recent years notwithstanding the fact that the toll road has been operational for 21 years.

The Autema concession is operated under a user-paid toll regime, charging tolls according to the day of the week and vehicle type. Tariffs are set by the terms of concession agreement and may be adjusted annually for inflation, subject to approval by the Catalonian government.

The Autema concession has a guarantee provided by the regional government through which, in exchange for a substantial price reduction, the government each year will pay the difference between the actual revenues and those forecast in the finance plan in force at the time, plus an adjustment for higher operating expenses due to the increase in traffic caused by the price reduction.

The Autema concession generated revenues of €81.7 million in the year ended 31 December 2011, which accounted for 20.97 % of Cintra's total revenues for the year ending 31 December 2011.

- Other Toll Roads in Spain

In Spain, Cintra is also the concessionaire for the Madrid Sur (R4), Madrid-Levante (AP-36 Ocaña-La Roda) and Alcalá-O'Donnell (M-203) toll roads. During the first quarter of 2012, Cintra won Benavente-Zamora (A66) and Almanzora-Purchena in 2011.

In September and October 2012, the companies of the R4 and AP-36 Ocaña-La Roda motorway filed for court protection from their creditors. This decision has been taken in the confidence that a solution will be reached within the coming months.

Portugal

- Norte-Litoral

The Portuguese Norte-Litoral concession involves the operation and maintenance of the existing motorway and the design and construction, maintenance and operation of an extension to that motorway. Cintra holds a 75.53% direct interest in the Norte-Litoral which terminates in 2031.

The existing motorway is 119 kilometres long. The motorway was conceived as a means to provide an express route between the main towns and cities near the northern coast of Portugal, as well as providing a link to the border with Spain.

Tolls for this concession were initially paid under a shadow toll regime, whereby the Portuguese Government paid Cintra tolls based on the annual traffic volume on the operative section of the motorway. Since October 2010, this system has been replaced with an availability toll system under which payment is calculated based on the number of days on which the highway is operating, with penalisation for lane closures, where the daily rates are indexed according to the consumer price index for mainland Portugal.

The Euroscut Norte-Litoral generated revenues of €53.1 million in the year ended 31 December 2011, which accounted for 13.63% of Cintra's total revenues for the year ending 31 December 2011.

- Algarve

Cintra has a 77% interest in the Euroscut Algarve toll road concession, which has been granted until 2030. This toll road is 129.8 kilometres long. This concession is currently paid under a shadow toll regime, whereby the Portuguese Government paid tolls based on the annual traffic volume on the operative section of the motorway. Negotations with th Portuguese Government are underway in order to operate the toll road in a similar way as the Norte Litoral concession.

The Algarve generated revenues of €34.9 million in the year ended 31 December 2011, which accounted for 8.96% of Cintra's total revenues for the year ending 31 December 2011.

- Euroscut Azores

Cintra has an 89% stake in the concession for the construction and operation of the Euroscut Azores toll road, which has been awarded until 2036. This toll road has a high capacity road system of 93.7 kilometres, which will significantly improve the road network in the central and eastern parts of the island of San Miguel, in Azores, Portugal. This highway entered into service in December 2011.

The toll road is operated under a shadow toll system under which terms payment is made by the authority granting the concession and not by the highway users. Traffic above a certain threshold will not pay tolls and tolls will be applied under a system of varying rates divided into traffic bands. Toll rates are linked to the consumer price index for the Azores.

Other Countries

Ferrovial also operates two concessions in Ireland: the M3, a 50 kilometre toll road, the term for which ends in 2052, and Eurolink (M4-M6), a 36 kilometre toll road, the term for which ends in 2033; and two concessions in Greece (Cintra has a 33.34% stake in each of these concessions): the Ionion Roads and Central Greece toll roads of 378.7 kilometres and 231 kilometres respectively, each terminating in 2037 and 2038, respectively.

Airports Business Division

Summary

Ferrovial's activities in the Airports business division include the development, financing and operation of airports.

Ferrovial participates in the airport industry principally through HAH, since 2006, when it acquired a stake of 55.87% in HAH. On 26 October 2011 Ferrovial completed the sale of 5.88% of its interest and started to consolidate in Ferrovial's Group accounts under the equity method.

After the sale of a further 5.72% to Stable Investments Corporation (a wholly owned subsidiary of CIC International Co. Ltd), on 31 October 2012, and of a further 10.62% to Qatar Holding LLC (subject to obtaining regulatory approval), Ferrovial will indirectly hold 33.65% of HAH's share capital. The remaining stakes are held by Qatar Holding LLC (20%), Caisse de Dépôt et Placement du Québec (13.29%) investment vehicles controlled by the Government of Singapore Investment Corporation (11.88%), Alinda Capital Partners (11.18%) and CIC International Co. Ltd,. (10.0%).

As at 31 December 2011, HAH owned Heathrow and five other airports in the United Kingdom: Stansted, Edinburgh, Glasgow, Aberdeen, and Southampton, being a world leading private airport operator. The six airports handled 108.6 million passengers in 2011.

As a consequence of the Competition Commission proceeding, on 31 May 2012 HAH closed the sale of its 100% interest in Edinburgh Airport Limited to Global Infrastructure Partners ("GIP") for £807.2 million, and on 18 January 2013 it announced it had agreed to sell its 100% interest in Stansted to Manchester Airports Group for £1,500 million in a transaction currently expected to close by the end of February 2013.

Division results of operations

The table below sets out the revenues and EBITDA for the key airports of the Group and the Heathrow Express rail operations for the years ended 31 December 2011 and 31 December 2010:

	Year ended 31 December			
	Revenues (millions of pound sterling)		EBITDA(1) (millions of pound sterling)	
Airports	**2011(2)**	**2010(2)**	**2011(2)**	**2010(2)**
Heathrow	1,936.0	1,743.6	982.8	825.1
Heathrow Express	173.7	182.6	62.3	55.6
Stansted	234.4	229.6	86.6	86.0
Scotland(3)	245.0	229.5	98.4	89.1
Southampton	27.5	27.3	9.9	9.9
Others(4)	-92.6	-24.0	47.2	31.9
Total	**2,524.0**	**2,388.6**	**1,287.2**	**1,097.7**

Notes:
(1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.
(2) Figures for the year ended 31 December 2011 were extracted from the 2011 Consolidated Annual Accounts and figures as of and for the year ended 31 December 2010 were extracted from the 2010 Consolidated Annual Accounts.
(3) Includes Aberdeen, Edinburgh and Glasgow airports.
(4) Includes Naples and US retail figures for 2010.

In 2011, HAH revenues and EBITDA were £2.5 billion and £1.3 billion respectively (considering the 100%).

Since 2011 HAH has been equity-accounted.

Inception

The origins of the Airports business division date back to 1998, but it was only in 2006, with the acquisition of HAH, that it gained its current relevance.

Customers and Type of Contracts

Please refer to section "Activities" below.

Activities

The Airports business division generates two primary types of income: aeronautical income and non-aeronautical income. Aeronautical income is generated from airport fees and traffic charges. At Heathrow and Stansted, the Designated Airports, these charges are regulated and principally levied on the basis of passenger numbers, maximum total aircraft weight and the length of time for which an aircraft is parked at these airports. Non-aeronautical income is generated mainly from retail concession fees, car parking income, advertising revenue and other services supplied by the airports operators, such as the rental of aircraft hangars, cargo storage facilities, maintenance facilities, and the provision of facilities such as baggage handling and passenger check-in. HAH also generates income from the Heathrow Express rail operations.

The Airports business division assets are divided into regulated and non-regulated assets. The regulated assets are the Designated Airports (Heathrow and Stansted), and the non-regulated assets are Glasgow, Aberdeen and Southampton airports (the "Non-designated Airports").

Designated Airports

- Heathrow

Located 24 kilometres west of Central London, Heathrow handles more international passengers than any other airport in the world. It is the principal airport for long haul routes in the United Kingdom and is Europe's busiest airport in terms of total passengers. In 2011, 69.4 million passengers travelled through Heathrow, of which approximately 7% were domestic passengers, 52% were international long haul passengers and 41% were European passengers. Heathrow hosts most of the world's major international airlines and is the worldwide hub of British Airways and the main European hub of the Oneworld Alliance (which includes British Airways, Iberia, American Airlines, Finnaie, Japan Airlines (JAL) Qantas and Royal Jordanian). It also hosts the other two principal alliances of SkyTeam (which includes Airfrance, KLM, Alitalia, China Southern and Kenya Airways) and Star Alliance (which includes Air Canada, Air New Zealand, Air China, Egyptair, Lufthansa and Turkish Airlines).

Designated Airports have an air transport movements (known as "ATMs") annual capacity limit set by the Department of Transport. Heathrow is served by two parallel runways which together have maximum permitted ATMs of 480,000 per year. For the year ended 31 December 2011, actual passenger ATMs totalled 476,197. In 2011, British Airways accounted for approximately 43% of Heathrow's ATMs, Oneworld Alliance 49% and Star Alliance 29%. In 2011, approximately 65% of Heathrow's passenger traffic was origin and destination traffic and 35% was transfer traffic. Heathrow has five terminals with a total space of 837,205 square metres and provides a wide range of passenger services, including passenger-handling facilities, shops, bars, restaurants and over 20,000 public car park spaces. Heathrow is served by extensive bus services, London Underground services and the dedicated Heathrow Express rail link to and from London Paddington Station.

Heathrow has maintained a strong focus over recent years on operational performance, improving passenger experience and investing in new and upgraded facilities. As a result, Heathrow has risen to become one of the top performing major European hubs in terms of overall passenger satisfaction. In the third quarter of 2012, 75 per cent. of passengers rated their Heathrow experience as either "very good" or "excellent" up from 39 per cent. in 2006. Heathrow is implementing a £5.6 billion investment programme over next six years from 31 March 2014. The new Terminal 5 at Heathrow has provided additional terminal passenger capacity for up to 30 million passengers per year and has enabled Heathrow to begin rebuilding and renovating its other terminals. Construction of a new Terminal 2 is under way, which will have an initial capacity of up to 20 million passengers per year when it becomes operational in 2014, by which time all Heathrow's terminals will be either new or recently refurbished.

Given its relative scale, Heathrow is very important for the Airports business division, accounting in 2011 for approximately 67 % of the total passengers in the airports participated by Ferrovial and approximately 84% of the division's revenues.

- Stansted

Stansted, the UK's fourth busiest airport in terms of passengers, handled 18.0 million in 2011. On 20 August 2012, HAH announced its decision not to appeal to the Supreme Court against the ruling of the Competition

Commission of 19 July 2011 that required it to sell Stansted. On 18 January 2013, HAH announced that it had agreed to sell its 100% interest in Stansted to Manchester Airports Group for £1,500 million. The sale is currently expected to close by the end of February 2013. Net proceeds from the disposal will be applied in repayment of HAH's debt as required by its financing agreements.

Stansted generated turnover of £234 million and EBITDA of £87 million for the year ended 31 December 2011.

Non-designated Airports

The Non-designated Airports as of 31 December 2011 consist of Edinburgh, Glasgow, Aberdeen and Southampton.

Unlike Designated Airports, the Non-designated Airports do not have an ATM or annual capacity limit established by the Department of Transport.

The Non-designated Airports serve a catchment area in Scotland and England's South Coast of 6.3 million people. The regions served by these airports have shown strong economic growth anchored upon financial services, energy and logistics industries, which was reflected in the robust traffic growth experienced over the past 10 year period with over 21.1 million passengers travelling through them in 2011.

Glasgow airport is Scotland's second busiest airports after Edinburgh airport with 6.9 and 6.5 million passengers in 2011 and 2010, respectively. It has a catchment area of 1.8 million people and offers a balanced mix of domestic (51%) and international (49%) traffic. It is served by 34 airlines that fly to more than 90 destinations. The infrastructure in place would support 15.0 million passengers per year.

Aberdeen airport is one of Britain's fastest growing airports and the world's busiest commercial heliport, providing services for approximately 500,000 helicopter passengers in support of the North Sea oil and gas industry. Aberdeen airport is used by 20 airlines serving more than 40 destinations.

Southampton has a large catchment area of over 3.0 million people and serves 50 destinations with 12 airlines using this airport. It provides short haul air links to mainland Europe, large United Kingdom cities and the Channel Islands.

The table below sets out the number of passengers by airport for the years ended 31 December 2011 and 31 December 2010:

	Year ended 31 December (million passengers)	
Airport	**2011**	**2010**
Heathrow	69.4	65.7
Stansted	18	18.6
Glasgow	6.9	6.5
Edinburgh	9.4	8.6
Aberdeen	3.1	2.8
Southampton	1.8	1.7
Total	**108.6**	**103.9**

Regulatory Matters

The Airports Act 1986 (the "Airports Act") sets out the regulatory framework for airports in the UK. The CAA, as the economic regulator for UK airports, is required to set price controls for the airport charges levied by price regulated ("designated") airports. Whether or not an airport is designated is a matter for the UK Government. Heathrow is a designated airport.

Legislation (the "Civil Aviation Bill") to introduce changes to the framework for the economic regulation of UK airports has been introduced to Parliament. This is described further in "Potential Future Changes to the Regulatory Framework" below.

The CAA sets the maximum level of airport charges for five year periods, known as quinquennia. The CAA has the right to extend quinquennia for up to one year and has done so for Heathrow airport (extending the current quinquennium, Q5, to 2014 to allow the regulatory review for the next quinquennium, Q6, to take place after implementation of the Civil Aviation Bill (see "Potential Future Changes to the Regulatory Framework" below).

As with other UK regulated utilities, Heathrow airport's price cap has been set on an RPI +/- X per cent. basis based on an allowed return on the RAB. Changes in costs and revenues and changes in assumed traffic volumes are addressed going forward when tariffs are re-set for the following regulatory period. However, there is not a retrospective adjustment for shortfalls in lost income or additional costs (except where airports incur additional security costs, above an established threshold, when implementing new security directives imposed by the EU or the UK Government).

The CAA and its Statutory Powers and Objectives

The CAA is the independent aviation regulator in the UK, with responsibility for economic regulation, airspace policy, safety regulation and consumer protection. The CAA currently has a statutory duty to perform its functions in setting price controls in a manner which it considers is best calculated to:

- further the reasonable interests of users of airports within the UK;
- promote the efficient, economic and profitable operation of such airports;
- encourage investment in new facilities at airports in time to satisfy anticipated demands by the users of such airports; and
- impose the minimum restrictions that are consistent with the performance by the CAA of its functions.

The Airports Act does not provide guidance on how the CAA should weigh its various statutory duties. The CAA has stated that where two or more of its statutory duties pull in different directions it will base its decisions on its overall assessment of how the combination of regulatory policy decisions are together best calculated to meet its statutory duties taken as a whole. The CAA's statutory duties are subject to change as set out below.

In carrying out its statutory functions, the CAA also has to take account of the UK's international obligations. Amongst other things, these provide that airport charges for non-national aircraft are not higher than those paid by national aircraft engaged in similar operations.

The International Civil Aviation Organisation publishes guidance on charges for airport services. It considers that where an airport is provided for international use, the users shall ultimately bear their full and fair share of the cost of providing the airport including a reasonable rate of return on assets. It also provides guidance on charging systems suggesting, among other things, that charges should be simple and non-discriminatory and that increases should be introduced on a gradual basis where possible.

Future Changes to the Regulatory Framework

The Civil Aviation Bill is being brought forward following the UK Government's decision announced in December 2009 which followed extensive consultation with the industry regarding changes to the economic regulation of UK airports. The legislation may be subject to change prior to its implementation.

The reforms include introducing a new single primary duty for the CAA to promote the interests of existing and future end consumers of passenger and freight services, wherever appropriate by promoting effective competition. There will also be supplementary duties for the CAA to:

- have regard for airport operators' legal obligations to comply with applicable environmental and planning law;
- secure, so far as it is economical to meet them, that all reasonable demands for airport services are met efficiently;
- ensure that licence holders are able to finance the activities which are subject to the relevant licence obligations;
- have regard to guidance issued by the Secretary of State, as well as any National Policy Statement on airports;

- have regard to the principles of Better Regulation and to consult with stakeholders, including airlines; and
- secure that licence holders are able to take reasonable measures to mitigate the adverse environmental effects of the licensed airport, its associated facilities and aircraft using that airport.

The proposed reforms will also bring into effect an economic licensing regime for airports similar to the regulatory framework in place in certain other regulated sectors such as water and energy; as a regulated airport. Heathrow airport will require a licence (in addition to its existing aerodrome licence. Licensed airports are expected to be subject to a form of price control and a sanctions regime. The licensing regime is to be developed but could include scope for financial penalties, for example, in the event of a breach of certain licence conditions. Licensed airports are also expected to be obliged to consult stakeholders on future plans for investment and the operation of an airport, to report on environmental performance, to comply with service standards and other conditions and measures designed to ensure the effective economic regulation of the airport. The CAA will issue the initial licence. The licensing regime will also include conditions relating to the financial resilience of licensed airports. For example, this may include requirements in respect of:

- a minimum credit rating requirement for licensed airports;
- ring-fencing provisions similar to those in place in other regulated sectors but with initial derogations from some of those provisions where the costs of implementation would exceed their benefits;
  - a requirement on the CAA to apply agreed tests when considering the removal of an airport's derogations and an appeals process that is aligned with the wider licence modification process; and
  - a requirement for airports to put in place continuity of service plans.

The UK Government has confirmed:

- that it will not bring in a special administration regime; and
- that it will not be making changes to the basis on which the current price cap at Heathrow is set.

Competition Commission

HAH's provision of United Kingdom airport services has been the subject of a Competition Commission ("CC") investigation. In March 2009, the CC published its final decision in relation to its investigation, which included the key structural remedy that HAH must divest both Gatwick airport and Stansted (and either Edinburgh or Glasgow airport). Gatwick and Edinburgh has since been sold.

On 18 May 2009, HAH applied to the Competition Appeal Tribunal ("CAT") to appeal the CC's findings.

On 21 December 2009, the CAT released its judgment in HAH's appeal against the CC decision requiring HAH to dispose of Gatwick and Stansted as well as one of either Edinburgh or Glasgow airports. In the judgment, the Tribunal unanimously concluded that, in the light of the material facts, a fair-minded and informed observer would conclude that there was a real possibility of bias affecting the deliberations, thinking and ultimate outcome of the CC investigation of the supply of airport services by HAH in the United Kingdom. The CAT also concluded that HAH had not waived its right to object to the apparent bias.

On 25 February 2010, the CAT ordered that the CC's decisions be quashed and that the matter be referred back to the CC to reconsider but that this referral will not take effect until the conclusion of any appeal. On 26 March 2010, the Court of Appeal granted the CC leave to appeal against the CAT's findings in relation to apparent bias and the appeal hearing occurred in June 2010. The CC's decision was upheld by the Court of Appeal in October 2010 and, in February 2011, HAH was refused permission to appeal to the Supreme Court.

On 19 July 2011 the CC reviewed its original decision in light of changes in circumstances since 2009 and concluded there had been no material change that would lead it to amend its requirement that HAH sell Stansted and one of the Scottish airports within the original commercially confidential timescale. HAH subsequently appealed the CC's decision to the CAT as to the requirement to sell Stansted. As to the disposal of the Scottish airports, HAH announced on 19 October 2011 the nomination of Edinburgh as the airport to be sold. On 31 May 2012, HAH closed the sale of its 100% interest in Edinburgh Airport.

On 1 February 2012, the CAT found in favour of the CC's decision to require HAH to sell Stansted Airport. HAH initiated appeal proceedings against this decision on 29 February 2012, but this request was refused by the Court of Appeal on 26 July.

After careful consideration, on 20 August 2012, HAH announced its decision not to appeal to the Supreme Court against the ruling of the CC of 19 July 2011 that required HAH to sell Stansted. On 18 January 2013, HAH announced that it had agreed to sell its 100% interest in Stansted to Manchester Airports Group for £1,500 million. The sale is currently expected to close by the end of February 2013.

Research Development and Innovation

To date, Ferrovial has more than 100 projects underway which are valued at approximately €60,0 million. The Group invested €51.2 million in research, development and innovation ("R&D+i") in innovation projects in the year ended 31 December 2011.

Throughout 2011, Ferrovial has focused on developing technologies applied to mobility, transportation, energy efficiency and environmental sustainability based on the concept of intelligent infrastructures.

The Group carries out its R&D+i activity through its development centers, such as the Center for Excellence in Transportation and the Center for Intelligent Infrastructure Innovation ("CI3"). The CI3 was founded in 2010 with the support of Alcalá de Henares University and the backing of the Regional Government of Castilla-La Mancha. The CI3 has a budget of approximately €10.0 million for innovation projects for the period from 2010 to 2013 and its main projects currently underway include EMMOS (advanced energy efficiency management system for buildings, urban areas and facilities), RINTER (intelligent waste collection system) and SATOLL (satellite tolls).

The Group also collaborates with some of the most reputed research centres in the world. For example, at the end of 2010, Ferrovial signed a five-year agreement with the Massachusetts Institute of Technology ("MIT"), for collaboration on research projects geared toward transforming cities and developing the infrastructures of the future.

Legal Proceedings

Ferrovial is involved from time to time in various claims and lawsuits, most of which arise in the ordinary course of its business. The main judicial, arbitration and regulatory proceedings of Ferrovial as of the date of this Prospectus are set forth below.

Spanish toll roads

Cintra is a party to several proceedings regarding expropriation rights in respect of land required to build toll roads. Ferrovial has recognised a provision of €420.6 million for such proceedings, with €370.5 million of this provision relating to the Madrid Sur (M-50 and Radial 4) concession road. In relation to the Madrid Sur concession road, during 2011 and 2012, the concession company of the M-50 and Radial 4 motorway, which is a subsidiary of Cintra, has received many judgements from the Madrid High Court of Justice (*Tribunal Superior de Justicia*) regarding Madrid land valuations, both for the M-50 and the Radial 4, and also judgements concerning the land valuation for the Radial 4 toll road in Toledo. The majority of these judgements have been appealed and the High Court (*Tribunal Supremo*) is beginning to consider such appeals.

Recently, the concession companies in respect of the M-50, Radial 4 and AP-36 roads filed for court protection from their creditors, and their application has been admitted by the judge. Under Spanish Insolvency Law, enforcement of claims against companies in "*concurso*" is stayed until certain conditions are met.

Spanish tax audit assessments

Ferrovial is currently involved in several appeals against taxes claimed in Spanish tax audit assessments. The appeals mainly relate to corporate income tax and value added tax of Group companies for the fiscal years from 2002 to 2011, and have a total value of €254 million. Final payment of the taxes has been deferred until the end of the court proceedings, which are expected to last between 8 and 10 years. Ferrovial has made a partial provision of €224 million for such proceedings, however it believes, based on legal opinions requested from legal advisers in relation to the most significant appeal, that there are sufficient legal arguments to reverse the assessments on appeal.

Container terminal at the port of Barcelona

The UTE Muelle Prat joint venture, in which Ferrovial Agroman participates, was involved in the first phase of construction of the Muelle Prat container terminal, located in the port of Barcelona, which was completed in

March 2006. On 1 January 2007, sixteen of the armed concrete drawers built in the container terminal were displaced over an area of 600 meters along the container terminal. In September 2011, Ferrovial Agroman was sued by the Puerto de Barcelona jointly with another six companies. The claim is for damages for the amount of €97 million. The claim is against all of the companies that were involved in the construction of the Muelle del Prat and acknowledges that the claimant does not know the cause of the accident on the grounds of a technical report drafted by an expert not belonging to the Group, Ferrovial Agroman believes that the UTE Muelle Prat does not have any liability in this case.

Other construction legal proceedings

Arbitration in Warsaw

Ferrovial Agroman is currently involved in legal proceedings relating to an agreement with Polish Airport State Enterprise (PPL) ("**PPL**"). PPL terminated early its agreement with the Ferrovial Agroman-Budimex consortium and executed performance bonds provided by such consortium amounting to 54.3 million Polish zlotys (approximately €13.5 million). The Ferrovial Agroman-Budimex consortium is claiming the amounts of 54.3 million Polish zlotys and approximately US$59.0 million from PPL for the illegally collected bonds and unpaid works, respectively (in total, approximately €54.5 million). PPL is counter-claiming 281.0 million Polish zlotys (approximately €67.0 million) in damages, loss of business and late compliance penalties. These claims are currently being heard by an arbitration court. In February 2009, the arbitrators resolved that PPL should reimburse the Ferrovial Agroman-Budimex consortium the proceeds of the executed guarantees. In September 2012, PPL reimbursed the Consortium for the amount of the guarantees, PPL has appealed such resolution. On June 2010, an expert was appointed to decide whether PPL was entitled to terminate the agreement early. Based on the opinion issued on 29 July 2011 and April 2012 by such expert the legal advisers of Ferrovial Agroman believe that there is a good chance of a positive outcome for Ferrovial Agroman in these proceedings. Based on this legal advice, Ferrovial Agroman has made a partial provision of €15.6 million for such proceedings, as it does not expect that they will have a material adverse effect on its business, financial condition or results of operations.

Arbitration in Tunisia

Ferrovial Agroman is currently a party to proceedings filed against it in relation to an agreement with Entreprise Electra Essid Neji ("Electra Essid"). Ferrovial Agroman subcontracted Electra Essid to install the electrical works of the Olympic Stadium of Rades, in Tunisia. The value of the agreement was approximately €2.25 million. The final invoice of Electra Essid expressly stated that it waived its right to claim for any amount other than the contractual retainage deducted under the performance guarantee, which amounted to 542,800.0 Tunisian Dinars (approximately €0.25 million). Electra Essid has claimed the amount of 45.0 million Tunisian Dinars (approximately €22.5 million) from Ferrovial Agroman, which is approximately ten times the price of the subcontracting agreement and one hundred times the amount of the retainage deducted. Legal advisers of Ferrovial Agroman believe that there are enough legal arguments to oppose Electra Essid's claim. Based on their opinion, Ferrovial Agroman has not made a provision in respect of these proceedings as it does not expect that they will have a material adverse effect on its business, financial condition or results of operations.

Woermann Tower in Tenerife

In May 2011, the owners of the Woermann Tower brought an action against Ferrovial Agromán and Ferrovial Inmobiliaria, S.A., the technical directors (*dirección facultativa*) of the Woermann Tower and the designers of the Woermann Tower, on the grounds of construction defects. The claim amounts to €15.5 million. Ferrovial Agroman has made a partial provision of €9.6 million for such claim, however it does not believe that an adverse outcome in these proceedings would have a material adverse effect on its business, financial condition or results of operations.

Arbitration regarding Spanish waste management

Cespa Gestión y Tratamientos de Residuos, S.A., a subsidiary of Cespa Gestión de Residuos, is involved in legal proceedings relating to the lease of lands where the now-closed landfill of Guadalajara was located and alleged breach of contract and environmental torts. Claim has been brought by RyG 55 Promociones Alcarreñas, S.L. and some other construction companies for an amount alleged to be not less than €27 million. Claims shall be heard by an arbitration court. However, at the date of publication of this Prospectus, the claimants have not yet filed their submissions at the arbitration court.

Environmental Matters

Ferrovial's activities are subject to environmental regulation. This requires, among other requirements, that the Group commissions environmental impact studies for future projects and that it obtains the licences, permits and other authorisations required to construct and operate relevant projects. In recent years there has been a significant increase in environmental regulation in Spain, the European Union and other jurisdictions in which Ferrovial operates. These include regulations in relation to carbon dioxide emissions and limitations on polluting emissions from large plants and facilities. Ferrovial has implemented environmental management systems ("EMSs") worldwide, which are focused on managing and monitoring legal compliance of its activities. A high proportion of the EMSs have been certified according to the international standards ISO 14001 and Eco-management Audit Scheme.

Ferrovial has established a "Sustainability Policy" which it has implemented worldwide and across all business divisions. Each Group company and each business division has adapted this policy according to the risks and regulatory environment of its business activity. A fundamental aspect of the Sustainability Policy of Ferrovial is its climate change strategy. The Group's strategy on this particular issue involves not only the control and mitigation of regulatory risks, but also an integrated and proactive approach to position the Group to benefit from business opportunities worldwide (i.e. energy efficiency, low carbon infrastructures, water management, carbon sinks, biodiversity and natural resources, etc.). Concerning Ferrovial's own emissions, procedures for calculating and monitoring the carbon footprint have been implemented since 2007, currently involving 100% of activities worldwide. Moreover, ambitious targets for the reduction of greenhouse gases have been set since 2009 at both business and Group levels. Carbon emissions and targets are yearly audited and verified by a third party. As a result of this challenging strategy, since 2010, analysts at the Carbon Disclosure Project rated Ferrovial's strategy and performance on climate change as the best within the heavy construction and transport infrastructure sectors, including the Group in both Carbon Disclosure Leadership Index ("CDLI") and Carbon Disclosure Perfomance Index ("CPLI"). In 2012, Ferrovial was listed in the CPLI as a sector leader, clearly outperforming all competitors in the sector. In addition, since 2002, Ferrovial has been consistently rated within the Dow Jones Sustainability Indexes (in both Europe and world ratings).

In order to monitor and report the global environmental performance of the main business areas of the Group, Ferrovial has created an environmental performance index ("EPI") which summarises the environmental effects (or risks, depending on the business area) of its activities, as well as the eco-efficiency of business activity and the achievement of environmental targets. The EPI has been implemented in both the Construction business division (in 1999) and the Services business division (in 2009). The index can calculate the values of the EPI for individual companies, or as a weighted aggregate to obtain an overall value for all the businesses at the corporate level.

Intellectual Property

Ferrovial implements intellectual property ("IP") protection policies and procedures. The measures taken by the Group to protect its IP include the entry into confidentiality, non-disclosure and/or non-compete agreements by employees, service providers and counterparties, as appropriate, and the dissemination throughout the Group of an internal code of conduct.

In order to prevent third parties from being able to use and benefit from their names or internet domains, Ferrovial's policy is for all affiliates and subsidiaries to: (i) register and protect their names in accordance with local legislation, (ii) register their names as commercial brands in the relevant product areas, and (iii) register their internet domains.

Insurance

Under its risk management policy, Ferrovial maintains insurance which provides cover against various risks, such as third party damage (aviation, environmental and civil liability, in general), construction defects, management's and employees' liability and risks to which its property, plant and equipment are subject. Ferrovial's risk management policy also includes the assessment of tools for risk transfer that are alternative to insurance cover.

Risk management

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

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

Employees

In the year ended 31 December 2011, the Group had around 68,000 employees.

Management

Management of the Guarantors

Management of Ferrovial, S.A.

Board of Directors of the Parent

The Board of Directors of the Parent as at the date hereof is composed of the following 12 Directors:

Name	Position
Rafael del Pino y Calvo-Sotelo	Chairman
Santiago Bergareche Busquet	Vice Chairman
Joaquín Ayuso García	Vice Chairman
Iñigo Meirás Amusco	Executive Director
Jaime Carvajal Urquijo	Director
PORTMAN BAELA, S.L.(1)	Director
Juan Arena de la Mora	Director
Gabriele Burgio	Director
María del Pino y Calvo-Sotelo	Director
Santiago Fernández Valbuena	Director
José Fernando Sanchez-Junco Mans	Director
KARLOVY, S.L.(2)	Director
Santiago Ortiz Vaamonde	Secretary (non director)

Notes:

(1) The Board of Directors of Portman Baela, S.L. as at the date hereof is composed of Rafael del Pino y Calvo Sotelo (Chairman), María del Pino y Calvo Sotelo (Vice-Chairman), Joaquin del Pino y Calvo Sotelo (Director), Leopoldo del Pino y Calvo-Sotelo (Director), Clemente Cebrian Ara (Director), Borja Prado Eulate (Director), Claudio Aguirre Peman (Director), José Ignacio Ysasi-Ysasmendi Pemán (Secretary).

(2) The Board of Directors of Karlovy, S.L. as at the date hereof is composed of Rafael del Pino y Calvo Sotelo (Chairman), María del Pino y Calvo Sotelo (Vice-Chairman), Joaquin del Pino y Calvo Sotelo (Director), Leopoldo del Pino y Calvo-Sotelo (Director), Clemente Cebrian Ara (Director), Borja Prado Eulate (Director), Claudio Aguirre Peman (Director), and José Ignacio Ysasi-Ysasmendi Pemán (Secretary).

The business address of the members of the Board of Directors of the Parent is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to the Parent.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors of Portman Baela, S.L. listed above and their duties to the Parent.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors of Karlovy, S.L.listed above and their duties to the Parent.

Management Structure of the Parent

The Management Committee has the following composition:

Name	Position
Íñigo Meirás Amusco	Executive Director
Jaime Aguirre de Cárcer y Moreno	Human Resources General Director
Enrique Díaz-Rato Revuelta	General Director of the Toll Roads Business Division
Álvaro Echániz Urcelay	General Director of Real Estate
Federico Flórez Gutiérrez	General Director of Information Technology Systems
Alejandro de la Joya Ruiz de Velasco	General Director of the Construction Business Division
Ernesto López Mozo	General Finance Director
Santiago Olivares Blázquez	General Director of the Services Business Division
Santiago Ortiz Vaamonde	General Secretary (non director)
Jorge Gil Villén	General Director of the Airports Business Division

The business address of the members of the Management Committee of the Parent is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Management Committee listed above and their duties to the Parent.

Management of Ferrovial Agromán, S.A.

Board of Directors of Ferrovial Agromán

The Board of Directors of Ferrovial Agromán as at the date hereof is composed of the following Directors:

Name	Position
Íñigo Meirás Amusco	Chairman
Alejandro de La Joya Ruiz De Velasco	Executive Director
Ernesto López Mozo	Director
Santiago Ortiz Vaamonde	Director
José Carlos Garrido-Lestache Rodríguez	Director and Secretary

The business address of the members of the Board of Directors of Ferrovial Agromán is Ribera del Loira 42, Edificio 3, Campo de las Naciones, 28042 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Ferrovial Agromán.

Management Structure of Ferrovial Agromán

The persons responsible for the day-to-day management of Ferrovial Agromán and their functions are as follows:

Name	Position
Alejandro De La Joya Ruiz De Velasco	Executive Director
Angel Luis Sanchez Gil	Director of Zone 1
Antonio Casado Sola	Director of Cadagua, S.A.
Carmelo Rodrigo López	Director of Zone 2
Dariusz Blocher	Chairman of Budimex, S.A.
Tim Creson	Chairman of W.W. Webber, LLC
Francisco. Javier Martínez Sánchez-Prieto	Director of Quality Control and Enviroment and Director of Corporate Resources
José Carlos Garrido-Lestache Rodriguez	Legal Director
Juan Elízaga Corrales	Director of Institutional Relations
Leonor Victoria Pablos Fernández	Human Resources Director
Santiago Perez-Fadón Martínez	Technical Director
Javier Galindo Hernández	Finance and Business Development Director

The business address of the members of the management team of Ferrovial Agromán is Ribera del Loira 42, Edificio 3, Campo de las Naciones, 28042 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the management team listed above and their duties to Ferrovial Agromán.

Management of Ferrovial Servicios, S.A.

Board of Directors of Ferrovial Servicios

The Board of Directors of Ferrovial Servicios, as at the date hereof is composed of the following Directors:

Name	Position
Íñigo Meirás Amusco	Chairman
Santiago Olivares Blázquez	Executive Director
Ernesto López Mozo	Director
Santiago Ortiz Vaamonde	Director
Alfredo Javier García López	Secretary

The business address of the members of the Board of Directors of Ferrovial Servicios is Calle Príncipe de Vergara, 135, 28,002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Ferrovial Servicios.

Management Structure of Ferrovial Servicios

The persons responsible for the day-to-day management of Ferrovial Servicios and their functions are as follows:

Name	Position
Santiago Olivares Blázquez	General Director of Ferrovial Servicios, S.A.
Francisco Javier Llansó Benito	General Director of Cespa, S.A.
Juan Ignacio Beltrán García-Echániz	General Director of the Infrastructure Maintenance and Facility Management Business
Vicente Galván López	General Director of Quality Control and Environment
Fernando González de Canales Moyano	Finance Director
Iñigo Jodrá	Director of Development & Strategy
María Dionis Trenor	Human Resources Director
Alfredo García López	Legal Director
Mel Ewell	Executive Director of Amey
Enrique Sanchez Nuevo	Cities Director

The business address of the members of the management team of Ferrovial Servicios is Calle Serrano Galvache 56, 28033 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the management team listed above and their duties to Ferrovial Servicios.

Management of Cintra Infraestructuras, S.A.

Board of Directors of Cintra

The Board of Directors of Cintra as at the date hereof is composed of the following Directors:

Name	Position
Íñigo Meirás Amusco	Chairman
Enrique Díaz-Rato Revuelta	Executive Director
Santiago Ortiz Vaamonde	Director
Ernesto López Mozo	Director
Javier Romero Sullá	Director and Secretary

The business address of the members of the Board of Directors of Cintra is Plaza Manuel Gómez Moreno 2, Edificio Alfredo Mahou, 28020 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Cintra.

Management Structure of Cintra

The persons responsible for the day-to-day management of Cintra and their functions are as follows:

Name	Position
Enrique Díaz-Rato Revuelta	Executive Director
Francisco Clemente Sánchez	Finance Director
Carlos Ugarte Cruz-Coke	Director of Corporate and Business Development
Cristóbal Martínez Álvaro	Director of Concession Services
Javier Romero Sullá	Legal Director
Iván González García	Human Resources Director
Nicolás Rubio de Cárdenas	Director for Operations in the United States
José Ángel Tamariz-Martel Goncer	Director for Operations in Canada
Andrés Sacristán Martín	Director for Operations in Spain
Pedro Losada Hernández	Director for Operations in Europe

The business address of the members of the management team of Cintra is Plaza Manuel Gómez Moreno 2, Edificio Alfredo Mahou, 28020 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the management team listed above and their duties to Cintra.

Management of 4352238 Canadá, Inc.

Board of Directors of 4352238 Canadá, Inc.

The Board of Directors of Canadá, Inc. as at the date hereof is composed of the following Directors:

Name	Position
Jose Ángel Tamariz-Martel Goncer	Chairman
Francisco Clemente Sánchez	Director
Luis Ignacio de Felipe Fernández	Director
Gregory R.Wylie	Director
Francisco José Espinosa Muñoz	Treasurer and Secretary (non director)

The business address of the members of the Board of Directors of Canadá, Inc. is 100 King Street West, Suite 6600, 1 First Canadian Place, Toronto, Ontario, Canada.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Canadá, Inc.

Management Structure of 4352238 Canadá, Inc.

The persons responsible for the day-to-day management of Canadá, Inc. and their functions are as follows:

Name	Position
Francisco José Espinosa Muñoz	Treasurer and Secretary (non director)
José Ángel Tamariz-Martel Goncer	Chairman

The business address of the members of the management team of Canadá, Inc. is 100 King Street West, Suite 6600, 1 First Canadian Place, Toronto, Ontario, Canada.

There are no potential conflicts of interest between the private interests or other duties of the members of the management team listed above and their duties to Canadá, Inc.

Management of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Board of Directors of Cespa

The Board of Directors of Cespa as at the date hereof is composed of the following Directors:

Name	Position
Santiago Olivares Blázquez	Chairman
Francisco Javier Llansó Benito	Director
Fernando González de Canales Moyano	Director
Alfredo Javier García López	Director and Secretary

The business address of the members of the Board of Directors of Cespa is Avenida de la Catedral 6-8, 08002 Barcelona, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Cespa.

Management Structure of Cespa

The persons responsible for the day-to-day management of Cespa and their functions are as follows:

Name	Position
Francisco Javier Llansó Benito	General Director
Rosa Mª Forcada Castelltort	Knowledge and Innovation Director
Gonzalo Rodríguez San Juan	Urban Services Director
Salvador de Tudela Edo	Human Resources Director
Antoni Aliana Portugal	Finance and Information Technology Systems Director
Pedro Baulenas Ayza	C&I Business Director and Waste Treatment Director
Antonio Navarro-Reverter García-Germán	Legal Director
Gonzalo Nieto Mier	Director of Internacional Operations

The business address of the members of the management team of Cespa is Avenida de la Catedral 6-8, 08002 Barcelona, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the management team listed above and their duties to Cespa.

Joint Directors of Cespa Gestión de Residuos, S.A. (Administradores Mancomunados)

Name	Position
Santiago Olivares Blázquez	Director
Francisco Javier Llansó Benito	Director

Management Structure of Cespa Gestión de Residuos, S.A.

The persons responsible for the day-to-day management of Cespa Gestión de Resiudos and their functions are as follows:

Name	Position
Francisco Javier Llansó Benito	General Director
Rosa Mª Forcada Castelltort	Knowledge and Innovation Director
Gonzalo Rodríguez San Juan	Urban Services Director
Salvador de Tudela Edo	Human Services Director
Antoni Aliana Portugal	Finance and Information Technolgy Systems Director
Pedro Baulenas Ayza	C&I Business Director and Waste Treatment Director
Antonio Navarro-Reverter García-Germán	Legal Director
Gonzalo Nieto Mier	Director of International Operations

Management of Hubco Netherlands B.V.

Management Board of Hubco Netherlands B.V.

The Management Board ("*bestuur*") of Hubco as at the date hereof is composed of the following Directors:

Name	Position
Ignacio de Felipe	Director
Trust International Management (T.I.M.) B.V.(1)	Director

Note:

(1) The Board of Directors of Trust International Management (T.I.M.) B.V. as at the date hereof is composed of Gerardus Nicolaas Meijssen (Managing Director) and Wilhelmus Joseph Langeveld (Managing Director).

The business address of the members of the Management Board ("*bestuur*") of Hubco is Naritaweg 165, 1043 BW Amsterdam, The Netherlands.

There are no potential conflicts of interest between the private interests or other duties of the members of the Management Board ("*bestuu*r") listed above and their duties to Hubco.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors of Trust International Management listed above and their duties to Hubco.

Management Structure of Hubco Netherlands B.V.

The persons responsible for the day-to-day management of Hubco and their functions are as follows:

Name	Position
Ignacio de Felipe	Director
Trust International Management (T.I.M.) B.V.(1)	Director

Note:

(1) The Board of Directors of Trust International Management (T.I.M.) B.V. as at the date hereof is composed of Gerardus Nicolaas Meijssen (Managing Director) and Wilhelmus Joseph Langeveld (Managing Director).

The business address of the members of the management team of Hubco Naritaweg is 165, 1043 BW Amsterdam, The Netherlands.

There are no potential conflicts of interest between the private interests or other duties of the members of the management team listed above and their duties to Hubco.

Recent Developments

HAH has been accessing the capital markets on a regular basis (in pounds sterling, euro, U.S. Dollars, Canadian Dollars and CHF). As a result, issuances in the amounts of £1.3 billion and €0.7 billion have taken place during 2011, along with CHF 0.4 billion, £1.8 billion, $0.5 billion, C$0.4 billion and €0.8 billion issuances during 2012, enabling the company to finance its capital expenditure needs and partly refinance its overall debt facilities, diversifying sources of financing.

On 25 April 2012, 407 International, the owners and operators of the 407 ETR toll road concession in Ontario, sold C$400 million ($407 million) in 30-year notes and used the proceeds to buy back C$200 million ($203 million) in senior notes due in January 2014.

On 31 May 2012, HAH closed the sale of its 100% interest in Edinburgh Airport Limited to Global Infrastructure Partners ("GIP") for £807.2 million. The sale price was payable in full at closing.

On 28 June 2012, the Budimex Board announced its decision to write down the value of its stake in PNI by PLN 182,267 million as a result of PNI going into bankruptcy.

On 17 August 2012, Ferrovial announced that it had agreed to sell 10.62% of FGP Topco (the holding company of HAH), to Qatar Holding LLC for £478 million, equivalent to €607 million. The transaction took place on 28 December 2012.

On 11 September 2012, 407 International, the owners and operators of the 407 ETR toll road concession in Ontario, sold CAD200m worth of 40-year notes to releverage the project .

On 14 September 2012, the concession companies of the Radial 4 motorway filed for court protection from their creditors and the judge has accepted the application. This decision has been taken on the basis that a restructuring agreement will be reached within the coming months.

On 19 October 2012, the concession companies of the AP-36 Ocaña-La Roda motorway filed for court protection from their creditors and the judge has accepted the application. This decision has been taken on the basis that a restructuring agreement will be reached within the coming months.

On 5 November 2012, Ferrovial, announced that it had agreed to sell 5.72% of FGP Topco (the holding company of HAH) to Stable Investment Corporation ("Stable"), a wholly owned subsidiary of CIC International Co., Ltd, for £ 257.4 million, equivalent to €319.3 million. The transaction has been executed. After the aforementioned disposals, Ferrovial's indirect stake in FGP Topco (the holding company of HAH) will be further reduced to 33.65%.

On 18 January 2013, HAH announced that it had agreed to sell its 100% interest in Stansted to Manchester Airports Group for £1,500 million. The sale is currently expected to close by the end of February 2013.

TAXATION

Spanish Tax Considerations

Introduction

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Notes by individuals or entities who are the beneficial owners of the Notes (the "Noteholders" and each a "Noteholder"). The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

All the tax consequences described in this section are based on the general assumption that the Notes are initially registered for clearance and settlement in Euroclear and Clearstream, Luxembourg.

Prospective purchasers of the Notes should consult their own tax advisors as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes.

The summary set out below is based upon Spanish law as in effect on the date of this Prospectus and is subject to any change in such law that may take effect after such date, including changes with retroactive effect.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Prospectus:

(a) of general application, Second Additional Provision of Law 13/1985, dated 25 May 1985, on investment ratios, own funds and information obligations of financial intermediaries as amended by, among others, Law 19/2003, dated 4 July 2003 on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures, Law 23/2005, dated 18 November 2005 on certain tax measures to promote productivity and Law 4/2008, dated 23 December 2008, which abolishes Wealth Tax, provides for a monthly Value Added Tax refund system and introduces other amendments to Spanish tax legislation and Law 6/2011, dated 11 April 2011, which modifies Law 13/1985, Law 24/1988, dated 28 July 1988, on the Securities Exchange, and Royal Decree 1298/1986, dated 28 June 1986, about the adaptation of the current law about financial entities to the law of the European Union, ("Law 13/1985"), as well as Royal Decree 1065/2007, dated 27 July 2007, as amended by Royal Decree 1145/2011, dated 29 July 2011 ("Royal Decree 1145/2011");

(b) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax ("PIT"), Law 35/2006, dated 28 November 2006, on PIT and partial amendment of Corporate Income Tax Law and Non Residents Income Tax Law, and Royal Decree 439/2007, dated 30 March 2007, enacting the PIT Regulations, along with Law 19/1991, dated 6 June 1991 on Wealth Tax, as amended by Law 4/2008, dated 23 December 2008, which abolishes Wealth Tax, provides for a monthly Value Added Tax refund system and introduces other amendments to Spanish tax legislation and by Royal Decree-law 13/2011, dated 16 September 2011 and Law 16/ 2012, dated 27 December 2012, which reestablishes, temporarily, the Wealth Tax and Law 29/1987, dated 18 December 1987 on Inheritance and Gift Tax;

(c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax ("CIT"), Royal Legislative Decree 4/2004, dated 5 March 2004 promulgating the Consolidated Text of the CIT Law, and Royal Decree 1777/2004, dated 30 July 2004 promulgating the CIT Regulations; and

(d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax ("NRIT"), Royal Legislative Decree 5/2004, dated 5 March 2004 promulgating the Consolidated Text of the NRIT Law along with Law 19/1991, dated 6 June 1991 on Wealth Tax, as amended by Law 4/2008, dated 23 December 2008, which abolishes Wealth Tax, provides for monthly Value Added Tax refund system and introduces other amendments to Spanish legislation and by Royal Decree-law 13/2011, dated 16 September 2011 and Law 16/ 2012, dated 27 December 2012, which reestablishes temporarily Wealth Tax, and Royal Decree 1776/2004, dated 30 July 2004 promulgating the NRIT Regulations, Law 29/1987, dated 18 December 1987 on Inheritance and Gift Tax.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, dated 24 September 1993 and exempt from Value Added Tax, in accordance with Law 37/1992, dated 28 December 1992 regulating such tax.

Individuals with Tax Residence in Spain

Personal Income Tax (*Impuesto sobre la Renta de las Personas Fisicas*)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the PIT Law, and therefore will form part of the so called savings income tax base pursuant to the provisions of the aforementioned Law and will be subject to the following taxes: (i) income up to €6,000 will be tax at a flat rate of 21 per cent., (ii) income between €6,001 and €24,000 will be taxed at a flat rate of 25 per cent., and (iii) the excess over €24,000 will be subject to a flat rate of 27 per cent. From January 1, 2014 onwards the applicable rates on this type of income are expected to be 19% for taxable income up to €6,000 and 21% for any taxable income in excess of €6,000.

According to Article 75 of the PIT regulation, the above mentioned income will be subject to the corresponding PIT withholding tax at the applicable tax rate (currently 21 per cent.). Article 44 of the Royal Decree 1145/2011 has established new information procedures for debt instruments issued under the Law 13/1985 (which do not require identification of the Noteholders) and has provided that the interest will be paid by the Issuer to the Fiscal Agent for the whole amount, provided that such information procedures are complied with.

Nevertheless, withholding tax at the applicable rate (currently 21 per cent.) may have to be deducted by other entities (such as depositaries or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

The Issuer considers that, according to Royal Decree 1145/2011, it is not obliged to withhold any tax amount provided that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Paying Agent as it is described in section "*Disclosure of information in relation to the Notes*".

However, regarding the interpretation of the "*Disclosure of information in relation to the Notes*" please refer to "*Risk Factors – Risks related to the Spanish withholding tax regime*".

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

According to Royal Decree-law 13/2011 dated 16 September 2011, Net Wealth Tax has been restored temporarily for tax periods 2011 and 2012. In addition, it should be noted that the Spanish Parliament has recently approved Law 16/2012 on certain tax measures (Ley 16/2012, de 27 de diciembre por la que se adoptan diversas medidas tributarias dirigidas a la consolidación de las finanzas públicas y al impulso de la actividad económica), according to which Wealth Tax would also be restored for tax period 2013.

This tax is levied on the net worth of an individual's assets and rights. The marginal rates ranging between 0.2% and 2.5% and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Net Wealth Tax must take into account the amount of the Notes which they hold as at 31 December in each year, when calculating their Net Wealth Tax liabilities.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules.

Legal Entities with Tax Residence in Spain

Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes will be included in the CIT taxable income and will be taxed at the general tax rate of 30 per cent. in accordance with the rules for this tax.

In accordance with Section 59(s) of CIT Regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident funds and Spanish tax resident pension funds) from financial assets listed on an organised market of an OECD country, as in the case of the Notes.

According to Royal Decree 1145/2011, the Issuer will pay the whole amount, provided that the simplified information procedures provided for in the new legislation are complied with as it is described in section "*Disclosure of information in relation to the Notes*".

However, regarding the interpretation of "*Disclosure of information in relation to the Notes*" please refer to "*Risk Factors – Risks related to the Spanish withholding tax regime*".

However, in the case of Notes held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest or income deriving from the transfer may be subject to withholding tax at the current rate of 21 per cent., withholding that will be made by the depositary or custodian, if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made. According to said ruling, issues made by persons resident in Spain, may benefit from the OECD withholding tax exemption mentioned above if the relevant securities are both listed and placed in an OECD State other than Spain.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the acquired Notes in their taxable income for Spanish CIT purposes.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

Legal entities are not subject to Net Wealth Tax.

Individuals and Legal Entities with no Tax Residence in Spain

Non-Resident Income Tax *(Impuesto sobre la Renta de no Residentes)* – Non-resident investors acting through a permanent establishment in Spain.

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "– Legal Entities with Tax Residence in Spain – Corporate Income Tax *(Impuesto sobre Sociedades).*"

Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*) – Non-Spanish tax resident investors not acting through a permanent establishment in Spain.

Both interest payments periodically received and income derived from the transfer, redemption or reimbursement of the Notes obtained by individuals or entities who are not resident in Spain for tax purposes and do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT.

However, regarding the interpretation of "*Disclosure of information in relation to the Notes*" please refer to "*Risk Factors – Risks related to the Spanish withholding tax regime*".

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to inheritance tax. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

Non-Spanish tax resident entities which acquire ownership or other rights over Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), without prejudice to the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain and the investor's country of residence. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of residence of the beneficiary.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

According to Royal Decree-law 13/2011 dated 16 September 2011, Net Wealth Tax has been restored temporarily for tax periods 2011 and 2012. In addition, please note that the Spanish Parliament has recently approved Law 16/2012 on certain tax measures (Ley 16/2012, de 27 de diciembre *por la que se adoptan diversas medidas tributarias dirigidas a la consolidación de las finanzas públicas y al impulso de la actividad económica*), according to which Wealth Tax would also be restored for tax period 2013. To the extent that income deriving from the Notes is exempt from Non-Resident Income Tax, individuals who do not have tax residency in Spain who hold such Notes on the last day of the year will be exempt from Net Wealth Tax. Furthermore, individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax will generally be exempt from Net Wealth Tax. If the exemptions outlined do not apply, individuals who are not tax residents in Spain will be subject to Net Wealth Tax to the extent that the Notes are located in Spain or the rights deriving from the Notes can be exercised in Spain.

Disclosure of Information in relation to the Notes

As described under "– Legal Entities with Tax Residency in Spain – Corporate Income Tax (*Impuesto sobre Sociedades*)" and "– Individuals with Tax Residency in Spain – Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)", and provided, among other conditions set forth in Law 13/1985, that the Notes are listed on an organised market in an OECD country on any income payment date, interest and other financial income paid with respect to the Notes for the benefit of non-Spanish tax resident investors not acting, with respect to the Notes, through a permanent establishment in Spain, or for the benefit of Spanish CIT or PIT taxpayers, will not be subject to Spanish withholding tax unless the Paying Agent fails to comply with certain formalities described below.

The tax formalities to be complied with in order to apply the exemption are those laid down in Section 44 of Royal Decree 1065/2007, as amended by Royal Decree 1145/2011 ("Section 44").

In accordance with sub-sections 5 and 6 of Section 44, a payment statement must be submitted to the Issuer by the Paying Agent by no later than the close of business on the business day immediately preceding the relevant payment date. In accordance with the form attached as Annex to Royal Decree 1145/2011, the payment statement shall include the following information:

- Identification of the Notes;
- Payment date;
- Total amount of income to be paid on the relevant payment date; and
- total amount of income corresponding to Notes held through each clearing system located outside of Spain (such as Euroclear and Clearstream Luxembourg).

If this requirement is complied with, the Issuer will pay gross (without deduction of any withholding tax) all interest under the Notes to all Noteholders (irrespective of whether they are tax resident in Spain).

In the event that the Paying Agent designated by the Issuer were to fail to provide the information detailed above, according to section 7 of Article 44 of Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, the Issuer (or the Paying Agent acting on instructions from the Issuer) would be required to withhold tax from the relevant interest payments at the general withholding tax rate (currently, 21 per cent.). If on or before the 10th day of the month following the month in which the interest is payable, the Paying Agent designated by the Issuer were to submit such information, the Issuer (or the Paying Agent acting on instructions from the Issuer) would refund the total amount of taxes withheld.

Notwithstanding the foregoing, the Issuer has agreed that in the event that witholding tax were required by law, the Issuer would pay such additional amounts as may be necessary such that a Noteholder would receive the same amount which he would have received in the absence of any such withholding or deduction, except as provided in "Terms and Conditions of the Notes – 10. Taxation".

In the event that the currently applicable procedures were modified, amended or supplemented by, amongst others, a Spanish law, regulation, interpretation or ruling of the Spanish Tax Authorities, Ferrovial Emisiones S.A. will inform the Noteholders of such information procedures and of their implications, as Ferrovial Emisiones, S.A. may be required to apply withholding tax on interest payments under the Notes if the Noteholders would not comply with such information procedures.

Payments under the Guarantee

On the basis that payments of principal and interest made by a Guarantor under the Guarantee are characterised as an indemnity under Spanish law, such payments may be made free of withholding or deduction on account of any Spanish tax. However, although there is no precedent or regulation on the matter, if the Spanish tax authorities take the view that the Guarantor has effectively assumed the obligations of the Issuer under the Notes (whether contractually or by any other means), the Spanish tax authorities may determine that payments made by the Guarantor, relating to interest on the Notes, will be subject to the same tax rules set out above for payments made by the Issuer.

EU Savings Directive

Under the EU Savings Directive on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. However, the Issuer is required, as provided in Condition 8(f) (*Paying Agents, etc.*) of the Notes, to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

SUBSCRIPTION AND SALE

Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Bankia, S.A. BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, ING Bank N.V., London Branch and Société Générale (the "Joint Lead Managers and Bookrunners") have, pursuant to a Subscription Agreement (the "Subscription Agreement") dated 21 January 2013, jointly and severally agreed with the Issuer and the Original Guarantors to subscribe or procure subscribers for the Notes at the issue price of 99.692 per cent. of the nominal amount of the Notes, less certain commissions as agreed with the Issuer. In addition, the Issuer may, at its discretion, pay the Joint Lead Managers and Bookrunners a discretionary performance related fee. The Issuer will also reimburse the Joint Lead Managers and Bookrunners in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers and Bookrunners against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

General

This Prospectus does not constitute an offer by, or an invitation by or on behalf of, the Issuer, the Original Guarantors or the Joint Lead Managers and Bookrunners or any other person to subscribe for any of the Notes, or the solicitation of an offer to subscribe for any of the Notes. No action has been taken by the Issuer, the Original Guarantors or any of the Joint Lead Managers and Bookrunners that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the distribution compliance period), within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

(a) it has complied and will comply with all applicable provisions of the United Kingdom Financial Services and Markets Act 2000 ("FSMA") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of FSMA does not apply to the Issuer or the Original Guarantors.

Spain

Each of the Joint Lead Managers and Bookrunners has represented and agreed that Notes may not be placed in Spain in the primary market. This Prospectus has not been and will not be registered with the Spanish Securities Market Regulator (*Comisión Nacional del Mercado de Valores*) and, therefore, it is not intended for any public offer of Notes in Spain. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

GENERAL INFORMATION

1 Authorisation

The issue of the Notes was duly authorised by a resolution of the joint directors of the Issuer dated 20 December 2012 and the giving of the Guarantees was duly authorised by either:

(a) resolutions of the Boards of Directors of the Original Guarantors dated as set out below:

Cintra Infraestructuras, S.A.	Board Resolution dated 21 December 2012;
Ferrovial, S.A.	Board Resolution dated 28 April 2011;
Ferrovial Agroman, S.A.	Board Resolution dated 26 December 2012;
Ferrovial Servicios, S.A.	Board Resolution dated 8 January 2013;
Hubco Netherlands B.V.	Board Resolution dated 7 January 2013; or

(b) through powers of attorney granted by the Originals Guarantors as detailed below:

4352238 Canadá, Inc.	Special Power of Attorney granted on 31 December 2012;
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	Special Power of Attorney granted on 8 January 2013.
Cespa, Gestión de Residuos, S.A.	Special Power of Attorney granted on 8 January 2013.

2 Listing

The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the Market will be granted on or around 30 January 2013, subject only to the issue of the Temporary Global Note. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

3 Clearing

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for this issue is XS0879082914 and the Common Code is 087908291.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L 1855 Luxembourg.

4 Governmental, legal or arbitration proceedings

Save as disclosed under *"Description of Ferrovial – Legal Proceedings – Spanish Toll Roads", "Description of Ferrovial – Legal Proceedings – Spanish tax audit assessments", "Description of Ferrovial – Legal Proceedings – Arbitration regarding Spanish waste management" "Description of Ferrovial – Legal Proceedings – Container terminal at the port of Barcelona" and "Description of Ferrovial – Airports Business Division – Competition Commission"* on pages 69 and 74 to 75 above, there are no, and there have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of any of the Parent, the Group, Ferrovial Agromán, Ferrovial Agromán and its consolidated subsidiaries taken as a whole (the "Ferrovial Agromán Group") , Cespa Gestion de Residuos, Cespa Gestion de Residuos and its consolidated subsidiaries taken as a whole (the "Cespa Gestion de Residuos Group"), Cintra and/or Cintra and its consolidated subsidiaries taken as a whole (the "Cintra Group").

There are no, and there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of any of the Issuer, Canada, Inc., Cespa, Cespa and its consolidated subsidiaries taken as a whole (the "Cespa Group"), Ferrovial Servicios, Ferrovial Servicios and its consolidated subsidiaries taken as a whole (the "Ferrovial Servicios Group"), and/or Hubco.

5 Financial and trading position

There has been no significant change in the financial or trading position of the Issuer since 31 December 2011, and no material adverse change in the financial position or prospects, of the Issuer since 31 December 2011.

There has been no significant change in the financial or trading position of Ferrovial since 30 September 2012 and no material adverse change in the financial position or prospects of the Parent since 31 December 2011.

There has been no significant change in the financial or trading position of any of Canada Inc., the Cespa Group, the Cespa Gestion de Residuos Group, the Cintra Group, the Ferrovial Agromán Group, the Ferrovial Servicios Group or Hubco since 31 December 2011 and no material adverse change in the financial position or prospects of any of Ferrovial Agromán, Cintra, Ferrovial Servicios, Canadá, Inc., Cespa, Cespa Gestión de Residuos or Hubco since 31 December 2011.

6 Financial information

Deloitte, S.L., independent auditors on the *Registro Oficial de Auditores de Cuentas* whose address is Plaza Pablo Ruiz Picasso, 1, 28020 Madrid, Spain, audited the consolidated annual accounts of the Parent, Ferrovial Agromán, Ferrovial Servicios, Cintra Infraestructuras, Cespa and Cespa Gestión de Residuos for the year ended 31 December 2010 and 31 December 2011. The reports in respect of such annual accounts were unqualified.

Deloitte LLP, Licensed Public Accountants in Canada whose address is Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2V1, Canada, audited the individual annual accounts of Canadá, Inc for the years ended 31 December 2010 and 31 December 2011. The reports in respect of such annual accounts were unqualified.

Deloitte Accountants B.V., independent auditors in the Netherlands, registered on the Trade Register of the Chamber of Commerce and Member of Industry in Rotterdam number 24362853 whose address is Orlyplein 10, 1043 DP Amsterdam, P.O. Box 58110, 1040 HC Amsterdam, Netherlands, audited the individual annual accounts of Hubco for the year ended 31 December 2011. The reports in respect of such annual accounts were unqualified. Hubco did not engaged, since its incorporation to 31 Decemebr 2010, in any activities, whether trading activities or otherwise, other than those incidental to its incorporation, matters referred to as contemplated in this Prospectus and matters which are incidental or ancillary to the above.

7 U.S. tax legend

Each Note and Coupon will contain the following legend: *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

8 Documents on display

For the period of 12 months following the date of this Prospectus, copies of the following documents will be available, during usual business hours on any workday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and the specified office of the Fiscal Agent:

(a) the constitutional documents (with an English translation thereof) of the Issuer and the constitutional documents (with, where relevant, an English translation thereof) of each Original Guarantor;

(b) the audited consolidated annual accounts of the Parent and each of the Original Subsidiary Guarantors in respect of the financial years ended 2010 and 2011 (with an English translation thereof) together with the audit reports and the consolidated directors' reports in connection therewith;

(c) the Fiscal Agency Agreement (which includes the form of Global Notes, the definitive Notes and the Coupons) and the Deed of Guarantee for each Guarantor; and

(d) a copy of this Prospectus together with any supplement to this Prospectus.

9 Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to this issue of Notes.

10 Joint Lead Managers and Bookrunners transacting with the Issuer and the Original Guarantors

Certain of the Joint Lead Managers and Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Original Guarantors and their affiliates in the ordinary course of business.

11 Third party information

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer and the Original Guarantors are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

12 Auditor's Consent

Deloitte LLP has given and not withdrawn its written consent to the inclusion on page F-17 of this Prospectus of its auditors' report dated 26 December 2012 relating to the audited financial statements as of and for the year ended 31 December 2010 of 4352238 Canadá Inc. in the form and context in which it is included. In relation to the listing of the Notes on the Official List of the UK Listing Authority, Deloitte LLP has also authorised the contents of its auditors' report referred to above for the purposes of Prospectus Rule 5.5.4R(2)(f).

INDEX TO FINANCIAL INFORMATION

Financial statements of

4352238 Canada Inc.

December 31, 2011

4352238 Canada Inc.
December 31, 2011

Table of contents

Deloitte.

Deloitte & Touche LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Shareholder of
4352238 Canada Inc.

We have audited the accompanying financial statements of 4352238 Canada Inc., which comprise the statement of financial position as at December 31, 2011, and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 4352238 Canada Inc. as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matter

The statement of financial position as at December 31, 2010, and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended are unaudited.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

April 25, 2012
Toronto, Canada

4352238 Canada Inc.

Statement of financial position
as at December 31, 2011
(In thousands of Canadian dollars)

	Note	2011	2010 (Unaudited)
		$	$
Assets			
Current assets			
Cash		**10**	4
Non-current assets			
Investment	3	**335,012**	335,012
		335,022	335,016
Liabilities			
Current liabilities			
Due to shareholder	4	**56**	41
Shareholder's equity			
Share capital	5	**61,535**	61,535
Retained earnings		**273,431**	273,440
		334,966	334,975
		335,022	335,016

The accompanying notes are an integral part of these financial statements.

4352238 Canada Inc.

Statement of income and comprehensive income
year ended December 31, 2011
(in thousands of Canadian dollars, except per share amounts)

	Note	2011	2010 (Unaudited)
		$	$
Revenue			
Dividends	6	**198,839**	159,680
Expenses			
Professional fees	4	**15**	12
Other Income			
Gain on sale of investment in 407 International Inc.	3	**—**	811,257
Interest received		**6**	—
Net income and total comprehensive income		**198,830**	970,925
Earnings per share			
Net income per share, basic and diluted		**0.59**	2.90

The accompanying notes are an integral part of these financial statements.

4352238 Canada Inc.

Statement of changes in equity
year ended December 31, 2011
(in thousands of Canadian dollars)

	Share capital	Retained earnings	Total
	$	$	$
Balance at January 1, 2011	61,535	273,440	334,975
Payment of dividends	—	(198,839)	(198,839)
Net income and total comprehensive income for the year	—	198,830	198,830
Balance at December 31, 2011	61,535	273,431	334,966
Balance at January 1, 2010, unaudited	111,112	301,370	412,482
Payment of dividends, unaudited	—	(123,610)	(123,610)
Net income and total comprehensive income for the year, unaudited	—	970,925	970,925
Return of capital, unaudited	(36,069)	—	(36,069)
Redemption of shares and premium on redemption, unaudited (Note 3)	(13,508)	(875,245)	(888,753)
Balance at December 31, 2010, unaudited	61,535	273,440	334,975

4352238 Canada Inc.

Statement of cash flows
year ended December 31, 2011
(in thousands of Canadian dollars)

	2011	2010 (Unaudited)
	$	$
Operating activities		
Dividends received	**198,839**	159,680
Interest received	**6**	—
	198,845	159,680
Investing activities		
Return of capital	**—**	(36,069)
Financing activities		
Dividends paid to shareholders	**(188,897)**	(117,430)
Withholding tax remitted on dividends	**(9,942)**	(6,180)
	(198,839)	(123,610)
Increase in cash	**6**	1
Cash, beginning of year	**4**	3
Cash, end of year	**10**	4

The accompanying notes are an integral part of these financial statements.

(in thousands of Canadian dollars)

1. General information

4352238 Canada Inc. (the "Company") is a privately-held company incorporated on April 26, 2006, under the laws of the Canada Business Corporations Act in Ontario, Canada and continued under the laws of Canada. The Company's address and principal place of business is 6600 – 100 King St W First Canadian Place Toronto, Ontario, M5X 1B8, Canada. The Company is primarily engaged to carry the investment in the 407 International Inc.

On April 27, 2006, one share was subscribed by 407 Toronto Highway, B.V. On May 4, 2006, the Company acquired 412,507,502 common shares of 407 International Inc. (the "407") from 407 Toronto Highway B.V. ("407 B.V.") and issued 412,507,502 common shares at $1 per share to 407 B.V. 407 B.V. is a wholly owned subsidiary of Cintra Infraestructuras, S.A. (the "Parent Company").

The financial statements of the Company (the "Financial Statements") were approved by management of the Company ("Management") on April 25, 2012.

2. Significant accounting policies

a) *Statement of compliance*

The Financial Statements are prepared on a going concern basis and have been presented in Canadian dollars. These Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The principal accounting policies are set out below.

b) *Basis of preparation*

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are carried at fair value. Historical cost is generally based on the fair value of consideration given or received in exchange for assets.

c) *Long-term Investment*

The long-term investment represents the Company's 43.23% ownership in the 407. The long-term investment is held at cost net of any impairment loss. Long-term investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment loss is measured as the amount by which the carrying amount of an asset exceeds the higher of: (i) its fair value less costs to sell; and (ii) its value in use.

d) *Financial Instruments*

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used and transaction costs for all financial instruments are expensed as incurred.

Asset/Liability	**Classification**
Cash	Loans and receivables
Due to shareholder	Other liabilities

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

(in thousands of Canadian dollars)

2. Significant accounting policies (continued)

Other liabilities

Other financial liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

3. Investment

The investment represents the Company's ownership in 407. As at December 31, 2011, the Company owns 43.23% (2010 – 43.23%, unaudited) of the 407. 407 International Inc. is a privately-held company incorporated under the laws of Ontario, Canada and continued under the laws of Canada. The Company's address and principal place of business is 6300 Steeles Avenue West, Woodbridge, Ontario, L4H 1J1, Canada. The principal business of 407 International Inc. is the ownership of 407 ETR Concession Company Limited ("407 ETR") and, through 407 ETR, the operation, maintenance and management of Highway 407 (the "Highway") along with the construction of extensions and certain deferred interchanges, lane widenings and additional interchanges under the 99-year Highway 407 Concession and Ground Lease Agreement (the "Concession Agreement") with the Province of Ontario (the "Province") dated April 6, 1999. The Highway traverses the Greater Toronto Area ("the GTA"), the largest metropolitan area in Canada.

The following are the shareholders of the 407:

- 4352238 Canada Inc., a wholly-owned subsidiary of Cintra Infraestructuras, S.A. ("Cintra")
- MICI Inc., a subsidiary of Canada Pension Plan Investment Board ("CPPIB")
- SNC-Lavalin Highway Holdings Inc., a wholly-owned subsidiary of SNC-Lavalin Group Inc.
- 7577702 Canada Inc., a subsidiary of CPPIB

4. Professional fees

Professional fees relate to tax and accounting services provided by external advisors that have been paid by the Parent Company on behalf of the Company. The amounts due to related parties are non-interest bearing and payable on demand. Amounts due to the Parent Company are denominated in Canadian dollars.

5. Share capital

Authorized

An unlimited number of common shares without par value, voting and participating

Issued and outstanding

	December 31, 2011	December 31, 2010 (Unaudited)
Common shares	**335,000,001**	335,000,001
Share capital	**$ 61,535**	$ 61,535

6. Dividends

Total dividends paid by the Company to its shareholder, 407 Toronto Highway B.V, was $198,839 (2010 – $123,610, unaudited), representing the Company's proportionate share of dividends received from the 407.

A 5% withholding tax was remitted on the above mentioned dividends in the amount of $9,942 (2010 – $6,180 unaudited).

(in thousands of Canadian dollars)

7. Related party transactions

The following is the shareholder of the Company:

407 Toronto Highway B.V., a wholly-owned subsidiary of Cintra Infraestructuras, S.A.

The following are the partially-owned subsidiaries of the Company:

407 International Inc.

The Company receives dividends from the 407 International Inc. in accordance with its proportionate share of ownership. The Company then remits these dividends to its shareholder. These transactions are in the normal course of operations.

The amounts due to related parties are non-interest bearing and payable on demand.

The Company entered into the following transactions with related parties:

Related party	Relationship	Classification in the financial statements	Nature of the transaction with the related party	2010	2009 (Unaudited)
				$	$
Cintra Infraestructuras S.A.	Parent of shareholder	Operating expenses	Payment of professional fees to third parties (paid on behalf of the Company) – see Note 4	**15**	12
407 International Inc.	Subsidiary	Revenue	Dividends received	**198,839**	159,680

Amounts owed to (by) related parties were as follows:

Related party	Relationship	Classification in the financial statements	As at December 31, 2011	As at December 31, 2010 (Unaudited)
			$	$
Cintra Infraestructuras, S.A.	Parent of shareholder	Liabilities	**56**	41

8. Financial instruments

Capital risk management

The Company's objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial obligations, including dividend payments to provide an appropriate investment return to its shareholder.

The Company is exposed to certain financial risks, including credit risk and liquidity risk.

Risk factors

The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a combination of sound business practices and a system of internal and disclosure controls.

Credit risk

The Company's principal assets subject to credit risk is cash. The carrying amount of the financial asset on the statement of financial position represents the Company's maximum credit exposure at the balance sheet date.

8. Financial instruments (continued)

The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. Due to related parties are non-interest bearing and are payable on demand.

Fair value

The fair value of the amounts due to related parties is not determinable due to their related party nature and an absence of a market for these instruments. The fair value of cash appropriates its carrying value due to its short maturity.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments measured at fair value on the statement of financial position. There were no transfers between levels during the year.

9. Compensation of key management personnel

The key management personnel include the President and Directors of the Company. The key management personnel are paid by the Company's ultimate parent company for the services they perform. The total remuneration of key management personnel for the year ended December 31, 2011 was immaterial (2010 – immaterial, unaudited).

Financial statements of

4352238 Canada Inc.

December 31, 2010

4352238 Canada Inc.
December 31, 2010

Table of contents

Deloitte.

Deloitte & Touche LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Shareholder of
4352238 Canada Inc.

We have audited the accompanying financial statements of 4352238 Canada Inc., which comprise the statement of financial position as at December 31, 2010, and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 4352238 Canada Inc. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matter

The statement of financial position as at December 31, 2009, and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended are unaudited.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
December 26, 2012
Toronto, Canada

4352238 Canada Inc.

Statement of financial position
as at December 31, 2010
(In thousands of Canadian dollars)

	Note	2010	2009 (Unaudited)
		$	$
Assets			
Current assets			
Cash		**4**	3
Non-current assets			
Investment	3	**335,012**	412,508
		335,016	412,511
Liabilities			
Current liabilities			
Due to shareholder	4	**41**	29
Shareholder's equity			
Share capital	5	**61,535**	111,112
Retained earnings		**273,440**	301,370
		334,975	412,482
		335,016	412,511

The accompanying notes are an integral part of these financial statements.

4352238 Canada Inc.

Statements of income and comprehensive income
year ended December 31, 2010
(in thousands of Canadian dollars, except per share amounts)

	Note	2010	2009 (Unaudited)
		$	$
Revenue			
Dividends	6	**159,680**	101,131
Expenses			
Professional fees	4	**12**	7
Other Income			
Gain on sale of investment in 407 International Inc.	3	**811,257**	—
Net income and total comprehensive income		**970,925**	101,124
Earnings per share			
Net income per share, basic and diluted		**2.90**	0.25

The accompanying notes are an integral part of these financial statements.

4352238 Canada Inc.

Statement of changes in equity
year ended December 31, 2010
(in thousands of Canadian dollars)

	Share capital	Retained earnings	Total
	$	$	$
Balance at January 1, 2010	111,112	301,370	412,482
Payment of dividends	—	(123,610)	(123,610)
Net income and total comprehensive income for the year	—	970,925	970,925
Return of capital	(36,069)	—	(36,069)
Redemption of shares and premium on redemption (Note 3)	(13,508)	(875,245)	(888,753)
Balance at December 31, 2010	61,535	273,440	334,975
Balance at January 1, 2009, unaudited	212,243	200,246	412,489
Net income and total comprehensive income for the year, unaudited	—	101,124	101,124
Return of capital, unaudited	(101,131)	—	(101,131)
Balance at December 31, 2009, unaudited	111,112	301,370	412,482

4352238 Canada Inc.

Statement of cash flows
year ended December 31, 2010
(in thousands of Canadian dollars)

	2010	2009 (Unaudited)
	$	$
Operating activities		
Dividends received	**159,680**	101,131
Investing activities		
Return of capital	**(36,069)**	(101,131)
Financing activities		
Dividends paid to shareholder	**(117,430)**	—
Withholding tax remitted on dividends	**(6,180)**	—
	(123,610)	—
Increase in cash	**1**	—
Cash, beginning of year	**3**	3
Cash, end of year	**4**	3

The accompanying notes are an integral part of these financial statements.

(in thousands of Canadian dollars)

1. General information

4352238 Canada Inc. (the "Company") is a privately-held company incorporated on April 26, 2006, under the laws of the Canada Business Corporations Act in Ontario, Canada and continued under the laws of Canada. The Company's address and principal place of business is 6600 – 100 King St W First Canadian Place Toronto, Ontario, M5X 1B8, Canada. The Company is primarily engaged to carry the investment in the 407 International Inc.

On April 27, 2006, one share was subscribed by 407 Toronto Highway, B.V. On May 4, 2006, the Company acquired 412,507,502 common shares of 407 International Inc. (the "407") from 407 Toronto Highway B.V. ("407 B.V.") and issued 412,507,502 common shares at $1 per share to 407 B.V. 407 B. V. is a wholly owned subsidiary of Cintra Infraestructuras, S.A. (the "Parent Company").

The financial statements of the Company (the "Financial Statements") were approved by management of the Company ("Management") on December 26, 2012.

2. Significant accounting policies

a) *Statement of compliance*

The Financial Statements are prepared on a going concern basis and have been presented in Canadian dollars. These Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The principal accounting policies are set out below.

b) *Basis of preparation*

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are carried at fair value. Historical cost is generally based on the fair value of consideration given or received in exchange for assets.

c) *Long-term investment*

The long-term investment represents the Company's 43.23% ownership in the 407. The long-term investment is held at cost net of any impairment loss. Long-term investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment loss is measured as the amount by which the carrying amount of an asset exceeds the higher of: (i) its fair value less costs to sell; and (ii) its value in use.

d) *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used and transaction costs for all financial instruments are expensed as incurred.

Asset/Liability	Classification
Cash	Loans and receivables
Due to shareholder	Other liabilities

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

(in thousands of Canadian dollars)

2. Significant accounting policies (continued)

Other liabilities

Other financial liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

3. Investment

The investment represents the Company's ownership in the 407. As at December 31, 2010, the Company owns 43.23% (2009 – 53.23%, unaudited) of the 407. The 407 is a privately-held company incorporated under the laws of Ontario, Canada and continued under the laws of Canada. The Company's address and principal place of business is 6300 Steeles Avenue West, Woodbridge, Ontario, L4H 1J1, Canada. The principal business of the 407 is the ownership of 407 ETR Concession Company Limited ("407 ETR") and, through 407 ETR, the operation, maintenance and management of Highway 407 (the "Highway") along with the construction of extensions and certain deferred interchanges, lane widenings and additional interchanges under the 99-year Highway 407 Concession and Ground Lease Agreement (the "Concession Agreement") with the Province of Ontario (the "Province") dated April 6, 1999. The Highway traverses the Greater Toronto Area ("the GTA"), the largest metropolitan area in Canada.

During 2010, the Company disposed of 10% of its investment in 407 as follows:

	December 31, 2009	Purchases	Redemption	**December 31, 2010**
	(Unaudited) $	$	$	**$**
407 International Inc.	412,508	—	(77,496)	**335,012**
75777002 Canada Inc.	—	888,753	(888,753)	**—**
	412,508	888,753	(966,249)	**335,012**

During 2010 the following transactions occurred:

a. On September 29, 2010, 407 Toronto Highway B.V., incorporated a wholly-owned Canadian subsidiary, 7577702 Canada Inc. and on October 1, 2010, 407 Toronto Highway B.V. subscribed for one (1) common share in the capital of the above mentioned company.

b. On October 1, 2010, 407 Toronto Highway, B.V. and 7577702 Canada Inc. executed a share transfer agreement pursuant to which 407 Toronto Highway B.V. transferred 77,507,501 common shares in the capital of the Company, valued at $888,753, to 7577702 Canada Inc. in exchange for 77,507,500 common shares in the capital of 7577702 Canada Inc., with effect as of November 16, 2010. As a result of this transfer, 407 Toronto Highway, B.V. and 7577702 Canada Inc. held 82% and 18%, respectively of the issued and outstanding shares of the Company.

c. On October 1, 2010, the Company and 7577702 Canada Inc. executed a share transfer agreement pursuant to which the Company transferred 77,507,501 common shares in the capital of 407 International Inc. (the 10% of the share capital of 407 International Inc.) to 757702 Canada Inc. in exchange for 77,507,501 preferred shares in the capital of 7577702 Canada Inc., with effect as at November 16, 2010. This share transfer has been valued at $888,753 and in 2010 generated a gain on the sale of the investment of $811,257 (the adjusted cost base of the shares was $77,496).

d. On October 1, 2010, 7577702 Canada Inc. and the Company executed a share repurchase agreement pursuant to which 7577702 Canada Inc. redeemed 77,507,501 shares in exchange for the issuance of a promissory note in the aggregate principal amount of $888,753 to the Company.

e. On November 17, 2010, the Company and 7577702 Canada Inc. executed a share repurchase agreement pursuant to which the Company redeemed 77,507,501 shares in exchange for the issuance of a promissory note in the aggregate principal amount of $888,753 to 7577702 Canada Inc.

(in thousands of Canadian dollars)

3. Investment (continued)

f. On November 17, 2010, the Company and 7577702 Canada Inc. executed a set-off agreement pursuant to which both promissory notes mentioned above were set-off. As a result of these transactions, the Company redeemed 77,507,501 shares for $13,508 and realized a premium on redemption of shares of $875,245.

The following are the shareholders of the 407:

- 4352238 Canada Inc., a wholly-owned subsidiary of Cintra Infraestructuras, S.A. ("Cintra")
- MICI Inc., a subsidiary of Canada Pension Plan Investment Board ("CPPIB")
- SNC-Lavalin Highway Holdings Inc., a wholly-owned subsidiary of SNC-Lavalin Group Inc.
- 7577702 Canada Inc., a subsidiary of CPPIB

4. Professional fees

Professional fees relate to tax and accounting services provided by external advisors that have been paid by the ultimate Parent Company on behalf of the Company. The amounts due to shareholder are non-interest bearing, payable on demand and are denominated in Canadian dollars.

5. Share capital

Authorized

An unlimited number of common shares without par value, voting and participating

Issued and outstanding

	December 31, 2010	December 31, 2009 (Unaudited)
Common shares	**335,000,001**	412,507,503
Share capital	**$ 61,535**	$ 111,112

6. Dividends

Total dividends paid by the Company to its shareholder, 407 Toronto Highway B.V, was $123,610 (2009 – nil, unaudited), representing the Company's proportionate share of dividends received from the 407.

A 5% withholding tax was remitted on the above mentioned dividends in the amount of $6,180 (2009 – nil, unaudited).

7. Related party transactions

The following is the shareholder of the Company:

407 **Toronto Highway B.V.**, a wholly-owned subsidiary of Cintra Infraestructuras, S.A.

The following are the partially-owned subsidiaries of the Company:

407 **International Inc.**

The Company receives dividends from the 407 International Inc. in accordance with its proportionate share of ownership. The Company then remits these dividends to its shareholder. These transactions are in the normal course of operations.

The amounts due to related parties are non-interest bearing and payable on demand.

(in thousands of Canadian dollars)

7. Related party transactions (continued)

The Company entered into the following transactions with related parties:

Related party	Relationship	Classification in the financial statements	Nature of the transaction with the related party	**2010**	2009 (Unaudited)
				$	$
Cintra Infraestructuras S.A.	Parent of shareholder	Operating expenses	Payment of professional fees to third parties (paid on behalf of the Company) – see Note 4	**12**	7
407 International Inc.	Subsidiary	Revenue	Dividends received	**159,680**	101,131

Amounts owed to (by) related parties were as follows:

Related party	Relationship	Classification in the financial statements	**As at December 31, 2010**	As at December 31, 2009 (Unaudited)
			$	$
Cintra Infraestructuras, S.A.	Parent of shareholder	Liabilities	**41**	29

8. Financial instruments

Capital risk management

The Company's objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial obligations, including dividend payments to provide an appropriate investment return to its shareholder.

The Company is exposed to certain financial risks, including credit risk and liquidity risk.

Risk factors

The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a combination of sound business practices and a system of internal and disclosure controls.

Credit risk

The Company's principal assets subject to credit risk is cash. The carrying amount of the financial asset on the statement of financial position represents the Company's maximum credit exposure at the balance sheet date.

The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements.

8. Financial instruments (continued)

Due to related parties and are non-interest bearing and are payable on demand.

Fair value

The fair value of the amounts due to related parties is not determinable due to their related party nature and an absence of a market for these instruments. The fair value of cash appropriates its carrying value due to its short maturity.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments measured at fair value on the statement of financial position. There were no transfers between levels during the year.

9. Compensation of key management personnel

The key management personnel include the President and Directors of the Company. The key management personnel are paid by the Company's ultimate parent company for the services they perform. The total remuneration of key management personnel for the year ended December 31, 2010 was immaterial (2009 – immaterial, unaudited).

Cespa, Compañía
Española de Servicios
Públicos Auxiliares, S.A.

Financial Statements for the Fiscal Year ended
31 December 2011 and
Directors' Report together with the
Audit Report

FINANCIAL STATEMENTS AUDIT REPORT

To the Shareholders of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.:

1. We have audited the financial statements of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., comprising the balance sheet as at 31 December 2011, the income statement, the statement of changes in equity, the statement of cash flows and the annual report for the reporting period ended on said date. Directors are responsible for the preparation of the Company's financial statements, under the financial reporting regulatory framework applicable to the Company (identified in Note 2.a of the accompanying annual report) and, especially, subject to the accounting principles and methods contained therein. Our responsibility is to express an opinion on all of the abovementioned financial statements, based on the work carried pursuant to the auditing process applicable in Spain, which requires the examination, through sampling, of the evidentiary support of the financial statements and the assessment of compliance with the financial reporting regulatory framework upon filing thereof as well as with the applicable accounting principles and estimations.

2. In our opinion, the accompanying financial statements for 2011 present fairly, in all material respects, the financial position and equity of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. as at 31 December 2011, as well as of the results from operations and cash flows for the relevant period ended on such date, all of this pursuant to the regulatory framework resulting from applying the accounting principles and methods contained therein.

3. The directors' report attached hereto for the reporting period 2011 contains the explanations that the Directors consider appropriate, concerning the situation of the Company, its business development and other matters and does not form an integral part of the financial statements. We have verified that the accounting information contained in the directors' report agrees with the financial statements for 2011. Our work as auditors is limited to verifying the directors' report in the scope referred to in this paragraph and does not include the examination of any information other than that derived from the Company's accounting records.

DELOITTE, S.L.
Registered on the R.O.A.C. no. S0692

Rafael Abella
29th March 2012

Deloitte, S.L., registered in the Business Registry of Madrid, Volume 13,650, section 8, sheet 188, page M-54414. Entry no. 96, Tax Identity Number: B-79104469.
Registered office: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

BALANCE SHEET AT 31 DECEMBER 2011
(Thousands of Euros)

ASSETS	Notes to financial statements	31.12.11	31.12.10
NON-CURRENT ASSETS:			
Intangible assets	**Notes 5 & 7**	**311,220**	**295,113**
Property, plant and equipment	**Notes 6 & 8**	**131,215**	**172,830**
Non-current investments in Group companies and associates	**Note 11**	**278,769**	**228,597**
Non-current investments	**Note 9.a**	**33,795**	**33,119**
Deferred tax assets	**Note 16.e**	**25,910**	**16,766**
Total non-current assets		**780,909**	**746,425**
CURRENT ASSETS:			
Inventories		**170**	**153**
Trade and other receivables-		**469,838**	**494,925**
Trade receivables for sales and services	**Note 10**	406,815	422,181
Receivable from Group companies and associates	**Note 18.b**	24,238	34,403
Sundry accounts receivable		36,276	35,432
Staff		236	153
Current tax assets	**Note 16.a**	340	767
Other accounts receivable from public authorities	**Note 16.a**	1,933	1,989
Current investments in Group companies and associates	**Note 18.b**	**95**	**2,155**
Current financial assets	**Note 9.b**	**21,069**	**15,871**
Current accruals and deferred income		**5,387**	**5,419**
Cash and cash equivalents		**14,938**	**33,787**
Total current assets		**511,497**	**552,310**
TOTAL ASSETS		**1,292,406**	**1,298,735**

The accompanying Notes 1 to 21 and Appendix I and II in the Financial Statements are an integral part of the balance sheet as at 31 December 2011.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

BALANCE SHEET AT 31 DECEMBER 2011
(Thousands of Euros)

EQUITY AND LIABILITIES	Notes to financial statements	31.12.11	31.12.10
EQUITY:	**Note 13**		
SHAREHOLDERS' EQUITY			
Share Capital		**560,957**	**560,957**
Reserves		**93,957**	**77,359**
Negative reserves from contribution		**(13,742)**	**(13,742)**
Profit for the year		**23,949**	**16,598**
ADJUSTMENTS FOR CHANGES IN VALUE	**Note 12**	**(650)**	**(535)**
GRANTS, DONATIONS OR GIFTS AND LEGACIES RECEIVED		**620**	**665**
Total equity		**665,091**	**641,302**
NON-CURRENT LIABILITIES:			
Long-term provisions	**Note 14**	**22,625**	**20,027**
Non-current payables	**Notes 8 and 15.a**	**32,048**	**39,755**
Non-current payables to Group companies and associates	**Note 18.b**	**415,088**	**411,776**
Liabilities for deferred tax	**Note 16.f**	**22,526**	**17,617**
Non current accruals		**219**	**225**
Total non-current liabilities		**492,506**	**489,400**
CURRENT LIABILITIES:			
Short-term provisions		**113**	**19**
Current payables	**Notes 8 and 15.b**	**10,349**	**9,329**
Trade and other payables-		**124,146**	**158,340**
Payable to suppliers	**Note 15.c**	71,875	93,456
Suppliers – Group companies and associates	**Note 18.b**	13,691	11,192
Sundry accounts payable		2,808	2,322
Staff		20,881	20,713
Current tax liabilities	**Note 16.a**	2,555	5,567
Other accounts payable to public authorities	**Note 16.a**	12,336	16,618
Customer advances		—	8,472
Current accruals and deferred income		**201**	**345**
Total current liabilities		**134,809**	**168,033**
TOTAL EQUITY AND LIABILITIES		**1,292,406**	**1,298,735**

The accompanying Notes 1 to 21 and Appendix I and II in the Financial Statements are an integral part of the balance sheet as at 31 December 2011.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
CONTINUING OPERATIONS:			
Revenue –	**Note 17.a**	**548,669**	**598,490**
Sales		31,873	16,853
Provision of services		516,796	581,637
Procurements –		**(47,596)**	**(64,891)**
Cost of goods held for resale sold		(9)	(48)
Cost of raw materials and other consumables used		(35,583)	(40,238)
Work performed by other companies		(12,004)	(24,605)
Other operating income –	**Note 17.c**	**17,121**	**17,262**
Non-core and other current operating income		13,579	13,816
Operating grants transferred to profit or loss		3,542	3,446
Staff costs –	**Note 17.d**	**(336,967)**	**(370,433)**
Wages, salaries and similar expenses		(254,313)	(280,432)
Employee benefit costs		(82,654)	(90,001)
Other operating expenses –		**(115,261)**	**(99,018)**
Outside services		(94,450)	(83,102)
Taxes other than income tax		(878)	(1,007)
Losses on, impairment of and change in allowances for trade receivables	**Notes 10 & 14**	(745)	(2,730)
Other current operating expenses		(19,188)	(12,179)
Depreciation and amortisation charge	**Notes 5 & 6**	**(31,548)**	**(42,577)**
Allocation to profit or loss of grants related to non-financial non-current assets and other grants		**207**	**2,304**
Excessive provisions		0	0
Impairment and gains or losses on disposals of non-current assets –		**(921)**	**2,243**
Impairment and other losses	**Note 6**	(949)	1,497
Gains or losses on disposals and other	**Note 6**	28	746
Profit from operations		**33,704**	**43,380**
Finance income –		**29,901**	**7,838**
From investments in equity instruments –	**Note 18.a**	**23,857**	**2,902**
From Group companies and associates		23,857	2,902
From marketable securities and other financial instruments-		**6,044**	**4,936**
From Group companies and associates	**Note 18.a**	3,792	2,815
Third parties		2,252	2,121
Finance costs –		**(16,969)**	**(18,628)**
On debts to Group companies and associates	**Note 18.a**	(11,993)	(14,672)
On debts to third parties		(4,976)	(3,956)
Exchange differences		**2**	**(22)**
Impairment and gains or losses on disposals of financial instruments –		**(25,139)**	**(6,323)**
Impairment and other losses	**Notes 9, 10 and 11**	(25,081)	(6,295)
Gains or losses on disposals and other		(58)	(28)
Financial loss		**(12,205)**	**(17,135)**
Profit or loss before tax		**21,499**	**26,245**
Income tax	**Note 16.c**	2,450	(9,647)
Profit for the year from continuing operations		**23,949**	**16,598**
Profit for the year net of tax from discontinued operations		0	0
Profit for the year		**23,949**	**16,598**

The accompanying Notes 1 to 21 and Appendix I and II in the Financial Statements are an integral part of the income statement for 2011.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2011
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
PROFIT (LOSS) PER INCOME STATEMENT (I)		**23,949**	**16,598**
Income and expenses recognised directly in equity:			
From cash flow hedges	**Note 12**	(501)	(803)
Grants, donations or gifts and legacies received		162	206
Tax effect	**Note 16.e**	151	241
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		**(188)**	**(356)**
Transfers to profit or loss:			
From cash flow hedges	**Note 12**	336	446
Grants, donations or gifts and legacies received		(207)	(2,304)
Tax effect	**Note 16.e**	(101)	(134)
TOTAL TRANSFERS TO PROFIT OR LOSS (III)		**28**	**(1,992)**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**23,789**	**14,250**

The accompanying Notes 1 to 21 and Appendix I and II in the Financial Statements are an integral part of statement of recognised income and expense for 2011.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2011
B) STATEMENTS OF CHANGES IN EQUITY
(Thousands of Euros)

	Share Capital	Legal reserve	Other reserves	Negative Reserve from Contributions	Goodwill Reserve	Interim Dividend	Profit for the Year	Adjustments for changes in value	Grants Donations and legacies	Total
2009 ending balance	**560,957**	**15,727**	**13,596**	**(13,742)**	**18,224**	**(24,738)**	**54,550**	**(285)**	**2,763**	**627,052**
Total income and expense recognised	—	—	—	—	—	—	16,598	(250)	(2,098)	14,250
Distribution of profit	—	5,455	6,133	—	18,224	24,738	(54,550)	—	—	—
2010 ending balance	**560,957**	**21,182**	**19,729**	**(13,742)**	**36,448**	**—**	**16,598**	**(535)**	**665**	**641,302**
Total income and expense recognised	—	—	—	—	—	—	23,949	(115)	(45)	23,789
Distribution of profit	—	1,660	—	—	14,938	—	(16,598)	—	—	—
2011 ending balance	**560,957**	**22,842**	**19,729**	**(13,742)**	**51,386**	**—**	**23,949**	**(650)**	**620**	**665,091**

The accompanying Notes 1 to 21 and Appendix I and II in the Financial Statements are an integral part of the statement of changes in total equity for 2011.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

STATEMENTS OF CASH FLOWS FOR 2011
(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
CASH FLOWS FROM OPERATING ACTIVITIES (I):		**49,543**	**(33,361)**
Loss for the year before tax		**21,499**	**26,245**
Adjustments for –		**46,256**	**55,866**
Depreciation and amortisation charge	**Notes 5 & 6**	31,548	42,577
Impairment losses	**Notes 6, 10 and 11**	25,277	6,410
Changes in provisions	**Note 14**	2,598	(861)
Recognition of grants in profit or loss		(207)	(2,304)
Gains/Losses on derecognition and disposal of non-current assets	**Note 6**	(28)	(746)
Finance income		(29,901)	(7,838)
Finance costs		16,969	18,628
Changes in working capital –		**(26,395)**	**(106,371)**
Inventories		(17)	46
Trade and other receivables		2,217	(125,214)
Other current assets		2,060	(173)
Trade and other payables		(31,326)	18,362
Other current liabilities		584	(161)
Other non-current assets and liabilities		87	769
Other cash flows from operating activities –		**8,183**	**(9,101)**
Interest paid		(16,969)	(18,628)
Dividends received	**Note 18.a**	23,857	920
Interest received		5,075	4,936
Income tax recovered (paid)		(3,780)	3,671
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(64,433)**	**(4,526)**
Payments due to investment –		**(67,947)**	**(33,320)**
Group companies and associates	**Note 11**	(54,663)	(2,004)
Intangible assets	**Note 5**	(1,898)	(91)
Property, plant and equipment	**Note 6**	(11,386)	(31,225)
Proceeds from disposal –		**3,514**	**28,794**
Group companies and associates		—	10,342
Intangible assets	**Note 5**	3	—
Property, plant and equipment	**Note 6**	617	17,043
Other financial assets		2,894	1,409
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(3,961)**	**27,856**
Proceeds and payments relating to equity instruments –		**162**	**206**
Grants, donations or gifts and legacies received	**Note 13**	162	206
Proceeds and payments relating to financial liability instruments-		**(4,123)**	**27,650**
Proceeds from issue of bank borrowings		—	6,906
Issue of debts to Group companies and associates		3,312	20,744
Repayment of bank borrowings	**Note 15**	(7,435)	—
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**2**	**(22)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(18,849)**	**(10,053)**
Cash and cash equivalents at beginning of year		33,787	43,840
Cash and cash equivalents at end of year		14,938	33,787

The accompanying Notes 1 to 21 and Appendix I and II in the Financial Statements are an integral part of cash flows for 2011.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Notes to the Financial Statements for the Year ended 31 December 2011

1. Activity of the Company

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (hereinafter, "the Company" or "Cespa") was incorporated as a *Sociedad Anónima* (company limited by shares) for an indefinite period on 5 July 2000 with its registered office at Avenida de la Catedral n° 6-8, Barcelona.

The Company's purpose consists mainly in collecting, storing, disposing of, treating, recycling, selling, transporting and valuating urban solid waste, industrial waste, inert waste, sanitary waste, mud and by-products, and waste of any other nature, for both public and private entities. It also provides other services related to the preservation, maintenance and clean-up of parks, woodland and gardens, plantations and all kinds of services related to the protection of species, as well as services related to forestry and plant protection treatments.

On 11 June 2004 the merger between Marliara, S.A., (acquiring company), incorporated as the recipient of a partial division of the business activity of Ferrovial Servicios, S.A., and Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., and Tratamiento de Residuos, S.A. (hereinafter, "Cespa" and "Trasa", acquired companies), both fully owned by Marliara, S.A. after the non-monetary contribution made to that company by Ferrovial, S.A., was registered with the Commercial Registry of Madrid. It was agreed on that date to change the business name of the acquiring company to the name of the acquired company mentioned above first, taking the accounting effects of the merger back to 1 January 2004.

The notes that formed part of the financial statements for 2004 included a detailed report on the merger process, as required by Royal Decree-Law 4/2004, of 5 March approving the Corporate Tax Law.

On 19 September 2005 the total division of Segema, Servicios Generales del Medio Ambiente S.A.U. in favour of the Company and of the newly created company, Segema, Servicios Generales del Medio Ambiente, S.L.U., was registered with the Commercial Register of Barcelona. The equity of the divided company was attributed, without revaluation, according to the portion corresponding to the financial equity interests held by it, to the Company, while the rest of the equity was attributed to the newly-created company. The equity interests of the newly-created company were attributed to the Company, so that no capital increase whatsoever was mandatory. The date as from which the operations were considered to have been completed, for accounting purposes, on account of the recipient companies of the total division was 1 January 2005.

As a result of the total division described above, the Company, among other effects, became the single shareholder of Cespa Ingeniería Urbana, S.A. (hereinafter, CIU). On 19 September 2006 the takeover merger of the latter by the former was registered with the Commercial Register of Barcelona. The date as from which the operations were considered to have been completed, for accounting purposes, on account of the recipient company was 1 January 2005.

The notes that formed part of the financial statements for 2005 included a detailed report on the merger and total division process, as required by Royal Decree-Law 4/2004, of 5 March approving the Corporate Tax Law.

On 29 December 2011 the partial division of one of the Company's branches of activity in favour of the newly-created Cespa Servicios Urbanos de Murcia, S.A.U., which consists in the Management contract of the public service of road clean-up, collection and transport of all urban solid waste of the municipality of Murcia (Note 2.g.), was registered with the Commercial Register of Barcelona and the Commercial Register of Murcia.

At 31 December 2011 and 2010, 99.99% of the Company was owned by Ferrovial Servicios, S.A. In turn, 99.99% of Ferrovial Servicios, S.A. was owned by Ferrovial, S.A. (Note 13). This company is the ultimate parent of a group of companies and prepares annual consolidated financial statements, and the consolidated financial statements for 2010 are filed with the Commercial Register of Madrid.

2. Basis of presentation of the financial statements

a) *Regulatory financial reporting framework applicable to the Company*

These financial statements were prepared by the Directors in accordance with the financial reporting regulatory framework applicable to the Group, which is set forth in:

a) Code of Commerce and other commercial legislation.

b) Spanish Chart of Accounts approved by R.D. 1514/2007, as amended, particularly the sector-related adjustment of the Spanish Chart of Accounts for public infrastructure concessionaire companies, approved by Order EHA/3362/2010, of 23 December.

c) The mandatory standards approved by the Institute of Accounting and Account Auditing whereby the Spanish Chart of Accounts and its supplementary standards are implemented.

d) The remaining Spanish accounting standards in force.

b) Fair presentation

The accompanying financial statements were prepared from the accounting records of the Company and are presented in accordance with the financial reporting regulatory framework applicable and, specifically, with the accounting principles and methods contained therein, so as to present fairly the equity, financial position, results and cash flows for the relevant financial year. These financial statements, prepared by Company Directors, will be submitted for approval by shareholders at the Annual General Meeting, estimating its approval with no amendments.

Similarly, the financial statements for 2010 were approved by the Annual General Meeting held on 17 May 2011.

c) Accounting Principles

No non-obligatory accounting principles were applied. Also, the Directors formally prepared these financial statements by taking into account all the binding accounting principles and standards with a significant effect hereon. All obligatory accounting principles have been applied.

d) Key issues in relation to the measurement and estimation of uncertainty

The accompanying financial statements were prepared using estimations by the Company Directors to value certain assets, liabilities, income, expenses and commitments recorded therein. These estimates relate basically to the following:

- The assessment of possible impairment losses of certain assets, including goodwill (Note 4.c) and deferred tax assets (Note 16.e).
- The useful life of the property, plant and equipment and intangible fixed assets (Notes 4.a and 4.b).
- The fair value of the investments in group companies, jointly-controlled entities and associates (Note 11).
- The estimated time of realisation of receivables from public entities (Note 10).
- Market value of some financial instruments (Note 4.f).

In spite of the fact that these estimations were made based on the best available information at 2011 year-end, future events may require that these estimates be adjusted (up or down) in the coming financial years, which would be performed prospectively, recognizing the changes in estimations in the related profit and loss account, except for the goodwill impairment test that cannot be reversed in the future.

e) Comparative information and aspects derived from the transition to new accounting standards

On 23 December 2010, the adaptation standards of the Spanish Chart of Accounts for public infrastructure concessionaire companies were approved by Order EHA/3362/2010. According to the established transition rules, these standards were applied prospectively starting 1 January 2011. Likewise, according to those standards, the Company opted to present the comparative information without adapting it to the new legislation, so that these financial statements are considered to be initial financial statements for purposes of comparability and consistency principles.

In this regard, and according to the Rules of Application of the Adaptation Standards in the first year starting after the Order has come into force, the Company has:

a) reclassified the equity items arising from the agreements signed to that date in accordance with the provisions of the standards;

b) valued the equity items according to their carrying amount; and

c) verified the impairment on that date.

Compared to the accounting standard in force at 31 December 2010, the new standard introduces important changes in accounting policies, valuation criteria, presentation and information to be added to financial statements.

In accordance with the new standards, the Company has classified the consideration delivered in the public infrastructure concession contracts which involves waste treatment plants and which was classified under the headings "Intangible assets – Administrative concessions", "Property, plant and equipment – Land and buildings", "Property, plant and equipment – Machinery, fixtures and tools" and "Property, plant and equipment – Property, plant and equipment in the course of construction" on the balance sheet, under the heading "Intangible assets – concession contract, regulated asset" (Note 4.a), as well as its related accumulated amortisation, in considering that the consideration received by the Company consists in the right to collect the corresponding tariffs based on the degree of use of the public service, subject to demand risk.

Below are the effects of the abovementioned adjustment between the balance sheet at 1 January 2011 prepared according to current regulations at the end of 2010 and the balance sheet at that same date prepared according to the new adaptation standards of the Spanish Chart of Accounts for public infrastructure concessionaire companies:

	Thousands of euros		
	31-12-10	Transfers due to application of new standards	01-01-11
Intangible assets – Cost	**299,588**	**55,279**	**354,867**
Concession contract, regulated asset	—	58,218	58,218
Administrative concessions	13,235	(2,939)	10,296
Goodwill	285,741	—	285,741
Rights of transfer	598	—	598
Computer software	14	—	14
Intangible assets – Amortisation	**(4,475)**	**(33,912)**	**(38,387)**
Concession contract, regulated asset	—	(34,644)	(34,644)
Administrative concessions	(3,917)	732	(3,185)
Rights of transfer	(554)	—	(554)
Computer software	(4)	—	(4)
TOTAL INTANGIBLE ASSETS	**295,113**	**21,367**	**316,480**
Property, plant and equipment – Cost	**438,216**	**(55,279)**	**382,937**
Land and buildings	22,299	(4,726)	17,573
Machinery, fixtures and tools	129,214	(49,353)	79,861
Furniture	21,910	—	21,910
Transport equipment	248,897	—	248,897
Computer hardware	5,215	—	5,215
Other items of property, plant and equipment	2,013	—	2,013
Property, plant and equipment in the course of construction	8,668	(1,200)	7,468
Property, plant and equipment – Amortisation	**(260,813)**	**33,912**	**(226,901)**
Land and buildings	(5,662)	1,251	(4,411)
Machinery, fixtures and tools	(81,424)	32,661	(48,763)
Furniture	(12,804)	—	(12,804)
Transport equipment	(155,826)	—	(155,826)
Computer hardware	(3,891)	—	(3,891)
Other items of property, plant and equipment	(1,206)	—	(1,206)
Property, plant and equipment – Impairment	**(4,573)**	**—**	**(4,573)**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**172,830**	**(21,367)**	**151,463**

The Company's equity was not at all affected by the new regulations coming into force.

Furthermore, in terms of comparing the information, the description in Note 2.g regarding the partial division of the Company's branch of activity consisting in the Management contract of the public service of road clean-up, collection and transport of all urban solid waste of the municipality of Murcia should be taken into consideration.

f) *Grouping of items*

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

g) *Division of branch of activity*

On 29 August 2011, the Board of Directors of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. approved the division project of the branch of activity, pursuant to the requirements set forth in the Law on Structural Changes at Companies. This project was registered with the Commercial Register of Barcelona and the Commercial Register of Murcia on 29 December 2011.

The companies taking part in this activity branch division include Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., as the partially divided company, and Cespa Servicios Urbanos de Murcia, S.A.U., as the recipient of this division, a company previously created on 11 January 2011 and fully owned by Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

The partially divided company transferred to the recipient company the branch of activity consisting in the Management contract of the public service of road clean-up, collection and transport of all urban solid waste of the municipality of Murcia.

According to current accounting regulations, the consolidated net carrying value of the divided assets was taken into consideration, as this is a transaction between Group companies in which assets constituting a business were conveyed. Furthermore, the division was carried out for accounting purposes at the beginning of the year, even though given that the abovementioned contract began on 16 February, the operations were considered to have been carried out by the recipient company of the division from that date.

Below is the effect of the divided assets and liabilities at 31 December 2011, although on the effective division date that operation entailed the transfer in favour of the recipient company of the items recorded under intangible assets and property, plant and equipment in the amount of EUR 4,697 thousand and EUR 1,006 thousand of net carrying value, respectively:

ASSETS	Thousands of euros	LIABILITIES	Thousands of euros
NON-CURRENT ASSETS:		**EQUITY:**	
Intangible assets	21,620	**SHAREHOLDERS' EQUITY-**	
Property, plant and equipment	19,057	Capital	10,000
Non-current financial assets	95	Profit for the period	1,784
Total non-current assets	**40,772**	**Total equity**	**11,784**
		NON-CURRENT LIABILITIES:	
		Long-term provisions	607
		Non-current payables	5
		Current payables to Group companies and associates	21,240
		Total non-current liabilities	**21,852**
CURRENT ASSETS:			
Trade and other receivables	25,164	**CURRENT LIABILITIES:**	
Current financial investments and cash	66	Trade and Other Payables	32,366
Total current assets	**25,230**	**Total current liabilities**	**32,366**
TOTAL ASSETS	**66,002**	**TOTAL EQUITY AND LIABILITIES**	**66,002**

3. Distribution of profit

The proposal for the fiscal year's profit and dividends distribution, prepared by Company Directors, and submitted to the Annual General Meeting approval, is the following:

	Thousands of euros
Appropriation:	
Legal reserve	2,395
To reserve for goodwill	21,510
Voluntary reserves	44
Total	**23,949**

The Company's profit for 2010 was not sufficient to establish the goodwill reserve, as set forth in section 273 of the Spanish Companies Law (Note 13), which is why the Company's Directors have included a higher allocation to that reserve in the amount of EUR 3,286 thousand in the distribution of net profits proposed for 2011, to cover that shortfall.

4. Accounting policies and measurement bases

The main recording and valuation standards used by the Company when preparing its 2011 financial statements, pursuant to provisions of the Spanish Chart of Accounts, were the following:

a) *Intangible assets*

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Administrative concessions

The administrative concessions were valued by the entire expenses incurred in obtaining them or by the price allocated in each transfer case, plus acquisition expenses. They are amortised, as a general rule, during the years for which the contracts they are assigned to have been awarded, which ranges between 5 and 20 years (Note 5).

Goodwill

Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow and is not amortised. Instead, these cash-generating units are tested for impairment at least once a year and, where appropriate, are written down.

The valuation adjustments relating to impairment recognised in the goodwill are not subject to reversal in subsequent years.

Specifically, the Company records under this heading the goodwill resulting from the takeover merger described in Note 1, according to the following breakdown:

	Thousands of euros		
	Gross goodwill		Carrying amount at 31 December 2011 and 2010 (Note 5)
	Original	Merger	
Cespa and Trasa	369,096	364,482	285,741
Cespa Ingeniería Urbana, S.A.	15,440	3,860	—
Fertilizantes Orgánicos de Galicia, S.A.	9,676	9,676	—
Other	78	78	—
Total	**394,2**	**378,0**	**285,74**

Computer software

In this account the Company records the costs incurred in acquiring and developing computer programs, including the costs of developing web sites. Computer software maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred. Amortisation is charged on computer software on a straight-line basis, over 5 years.

Concession agreement

The Company uses the "Concession agreement, regulated asset" heading to record the amount related to the consideration delivered in the public infrastructure concession agreements that involve waste treatment plants and which includes the total cost incurred for the construction or acquisition of the works and facilities required to provide the public service related to the concession agreement (Note 7); the consideration to be received is not guaranteed in the concession contract, which is why it is subject to demand risk.

The different concession contract item upkeep expenses are posted to the income statement account of the year they were incurred. On the contrary, the amounts invested in improvements which contribute to increasing the capacity or efficiency or to prolonging the useful life of those assets are recorded as increased costs thereof at the outset of the concession, unless they entail additional associated income, in which case they will be recorded at the time of the investment.

The intangible asset is amortised over the concession term, under the straight-line amortisation criterion, unless its use pattern can be reliability estimated by reference to demand or use of the public service measured in physical units, in which case this method will be used as the amortisation method, provided it is the most representative pattern of the economic use of the abovementioned asset. In determining the amortisation period, the Company considers the useful life to be either the period between the acquisition of the intangible asset item and the end of the concession agreement or the estimated useful lives, whichever shorter.

The Company assesses loans or general-purpose borrowing attributable to the concession agreement so as to determine their capitalisation as the highest asset value. This amount was considered not to be significant at 2011 year-end.

The Company does not have replacement obligations throughout the concession period of its concession agreements.

b) Property, plant and equipment

Property, plant and equipment is valued initially by its acquisition price or production cost, and subsequently is reduced by the related accumulated amortisation and impairment losses, if any, in accordance with the criterion mentioned in Note 4.c, except for the items of property, plant and equipment provided by Cespa (Note 1) which are disclosed at their acquisition cost, pursuant to Regional Regulation of Biscay 3/1991, of 21 March, and Regional Regulation 6/96 (Note 6).

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The replacement or renewal of property, plant and equipment is booked as an asset, with the resulting accounting retirement of the replaced or renewed assets.

The years of useful life estimated by the Company for each group of items are indicated below (not applicable to the items of property, plant and equipment that are explained subsequently):

	Years of estimated useful life
Buildings	25 - 50
Machinery, fixtures and tools	4 - 10
Furniture	10 - 12
Transport equipment	5 - 8
Computer hardware	3
Other items of property, plant and equipment	10

If the property, plant and equipment should have been acquired during the concession contract period, it would be amortised without ever exceeding its estimated useful life. In general, given the characteristics of the sectors in which the Company does its business, it is understood that when a concession expires, the moveable assets with remaining useful lives are reused in other operations, sold to third parties or even sold to the new concession awardee, so that it is not necessary to record provisions for the amortisation of assets for the years of useful life in excess of the concession contract period (Note 6).

c) Impairment of intangible assets and property, plant and equipment

Whenever there is any indication of an impairment loss, the Company estimates the possibility of impairment losses that might reduce the recoverable value of said assets at a price below its carrying amount by using the Impairment Test.

Recoverable amount is the higher of fair value less costs to sell and value in use.

The Group tests goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually. At each reporting date the Group tests assets for permanent impairment that might make it necessary to write-down the assets. Should evidence of impairment be detected, the asset's recoverable amount is calculated in order to identify the scope of the impairment loss if the recoverable amount is lower than the asset's carrying amount, and the difference is recognised in profit or loss. Impairment losses must be assessed for each individual asset. If this is not possible, the impairment loss is determined for the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets (cash-generating units).

When an impairment loss from a cash-generating unit, to which part or an entire goodwill was assigned, is to be recognised, the carrying amount of the goodwill corresponding to said unit is first reduced. When impairment exceeds its amount, the other cash-generating assets are then reduced according to their carrying amount to the limit of the higher value between the following: its fair value less sale costs, value in use and zero.

Where an impairment loss subsequently reverses (which is not permitted in the specific case of the goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Said reversal for a value impairment loss is recognised as income.

d) Leases

Leases are classified as finance lease provided that their conditions imply that the risks and benefits inherent to the property of the assets subject matter of the contract are materially transferred to the lessee. All other leases are classified as operating leases.

Operating lease

Lease expenses from operating leases are recognised in income on an accrual basis.

Any collection or payment that may be made upon hiring the operating lease will be treated as an advance collection or payment to be allocated to the results throughout the lease period, as the proceeds of the leased assets are assigned or received.

Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount is be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned (Notes 6, 8 and 15).

e) ***Financial instruments***

Financial assets

The financial assets held by the Company are classified in the following categories:

1. Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
2. Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.
3. Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Additionally, the cost of investments in other companies acquired in the merger and total division processes described in Note 1 is increased by the positive difference resulting from them and attributable to unrealised gains attributable to those investments (Note 11).

As from 1 January 2010, for investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement.

Subsequent measurement

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These adjustments are calculated as the difference between their carrying amount and their recoverable amount. Recoverable amount is the higher of fair value less sales costs and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

At least at year-end, the Company makes the necessary valuation changes provided there is objective evidence of impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, such impairment is recorded in the summarised income statement.

Almost the Company's entire revenues are earned through services provided to public entities. In particular, and with regard to the relative impairment of trade receivables and other receivables, the method used by the Company to calculate the relative impairment consists in that the past due and uncollected accounts receivable from public entities for which no impairment provision has been set are depreciated according to a financial method, with the related debit or credit, as the case may be, to the heading "Impairment and gains or losses on disposals of financial instruments" of the income statement. This method does not differ significantly from the one that would result from having carried out the adjustment since the time of the transaction that gave rise to those receivables which are estimated to be realisable in the long term. Thus, the Company follows the method of setting a provision for fifty per cent of the amount related to past-due and uncollected invoices dating back over half a year, as well as a provision for the total amount of those past-due and uncollected invoices dating back over more than one year, except for those receivables from public entities, for which a specific analysis is carried out. This method does not differ significantly from the one that would result from applying a specific impairment analysis based on the information available at year-end for all accounts receivable.

The Company writes off the financial assets upon expiration or when the rights on cash flows of said financial assets are transferred together with substantial risks and benefits inherent to ownership. However, the Company does not write off financial assets, and records a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

As indicated in Note 11 and Annex I, the Company invests mostly in the share capital of several companies, so that, according to current legislation, it prepares separate consolidated annual financial statements. These financial statements refer individually to the Company and, therefore, do not reflect the changes that would result in the different items of equity and in the income statement if the abovementioned subsidiaries were to be consolidated.

The Company prepares consolidated financial statements based on the International Financial Reporting Standards (IFRS), which differ from the regulatory framework described in Note 2.a pursuant to which these financial statements were prepared. According to the consolidated financial statements prepared under International Financial Reporting Standards (IFRS), the consolidated equity attributed to the Parent Company at 31 December 2011 totals EUR 771.4 million (EUR 698.9 million in 2010), the consolidated income attributed to the Parent Company totals EUR 23 million (EUR 40.7 million in 2010) and revenues and net revenues total EUR 1,709.8 million and EUR 933.6 million, respectively (EUR 1,596.5 million and EUR 940.1 million in 2010).

Financial liabilities

Financial liabilities are Company debts and accounts payable from the purchase of goods and services through trade operations, or those which not coming from trade operations, cannot be considered as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company writes off financial liabilities when the obligations that generated them cease to exist.

f) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed. These risks include mainly exchange rate and interest rate variation risks. Within the context of such transactions, the Company trades hedging financial instruments.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The Company applies the following types of hedges, which are entered as described below:

1. Fair value hedges: In this case, changes in the value of the hedging instrument and the covered entry attributable to the hedged risk are entered in the income statement.

2. Cash flow hedges: In this type of hedging, the portion of profit or loss of the hedging instrument established as effective hedge will be temporarily recorded in the shareholders' equity, and it will be allocated to the profit and loss account in the years in which the expected hedged transaction impacts on the profit/loss, unless the hedge pertains to an expected transaction that ends in the recording of a non-financial asset or liability; in that event, the amounts entered in the shareholders' equity will be included in the cost of the asset or liability when acquired or incurred.

3. Hedge of net business investments in foreign operations: This type of hedging operation is intended to cover the risk of foreign exchange in investments in subsidiaries and associates and is treated as a fair value hedge of the exchange rate component.

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

At 31 December 2011, the Company has referred to all of its derivative financial instruments as "accounting hedges", recording their changes in fair value, as they are cash flow hedges, under Equity, for their cash portion (Note 12).

g) *Foreign currency transactions*

The functional currency used by the Company is the Euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign Currency Transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At year end, foreign currency-denominated monetary assets and liabilities are converted applying the exchange rate on the balance sheet date. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

h) *Income tax*

Income tax includes the portion related to current tax and the portion related to deferred tax.

The current tax is the amount the Company pays for corporate tax for a specific fiscal year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

Deferred tax relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences identified as amounts payable or recoverable derived from the difference between assets and liabilities carrying amount and their tax value, as well as the negative taxable amounts pending offsetting and tax relief credits not applied from a tax point of view. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

In turn, deferred tax assets are only recognised to the extent that it is considered likely that the Company will have sufficient taxable earnings in the future against which the deferred tax asset can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Since 2004, the Company has been filing consolidated tax returns as part of the Consolidated Tax Group, the parent company of which is Ferrovial, S.A. Based on the distribution methods agreed between the Company and the tax group it forms a part of, the differences between the taxes that the Company would have paid in the event of an individual tax filing and the amounts that are paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the assessment method established by the parent company for them.

i) *Income and expenses*

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Income derived from sales is recognised when significant risks and benefits inherent to the ownership of the sold asset are transferred to the buyer, relinquishing the current management and the effective control of such asset.

As to income from services, they are recognised considering the level of completion of such service at the balance sheet date, provided the transaction result can be reliably estimated.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

j) Provisions and contingencies

When preparing the financial statements the Company's directors made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: possible obligations that arise from past events and whose future existence will depend on the occurrence or non-occurrence of one or more future events which are beyond the Company's control.

Financial statements include all the provisions whose relevant obligations are more likely to be addressed than not. Contingent liabilities are not recognised in the balance sheet, but are reported in the annual report notes, provided they are not considered remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Third party compensation received upon settling an obligation, provided such reimbursement is to be received, is recorded as an asset, except in case of legal bond whereby part of the risk was externalised, and according to which the Company is not liable; in such a situation, the compensation should be used to estimate the amount, if any, of the corresponding provision.

Provisions for contract losses

The Company sets provisions for the future losses that will be incurred as a result of certain service provision contracts in which the operating costs recurrently exceed income, during the remaining years of those contracts (Note 14). The provision is created based on the estimates made by the Company according to the profit or loss at year-end and according to the budget for the following year.

Provisions for closure and post-closure

The Company uses the "Long-term provisions" heading to record the estimates of the costs it will be required to incur in the closure and treatment of waste during the post-closure period of the landfills under management for which, based on the executed contracts, the Company estimates such obligation exists.

The provision for closure and post-closure of the landfills is made according to the best estimate made by the Company's technical personnel of the final cost of the abovementioned closure and of the land maintenance costs which will have to be incurred once the landfills have been closed. The calculation assumptions of the present value considered in both cases are 2% for the forecast inflation rate and 5% for the interest rate. Moreover, the abovementioned provision is made based on the estimated percentage of filling of the landfills by the Company's technical personnel (Note 14).

k) Termination benefits

Under current legislation, the Company is required to pay compensation to employees dismissed under certain conditions. Compensations for dismissal that can be reasonably quantified are, therefore, registered as expenses during the period in which the dismissal decision is made and a valid expectation is created with regard to third parties about such dismissal.

During 2011, termination benefit charges were recorded in the amount of approximately EUR 3,126 thousand, under "Staff costs" in the accompanying income statement (Note 17.d).

l) Environmental assets

Activities involving the environment, savings projects and energy efficiency are charged, essentially, to profit and loss on an accrual basis.

However, the new investments in items of property, plant and equipment consider the environmental parameter as a basic variable upon execution and have been carried out along with the related environmental impact study. The effect on the cost of those investments due to environmental causes is considered the highest value of the assets (Note 19).

The estimate and calculation method of the provisions resulting from the environmental impact are described in Note 4.j.

m) Retirement bonus commitments

According to the collective bargaining agreements to which the workers of certain Company offices are subject, those workers are entitled to receive retirement bonuses as a lump sum payment if they voluntarily choose this option at an age of between 60 and 65 years, depending on the related collective bargaining agreements.

In prior years, the Company outsourced the commitments related to retirement bonuses established in company and cross-company collective bargaining agreements.

n) Grants, donations or gifts and legacies received

Non-refundable capital grants are valued at the fair value of the amount or asset granted, based on whether they have monetary value or not, with an initial recognition under equity. They are allocated to results proportionally to the allocation of the amortisation made in the period for the subsidised assets or, if applicable, when their disposal or impairment valuation correction is made, with the exception of those received from shareholders or owners, which are directly posted under shareholders' equity and represent no income.

Operating grants are posted to the income statement when they are granted, unless they are allotted to financing the operating deficit of future financial years, in which case they will be recorded in those financial years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

o) Joint Ventures

Certain contracts are executed by the grouping of various companies in a joint venture (UTE). At 31 December 2011, the Company takes part in the joint ventures listed in Annex II.

To record the profit and loss of the services provided in joint venture with other companies, the same method is followed as that applied by the Company in its own contracts.

The expenses incurred on behalf of, and other services provided to the joint venture are recognised when the expense is incurred or the service provided.

The operations of the joint ventures in which the Company has interests were proportionately consolidated in the balance sheet and the income statement, applying the percentage of the interest held (Note 21).

p) Transactions with related companies

The Company conducts all transactions with related entities at market value. Also, the transfer prices are adequately supported and, therefore, the Company Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

r) Current and non-current items

Current assets are considered to be those related to the normal cycle of operations that is generally deemed to be one year, as well as other assets the expiry, disposal or realisation of which is expected to take place in the short term as from year-end, financial assets held for negotiation, except for financial derivatives the liquidation term of which exceeds one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.

Likewise, current liabilities are those related to the normal cycle of operations, financial liabilities held for negotiation, with the exception of the financial derivatives the liquidation term of which exceeds one year and in general all obligations that will expire or be extinguished in the short term. If this is not the case, they are classified as non-current.

5. Intangible assets

The changes in "Property, Plant and Equipment" in the balance sheet in 2011 and 2010 were as follows:

Fiscal Year 2011

Cost	01-01-11	Derecognitions for division (Note 2.g)	Additions	Disposals or reductions	31-12-11
	Thousands of euros				
Concession contract, regulated asset (Note 7)	58,218	(32,101)	1,898	—	28,015
Administrative concessions	10,296	—	—	(23)	10,273
Goodwill	285,741	—	—	—	285,741
Rights of transfer	598	—	—	—	598
Computer software	14	—	—	—	14
Total cost	**354,867**	**(32,101)**	**1,898**	**(23)**	**324,641**

Accumulated depreciation	01-01-11	Derecognitions for division (Note 2.g)	Period provisions	Disposals or reductions	31-12-11
	Thousands of euros				
Concession contract, regulated asset (Note 7)	(34,644)	27,404	(1,065)	—	(8,305)
Administrative concessions	(3,185)	—	(1,347)	20	(4,512)
Rights of transfer	(554)	—	(44)	—	(598)
Computer software	(4)	—	(2)	—	(6)
Total accumulated depreciation	**(38,387)**	**27,404**	**(2,458)**	**20**	**(13,421)**

Total Intangible Assets	01-01-11	31-12-11
	Thousands of euros	
Cost	354,867	324,641
Accumulated depreciation	(38,387)	(13,421)
Total, net	**316,480**	**311,220**

Fiscal Year 2010

Cost	31-12-09	Additions	31-12-10
	Thousands of euros		
Administrative concessions	13,206	29	13,235
Goodwill	285,741	—	285,741
Rights of transfer	547	51	598
Computer software	3	11	14
Total cost	**299,497**	**91**	**299,588**

Accumulated depreciation	31-12-09	Period provisions	31-12-10
	Thousands of euros		
Administrative concessions	(3,210)	(707)	(3,917)
Rights of transfer	(547)	(7)	(554)
Computer software	(3)	(1)	(4)
Total accumulated depreciation	**(3,760)**	**(715)**	**(4,475)**

Total intangible assets	Thousands of euros 31-12-09	31-12-10
Cost	299,497	299,588
Accumulated depreciation	(3,760)	(4,475)
Total, net	**295,737**	**295,113**

At 2011 year-end, the Company had different concession contracts according to the description in Note 7.

The heading "Administrative concessions" at 2011 year-end includes the amounts delivered for several contracts with public entities.

The net goodwill is due basically to the goodwill resulting from the mergers described in Notes 1 and 4.a.

The breakdown of the goodwill classified by the cash-generating unit to which it belongs in 2011 and 2010, is as follows:

Goodwill	Thousands of euros Balance at 31-12-11	Balance at 31-12-10
Solid urban waste collection and road clean-up	285,741	285,741
Total	**285,741**	**285,741**

The merger goodwill reflected in the balance sheet was generated, initially, with the acquisition of Cespa, which was the parent of a group of companies, so that the different cash-generating units were identified with each one of those companies. In this regard, as an allocation was made of the fair values of each one of the interests held, the resulting merger goodwill is due only to the main activity of the acquired companies.

As a result of the merger carried out in 2004 and described in Notes 1 and 4.a, in that year the Company recorded a goodwill that was originally calculated as the difference between the price paid and the consolidated underlying carrying amount of the acquired group plus a series of unrealised gains, which made the pre-existing value of the financial interests and other equity items held by the acquired company increase.

The most significant assumptions used to determine the recoverable amount of the cash-generating unit were the following:

Goodwill	Discount rate	Nominal growth rate
Solid urban waste collection and road clean- up	7,5% - 9,5%	2% - 3%

The recoverable amount of the cash-generating unit is determined by using cash flow projections for a five-year period. The residual value is based on the cash flow for the last year projected, provided this represents a cash flow with no exceptional factors, and the growth rate applied in no case exceeds the estimated long-term growth rate for the market in which the Company operates.

Cash flows are discounted using a rate based on the weighted average cost of capital for this type of assets. The discount rates used are those appearing in the above table. Additionally, a sensitivity analysis is carried out, especially in relation to the discount rate used and the residual growth rate, with the purpose of ensuring that the possible changes in estimates of those rates will not affect the determination of the recoverable value of the cash-generating unit.

Based on the abovementioned assumptions, the Company's Directors consider that there are no indications of impairment whatsoever regarding the goodwill at 2011 year-end, which is why no provision for impairment has been set.

6. Property, plant and equipment

The changes in this balance sheet item during 2011 and 2010, as well as the most significant information thereof, were the following:

Fiscal Year 2011

Cost	Thousands of euros 01-01-11	Derecognitions for division (Note 2.g)	Additions	Increases or decreases from transfers	Disposals or reductions	31-12-11
Land and buildings	17,573	(285)	—	838	(1,193)	16,933
Machinery, fixtures and tools	79,861	(3,933)	844	665	(3,941)	73,496
Furniture	21,910	(1,455)	249	2,089	(816)	21,977
Transport equipment	248,897	(2,707)	832	10,273	(21,662)	235,633
Computer hardware	5,215	(38)	139	348	(126)	5,538
Other items of property, plant and equipment	2,013	—	—	55	(67)	2,001
Property, plant and equipment in the course of construction	7,468	—	9,322	(14,268)	—	2,522
Total cost	**382,937**	**(8,418)**	**11,386**	**—**	**(27,805)**	**358,100**

Accumulated depreciation	Thousands of euros 01-01-11	Derecognitions for division (Note 2.g)	Period provisions	Increases or decreases from transfers	Disposals or reductions	31-12-11
Land and buildings	(4,411)	—	(801)	—	1,193	(4,019)
Machinery, fixtures and tools	(48,763)	3,632	(4,211)	659	3,762	(44,921)
Furniture	(12,804)	1,449	(1,806)	(203)	815	(12,549)
Transport equipment	(155,826)	2,255	(21,423)	(214)	21,283	(153,925)
Computer hardware	(3,891)	76	(732)	(299)	99	(4,747)
Other items of property, plant and equipment	(1,206)	—	(117)	57	64	(1,202)
Total accumulated depreciation	**(226,901)**	**7,412**	**(29,090)**	**—**	**27,216**	**(221,363)**

Total Property, Plant and Equipment	Thousands of euros 01-01-11	31-12-11
Cost	382,937	358,100
Accumulated depreciation	(226,901)	(221,363)
Impairment	(4,573)	(5,522)
Total, net	**151,463**	**131,215**

Fiscal Year 2010

Cost	Thousands of euros 31-12-09	Additions	Increases or decreases from transfers	Disposals or reductions	31-12-10
Land and buildings	37,940	2	67	(15,710)	22,299
Machinery, fixtures and tools	121,669	3,322	10,952	(6,729)	129,214
Furniture	19,435	134	3,821	(1,480)	21,910
Transport equipment	234,909	1,058	36,288	(23,358)	248,897
Computer hardware	6,361	650	(29)	(1,767)	5,215
Other items of property, plant and equipment	2,371	54	—	(412)	2,013
Property, plant and equipment in the course of construction	33,803	26,005	(51,099)	(41)	8,668
Total cost	**456,488**	**31,225**	**—**	**(49,497)**	**438,216**

Accumulated depreciation	Thousands of euros 31-12-09	Additions	Increases or decreases from transfers	Disposals or reductions	31-12-10
Land and buildings	(6,948)	(632)	—	1,918	(5,662)
Machinery, fixtures and tools	(74,567)	(14,068)	698	6,513	(81,424)
Furniture	(12,599)	(1,661)	(1)	1,457	(12,804)
Transport equipment	(152,772)	(24,446)	(696)	22,088	(155,826)
Computer hardware	(4,114)	(840)	(1)	1,064	(3,891)
Other items of property, plant and equipment	(1,151)	(215)	—	160	(1,206)
Total accumulated depreciation	**(252,151)**	**(41,862)**	**—**	**33,200**	**(260,813)**

Total property, plant and equipment	Thousands of euros 31-12-09	31-12-10
Cost	456,488	438,216
Accumulated depreciation	(252,151)	(260,813)
Impairment	(6,070)	(4,573)
Total, net	**198,267**	**172,830**

Additions for 2011 are related to the renewal of items required for the Company's different clean-up and collection service provision contracts as well as to the investments required based on the renewal of contracts in the prior year.

Write-offs, on the other hand, with a net carrying value of EUR 589 thousand, are due basically to sales of property, plant and equipment and write-offs for obsolescence, specifically mentioning the write-off of fully amortised transport equipment due to the completion of a contract in 2011. The profit from those operations amounted to EUR 28 thousand.

The Company's property, plant and equipment in the course of construction involve basically facilities and machinery in progress that were not operational at year-end, in the amount of EUR 2,249 thousand. The transfers that took place during 2011 are related basically to the beginning of operation of the transport equipment of a contract that was renewed in the prior year.

The Company essentially records as impairment of property, plant and equipment at 2011 year-end, a provision based on the investment plans defined in different contracts and the delays in executing those investments.

The Company owns real property whose cost, separately from the building and land, at the end of 2011 and 2010, was as follows:

Buildings	Thousands of euros 2011	2010
Lands	7,029	7,322
Buildings	9,904	14,977
Total	**16,933**	**22,229**

At 2011 and 2010 year-ends, the Company had fully amortised property, plant and equipment still in use, as shown below:

Description	Thousands of euros (Gross) Carrying amount 2011	2010
Buildings	696	1,106
Machinery, fixtures and tools	16,004	48,690
Other fixtures, furniture and equipment	5,183	6,904
Transport equipment	77,388	82,532
Computer hardware	3,033	2,244
Other items of property, plant and equipment	363	247
Total	**102,667**	**141,723**

As stated in Note 8, at 2011 year-end, the Group had undertaken several financial lease transactions with respect to its property, plant and equipment.

The Company's policy is to take out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At 31 December 2011, they were appropriately insured.

7. Concession agreements

At 31 December 2011, the Company classifies all of its assets under concession as intangible assets, according to their type. Their movement during the year was as follows:

	Thousands of euros		
	Total cost	Accumulated depreciation	Net
Balance at 01.01.2011	**58,218**	**(34,644)**	**23,574**
Write-offs for division (Note 2.g)	(32,101)	28,188	(3,913)
Additions or provisions	1,898	(1,849)	49
Balance at 31.12.2011	**28,015**	**(8,305)**	**19,710**

The main additions for the year are related to the expansion and improvement of the sorting and composting facilities run by the Company.

The amount recorded under "Concession agreement, regulated asset" includes items in the course of construction that were not operational at the end of the year, in the amount of EUR 3,046 thousand.

The Company's policy is to sign insurance policies to cover the potential risks to which the items included in "Concession agreements" of the accompanying balance sheet are subject. At 31 December 2011, they are appropriately insured.

During 2011, the Company has not capitalised financial expense under "Concession agreements" as it considers this amount is not significant.

The Company's concessions at 31 December 2011 are the following (although the Company holds an interest in some concessions through joint ventures, in the percentage indicated in the table, the information regarding the investment is shown at 100%):

			Thousands of euros		Prior	
Description of the concession	District	Ownership	Estimated investment	Investment made	Duration of the concession	Time remaining
Operating the operating service of the urban waste treatment centre of Albacete.	Albacete	33%	7,391	2,228	15	7
Operating the urban solid waste sorting and composting plant for the municipality of Almería.	Almería	100%	14,975	6,109	20	13
Automating and subsequently operating, maintaining and cleaning the sorting plant of light packaging of the environmental complex of Cerceda.	Cerceda (la Coruña)	100%	3,377	3,259	10	7
Constructing and operating the bulk waste plant in Cerceda.	Cerceda (la Coruña)	100%	8,804	7,242	35	30
Operating several waste treatment centres in the province of Huelva.	Huelva	20%	10,104	8,292	10	5
Constructing the treatment centre and the concession of the waste collection, transport and treatment services for the municipalities of the Mancomunidad de Servicios Comsermancha.	Alcázar de San Juan (Ciudad Real)	80%	2,530	2,530	15	2
Constructing and operating a building related to the clean-up, maintenance and gardening services of green areas and miscellaneous cleaning.	Cunit	100%	2,596	2,596	16	11
Service contract for collecting solid urban waste, constructing the solid urban waste recovery and composting plant and operating that plant and the transfer plants for Consorcio Almanzora Levante.	Pulpí (Almería)	80%	3,052	3,052	20	17
Constructing, starting up and operating one of the comprehensive municipal waste treatment facilities contemplated in the "Sectorial master plan for the management of urban waste in Ibiza and Formentera".	Ibiza and Formentera	20%	9,745	9,745	28	19

8. Leases

Finance leases

At 31 December 2011 and 2010, the Company, as financial lessee, had recognised the leased assets broken down below:

Fiscal Year 2011

			Thousands of euros				
			Original cost without purchase option	Instalments paid		Present value of instalments pending	Present value of purchase option
Description	Duration for contract (months)	Months elapsed		Prior years	Current the year		
Contracts effective at 31 December 2010:							
Machinery, fixtures and tools	60	39	4,851	2,021	976	1,854	48
Vehicles	60	39	5,127	2,482	1,102	1,543	94
Machinery, fixtures and tools	60	39	1,047	435	210	402	18
Machinery, fixtures, tools and vehicles (integration of joint ventures)	82	71-74	322	219	43	60	5
			11,772	**5,568**	**2,345**	**3,859**	**164**

Fiscal Year 2010

			Thousands of euros				
			Original cost without purchase option	Instalments paid		Present value of instalments pending	Present value of purchase option
Description	Duration for contract (months)	Months elapsed		Prior years	Current the year		
2010 contracts:							
Vehicles (integration of joint ventures)	60-48	5-10	50	—	8	42	1
Contracts effective at 31 December 2009:							
Machinery, fixtures and tools	60	27	4,851	1,075	946	2,830	48
Vehicles	60	27	5,127	1,209	1,273	2,645	94
Machinery, fixtures and tools	60	27	1,048	231	204	613	18
Machinery, fixtures and tools (integration of joint ventures)	96-82	94-62	508	374	74	60	9
			11,584	**2,889**	**2,505**	**6,190**	**170**

The above table shows the present value of instalments pending payment of the financial lease agreements signed by the Company. The nominal value of the abovementioned instalments, as well as of the purchase option, totals EUR 4,117 thousand at 2011 year-end, of which EUR 2,203 thousand fall due within less than one year with a present value of EUR 2,125 thousand, and EUR 1,914 thousand mature within more than one year with a present value of EUR 1,899 thousand. Both amounts were recorded in the accompanying balance sheet at 31 December 2011 under the headings "Current payables" and "Non-current payables", respectively (Note 15).

The Company's most significant financial lease agreements at 2011 year-end are the following: purchase of machinery and transport equipment based on the award of contracts in prior years (approximately EUR 4,738 thousand) and purchase of items of property, plant and equipment for constructing a treatment plant of light packaging and making improvements on a bulk waste plant (approximately EUR 5,616 thousand).

Operating lease

As at 2011 and 2010 year-ends, the Company had reached an agreement with the lessors on the following minimum lease payments as per the current contracts in force, without considering their effect on common expenses, future increases due to CPI or future updates of leases agreed upon under contract:

Operating leases lease payments	Thousands of euros 2011	Thousands of euros 2010
In one year	4,845	4,725
From 2 to 5 years	15,490	14,754
After five years	10,203	11,940

The detail of the operating lease payments recognised respectively as an expense in 2011 and 2010 is as follows:

	Thousands of euros 2011	Thousands of euros 2010
Operating leases recognised in the period profit or loss.	15,326	14,968

The most significant lease agreements are related to real estate, transport equipment and containers, among others. One of these is the Company's contract for its head office, which was renewed in 2010 for a 5-year period, with the possibility of making additional 5-year extensions until 2035, as well as a building leased in Barcelona, with the contract expiring in 2012, with the possibility of making two additional 7-year extensions, and a last 5-year extension, and a lease signed during 2010 for the company's offices located in Madrid, with an initial 15-year duration, with the possibility of extending them for an additional 2-year period. The amount committed by the three agreements, without taking into account the effect of common expenses, future increases due to CPI or future updates of leases agreed upon under contract amount to approximately EUR 15.6 million.

9. Financial assets (non-current and current)

a) Non-current financial assets

The balance of the accounts under the heading "Non-current financial investments" at 2011 and 2010 year-ends is as follows:

Classes	Thousands of euros					
	Non-current financial instruments					
Professional category	Equity Instruments		Credits, derivatives and Other		Total	
	2011	2010	2011	2010	2011	2010
Loans and receivables	29	30	33,766	33,089	33,795	33,119
Total	**29**	**30**	**33,766**	**33,089**	**33,795**	**33,119**

At 31 December 2011, the "Credits, derivatives and others" heading includes 13 credits from different municipal councils, with the long-term outstanding total amounting to approximately EUR 37,820 thousand, valued at amortised cost, as a result of the debt refinancing for the provision of ordinary services carried out in previous years and during the year (2 new agreements in 2011). These credits have periodic due dates, the last of them in 2032. Furthermore, the financial burden of the debt is tied to the Euribor.

During 2011, the Company recorded an adjustment provision for these credits, with the purpose of adjusting their valuation at amortised cost due to the financial effect of the delays by some municipal councils in complying with the payment schedules. This impairment totals EUR 6,071 thousand at 31 December 2011, and has been charged to the heading "Impairment and losses of financial instruments" of the accompanying income statement.

The breakdown of the credits granted to municipal councils by maturity, without considering the abovementioned impairment, is as follows:

Fiscal Year 2011

Maturity	Thousands of euros
2013	8,756
2014	7,657
2015	7,226
2016	1,870
2017 onwards	12,311
Total	**37,820**

Fiscal Year 2010

Maturity	Thousands of euros
2012	6,452
2013	5,131
2014	3,731
2015	3,075
2016 onwards	12,698
Total	**31,087**

At the time these financial statements were prepared, there was a refinancing agreement in place regarding the debt from a municipal council of Andalucía in the amount of EUR 9,367 thousand, with the approximate and respective principal and interest amounts totalling EUR 7,811 thousand and EUR 1,556 thousand, according to an agreement signed in prior years, establishing the payment of certain annual instalments until September 2013.

The first instalments were not paid and enforcement of the agreement was claimed through a court action. In 2010, the municipal council issued an agreement proposal consisting in a payment plan which is not being met to date. That is why the Company has again filed legal action for enforcement of the agreement in relation to which there is a favourable ruling confirming the municipal council's obligation of allocating the entire payable to the budget until it has been fully settled.

At the time these financial statements were prepared, the municipal council made a partial payment of the instalments in the amount of EUR 320 thousand, not having made any payment in 2011; the outstanding past-due instalments therefore total EUR 4,366 thousand, which are recorded under the heading "Current financial investments" of the balance sheet at 31 December 2011 (Note 9.b). Furthermore, the Company recorded an impairment in the amount of 2,872 under the heading "Impairment and gains or losses on disposals of financial instruments" of the accompanying income statement, as described in Note 2.e.

Additionally, at 2011 year-end this included guarantees and loans granted to staff with a long-term maturity in the amount of EUR 2,017 thousand. The latter accrue interest at market rate.

b) Current financial investments

The balance of the accounts under the heading "Current investments" upon 2011 and 2010 year-ends is as follows:

Classes	Thousands of euros					
	Current financial instruments					
Professional category	Debt securities		Credits, derivatives and others		Total	
	2011	2010	2011	2010	2011	2010
Loans and receivables	—	—	17,202	12,375	17,202	12,375
Investments held until maturity	320	—	3,547	3,496	3,867	3,496
Total	**320**	**—**	**20,749**	**15,871**	**21,069**	**15,871**

The amount recorded in the "Loans and receivables" item is related, basically, to the instalments of loans granted to customers, mentioned in Note 9.a, which fall due within a term of less than 12 months or which are past-due at 2011 year-end. These instalments, valued at amortised cost, total approximately EUR 16.3 million.

On the other hand, the amount recorded in the "Investments held until maturity" item, under the "Credits, derivatives and others" heading is related to the allocation of a reserve fund of a Company loan debt service (Note 15) that totals an amount equivalent to the following amortisation instalment of the loan principal amount plus expenses, commissions and interest on that loan, all of them corresponding to the following six-monthly period. The amounts deposited in this reserve fund of the debt service are pledged and do not constitute amounts that are available to the Company.

c) Information on the nature and level of risk of financial instruments

The Company's financial risks management is under the responsibility of the Financial Management of the Group to which the Company belongs (Note 1), which has the necessary mechanisms to control the exposure to interest rate and exchange rate fluctuations, as well as credit and liquidity risks. Below are the main financial risks affecting the Company:

1. Credit risk

In general, the Company maintains its cash and other equivalent liquid assets in high-credit rating financial institutions. It also monitors receivables on a case-by-case basis to determine potential insolvency situations.

2. Liquidity risk

In order to guarantee liquidity and meet all payment obligations derived from its activity, the Company relies on the cash shown in its balance, as well as the credit and financing lines detailed in Note 15.

In the current market context, that during the last financial years has been affected mainly by a significant financial crisis that has led to a widespread contraction of credit, the Company has maintained a proactive policy with regard to liquidity risk management, focusing essentially on preserving the Company's liquidity.

This policy was developed basically through:

- Efficient working capital management to ensure timely fulfilment of payment obligations by customers. Likewise, where this can be done under reasonable market conditions, through the factoring and discounting of future collection rights.
- Use of a comprehensive cash system, with the purpose of optimising the daily liquidity positions in the different companies owned directly or indirectly by the Company, as well as the Group to which it belongs (Note 1).

The Group has also sought to always utilise available cash to settle payment obligations and liabilities in advance.

3. Interest and exchange rates market risk:

In managing its interest rate risk, the Company's purpose is to attain an adequate balance between its debt positions at fixed rates and floating rates, that will allow it to adapt to the different market situations, at all times ensuring compliance of the business plans established.

Accordingly, in managing debt references, the Company tends to keep a high percentage of the debt tied to fixed rates, either arranged at inception or hedged by means of derivative financial instruments.

The Company applies a proactive management approach to the debt that is tied to floating, paying particular attention to the evolution of market rates in order to obtain the lowest rates wherever possible.

With regard to the exchange rate risk, the Company does not engage significantly in international operations and, therefore, its exposure to exchange rate risk from transactions involving foreign currency is not significant.

10. Trade receivables for sales and services

The breakdown of this item of the accompanying balance sheet is as follows:

Item	Thousands of euros 2011	2010
Public authorities	420,574	425,195
Private customers	8,916	11,598
Impairment provision	(22,675)	(14,612)
Total	**406,815**	**422,181**

The Company's customer portfolio has remained practically constant as compared to the prior year, due to stagnation in the collection terms of the Public Administrations. In this regard, the Company considers that the delays that may take place would not entail a decrease in solvency of those debtors nor in the fair value of the receivables held, given the condition and generalised existence of debt recognition by the debtors and the right and intention to request late-payment interest in most cases. At any rate, the Company maintains a provision for impairment for those receivables that are difficult to recover or whose financial charges that were assumed are not expected to be recovered.

Certain credit rights recorded at 2011 year-end are pledged as collateral of the financing agreement signed in 2009 (Note 15), which at 2011 year-end amounted to EUR 11,475 thousand.

During 2011, the Company settled accounts receivable in the amount of EUR 1,133 thousand with the consequent cancellation of the provision already existing on the balance sheet. Additionally, a total of EUR 8,816 thousand allocated to the provision for impairment of the abovementioned receivables was recorded with a charge to "Impairment and gains or losses on disposals of financial instruments" as described in Note 4.e.

11. Investments in Group companies, jointly controlled entities and associates

The most significant information related to the Group, jointly-controlled entities and associates at 2011 and 2010 year-ends is the following:

Fiscal Year 2011

	Thousands of euros			
	01-01-11	Additions/ Provisions for the period	Disposals or reductions	31-12-11
Investments in Group companies, jointly-controlled entities and associates	175,531	10,060	—	185,591
Loans to Group companies and related entities (Note 18.b)	68,208	50,306	—	118,514
Impairment of equity instruments	(14,652)	(11,587)	1,393	(24,846)
Disbursements yet to be paid on long-term investments	(490)	—	—	(490)
	228,597	**48,779**	**1,393**	**278,769**

Fiscal Year 2010

	Thousands of euros				
	31-12-09	Additions/ Provisions for the period	Disposals or reductions	Transfers	31-12-10
Investments in Group companies, jointly-controlled companies and associates	161,224	2,494	—	11,813	175,531
Loans to Group companies and related entities (Note 18.b)	78,550	—	(10,342)	—	68,208
Impairment of equity instruments	(8,159)	(6,503)	208	(198)	(14,652)
Disbursements yet to be paid on long-term investments	—	(490)	—	—	(490)
	231,615	**(4,499)**	**(10,134)**	**11,615**	**228,597**

The breakdown and movement of the "Investments in Group companies, jointly-controlled entities and associates" item in the above table, as well as the provisions allocated to it, is as follows:

Fiscal Year 2011

	Thousands of euros			
	01-01-11	Additions / (Provisions)	Disposals and uses	31-12-11
Cost:				
Empresa Mixta de Almendralejo, S.A.	132	—	—	132
Cespa Jardinería, S.L.U.	8,465	—	—	8,465
Cespa Portugal, S.A.	11,813	—	—	11,813
Valdemingómez 2000, S.A.	601	—	—	601
Ingeniería Urbana, S.A.	4,227	—	—	4,227
Ingeniería Ambiental Granadina, S.A.	2,606	—	—	2,606
Cespa Gestión de Residuos, S.A.U.	74,662	—	—	74,662
Cespa Conten, S.A.U.	12,527	—	—	12,527
Cespa Inversiones Ambientales, S.A.	3,606	—	—	3,606
Recollida de Residus d'Osona, S.L.	384	—	—	384
Sitkol, S.A.	4,831	—	—	4,831
Ecocat, S.L.	31,494	—	—	31,494
Gestión Medioambiental de Toledo, S.A.	7,683	—	—	7,683
Cespa Nadafa, S.A.R.L.	448	—	—	448
Ecoenergía Can Mata, A.I.E.	54	—	—	54
Ayora Gestión de Biogás, S.L.	448	—	—	448
Ecoparc de Can Mata, S.L.U.	11,000	—	—	11,000
Serveis Mediambientals de la Selva Nora, S.A.	318	—	—	318
Vialnetvic, S.A.	172	—	—	172
Cespa UK Limited	—	—	—	—
Cespa Servicios Urbanos de Murcia, S.A.U.	—	10,060	—	10,060
Others	60	—	—	60
Total	**175,531**	**10,060**	**—**	**185,591**
Impairment provision:				
Cespa Jardinería, S.L.U.	(1,887)	—	—	(1,887)
Gestión Medioambiental de Toledo, S.A.	(1,393)	—	1,393	—
Ecocat, S.L.	(9,893)	(11,587)	—	(21,480)
Cespa Nadafa S.A.R.L.	(1,479)	—	—	(1,479)
Total	**(14,652)**	**(11,587)**	**1,393**	**(24,846)**
Disbursements yet to be paid on long-term investments				
Gestión Medioambiental de Toledo, S.A.	(490)	—	—	(490)
Total	**(490)**	**—**	**—**	**(490)**
Total, net	**160,389**	**(1,527)**	**1,393**	**160,255**

Fiscal Year 2010

	Thousands of euros				
	31-12-09	Additions / (Provisions)	Disposals and uses	Transfers	31-12-10
Cost:					
Empresa Mixta de Almendralejo, S.A.	132	—	—	—	132
Cespa Jardinería, S.L.U.	8,465	—	—	—	8,465
Cespa Portugal, S.A.	—	—	—	11,813	11,813
Valdemingómez 2000, S.A.	601	—	—	—	601
Ingeniería Urbana, S.A.	4,227	—	—	—	4,227
Ingeniería Ambiental Granadina, S.A.	2,606	—	—	—	2,606
Cespa Gestión de Residuos, S.A.U.	74,662	—	—	—	74,662
Cespa Conten, S.A.U.	12,527	—	—	—	12,527
Cespa Inversiones Ambientales, S.A.	3,606	—	—	—	3,606
Recollida de Residus d'Osona, S.L.	384	—	—	—	384
Sitkol, S.A.	4,831	—	—	—	4,831
Ecocat, S.L.	31,494	—	—	—	31,494
Gestión Medioambiental de Toledo, S.A.	5,708	1,975	—	—	7,683
Cespa Nadafa, S.A.R.L.	448	—	—	—	448
Ecoenergía Can Mata, A.I.E.	54	—	—	—	54
Ayora Gestión de Biogás, S.L.	448	—	—	—	448
Ecoparc de Can Mata, S.L.U.	11,000	—	—	—	11,000
Serveis Mediambientals de la Selva Nora, S.A.	27	291	—	—	318
Vialnetvic, S.A.	—	172	—	—	172
Cespa UK Limited	—	—	—	—	—
Other	4	56	—	—	60
Total	**161,224**	**2,494**	**—**	**11,813**	**175,531**
Impairment provision:					
Cespa Jardinería, S.L.U.	(1,887)	—	—	—	(1,887)
Gestión Medioambiental de Toledo, S.A.	(1,393)	—	—	—	(1,393)
Cespa Portugal, S.A.	—	—	198	(198)	—
Ecocat, S.L.	(3,390)	(6,503)	—	—	(9,893)
Cespa Nadafa S.A.R.L.	(1,479)	—	—	—	(1,479)
Ecoenergía Can Mata, A.I.E	(10)	—	10	—	—
Total	**(8,159)**	**(6,503)**	**208**	**(198)**	**(14,652)**
Disbursements yet to be paid on long-term investments					
Gestión Medioambiental de Toledo, S.A.	—	(490)	—	—	(490)
Total	**—**	**(490)**	**—**	**—**	**(490)**
Total, net	**153,065**	**(4,499)**	**208**	**11,615**	**160,389**

Annex I of these Notes describe the additional information related to the companies in which the Company holds an interest at 2011 year-end. None of these subsidiaries are listed companies.

On 11 January 2011, the Company created Cespa Servicios Urbanos de Murcia, S.A.U., with a 100% equity interest and an initial capital of EUR 60 thousand. It company purpose is to manage the public service of road clean-up, collection and transport of urban solid waste of the municipality of Murcia. Subsequently, the Company increased that subsidiary's capital in the amount of EUR 10 million, fully disbursed by transferring the entire equity of the business branch described in note 2.g.

During 2010, the Company participated in the capital increase of subsidiary Gestión Medioambiental de Toledo, S.A. with EUR 1,975 thousand, of which EUR 490 thousand had yet to be disbursed at the end of 2011.

The ownership interests in Ecoparc de Can Mata, S.L.U. are pledged to guarantee the loan signed in prior years by that subsidiary for the construction of the treatment plant under concession.

At 31 December 2011, the Company re-estimated the impairment in its ownership interests in Group companies based on the underlying carrying amount of the different subsidiaries, considering this to be the best evidence of their recoverable value, except for the following ownership interests in which it calculated their fair value based on the present value of estimated future cash flows, which include goodwill, as the case may be, allocating (or reversing, as applicable) the provisions for impairment using the basic assumptions mentioned below:

Company	Nominal growth rate of the perpetual income
Gestión Medioambiental de Toledo, S.A.	N/A
Cespa Portugal, S.A.	2% - 3%
Ecocat, S.L.	2% - 3%
Cespa Conten, S.A.U.	2% - 3%

The discount rates were between 7.5% and 9%.

The recoverable amounts of the cash-generating units are determined by using cash flow projections for a five-year period, except for those used in subsidiary Gestión Medioambiental de Toledo, S.A., for which the duration of the concession was considered, ending in 2032. The residual value is based on the cash flow for the last year projected, provided this represents a cash flow with no exceptional factors, and the growth rate applied in no case exceeds the estimated long-term growth rate for the market in which the Company operates.

Cash flows are discounted using a rate based on the weighted average cost of capital for this type of assets. The discount rates used are those appearing in the above table. Additionally, a sensitivity analysis is carried out, especially in relation to the discount rate used and the residual growth rate, with the purpose of ensuring that the possible changes in estimates of those rates will not affect the determination of the recoverable value of the cash-generating unit.

During 2011, Ecocat, S.L., in which the Company holds a 50% ownership interest, failed to attain the results expected in its business plan, which was to recover the investment. For this reason, the Company's Directors re-estimated the abovementioned business plan, revealing an additional impairment in fair value of the ownership interest in the amount of EUR 11.6 million, which was recorded with a charge to "Impairment and gains or losses on disposals of financial instruments" in the accompanying income statement at 31 December 2011.

Furthermore, and based on the results of the projections made for subsidiary Gestión Medioambiental de Toledo, S.A., the Company reversed the impairment recorded in prior years in the amount of EUR 1.4 million with a charge to the "Impairment and gains or losses on disposals of financial instruments" heading in the accompanying income statement.

For the rest of the subsidiaries, based on the abovementioned assumptions, the Company's Directors consider that there are no indications of impairment whatsoever at 2011 year-end, which is why no provision for additional impairment has been set.

Cespa Nadafa, S.A.R.L.

The Company records a provision for impairment in Cespa Nadafa S.A.R.L., located in Morocco and which has been inactive since 2006. The Company also records a provision for risks and expenses to cover the amount related to net assets held with it, which consist in a non-current loan which at year-end totalled EUR 2,761 thousand (Notes 14 and 18.b).

12. Derivative financial instruments

During 2011, the Company had contracted an interest rate swap with a bank with a high credit rating.

In 2011, the only derivatives held by the Company are interest rate derivatives.

The purpose of this interest rate swap is to reduce the fluctuation of the cash flows to be outlaid for the Company's financing, which is tied to the Euribor. Through the IRS, the Company receives that same reference (Euribor) from the bank in exchange for a fixed interest rate payment.

Interest rate derivatives

To determine the fair value of the interest rate derivatives (IRSs), the Company uses an in-house IRS valuation model where the inputs are the Euribor market curves and long-term swap rates to establish the fair value of the interest rate derivative structures.

The interest rate derivatives contracted by the Company and in effect at 31 December 2011 and 2010 and their fair values at those dates include the following:

Fiscal Year 2011

Instrum.	Maturity	Value (Thousands of euros)	Fair value (Thousands of euros)	Outstanding amount for 2012 (Thousands of euros)	Outstanding amount for 2013 (Thousands of euros)	Outstanding amount for 2014 (Thousands of euros)	Floating rate
IRS	01/11/2017	17,106	(929)	14,330	12,680	9,665	Euribor 6 months

Fiscal Year 2010

Instrum.	Maturity	Value (Thousands of euros)	Fair value (Thousands of euros)	Outstanding amount for 2011 (Thousands of euros)	Outstanding amount for 2012 (Thousands of euros)	Outstanding amount for 2013 (Thousands of euros)	Floating rate
IRS	01/11/2017	19,809	(765)	17,106	14,330	12,680	Euribor 6 months

The Company has decided to use hedge accounting which is allowed by the New Spanish National Chart of Accounts, properly designating the hedging relationship in which this IRS is a hedging instrument for the financing used by the Company, mitigating the changes in flows due to interest payments by setting the fixed rate it is to pay.

This hedging relationship is effective both prospectively and retrospectively, on an accumulated basis, since the date of designation. Accordingly, the Company accumulates the effective portion of the change in fair value of derivative financial instruments in Equity, which at 31 December 2011 totalled a negative amount of EUR 650 thousand, net of its tax effect.

During 2011, a negative net amount of EUR 350 thousand was recorded in Equity and a net amount of EUR 235 thousand was reclassified from Equity to interest expense, as the interest on the financial liability that was being hedged according to the designated hedging relationship was recorded, taking into account the effective interest method of the hedged loan.

Interest rate sensitivity analysis

The changes in the fair value depend on the changes in implicit interest rates of the interest rate curves of the Euro market at any given time. The fair value of those derivatives, at 31 December 2011, is a negative amount of EUR 929 thousand.

Below is a breakdown of the sensitivity analysis (changes on the fair value at 31 December 2011) of the fair values of derivatives recorded in Equity ("accounting hedges") in light of changes in the Euro's interest rate curve:

Sensitivity (in thousands of euros)	31.12.2011
+1% (increase in the interest rate curve)	486
-1% (decrease in the interest rate curve)	(514)

The sensitivity analysis shows that the interest rates record decreases in their negative fair value when there are market movements involving interest rate increases and, therefore, the Company would be covered from increasing interest rate movements. When there are movements which involve decreases in interest rates, the negative fair value of those derivatives would increase.

As they were designated as accounting hedges, and as they are 100% effective both prospectively and retrospectively, the change in fair value of those derivatives would be fully recorded in Equity.

The Company has also conducted a sensitivity analysis for the amounts of financial debt at floating rates, leading to the conclusion that a 0.5% increase in interest rates would cause the financial expense amount fluctuate by EUR 171 thousand. Having contracted the interest rate derivatives, this sensitivity would be partly decreased by a nominal amount of EUR 17,106 thousand of this financial debt (this amount is related to the notional amount of the derivatives in effect at 31 December 2011).

13. Equity and shareholders' equity

Share capital

At 2011 and 2010 year-ends, the share capital is represented by 560,957,201 bearer shares with a par value of 1 euro each, fully subscribed and paid in. Ferrovial Servicios, S.A., 99.99% of which is owned by Ferrovial, S.A., is the main shareholder with an interest of 99.99% in the Company's shares.

The Company acts as guarantor for Ferrovial, S.A.'s bank loan (Note 1), the terms of which are described in the consolidated annual report of the group that company is the parent of, and which includes, among other aspects, the fulfilment of a series of financial obligations during the financing term, which will be measured on a six-month basis:

i. The Group's Net Financial Debt/EBITDA ratio must not exceed certain pre-established levels.

ii. The Group's EBITDA/Net Finance Costs ratio must not fall below certain pre-established levels.

Ferrovial Group was achieving both ratios at 31 December 2011.

Furthermore, the Company is the guarantor of different borrowings from financial leasing companies and from credit entities for loans granted, guarantee facilities and reverse factoring facilities of some of its subsidiaries. At 31 December 2011, none of its subsidiaries has failed to comply with their obligations.

Legal reserve

Under the Capital Companies Law, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 2011 year-end this reserve was fully established.

Negative reserve related to contribution

This reserve was created to record the difference between the nominal value of the shares issued and the contributing company's net carrying value of the assets contributed in the capital increase made by the Company in 2004.

Reserve for goodwill

Under the Spanish Companies Law, when distributing the profit for each year an appropriation of at least 5% of the goodwill recognised on the asset side of the balance sheet must be made to a restricted reserve for that goodwill. If a company does not report a profit, or reports an insufficient profit, unrestricted reserves must be used for this purpose (Notes 1, 3, 4.a and 5).

Adjustments for changes in value

Below are the breakdown and nature of other adjustments for changes in value (thousands of euros):

	31-12-11	31-12-10
Hedging transactions (Note 12)	(650)	(535)
	(650)	**(535)**

14. Provisions and contingencies

Provisions

Set out below is an analysis of the provisions on the balance sheet at 2011 and 2010 year-ends, together with the main movements recorded during those years:

Fiscal Year 2011

	Thousands of euros		
	01-01-11	Period provisions	31-12-11
Provisions for contract losses (Note 4.j)	815	1,016	1,831
Provision related to subsidiaries (Note 11)	2,761	—	2,761
Provision for closure and post-closure	4,765	220	4,985
Other provisions for responsibilities	11,686	1,362	13,048
	20,027	**2,598**	**22,625**

Fiscal Year 2010

	Thousands of euros			
	31-12-09	Period provisions	Uses	31-12-10
Provisions for contract losses (Note 4.j)	821	—	**(6)**	815
Provision related to subsidiaries (Note 11)	2,761	—	**—**	2,761
Provision for closure and post-closure	4,338	544	**(117)**	4,765
Other provisions for responsibilities	12,968	—	**(1,282)**	11,686
	20,888	**544**	**(1,405)**	**20,027**

Provision related to subsidiaries

The company records an allowance for the receivables from subsidiary "Cespa Nadafa, S.A.R.L (Notes 11 and 18.b).

Provisions for closure and post-closure

At 31 December 2011, the Company's Management has re-estimated the closure and post-closure costs of the landfills it held under a lease or concession arrangement, in accordance with the best estimates made by Cespa Group's technical department. As a result of this, the Company recorded the amount of the provision in the "Other operating expenses – Losses on, impairment of and change in allowances for trade receivables" heading of the accompanying income statement.

It is estimated that there would be no material differences if those allowances were calculated based on the degree of the effective percentage of filling at year-end.

Other provisions for responsibilities

The Company has a total of EUR 13,048 thousand, approximately, as a provision for certain obligations it considers it will have to bear.

Among other liabilities, at year-end the Company recorded a provision in the amount of EUR 1,018 thousand to cover potential liabilities arising from the tax audit procedures with regard to Income tax for 2003 and 2004 of a subsidiary of which it is the main shareholder (Note 11), and according to the agreements reached with that company.

Also included is a provision in the amount of EUR 2,992 thousand in relation to a tax audit procedure the Company was subjected to regarding Income tax for the years between 2001 and 2005 as part of the tax consolidation group it belongs to. As a result of the tax audit, part of the amortisation expense of the goodwill resulting from the Cespa and Trasa merger (Notes 1 and 4.a) of 2004 and 2005 was considered non-deductible in those years for EUR 8,319 thousand and EUR 231 thousand, approximately and respectively, and recoverable in future years. The provision recorded includes the estimated amount that the Company should pay over to the Tax Authority, having recorded a charge for the same amount under the "Deferred tax assets" heading of the accompanying balance sheet at 31 December 2011. Additionally, this provision was increased by EUR 2,177 thousand for penalties and interest from the above mentioned procedure.

Contingencies

The Company's liabilities of a contingent nature include those related to the normal responsibility of service-providing companies in contracts with government entities, both those signed by the Company and those signed by the joint ventures in which the Company is involved. The Company is also the defendant in several lawsuits. In the opinion of the Company's Directors, the possible final effect of the abovementioned events on the accompanying financial statements would not be material in any case.

15. Non-Current and Current Payables

a) Non-current financial liabilities

The balance of the accounts under the heading "Non-current liabilities" at 2011 and 2010 year-ends is as follows:

	Thousands of euros					
Classes	Bank borrowings and financial lease payable		Derivatives and others		Total	
Professional category	2011	2010	2011	2010	2011	2010
Accounts payable	30,042	37,842	1,077	1,148	31,119	38,990
Derivatives (Note 12)	—	—	929	765	929	765
Total	**30,042**	**37,842**	**2,006**	**1,913**	**32,048**	**39,755**

The breakdown by maturity dates of the items making up the "Bank borrowings and financial lease payables" was as follows:

Fiscal Year 2011

	Thousands of euros					
	2013	2014	2015	2016	2017	Total
Loan payables (*)	3,302	6,029	6,412	6,938	5,981	28,662
Finance lease creditors (Note 8)	1,899	—	—	—	—	1,899
Total	**5,201**	**6,029**	**6,412**	**6,938**	**5,981**	**30,561**

Fiscal Year 2010

	Thousands of euros					
	2012	2013	2014	2015	2016 and subsequent years	Total
Loan payables (*)	5,550	3,302	6,029	6,412	12,919	34,212
Finance lease creditors (Note 8)	2,479	1,934	—	—	—	4,413
Total	**8,029**	**5,236**	**6,029**	**6,412**	**12,919**	**38,625**

(*)Not including debt formalisation expenses that the Company transfers to profit or loss depending on the effective interest rate, which amount to EUR 519 and 783 thousand, approximately and respectively.

Project-related debt (debt without recourse)

On 2 July 2009, the Company signed a loan agreement for EUR 48 million with a final maturity date of 1 November 2017, amortising over 16 consecutive six-monthly payments, to finance the investment needed to perform a new service provision contract awarded to the Company. The average interest rate is floating, based on a differential amount on the Euribor. Additionally, the loan requires a reserve account to be created for the debt service (Note 9.b) and sets forth certain obligations to be met by the Company. Failure to meet those obligations would constitute an express cause for early repayment of the outstanding amount. At the date of preparation of these financial statements the Company's Directors consider that all obligations established in the loan terms are being met.

To secure the abovementioned loan, the Company pledged the balance in the financed project's bank accounts as collateral (which total EUR 8,888 thousand at 2011 year-end), also pledging as collateral the Company's credit from the award of the financed concession and the credit rights held by the Company under certain financed project agreements (Note 10) and under the interest rate risk hedge contract (Note 12). To ensure compliance of the guaranteed obligations, the Company also undertakes to create collateral agreements over the financed project's assets of which it is the owner at any given time, provided certain events should take place, which include the failure to attain certain financial ratios. At any rate, the guarantee provided by the Company is limited to the assets related to the contract's performance and to its cash flows, which is why the Company considers this payable as a debt without recourse.

The Company includes the difference between the original amount and the repayment value at maturity of the loan in the accompanying income statement, using the effective interest rate method. Finance costs accrued during 2011 as a result of application of the effective interest rate method totalled EUR 2,283 thousand, approximately.

b) Current financial liabilities

The balance of the accounts under the heading "Current liabilities" upon 2011 and 2010 year-ends is as follows:

	Thousands of euros					
Classes	Bank borrowings and financial lease payable		Other		Total	
Professional category	2011	2010	2011	2010	2011	2010
Accounts payable	9,112	8,582	1,237	747	10,349	9,329
Total	**9,112**	**8,582**	**1,237**	**747**	**10,349**	**9,329**

The Company has been granted the following financing facilities:

	Thousands of euros			
	2011		2010	
	Limit	Amount Amount drawn	Limit	Amount Amount drawn
Loan payable	—	5,550	—	5,330
Finance lease creditors (Note 8)	—	2,125	—	1,946
Loan agreements	—	—	9,750	1,274
Accrued interest pending payment	—	21	—	32
Other bank borrowings	—	1,416	—	—
Total		**9,112**		**8,582**

The amount included in "Loan payables" is related to the amortisation planned for 2012 for the loan described in Note 15.a.

At 2011 year-end, the Company did not have any loan agreements granted to it, as the ones in effect at 31 December 2010 were not renewed.

At 2011 year-end, the Company had factoring lines with four banks with a limit of EUR 75 million, approximately, and maturing in 2012, with the possibility of annual extensions. The amount drawn down at 31 December 2011 totals EUR 46 million. The Company Directors wrote off those financial assets in the accompanying balance sheet at 2011 year-end, as they considered that in assigning the contractual rights of those financial assets' cash flows the risks and rewards of ownership had been substantially transferred.

c) Disclosures on deferrals made to suppliers. Third Additional Provision. "Duty to Report" under Law 15/2010 of 5 July

The table below contains information relating to deferrals of payments to suppliers pursuant to the resolution passed by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010, which regulates the information disclosure obligation set forth in the third additional provision of Law 15/2010 of 5 July on the measures to counteract delinquency in business transactions.

	Amount (Thousands of euros)	%
Within the maximum legal term	115,022	94%
Other	6,713	6%
Total	121,735	100%
PMPE (days)	59	
Deferral	568	

The information shown in the above table only includes the payments and payables to business suppliers that do not belong to Ferrovial Group which the Company belongs to, therefore, not including the payments or payables to other Ferrovial Group companies, and which in any case comply with Law 15/2010 of 5 July.

The "Exceeded average weighted term of payments" is the amount resulting from the sum of each of the payments made to suppliers during the reporting year with a deferral term beyond the maximum term established by law multiplied by the number of days of deferral over the relevant term divided by the total amount of payments made during said period with a deferral term exceeding the maximum term established by law.

Those payments exceeding the maximum legal term are included under "Other".

The item "Deferral" includes the outstanding amount due to suppliers with a cumulative deferral term at year end exceeding the term established by law.

16. Tax matters

a) Current balances with public authorities

The breakdown of the current balances with Public Authorities is as follows:

Debit balances

	Thousands of euros	
	2011	2010
Income tax receivable	340	767
VAT refundable	1,639	1,695
Accrued social security taxes payable	284	283
Receivables from Public Authorities	10	11
Total	**2,273**	**2,756**

Credit balances

	Thousands of euros	
	2011	2010
VAT payable	1,258	4,116
Personal Income tax withholdings payable	3,767	4,065
Accrued social security taxes payable	6,748	7,557
Corporate Tax payable (*)	2,555	5,567
Other tax payables	563	880
Total	**14,891**	**22,185**

(*) Amount to be materialised in favour of Ferrovial S.A. (Note 18.b).

b) Reconciliation between financial accounting income and taxable income

Since 2004, the Company has been filing consolidated tax returns as part of the Consolidated Tax Group, the parent company of which is Ferrovial, S.A., No. 0217/02. Based on the distribution methods agreed between the Company and the tax group it forms a part of, the differences between the taxes that the Company would have paid in the event of an individual tax filing and the amounts that are paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the assessment method established by the parent company for them.

Reconciliation between accounting income and taxable amount for Corporate Tax purposes is as follows:

Fiscal Year 2011

	Thousands of euros					
	Income statements			Income and expenses recognised directly in equity		
Income and expenses balance for the year			23.949			(160)
	Increase	Decrease	Total	Increase	Decrease	Total
Corporate Tax	—	(2,450)	(2,450)	—	(49)	(49)
Permanent differences	2,134	(19,760)	(17,626)		—	45
Temporary differences	44,586	(30,029)	14,557		—	164
Taxable base			**18,430**			**—**

Fiscal Year 2010

	Thousands of euros					
	Income Statement			Income and expenses recognized directly in equity		
Income and expenses balance for the year			16,598			(2,348)
	Increase	Decrease	Total	Increase	Decrease	Total
Corporate Tax	9,647	—	9,647	—	(107)	(107)
Permanent differences	635	(3,880)	(3,245)	2,09●	—	2,098
Temporary differences	19,048	(23,497)	(4,449)	357	—	357
Taxable base			**18,55●**			**—**

The increase in the taxable base due to permanent differences is due mainly to provisions for risks and expenses considered to be non-deductible and losses on bad trade receivables from public customers. The decrease in the taxable base for permanent differences is due, among other reasons, to the tax effect of eliminating internal dividends in the tax consolidation, the amortisation of certain goodwill for tax purposes, the accounting amortisation of which was considered non-deductible when it was allocated and the reversal of long-term provisions considered non-deductible in prior years.

The increase in the taxable base arising from timing differences is basically due to the record of debt adjustment provisions, as well as impairments in the ownership interest in Group companies, jointly-controlled entities and associates, the record of certain impairments on property, plant and equipment and to the deferral of the income or loss contributed by the joint ventures and the consideration of certain provisions as non-deductible. The decreases in the taxable base arising from timing differences are due, mainly to the amortisation for tax purposes of goodwill, which is deductible in one twentieths of its original value as long as the Company is eligible to allocate a reserve pursuant to the terms described in current legislation (Notes 3, 4.a, 5 and 13) and the recovery of a positive adjustment made during the prior year in relation to amounts billed in advance for construction work.

During 2011, the Company earned and used tax credit carryforwards in the amount of EUR 1,304 thousand which are related to double taxation tax credits involving dividends received during the year from subsidiaries excluded from the tax consolidation (Note 18.a). Earned and capitalised tax credit carryforwards in the amount of EUR 1,670 thousand were also used.

c) Reconciliation of accounting profit to the income tax expense

Reconciliation between accounting income and the expense for Corporate Tax is as follows:

	Thousands of euros	
	2011	2010
Accounting loss before tax	21,49●	26,24●
Payment at 30%	6,45●	7,87●
Permanent differences impact	(5,288)	(974)
Tax credit carryforwards earned during the year (Note 16.b and 18.a)	(1,304)	—
Prior year income tax adjustment	(2,308)	2,74●
Total expenses/income tax recognised in profit or loss	**(2,450)**	**9,64●**

The prior year income tax adjustment involves mainly the capitalisation of tax credit carryforwards in the amount of EUR 1,670 thousand.

d) Breakdown of income tax expense

The breakdown of the income tax expense is as follows:

	Thousands of euros	
	2011	2010
Current tax:		
For continued transactions	4,225	5,565
Deferred tax:		
For continued transactions	(4,367)	1,335
Prior year income tax adjustment	(2,308)	2,747
Total tax expense (income)	**(2,450)**	**9,647**

e) Deferred tax assets recorded

Broken down below is an analysis of this caption at year-end:

	Thousands of euros	
	2011	2010
Timing differences (Advance tax):		
Property, plant and equipment impairment	3,254	1,600
Goodwill from merger	3,089	3,234
Derivatives	279	229
Provisions related to subsidiaries	6,280	2,972
Provisions for insolvency and debt adjustment	8,057	3,670
Long-term provisions and other provisions	4,893	2,384
Amounts billed in advance for construction work	—	2,542
Other	58	135
Total deferred tax assets	**25,910**	**16,766**

The deferred tax assets indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

f) Recorded deferred tax liabilities

Broken down below is an analysis of this caption at year-end:

	Thousands of euros	
	2011	2010
Timing differences (deferred taxes):		
Deferral of profit or loss from joint ventures	747	916
Goodwill from merger (Notes 4.a and 5)	21,769	16,304
Provisions related to subsidiaries	10	397
Total deferred tax liabilities	**22,526**	**17,617**

g) Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2011 year-end, the Company had the last four years open for review for income tax and other taxes applicable to it. The Company considers that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

17. Income and expenses

a) Revenue

All revenues for 2011 and 2010 correspond to Spain, except for EUR 50 thousand earned on the international market (Portugal) (EUR 443 thousand in 2010).

The distribution of net revenues for 2011 and 2010, broken down by business line, is as follows:

	Thousands of euros	
Line of business	2011	2010
Gardening	72,980	83,851
Clean-up	252,533	258,092
Waste collection	205,776	207,159
Other	17,380	49,388
Total	**548,669**	**598,490**

b) Breakdown of purchases by origin

The Company's purchases during 2011 and 2010 were made in Spain, and intra-community purchases and imports were not material.

c) Other operating income

The breakdown of this heading in the income statement is as follows:

	Thousands of euros	
	2011	2010
Income from technical advice and other services	12,916	13,509
Other operating grants	3,542	3,446
Others	663	307
Restricted cash and other non-current financial assets	**17,121**	**17,262**

d) Staff costs

The detail of the staff costs accrued during 2011 and 2010 is as follows:

	Thousands of euros	
	2011	2010
Wages and salaries and similar expenses	249,491	272,263
Termination benefits (Note 4.k)	3,126	4,162
Employer social security costs	80,443	88,233
Other social security costs	3,907	5,775
Restricted cash and other non-current financial assets	**336,967**	**370,433**

18. Related party balances and transactions

a) Transactions with related companies

The breakdown of the transactions carried out with related parties during 2011 and 2010 is as follows:

Fiscal Year 2011

	Thousands of euros					
	Expenses			Income		
	Procurements	Other operating expenses	Interest to Group companies	Provision of services and other operating income	Other Group interest	Received dividends
Ferrovial Group-						
Ferrovial Servicios, S.A.	1	18,702	206	483	437	—
Ferrovial Agromán, S.A.	7	20,758	2	767	—	—
Ferrovial, S.A.	—	30	348	4	—	—
Ferrovial Financiera, A.I.E.	—	—	8,379	—	—	—
Ferrovial Medio Ambiente, S.A.	7	6	—	82	—	—
Eurolimp, S.A.	—	142	—	2	—	—
Amey Limited	—	—	—	894	—	—
Cespa Group -						
Albaida Residuos, S.L.U.	—	—	—	200	260	—
Cespa Jardinería, S.L.U.	56	173	13	1,442	32	410
Cespa Gestión de Residuos, S.A.U.	142	6,836	962	8,114	—	19,277
Cespa Inversiones Ambientales, S.A.	—	—	188	—	—	67
Cespa Gestión y Tratamiento de Residuos, S.A.	8	298	1,763	918	—	—
Cespa Servicios Urbanos de Murcia, S.A.U.	—	—	—	1,634	688	—
Cespa Conten, S.A.U.	40	2,204	—	4,653	836	3,872
Cespa Portugal, S.A.	—	5	—	1,041	121	—
Contenedores Reus, S.A.	—	33	—	46	—	—
Ecocat, S.L.	—	63	—	229	—	—
Ecoparc de Can Mata, S.L.U.	—	6	—	469	—	—
Empresa Mixta Almendralejo, S.A.	—	42	—	146	—	—
Gestión Medioambiental de Toledo, S.A.	—	383	—	27,154	188	—
Ingeniería Ambiental Granadina, S.A.	—	198	—	2,066	923	—
Ingeniería Urbana, S.A.	—	—	—	1,151	—	—
Reciclados y Compostajes Piedra Negra, S.A.	—	1,025	—	699	—	—
Recollida de Residus d'Osona, S.L.	—	34	—	218	—	—
Serveis Mediambientals de la Selva Nora, S.A.	—	—	—	227	2	—
Sitkol, S.A.	—	—	116	—	—	200
Vialnetvic, S.A.	—	21	—	99	—	—
Other	—	6	16	417	305	31
Total	**261**	**50,965**	**11,993**	**53,155**	**3,792**	**23,857**

Fiscal Year 2010

	Thousands of euros					
	Expenses			Income		
	Procurements	Other operating expenses	Interest to Group companies	Provision of services and other operating income	Other Group interest	Received dividends
Ferrovial Group-						
Ferrovial Servicios, S.A.	233	10,674	12,247	731	—	—
Ferrovial Agromán, S.A.	68	7,599	—	1,128	—	—
Ferrovial, S.A.	—	15	140	45	—	—
Ferrovial Medio Ambiente, S.A.	15	27	—	52	—	—
Eurolimp, S.A.	—	150	—	19	—	—
Amey Limited	—	2,370	—	—	—	—
Cespa Group -				—		
Albaida Residuos, S.L.U.	—	—	—	75	140	—
Cespa Portugal, S.A.	—	—	—	818	91	—
Cespa Jardinería, S.L.U.	222	35	19	1,556	11	—
Cespa Gestión de Residuos, S.A.U.	163	7,154	381	6,901	—	—
Cespa Inversiones Ambientales, S.A.	—	—	172	—	—	282
Cespa Gestión y Tratamiento de Residuos, S.A.	8	473	1,611	1,269	—	—
Cespa Conten, S.A.U.	97	2,647	—	3,797	1,451	—
Contenedores Reus, S.A.	—	30	—	45	—	—
Ecocat, S.L.	—	98	—	284	—	—
Ecoparc de Can Mata, S.L.U.	—	2	—	176	—	—
Empresa Mixta Almendralejo, S.A.	—	—	—	69	—	—
Gestión Medioambiental de Toledo, S.A.	—	1,021	—	11,548	25	—
Ingeniería Ambiental Granadina, S.A.	—	—	—	2,178	1,050	—
Ingeniería Urbana, S.A.	—	—	—	1,580	—	903
Reciclados y Compostajes Piedra Negra, S.A.	—	1,082	—	340	—	—
Recollida de Residus d'Osona, S.L.	—	—	—	305	—	—
Serveis Mediambientals de la Selva Nora, S.A.	—	—	—	227	2	—
Sitkol, S.A.	—	—	95	—	—	1,700
Vialnetvic, S.A.	—	—	—	78	—	—
Others	38	80	7	139	45	17
Total	**844**	**33,457**	**14,672**	**33,360**	**2,815**	**2,902**

b) Balances with related parties

The breakdown of the balances with related parties is as follows:

Fiscal Year 2011

	Thousands of euros	
	Receivables	Payables
Non-current receivables (Note 11):		
Ferrovial Group:		
Ferrovial Financiera, A.I.E.	—	306,880
Ferrovial Servicios, S.A.	14,505	—
Cespa Group:		
Albaida Residuos, S.L.U.	6,772	—
Cespa Jardinería, S.L.U.	—	153
Cespa Gestión de Residuos, S.A.U.	2,064	32,610
Cespa Gestión y Tratamiento de Residuos, S.A.	—	65,711
Cespa Conten, S.A.U.	22,279	159
Cespa Nadafa, S.A.R.L. (Notes 11 and 14)	3,505	—
Cespa Inversiones Ambientales, S.A.	—	6,278
Cespa Portugal, S.A.	20,685	19
Cespa Servicios Urbanos de Murcia, S.A.U.	21,180	—
Ecoparc de Can Mata, S.L.	280	—
Gestión Medioambiental de Toledo, S.A.	2,176	251
Ingeniería Ambiental Granadina, S.A.	24,790	—
Serveis Mediambientals de la Selva Nora, S.A.	150	—
Sitkol, S.A.	—	2,508
Other	**128**	519
Total non-current amounts	**118,514**	**415,088**
Current trade payables and receivables:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	80	179
Ferrovial Agromán, S.A.	484	12,145
Eurolimp, S.A.	42	38
Cadagua, S.A.	32	—
Cespa Group:		
Cespa Conten, S.A.	278	247
Cespa Gestión de Residuos, S.A.U.	361	247
Cespa Portugal, S.A.	885	—
Ecoparc de Can Mata, S.L.	277	2
Empresa Mixta de Almendralejo, S.A.	215	—
Gestión Medioambiental de Toledo, S.A.	16,607	241
Ingeniería Ambiental Granadina, S.A.	2,063	—
Ingeniería Urbana, S.A.	1,235	1
Recollida de Residus d'Osona	129	19
Serveis Mediambientals de la Selva Nora, S.A.	208	—
Reciclados y Compostajes Piedra Negra, S.A.	279	361
Vialnetvic, S.A.	667	25
Other	491	186
Total current amounts	**24,333**	**13,691**

Fiscal Year 2010

	Thousands of euros	
	Receivables	Payables
Non-current receivables (Note 11):		
Ferrovial Group:		
Ferrovial Financiera, A.I.E.	—	298,500
Ferrovial , S.A.	—	474
Cespa Group:		
Albaida Residuos, S.L.U.	5,968	—
Cespa Jardinería, S.L.U.	—	1,664
Cespa Gestión de Residuos, S.A.U.	—	35,788
Cespa Gestión y Tratamiento de Residuos, S.A.	—	64,012
Cespa Conten, S.A.U.	22,179	—
Cespa Nadafa, S.A.R.L. (Notes 10 and 14)	3,501	—
Cespa Inversiones Ambientales, S.A.	—	6,723
Cespa Portugal, S.A.	7,238	—
Contenedores Reus, S.A.	10	—
Gestión Medioambiental de Toledo, S.A.	1,925	4
Ingeniería Ambiental Granadina, S.A.	26,919	—
Ecoparc de Can Mata, S.L.U.	231	—
Ecoenergía Can Mata, A.I.E.	—	425
Serveis Mediambientals de la Selva Nora, S.A.	150	—
Sitkol, S.A.	—	4,145
Other	**87**	41
Total non-current amounts	**68,208**	**411,776**
Current trade payables and receivables:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	475	277
Ferrovial Agromán, S.A.	445	9,023
Ferrovial Medio Ambiente, S.A.	11	22
Ferrovial , S.A.	—	36
Eurolimp, S.A.	42	64
Amey Limited	147	—
Cespa Group:		
Cespa Conten, S.A.	261	279
Cespa Gestión de Residuos, S.A.U.	377	187
Cespa Gestión y Tratamiento de Residuos, S.A.	458	34
Cespa Inversiones Ambientales, S.A.	282	—
Cespa Jardinería, S.L.U.	146	188
Cespa Portugal, S.A.	931	298
Empresa Mixta de Almendralejo, S.A.	159	—
Ecocat, S.L.	88	21
Gestión Medioambiental de Toledo, S.A.	23,293	206
Ingeniería Ambiental Granadina, S.A.	5,035	—
Ingeniería Urbana, S.A.	1,032	1
Serveis Mediambientals de la Selva Nora, S.A.	215	4
Reciclados y Compostajes Piedra Negra, S.A.	131	468
Sitkol, S.A.	1,706	—
Vialnetvic, S.A.	971	10
Others	353	74
Total current amounts	**36,558**	**11,192**

Non-current receivables from and payables to Group companies-

The different subsidiaries making up the Cespa Group have a centralised cash system, meaning that all of them maintain mutual current accounts with each other, so that the Company can manage the surpluses and channel the cash needs with regard to its group of companies. Although in some cases the payment dates of the positions held in the abovementioned system of current accounts are not established, the idea is that the Group companies maintain the financing, as the case may be, with a structural nature, so that the balances of those current accounts have been classified as non-current.

Those current accounts accrue market interest.

In prior years, the Company signed two financing agreements with its subsidiaries Cespa Conten, S.A.U. y Cespa Gestión de Residuos, S.A.U. in their favour in the amount of EUR 50 million and EUR 40 million, respectively. In both cases the maturity date was set as 1 June 2010 and the accrued interest rate is the market rate, with the possibility of annual extensions. The Company recorded those amounts as non-current, as it is not the intention of the Directors to demand that they be settled within less than twelve months from the date of these financial statements, and the abovementioned credit lines thus remain effective.

A credit line was granted to Ingeniería Ambiental Granadina, S.A. in the amount of EUR 28,795, maturing on 31 December 2006, with the possibility of annual extensions, accruing market interest rate. The Directors state this receivable as non-current as they consider its recovery will not take place before a 12-month term has elapsed.

Additionally, during 2010 a participating loan was granted to the subsidiary Serveis Mediambientals de la Selva Nora, S.A. for EUR 150 thousand, maturing on 31 December 2025. This loan accrues interest in favour of the Company based on a floating interest rate tied to the Euribor, as well as based on the profit or loss made by the subsidiary.

The receivable from subsidiary Cespa Portugal, S.A. includes a total of EUR 2 million in relation to a loan granted to it. During 2011, the Company signed a new financing agreement with that subsidiary for a total of EUR 17.5 million. This loan matures on 15 January 2014, accruing interest at the market rate.

Lastly, the non-current receivable from the subsidiary Gestión Medioambiental de Toledo, S.A. includes a participating loan signed during 2008 for a total of EUR 1,925 thousand, the maturity date of which falls on 31 December 2014, with the possibility of extending it for annual period with the express consent of both parties. This loan will accrue interest in favour of the Company based on a floating interest rate tied to the Euribor, as well as based on the profit or loss made by the subsidiary.

The Company’s Directors consider that the loans and credit lines granted are recoverable based on the business plans of the respective subsidiaries, which is why it recorded no impairment in this regard.

Non-current payables to Group companies-

During 2010, Ferrovial Financiera, A.I.E. was subrogated in the position that Ferrovial Servicios, S.A. was in to date, so that this company is the lender of the credit line granted in prior years according to a financing agreement with the majority shareholder, granting a EUR 300 million credit line in favour of the Company. This credit line’s maturity date was set as 1 June 2010 and the accrued interest is at the market rate. In spite of the fact that it was past due at 31 December 2011 and drawn down in an amount of EUR 306.9 million, the Company recorded it as non-current as it has obtained Ferrovial Financiera, A.I.E.’s confirmation that it will not demand payment thereof within a period shorter than twelve months.

The income tax payable is included in the “Current tax liabilities” heading of the accompanying balance sheet (Note 16).

Current receivables from and payables to Group companies-

The Company records trade payables to or receivables from Cespa Group companies or companies related to the majority shareholder as current. Also recorded as current is the interest accrued and not paid of the current account positions held with those companies. Additionally, receivables of a financial nature from certain Cespa Group companies are recorded as current amounts.

The Company has service contracts with certain subsidiaries; each of these subsidiaries is charged for the central services provided to them. The amount accrued for this item in 2011 and 2010 is included in the “Other operating income – Non-core and other current operating income” in the income statement.

c) Compensation paid to the Board of Directors and Senior Management

During 2011, the members of the Board of Directors of the Company accrued compensation in the amount of EUR 361 thousand (EUR 375 thousand in 2010) and have not been granted any advances or loans by the Company. Furthermore, no loans or sureties or any other commitments have been granted in terms of pension funds or life insurance premiums regarding the Directors.

During 2011 the Board of Directors was made up of four men.

At the end of 2011 neither the members of the Company's Board of Directors nor persons related to them as defined in the Spanish Companies Law held any ownership interests in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's object. The breakdown of positions held or duties performed in other companies with the same, similar or supplementary type of activity as that set forth in the company purpose of the Company is shown below:

Director	Company	Business activity	Position and/or duty in the Company
Santiago Olivares Blázquez	Ferrovial Servicios, S.A.	Urban services rendered	Chief Executive Officer
Santiago Olivares Blázquez	Ingeniería Ambiental Granadina, S.A.	Urban clean-up and collection and waste treatment	Chairman of the Board
Santiago Olivares Blázquez	Ecoparc de Can Mata, S.L.U.	Comprehensive treatment of municipal waste.	Joint Administrator
Santiago Olivares Blázquez	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment	Joint Administrator
Santiago Olivares Blázquez	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Santiago Olivares Blázquez	Cespa Gestión de Residuos, S.A.U.	Waste collection and treatment	Joint Administrator
Santiago Olivares Blázquez	Cespa Conten, S.A.U.	Waste collection and treatment	Joint Administrator
Santiago Olivares Blázquez	Cespa Jardinería, S.L.U.	Urban clean-up and collection and waste treatment	Joint Administrator
Javier Llansó Benito	Ecocat, S.L.	Waste collection and treatment	Director
Javier Llansó Benito	Reciclados y Compostaje Piedra Negra, S.A.	Waste collection and treatment	Vice Chairman of the Board
Javier Llansó Benito	Ingeniería Ambiental Granadina, S.A.	Urban clean-up and collection and waste treatment	Director
Javier Llansó Benito	Ecoparc de Can Mata, S.L.U.	Comprehensive treatment of municipal waste.	Joint Administrator
Javier Llansó Benito	Cespa Conten, S.A.U.	Waste collection and treatment	Joint Administrator
Javier Llansó Benito	Cespa Gestión de Residuos, S.A.U.	Waste collection and treatment	Joint Administrator
Javier Llansó Benito	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment	Joint Administrator
Javier Llansó Benito	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Javier Llansó Benito	Cespa Jardinería, S.L.U.	Urban clean-up and collection and waste treatment	Joint Administrator
Javier Llansó Benito	AmeyCespa Limited	Waste collection and treatment	Director
Javier Llansó Benito	Cespa UK Limited	Waste collection and treatment	Director
Javier Llansó Benito	Cespa Ventures Limited	Waste collection and treatment	Director
Alfredo Javier García López	—	—	—
Fernando Juan González de Canales Moyano	—	—	—

The compensation received during 2011 by the Senior Executives of the Company amount to EUR 1,740 thousand (EUR 1,686 thousand in 2010) as wages and salaries. The Senior Executives have not received any other compensation whatsoever on any other accounts. At 2011 year-end, the governing body was made up of nine men and one woman. No advances or loans have been granted to the Senior Executives at the end of 2011 and 2010, nor commitments related to pension funds or life insurance premiums.

19. Information on the environment

At the end of 2011 and 2010, the Company had items in its property, plant and equipment the purpose of which is to minimise the environmental impact and to protect and enhance the environment. The breakdown of those items is as follows:

Fiscal Year 2011

	Thousands of euros		
	01-01-11	Change	31-12-11
Gardening			
Cost	23,430	(518)	22,912
Amortisation	(15,777)	(1,604)	(17,381)
	7,653	(2,122)	5,531
Clean-up			
Cost	124,588	734	125,322
Amortisation	(73,633)	(415)	(74,048)
	50,955	319	51,274
Transfer plant			
Cost	949	384	1,333
Amortisation	(574)	(201)	(775)
	375	183	558
Treatment and composting plants			
Cost	18,702	(719)	17,983
Amortisation	(18,386)	4,288	(14,098)
	316	3,569	3,885
Triage and recycling plants			
Cost	21,291	18,568	39,859
Amortisation	(6,911)	(1,355)	(8,266)
	14,380	17,213	31,593
Industrial collection			
Cost	673	(209)	464
Amortisation	(666)	205	(461)
	7	(4)	3
Landfills			
Cost	17,243	1,059	18,302
Amortisation	(15,977)	(343)	(16,320)
	1,266	716	1,982
Urban collection			
Cost	185,326	8,579	193,905
Amortisation	(106,712)	(4,311)	(111,023)
	78,614	4,268	82,882
Selective collection			
Cost	13,253	(1,528)	11,725
Amortisation	(7,011)	381	(6,630)
	6,242	(1,147)	5,095
Total			
Cost	405,455	26,350	431,805
Amortisation	(245,647)	(3,355)	(249,002)
Total	**159,808**	**22,995**	**182,803**

Fiscal Year 2010

	Thousands of euros		
	31-12-09	Change	31-12-10
Gardening			
Cost	24,702	(1,272)	23,430
Amortisation	(15,172)	(605)	(15,777)
	9,530	(1,877)	7,653
Clean-up			
Cost	127,523	(2,935)	124,588
Amortisation	(72,266)	(1,367)	(73,633)
	55,257	(4,302)	50,955
Transfer plant			
Cost	119	830	949
Amortisation	(119)	(455)	(574)
	—	375	375
Treatment and composting plants			
Cost	18,674	28	18,702
Amortisation	(15,746)	(2,640)	(18,386)
	2,928	(2,612)	316
Triage and recycling plants			
Cost	20,164	1,127	21,291
Amortisation	(5,415)	(1,496)	(6,911)
	14,749	(369)	14,380
Industrial collection			
Cost	626	47	673
Amortisation	(612)	(54)	(666)
	14	(7)	7
Landfills			
Cost	15,139	2,104	17,243
Amortisation	(14,133)	(1,844)	(15,977)
	1,006	260	1,266
Urban collection			
Cost	186,351	(1,025)	185,326
Amortisation	(102,681)	(4,031)	(106,712)
	83,670	(5,056)	78,614
Selective collection			
Cost	13,355	(102)	13,253
Amortisation	(7,297)	286	(7,011)
	6,058	184	6,242
Total			
Cost	406,653	(1,198)	405,455
Amortisation	(233,441)	(12,206)	(245,647)
Total	**173,212**	**(13,404)**	**159,808**

Furthermore, during 2011, the Company incurred in different expenses for the purpose of protecting and enhancing that environment.

At 31 December 2011, the Company has not recorded any provisions for potential environmental risks as it considers there are no material contingencies related to possible lawsuits, compensation or other items. It also has insurance policies as well as security plans that enable it to reasonably ensure that any possible contingency that may arise from its environmental involvement is covered.

The above breakdown of items of property, plant and equipment does not include their impairment at 31 December 2011.

20. Other information

a) Staff

The average number of employees during 2011, before including the staff contributed by the different joint ventures in which the Company is involved, was as follows:

	2011
Senior executives	11
University graduates	328
Administrative staff	198
Technicians and workers	9,119
TOTAL	**9,656**

The number of employees at the end of 2011, before including the staff contributed by the different joint ventures in which the Company is involved, distributed by category and gender, was as follows:

	2011	
	Men	Women
Senior executives	9	1
University graduates	192	141
Administrative staff	36	159
Technicians and workers	7,425	1,279
TOTAL	**7,662**	**1,580**

Almost all service contracts signed by the Company stipulate that, if the concession is not renewed, the headcount would be transferred to the following awardee.

b) Fees paid to auditors

The Independent professional services account, under the "Other operating expenses" heading in the income statement for 2011 is used to record the fees related to the financial statement audit services provided by the Company's auditor, Deloitte, S.L., in the amount of EUR 114 thousand (EUR 114 thousand in 2010). There are fees related to auditing and other services totalling EUR 4 thousand and EUR 75 thousand during 2011 (EUR 4 thousand and EUR 37 thousand in 2010), respectively, and no other kind of service was provided by the auditor or by companies related to it in both years.

c) Off-balance sheet arrangements

At 31 December 2011, the Company was backed by financial institutions before customers, as well as to participate in tender bids and execute agreements with public-sector agencies. The current ongoing risk as of that date totals approximately EUR 148 million (EUR 154 million in 2010).

The Company's Directors consider that the liabilities in addition to those recorded that could arise from these guarantee commitments to third parties, if any, would not be material.

Furthermore, the Company has the provisions mentioned in Note 14 for the liabilities that it may assume to secure the obligations of certain Group companies.

d) Events after the reporting period

No events have taken place after 31 December 2011 that could have a significant impact on these financial statements, except for those mentioned in the annual report.

21. Joint Ventures

The relationship of the joint ventures in which the Company holds an interest and the Company's ownership interest at 31 December 2011 are indicated in Annex II.

The balance sheet at 31 December 2011 and the related income statement for the year then ended, as well as the broken-down movements in these financial statements, include the effect of the proportional integration of these joint ventures according to the Company's percentages of interest in them.

The contribution of joint ventures to the different headings of the balance sheet and income statement at 31 December 2011 was as follows:

ASSETS	Thousands of euros 2011	LIABILITIES	Thousands of euros 2011
Intangible assets	5,601	Operating capital	45
Property, plant and equipment	12,219	Reserves	(479)
Non-current financial assets	10,036	Profit for the year	3,694
		Grants, donations or gifts and legacies received	
		Received	311
Accounts receivable	55,700	Long-term provisions	1,804
Current financial assets	1,614	Non-current payables	967
Cash and cash equivalents	4,462	Current liabilities	83,290
Total	**89,632**	**Total**	**89,632**

INCOME STATEMENT	Thousands of euros 2011
Revenue	50,083
Procurements	(7,477)
Other operating income	389
Staff costs	(25,292)
Other operating expenses	(9,923)
Depreciation and amortisation charge	(4,180)
Financial loss	94
Total	**3,694**

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Directors' Report
for the year ended
31 December 2011

The 2011 income statement shows a significant improvement in profits in spite of having fared worse in operating income. Revenues dropped 22% as a result of the general decline in sales in all of the Company's business activities.

The financial income for 2011 changed positively compared to 2010, which is explained above all by a very significant increase of income from dividends received from subsidiaries. On the other hand, there was also a marked increase in expenses from the impairment of financial investments.

As a non-financial indicator, the employee absence percentage for 2011 was about 4.86%.

The Company has not engaged in any research and development project activities in 2011.

The Company does not expect there to be any significant changes in its business activities that will affect its development.

The Company uses derivative financial instruments that allow it to mitigate the interest rate risks to which it is exposed.

As of the date of this report no relevant events have taken place after year-end.

Lastly, it should be reported that during 2011 no operations were carried out which involved the acquisition of treasury shares.

LIST OF SUBSIDIARIES

Company	Registered offices (of the parent company in the subgroup, if applicable)	Auditor	Activity	% of ownership Direct	% of ownership Indirect	Net cost	Capital	Reserves and share premium	2011 Profit /Loss	Other equity items	Equity as at 31.12.11	Profit/Loss from operations for 2011	Dividends received by the Company (**)
				Miles de Euros									
Ayora Gestión de Biogás, S.L.	Albacete	Deloitte (A)	Operation of biogas plant	80%	—	448	560	(56)	67	—	571	91	—
Cespa Conten, S.A.U. (*)	Bilbao	Deloitte (A)	Waste collection and treatment	100%	—	12,527	228	3,848	3,551	40	7,667	5,934	3,872
Cespa Gestión de Residuos, S.A.U. (*)	Barcelona	Deloitte (A)	Waste treatment	100%	—	74,662	18,449	19,101	13,930	(48)	51,432	20,819	19,277
Cespa Inversiones Ambientales, S.A.	Bilbao	(b) (R)	Holding of investment	60%	40%	3,606	6,●●●	116	135	—	6,261	(1)	111
Cespa Servicios Urbanos de Murcia, S.A.U	Murcia	Deloitte (A)	Cleaning and collection of solid urban waste, and operation of a landfill	100%	—	10,060	10,060	—	3,031	—	13,091	3,188	—
Cespa Jardinería, S.L.U.	Bilbao	Deloitte (A)	Maintenance and cleaning of solid urban waste	100%	—	6,578	6,●●●	2,281	370	—	8,651	560	410
Cespa Nadafa, S.A.R.L.	Marruecos	(b) (R)	Maintenance and cleaning of solid urban waste	98,76%	—	(1,031)	451	(1,798)	—	20	(1,326)	—	—
Cespa Portugal, S.A. (*) (c)	Portugal	Deloitte (A)	Waste treatment and management	100%	—	11,813	5,●●●	308	(390)	—	10,255	522	—
Cespa UK Limited (*)	Reino Unido	(b) (R)	Waste collection and treatment	100%	—	—	—	—	593	—	(143)	—	—
Ecocat, S.L. (*) (d)	Martorell	Deloitte (A)	Management and treatment of special waste	50%	—	21,601	5,●●●	10,682	(2,268)	(4,995)	9,182	(2,200)	—
Ecoparc de Can Mata, S.L.U.	Barcelona	Deloitte (A)	Waste treatment and disposal	100%	—	11,000	10,997		2,823	(2,640)	11,182	6,367	—
Empresa Mixta de Almendralejo, S.A.	Almendralejo	(b) (R)	Maintenance and cleaning of solid urban waste	51%	—	132	259	439	72	—	770	120	—
Ecoenergía Can Mata, A.I.E.	Barcelona	(b) (R)	Energy exploitation of biogas	30%	70%	54	180	110	169	—	459	151	—
Gestión Medioambiental de Toledo, S.A. (e)	Toledo	Deloitte (A)	Cleaning and collection of solid urban waste and operation of a landfill	60%	—	5,800	7,●●●	(4,617)	123	8,644	9,103	1,415	—
Ingeniería Ambiental Granadina, S.A.	Granada	Deloitte (A)	Cleaning, collection and recycling of solid urban waste	80%	—	2,606	901	4,366	2,473	—	7,740	4,711	—
Ingeniería Urbana, S.A. (INUSA)	Alicante	Deloitte (A)	Cleaning, collection and recycling of solid urban waste	35%	—	4,227	6,●●●	6,058	2,132	—	14,200	3,675	—
Recollida de Residus d´Osona, S.A.	Vic	(b) (R)	Maintenance and cleaning of solid urban waste	45%	—	384	855	119	32	—	1,006	63	—
Serveis Mediambientals de la Selva Nora, S.A.	Santa Coloma de Farners	(b) (R)	Street cleaning and waste collection and treatment	40%	—	318	796	15	40	2	852	241	—
Sitkol, S.A.U. (*)	Madrid	(b) (R)	Interest in companies and construction and operation of cemeteries	100%	—	4,831	4,2●●	223	379	—	4,809	74	200
Valdemingómez 2000, S.A.	Madrid	Deloitte (A)	Landfill energy exploitation	20%	—	601	3,006	878	74	(296)	3,662	(30)	—
Vialnetvic, S.A.	Vic	(b) (R)	Street cleaning and waste collection and treatment	49%	—	172	350	—	29	—	379	41	—
Others						60							
						160,389							

(*) Parent company in the subgroup / (**) Total dividend distributed by the company, without taking into account % of ownership of the Company.

Note: The information regarding the above mentioned companies was obtained from the individual financial statements of the different companies, which, in some cases, are provisional since they have not been prepared yet. In any case, they do not include the standardisations necessary for adapting their accounting policies to those of the Company, or for correcting possible situations described in the relevant audit reports. Thus, they do not include the effect which would result from applying consolidation methods for the majority ownership interest, or the equity method for those companies over which a significant influence is exerted (its existence is obvious in the case of an ownership interest of over 20% in non-listed companies).

Company	Registered offices (of the parent company in the subgroup, if applicable	Auditor		Activity	% of Direct shareholding	Capital	Reserves	2011 Profit /Loss	Other equity items	Equity as at 31.12.11	Profit/ Loss from operations for 2011	Dividends distributed by the Company
						Thousands of euros						
Subgrupo Cespa Gestión de Residuos, S.A.												
Contenedores Reus, S.A.	Reus	Deloitte	(A)	Collection and treatment of work materials	75.50%	180	(765)	35	—	(550)	214	—
Companyia Especial de Recuperacions y Reacondicionaments, S.L. (a)	Barcelona	(b)	(R)	Construction and operation of public service of generation and distribution of hot water	42.11%	1,803	(3,124)	(56)	—	(1,377)	(8)	—
Cespa Gestión y Tratmiento de Residuos., S.A.(f)	Barcelona	Deloitte	(A)	Waste collection, treatment and disposal	99.99%	835	70,998	(395)	—	71,438	(2,315)	—
Tratamiento de Residuos y Energías Valencianas, S.A.	Valencia	(b)	(R)	Waste collection, dumping and treatment	55.00%	4,808	(2,056)	3	—	2,755	(5)	—
Ecoparc del Mediterrani, S.A.	Barcelona	Deloitte	(A)	Construction and operation of a triage centre, and energy recovery	48.00%	4,800	(392)	5,642	—	10,050	5,641	—
Centre de Tractament de Residus d'Andorra	Andorra	G.Audit	(A)	Construction and operation of waste treatment centre	29.00%	6,579	—	—	46,570	53,149	—	—
Reciclajes y compostajes Piedra Negra, S.A.	Xixona	Moore Stephens Ibergrup	(A)	Construction and operation of waste treatment centre	48.99%	3,607	2,710	589	1,335	8,241	(280)	—
Novalis Medio Ambiente, S.A.	Valencia	(b)	(R)	Public work concession of the urban waste management project of area XVII of the Community of Valencia	50.00%	60	(247)	(107)	—	(294)	(11)	—
Albaida Residuos, S.L.	Almería	(b)	(R)	Waste management and treatment	100.00%	14,627	(12,064)	(1,039)	355	1,879	(862)	—
Subgrupo Cespa Conten, S.A.												
Oñeder, S.A.	Guipúzcoa	(b)	(R)	Steel powder management and treatment	51.61%	559	1,315	—	(2,025)	(151)	—	—
Subgrupo Cespa Portugal, S.A.												
Citrup, LDA	Portugal	(b)	(R)	Waste treatment and management	70.00%	5	16	384	777	1,183	486	—
Valorhospital, S.A.	Portugal	(b)	(R)	Hospital waste management and treatment	55.00%	300	8	—	118	426	—	—
Valor Rib, S.A.	Portugal	(b)	(R)	Waste treatment and management	45.00%	1,000	164	273	409	1,846	394	2,200
Subgrupo Ecocat, S.L.												
Sociedad Gallega de Residuos Industriales, S.A.	La Coruña	Deloitte	(A)	Waste treatment and management	50.00%	600	3,374	384	50	4,408	1,611	—
Gestió de Residus Especials de Catalunya, S.A.	Tarragona	Deloitte	(A)	Waste treatment and management	33.00%	4,818	110	(10,569)	(1,663)	(7,304)	(9,643)	—
Ecocem Valorización de Residuos, S.A.	Barcelona	(b)	(R)	Waste treatment and management	51.00%	109	634	—	(157)	586	—	—
Subgrupo Sitkol, S.A.												
Necrópolis de Valladolid, S.A.	Valladolid	BDO Audiberia	(A)	Construction and operation of cemeteries	49.00%	4,800	1,887	526	5,977	13,190	486	349
Subgrupo Albaida Residuos, S.L.U.												
Técnicas Medioambientales Avanzadas, S.L.	Almería	(b)	(R)	Operation of an landfill *owned*	55.00%	400	130	(101)	—	429	(35)	—
Tratamiento de Residuos Medioambientales, S.L.	Almería	(b)	(R)	Waste transport	55.00%	1,000	—	(478)	(1,119)	(596)	(477)	—

(*) It shall be understood as direct holding of the parent of the subgroup, there not being other direct or indirect holding of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Type of worked executed: (A) Full audit (R): Limited Review for portfolio valuation purposes

(a) It does not include the amount of approximately 39% corresponding to the trust loan to a company not belonging to Cespa Group, related to the ownership interest held in this company.
(b) Company not legally required to subject its financial statements to audit.
(c) At 31 December 2011, the abovementioned ownership interest includes an implied net gain of EUR 3,165 thousand.
(d) At 31 December 2011, the abovementioned ownership interest includes an implied net gain of EUR 3,145 thousand.
(e) At 31 December 2011, the abovementioned ownership interest includes an implied net gain of EUR 3,270 thousand.
(f) At 31 December 2011, the abovementioned ownership interest includes an implied net gain of EUR 4,197 thousand.

Note: The information regarding the abovementioned companies was obtained from the individual financial statements of the different companies, which, in some cases, are provisional since they have not been prepared yet. In any case, they do not include the standardisations necessary for adapting their accounting policies to those of the Company, or for correcting possible situations described in the relevant audit reports. Thus, they do not include the effect which would result from applying consolidation methods for the majority ownership interest, or the equity method for those companies over which a significant influence is exerted (its existence is obvious in the case of an ownership interest of over 20% in non-listed companies).

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Urbaser, S.A – Cespa Ingeniería Urbana, S.A. – FCC, S.A. – Herbosa, UTE, Law 18/82, UTE Cana Putxa	20%	Baleares, 28, bajos, Ibiza	Execution of the works and material supplies contract for the construction of the facilities for comprehensive treatment of municipal and other waste, included in the Sector Master Plan for the management of urban waste in Ibiza and Formentera.	04.11.2004
Inusa – Cespa SA, known for short as "UTE Consermancha"	80%	Crta. Quero Km. 4, 5, 13.600 Alcázar de San Juan, Ciudad Real	Street cleaning, rubbish collection, and landfill management.	2.03.1998
UTE Zamora Limpia	45%	Juan Sebastián Elcano 10 – Zamora	Collection and transport services of urban solid waste, urban cleaning, rat extermination, and collection and transport of stray pets in Zamora.	21.07.2000
Quiñones II	75%	Avda. San Martín de la Vega, 23	Ecological and landscape restoration project of Arroyo de Quiñones, N.I. – Jarama River.	24.02.2001
CESPA/SUFI/TECNIGRAL UTE, Law 18/1982, of 26 May, known for short as "UTE Sucetec"	33.33%	Federico Salmón, 8	Actions promoting and improving urban trees for enhancing the city's environmental quality.	25.11.1997
Cespa – Cespa GR (UTE Villanueva Cañada)	50%	Albarracín, 44 Madrid	Maintenance service of green areas and alignment trees in this municipality for a 4-year term.	10.02.2003
Cespa – Agua y Medio Ambiente – Begar Medioambiente, S.A., UTE, Law 18/1982, of 26 May, "Zamora Verde, UTE"	50%	Albarracín, 44 Madrid	Gardening, maintenance and improvement service of green areas and trees in the municipal district of Zamora, performance of civil works and gardening.	09.05.2003
UTE Cespa – Excavaciones Saíz, S.A.	70%	Albarracín, 44 Madrid	Works of restoration of historic elements in Casa de Campo Park.	25.02.2002
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A – Cespa Gestión de Residuos, S.A., UTE, Law 18/1982, known for short as "UTE Contenedores Huelva"	80%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Rendering of the maintenance, upkeep, washing and replacement service of containers and wastepaper bin in Huelva city.	06.04.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agromán, S.A., UTE, Law 18/1982, known for short as "UTE San Cosme"	80%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Drafting of the executive project and urbanisation works of a part of block 10 of San Cosme neighbourhood, El Prat de Llobregat.	21.02.2005

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cintra Aparcamientos, S.A. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., Law 18/1982, known for short as UTE Valls	53%	Gran Vía de Les Corts Catalanes, 657 bajo, Barcelona	Construction and operation of the underground parking located in Plaça del Pati, operation of Sant Francesc parking, and concession of the municipal public service of waste collection and transport to the treatment plants, management of the municipal green dot, street cleaning, and upkeep and maintenance of green areas in the municipality of Valls.	20.04.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. y Grupisa Infraestructuras, S.A., UTE, Law 18/82, known for short as "UTE Aranjuez"	80%	Gran Vía de las Cortes Catalanas, nº 657, Barcelona	Forest restoration of Aranjuez Historic Grooves and Walks.	16.06.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – STV Gestión, S.L. UTE, Law 18/82, known for short as "UTE Cetrase"	60%	Polígono Industrial Oeste, Parcela 28/5, San Ginés, Murcia	Operation through concession of the treatment, selection and composting centre of urban waste, and of the transfer stations of the Consortium for Solid Waste Management, in Murcia Region.	11.08.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., – Sociedad Anónima de Mantenimiento de Obras y Servicios, UTE, Law 18/1982, known for short as "UTE Barakaldo LV- RBI"	60%	Gran Vía de las Cortes Catalanas, nº 657, Barcelona	Management of the Public services related to Urban Cleaning, urban solid waste Collection and Transport, and ancillary services of Barakaldo Municipal Council.	31.08.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., – Ferrovial Agroman, S.A., Law 18/82, known for short as "UTE Güell"	80%	Avda. de la Catedral 6-8, Barcelona	Performance of the executive project related to the improvement works of Güell park, civil work, in the district of Gracia, Barcelona city.	22.12.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agroman, S.A., Law 18/82, known for short as "UTE Abrera".	80%	Avda. de la Catedral 6-8, Barcelona	Performance of the executive project of the refurbishment work of Sant Hilari park, in the municipality of Abrera.	17.01.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agroman, S.A., Law 18/82, known for short as "UTE Cuña Verde".	80%	Avda. de la Catedral 6-8, Barcelona	Execution of the works for the environment adaptation of Cuña Verde de O´Donnel park sports area, phase I, districts of Moratalaz and Ciudad Lineal.	09.01.2006

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
"Cespa Compañía Española de Servicios Públicos, S.A. – Cespa Gestión de Residuos, S.A., Law 18/82, en known for short as "UTE Ecoparque 4".	80%	Avda. de la Catedral 6-8, Barcelona	Management project, through public work, of the Metropolitan Centre No. 4, related to municipal waste comprehensive treatment, or Ecopark IV of Barcelona Metropolitan Area.	01.02.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa Gestión de Residuos, S.A., Law 18/82, known for short as "UTE Bollullos".	80%	Avda. de la Catedral 6-8, Barcelona	Management of the urban waste collection and transport service in the municipality of Bollillos, County of Huelva.	18.05.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Rayet Rehabilitación, S.L., Law 18/82, known for short as "UTE Sigüenza".	55%	Avda. de la Catedral 6-8, Barcelona	Urban waste collection service in the municipal district of Sigüenza (including its municipal districts).	01.08.2006
L'Arca del Maresme Empresa Inserció, S.L.L. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., Law 18/82, known for short as "UTE Sant Vicenç de Montalt"	50%	Pol. Ind. Can Negoci C.Amics d'Argentona, 4. Argentona	Municipal waste collection service in the municipality of Sant Vicenç de Montalt.	24.10.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Garcia Lorca de Jardinería S.COOP.MAD., Law 18/82, known for short as "UTE Metrosidero".	60%	Avda. de la Catedral 6-8, Barcelona	Performance of small works of the green areas refurbishment Plan of Fuenlabrada for 2006.	31.10.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ayaguares Medio Ambiente S.L., Law 18/82, known for short as "UTE Arboleda del Tranvía".	70%	Avda. de la Catedral 6-8, Barcelona	Performance of the gardening and irrigation works of Tenerife Tram Urbanisation.	21.11.2006
Segema, Servicios Generales del Medio Ambiente, S.L.U. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., Law 18/82, known for short as "UTE Bilbao-Jardines".	20%	Avda. de la Catedral 6-8, Barcelona	Rendering the upkeep and maintenance service related to the gardens, street trees, and floral structures of Bilbao districts.	12.12.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agroman, S.A., Law 18/82, known for short as "UTE Acondicionamiento Parque Urbano Humanes"	80%	Avda. de la Catedral 6-8, Barcelona	Performance of the Conditioning works of the urban park in calle Getafe, s/n of Humanes Municipal Council.	02.02.2007

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Albatros Promotora Empresarial, S.A., Law 18/82, known for short as "UTE Albatros-Cespa"	35%	Avda. de la Catedral 6-8, Barcelona	Performance of the tender for the supply, installation and maintenance of underground containers.	29.01.2007
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Conservación S.A., Law 18/82, known for short as "UTE Legamarejo".	80%	Avda. de la Catedral 6-8, Barcelona	Performance of the restoration works to the door of the Legamarejo (Aranjuez).	18.10.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ayagaures Medio Ambiente, S.L., Law 18/82, known for short as "UTE Casuarina III"	70%	Avda. de la Catedral 6-8, Barcelona	Performance of the "Works related to the promotion and upkeep service of green areas and areas with gardens in Gran Canaria airport, by virtue of the concession by Aena (Spanish Airports and Air Navigation), in file LPA 678/06".	08.05.2007
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ayagaures Medio Ambiente, S.L., Law 18/82, known for short as "UTE Lanza II"	70%	Avda. de la Catedral 6-8, Barcelona	Service of promotion and upkeep of green areas and areas with gardens in Gran Canaria airport, by virtue of the concession by Aena; in file ACE 112/07.	16.08.2007
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Talher S.A., Law 18/82, "UTE Jardins l'Hospitalet"	50%	Avda. de la Catedral 6-8, Barcelona	Performance of the upkeep and restructuring works of the green areas and public gardens, works in the trees, and supply of materials, plants, and performance of several works pursuant to the public tender awarded by the Municipal Council of l'Hospitalet.	05.12.2007
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medio Ambiente, S.L., Law 18/82, "UTE Barrera Vegetal Fuerteventura"	70%	Avda. de la Catedral 6-8, Barcelona	Carrying out "the upkeep of the plant barrier of Fuerteventura Airport".	01.02.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Miramar"	80%	Avda. de la Catedral 6-8, Barcelona	The purpose of this Joint Venture is the "*Contratació de les obres de drenatge d'aigües superficials de la carretera de Miramar y conexió a la xarxa existent*".	25.04.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Juan Nicolás Gómez e Hijos Constructores, S.A., Law 18/82, "UTE Toledo"	80%	Avda. de la Catedral 6-8, Barcelona	Carrying out "the construction of the new disposal site in the current landfill in Toledo".	22.02.2008

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Compañía de Obras Castillejos, S.A., Law 18/82, "UTE Velia"	80%	Avda. de la Catedral 6-8, Barcelona	The sole purpose of the joint venture shall be the performance of the public contract of "*Obres d'urbanització del carrer Velia entre el carrer Escòcia i la Riera d'Horta*", awarded by PRO NOU BARRIS, S.A. through Resolution by the manager, dated 22 July 2008.	13.08.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Irumienta"	80%	Avda. de la Catedral 6-8, Barcelona	The Companies have been awarded the public contract related to the "Drafting of the project and performance of the landscape restoration works in Irumineta (Otxar-Koaga-Bilbao)".	23.10.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Iluminación Granada"	80%	Avda. de la Catedral 6-8, Barcelona	The purpose of this Joint Venture is to carry out the extraordinary illuminations of the Corpus, Music and Dance Festival, New Year and Christmas Festivities in Granada, by virtue of resolution No. 4R/2008, rendered on 25 September 2008, by the Managing Director of the Institutional Relationships, major Festivities and Hiring Department of the Municipal Council.	17.11.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Taulat"	80%	Avda. de la Catedral 6-8, Barcelona	The purpose of this Joint Venture is the performance of contract No. 08003074, the purpose of which is to perform the works of Transaction 1: *Recollida pneumàtica de residus municipal. Projecte num.2: Extensió de la xarxa de RPRSU pel carrer taulat i ramals associats*.	01.12.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE RPRSU"	80%	Avda. de la Catedral 6-8, Barcelona	The purpose of this Joint Venture is the performance of contract No. 08003074, the purpose of which is to perform the works of Transaction 1: *Recollida pneumàtica de residus municipal. Projecte num.3: Consolidació de connexions a la xarxa general de RPRSU*	01.12.2008

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Marco Obra Pública, S.A., Law 18/82, "UTE Binefar"	50%	Avenido del Pilar, 31, Binéfar.	Carrying out the cleaning of municipal offices, comprehensive maintenance service of the sports facilities, maintenance service of parks and gardens, street cleaning service, and sanitation cleaning service.	28.11.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Servicios, S.A., Law 18/82, "UTE Parque Juan Carlos I"	80%	Avda. de la Catedral 6-8, Barcelona	Its corporate purpose is the comprehensive maintenance service of Juan Carlos I Park and nearby areas.	19.12.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE RSU Gracia"	80%	Avda. de la Catedral 6-8, Barcelona	Converting the mobile urban solid waste network to a fixed one in calle gran de Gracia (Barcelona).	18.03.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Etxezuri"	80%	Avda. de la Catedral 6-8, Barcelona	The Companies have been awarded the Execution of the works to the D1- drafting of the project of Etxezuri garden spaces.	30.03.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Velia III"	80%	Avda. de la Catedral 6-8, Barcelona	Carrying out the urbanisation of Calle Velia phase 3, as well as the complementary and ancillary activities that may arise.	01.04.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Mirador"	80%	Avda. de la Catedral 6-8, Barcelona	Maintenance of the Tibidabo viewpoint, as well as performance of the ancillary and complementary works.	01.04.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Servicios, S.A., Law 18/82, "UTE C.R.A. Talavera"	80%	Avda. de la Catedral 6-8, Barcelona	Construction works of the Environmental Resources Centre of Talavera de la Reina.	07.04.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Urbanizaciones del Jabalón, S.L., Law 18/82, "UTE Miguel Turra-RCD's"	20%	Avda. de la Catedral 6-8, Barcelona	Construction, installation and operation of a recycling plant of construction and demolition waste.	11.12.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Jovilma Constructora, S.L., Law 18/82, "UTE Soria Jardines"	55%	Avda. de la Catedral 6-8, Barcelona	Rendering the services of upkeep and maintenance of gardens and green areas, in the municipal district of Soria.	22.07.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ansareo Saneamiento, S.A., Law 18/82, "UTE Portugalete"	80%	Avda. de la Catedral 6-8, Barcelona	Urban cleaning service, urban solid waste collection and transport, and ancillary services, in Portugalete municipality.	25.11.2009

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Emilio Bolado, S.L.- Urazca Servicios y Medio Ambiente, S.A., Law 18/82, "UTE Castro Urdiales"	50%	Avda. de la Catedral 6-8, Barcelona	Performance of the Management administrative contract of the urban cleaning service, urban waste collection and transport, in the municipal district of Castro Urdiales.	14.03.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Mantenimiento Entorno Urbano, S.L., Law 18/82, "UTE Burriana"	80%	Avda. de la Catedral 6-8, Barcelona	Performance of the management contract of the gardening maintenance public service, in Burriana municipality.	05.03.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Casuarina IV"	60%	Avda. de la Catedral 6-8, Barcelona	Carrying out the upkeep of green areas and areas with gardens, in Gran Canaria airport.	26.03.2010
Sociedad Anónima de Gestión de Servicios y Conservación, GESECO – Cespa Compañía Española de Servicios Públicos Auxiliares S.A., Law 18/82, "UTE GESECO CESPA TEO"	50%	Polígono Industrial A Granxa Rúa E Parcela 101, O Porriño	Performance of the public service related to urban solid waste collection and street cleaning in the Municipality of Teo.	27.05.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Arucas"	51%	Avda. de la Catedral 6-8, Barcelona	Carrying out the upkeep and maintenance of the green areas, in the municipality of Arucas.	23.06.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Arucas"	51%	Avda. de la Catedral 6-8, Barcelona	Execution of the works related to the installation of irrigation and automation systems, and actions in the gardens of Las Chumberas, El cardonal, and La Verdellada, in San Cristóbal de la Laguna.	23.06.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Mantenimiento Entorno Urbano, S.L., Law 18/82, "UTE Camí de l'Aigua"	50%	Avda. de la Catedral 6-8, Barcelona	Execution of the works of "*Camí de l'Aigua*", of Vila-Real Municipal Council (file 15/2010-CNT).	28.10.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Arafo"	51%	Avda. de la Catedral 6-8, Barcelona	Management of the public service related to urban solid waste collection and street cleaning, in Arafo.	5.11.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Construcciones Velez Almendralejo, S.L., Law 18/82, "UTE Cespa – Velez"	75%	Avda. de la Catedral 6-8, Barcelona	Performance of restoration works in Las Mercedes park (Almendralejo).	5.04.2011

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Arruti Santander, S.A, Law 18/82, "Ute Cespa-Arruti/ Pas Pisueńa".	65%	Avda. de la Catedral 6-8, Barcelona	Rendering of the collection and transport service of urban solid waste generated in Pas – Pisueña area, including the management of the containers and of the transfer plant in Selaya.	11.03.2011
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Urbaja Obra Civil, S.L., Law18/82, "Ute Cabeza de Palo"	95%	Avda. de la Catedral 6-8, Barcelona	Use of the land in "Cabeza de Palo" spot, in Ciudad Real, for the construction, installation, start-up and operation of construction waste recycling plant.	02.12.2011

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Financial Statements
for the year ended
31 December 2010 and
Directors' Report, together with
Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.:

1. We have audited the financial statements of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., which comprise the balance sheet at 31 December 2010 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial position of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. at 31 December 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

3. The accompanying directors' report for 2010 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Fernando García Beato
30 March 2011

Cespa, Compañía
Española de Servicios
Públicos Auxiliares, S.A.

Financial Statements for
the year ended
31 December 2010 and
Directors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

BALANCE SHEET AT 31 DECEMBER 2010

(Thousands of Euros)

ASSETS	Notes to the financial Statement	31.12.10	31.12.09
NON-CURRENT ASSETS:			
Intangible assets	**Note 5**	**295,113**	**295,737**
Property, plant and equipment	**Notes 6 and 7**	**172,830**	**198,267**
Non-current investments in Group companies and associates	**Note 10**	**228,597**	**231,615**
Non-current financial assets	**Note 8.a**	**33,119**	**30,986**
Deferred tax assets	**Note 16.e**	**16,766**	**24,512**
Total non-current assets		**746,425**	**781,117**
CURRENT ASSETS:			
Non-current assets classified as held for sale	**Note 12**	**—**	**11,615**
Inventories		**153**	**199**
Trade and other receivables –		**494,925**	**384,643**
Trade receivables for sales and services	**Note 9**	422,181	334,349
Receivables from Group companies and associates	**Note 18.b**	34,403	14,454
Sundry accounts receivable		35,432	33,761
Staff		153	70
Current tax assets	**Note 16.a**	767	461
Other accounts receivable from public authorities	**Note 16.a**	1,989	1,548
Current investments in Group companies and associates	**Note 18.b**	**2,155**	**—**
Current financial assets	**Note 8.b**	**15,871**	**6,486**
Current accruals and deferred income		**5,419**	**5,026**
Cash and cash equivalents		**33,787**	**43.840**
Total current assets		**552,310**	**451,809**
TOTAL ASSETS		**1,298,735**	**1,232,926**

LIABILITIES	Notes to the financial Statement	31.12.10	31.12.09
EQUITY:	**Note 13**		
SHAREHOLDERS' EQUITY –			
Share Capital		**560,957**	**560,957**
Reserves		**77,359**	**47,547**
Negative reserves from contribution		**(13,742)**	**(13,742)**
Beneficio del ejercicio		**16,598**	**54,550**
Interim dividend		—	(24,738)
ADJUSTMENTS FOR CHANGE IN VALUE	**Note 13**	(535)	(285)
GRANTS, DONATIONS AND LEGACIES RECEIVED		665	2,763
Total equity		**641,302**	**627,052**
NON-CURRENT LIABILITIES:			
Long-term provisions	**Note 14**	20,027	20,888
Non-current payables	**Notes 7 and 15.a**	39,755	31,906
Non-current payables with Group companies and associates	**Note 18.b**	411,776	391,032
Deferred tax liabilities	**Note 16.f**	17,617	12,153
Non-current accruals and deferred income		225	231
Total non-current liabilities		489,400	456,210
CURRENT LIABILITIES:			
Short-term provisions		**19**	**14**
Current payables	**Notes 7 and 15.b**	**9,329**	**9,305**
Trade and other payables –		**158,340**	**139,750**
Payable to suppliers	**Note 15.c**	93.456	89,947
Payables to suppliers – Group companies and associates	**Note 18.b**	11,192	4,695
Sundry accounts payable		2,322	1,151
Staff		20,713	18,491
Current tax liabilities	**Note 16.a**	5,567	6,066
Other accounts payable to public authorities	**Note 16.a**	16,618	15,396
Customer advances	**Note 9**	8,472	4,004
Current accruals and deferred income		**345**	**595**
Total current liabilities		**168,033**	**149,664**
TOTAL EQUITY AND LIABILITIES		**1,298,735**	**1,232,926**

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

INCOME STATEMENT FOR FISCAL YEAR 2010

(Thousands of Euros)

	Notes to the Financial Statement	Fiscal year 2010	Fiscal year 2009
CONTINUING OPERATIONS:			
Revenue –	**Note 17.a**	**598,490**	**605,769**
Sales		16,853	6,131
Provision of services		581,637	599,638
Procurements –		**(64,891)**	**(70,919)**
Cost of goods held for resale sold		(48)	(23)
Cost of raw materials and other consumables used		(40,238)	(38,749)
Work performed by other companies		(24,605)	(32,147)
Other operating income –	**Note 17.c**	**17,262**	**17,427**
Non-core and other current operating income		13,816	13,765
Operating grants transferred to profit or loss		3,446	3,662
Staff costs –	**Note 17.d**	**(370,433)**	**(371,685)**
Wages, salaries and similar expenses		(280,432)	(281,748)
Employee benefit costs		(90,001)	(89,937)
Other operating expenses –		**(99,018)**	**(98,534)**
Outside services		(83,102)	(81,667)
Taxes		(1,007)	(1,276)
Losses on, impairment of and change in allowances for trade receivables	**Notes 9 and 14**	(2,730)	(2,451)
Other current operating expenses		(12,179)	(13,140)
Depreciation and amortisation charge	**Notes 5 and 6**	**(42,577)**	**(37,703)**
Allocation to profit or loss of grants related to non-financial assets and other grants	**Note 13**	**2,304**	**2,121**
Impairment and gains or losses on disposals of non-current assets		**2,243**	**(297)**
Impairment and other losses	**Note 6**	1,497	(174)
Gains or losses on disposals and others	**Note 6**	746	(123)
Profit from operations		**43,380**	**46,179**
Finance income –		**7,838**	**35,602**
From investments in equity instruments –	**Note 18.a**	**2,902**	**29,214**
From Group companies and associates		2,902	29,214
From marketable securities and other financial instruments –		**4,936**	**6,388**
From Group companies and associates	**Note 18.a**	2,815	3,665
Third parties		2,121	2,723
Finance costs –		**(18,628)**	**(19,750)**
On debts to Group companies and associates	**Note 18.a**	(14,672)	(16,154)
On debts to third parties		(3,956)	(3,596)
Exchange differences		**(22)**	**(23)**
Impairment and gains or losses on disposals of financial instruments		**(6,323)**	**2,468**
Impairment and other losses	**Note 10**	(6,295)	2,470
Gains or losses on disposals and other		(28)	(2)
Financial loss		**(17,135)**	**18,297**
Profit or loss before tax		**26,245**	**64,476**
Income tax	**Note 16.c**	(9,647)	(9,926)
Profit for the year from continuing operations		**16,598**	**54,550**
Profit of the year		**16,598**	**54,550**

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2010
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Thousands of Euros)

	Notes to the Financial Statement	Fiscal year 2010	Fiscal year 2009
PROFIT/LOSS PER INCOME STATEMENT (I)		**16,598**	**54,550**
Income and expense recognised directly in equity:			
Arising from cash flow hedges	**Note 11**	(803)	(407)
Grants, donations and legacies received	**Note 13**	206	248
Tax effect	**Note 16.e**	241	122
Total income and expense recognised directly in equity (II)		**(356)**	**(37)**
Transfers to profit or loss:			
Arising from cash flow hedges	**Note 11**	446	—
Grants, donations and legacies received	**Note 13**	(2,304)	(2,121)
Tax effect	**Note 16.e**	(134)	—
Total transfers to profit or loss (III)		**(1,992)**	**(2,121)**
Total recognised income and expense (I+II+III)		**14,250**	**52,392**

The accompanying Notes 1 to 22 and Appendix I and II in the Financial Statements are an integral part of the statement of recognised income and expenses for 2010.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2010
B) STATEMENTS OF CHANGES IN TOTAL EQUITY
(Thousands of Euros)

	Capital	Legal reserve	Other reserves	Loss from previous years	Negative reserve from contributions	Goodwill reserve	Interim dividends	Profit for the Year	Valuation adjustments	Donations and legacies	Total
Balance at 2008 year-end	**560,957**	**1,120**	**(2,466)**	**(745)**	**(13,742)**	**—**	**(92,390)**	**146,067**	**—**	**4,636**	**603,437**
Total recognised income and expense	—	—	—	—	—	—	—	54,550	(285)	(1,873)	52,392
Appropriation of profit	—	14,607	20,101	745	—	18,224	92,390	(146,067)	—	—	—
Transactions with shareholders:											
Dividends paid	—	—	(4,039)	—	—	—	(24,738)	—	—	—	(28,777)
Balance at 2009 year-end	**560,957**	**15,727**	**13,596**	**—**	**(13,742)**	**18,224**	**(24,738)**	**54,550**	**(285)**	**2,763**	**627,052**
Total recognised income and expense	—	—	—	—	—	—	—	16,598	(250)	(2,098)	14,250
Appropriation of profit		5,455	6,133	—	—	18,224	24,738	(54,550)	—	—	—
Balance at 2010 year-end	**560,957**	**21,182**	**19,729**	**—**	**(13,742)**	**36,448**	**—**	**16,598**	**(535)**	**665**	**641,302**

The accompanying Notes 1 to 22 and Appendix I and II in the Financial Statements are an integral part of the statement of changes in total equity for 2010.

CESPA, COMPAÑÍA ESPAÑOLA DE SERVICIOS PÚBLICOS AUXILIARES, S.A.

STATEMENT OF CASH FLOWS FOR FISCAL YEAR 2010

(Thousands of Euros)

	Notes to the Financial Statements	Fiscal year 2010	Fiscal year 2009
CASH FLOWS FROM OPERATING ACTIVITIES (I):		**(33,361)**	**61,085**
Profit (Loss) for the year before tax		**26,245**	**64,476**
Adjustments for –		**55,866**	**19,017**
Depreciation and amortisation charge	**Notes 5 and 6**	42,577	37,703
Impairment losses	**Notes 6, 9 and 10**	6,410	(1,518)
Changes in provisions	**Note 14**	(861)	682
Recognition of grants in profit or loss	**Note 13**	(2,304)	(2,121)
Gains/Losses on derecognitions and disposal of non-current assets	**Note 6**	(746)	123
Finance income		(7,838)	(35,602)
Finance costs		18,628	19,750
Changes in working capital –		**(106,371)**	**(31,381)**
Inventories		46	(134)
Trade and other receivables		(125,214)	(32,311)
Other current assets		(173)	—
Trade and other payables		18,362	1,129
Other current liabilities		(161)	(27)
Other non-current assets and liabilities		769	(38)
Other cash flows from operating activities –		**(9,101)**	**8,973**
Interest paid		(18,628)	(19,750)
Dividends received	**Note 18.a**	920	29,214
Interest received		4,936	6,388
Income tax recovered (paid)		3,671	(6,879)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(4,526)**	**(65,693)**
Payments due to investment –		**(33,320)**	**(70,565)**
Group companies and associates	**Note 10**	(2,004)	(475)
Intangible assets	**Note 5**	(91)	—
Property, plant and equipment	**Note 6**	(31,225)	(65,401)
Other financial assets		—	(4,689)
Proceeds from disposal –		**28,794**	**4,872**
Group companies and associates	**Note 10**	10,342	630
Property, plant and equipment	**Note 6**	17,043	4,242
Other financial assets		1,409	—
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**27,856**	**27,966**
Proceeds and payments relating to equity instruments		**206**	**248**
Grants, donations and legacies received	**Note 13**	206	248
Proceeds and payments relating to financial liability instruments –		**27,650**	**56,495**
Proceeds from issue of bank borrowings	**Note 15**	6,906	8,635
Proceeds from issue of borrowings from Group companies and associates		20,744	47,860
Dividends and returns on other equity instruments paid –		**—**	**(28,777)**
Dividends		—	(28,777)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**(22)**	**(23)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(10,053)**	**23,335**
Cash and cash equivalents at beginning of year		43,840	20,505
Cash and cash equivalents at end of year		33,787	43,840

The accompanying Notes 1 to 22 and Appendix I and II in the Financial Statements are an integral part of the statement of cash flows for 2010

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Notes to the Financial Statements for the fiscal year ended 31 December 2010

1. Company activity

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (hereinafter, "the Company" or "Cespa") was established as a Public Limited Liability Company for an indefinite period on 5 July 2000; its registered office is located on Avenida de la Catedral nº 6-8, Barcelona.

Its corporate purpose consists mainly in the pick-up, storage, disposal, treatment, recycling, trade, transport, and utilisation of urban solid waste, industrial waste, inert waste, sanitary waste, sludge, by-products, and waste of any other nature, created by both public and private entities. It also offers services related to the conservation, maintenance, and upkeep of parks, woodlands, gardens, plantations, and all kinds of species protection services and forestry and phytosanitary treatments.

On 11 June 2004, the merger of Marliara, S.A. (acquiring company), established as a beneficiary of a partial spin-off of Ferrovial Servicios, S.A. and Cespa, Compañía Española de Servicios Publicos Auxiliares, S.A., and Tratamientos de Residuos, S.A., (hereinafter, "Cespa" and "Trasa", acquired companies), both directly owned by Marliara, S.A., was registered with the Commercial Registry of Madrid, following the non-monetary contribution made by Ferrovial Servicios, S.A. On the same date, the acquiring company agreed to change its business name to Cespa, thereby pushing the merger's accounting purposes back to 1 January 2004.

The financial instruments included in the financial statements for period 2004 included detailed information of the merger process, pursuant to Royal Decree Law 4/2004 of 5 March, approving the consolidated Corporate Tax Law.

On 19 September 2005, the total spin-off of Segema, Servicios Generales del Medio Ambiente, S.A.U. was registered in the Commercial Registry of Barcelona in favour of the existing Company and the newly-created company: Segema, Servicios Generales del Medio Ambiente, S.L.U. The equity of the company subjected to the spin-off was allocated, without revaluation, to the Company regarding the portion relating to the financial shares it owned, while the rest of the equity was attributed to the newly created company. Also, the shares of the newly-created company were attributed to the Company, so there was no mandatory increase of capital. For accounting purposes, the date from which these transactions are considered to have been carried out by the companies benefitting from the spin-off is 1 January 2005.

As a result of the total spin-off detailed above, the Company, among other effects, became the sole shareholder of Cespa Ingeniería Urbana, S.A. (hereinafter, CIU). The take-over merger of the latter by the former was registered in the Commercial Registry of Barcelona on 19 September 2006. For accounting purposes, these transactions are considered to have been carried out by the beneficiary company on 1 January 2005.

The financial instruments included in the financial statements for period 2005 included detailed information of the merger process, pursuant to Royal Decree Law 4/2004 of 5 March, approving the consolidated Corporate Tax Law.

The Company is the parent company of a group of companies, so it prepares consolidated financial statements, and those corresponding to the 2009 fiscal year have been filed with the Commercial Registry of Barcelona.

On 31 December 2010 and 2009, 99.99% of the Company was owned by Ferrovial Servicios, S.A., 99.99% of which belongs to Ferrovial S.A. (Note 13). The latter is the parent company of a group of companies and it prepares consolidated financial statements, of which those corresponding to period 2009 are filed with the Commercial Registry of Madrid.

2. Basis of presentation of the financial statements

a) Financial reporting regulatory framework applicable to the Company

These financial statements were prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

a) Spanish Commercial Code and other commercial legislation.

b) The Spanish Chart of Accounts approved by RD 1514/2007 and its sector-related adjustments.

c) The mandatory standards approved by the Spanish Accounting and Audit Institute whereby the Spanish Chart of Accounts and its supplementary standards are implemented.

d) The remaining Spanish accounting standards in force.

b) Fair presentation

The accompanying financial statements were prepared based on the Company's accounting records and are presented in compliance with the applicable regulatory financial reporting framework and, specifically, with the accounting principles and methods contained therein, so as to present fairly the Company's equity, financial position, results, changes in equity, and cash flows for the relevant period. These financial statements, prepared by Company Directors, will be submitted for approval by the General Shareholders' Meeting, estimating its approval with no amendments.

Similarly, the financial statements for 2009 were approved by the Annual General Meeting held on 17 May 2010.

c) Accounting Principles

No non-obligatory accounting principles were applied. Also, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles have been applied.

d) Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets, among them, goodwill (Note 4.c) and deferred tax assets (Note 16.e).
- The useful life of the property, plant and equipment and intangible fixed assets (Notes 4.a and 4.b).
- The fair value of investments in group companies, jointly-controlled entities and associates (Note 10).
- The estimated date of settlement of receivables by public entities (Note 9).
- Market value of some financial instruments (Note 4f.).

Although these estimates were made on the basis of the best information available at 2010 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Such changes in the accounting estimates would be applied prospectively, except for the goodwill impairment test, which may not prospectively revert in the future, in which case changes in the estimates shall be recorded in the relevant income statement.

e) Comparative information

On 24 September 2010 Royal Decree 1159/2010, dated 17 September, was published in the Official Bulletin, introducing some amendments to the Spanish Chart of Accounts approved by Royal Decree 1514/2007.

According to the established transition rules, these amendments have been applied prospectively as from 1 January 2010, without them having had any significant impacts. As permitted by these rules, the Company also opted to present comparative information without adapting it to the new rules and, therefore, these financial statements are considered to be initial financial statements for the purposes of the principles of consistency and comparability.

Order EHA/3362/2010, whereby standards under the Spanish Chart of Accounts are adjusted to public infrastructure concessionaires, was ratified on 23 December 2010 and came into effect on 1 January 2011. Said order applies to all fiscal years that began since it took effect.

The Company is carrying out a new transition plan to adapt to the new accounting standards. This plan includes, among other aspects, analysing differences in accounting standards and criteria, deciding whether or not to present comparative information adapted to the new standards, establishing the opening balance sheet date, selecting accounting criteria and standards to be applied in the transition, and evaluating necessary modifications in procedures and information systems. Today, this plan is in the execution phase; however, at this time, it is not possible to estimate the potential impact of the transition in a comprehensive and reliable way that may provide all of the relevant information.

f) Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

3. Appropriation of profit

The proposal for the fiscal year's profit and dividends distribution, prepared by Company Directors, and submitted to the General Shareholders' Meeting approval, is the following:

	Thousands of Euros
Appropriation:	
To legal reserve	1,660
To reserve for goodwill	14,938
Total	**16,598**

In 2010, the Company's profits fell short of providing for the goodwill fund established in article 273 of the Capital Companies Law (Note 13). The Company's Directors plan to use available reserves for this; therefore, the EUR 3,286 thousand contributed to the fund will no longer be available.

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2010 and 2009, in accordance with the Spanish Chart of Accounts, were as follows:

a) Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Administrative concessions

Administrative concessions are measured according to the total expenses incurred in obtaining them or according to the designated price in the case of a transfer, plus any acquisition expenses. As a general rule, their amortisation takes place during the years of adjudication of the contracts to which they are allocated, which ranges from 5 to 20 years (Note 5).

Goodwill

Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow and is not amortised. Instead, these cash-generating units are tested for impairment at least once a year and, using the methodology described below and, where appropriate, the corresponding valuation adjustment is made.

The valuation adjustments relating to impairment recognised in the goodwill are not subject to reversal in subsequent years.

Specifically, the Company's goodwill, derived from the take-over mergers described in Note 1, is as follows:

	Thousands of Euros		
	Gross goodwill		NBV on 31 December 2010 and 2009 (Note 5)
	Original	Merger	
Cespa and Trasa	369,096	364,482	285,741
Cespa Ingeniería Urbana, S.A.	15,440	3,860	—
Fertilizantes Orgánicos de Galicia, S.A.	9,676	9,676	—
Other	78	78	—
Total	**394,290**	**378,096**	**285,741**

Computer software

In this account the Company records the costs incurred in acquiring and developing computer programs, including the costs of developing web sites. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred. Amortisation is charged on computer software on a straight-line basis, over 5 years.

b) Property, plant and equipment

Property, plant and equipment is initially valued at its acquisition price or production cost and it is subsequently deducted using the relevant accumulated depreciation and impairment losses, if any, in accordance with the method described in Note 4.c, except for the property, plant and equipment contributed by Cespa (Note 1) which is recorded according to its acquisition cost updated as per the Regional Regulation of Biscay 3/1991 of 21 March and Regional Regulation 6/96 (Note 6).

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The replacement or renewal of complete property, plant and equipment items is booked as an asset, with the resulting accounting retirement of the replaced or renewed assets.

Below are the Company's estimates for the useful life for each group of elements (does not apply to elements of property, plant and equipment that are explained subsequently):

	Years of estimated useful life
Buildings	25 -50
Machinery, fixtures and tools	4 - 10
Furniture	10 -12
Transport equipment	5 - 8
Data processing equipment	3
Other items of property, plant and equipment	10

In the case that the property, plant and equipment was acquired during the concession period of the contract, it will be amortised without ever exceeding its estimated useful life. In general, given the characteristics of the sectors in which the Company operates, fixed assets with remaining useful life are understood as those which, at the moment the concession expires, are reusable in other operations, sold to third parties, or transferred to the new concessionaire; therefore, it is not necessary to allocate provisions for the amortisation of the assets for the years of useful life exceeding the period for which the concession was awarded.

The facilities associated with landfills managed by the Company are amortised on a straight-line basis. Useful life is calculated as the lowest between the corresponding period between the acquisition of the item, the period remaining for landfill operation, and the straight-line amortisation according to the estimated useful lives indicated in the chart above.

c) ***Impairment of intangible assets and property, plant and equipment***

Whenever there is any indication of an impairment loss, the Company estimates the possibility of impairment losses that might reduce the recoverable value of said assets at a price below its carrying amount by using the Impairment Test.

Recoverable amount is the higher of fair value less costs to sell and value in use.

On an annual basis, the Company performs impairment tests on goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use. At each reporting date, the Company tests assets for permanent impairment that might make it necessary to write-down the assets. Should evidence of impairment be detected, the asset's recoverable amount is calculated in order to identify the scope of the impairment loss if the recoverable amount is lower than the asset's carrying amount, and the difference is recognised in profit or loss. Impairment losses must be assessed for each individual asset. If this is not possible, the impairment loss is determined for the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets (cash-generating units).

When an impairment loss from a cash-generating unit, to which part or an entire goodwill was assigned, is to be recognised, the carrying amount of the goodwill corresponding to said unit is first reduced. When an impairment exceeds its amount, the other cash-generating assets are then reduced according to their book value to the limit of the higher value between the following: its fair value less sale costs, its value in use and zero.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

d) ***Leases***

Leases are classified as finance lease provided that their conditions imply that the risks and benefits inherent to the property of the assets subject matter of the contract are materially transferred to the lessee. All other leases are classified as operating leases.

Operating leases

Lease expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned (Notes 6, 7 and 15).

e) ***Financial instruments***

Financial assets

The financial assets held by the Company are classified in the following categories:

1. Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

2. Held-to-maturity investments: Debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.

3. Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly-controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control together with one or more investors.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Additionally, the cost of investments in other companies acquired in the merger and total spin-off processes described in Note 1 is increased by the positive difference resulting from them and attributable to unrealised gains stemming from those investments (Note 10).

As from 1 January 2010, for investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement.

Subsequent measurement

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These adjustments are calculated as the difference between their carrying amount and their recoverable amount. Recoverable amount is the higher of fair value less sales costs and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

At least at year-end, the Company makes the necessary valuation changes provided there is objective evidence of impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, such impairment loss is recognised in the income statement.

Nearly all of the Company's revenues are earned through the services it provides to public entities. Particularly, and as to the impairment regarding trade and other accounts receivable, the Company's method for calculation consists in depreciating receivables from public agencies that are due but not yet collected at year-end and for which there is no impairment provision, according to established financial standards. This criterion is not very different from the one that consists in making the adjustment of those receivables deemed to be realisable in the long term when the transaction generating them takes place. In addition, the Company sticks to the criterion of setting a provision for fifty per cent of the amount corresponding to invoices due and not yet collected, with a due date exceeding six months, as well as a provision for the entire balance of invoices due and not yet collected with a due date exceeding one year, except for any receivables from public entities, for which a specific analysis is conducted. This criterion is not significantly different from conducting an analysis of the specific impairment according to information available at year-end for all receivables.

The Company derecognises the financial assets upon expiration or when the rights on cash flows of said financial assets are transferred together with substantial risks and benefits inherent to ownership. However, the Company does not write off financial assets, and records a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

As indicated in Note 10 and Annex I, the Company is a majority investor in the share capital of several companies, and so, according to current legislation, it prepares consolidated annual financial statements separately. In accordance with the content of the aforementioned consolidated annual financial statements, on 31 December 2010, the consolidated shareholders' equity of the Parent Company totalled EUR 698.9 million, the net profit for the year attributed to the Parent Company totalled EUR 40.7 million, and the total volume of assets and revenue totalled EUR 1,596.5 million and EUR 940.1 million, respectively.

Financial liabilities

Financial liabilities are Company debts and accounts payable from the purchase of goods and services through trade operations, or those which not coming from trade operations, cannot be considered as derivative financial instruments.

1. Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

2. The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

f) Derivative financial instruments and hedge accounting

3. The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. These risks include mainly exchange rate and interest rate variation risks. Within the context of such transactions, the Company trades hedging financial instruments.

4. In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

5. The Group applies the following types of hedges, which are entered as described below:

1. Fair value hedges: In this case, changes in the value of the hedging instrument and the covered entry attributable to the hedged risk are entered in the income statement.
2. Cash flow hedges: In this type of hedging, the portion of profit or loss of the hedging instrument established as effective hedge will be temporarily recorded in the shareholders' equity, and it will be allocated to the income statement in the years in which the expected hedged transaction impacts on the profit/loss, unless the hedge pertains to an expected transaction that ends in the recording of a non-financial asset or liability; in that event, the amounts entered in the shareholders' equity will be included in the cost of the asset or liability when acquired or incurred.
3. Hedge of net business investments in foreign operations: This type of hedging operation is intended to cover the risk of foreign exchange in investments in subsidiaries and associates and is treated as a fair value hedge of the exchange rate component.

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

7. As of 31 December 2010, the Company designated all of its current derivative financial instruments "accounting hedges", taking into account changes in their fair value, being cash flow hedges, under Equity, for their cash portion (Note 11).

g) Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign Currency Transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

h) *Income tax*

Income tax comprises current and deferred tax.

Current tax is the amount the Company pays for income tax for a specific year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

Deferred tax relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences identified as amounts payable or recoverable derived from the difference between assets and liabilities carrying amount and their tax value, as well as the negative taxable amounts pending offsetting and tax relief credits not applied from a tax point of view. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Since 2004, the Company has paid taxes according to the consolidated tax system, forming part of the Consolidated Tax Group whose parent company is Ferrovial, S.A. Based on the distribution criteria agreed upon by the Company and the tax group it belongs to, the differences between the taxes that the Company would have paid if it had filed taxes individually and the amounts paid to the Tax Authority for the positive tax bases on a consolidated basis are laid out in the settlement criteria that the parent company established for them.

i) *Revenue and expense recognition*

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

As to income from services, they are recognised considering the level of completion of such service at the balance sheet date, provided the transaction result can be reliably estimated.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

j) *Provisions and contingencies*

When preparing the financial statements the Company's directors made a distinction between:

a) Provisions: Credit balances covering current obligations derived from past events, whose settlement may trigger an outflow of resources, but whose amount and/or time of settlement has not yet been established.

b) Contingent liabilities: Possible obligations derived from past events, whose future materialisation depends on whether one or more future events will take place or not, regardless of Company's will.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the balance sheet, but are reported in the annual report notes, provided they are not considered remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Third party compensation received upon settling an obligation, provided such reimbursement is to be received, is recorded as an asset, except in case of legal bond whereby part of the risk was externalised, and according to which the Company is not liable; in such a situation, the compensation should be used to estimate the amount, if any, of the corresponding provision.

Provisions for contract losses

The Company follows the criteria to provide for future losses that may be incurred, as a result of certain service provision contracts for which operating costs regularly exceed income, over the years remaining on those contracts (Note 14). This provision is based on estimates made by the Company that take into account profits and losses at year-end as well as the budget for the following year.

Closure and post- closure provisions

The Company uses the “Long-term provisions” heading to record the estimates of the costs it will be required to incur in the closure and treatment of waste during the post-closure period of the landfills under management for which, based on the executed contracts, the Company estimates such obligation exists.

The allocation to landfill closure and post-closure provisions is made according to the best estimation by the Company’s technical staff of the final cost of such closure and plot maintenance for closure of the landfills. In both cases, the current value is calculated according to an estimated 2% inflation rate and a 5% interest rate. In addition, such allocation is made pursuant to the amount of land filled of the relevant landfills as estimated by the Company’s technical staff (Note 14).

k) Termination benefits

Under current legislation, the Company is required to pay compensation to employees dismissed under certain conditions. Therefore, termination benefits susceptible to reasonable quantification are provided within the period in which the termination decision is made and a valid expectation is created among third parties with regard to the dismissal.

During 2010, termination benefit charges were recorded in the amount of approximately EUR 3,126 thousand, under “Staff costs” in the accompanying income statement (Note 17.d).

l) Environmental assets and liabilities

Environmental activities, energy saving and efficiency projects are mainly taken to income following the accrual criterion.

However, new investments in property, plant and equipment consider the environmental parameter as a basic variable upon implementation and have followed the corresponding environmental impact study. The effect on the cost of said environmental investments is considered higher than the value of the assets (Note 19).

The estimate and calculation method of the provisions resulting from the environmental impact are described in Note 4.j.

m) Retirement bonus commitments

Pursuant to collective agreements to which workers from some of the Company branches are subject, said workers have the right to retirement bonus under a single payment if they willingly choose this option in an age range, according to the corresponding collective agreements, between 60 and 65 years old.

In prior years, the Company outsourced the commitments related to retirement bonuses established in company and cross-company collective bargaining agreements.

n) Grants, donations or gifts and legacies

Non-refundable grants related to assets are valued at the fair value of the amount or asset granted, based on whether they have monetary value or not, initially recorded under Equity. They are allocated to results proportionally to the allocation of the amortisation made in the period for the subsidised assets or, if applicable, when their disposal or impairment valuation correction is made, with the exception of those received from shareholders or owners, which are directly recognised under shareholders' equity and represent no income.

Operating grants are posted to the income statement when they are granted, unless they are allotted to financing the operating deficit of future financial years, in which case they will be recorded in those financial years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

o) Joint Ventures

Certain contracts are executed by the grouping of various companies in a joint venture (UTE). As at 31 December 2010, the Company participated in the Joint Ventures listed in Annex II.

Profit/loss from services provided by joint ventures with other companies is registered following the same criterion applied by the Company in its own contracts.

The expenses incurred on behalf of, and other services provided to the joint venture are recognised when the expense is incurred or the service provided.

The transactions of the joint ventures in which the Company has interests are proportionately consolidated in the balance sheet and the income statement.

p) Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

q) Non-current assets and disposable groups of elements held for sale

The Company classifies a non-current asset or disposable group as held for sale when its sale has already been decided, estimating it to be made within the next twelve months.

These assets or disposable groups are carried at the lower of the accounting cost or the fair value, net of necessary costs for sale.

Non-current assets classified as held for sale are not amortised, but the corresponding valuation changes are carried at the date of each balance sheet so the accounting value does not exceed the fair value net of sale costs.

Income and expenses generated by non-current assets and disposable groups of elements classified as held for sale, that do not qualify as interrupted transactions are charged to the relevant caption of the corresponding income statement, according to their nature.

r) Current/Non-current classification

In the accompanying balance sheet, the assets and debts with a maturity of one year or less are classified as current, and those with a maturity of over one year are classified as non-current.

5. Intangible assets

The changes in this item in the balance sheet in 2010 and 2009 were as follows:

Fiscal Year 2010

Cost	Thousands of Euros 31-12-09	Additions	31-12-10
Administrative concessions	13,206	29	13,235
Goodwill	285,741	—	285,741
Rights of transfer	547	51	598
Computer software	3	11	14
Total cost	**299,497**	**91**	**299,588**

Accumulated depreciation	Thousands of Euros 31-12-09	Period provisions	31-12-10
Administrative concessions	(3,210)	(707)	(3,917)
Rights of transfer	(547)	(7)	(554)
Computer software	(3)	(1)	(4)
Total accumulated depreciation	**(3,760)**	**(715)**	**(4,475)**

Total intangible assets	Thousands of Euros 31-12-09	31-12-10
Cost	299,497	299,588
Accumulated depreciation	(3,760)	(4,475)
Total, net	**295,737**	**295,113**

Fiscal Year 2009

Cost	Thousands of Euros 31-12-08	Additions	31-12-09
Administrative concessions	13,206	—	13,206
Goodwill	285,741	—	285,741
Rights of transfer	547	—	547
Computer software	3	—	3
Total cost	**299,497**	**—**	**299,497**

Accumulated depreciation	Thousands of Euros 31-12-08	Period provisions	31-12-09
Administrative concessions	(2,511)	(699)	(3,210)
Rights of transfer	(547)	—	(547)
Computer software	(2)	(1)	(3)
Total accumulated depreciation	**(3,060)**	**(700)**	**(3,760)**

Total intangible assets	Thousands of Euros 31-12-08	31-12-09
Cost	299,497	299,497
Accumulated depreciation	(3,060)	(3,760)
Total, net	**296,437**	**295,737**

At 2010 year-end, the "Administrative concessions" item included the amounts delivered for several contracts with public entities.

The net goodwill is due, basically, to the goodwill resulting from the mergers described in Notes 1 and 4.a.

The breakdown of goodwill, classified according to the cash-generating unit to which it belongs, in 2010 and 2009, is as follows:

Goodwill	Thousands of Euros	
	Balance at 31-12-10	Balance at 31-12-09
Solid urban waste collection and road clean-up	285,741	285,741
Total	**285,741**	**285,741**

The merger goodwill reflected in the balance sheet was generated, initially, with the acquisition of Cespa, which was the parent of a group of companies, so that the different cash-generating units were identified with each one of those companies. In this regard, given that the fair values were allocated among the remaining investments, the resulting merger goodwill is solely determined by the main activity of the acquired companies.

As a result of the merger carried out in 2004 and described in Notes 1 and 4.a, that year, the Company's goodwill was originally calculated as the difference between the price paid and the consolidated underlying value of the acquired group plus a series of unrealised gains, which led to an increase in the pre-existing value of the financial interests and other equity items held by the acquired company.

The most significant assumptions used to determine the amount recoverable from the cash-generating unit were the following:

Goodwill	Discount rate	Nominal growth rate
Solid urban waste collection and road clean-up	6.5% -7.5%	2% -3%

Five-year cash flow projections are used to determine the amount recoverable from the cash-generating unit, calculating a residual value based on the cash flow for the last year projected, provided that it represents a normal flow, and applying a growth rate that in no case exceeds the estimated long-term growth rate for the market in which the Company operates.

Cash flows are discounted using a rate based on the weighted average cost of capital for this type of assets. The discount rates used are those detailed in the table above. Sensitivity analysis is also carried out, especially in relation to the discount rate used and the residual growth rate, in order to ensure that possible changes in estimates of those rates will not have a determining effect on the value recoverable from the cash-generating unit.

Based on the abovementioned assumptions, the Company's Directors consider that there are no indications of impairment whatsoever regarding the goodwill at 2010 year-end, which is why no provision for impairment has been recorded.

6. Property, plant and equipment

The changes in this balance sheet item during 2010 and 2009, as well as the most significant information thereof, were the following:

Fiscal Year 2010

Cost	Thousands of Euros				
	31-12-09	Additions	Increase or Decrease due to Transfers	Disposals Derecognitions or Reductions	31-12-10
Land and buildings	37,940	2	67	(15,710)	22,299
Machinery, fixtures and tools	121,669	3,322	10,952	(6,729)	129,214
Furniture	19,435	134	3,821	(1,480)	21,910
Transport equipment	234,909	1,058	36,288	(23,358)	248,897
Data processing equipment	6,361	650	(29)	(1,767)	5,215
Other items of property, plant and equipment	2,371	54	—	(412)	2,013
Property, plant and equipment in the course of construction	33,803	26,005	(51,099)	(41)	8,668
Total cost	**456,488**	**31,225**	**—**	**(49,497)**	**438,216**

Accumulated depreciation	31-12-09	Additions	Increase or Decrease from Transfers	Disposals Derecognitions or Reductions	31-12-10
	Thousands of Euros				
Land and buildings	(6,948)	(632)	—	1,918	(5,662)
Machinery, fixtures and tools	(74,567)	(14,068)	698	6,513	(81,424)
Furniture	(12,599)	(1,661)	(1)	1,457	(12,804)
Transport equipment	(152,772)	(24,446)	(696)	22,088	(155,826)
Data processing equipment	(4,114)	(840)	(1)	1,064	(3,891)
Other items of property, plant and equipment	(1,151)	(215)	—	160	(1,206)
Total accumulated depreciation	**(252,151)**	**(41,862)**	**—**	**33,200**	**(260,813)**

Total property, plant and equipment	31-12-09	31-12-10
	Thousands of Euros	
Cost	456,488	438,216
Accumulated depreciation	(252,151)	(260,813)
Impairment loss	(6,070)	(4,573)
Total, net	**198,267**	**172,830**

Fiscal Year 2009

Cost	31-12-08	Additions	Increase or Decrease due to Transfers	Disposals Derecognitions or Reductions	31-12-09
	Thousands of Euros				
Land and buildings	37,593	460	48	(161)	37,940
Machinery, fixtures and tools	108,913	8,844	7,541	(3,629)	121,669
Furniture	18,353	777	929	(624)	19,435
Transport equipment	222,272	1,145	24,294	(12,802)	234,909
Data processing equipment	4,684	1,727	—	(50)	6,361
Other items of property, plant and equipment	2,602	72	6	(309)	2,371
Property, plant and equipment in the course of construction	14,954	52,376	(32,818)	(709)	33,803
Total cost	**409,371**	**65,401**	**—**	**(18,284)**	**456,488**

Accumulated depreciation	31-12-08	Additions	Increase or Decrease from Transfers	Disposals Derecognitions or Reductions	31-12-09
	Thousands of Euros				
Land and buildings	(6,442)	(627)	—	121	(6,948)
Machinery, fixtures and tools	(64,943)	(12,760)	343	2,793	(74,567)
Furniture	(11,760)	(1,166)	(5)	332	(12,599)
Transport equipment	(141,433)	(21,615)	(338)	10,614	(152,772)
Data processing equipment	(3,536)	(626)	—	48	(4,114)
Other items of property, plant and equipment	(953)	(209)	—	11	(1,151)
Total accumulated depreciation	**(229,067)**	**(37,003)**	**—**	**13,919**	**(252,151)**

Total property, plant and equipment	31-12-08	31-12-09
	Thousands of Euros	
Cost	409,371	456,488
Accumulated depreciation	(229,067)	(252,151)
Impairment loss	(5,896)	(6,070)
Total, net	**174,408**	**198,267**

The 2010 additions correspond both to the renewal of items specified in the Company's different clean-up and collection service provision contracts and to investments that need to be made to fulfil the new contracts awarded to the Company.

The removals, on the other hand, are due, basically, to the 2010 sale of Company-owned offices in Madrid, whose net accounting value was approximately EUR 13.5 million and whose sale price was approximately EUR 14.5 million. All other reductions, with a net accounting value of EUR 2.8 million, resulted mainly from the sale of property, plant, and equipment to third parties, as well as to companies within the group (Note 10) and reductions due to obsolescence. The losses arising from those operations amounted to EUR 260 thousand.

As of 31 December 2010, the Company's property, plant and equipment included transportation equipment amounting to EUR 4,839 thousand that, at the end of the fiscal year, was still not in working condition. This equipment was acquired in the second half of the year when contracts for waste collection services were renewed and new contracts were awarded. The company also acquired facilities, machinery, and buildings that amounted to EUR 3,829 thousand and were not operable at the end of the year. The transfers that took place in 2010 corresponded, in large part, to the incorporation of transportation equipment included in a contract that was renewed the previous year.

The Company records, mainly, as impairment of property, plant and equipment at 2010 year-end, a provision based on the investment plans defined in different contracts.

The Company owns real property whose cost, separately from the building and land, at the end of 2011 and 2009, was as follows:

	Thousands of Euros	
Buildings	2010	2009
Land	7,322	18,199
Buildings	14,977	19,741
Total	**22,229**	**37,940**

At 2010 and 2009 year-ends, the Company had fully amortised property, plant and equipment still in use, as shown below:

	Thousands of Euros	
	(Gross) Carrying Amount	
Description	2010	2009
Buildings	1,106	987
Machinery, fixtures and tools	48,690	28,787
Other fixtures, furniture and equipment	6,904	7,302
Transport equipment	82,532	76,610
Data processing equipment	2,244	2,359
Other items of property, plant and equipment	247	304
Total	**141,723**	**116,349**

As stated in Note 7, at 2010 year-end, the Group had undertaken several financial lease transactions with respect to its property, plant and equipment.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At 31 December 2010, they were duly insured.

7. Leases

Finance leases

At 31 December 2010 and 2009, the Company, as financial lessee, had recognised the leased assets broken down below:

Fiscal Year 2010

			Thousands of euros				
				Instalments paid			
Description	Duration of the contract (months)	Months elapsed	Original cost without purchase option	Previous years	Current year	Current value of pending payments	Current value of purchase option
2010 contracts:							
Vehicles (integration of joint ventures)	60-48	5-10	50	—	8	42	1
Contracts in force at 31 December 2009:							
Machinery, fixtures and tools	60	27	4,851	1,075	946	2,830	48
Vehicles	60	27	5,127	1,209	1,273	2,645	94
Machinery, fixtures and tools	60	27	1,048	231	204	613	18
Machinery, fixtures and tools (integration of joint ventures)	96-82	94-62	508	374	74	60	9
			11,584	**2,889**	**2,505**	**6,190**	**170**

Fiscal Year 2009

			Thousands of euros				
				Instalments paid			
Description	Duration of the contract (months)	Months elapsed	Original cost without purchase option	Previous years	Current year	Current value of pending payments	Current value of purchase option
2009 contracts:							
Vehicles	96	12	762	—	201	512	48
Contracts in force at 31 December 2008:							
Machinery, fixtures and tools	60	15	4,777	206	869	3,750	48
Vehicles	60	15	4,338	186	661	3,542	44
Machinery, fixtures and tools	60	15	1,029	44	187	817	18
Machinery, fixtures and tools (integration of joint ventures)	82-96	50-95	1,350	1,106	106	132	7
			12,256	**1,542**	**2,024**	**8,753**	**165**

The above table shows the present value of instalments pending payment of the financial lease agreements signed by the Company. The nominal value of the abovementioned instalments, as well as of the purchase option, totals EUR 7,180 thousand at 2010 year-end, of which EUR 2,506 thousand fall due within less than one year with a present value of EUR 1,946 thousand, and EUR 4,674 thousand mature within more than one year with a present value of EUR 4,413 thousand. Both amounts were recorded in the accompanying balance sheet at 31 December 2010 under the headings "Current payables" and "Non-current payables", respectively (Note 15).

The Company's most significant financial lease agreements at 2010 year-end are the following: purchase of machinery and transport equipment based on the award of contracts in prior years (approximately EUR 4,638 thousand) and purchase of property, plant and equipment for the construction of a light packaging treatment plant and to make improvements to a bulk waste plant (approximately EUR 5,616 thousand).

Operating leases

As at 2011 and 2009 year-ends, the Company had reached an agreement with the lessors on the following minimum lease payments as per the current contracts in force, without considering their effect on common expenses, future increases due to CPI or future updates of leases agreed upon under contract:

Operating leases lease payments	Thousands of Euros	
	2010	2009
In one year	4,725	1,574
From 1 to 5 years	4,242	2,158
After five years	22,453	927

The detail of the operating lease payments recognised respectively as an expense in 2010 and 2009 is as follows:

	Thousands of Euros	
	2010	2009
Operating leases recognised under profit or loss	14,968	13,598

The most significant lease agreements are related to real estate, transport equipment, and containers, among others. One of these is the Company's contract for its head office, which was renewed in 2010 for a 5-year period, with the possibility of making additional 5-year extensions until 2035, as well as a building leased in Barcelona, with the contract expiring in 2012, with the possibility of making two additional 7-year extensions, and a last 5-year extension, and a lease signed during 2010 for the company's offices located in Madrid, with an initial 15-year duration, with the possibility of extending them for an additional 2-year period. The amount committed by the three agreements, without taking into account the effect of common expenses, future increases due to CPI, or future updates of leases agreed upon under contract total approximately EUR 17 million.

8. Financial assets (non-current and current)

a) Non-current financial assets

The balance of the accounts under the heading "Non-current financial assets" at 2010 and 2009 year-ends is as follows:

	Thousands of Euros					
	Non-current financial instruments					
Classes	Equity Instruments		Credits, derivatives and Others		Total	
Categories	2010	2009	2010	2009	2010	2009
Loans and receivables	30	30	33,089	30,956	33,119	30,986
Total	**30**	**30**	**33,089**	**30,956**	**33,119**	**30,986**

At 31 December 2010, the "Credits, derivatives and others" heading includes 12 credits from different municipal councils, with the long-term outstanding total amounting to approximately EUR 31,087 thousand, valued at amortised cost, as a result of the debt refinancing for the provision of ordinary services carried out in previous years and during the year (2 new agreements in 2010). These credits have periodic due dates, the last of them in 2032. Furthermore, the financial burden of the debt is tied to the Euribor.

The breakdown of credits granted to municipal councils by maturity is as follows:

Fiscal Year 2010

Expiry	Thousands of Euros
2012	6,452
2013	5,131
2014	3,731
2015	3,075
2016 on	12,698
Total	**31,087**

Fiscal Year 2009

Expiry	Thousands of Euros
2011	5,626
2012	3,440
2013	3,532
2014	2,066
2015 on	14,461
Total	**29,125**

At the time these financial statements were prepared, there was a refinancing agreement in place regarding the debt in favour of a municipal council of Andalusia in the amount of EUR 9,367 thousand, with the approximate and respective principal and interest amounts totalling EUR 7,811 thousand and EUR 1,556 thousand, according to an agreement signed in prior years, establishing the payment of certain annual instalments until September 2013.

The first instalments were not paid and enforcement of the agreement was claimed through a court action. In 2010, the municipal council issued an agreement proposal consisting in a payment plan, which is not being met to date. That is why the Company has again filed legal action for enforcement of the agreement in relation to which there is a favourable ruling confirming the municipal council's obligation of allocating the entire payable to the budget until it has been fully settled.

At the time these financial statements were prepared, the municipal council made a partial payment of the instalments in the amount of EUR 320 thousand (EUR 311 thousand during the 2010 fiscal year); the outstanding past-due instalments therefore total EUR 3,194 thousand, which are recorded under the heading "Current financial investments" of the balance sheet at 31 December 2010 (Note 8.b).

Additionally, at 2010 year-end this included guarantees and loans granted to staff with a long-term maturity in the amount of EUR 2,002 thousand. The latter accrue interest at market rate.

b) Current financial assets

The balance of the accounts under the heading "Current financial assets" at 2010 and 2009 year-ends is as follows:

	Thousands of Euros					
	Current financial instruments					
Classes	Debt securities		Credits, derivatives and others		Total	
Categories	2010	2009	2010	2009	2010	2009
Loans and receivables	—	—	12,375	5,526	12,375	5,526
Investments held until maturity	—	960	3,496	—	3,496	960
Total	**—**	**960**	**15,871**	**5,526**	**15,871**	**6,486**

The amount recorded in the "Loans and receivables" item is related, basically, to the instalments of loans granted to customers, mentioned in Note 8.a, which fall due within a term of less than 12 months or which are past-due at 2010 year-end. These instalments, valued at amortised cost, total approximately EUR 11.5 million.

On the other hand, the amount recorded in the "Investments held until maturity" item is related to the allocation of a reserve fund of a Company loan debt service (Note 15) that totals an amount equivalent to the following amortisation instalment of the loan principal amount plus expenses, commissions and interest on that loan, all of them corresponding to the following six-monthly period. The amounts deposited in this reserve fund of the debt service are pledged and do not constitute amounts that are available to the Company.

c) Information on the nature and level of risk of financial instruments

The Company's financial risks management is under the responsibility of the Financial Management of the Group to which the Company belongs (Note 1), which has the necessary mechanisms to control the exposure to interest rate and exchange rate fluctuations, as well as credit and liquidity risks. The main financial risks affecting the Company are as follows:

8. 1. Credit risk

In general, the Company maintains its cash and other equivalent liquid assets in high-credit rating financial institutions. It also monitors receivables on a case-by-case basis to determine potential insolvency situations.

9. 2. Liquidity risk

In order to guarantee liquidity and meet all payment obligations derived from its activity, the Company relies on the cash shown in its balance, as well as the credit and financing lines detailed in Note 15.

In the current market context, that during the last financial years has been affected mainly by a significant financial crisis that has led to a widespread contraction of credit, the Company has maintained a proactive policy with regard to liquidity risk management, focusing essentially on preserving the Company's liquidity.

This policy is based on three main pillars:

- Efficient working capital management to ensure timely fulfilment of payment obligations by customers.
- Monetisation of financial assets, where this can be done under reasonable market conditions, through the factoring and discounting of future collection rights.
- Commissioning of a comprehensive cash system, with the purpose of optimising the daily liquidity positions in the different companies owned directly or indirectly by the Company, as well as the Group to which it belongs (Note 1).

The Group has also sought to always utilise available cash to settle payment obligations and liabilities in advance.

10. 3. Interest and exchange rates market risk

In managing its interest rate risk, the Company's purpose is to attain an adequate balance between its debt positions at fixed rates and floating rates, that will allow it to adapt to the different market situations, at all times ensuring compliance with the business plans established.

Accordingly, in managing debt references, the Company tends to keep a high percentage of the debt tied to fixed rates, either arranged at inception or hedged by means of derivative financial instruments.

The Company applies a proactive management approach to the debt that is tied to floating, paying particular attention to the evolution of market rates in order to obtain the lowest rates wherever possible.

With regard to the exchange rate risk, the Company does not engage significantly in international operations and, therefore, its exposure to exchange rate risk from transactions involving foreign currency is not significant.

9. Trade receivables for sales and services

The breakdown of this item of the accompanying balance sheet is as follows:

	Thousands of Euros	
Item	2010	2009
Current tax receivables and payables	425,195	334,634
Private customers	11,598	12,715
Impairment provision	(14,612)	(13,000)
Total	**422,181**	**334,349**

The Company's customer portfolio has grown as a result of an extension in the collection terms of the Public Administrations. In this regard, the Company considers that the delays that may take place would not entail a decrease in solvency of those debtors nor in the fair value of the receivables held, given the condition and generalised existence of debt recognition by the debtors and the right and intention to request late-payment interest in most cases. At any rate, the Company maintains a provision for impairment for those receivables that are difficult to recover or whose financial charges are not expected to be recovered.

Certain credit rights recorded at 2010 year-end are pledged as collateral of the financing agreement signed in the previous year (Note 15), which at 2010 year-end amounted to EUR 10,782 thousand.

During 2010, the Company settled accounts receivable in the amount of EUR 452 thousand with the consequent cancellation of the provision already existing on the balance sheet.

10. Investments in Group companies, jointly controlled entities and associates

The most significant information related to the Group, jointly controlled entities and associates at the end of the reporting periods 2010 and 2009 is the following:

Fiscal Year 2010

	Thousands of Euros				
	31-12-09	Additions / (Provisions)	Disposals or reductions	Transfers (Note 12)	31-12-10
Interests in Group companies, jointly-controlled entities and associates	161,224	2,494	—	11,813	175,531
Loans to Group companies and related companies (Note 18.b)	78,550	—	(10,342)	—	68,208
Impairment of equity instruments	(8,159)	(6,503)	208	(198)	(14,652)
Disbursements yet to be paid on non-current investments	—	(490)	—	—	(490)
	231,615	**(4,499)**	**(10,134)**	**11,615**	**228,597**

Fiscal Year 2009

	Thousands of Euros				
	31-12-08	Additions / (Provisions)	Disposals or reductions	Transfers	31-12-09
Interests in Group companies, jointly-controlled entities and associates	173,192	475	(630)	(11,813)	161,224
Loans to Group companies and related companies (Note 18.b)	80,673	—	(2,123)	—	78,550
Impairment of equity instruments	(10,158)	(367)	2,837	(471)	(8,159)
	243,707	**108**	**84**	**(12,284)**	**231,615**

The breakdown and movement of the "Interests in Group companies, jointly-controlled entities and associates" item in the above table, as well as the provisions allocated to it, is as follows:

Fiscal Year 2010

	Thousands of Euros				
	31-12-09	Additions / (Provisions)	Disposals and allocations	Transfers (Note 12)	31-12-10
Cost:					
Empresa Mixta de Almendralejo, S.A.	132	—	—	—	132
Cespa Jardinería, S.L.U.	8,465	—	—	—	8,465
Cespa Portugal, S.A.	—	—	—	11,813	11,813
Valdemingómez 2000, S.A.	601	—	—	—	601
Ingeniería Urbana, S.A.	4,227	—	—	—	4,227
Ingeniería Ambiental Granadina, S.A.	2,606	—	—	—	2,606
Cespa Gestión de Residuos, S.A.U.	74,662	—	—	—	74,662
Cespa Conten, S.A.U.	12,527	—	—	—	12,527
Cespa Inversiones Ambientales, S.A.	3,606	—	—	—	3,606
Recollida de Residus d'Osona, S.L.	384	—	—	—	384
Sitkol, S.A.	4,831	—	—	—	4,831
Ecocat, S.L.	31,494	—	—	—	31,494
Gestión Medioambiental de Toledo, S.A.	5,708	1,975	—	—	7,683
Cespa Nadafa, S.A.R.L.	448	—	—	—	448
Ecoenergía Can Mata, A.I.E.	54	—	—	—	54
Ayora Gestión de Biogás, S.L.	448	—	—	—	448
Ecoparc de Can Mata, S.L.	11,000	—	—	—	11,000
Serveis Mediambientals de la Selva Nora, S.A.	27	291	—	—	318
Vialnetvic, S.A.	—	172	—	—	172
Cespa UK Limited	—	—	—	—	—
Other	4	56	—	—	60
Total	**161,224**	**2,494**	**—**	**11,813**	**175,531**
Impairment provisions:					
Cespa Jardinería, S.L.U.	(1,887)	—	—	—	(1,887)
Gestión Medioambiental de Toledo, S.A.	(1,393)	—	—	—	(1,393)
Cespa Portugal, S.A.	—	—	198	(198)	—
Ecocat, S.L.	(3,390)	(6,503)	—	—	(9,893)
Cespa Nadafa S.A.R.L.	(1,479)	—	—	—	(1,479)
Ecoenergía Can Mata, A.I.E.	(10)	—	10	—	—
Total	**(8,159)**	**(6,503)**	**208**	**(198)**	**(14,652)**
Disbursements yet to be paid on non-current investments:					
Gestión Medioambiental de Toledo, S.A.	—	(490)	—	—	(490)
Total	**—**	**(490)**	**—**	**—**	**(490)**
Total, net	**153,065**	**(4,499)**	**208**	**11,615**	**160,389**

Fiscal Year 2009

	Thousands of Euros				
	31-12-08	Additions / (Provisions)	Disposals and allocations	Transfers	31-12-09
Cost:					
Empresa Mixta de Almendralejo, S.A.	132	—	—	—	132
Cespa Jardinería, S.L.U.	8,465	—	—	—	8,465
Cespa Portugal, S.A.	11,813	—	—	(11,813)	—
Valdemingómez 2000, S.A.	601	—	—	—	601
Ingeniería Urbana, S.A.	4,227	—	—	—	4,227
Ingeniería Ambiental Granadina, S.A.	2,606	—	—	—	2,606
Cespa Gestión de Residuos, S.A.U.	85,662	—	—	(11,000)	74,662
Cespa Conten, S.A.U.	12,527	—	—	—	12,527
Cespa Inversiones Ambientales, S.A.	3,606	—	—	—	3,606
Recollida de Residus d'Osona, S.L.	384	—	—	—	384
Sitkol, S.A.	4,831	—	—	—	4,831
Ecocat, S.L.	31,494	—	—	—	31,494
Gestión Medioambiental de Toledo, S.A.	5,708	—	—	—	5,708
Cespa Nadafa, S.A.R.L.	448	—	—	—	448
Ecoenergía Can Mata, A.I.E.	54	—	—	—	54
Valor Rib Industria de Residuos, L.D.A.	630	—	(630)	—	—
Ayora Gestión de Biogás, S.L.	—	448	—	—	448
Ecoparc de Can Mata, S.L.	—	—	—	11,000	11,000
Serveis Mediambientals de la Selva Nora, S.A.	—	27	—	—	27
Other	4	—	—	—	4
Total	**173,192**	**475**	**(630)**	**(11,813)**	**161,224**
Impairment provisions:					
Cespa Jardinería, S.L.U.	(1,887)	—	—	—	(1,887)
Gestión Medioambiental de Toledo, S.A.	(1,393)	—	—	—	(1,393)
Cespa Portugal, S.A.	(2,954)	—	2,756	198	—
Ecocat, S.L.	(3,390)	—	—	—	(3,390)
Cespa Nadafa S.A.R.L.	(448)	(362)	—	(669)	(1,479)
Ecoenergía Can Mata, A.I.E.	(5)	(5)	—	—	(10)
Valor Rib Industria de Residuos, L.D.A.	(81)	—	81	—	—
Total	**(10,158)**	**(367)**	**2,837**	**(471)**	**(8,159)**
Total, net	**163,034**	**108**	**2,207**	**(12,284)**	**153,065**

Annex I to these Notes describes the additional information related to the companies in which the Company holds an interest at 2010 year-end. None of these subsidiaries are listed companies.

In 2010, the Company executed certain guarantees that it held by virtue of the acquisition of 55% of the share capital of Gestión Medioambiental de Toledo, S.A. This acquisition took place in 2006 and, as a result of the enforcement of these guarantees, the Company became the majority shareholder, with a 60% share in the aforementioned company. Subsequently, the Company increased its holdings in the subsidiary by EUR 1,975 thousand, of which approximately EUR 490 thousand had yet to be disbursed at the end of 2010, thereby maintaining its 60% share in the company. This capital increase was made to provide the subsidiary with funds needed to carry out a new project involving the construction and operation of a new landfill under concession.

In 2010, the Company also increased its holdings in the subsidiary Serveis Mediambientals de la Selva Nora, S.A. investing approximately EUR 291 thousand. This capital increase led to a reduction in the interest in the subsidiary which, as a result of the entry of a new shareholder, fell from 45% to 40%.

On 5 March 2010, the Company held a 49% share in Vialnetvic, S.A., which provides street cleaning and urban waste collection services, clean spots, park and garden maintenance and cleanup, and leachate transportation for Vic Municipal Council.

Finally, during 2010, the Company began the process of developing and expanding its business in the United Kingdom by establishing Cespa UK Limited with a share capital of GBP100. That company, in turn, holds 50% of the share capital of AmeyCespa Limited, which acquired Donarbon Group for a total of GBP 49 million in 2010. Donarbon Group currently holds the waste management contract for the county of Cambridge (United Kingdom). And in 2010, AmeyCespa Limited was awarded the waste management contract for the county of York (United Kingdom).

The ownership interests in Ecoparc de Can Mata, S.L. are pledged to guarantee the loan signed during the previous fiscal year by that subsidiary for the construction of the treatment plant under concession.

The Company has calculated fair value of the following investments based on the current value of the estimated future cash flows, which include goodwill, as the case may be, allocating (or reversing, if applicable) the provisions for impairment using the basic assumptions mentioned below:

Company	Nominal growth rate of the perpetual income
Gestión Medioambiental de Toledo, S.A.	N/A
Cespa Portugal, S.A.	2% - 3%
Ecocat, S.L.	2% - 3%
Cespa Conten, S.A.U.	2% - 3%

The discount rates were between 6.5% and 9%.

The recoverable amounts of the cash-generating units are determined by using cash flow projections for a five-year period, except for those used in subsidiary Gestión Medioambiental de Toledo, S.A., for which the duration of the concession was considered, ending in 2032 (period extended in 2010). The residual value is based on the cash flow for the last year projected, provided this represents a cash flow with no exceptional factors, and the growth rate applied in no case exceeds the estimated long-term growth rate for the market in which the Company operates.

Cash flows are discounted using a rate based on the weighted average cost of capital for this type of assets. The discount rates used are those detailed in the table above. Sensitivity analysis is also carried out, especially in relation to the discount rate used and the residual growth rate, in order to ensure that possible changes in estimates of those rates will not have a determining effect on the value recoverable from the cash-generating unit.

During 2010, Ecocat, S.L., in which the Company holds a 50% interest, failed to attain the results expected in its business plan, which was to recover the investment. For this reason, the Company's Directors revisited the abovementioned business plan, revealing an additional impairment in fair value of the ownership interest in the amount of EUR 6.5 million, which was recorded in the accompanying income statement at 31 December 2010.

For the rest of the subsidiaries, based on the abovementioned assumptions, the Company's Directors consider that there are no indications of impairment whatsoever at 2010 year-end, which is why no provision for additional impairment has been recorded.

Cespa Nadafa, S.A.R.L.

The Company maintains an impairment provision for Cespa Nadafa S.A.R.L., located in Morocco and inactive since 2006. The Company also maintains a provisions for risks and expenses to cover the amount related to net assets it holds in the subsidiary, which consist of a non-current loan that totalled EUR 2,761 thousand at year-end (Notes 14 and 18.b).

Cespa Portugal, S.A.

At 2010 year-end, the Company reclassified its 100% ownership in Cespa Portugal S.A. in the "Non-current assets held for sale" caption under current assets, as described in Note 12.

11. Derivative financial instruments

During 2010, the Company maintained an interest rate swap with a bank with a high credit rating.

In 2010, the only derivatives held by the Company are interest rate derivatives.

The purpose of this interest rate swap is to reduce the fluctuation of the cash flows to be outlaid for the Company's financing, which is tied to the Euribor. Through the IRS, the Company receives that same reference (Euribor) from the bank in exchange for a fixed interest rate payment.

Interest Rate Derivatives

To determine the fair value of the interest rate derivatives (Swaps of IRS), the Company uses an in-house IRS valuation model where the inputs are the Euribor market curves and long-term swap rates to establish the fair value of the interest rate derivative structures.

The interest rate derivatives purchased by the Company and in effect at 31 December 2010 and 2009 and their fair values at those dates include the following:

Fiscal Year 2010

Instrum.	Expiry	Value (Thousands of Euros)	Fair value (Thousands of Euros	Fixed rate	Pending amount 2011 (Thousands of Euros)	Pending amount 2012 (Thousands of Euros)	Pending amount 2013 (Thousands of Euros)	Variable rate
IRS	01/11/2017	19,809	(765)	3.20%	17,106	14,330	12,680	Euribor 6 months

Fiscal Year 2009

Instrum.	Expiry	Value (Thousands of Euros)	Fair value (Thousands of Euros)	Fixed rate	Pending amount 2010 (Thousands of Euros)	Pending amount 2011 (Thousands of Euros)	Pending amount 2012 (Thousands of Euros)	Variable rate
IRS	01/11/2017	23,924	(407)	3.20%	19,809	17,106	14,330	Euribor 6 months

The Company has decided to use hedge accounting which is allowed by the New Spanish National Chart of Accounts, properly designating the hedging relationship in which this IRS is a hedging instrument for the financing used by the Company, mitigating the changes in flows due to interest payments by setting the fixed rate it is to pay.

This hedging relationship is effective both prospectively and retrospectively, on an accumulated basis, since the date of designation. Accordingly, the Company accumulates the effective portion of the change in fair value of derivative financial instruments in Equity, which at 31 December 2010 totalled a negative amount of EUR 765 thousand, without tax effect.

During 2010, a negative net amount of EUR 562 thousand was recorded in Equity and a net amount of EUR 312 thousand was reclassified from Equity to interest expense, as the interest on the financial liability that was being hedged according to the designated hedging relationship was recorded, taking into account the effective interest method of the hedged loan.

Interest rate sensitivity analysis

The changes in the fair value depend on the changes in implicit interest rates of the interest rate curves of the Euro market at any given time. The fair value of these derivatives at 31 December 2010 amounts to a negative amount of EUR 765 thousand.

Below is a breakdown of the sensitivity analysis (changes on the fair value at 31 December 2010) of the fair values of derivatives recorded in Equity ("accounting hedges") in light of changes in the Euro's interest rate curve:

Sensitivity (in thousands of euros)	31-12-2010
+1% (increase in the interest rate curve)	626
-1% (decrease in the interest rate curve)	(666)

The sensitivity analysis shows that the interest rates record decreases in their negative fair value when there are market movements involving interest rate increases and, therefore, the Company would be covered from increasing interest rate movements. When there are movements that involve decreases in interest rates, the negative fair value of those derivatives would increase.

As they were designated as accounting hedges, and as they are 100% effective both prospectively and retrospectively, the change in fair value of those derivatives would be fully recorded in Equity.

The Company has also conducted a sensitivity analysis for the amounts of financial debt at floating rates, leading to the conclusion that a 0.5% increase in interest rates would cause the financial expense amount to fluctuate by EUR 99 thousand. Having acquired the interest rate derivatives, this sensitivity would be partly decreased by a nominal amount of EUR 19,809 thousand of this financial debt (this amount is related to the notional amount of the derivatives in effect at 31 December 2010).

12. Non-current assets classified as held for sale

In 2010, the Company reclassified its holdings in Cespa Portugal, S.A. to “Non-current investments in Group companies and associates” (Note 10) given that the requirements established in Spanish Chart of Accounts for this asset to be classified within “Non-current assets held for sale” had not been met. At 2010 year-end, the Company reclassified EUR 11,615 thousand.

13. Equity and shareholders’ equity

Share capital

At 2010 and 2009 year-ends, the share capital is represented by 560,957,201 bearer shares with a par value of 1 euro each, fully subscribed and paid in. Ferrovial Servicios, S.A., 99.99% of which is held by Ferrovial, S.A., is the main shareholder with 99.99% of the shares belonging to the Company.

At 31 December 2010, the Company pledged shares to become the guarantor of a syndicated loan for Ferrovial S.A.

Legal reserve

Under the Capital Companies Law, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 2010 year-end this reserve was not fully established.

Negative reserve related to contribution

This reserve was created to record the difference between the par value of the shares issued and the contributing company’s net carrying value of the assets contributed to the capital increase made by the Company in 2004.

Reserve for goodwill

Under the Spanish Limited Liability Companies Law, when distributing the profit for each year an appropriation of at least 5% of the goodwill recognised on the asset side of the balance sheet must be made to a restricted reserve for that goodwill. If a company does not report a profit, or reports an insufficient profit, unrestricted reserves must be used for this purpose (Notes 1, 3, 4.a and 5).

Grants

The information on the grants received by the Company, which are part of the Equity, as well as the relative profit (loss) allocated to the income statement is as follows:

Fiscal Year 2010

	Thousands of Euros				
	Amount granted	31-12-09	Additions	Transfer to Results	31-12-10
Grants related to assets:					
European Regional Development Fund	14,709	2,104	—	(2,104)	—
Other public bodies	—	659	206	(200)	665
Total		**2,763**	**206**	**(2,304)**	**665**

Fiscal Year 2009

	Thousands of Euros				
	Amount granted	31-12-08	Additions	Transfer to Results	31-12-09
Grants related to assets:					
European Regional Development Fund	14,709	4,205	—	(2,101)	2,104
Other public bodies	—	431	248	(20)	659
Total		**4,636**	**248**	**(2,121)**	**2,763**

At year-end 2010, the Company had met all the requirements to be granted the subsidies described above.

The Company has not recorded related deferred tax liabilities, considering their impact on the accompanying balance sheet to be insignificant at year-end.

Adjustments for changes in value

Below are the breakdown and nature of other adjustments for changes in value (thousands of euros):

	31-12-10	31-12-09
Hedging transactions (Note 11)	(535)	(285)
	(535)	**(285)**

14. Provisions and contingencies

Provisions

Set out below is an analysis of the provisions on the balance sheet at 2010 and 2009 year-ends, together with the main movements recorded during those years:

Fiscal Year 2010

	Thousands of Euros			
	31-12-09	Period provisions	Uses	31-12-10
Provisions for contract losses (Note 4.j)	821	—	(6)	815
Provision related to subsidiaries (Note 10)	2,761	—	—	2,761
Closure and post-closure provisions	4,338	544	(117)	4,765
Other provisions for responsibilities	12,968	—	(1,282)	11,686
	20,888	**544**	**(1,405)**	**20,027**

Fiscal Year 2009

	Thousands of Euros				
	31-12-08	Period provisions	Uses	Transfers	31-12-09
Provisions for contract losses (Note 4.j)	846	—	(25)	—	821
Provision related to subsidiaries (Note 10)	3,392	—	—	(631)	2,761
Closure and post-closure provisions	3,739	599	—	—	4,338
Other provisions for responsibilities	12,898	2,836	(2,728)	(38)	12,968
	20,875	**3,435**	**(2,753)**	**(669)**	**20,888**

Provisions for investees

The Company records an allowance for the receivables from the investee company Cespa Nadafa, S.A.R.L (Notes 10 and 18.b).

Closure and post-closure provisions

At 31 December 2010, the Company's Management re-estimated the closure and post-closure costs of the landfills operated under a lease or concession arrangement, in accordance with the best estimates made by Cespa Group's technical department. As a result of this, the Company recorded the amount of the provision in the "Other operating expenses – Losses on, impairment of and change in allowances for trade receivables" heading of the accompanying income statement.

No significant differences are considered to emerge if said provisions had been calculated according to the effective filling degree at the end of the reporting period.

Other provisions for responsibilities

The Company has a total of EUR 11,686 thousand, approximately, as a provision for certain obligations it considers it will have to bear.

Among other liabilities, at year-end the Company recorded a provision in the amount of EUR 1,018 thousand to cover potential liabilities arising from the tax audit procedures with regard to Income tax for 2003 and 2004 of an investee of which it is the main shareholder (Note 10), and according to the agreements reached with that company.

Also included is a provision in the amount of EUR 2,992 thousand in relation to a tax audit procedure the Company was subjected to regarding Corporate Tax for the fiscal years between 2001 and 2005 as part of the tax consolidation group it belongs to. As a result of the tax audit, part of the amortisation expense of the goodwill on consolidation from the Cespa and Trasa merger (Notes 1 and 4.a) of 2004 and 2005 was considered non-deductible in those years for EUR 8,319 thousand and EUR 231 thousand, approximately and respectively, and recoverable in future years. The provision recorded includes the estimated amount that the Company should pay over to the Tax Authority, having recorded a charge for the same amount under the "Deferred tax assets" heading of the accompanying balance sheet at 31 December 2010. Additionally, this provision was increased by EUR 2,178 thousand for penalties and interest from the abovementioned procedure.

Contingencies

The Company's liabilities of a contingent nature include those related to the normal responsibility of service-providing companies in contracts with government entities, both those signed by the Company and those signed by the joint ventures in which the Company is involved. The Company is also the defendant in several lawsuits. In the opinion of the Company's Directors, the possible final effect of the abovementioned events on the accompanying financial statements would not be material in any case.

15. Non-Current and Current Payables

a) Non-current financial liabilities

The balance of the accounts under the heading "Non-current liabilities" at 2010 and 2009 year-ends is as follows:

	Thousands of Euros					
Classes	Bank borrowings and financial lease payable		Derivatives and others		Total	
Categories	2010	2009	2010	2009	2010	2009
Accounts payable	37,842	31,126	1,148	373	38,990	31,499
Derivatives (Note 11)	—	—	765	407	765	407
Total	**37,842**	**31,126**	**1,913**	**780**	**39,755**	**31,906**

The breakdown by maturity dates of the items making up the "Bank borrowings and financial lease payables" was as follows:

Fiscal Year 2010

	Thousands of Euros					
	2012	2013	2014	2015	2016 and subsequent years	Total
Loan payables	5,550	3,302	6,029	6,412	12,136	33,429
Finance lease creditors (Note 7)	2,479	1,934	—	—	—	4,413
Total						**37,842**

Fiscal Year 2009

	Thousands of Euros					
	2011	2012	2013	2014	2015 and subsequent years	Total
Loan payables	3,342	3,430	2,040	3,726	11,948	24,486
Finance lease creditors (Note 7)	2,587	2,213	1,840	—	—	6,640
Total	**5,929**	**5,643**	**3,880**	**3,726**	**11,948**	**31,126**

Project-related debt (debt without recourse)

On 2 July 2009, the Company signed a loan agreement for EUR 48 million with a final maturity date of 1 November 2017, amortising over 16 consecutive six-monthly payments, to finance the investment needed to perform a new service provision contract awarded to the Company. The average interest rate is floating, based on a differential amount on the Euribor. At 2010 year-end, the drawdown period of the aforementioned loan ended and the amortisations corresponding to the first two half-yearly periods have been realised. Additionally, the loan requires a reserve account to be created for the debt service (Note 8.b) and sets forth certain obligations to be met by the Company. Failure to meet those obligations would constitute an express cause for early repayment of the outstanding amount. At the date of preparation of these financial statements the Company's Directors consider that all obligations established in the loan terms are being met.

To secure the abovementioned loan, the Company pledged the balance in the financed project's bank accounts as collateral (which total EUR 13,763 thousand at 2010 year-end), also pledging as collateral the Company's credit from the award of the financed concession and the credit rights held by the Company under certain financed project agreements (Note 9) and under the interest rate risk hedge contract (Note 11). To ensure compliance with the guaranteed obligations, the Company also undertakes to create collateral agreements over the financed project's assets of which it is the owner at any given time, provided certain events should take place, which include the failure to attain certain financial ratios. At any rate, the guarantee provided by the Company is limited to the assets related to the contract's performance and to its cash flows, which is why the Company considers this payable as a debt without recourse.

The Company includes the difference between the original amount and the repayment value at maturity of the loan in the accompanying income statement, using the effective interest rate method. Finance costs accrued during 2010 as a result of application of the effective interest rate method totalled EUR 1,958 thousand, approximately.

b) Current financial liabilities

The balance of the accounts under the heading "Current liabilities" upon year-end 2010 and 2009 is as follows:

	Thousands of Euros					
Classes	Bank borrowings and financial lease payable		Other		Total	
Categories	2010	2009	2010	2009	2010	2009
Accounts payable	8,582	8,392	747	913	9,329	9,305
Total	**8,582**	**8,392**	**747**	**913**	**9,329**	**9,305**

Company has granted the following facilities:

	Thousands of Euros			
	2010		2009	
	Limit	Amount drawn	Limit	Amount drawn
Loan payable	—	5,330	—	5,086
Finance lease creditors (Note 7)	—	1,946	—	1,981
Loan agreements	9,750	1,275	4,250	1,277
Accrued interest pending payment	—	32	—	48
Total		**8,582**		**8,392**

The amount included in "Loan payables" is related to the amortisation planned for 2011 for the loan described in Note 15.a.

The Company issued credit policies maturing in 2011. As at the date of preparation of these financial statements no renewal of such policies has occurred since they have not expired yet.

At 2010 year-end, the Company had factoring lines with three banks with a limit of EUR 53 million approximately, and maturing in 2011, with the possibility of annual extensions. The amount drawn down at 31 December 2010 totals EUR 40 million. Company Directors have written off said financial assets in the attached balance sheet at the end of the reporting period 2010 as they consider that in transferring the contractual rights of said financial assets' cash flows, risks and benefits inherent thereto have been substantially transferred.

c) Disclosures on deferrals of payments made to suppliers. Third Additional Provision – "Duty to Report" under Law 15/2010 of 5 July

Pursuant to Law 15/2010 which modifies measures to counteract delinquency in business transactions, the Company states that, at 31 December 2010 and considering the total amount payable to suppliers in Spain at that date, there were no significant unpaid trade payables past due by more than the maximum payment period.

16. Tax matters

a) Balances with public authorities

The breakdown of the current balances with Public Authorities is as follows:

Debit balances

	Thousands of Euros	
	2010	2009
Income tax receivable	767	461
VAT refundable	1,695	1,275
Accrued social security taxes receivable	283	262
Receivables from Public Authorities	11	11
Total	**2.756**	**2.009**

Credit balances

	Thousands of Euros	
	2010	2009
VAT payable	4,116	2,706
Personal Income Tax withholdings payable	4,065	3,806
Accrued social security taxes payable	7,557	7,867
Corporate Tax payable (*)	5,567	6,066
Other tax payables	880	1,017
Total	**22,185**	**21,462**

(*) Amount to be materialised in favour of *Grupo Ferrovial* (Note 18.b).

b) Reconciliation between financial accounting income and taxable income

Since 2004, the Company has paid taxes according to the consolidated tax system, forming part of the Consolidated Tax Group whose parent company is Ferrovial, S.A., nº 0217/02. Based on distribution criteria agreed upon by the Company and the tax group it belongs to, the differences between the taxes that the Company would have paid if it had filed taxes individually and the amounts paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the settlement criteria established by the parent company.

Reconciliation between accounting income and taxable amount for Corporate Tax purposes is as follows:

Fiscal Year 2010

	Thousands of Euros		
	Increase	Decrease	Total
Accounting loss before tax			26,245
Permanent differences	635	(3,880)	(3,245)
Temporary differences	19,048	(23,497)	(4,449)
Taxable base			**18,551**

Fiscal Year 2009

	Thousands of Euros		
	Increase	Decrease	Total
Accounting loss before tax			64,476
Permanent differences	1,292	(797)	495
Temporary differences	9,182	(24,720)	(15,538)
Taxable base	**10,474**	**(25,517)**	**49,433**

The increase in the taxable base due to permanent differences is due mainly to fines and penalties considered to be non-deductible and losses on bad trade receivables from public customers. The decrease in the taxable base for permanent differences is due, among other reasons, to the amortisation of certain goodwill for tax purposes, the accounting amortisation that was considered non-deductible when it was allocated, and the reversal of long-term provisions considered non-deductible in previous years.

The increase in the taxable base arising from timing differences is basically due to the record of provisions for insolvencies and debt adjustment, as well as impairments in the ownership interest in Group companies, jointly-controlled entities and associates. The amount billed in advance for construction work has also been adjusted (Note 9). The decreases in the taxable base arising from timing differences are due, mainly to the deferral of the income or loss contributed by the joint ventures, the amortisation of goodwill for tax purposes, which is deductible in one twentieths of its original value as long as the Company is eligible to allocate a reserve pursuant to the terms described in current legislation (Notes 3, 4.a, 5 and 13) and the reversal of certain impairments to property, plant and equipment. Finally, the Company made a negative adjustment to the 2010 tax base totalling EUR 125 thousand, pursuant to Article 12.3 of the Consolidated Corporate Tax Law. This was equivalent to the difference in the shareholders' equity of Ecoparc de Can Mata, S.L.U. and Ayora Gestión de Biogás, S.L. during that period, thus creating the corresponding deferred tax liability for EUR 37 thousand. Until 2009, the deducted and outstanding balances totalled EUR 361 thousand.

During 2010, the Company earned tax credit carryforwards in the amount of EUR 356 thousand which are related to double taxation tax credits involving dividends received during the year from investees excluded from the tax consolidation (Note 18.a). The Company has not applied this deduction, as described in Note 16.c.

c) Reconciliation of the accounting profit for the year and the expense for Corporate Tax

Reconciliation between accounting income and the expense for Corporate Tax is as follows:

	Thousands of Euros	
	2010	2009
Accounting loss before tax	26,245	64,476
Tax charge at 30%	7,874	19,343
Effect of permanent differences	(974)	149
Tax credits generated during the year (note 16.b and 18.a)	—	(8,764)
Corporate tax regularisation for previous period	2,747	(802)
Total income tax expense recognised in profit or loss	**9,647**	**9,926**

Adjustments of previous reporting year Corporate Tax correspond, mainly, to the adjustment of certain deferred tax assets for deductions applied in previous fiscal years that were written off on the basis of existing debts based on the best available estimates by the Company's Directors and their tax advisors regarding their recoverability under tax consolidation.

d) Breakdown of Corporate Tax expense

The breakdown of the income tax expense is as follows:

	Thousands of Euros	
	2010	2009
Current tax:		
For continued transactions	5,565	6,066
Deferred tax:		
For continued transactions	1,335	4,662
Other	2,747	(802)
Total expense for tax	**9,647**	**9,926**

e) Recognised deferred tax assets

Broken down below is an analysis of this caption at year-end:

	Thousands of Euros	
	2010	2009
Temporary differences (Advance tax):		
Impairment of property, plant and equipment	1,600	2,021
Goodwill on consolidation	3,234	3,379
Derivatives	229	122
Provisions for investees	2,972	457
Provisions for insolvency and debt adjustment	3,670	3,192
Long-term provisions and other provisions	2,384	2,384
Amounts billed in advance for construction work (Note 9)	2,542	—
Other	105	(61)
Tax credits	—	13,018
Total deferred tax assets	**16,766**	**24,512**

The deferred tax assets indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

In 2010, deductions corresponding to previous years were adjusted on the basis of the best available estimates by the Company's Directors regarding their recoverability under tax consolidation. The impact of this adjustment on the 2010 income statement amounted to approximately EUR 3.6 million. Other variations in the 2010 tax credits arise from applying them to the final settlement of the 2009 Corporate Tax.

f) Recognised deferred tax liabilities

Broken down below is an analysis of this caption at year-end:

	Thousands of Euros	
	2010	2009
Temporary differences (deferred taxes):		
Deferral of profit or loss from joint ventures	916	935
Goodwill from merger (Notes 4.a and 5)	16,304	10,796
Subsidiaries' provisions	397	362
Other	—	60
Total deferred tax liabilities	**17,617**	**12,153**

g) Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2010 year-end, the Company had four fiscal years open for review for income tax and other taxes applicable to it. The Company considers that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

17. Income and expenses

a) Revenue

All revenues for 2010 and 2009 correspond to Spain, except for EUR 433 thousand earned on the international market (Portugal) (EUR 6,776 thousand in 2009).

Net revenues for the reporting periods 2010 and 2009, broken down by line of business, are as follows:

	Thousands of Euros	
Line of Business	2010	2009
Gardening	83,851	95,013
Cleaning	258,092	255,391
Waste collection	207,159	206,531
Other	49,388	48,834
Total	**598,490**	**605,769**

b) Breakdown of purchases by origin

Company purchases during the reporting periods 2010 and 2009, by origin, were made in the national territory. Intra-community purchases and imports were not significant.

c) Other operating income

The breakdown of this heading in the income statement is as follows:

	Thousands of Euros	
	2010	2009
Income from technical assistance and other services (Note 18.a)	13,509	13,294
Other operating grants	3,446	3,662
Other	307	471
TOTAL	**17,262**	**17,427**

d) Staff costs

The breakdown of staff costs accrued during the reporting periods 2010 and 2009 is as follows:

	Thousands of Euros	
	2010	2009
Wages and salaries and similar expenses	272,263	280,360
Termination benefits (Note 4.k)	4,162	1,388
Employer social security costs	88,233	89,810
Other social security costs	5,775	127
TOTAL	**370,433**	**371,685**

18. Related party balances and transactions

a) Related party transactions

The breakdown of the transactions carried out with related parties during 2010 and 2009 is as follows:

Fiscal Year 2010

	Thousands of Euros						
	Expenses			Income			
	Procurements	Other operating expenses	Interest in Group companies	Services rendered	Other operating income (Note 17.c)	Other Group interests	Received dividends
Grupo Ferrovial –							
Ferrovial Servicios, S.A.	233	10,674	12,247	51	680	—	—
Ferrovial Agroman, S.A.	68	7,599	—	10	1,118	—	—
Ferrovial, S.A.	—	15	140	—	45	—	—
Ferrovial Medio Ambiente, S.A.	15	27	—	52	—	—	—
Eurolimp, S.A.	—	150	—	—	19	—	—
Amey Limited	—	2,370	—	—	—	—	—
Grupo Cespa –							
Albaida Residuos, S.L.U.	—	—	—	75	—	140	—
Cespa Portugal, S.A.	—	—	—	768	50	91	—
Cespa Jardinería, S.L.U.	222	35	19	790	766	11	—
Cespa Gestión de Residuos, S.A.U.	163	7,154	381	5,290	1,611	—	—
Cespa Inversiones Ambientales, S.A.	—	—	172	—	—	—	282
Cespa Gestión y Tratamiento de Residuos, S.A.	8	473	1,611	716	553	—	—
Cespa Conten, S.A.U.	97	2,647	—	2,202	1,595	1,451	—
Contenedores Reus, S.A.	—	30	—	—	45	—	—
Ecocat, S.L.	—	98	—	—	284	—	—
Ecoparc de Can Mata, S.L.U.	—	2	—	—	176	—	—
Empresa Mixta Almendralejo, S.A.	—	—	—	—	69	—	—
Gestión Medioambiental de Toledo, S.A.	—	1,021	—	9,843	1,705	25	—
Ingeniería Ambiental Granadina, S.A.	—	—	—	6	2,172	1,050	—
Ingeniería Urbana, S.A.	—	—	—	—	1,580	—	903
Reciclados y Compostajes Piedra Negra, S.A.	—	1,082	—	—	340	—	—
Recollida de Residus d'Osona, S.L.	—	—	—	—	305	—	—
Serveis Mediambientals de la Selva Nora, S.A.	—	—	—	—	227	2	—
Sitkol, S.A.	—	—	95	—	—	—	1,700
Vialnetvic, S.A.	—	—	—	—	78	—	—
Other	38	80	7	48	91	44	17
Total	**844**	**33,457**	**14,672**	**19,851**	**13,509**	**2,815**	**2,902**

Fiscal Year 2009

	Thousands of Euros						
	Expenses			Income			
	Procurements	Other operating expenses	Interest in Group companies	Services rendered	Other operating income	Other Group interests	Received dividends
Grupo Ferrovial-							
Ferrovial Servicios, S.A.	440	10,700	13,676	532	64	—	—
Ferrovial Agroman, S.A.	3,443	60	—	1,503	381	3	—
Ferrovial S.A.	1	24	143	9	—	2	—
Eurolimp S.A.	—	127	—	60	—	—	—
Grupo Cespa -							
Cespa Portugal, S.A.	—	—	—	3	1,003	130	—
Ingeniería Urbana, S.A.	—	—	—	—	1,050	—	1,106
Cespa Jardinería, S.L.U.	355	68	39	534	785	28	—
Ingeniería Ambiental Granadina, S.A.	—	10	—	3,500	6	1,237	—
Cespa Gestión de Residuos, S.A.U.	394	5,829	222	3,604	5,553	162	23,528
Cespa Inversiones Ambientales, S.A.	—	—	196	—	—	—	—
Cespa Gestión y Tratamiento de Residuos, S.A.	10	472	1,790	101	816	—	—
Reciclados y Compostajes Piedra Negra, S.A.	1,098	—	—	—	571	—	—
Cespa Conten, S.A.U.	74	2,458	—	1,278	2,396	1,987	4,272
Ecocat, S.L.	72	—	—	—	253	—	308
Gestión Medioambiental de Toledo, S.A.	—	57	—	2,146	—	43	—
Contenedores Reus, S.A.	168	24	—	38	—	—	—
Ecoparc de Can Mata, S.L.U.	—	—	—	2,667	—	—	
Other	69	3	88	168	416	73	—
Total	**6,124**	**19,832**	**16,154**	**16,143**	**13,294**	**3,665**	**29,214**

b) Related party balances

The breakdown of the balances with related parties is as follows:

Fiscal Year 2010

	Thousands of Euros	
	Receivables	Payables
Long-term Loans (Note 10):		
Ferrovial Group:		
Ferrovial Financiera, A.I.E.	—	298,500
Ferrovial, S.A.	—	474
Cespa Group:		
Albaida Residuos, S.L.U.	5,968	—
Cespa Jardinería, S.L.U.	—	1,664
Cespa Gestión de Residuos, S.A.U.	—	35,788
Cespa Gestión y Tratamiento de Residuos, S.A.	—	64,012
Cespa Conten, S.A.U.	22,179	—
Cespa Nadafa, S.A.R.L. (Notes 10 and 14)	3,501	—
Cespa Inversiones Ambientales, S.A.	—	6,723
Cespa Portugal, S.A.	7,238	—
Contenedores Reus, S.A.	10	—
Gestión Medioambiental de Toledo, S.A.	1,925	4
Ingeniería Ambiental Granadina, S.A.	26,919	—
Ecoparc de Can Mata, S.L.U.	231	—
Ecoenergía Can Mata, A.I.E.	—	425
Serveis Mediambientals de la Selva Nora, S.A.	150	—
Sitkol, S.A.	—	4,145
Other	87	41
Non-current total	**68,208**	**411,776**
Trade receivables and short-term loans:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	475	277
Ferrovial Agroman, S.A.	445	9,023
Ferrovial Medio Ambiente, S.A.	11	22
Ferrovial, S.A.	—	36
Eurolimp, S.A.	42	64
Amey Limited	147	—
Cespa Group:		
Cespa Conten, S.A.	261	279
Cespa Gestión de Residuos, S.A.U.	377	187
Cespa Gestión y Tratamiento de Residuos, S.A.	458	34
Cespa Inversiones Ambientales, S.A.	282	—
Cespa Jardinería, S.L.U.	146	188
Cespa Portugal, S.A.	931	298
Empresa Mixta de Almendralejo, S.A.	159	—
Ecocat, S.L.	88	21
Gestión Medioambiental de Toledo, S.A.	23,293	206
Ingeniería Ambiental Granadina, S.A.	5,035	—
Ingeniería Urbana, S.A.	1,032	1
Serveis Mediambientals de la Selva Nora, S.A.	215	4
Reciclados y Compostajes Piedra Negra, S.A.	131	468
Sitkol, S.A.	1,706	—
Vialnetvic, S.A.	971	10
Other	353	74
Current total	**36,558**	**11,192**

Fiscal Year 2009

	Thousands of Euros	
	Receivables	Payables
Long-term loans:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	—	305,868
Cespa Group:		
Cespa Jardinería, S.L.U.	1,318	—
Ingeniería Ambiental Granadina, S.A.	22,823	—
Cespa Gestión de Residuos, S.A.U.	—	13,834
Cespa Gestión y Tratamiento de Residuos, S.A.	—	61,046
Cespa Conten, S.A.U.	37,478	149
Sitkol, S.A.	—	3,006
Cespa Nadafa, S.A.R.L. (Notes 10 and 14)	3,456	—
Cespa Inversiones Ambientales S.A.	—	6,604
Cespa Portugal, S.A.	9,537	—
Gestión Medioambiental de Toledo, S.A.	2,176	251
Albaida Residuos, S.L.U.	927	—
Novalis Medioambiente, S.A.	532	—
Ecoparc de Can Mata, S.L.U.	208	—
Other	95	274
Non-current total	**78,550**	**391,032**
Trade receivables and short-term loans:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	393	591
Ferrovial Agroman, S.A.	225	149
Ferrovial, S.A.	1	39
Cespa Group:		
Cespa Gestión de Residuos, S.A.U.	360	118
Cespa Jardinería, S.L.U.	26	110
Gestión Medioambiental de Toledo, S.A.	3,498	58
Reciclados y Compostajes Piedra Negra, S.A.	237	393
Ingeniería Urbana, S.A.	1,259	1
Cespa, Gestión y Tratamiento de Residuos, S.A.	19	19
Cespa Conten, S.A.	306	266
Empresa Mixta de Almendralejo, S.A.	199	—
Ecocat, S.L.	61	23
Ingeniería Ambiental Granadina, S.A.	4,819	33
Cespa Portugal, S.A.	2,667	2,747
Other	384	148
Current total	**14,454**	**4,695**

Current payables and receivables with Cespa group companies

The different subsidiaries that make up Cespa Group have a centralised cash management system. Therefore, they all register current account reciprocal positions so that Company can manage surplus and channel cash needs among its Group companies. Even though the maturity of the positions registered in the aforementioned system of current accounts is not established in certain cases, Group companies plan to maintain the structural financing, as applicable; the balances for said current accounts have thus been classified as non-current.

Said current accounts accrue a market interest rate.

In prior years, the Company signed two financing agreements with its subsidiaries Cespa Conten, S.A.U. and Cespa Gestión de Residuos, S.A.U., in their favour, in the amount of EUR 50 million and EUR 40 million, respectively. In both cases the maturity date was set as 1 June 2010 and the accrued interest rate is the market rate, with the possibility of annual extensions. The Company recorded those amounts as non-current, as it is not the intention of the Directors to demand that they be settled within less than twelve months from the date of these financial statements, and the abovementioned credit lines thus remain effective.

A facility was granted to Ingeniería Ambiental Granadina, S.A. in the amount of EUR 28,795, maturing on 31 December 2006, with the possibility of annual extensions, accruing market interest rate. The Directors state this receivable as non-current as they consider its recovery will not take place before a 12-month term has elapsed.

The receivable from subsidiary Cespa Portugal, S.A. includes a total of EUR 2 million in relation to a loan granted to it.

Lastly, the non-current receivable from the subsidiary Gestión Medioambiental de Toledo, S.A. includes a participating loan signed during 2008 for a total of EUR 1,925 thousand, the maturity date of which falls on 31 December 2014, with the possibility of extending it for annual period with the express consent of both parties. This loan will accrue interest in favour of the Company based on a floating interest rate tied to the Euribor, as well as based on the profit or loss made by the subsidiary.

Also, in 2010, a new participating loan was granted to the subsidiary Serveis Mediambientals de la Selva Nora, S.A., for a total of EUR 150 thousand, maturing on 31 December 2025. This loan will accrue interests in favour of the Company based on a floating interest rate tied to the Euribor, and on the profit or loss made by the subsidiary.

The Company's Directors consider that the loans and credit lines granted are recoverable based on the business plans of the respective subsidiaries, which is why it recorded no impairment in this regard.

Non-current accounts payable with the Majority Shareholder, Group companies and related companies –

During the 2010 reporting period, Ferrovial Financiera, A.I.E. replaced the position that, until that time, was held by Ferrovial Servicios, S.A., so that this company became the lender of a line of credit granted in previous years according to a financing agreement with the majority shareholder, which extended a EUR 300 million line of credit in favour of the Company. This line of credit matures on 1 June 2010 and accrues a market interest rate. In spite of the fact that it was past due at 31 December 2010 and drawn down in an amount of EUR 298.5 million, the

Company recorded it as non-current as it has obtained Ferrovial Financiera, A.I.E.'s confirmation that it will not demand payment thereof within a period shorter than twelve months from the date of the preparation of these financial statements.

The income tax payable is included in the "Current tax liabilities" heading of the accompanying balance sheet (Note 16).

Current payables and receivables with Cespa Group companies

The Company registered as current all trade payables and receivables with Cespa group companies or companies related to the Majority Shareholder. Interests accrued and not paid from current account positions held with Group companies were also classified as current. Additionally, receivables of a financial nature from certain Cespa Group companies are recorded as current amounts.

The Company has service contracts with certain subsidiaries; each of these subsidiaries is charged for the central services provided to them. The amount accrued for this item in 2010 and 2009 is included in "Other operating income – Non-core and other current operating income" in the income statement.

Also, included within "Current investments in Group companies an associates" of the accompanying balance sheet, at 31 December 2010, were the dividends received in 2010 from subsidiaries Cespa Inversiones Ambientales, S.A., and Sitkol, S.A., which were pending collection at 2010 year-end for approximately EUR 282 thousand and EUR 1,700 thousand, respectively (Note 18.a).

c) Remuneration paid to the Board of Directors and Senior Management

During 2010, the members of the Board of Directors of the Company accrued compensation in the amount of EUR 375 thousand (EUR 368 thousand in 2009) and have not been granted any advances or loans by the Company. No loans or sureties or any other commitment regarding pensions or life insurance was granted to Directors.

During 2010, the Board of Directors was made up of four men.

At the end of 2010 neither the members of the Company's Board of Directors nor persons related to them as defined in the Spanish Limited Liability Companies Law held any ownership interests in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose. The breakdown of positions and functions performed in other companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose is as follows:

Fiscal Year 2010

Director	Company	Business activity	Position and/or function in the Company
Santiago Olivares Blázquez	Ferrovial Servicios, S.A.	Urban services rendered	Chief Executive Officer
Santiago Olivares Blázquez	Ingeniería Ambiental Granadina, S.A.	Urban cleaning and waste collection and treatment.	Chairman of the Board
Santiago Olivares Blázquez	Ecoparc de Can Mata, S.L.U.	Integrated municipal waste treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Santiago Olivares Blázquez	Cespa Gestión de Residuos, S.A.U.	Waste collection and treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Conten, S.A.U.	Waste collection and treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Jardinería, S.L.U.	Urban cleaning and waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Ecocat, S.L.	Waste collection and treatment.	Director
Javier Llansó Benito (*)	Ecocem, Valorización de Residuos, S.A.	Waste collection and treatment.	Director
Javier Llansó Benito	Reciclados y Compostaje Piedra Negra, S.A.	Waste collection and treatment.	Director
Javier Llansó Benito	Ingeniería Ambiental Granadina, S.A.	Urban cleaning and waste collection and treatment.	Director
Javier Llansó Benito	Ecoparc de Can Mata, S.L.U.	Integrated municipal waste treatment.	Joint Administrator
Javier Llansó Benito	Cespa Conten, S.A.U.	Waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Cespa Gestión de Residuos, S.A.U.	Waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator

Director	Company	Business activity	Position and/or function in the Company
Javier Llansó Benito	Cespa Jardinería, S.L.U.	Urban cleaning and waste collection and treatment.	Joint Administrator
Javier Llansó Benito (*)	Albaida Residuos, S.A.U.	Waste collection, treatment, and disposal, co-generation and renewable energy.	Joint Administrator
Javier Llansó Benito	AmeyCespa Limited	Waste collection and treatment.	Director
Javier Llansó Benito	Cespa UK Limited	Waste collection and treatment.	Director
Javier Llansó Benito	Cespa Ventures Limited	Waste collection and treatment.	Director
Alfredo Javier García López	—	—	—
Fernando Juan González de Canales Moyano	—	—	—

(*) Position held during 2010, but not at the date of the preparation of these financial statements.

The compensation received during 2010 by the Senior Executives of the Company amounts to EUR 1,686 thousand (EUR 1,621 thousand in 2010) as wages and salaries. The Senior Executives have not received any other compensation whatsoever on any other accounts. At the end of the reporting period 2010, the management body consists of ten men and one woman. No advances or loans were granted to the Senior Executives at the end of 2010 and 2009, nor were they granted commitments related to pension funds or life insurance premiums.

19. Information on the environment

At the closing of the 2010 and 2009 periods, the Company had items in its property, plant and equipment, aimed at minimising its environmental impact and protecting and improving the environment. The breakdown of these items is as follows:

Fiscal Year 2010

	Thousands of Euros		
	31-12-09	Change	31-12-10
Gardening			
Cost	24,702	(1,272)	23,430
Amortisation	(15,172)	(605)	(15,777)
	9,530	(1,877)	7,653
Cleaning			
Cost	127,523	(2,935)	124,588
Amortisation	(72,266)	(1,367)	(73,633)
	55,257	(4,302)	50,955
Transfer plant			
Cost	119	830	949
Amortisation	(119)	(455)	(574)
	—	375	375
Treatment and composting plant			
Cost	18,674	28	18,702
Amortisation	(15,746)	(2,640)	(18,386)
	2,928	(2,612)	316
Sorting and recycling plant			
Cost	20,164	1,127	21,291
Amortisation	(5,415)	(1,496)	(6,911)
	14,749	(369)	14,380
Industrial collection			
Cost	626	47	673
Amortisation	(612)	(54)	(666)
	14	(7)	7
Landfills			
Cost	15,139	2,104	17,243
Amortisation	(14,133)	(1,844)	(15,977)
	1,006	260	1,266
Urban collection			
Cost	186,351	(1,025)	185,326
Amortisation	(102,681)	(4,031)	(106,712)
	83,670	(5,056)	78,614
Selective collection			
Cost	13,355	(102)	13,253
Amortisation	(7,297)	286	(7,011)
	6,058	184	6,242
Total			
Cost	406,653	(1,198)	405,455
Amortisation	(233,441)	(12,206)	(245,647)
Total	**173,212**	**(13,404)**	**159,808**

Fiscal Year 2009

	Thousands of Euros		
	31-12-08	Change	31-12-09
Gardening			
Cost	24,627	75	24,702
Amortisation	(14,504)	(668)	(15,172)
	10,123	(593)	9,530
Cleaning			
Cost	´112,852	14,671	127,523
Amortisation	(64,990)	(7,276)	(72,266)
	47,862	7,395	55,257
Planta de transferencia			
Cost	—	119	119
Amortisation	—	(119)	(119)
	—	—	—
Treatment and composting plant			
Cost	18,674	—	18,674
Amortisation	(13,134)	(2,612)	(15,746)
	5,540	(2,612)	2,928
Sorting and recycling plant			
Cost	19,141	1,023	20,164
Amortisation	(3,749)	(1,666)	(5,415)
	15,392	(643)	14,749
Industrial collection			
Cost	961	(335)	626
Amortisation	(857)	245	(612)
	104	(90)	14
Landfills			
Cost	14,410	729	15,139
Amortisation	(12,808)	(1,325)	(14,133)
	1,602	(596)	1,006
Urban collection			
Cost	163,129	23,222	186,351
Amortisation	(96,119)	(6,562)	(102,681)
	67,010	16,660	83,670
Selective collection			
Cost	8,894	4,461	13,355
Amortisation	(5,599)	(1,698)	(7,297)
	3,295	(2,763)	6,058
Total			
Cost	362,688	43,965	406,653
Amortisation	(211,760)	(21,681)	(233,441)
Total	**150,928**	**22,284**	**173,212**

Furthermore, during the 2010 reporting period, the Company incurred various expenses for the purpose of protecting and enhancing that environment.

At 31.12.10, the Company has not recorded any provisions for potential environmental risks as it considers there are no material contingencies related to possible lawsuits, compensation or other items. It also has insurance policies and security plans that enable it to reasonably ensure that any possible contingency that may arise from its environmental involvement is covered.

The above breakdown of items of property, plant and equipment does not include their impairment at 31 December 2010.

20. Other information

a) Staff

The average number of employees during 2010, not including the staff of the different joint ventures in which the Company is involved, was as follows:

	2010
Senior Executives	11
University trained employees	327
Administrative staff	209
Technicians and workers	10,042
TOTAL	**10,589**

The number of employees at 2010 year-end, not including the staff of the different joint ventures in which the Company is involved, distributed by category and gender, was as follows:

	2010	
	Men	Women
Senior Executives	10	1
University graduates and upper-education graduates	193	135
Administrative staff	51	158
Technicians and workers	8,618	1,364
TOTAL	**8,872**	**1,658**

Almost all service contracts signed by the Company stipulate that, if the concession is not renewed, the headcount would be transferred to the following awardee.

b) Audit fees

The independent professional services account, under the "Other operating expenses" heading in the income statement for 2010, is used to record the fees related to the financial statement audit services provided by the Company's auditor, Deloitte, S.L., in the amount of EUR 139 thousand (EUR 173 thousand in 2009). There are fees related to auditing and other services totalling EUR 4 thousand and EUR 37 thousand during 2010 (EUR 3 thousand and EUR 125 thousand in 2009), respectively, and no other kind of service was provided by the auditor or by companies related to it in both years.

c) Off-balance sheet arrangements

At 31 December 2010, the Company has been secured by financial entities before clients, and for the purpose of tendering and performing contracts with public administrations, the current risk of which amounts to EUR 154 million (EUR 116 million in 2009), approximately at said date.

Company Directors estimate that liabilities additional to those registered, which may derive from these guarantee commitments to third parties, if any, would not be significant.

Furthermore, the Company has the provisions mentioned in Note 14 for the liabilities that it may assume to secure the obligations of certain Group companies.

d) Events after the reporting period

No events subsequent to the end of the reporting period 2001 have arisen that could have a significant impact on these financial statements, except for those included therein.

21. Joint Ventures

The list of joint ventures in which the Company holds ownership interest and the Company's ownership percentage at 31 December 2010 are indicated in Annex II.

The balance sheet at 31 December 2010, together with the income statement corresponding to the reporting period ended on said date, and the changes listed in these financial statements include the effect of the equity method consolidation of these joint ventures, according to the Company ownership interest percentage in them.

In addition, the contribution of joint ventures to the different items of the balance sheet and income statement at 31 December 2010 was as follows:

ASSETS	Thousands of Euros 2010	LIABILITIES	Thousands of Euros 2010
Intangible assets	703	Operational fund	43
Property, plant and equipment	19,193	Reserves	(466)
Non-current financial assets	8,948	Profit for the year	2,941
		Grants, donations or gifts and legacies received	319
Accounts receivable	54,285	Long-term provisions	1,611
Current financial assets	1,183	Non-current payables	1,026
Cash and cash equivalents	3,381	Current liabilities	82,219
Total	**87,693**	**Total**	**87,693**

INCOME STATEMENT	Thousands of Euros 2010
Revenue	50,193
Procurements	(8,526)
Other operating income	333
Staff costs	(25,128)
Other operating expenses	(10,236)
Depreciation and amortisation charge	(4,092)
Financial loss	397
Total	**2,941**

22. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Directors' Report
for the year ended
31 December 2010

The 2010 income statement reflects a relatively lineal evolution with regard to the preceding year, both in terms of Net Revenue and profits from operations, with variations of -1% and -6%, respectively.

A fall in finance income from shares in equity instruments, together with higher impairment expenses and gains or losses on disposals of financial instruments, were the main causes of finance losses, compared to the previous year.

As a non-financial indicator, the employee absence percentage for 2010 was about 4.12%.

The Company did not engage in any research and development projects in 2010.

The Company does not expect any future significant changes in its business activities that would affect its evolution.

The Company uses derivative financial instruments that allow it to mitigate the interest rate risks to which it is exposed.

At the date of issue of this report, no relevant events had occurred subsequent to the end of the reporting period.

Finally, there were no transactions for the purchase of treasury shares during the reporting period 2010.

LIST OF SUBSIDIARIES

Company	Registered offices (of the parent company in the subgroup, if applicable)	Auditor		Activity	% Shareholding Direct	% Shareholding Indirect	Thousands of euros Net Cost	Capital	Share premium and reserves	2010 Profit /Loss	Other equity items	Equity as at 31.12.10	Profit/Loss from operations for 2010	Dividends distributed by the Company (**)
Ayora Gestión de Biogás, S.L.	Albacete	Deloitte	(A)	Operation of biogas plant	80%	—	448	560	(5)	(51)	—	504	(39)	—
Cespa Conten, S.A.U. (*)	Bilbao	Deloitte	(A)	Waste collection and treatment	100%	—	12,527	228	3,848	3,872	—	7,948	7,169	—
Cespa Gestión de Residuos, S.A.U. (*)	Barcelona	Deloitte	(A)	Waste treatment	100%	—	74,662	18,449	18,731	19,648	95	56,923	29,016	—
Cespa Inversiones Ambientales, S.A.	Bilbao	(b)	(R)	Holding of investment	60%	40%	3,606	6,010	103	123	—	6,236	(1)	471
Cespa Jardinería, S.L.U.	Bilbao	Deloitte	(A)	Maintenance and cleaning of solid urban waste	100%	—	6,578	6,000	2,238	455	—	8,693	508	—
Cespa Nadafa, S.A.R.L.	Marruecos	(b)	(R)	Maintenance and cleaning of solid urban waste	98.76%	—	(1,031)	451	(1,797)	—	20	(1,326)	—	—
Cespa Portugal, S.A. (*) (e)	Portugal	Deloitte	(A)	Waste treatment and management	100%	—	11,813	5,050	3,490	1,979	—	10,519	509	—
Cespa UK Limited (*)	United Kingdom	(b)	(R)	Waste collection and treatment	100%	—	—	—	—	(736)	—	(736)	—	—
Ecocat, S.L. (*) (d)	Martorell	Deloitte	(A)	Management and treatment of special waste	50%	—	21,601	5,763	7,247	(1,605)	51	11,456	(588)	—
Ecoparc de Can Mata, S.L.	Barcelona	Deloitte	(A)	Waste treatment and disposal	100%	—	11,000	11,000	(11)	10	(1,679)	9,320	(9)	—
Empresa Mixta de Almendralejo, S.A.	Almendralejo	(b)	(R)	Maintenance and cleaning of solid urban waste	51%	—	132	259	327	113	—	699	162	—
Ecoenergía Can Mata, A.I.E.	Barcelona	(b)	(R)	Energy exploitation of biogas	30%	70%	54	180	25	85	—	290	77	—

Company	Registered offices (of the parent company in the subgroup, if applicable)	Auditor		Activity	% Shareholding Direct	% Shareholding Indirect	Thousands of euros Net Cost	Capital	Share premium and reserves	2010 Profit /Loss	Other equity items	Equity as at 31.12.10	Profit/Loss from operations for 2010	Dividends distributed by the Company (**)
Gestión Medioambiental de Toledo, S.A. (f)	Toledo	Deloitte	(A)	Cleaning and collection of solid urban waste and operation of a landfill	60%	—	5,800	7,836	(4,872)	255	9,168	12,387	778	—
Ingeniería Ambiental Granadina, S.A.	Granada	Deloitte	(A)	Cleaning, collection and recycling of solid urban waste	80%	—	2,606	901	3,849	517	—	5,267	2,573	—
Ingeniería Urbana, S.A. (INUSA)	Alicante	Deloitte	(A)	Cleaning, collection and recycling of solid urban waste	35%	—	4,227	6,010	6,058	2,901	58	15,027	4,542	2,581
Recollida de Residus d´Osona, S.A.	Vic	(b)	(R)	Maintenance and cleaning of solid urban waste	45%	—	384	855	108	11	—	974	20	—
Serveis Mediambientals de la Selva Nora, S.A.	Santa Coloma de Farners	(b)	(R)	Street cleaning and waste collection and treatment	40%	—	318	796	—	15	—	811	149	—
Sitkol, S.A.U. (*)	Madrid	(b)	(R)	Interest in companies and construction and operation of cemeteries	100%	—	4,831	4,207	200	224	—	4,631	71	1,717
Valdemingómez 2000, S.A.	Madrid	Deloitte	(A)	Landfill energy exploitation	20%	—	601	3,006	878	(402)	—	3,482	(498)	—
Vialnetvic, S.A.	Vic	(b)	(R)	Street cleaning and waste collection and treatment	49%	—	172	350	—	—	—	350	—	—
Other							60							
							160,389							

(*) Parent company of the subgroup / (**) Total dividends distributed by the Company, not including ownership % of the Company.

Note: The information regarding the abovementioned companies was obtained from the individual financial statements of the different companies, which, in some cases, are provisional since they have not been prepared yet. In any case, they do not include the standardisations necessary for adapting their accounting policies to those of the Company, or for correcting possible situations described in the relevant audit reports. Thus, they do not include the effect which would result from applying consolidation methods for the majority ownership interest, or the equity method for those companies over which a significant influence is exerted (its existence is obvious in the case of an ownership interest of over 20% in non-listed companies).

Company	Registered offices (of the parent company in the subgroup, if applicable)	Auditor		Activity	% Shareholding Direct	Thousands of euros Capital	Reserves	2010 Profit /Loss	Other equity items	Equity as at 31.12.10	Profit/Loss from operations for 2010	Dividends paid by the Company
Subgrupo Cespa Gestión de Residuos, S.A.												
Contenedores Reus, S.A.	Reus	Deloitte	(A)	Collection and treatment of work materials	75.50%	180	(811)	47	—	(584)	230	—
Companyia Especial de Recuperacions y Reacondicionaments, S.L. (a)	Barcelona	(b)	(R)	Construction and operation of public service of generation and distribution of hot water	42.11%	1,803	(3,090)	(34)	—	(1,321)	(2)	—
Cespa Gestión y Tratmiento de Residuos., S.A. (c)	Barcelona	Deloitte	(A)	Waste collection, treatment and disposal	99.99%	835	70,087	912	—	71,834	(397)	—
Tratamiento de Residuos y Energías Valencianas, S.A.	Valencia	(b)	(R)	Waste collection, dumping and treatment	55.00%	4,808	(2,454)	398	—	2,752	19	—
Ecoparc del Mediterrani, S.A.	Barcelona	Deloitte	(A)	Construction and operation of a triage centre, and energy recovery	48.00%	4,800	(422)	30	—	4,408	(1,500)	—
Centre de Tractament de Residus d'Andorra	Andorra	G.Audit	(A)	Construction and operation of waste treatment centre	29.00%	6,579	(749)	—	47,319	53,149	—	—
Reciclajes y compostajes Piedra Negra, S.A.	Xixona	Moore Stephen s Ibergrup	(A)	Construction and operation of waste treatment centre	48.99%	3,607	2,885	(175)	2,003	9,974	(345)	—
Ferrovial Medio Ambiente, S.A.	Valencia	(b)	(R)	Public work concession of the urban waste management project of area XVII of the Community of Valencia	50.00%	60	(73)	(173)	—	(186)	(83)	—
Albaida Residuos, S.L	Almería	(b)	(R)	Waste management and treatment	100.00%	14,627	(10,438)	(1,626)	—	2,563	(2,065)	—
Subgrupo Cespa Conten, S.A.												
Oñeder, S.A.	Guipúzcoa	(b)	(R)	Steel powder management and treatment	51.61%	559	(263)	(447)	—	(151)	(419)	—
Subgrupo Cespa Conten, S.A.												
Citrup, LDA	Portugal	(b)	(R)	Waste treatment and management	70.00%	5	162	634	—	801	858	514
Valorhospital, S.A.	Portugal	(b)	(R)	Hospital waste management and treatment	55.00%	300	126	—	—	426	—	38
Valor Rib, S.A.	Portugal	(b)	(R)	Waste treatment and management	45.00%	1,000	(279)	3,270	—	3,991	4,513	—

Company	Registered offices (of the parent company in the subgroup, if applicable)	Auditor		Activity	% Shareholding Direct	Thousands of euros Capital	Reserves	2010 Profit /Loss	Other equity items	Equity as at 31.12.10	Profit/Loss from operations for 2010	Dividends paid by the Company
Subgrupo Ecocat, S.L.												
Sociedad Gallega de Residuos Industriales, S.A.	La Coruña	Deloitte	(A)	Waste treatment and management	50.00%	600	3,374	(258)	394	4,110	107	—
Gestió de Residus Especials de Catalunya, S.A.	Tarragona	Deloitte	(A)	Waste treatment and management	33.00%	4,818	(1,552)	(2,875)	—	391	(2,367)	—
Ecocem Valorización de Residuos, S.A.	Barcelona	(b)	(R)	Waste treatment and management	51.00%	109	634	(158)	—	585	(226)	—
Subgrupo Sitkol, S.A.												
Necrópolis de Valladolid, S.A.	Valladolid	BDO Audiberi a	(A)	Construction and operation of cemeteries	49.00%	4,800	1,849	336	5,627	12,612	466	329
Subgrupo Albaida Residuos, S.L.U.												
Técnicas Medioambientales Avanzadas, S.L.	Almería	(b)	(R)	Operation of an landfill owned	55.00%	400	(57)	260	—	603	434	—
Tratamiento de Residuos Medioambientales, S.L.	Almería	(b)	(R)	Waste transport	55.00%	1,000	(670)	(449)	—	(119)	(446)	—

(*) It shall be understood as direct holding of the parent of the subgroup, there not being other direct or indirect holding of Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.

Type of worked performed: (A) Full audit (R): Limited Review for portfolio valuation purposes

(a) It does not include the amount of approximately 39% corresponding to the trust loan to a company not belonging to Cespa Group, related to the ownership interest held in this company.
(b) Company not legally required to subject its financial statements to audit.
(c) At 31 December 2010, the abovementioned ownership interest includes an implied net gain of EUR 4,588 thousand.
(d) At 31 December 2010, the abovementioned ownership interest includes an implied net gain of EUR 14,732 thousand.
(e) At 31 December 2010, the abovementioned ownership interest includes an implied net gain of EUR 3,165 thousand.
(f) At 31 December 2010, the abovementioned ownership interest includes an implied net gain of EUR 3,432 thousand.

Note: The information regarding the abovementioned companies was obtained from the individual financial statements of the different companies, which, in some cases, are provisional since they have not been prepared yet. In any case, they do not include the standardisations necessary for adapting their accounting policies to those of the Company, or for correcting possible situations described in the relevant audit reports. Thus, they do not include the effect which would result from applying consolidation methods for the majority ownership interest, or the equity method for those companies over which a significant influence is exerted (its existence is obvious in the case of an ownership interest of over 20% in non-listed companies).

LIST OF JOINT VENTURES IN WHICH

THE COMPANY HAS SHAREHOLDING AS AT 31 DECEMBER 2010 (Note 21)

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Urbaser, S.A – Cespa Ingeniería Urbana, S.A. – FCC, S.A. – Herbosa, UTE Law 18/82, known for short as “UTE Cana Putxa”	20%	Baleares, 28, bajos, Ibiza	Execution of the works and material supplies contract for the construction of the facilities for comprehensive treatment of municipal and other waste, included in the Sector Master Plan for the management of urban waste in Ibiza and Formentera.	04.11.2004
Inusa – Cespa SA, known for short as “UTE Consermancha”	80%	Crta. Quero Km. 4, 5, 13.600 Alcázar de San Juan, Ciudad Real	Street cleaning, rubbish collection, and landfill management.	2.03.1998
UTE Zamora Limpia	45%	Juan Sebastián Elcano 10 – Zamora	Collection and transport services of urban solid waste, urban cleaning, rat extermination, and collection and transport of stray pets in Zamora.	21.07.2000
Quiñones II	75%	Avda. Avda. San Martín de la Vega, 23	Ecological and landscape restoration project of Arroyo de Quiñones, N.I. – Jarama River.	24.02.2001
CESPA/SUFI/TECNIGRAL UTE Law 18/1982, of 26 May, known for short as “UTE Sucetec”	33,33%	Federico Salmón, 8	Actions promoting and improving urban trees for enhancing the city’s environmental quality.	25.11.1997
Cespa – Cespa GR (UTE Villanueva Cañada)	50%	Albarracín, 44 Madrid	Maintenance service of green areas and alignment trees in this municipality for a 4-year term.	10.02.2003
Cespa – Agua y Medio Ambiente – Begar Medioambiente, S.A., UTE Law 18/1982, 26 May “Zamora Verde, UTE”	50%	Albarracín, 44 Madrid	Gardening, maintenance and improvement service of green areas and trees in the municipal district of Zamora, performance of civil works and gardening.	09.05.2003
UTE Cespa – Excavaciones Saíz, S.A.	70%	Albarracín, 44 Madrid	Works of restoration of historic elements in Casa de Campo Park.	25.02.2002
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A – Cespa Gestión de Residuos, S.A., UTE Law 18/1982, known for short as “UTE Contenedores Huelva”	80%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Rendering of the maintenance, upkeep, washing and replacement service of containers and wastepaper bin in Huelva city.	06.04.2005

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agromán, S.A. ,UTE Law 18/1982, known for short as "UTE San Cosme"	80%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Drafting of the executive project and urbanisation works of a part of block 10 of San Cosme neighbourhood, El Prat de Llobregat.	21.02.2005
Cintra Aparcamientos, S.A. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., Law 18/1982, known for short as "UTE Valls"	53%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Construction and operation of the underground parking located in Plaça del Pati, operation of Sant Francesc parking, and concession of the municipal public service of waste collection and transport to the treatment plants, management of the municipal green dot, street cleaning, and upkeep and maintenance of green areas in the municipality of Valls.	20.04.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. y Grupisa Infraestructuras, S.A., UTE Law 18/82, known for short as "UTE Aranjuez"	80%	Gran Vía de las Cortes Catalanas, nº 657, Barcelona	Forest restoration of Aranjuez Historic Grooves and Walks.	16.06.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., – Ferrovial Agroman, S.A, known for short as "UTE Río Tajo Fase II"	80%	Gran Vía de las Cortes Catalanas, nº 657, Barcelona	Drafting of the project and execution of works for recovery of left bank of the river Tajo – Phase II	22.06.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – STV Gestión, S.L. UTE Law 18/82, known for short as "UTE Cetrase"	60%	Polígono Industrial Oeste, Parcela 28/5, San Ginés, Murcia	Operation through concession of the treatment, selection and composting centre of urban waste, and of the transfer stations of the Consortium for Solid Waste Management, in Murcia Region.	11.08.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., – Sociedad Anónima de Mantenimiento de Obras y Servicios, UTE Law 18/1982, known for short as "UTE Barakaldo LV-RBI"	60%	Gran Vía de las Cortes Catalanas, nº 657, Barcelona	Management of the Public services related to Urban Cleaning, urban solid waste Collection and Transport, and ancillary services of Barakaldo Municipal Council.	31.08.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agromán, S.A. ,UTE Law 18/82, known for short as "UTE Güell"	80%	Avda. de la Catedral, 6-8, Barcelona	Performance of the executive project related to the improvement works of Güell park, civil work, in the district of Gracia, Barcelona city.	22.12.2005

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agromán, S.A., UTE Law 18/82, known for short as “UTE Abrera”	80%	Avda. de la Catedral, 6-8, Barcelona	Performance of the executive project of the refurbishment work of Sant Hilari park, in the municipality of Abrera.	17.01.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agromán, S.A., UTE Law 18/82, known for short as “UTE Cuńa Verde”	80%	Avda. de la Catedral, 6-8, Barcelona	Execution of the works for the environment adaptation of Cuña Verde de O´Donnel park sports area, phase I, districts of Moratalaz and Ciudad Lineal.	09.01.2006
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa Gestión de Residuos, S.A., UTE, Law 18/82, known for short as “UTE Ecoparque 4”	80%	Avda. de la Catedral, 6-8, Barcelona	Management project, through public work, of the Metropolitan Centre No. 4, related to municipal waste comprehensive treatment, or Ecopark IV of Barcelona Metropolitan Area.	01.02.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa Gestión de Residuos, UTE Law 18/82, known for short as “UTE Bollullos”	80%	Avda. de la Catedral, 6-8, Barcelona	Management of the urban waste collection and transport service in the municipality of Bollillos, County of Huelva.	18.05.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Rayet Rehabilitación, S.L., Law 18/82, known for short as “UTE Sigüenza”	55%	Avda. de la Catedral, 6-8, Barcelona	Urban waste collection service in the municipal district of Sigüenza (including its municipal districts).	01.08.2006
L’Arca del Maresme Empresa Inserció, S.L.L. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. Law 18/82, known for short as “UTE Sant Vicenç de Montalt”	50%	Pol. Ind. Can Negoci C.Amics d’Argentona, 4. Argentona	Municipal waste collection service in the municipality of Sant Vicenç de Montalt.	24.10.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Garcia Lorca de Jardinería S.COOP.MAD. Law 18/82, known for short as “UTE Metrosidero”	60%	Avda. de la Catedral, 6-8, Barcelona	Performance of small works of the green areas refurbishment Plan of Fuenlabrada for 2006.	31.10.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ayaguares Medio Ambiente S.L. Law 18/82, known for short as “UTE Arboleda del Tranvía”	70%	Avda. de la Catedral, 6-8, Barcelona	Performance of the gardening and irrigation works of Tenerife Tram Urbanisation.	21.11.2006
Segema, Servicios Generales del Medio Ambiente, S.L.U. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. Law 18/82, known for short as “UTE Bilbao-Jardines”	20%	Avda. de la Catedral, 6-8, Barcelona	Rendering the upkeep and maintenance service related to the gardens, street trees, and floral structures of Bilbao districts.	12.12.2006

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Agroman, S.A. Law 18/82, known for short as "UTE Acondicionamiento Parque Urbano Humanes"	80%	Avda. de la Catedral, 6-8, Barcelona	Performance of the Conditioning works of the urban park in calle Getafe, s/n of Humanes Municipal Council.	02.02.2007
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Albatros Promotora Empresarial, S.A Law 18/82, known for short as "UTE Albatros-Cespa"	35%	Avda. de la Catedral, 6-8, Barcelona	Performance of the tender for the supply, installation and maintenance of underground containers.	29.01.2007
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ferrovial Conservación S.A. Law 18/82, known for short as "UTE Legamarejo"	80%	Avda. de la Catedral, 6-8, Barcelona	Performance of the restoration works to the door of the Legamarejo (Aranjuez).	18.10.2006
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ayagaures Medio Ambiente, S.L. Law 18/82, known for short as "UTE Casuarina III"	70%	Avda. de la Catedral, 6-8, Barcelona	Performance of the "Works related to the promotion and upkeep service of green areas and areas with gardens in Gran Canaria airport, by virtue of the concession by Aena (Spanish Airports and Air Navigation), in file LPA 678/06".	08.05.2007
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Ayagaures Medio Ambiente, S.L. Law 18/82, known for short as "UTE Lanza II"	70%	Avda. de la Catedral, 6-8, Barcelona	Service of promotion and upkeep of green areas and areas with gardens in Gran Canaria airport, by virtue of the concession by Aena; in file ACE 112/07.	16.08.2007
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Talher S.A., Law 18/82, "UTE Jardins l'Hospitalet"	50%	Avda. de la Catedral, 6-8, Barcelona	Performance of the upkeep and restructuring works of the green areas and public gardens, works in the trees, and supply of materials, plants, and performance of several works pursuant to the public tender awarded by the Municipal Council of l'Hospitalet.	05.12.2007
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medio Ambiente, S.L., Law 18/82, "UTE Barrera Vegetal Fuerteventura"	70%	Avda. de la Catedral, 6-8, Barcelona	Carrying out "the upkeep of the plant barrier of Fuerteventura Airport".	01.02.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Miramar"	80%	Avda. de la Catedral, 6-8, Barcelona	The purpose of this Joint Venture is the "Contratació de les obres de drenatge d'aigües superficials de la carretera de Miramar y conexió a la xarxa existent".	25.04.2008

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Juan Nicolás Gómez e Hijos Constructores, S.A., Law 18/82, "UTE Toledo"	80%	Avda. de la Catedral, 6-8, Barcelona	Carrying out "the construction of the new disposal site in the current landfill in Toledo".	22.02.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Compañía de Obras Castillejos, S.A., Law 18/82, "UTE Velia"	80%	Avda. de la Catedral, 6-8, Barcelona	The sole purpose of the joint venture shall be the performance of the public contract of "Obres d'urbanització del carrer Velia entre el carrer Escòcia i la Riera d'Horta", awarded by PRO NOU BARRIS, S.A. through Resolution by the manager, dated 22 July 2008.	13.08.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Irumienta"	80%	Avda. de la Catedral, 6-8, Barcelona	The Companies have been awarded the public contract related to the "Drafting of the project and performance of the landscape restoration works in Irumineta (Otxar-Koaga-Bilbao)".	23.10.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Iluminación Granada"	80%	Avda. de la Catedral, 6-8, Barcelona	The purpose of this Joint Venture is to carry out the extraordinary illuminations of the Corpus, Music and Dance Festival, New Year and Christmas Festivities in Granada, by virtue of resolution No. 4R/2008, rendered on 25 September 2008, by the Managing Director of the Institutional Relationships, major Festivities and Hiring Department of the Municipal Council.	17.11.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Taulat"	80%	Avda. de la Catedral, 6-8, Barcelona	The purpose of this Joint Venture is the performance of contract No. 08003074, the purpose of which is to perform the works of Transaction 1: Recollida pneumàtica de residus municipal. Projecte num.2: Extensió de la xarxa de RPRSU pel carrer taulat i ramals associats.	01.12.2008

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE RPRSU"	80%	Avda. de la Catedral, 6-8, Barcelona	The purpose of this Joint Venture is the performance of contract No. 08003074, the purpose of which is to perform the works of Transaction 1: Recollida pneumàtica de residus municipal. Projecte num.3: Consolidació de connexions a la xarxa general de RPRSU	01.12.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Marco Obra Pública, S.A., Law 18/82, "UTE Binefar"	50%	Avenido del Pilar, 31, Binéfar.	Carrying out the cleaning of municipal offices, comprehensive maintenance service of the sports facilities, maintenance service of parks and gardens, street cleaning service, and sanitation cleaning service.	28.11.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Servicios, S.A., Law 18/82, "UTE Parque Juan Carlos I"	80%	Avda. de la Catedral, 6-8, Barcelona	Its corporate purpose is the comprehensive maintenance service of Juan Carlos I Park and nearby areas.	19.12.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE RSU Gracia"	80%	Avda. de la Catedral, 6-8, Barcelona	Converting the mobile urban solid waste network to a fixed one in calle gran de Gracia (Barcelona).	18.03.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Etxezuri"	80%	Avda. de la Catedral, 6-8, Barcelona	The Companies have been awarded the Execution of the works to the D1- drafting of the project of Etxezuri garden spaces.	30.03.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Velia III"	80%	Avda. de la Catedral, 6-8, Barcelona	Carrying out the urbanisation of Calle Velia phase 3, as well as the complementary and ancillary activities that may arise.	01.04.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Agroman, S.A., Law 18/82, "UTE Mirador"	80%	Avda. de la Catedral, 6-8, Barcelona	Maintenance of the Tibidabo viewpoint, as well as performance of the ancillary and complementary works.	01.04.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ferrovial Servicios, S.A., Law 18/82, "UTE C.R.A. Talavera"	80%	Avda. de la Catedral, 6-8, Barcelona	Construction works of the Environmental Resources Centre of Talavera de la Reina.	07.04.2009

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Urbanizaciones del Jabalón, S.L., Law 18/82, "UTE Miguel Turra- RCD's"	20%	Avda. de la Catedral, 6-8, Barcelona	Construction, installation and operation of a recycling plant of construction and demolition waste.	11.12.2008
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Jovilma Constructora, S.L., Law 18/82, "UTE Soria Jardines"	55%	Avda. de la Catedral, 6-8, Barcelona	Rendering the services of upkeep and maintenance of gardens and green areas, in the municipal district of Soria.	22.07.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ansareo Saneamiento, S.A., Law 18/82, "UTE Portugalete"	80%	Avda. de la Catedral, 6-8, Barcelona	Urban cleaning service, urban solid waste collection and transport, and ancillary services, in Portugalete municipality.	25.11.2009
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Emilio Bolado, S.L.- Urazca Servicios y Medio Ambiente, S.A., Law 18/82, "UTE Castro Urdiales"	50%	Avda. de la Catedral, 6-8, Barcelona	Performance of the Management administrative contract of the urban cleaning service, urban waste collection and transport, in the municipal district of Castro Urdiales.	14.03.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Mantenimiento Entorno Urbano, S.L., Law 18/82, "UTE Burriana"	80%	Avda. de la Catedral, 6-8, Barcelona	Performance of the management contract of the gardening maintenance public service, in Burriana municipality.	05.03.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Casuarina IV"	60%	Avda. de la Catedral, 6-8, Barcelona	Carrying out the upkeep of green areas and areas with gardens, in Gran Canaria airport.	26.03.2010
Sociedad Anónima de Gestión de Servicios y Conservación, GESECO – Cespa Compañía Española de Servicios Públicos Auxiliares S.A., Law 18/82, "UTE GESECO CESPA TEO"	50%	Polígono Industrial A Granxa Rúa E Parcela 101, O Porriño	Performance of the public service related to urban solid waste collection and street cleaning in the Municipality of Teo.	27.05.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Arucas"	51%	Avda. de la Catedral, 6-8, Barcelona	Carrying out the upkeep and maintenance of the green areas, in the municipality of Arucas.	23.06.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Arucas"	51%	Avda. de la Catedral, 6-8, Barcelona	Execution of the works related to the installation of irrigation and automation systems, and actions in the gardens of Las Chumberas, El cardonal, and La Verdellada, in San Cristóbal de la Laguna.	23.06.2010

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Incorporation Date
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Mantenimiento Entorno Urbano, S.L., Law 18/82, "UTE Camí de l'Aigua"	50%	Avda. de la Catedral, 6-8, Barcelona	Execution of the works of "Camí de l'Aigua", of Vila-Real Municipal Council (file 15/2010-CNT).	28.10.2010
Cespa Compañía Española de Servicios Públicos Auxiliares S.A. – Ayaguares Medioambiente, S.L., Law 18/82, "UTE Arafo"	51%	Avda. de la Catedral, 6-8, Barcelona	Management of the public service related to urban solid waste collection and street cleaning, in Arafo.	5.11.2010

Cespa Gestión de Residuos, S.A.
(Sole-shareholder Company)

Financial Statements for the Fiscal Year ended
31 December 2011 and
Directors' Report together with the
Audit Report

FINANCIAL STATEMENTS AUDIT REPORT

To the Sole Shareholder of Cespa Gestión de Residuos, S.A. (Sole-Shareholder Company):

1. We have audited the financial statements of Cespa Gestión de Residuos S.A. (Sole- Shareholder Company), comprising the balance sheet as at 31 December 2011, the income statement, the statement of changes in equity, the statement of cash flows and the annual report for the reporting period ended on said date. Joint Directors are responsible for the preparation of the Company's financial statements, under the financial reporting regulatory framework applicable to the Company (identified in Note 2.a of the accompanying annual report) and, especially, subject to the accounting principles and methods contained therein. Our responsibility is to express an opinion on all of the abovementioned financial statements, based on the work carried pursuant to the auditing process applicable in Spain, which requires the examination, through sampling, of the evidentiary support of the financial statements and the assessment of compliance with the financial reporting regulatory framework upon filing thereof as well as with the applicable accounting principles and estimations.

2. In our opinion, the accompanying financial statements for 2011 present fairly, in all material respects, the financial position and equity of Cespa Gestión de Residuos, S.A. (Sole-Shareholder Company) as at 31 December 2011, as well as of the results from operations and cash flows for the relevant period ended on such date, all of this pursuant to the regulatory framework resulting from applying the accounting principles and methods contained therein.

3. The directors' report attached hereto for the reporting period 2011 contains the explanations that the Joint Directors consider appropriate, concerning the situation of the Company, its business development and other matters and does not form an integral part of the financial statements. We have verified that the accounting information contained in the directors' report agrees with the financial statements for 2011. Our work as auditors is limited to verifying the directors' report in the scope referred to in this paragraph and does not include the examination of any information other than that derived from the Company's accounting records.

DELOITTE, S.L.
Registered on the R.O.A.C. no. S0692

Rafael Abella
29th March 2012

Deloitte, S.L., registered in the Business Registry of Madrid, Volume 13,650, section 8, sheet 188, page M-54414. Entry no. 96, Tax Identity Number: B-79104469.
Registered Office: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-Shareholder Company)

BALANCE SHEET AT 31 DECEMBER 2011
(Thousands of Euros)

ASSETS	Notes to financial statements	31.12.11	31.12.10
NON-CURRENT ASSETS:			
Intangible assets	**Note 5**	**16,125**	**5,855**
Property, plant and equipment	**Notes 6 & 8**	**40,760**	**55,900**
Non-current investments in Group companies and associate	**Note 10**	**62,325**	**66,991**
Non-current investments	**Note 9.a**	**4,864**	**5,054**
Deferred tax assets	**Note 14.e**	**7,556**	**7,300**
Total non-current assets		**131,630**	**141,100**
CURRENT ASSETS:			
Inventories		**619**	**551**
Trade and other receivables –		**64,212**	**64,538**
Trade receivables for sales and services		58,715	60,667
Receivable from Group companies and associates	**Note 16.b**	4,791	2,478
Sundry accounts receivable		99	690
Staff		40	51
Current tax assets	**Note 14.a**	18	16
Other accounts receivable from public authorities	**Note 14.a**	549	636
Current financial assets	**Note 9.b**	**825**	**1,108**
Current accruals and deferred income		**113**	**123**
Cash and cash equivalents		**2,408**	**964**
Total current assets		**68,177**	**67,284**
TOTAL ASSETS		**199,807**	**208,384**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the balance sheet as at 31 December 2011.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-Shareholder Company)

BALANCE SHEET AT 31 DECEMBER 2011
(Thousands of Euros)

EQUITY AND LIABILITIES	Notes to financial statements	31.12.11	31.12.10
EQUITY:	**Note 11**		
SHAREHOLDERS' EQUITY			
Share Capital		**18,449**	**18,449**
Reserves		**19,102**	**18,731**
Profit for the year		**12,930**	**19,648**
GRANTS, DONATIONS OR GIFTS AND LEGACIES RECEIVED		**9**	**95**
Total equity		**50,490**	**56,923**
NON-CURRENT LIABILITIES:			
Long-term provisions	**Note 12**	**57,423**	**51,572**
Non-current payables	**Notes 8 and 13.a**	**1,417**	**1,086**
Liabilities for deferred tax	**Note 14.f**	**352**	**1,030**
Total non-current liabilities		**59,192**	**53,688**
CURRENT LIABILITIES:			
Short-term provisions	**Note 12**	**702**	**1,341**
Current payables	**Notes 8 and 13.b**	**1,388**	**1,289**
Current payables to Group companies and associates	**Note 16.b**	**570**	**16**
Trade and other payables –		**87,214**	**95,045**
Payable to suppliers	**Note 13.c**	37,461	44,003
Suppliers – Group companies and associates	**Note 16.b**	3,021	1,628
Sundry accounts payable		35,501	36,209
Staff		1,603	1,694
Current tax liabilities	**Note 14.a**	5,993	7,503
Other accounts payable to public authorities	**Note 14.a**	3,468	3,866
Customer advances		167	142
Current accruals and deferred income		**251**	**82**
Total current liabilities		**90,125**	**97,773**
TOTAL EQUITY AND LIABILITIES		**199,807**	**208,384**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the balance sheet as at 31 December 2011.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-Shareholder Company)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011
(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
CONTINUING OPERATIONS:			
Revenue –	**Note 15.a**	**144,502**	**153,532**
Sales		13,984	11,844
Provision of services		130,518	141,688
Procurements –		**(40,217)**	**(41,933)**
Cost of goods held for resale sold		(323)	(746)
Cost of raw materials and other consumables used		(15,546)	(16,231)
Work performed by other companies		(24,348)	(24,956)
Write-downs of goods held for resale, raw materials and other supplies		0	0
Other operating income –		**541**	**594**
Non-core and other current operating income		133	175
Operating grants transferred to profit or loss		408	419
Staff costs –	**Note 15.c**	**(36,376)**	**(35,835)**
Wages, salaries and similar expenses		(27,328)	(26,882)
Employee benefit costs		(9,048)	(8,953)
Other operating expenses –		**(35,663)**	**(35,184)**
Outside services		(22,844)	(22,711)
Taxes other than income tax		(1,896)	(3,023)
Losses on, impairment of and change in allowances for trade receivables		(3,621)	(3,856)
Other current operating expenses		(7,302)	(5,594)
Depreciation and amortisation charge	**Notes 5 & 6**	**(12,048)**	**(11,408)**
Allocation to profit or loss of grants related to non-financial non-current assets and other grants		**86**	**32**
Impairment and gains or losses on disposals of non-current assets –		**(1,006)**	**(782)**
Impairment and other losses	**Note 6**	(999)	(473)
Gains or losses on disposals and other	**Note 6**	(7)	(309)
Profit from operations		**19,819**	**29,016**
Finance income –		**1,425**	**776**
Third parties		0	0
From marketable securities and other financial instruments –		1,425	776
From Group companies and associates	**Note 16.a**	1,072	439
Third parties		353	337
Finance costs –		**(1,857)**	**(1,536)**
On debts to Group companies and associates	**Note 16.a**	(29)	(28)
On debts to third parties		(1,828)	(1,508)
Impairment and gains or losses on disposals of financial instruments –		**(506)**	**1,747**
Impairment and other losses	**Notes 4.e 10**	(516)	1,767
Gains or losses on disposals and other		10	(20)
Financial loss		**(938)**	**987**
Profit or loss before tax		**18,881**	**30,003**
Income tax	**Note 14.c**	(5,951)	(10,355)
Profit for the year from continuing operations		**12,930**	**19,648**
Profit for the year		**12,930**	**19,648**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the income statement for 2011.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-Shareholder Company)

STATEMENT OF CHANGES IN EQUITY FOR 2011
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE
(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
PROFIT (LOSS) PER INCOME STATEMENT (I)		**12,930**	**19,648**
Income and expenses recognised directly in equity:			
Grants, donations or gifts and legacies received		—	127
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		**—**	**127**
Transfers to profit or loss:			
Grants, donations or gifts and legacies received		(86)	(32)
TOTAL TRANSFERS TO PROFIT OR LOSS (III)		**(86)**	**(32)**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**12,844**	**19,743**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of statement of recognised income and expense for 2011.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-Shareholder Company)

STATEMENT OF CHANGES IN EQUITY FOR 2011
B) STATEMENTS OF CHANGES IN EQUITY
(Thousands of Euros)

	Share Capital	Legal reserve	Other reserves	Valuation reserve	Reserve from merger	Goodwill reserve	Profit for the Year	Grants Donations and legacies	Interim dividend	Total
2009 ending balance	**18,449**	**10,279**	**1,199**	**355**	**887**	**371**	**21,685**	**—**	**(16,045)**	**37,180**
Total income and expense recognised	—	—	—	—	—	—	19,648	95	—	19,743
Distribution of 2009 profit	—	—	5,269	—	—	371	(21,685)	—	16,045	—
2010 ending balance	**18,449**	**10,279**	**6,468**	**355**	**887**	**742**	**19,648**	**95**	**—**	**56,923**
Total income and expense recognised	—	—	—	—	—	—	12,930	(86)	—	12,844
Distribution of 2010 profit	—	—	—	—	—	371	(19,648)	—	—	(19,277)
2011 ending balance	**18,449**	**10,279**	**6,468**	**355**	**887**	**1,113**	**12,930**	**9**	**—**	**50,490**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the statement of changes in total equity for 2011.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-Shareholder Company)

STATEMENTS OF CASH FLOWS FOR 2011
(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
CASH FLOWS FROM OPERATING ACTIVITIES (I):		**22,957**	**29,173**
Loss for the year before tax		**18,881**	**30,003**
Adjustments for –		**18,018**	**14,981**
Depreciation and amortisation charge	**Notes 5& 6**	12,048	11,408
Impairment losses	**Notes 4.e, 6 and 10**	1,899	(1,308)
Changes in provisions	**Note 12**	3,728	3,830
Recognition of grants in profit or loss		(86)	(32)
Gains/Losses on derecognition and disposal of non-current assets	**Note 6**	7	309
Gains/Losses on derecognition and disposal of financial instruments	**Note 10**	(10)	14
Finance income		(1,425)	(776)
Finance costs		1,857	1,536
Changes in working capital –		**(6,599)**	**(8,827)**
Inventories		(68)	45
Trade and other receivables		(552)	(8,585)
Other current assets		483	—
Trade and other payables		(6,321)	544
Other current liabilities		58	—
Other non-current assets and liabilities		(199)	(831)
Other cash flows from operating activities –		**(7,343)**	**(6,984)**
Interest paid		1,425	(268)
Dividends received			
Interest received		(373)	776
Income tax recovered (paid)		(8,395)	(7,492)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(3,530)**	**(30,680)**
Payments due to investment –		**(8,399)**	**(33,336)**
Group companies and associates		—	(22,947)
Intangible assets	**Note 5**	(1,658)	—
Property, plant and equipment	**Note 6**	(6,741)	(10,114)
Other financial assets		—	(275)
Proceeds from disposal –		**4,869**	**2,656**
Group companies and associates	**Note 10**	4,654	206
Property, plant and equipment	**Note 6**	215	2,022
Other financial assets		—	428
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(17,983)**	**1,243**
Proceeds and payments relating to equity instruments –		**—**	**127**
Grants, donations or gifts and legacies received		—	127
Proceeds and payments relating to financial liability instruments –		**1,294**	**1,116**
Issue of debt instruments and other marketable securities			
Proceeds from issue of bank borrowings	**Note 13**	740	1,011
Issue of debts to Group companies and associates		554	16
Issue of other debts		—	89
Dividends and returns on other equity instruments paid –		**(19,277)**	**—**
Dividends	**Note 11**	(19,277)	—
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**—**	**—**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**1,444**	**(264)**
Cash and cash equivalents at beginning of year		964	1,228
Cash and cash equivalents at end of year		2,408	964

The accompanying Notes 1 to 19 of the Financial Statements and accompanying Appendix I and II are an integral part of cash flows statements for 2011.

Cespa, Gestión de Residuos, S.A.
(Sole-Shareholder Company)

Notes to the Financial Statements for the fiscal year ended 31 December 2011

1. Activity of the Company

Cespa Gestión de Residuos, S.A.U. (hereinafter, the Company) was created in February 1992, establishing its registered office at Avenida de la Catedral, nº 6-8 de Barcelona.

The Company's purpose consists mainly in collecting, transporting, storing, treating, disposing of, valuating, recycling and selling all kinds of waste and by-products, as well as constructing, installing and managing all kinds of plants, transfer stations and landfills intended to enhance the environment, in all fields and sectors and, especially, those requiring the application of environmental and chemical technology, clean technology, recovery technology, as well as all those intended for the reduction, minimisation and prevention of pollution.

In carrying out its business, the Company operates different waste landfills under an ownership or management system, with the necessary administrative and environmental authorisations.

The Company is the parent of the Group (Note 10 and Annex I), but does not prepare consolidated financial statements as it is exempt from this obligation, under current regulations.

The Company is fully owned by Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (hereinafter, Cespa), which in turn, is 99.99% owned by Ferrovial Servicios, S.A., which in turn is 99.99% owned by Ferrovial, S.A. (Note 11). This company is the ultimate parent of a group of companies and prepares annual consolidated financial statements, and the consolidated financial statements for 2010 are filed with the Commercial Registry of Madrid.

On 28 February 2000, the Annual General Meeting of Secolén, S.A., 100% owned by Cespa Gestión de Residuos, S.A.U. approved the partial division of part of its business activity in favour of the Company, effective on 1 January 2000 and which entailed an increase in the Company's shareholders' equity of EUR 2,056 thousand. The disclosures to the accounting information requirements, applicable to divisions, required by Law 43/1995 are included in the annual report for 2000.

On 29 April 2005, the Annual General Meetings of the Company and its fully-owned subsidiaries, Ecoclínic S.L.U. and Reciclajes y Valorizaciones, S.L., approved the take-over merger of the latter two in favour of the former. The date as from which the operations are considered to have been completed for accounting purposes, on account of the acquiring company was 1 January 2005. The abovementioned merger was registered with the Commercial Registry of Barcelona on 6 July 2005.

The notes that formed part of the financial statements for 2005 included a detailed report on the merger and total division process, as required by Royal Decree-Law 4/2004, of 5 March approving the Corporate Tax Law.

On 26 June 2009 the partial division of one of the Company's branches of business activities in favour of the newly-created company Ecoparc de Can Mata, S.L.U. was registered with the Commercial Registry of Barcelona, consisting in a concession for the comprehensive treatment of municipal waste in a newly constructed facility. The notes that formed part of the financial statements for 2008 included a detailed report on the partial division process, as required by Royal Decree-Law 4/2004, of 5 March approving the Corporate Tax Law.

2. Basis of presentation of the financial statements

a) *Regulatory financial reporting framework applicable to the Company*

These financial statements were prepared by the Joint Directors in accordance with the financial reporting regulatory framework applicable to the Group, which is set forth in:

a) The Spanish Commercial Code and all other Spanish corporate law.

b) Spanish National Chart of Accounts approved by R.D. 1514/2007, as amended, particularly the sector-related adjustment of the Spanish National Chart of Accounts for public infrastructure concessionaire companies, approved by Order EHA/3362/2010, of 23 December.

c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.

d) All other applicable Spanish accounting legislation.

b) Fair presentation

The accompanying financial statements were prepared from the accounting records of the Company and are presented in accordance with the financial reporting regulatory framework applicable and, specifically, with the accounting principles and methods contained therein, so as to present fairly the equity, financial position, results and cash flows for the relevant financial year. These financial statements, which were formally prepared by the Company's joint directors, will be submitted for approval by the sole shareholder, and it is considered that they will be approved without any changes.

The financial statements for 2010 were approved by the sole shareholder on 17 May 2011.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the Joint Directors formally prepared these financial statements by taking into account all the binding accounting principles and standards with a significant effect hereon. All obligatory accounting principles have been applied.

d) Key issues in relation to the measurement and estimation of uncertainty

The accompanying financial statements were prepared using estimations by the Company Joint Directors to value certain assets, liabilities, income, expenses and commitments recorded therein. These estimates relate basically to the following:

- The assessment of possible impairment losses of certain assets, including goodwill (Note 4.c).
- The useful life of the property, plant and equipment and intangible fixed assets (Notes 4.a and 4.b).
- The calculation of valuation changes regarding trade and other accounts receivable (Note 4.e).
- The calculation of closure and post-closure provisions (Notes 4.h and 12).
- The fair value of the investments in Group companies, jointly-controlled entities and associates (Note 10).

In spite of the fact that these estimations were made based on the best available information at 2011 year-end, future events may require that these estimates be adjusted (up or down) in the coming financial years, which would be performed prospectively, recognizing the changes in estimations in the related income statement account, except for the goodwill impairment test that cannot be reversed in the future.

e) Comparative information and aspects derived from the transition to new accounting standards

On 23 December 2010, the adaptation standards of the Spanish National Chart of Accounts for public infrastructure concessionaire companies were approved by Order EHA/3362/2010. According to the established transition rules, these standards were applied prospectively starting 1 January 2011. Likewise, according to those standards, the Company opted to present the comparative information without adapting it to the new legislation, so that these financial statements are considered to be initial financial statements for purposes of comparability and consistency principles.

In this regard, and according to the Rules of Application of the Adaptation Standards in the first year starting after the Order has come into force, the Company has:

a) reclassified the equity items arising from the agreements signed to that date in accordance with the provisions of the standards;

b) valued the equity items according to their carrying amount; and

c) verified the impairment on that date.

Compared to the accounting standard in force at 31 December 2010, the new standard introduces important changes in accounting policies, valuation criteria changes, presentation and information to be added to financial statements.

In accordance with the new standards, the Company has classified the consideration delivered in the public infrastructure concession contracts which involves waste treatment plants and which was classified under the headings "Intangible assets – Administrative concessions", "Property, plant and equipment – Plant and machinery" and "Property, plant and equipment – Property, plant and equipment in the course of construction" on the balance sheet, under the heading "Intangible assets – concession contract, regulated asset", in considering that the consideration received by the Company consists in the right to collect the corresponding tariffs based on the degree of use of the public service, subject to demand risk.

Below are the effects of the abovementioned adjustment between the balance sheet at 1 January 2011 prepared according to current regulations at the end of 2010 and the balance sheet at that same date prepared according to the new adaptation standards of the Spanish National Chart of Accounts for public infrastructure concessionaire companies:

	Thousands of euros		
	31/12/2010	Transfers due to application of new standards	01/01/2011
Intangible assets – Cost	**7,100**	**12,493**	**19,593**
Concession contract, regulated asset	—	12,496	12,496
Administrative concessions	3,389	(3)	3,386
Goodwill	3,706	—	3,706
Computer software	5	—	5
Intangible assets – Amortisation	**(1,245)**	**(2,121)**	**(3,366)**
Concession contract, regulated asset	—	(2,124)	(2,124)
Administrative concessions	(1,240)	3	(1,237)
Computer software	(5)	—	(5)
TOTAL INTANGIBLE ASSETS	**5,855**	**10,372**	**16,227**
Property, plant and equipment – Cost	**155,792**	**(12,493)**	**143,299**
Lands	5,156	—	5,156
Buildings	2,379	—	2,379
Plant and machinery	122,916	(11,175)	111,741
Other fixtures, tools and furniture	2,863	—	2,863
Computer hardware	1,276	—	1,276
Transport equipment	18,470	—	18,470
Property, plant and equipment in the course of construction	2,732	(1,318)	1,414
Property, plant and equipment – Amortisation	**(86,235)**	**2,121**	**(84,114)**
Buildings	(502)	—	(502)
Plant and machinery	(69,585)	2,121	(67,464)
Other fixtures, tools and furniture	(2,269)	—	(2,269)
Computer hardware	(1,215)	—	(1,215)
Transport equipment	(12,664)	—	(12,664)
Property, plant and equipment – Impairment	**(13,657)**	**—**	**(13,657)**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**55,900**	**(10,372)**	**45,528**

The Company's equity was not at all affected by the new regulations coming into force.

f) Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

g) Going concern principle

The accompanying balance sheet at 31 December 2011 shows a negative working capital in the amount of EUR 21,948 thousand. However, in preparing the accompanying financial statements the Joint Administrators of the Company took into consideration the financing agreement of the Company with its shareholder, Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A (Note 16.b) whereby a EUR 40 million credit line is granted to the Company, not due in the short term and which has remained undrawn at year-end. That is why they decided to prepare these financial statements in accordance with the going concern principle.

3. Distribution of profit

The proposal for the fiscal year's profit and dividends distribution, prepared by Company's Joint Administrators, and which will be submitted to the Sole Shareholder's approval, is the following:

	Thousands of euros
Appropriation:	
To reserve for goodwill	371
Voluntary reserves	12,559
Total	**12,930**

4. Accounting policies and measurement bases

The main accounting policies and measurement bases used by the Company when preparing its 2011 financial statements, pursuant to provisions of the Spanish National Chart of Accounts, were the following:

a) Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Administrative concessions

The administrative concessions were valued by the entire expenses incurred in obtaining them or by the price allocated in each transfer case, plus acquisition expenses. Their amortisation is calculated, as a general rule, on a straight-line basis during a period of 10 years or for the duration thereof (Note 5).

Goodwill

Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow and is not amortised. Instead, these cash-generating units are tested for impairment at least once a year and, where appropriate, are derecognised.

The valuation adjustments relating to impairment recognised in the goodwill are not subject to reversal in subsequent years.

Specifically, the Company records under this heading the goodwill resulting from the take-over merger described in Note 1.

Concession agreement

The Company uses the "Concession agreement, regulated asset" heading to record the amount related to the consideration delivered in the public infrastructure concession agreements that involve waste treatment plants and which includes the total cost incurred for the construction or acquisition of the works and facilities required to provide the public service related to the concession contract (Note 7); the consideration to be received is not guaranteed in the concession agreement, which is why it is subject to demand risk.

The different concession agreement item upkeep expenses are posted to the income statement account of the year they were incurred. On the contrary, the amounts invested in improvements which contribute to increasing the capacity or efficiency or to prolonging the useful life of those assets are recorded as increased costs thereof at the outset of the concession, unless they entail additional associated income, in which case they will be recorded at the time of the investment.

The intangible asset is amortised over the concession term, under the straight-line amortisation criterion, unless its use pattern can be reliability estimated by reference to demand or use of the public service measured in physical units, in which case this method will be used as the amortisation method, provided it is the most representative pattern of the economic use of the abovementioned asset. In determining the amortisation period, the Company considers the useful life to be either the period between the acquisition of the intangible asset item and the end of the concession contract or the estimated useful lives, whichever shorter.

The Company assesses loans or general-purpose borrowing attributable to the concession agreements so as to determine their capitalisation as the highest asset value. This amount was considered not to be significant at 2011 year-end.

The Company does not have replacement obligations throughout the concession period of its concession agreements.

b) Property, plant and equipment

Property, plant and equipment is valued initially by its acquisition price or production cost, and subsequently is reduced by the related accumulated amortisation and impairment losses, if any, in accordance with the criterion mentioned in Note 4.c, except for the items of property, plant and equipment acquired prior to 31 December 1996, which are valued at their revalued and adjusted cost according to the different legal provisions, which include Royal Decree-Law 7/1996 (Note 6).

Property, plant and equipment upkeep and maintenance expenses are posted to the income statement of the year in which they were produced. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The replacement or renewal of items of property, plant and equipment is booked as an asset, with the resulting accounting derecognition of the replaced or renewed assets.

The years of useful life estimated by the Company for each group of items are indicated below (not applicable to the items of property, plant and equipment that are explained subsequently):

	Years of estimated useful life
Buildings	25-50
Plant and machinery	5-10
Other facilities	10
Furniture and tools	4-12
Computer hardware	3
Transport equipment	5-8

For the investment related to landfills, the Company also considers their degree of fullness and fulfilment of the total investments to be made in them, recording the related impairment, if any.

The Company has recorded a provision for impairment of the land on which the landfills are situated, as it considers that their realisable value at the end of the concession or upon closure of the landfill, will not be material.

c) Impairment of intangible assets and property, plant and equipment

Whenever there is any indication of an impairment loss, the Company estimates the possibility of impairment losses that might reduce the recoverable value of said assets at a price below its carrying amount by using the Impairment Test.

Recoverable amount is the higher of fair value less costs to sell and value in use.

The Group tests goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually. At each reporting date the Group tests assets for permanent impairment that might make it necessary to derecognise the assets. Should evidence of impairment be detected, the asset's recoverable amount is calculated in order to identify the scope of the impairment loss if the recoverable amount is lower than the asset's carrying amount, and the difference is recognised in profit or loss. Impairment losses must be assessed for each individual asset. If this is not possible, the impairment loss is determined for the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets (cash-generating units).

When an impairment loss from a cash-generating unit, to which part or an entire goodwill was assigned, is to be recognised, the carrying amount of the goodwill corresponding to said unit is first reduced. When impairment exceeds its amount, the other cash-generating assets are then reduced according to their carrying amount to the limit of the higher value between the following: its fair value less sale costs, value in use and zero.

Where an impairment loss subsequently reverses (which is not permitted in the specific case of the goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Said reversal for a value impairment loss is recognised as income.

d) Leases

Leases are classified as finance lease provided that their conditions imply that the risks and benefits inherent to the property of the assets subject matter of the contract are materially transferred to the lessee. All other leases are classified as operating leases.

Operating lease

Lease expenses from operating leases are recognised in income on an accrual basis.

Any collection or payment that may be made upon hiring the operating lease will be treated as an advance collection or payment to be allocated to the results throughout the lease period, as the proceeds of the leased assets are assigned or received.

Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount is be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned (Notes 6, 8 and 13).

e) Financial instruments

Financial assets

The financial assets held by the Company are classified in the following categories:

1. Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
2. Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.
3. Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

As from 1 January 2010, for investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement.

Subsequent measurement

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These adjustments are calculated as the difference between their carrying amount and their recoverable amount. Recoverable amount is the higher of fair value less sales costs and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

At least at year-end, the Company makes the necessary valuation changes provided there is objective evidence of impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, such impairment is recorded in the summarised income statement.

In particular, and with regard to the relative impairment of trade receivables and other receivables, the method used by the Company to calculate the relative impairment consists in that the past due and uncollected accounts receivable from public entities for which no impairment provision has been set are depreciated according to a financial method, with the related debit or credit, as the case may be, to the heading "Impairment and gains or losses on disposals of financial instruments" of the income statement. This method does not differ significantly from the one that would result from having carried out the adjustment since the time of the transaction that gave rise to those receivables which are estimated to be realisable in the long term. Thus, the Company follows the method of setting a provision for fifty per cent of the amount related to past-due and uncollected invoices dating back over half a year, as well as a provision for the total amount of those past-due and uncollected invoices dating back over more than one year, except for those receivables from public entities, for which a specific analysis is carried out. This method does not differ significantly from the one that would result from applying a specific impairment analysis based on the information available at year-end for all accounts receivable.

The Company writes off the financial assets upon expiration or when the rights on cash flows of said financial assets are transferred together with substantial risks and benefits inherent to ownership. However, the Company does not write off financial assets, and records a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

The Company holds a controlling interest in the share capital of certain companies (Note 10 and Annex 1). The accompanying financial statements for the year ended 31 December 2011 are the Company's individual financial statements and thus do not reflect the effects that would arise if the consolidation methods would have been applied. The estimated effect of consolidation, prepared based on the accounting records of the companies, compared to the accompanying financial statements, would entail an increase in assets and in equity at 31 December 2011 of EUR 48.3 million and EUR 52.9 million, respectively, as well as increase in sales for 2011 of EUR 25.72 million and a decline in profit for 2011 of EUR 464 thousand, respectively.

Financial liabilities

Financial liabilities are Company debts and accounts payable from the purchase of goods and services through trade operations, or those which not coming from trade operations, cannot be considered as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company writes off financial liabilities when the obligations that generated them cease to exist.

f) *Income tax*

Income tax includes the portion related to current tax and the portion related to deferred tax.

The current tax is the amount the Company pays for corporate tax for a specific fiscal year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

Deferred tax relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences identified as amounts payable or recoverable derived from the difference between assets and liabilities carrying amount and their tax value, as well as the negative taxable amounts pending offsetting and tax relief credits not applied from a tax point of view. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

In turn, deferred tax assets are only recognised to the extent that it is considered likely that the Company will have sufficient taxable earnings in the future against which the deferred tax asset can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Since 2004, the Company has been filing consolidated tax returns as part of the Consolidated Tax Group, the parent company of which is Ferrovial, S.A. Based on the distribution methods agreed between the Company and the tax group it forms a part of, the differences between the taxes that the Company would have paid in the event of an individual tax filing and the amounts that are paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the assessment method established by the parent company for them.

g) *Income and expenses*

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Income derived from sales is recognised when significant risks and benefits inherent to the ownership of the sold asset are transferred to the buyer, relinquishing the current management and the effective control of such asset.

As to income from services, they are recognised considering the level of completion of such service at the balance sheet date, provided the transaction result can be reliably estimated.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder’s right to receive payment has been established. In all cases, interest and dividends from financial assets accrued after the date of acquisition is recognised as income.

h) *Provisions and contingencies*

When preparing the financial statements, the Company’s Joint Administrators differentiate between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: possible obligations that arise from past events and whose future existence will depend on the occurrence or non-occurrence of one or more future events which are beyond the Company’s control.

The accompanying financial statements include all the provisions whose relevant obligations are more likely to be addressed than not. Contingent liabilities are not recognised in the balance sheet, but are reported in the notes, provided they are not considered remote.

Provisions for closure and post-closure

The Company uses the "Long-term provisions" heading to record the estimates of the costs it will be required to incur in the closure and treatment of waste during the post-closure period of the landfills it owns and those under its management for which, based on the executed contracts, the Company estimates such obligation exists.

The provision for closure and post-closure of the landfills is made according to the best estimate made by the Company's technical personnel of the final cost of the abovementioned closure and of the land maintenance costs which will have to be incurred once the landfills have been closed. The calculation assumptions of the present value considered in both cases are 2% for the forecast inflation rate and 5% for the interest rate. Moreover, the abovementioned provision is made based on the estimated percentage of filling of the landfills by the Company's technical personnel (Note 12).

i) Termination benefits

Under current legislation, the Company is required to pay compensation to employees dismissed under certain conditions. Compensations for dismissal that can be reasonably quantified are, therefore, registered as expenses during the period in which the dismissal decision is made and a valid expectation is created with regard to third parties about such dismissal.

During 2011, termination benefit charges were recorded in the amount of approximately EUR 539 thousand, under "Staff costs" in the accompanying income statement (Note 15.c).

j) Environmental assets

Activities involving the environment, savings projects and energy efficiency are charged, essentially, to profit and loss on an accrual basis.

However, the new investments in items of property, plant and equipment consider the environmental parameter as a basic variable upon execution and have been carried out along with the related environmental impact study. The effect on the cost of those investments due to environmental causes is considered the highest value of the assets.

The estimate and calculation method of the provisions resulting from the environmental impact is described in Note 4.h.

k) Retirement bonus commitments

According to the collective bargaining agreements to which the workers of certain Company offices are subject, those workers are entitled to receive retirement bonuses as a lump sum payment if they voluntarily choose this option at an age of between 60 and 65 years, depending on the related collective bargaining agreements.

In prior years, the Company outsourced the commitments related to retirement bonuses established in company and cross-company collective bargaining agreements.

l) Grants, donations or gifts and legacies received

Non-refundable capital grants are valued at the fair value of the amount or asset granted, based on whether they have monetary value or not, with an initial recognition under equity. They are allocated to results proportionally to the allocation of the amortisation made in the period for the subsidised assets or, if applicable, when their disposal or impairment valuation correction is made, with the exception of those received from shareholders or owners, which are directly posted under shareholders' equity and represent no income.

m) Joint ventures

Certain contracts are executed by the grouping of various companies in a joint venture (UTE). At 31 December 2011, the Company takes part in the joint ventures listed in Annex II.

To record the profit and loss of the services provided in joint venture with other companies, the same method is followed as that applied by the Company in its own contracts.

The expenses incurred on behalf of, and other services provided to the joint venture are recognised when the expense is incurred or the service provided.

The operations of the joint ventures in which the Company has interests were proportionately consolidated in the balance sheet and the income statement, applying the percentage of the interest held.

n) Transactions with related companies

The Company conducts all transactions with related entities at market value. In addition, transfer prices are adequately supported, so Company Joint Directors consider there is no significant risk on this matter that may derive in relevant liabilities in the future.

n) Current and non-current items

Current assets are considered to be those related to the normal cycle of operations that is generally deemed to be one year, as well as other assets the expiry, disposal or realisation of which is expected to take place in the short term as from year-end, financial assets held for negotiation, except for financial derivatives the liquidation term of which exceeds one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.

Likewise, current liabilities are those related to the normal cycle of operations, financial liabilities held for negotiation, with the exception of the financial derivatives the liquidation term of which exceeds one year and in general all obligations that will expire or be extinguished in the short term. If this is not the case, they are classified as non-current.

5. Intangible assets

The changes in "Property, Plant and Equipment" in the accompanying balance sheet in 2011 and 2010 were as follows:

Fiscal Year 2011

	Thousands of euros			
Cost	01-01-11	Additions	Disposals or reductions	31-12-11
Concession contract, regulated asset (Note 7)	12,496	1,658	—	14,154
Administrative concessions	3,386	—	—	3,386
Goodwill	3,706	—	—	3,706
Computer software	5	—	(5)	—
Total cost	**19,593**	**1,658**	**(5)**	**21,246**

	Thousands of euros			
Accumulated depreciation	01-01-11	Period provisions	Disposals or reductions	31-12-11
Concession contract, regulated asset (Note 7)	(2,124)	(1,647)	—	(3,771)
Administrative concessions	(1,237)	(113)	—	(1,350)
Computer software	(5)	—	5	—
Total accumulated depreciation	**(3,366)**	**(1,760)**	**5**	**(5,121)**

	Thousands of euros	
Total intangible assets	01-01-11	31-12-11
Cost	19,593	21,246
Accumulated depreciation	(3,366)	(5,121)
Total, net	**16,227**	**16,125**

Fiscal Year 2010

Cost	Thousands of euros 31-12-09	Additions	31-12-10
Administrative concessions	3,389	—	3,389
Goodwill	3,706	—	3,706
Computer software	5	—	5
Total cost	**7,100**	**—**	**7,100**

Accumulated depreciation	Thousands of euros 31-12-09	Period provisions	31-12-10
Administrative concessions	(1,127)	(113)	(1,240)
Computer software	(5)	—	(5)
Total accumulated depreciation	**(1,132)**	**(113)**	**(1,245)**

Total Intangible Assets	Thousands of euros 31-12-09	31-12-10
Cost	7,100	7,100
Accumulated depreciation	(1,132)	(1,245)
Total, net	**5,968**	**5,855**

At 2011 year-end, the Company had different concession contracts according to the description in Note 7.

The "Administrative concessions" heading basically includes payments made by the Company in prior years to operate two sites owned by it.

At 2011 and 2010 year-ends, the Company had fully amortised property, plant and equipment still in use, as shown below:

	Thousands of euros (Gross) Carrying amount 2011	2010
Concession contract, regulated asset	75	—
Computer software	—	5
Total	**75**	**5**

The breakdown of the goodwill classified by the cash-generating unit to which it belongs is as follows:

Goodwill	Thousands of euros Balance at 31-12-11	Balance at 31-12-10
Sanitary waste management	3,706	3,706
Total	**3,706**	**3,706**

As a result of the merger carried out in 2005 and described in Notes 1 and 4.a, the Company recorded goodwill that year which was calculated initially as the difference between the price paid and the consolidated underlying carrying value of the acquired company.

The most significant assumptions used to determine the recoverable amount of the cash-generating unit were the following:

Goodwill	Discount rate	Nominal growth rate
Sanitary waste management	7% – 8%	2% – 3%

The recoverable amount of the cash-generating unit is determined by using cash flow projections for a five-year period. The residual value is based on the cash flow for the last year projected, provided this represents a cash flow with no exceptional factors, and the growth rate applied in no case exceeds the estimated long-term growth rate for the market in which the Company operates.

Cash flows are discounted using a rate based on the weighted average cost of capital for this type of assets. The discount rates used are those appearing in the above table. Additionally, a sensitivity analysis is carried out, especially in relation to the discount rate used and the residual growth rate, with the purpose of ensuring that the possible changes in estimates of those rates will not affect the determination of the recoverable value of the cash-generating unit.

Based on the abovementioned assumptions, the Company's Joint Administrators consider that there are no indications of impairment whatsoever regarding the goodwill at 2011 year-end, which is why no provision for impairment has been set.

6. Property, plant and equipment

The changes in this balance sheet item during 2011 and 2010, as well as the most significant information thereof, were the following:

Fiscal Year 2011

	Thousands of euros				
Cost	01-01-11	Additions	Increase or decrease due to transfers	Disposals or reductions	31-12-11
Lands	5,156	—	—	—	5,156
Buildings	2,379	—	1,132	—	3,511
Plant and machinery	111,741	2,245	(1,307)	(2,342)	110,337
Other fixtures, tools and furniture	2,863	17	347	(142)	3,085
Computer hardware	1,276	41	1	(32)	1,286
Transport equipment	18,470	104	666	(747)	18,493
Property, plant and equipment in the course of construction	1,414	4,334	(839)	—	4,909
Total cost	**143,299**	**6,741**	**—**	**(3,263)**	**146,777**

	Thousands of euros				
Accumulated depreciation	01-01-11	Period provisions	Increase or decrease due to transfers	Disposals or reductions	31-12-11
Buildings	(502)	(90)	—	—	(592)
Plant and machinery	(67,464)	(8,780)	543	2,158	(73,543)
Other fixtures, tools and furniture	(2,269)	(149)	(341)	141	(2,618)
Computer hardware	(1,215)	(36)	(1)	27	(1,225)
Transport equipment	(12,664)	(1,233)	(201)	715	(13,383)
Total accumulated depreciation	**(84,114)**	**(10,288)**	**—**	**3,041**	**(91,361)**

	Thousands of euros				
Impairment	01-01-11	Period provisions	Increase or decrease due to transfers	Disposals or reductions	31-12-11
Land and facilities allocated to landfill	(13,657)	(999)	—	—	(14,656)
Total net impairment losses	**(13,657)**	**(999)**	**—**	**—**	**(14,656)**

	Thousands of euros	
Total Property, Plant and Equipment	01-01-11	31-12-11
Cost	143,299	146,777
Accumulated depreciation	(84,114)	(91,361)
Impairment	(13,657)	(14,656)
Total, net	**45,528**	**40,760**

Fiscal Year 2010

Cost	Thousands of euros 31-12-09	Additions	Increase or decrease due to Transfers	Disposals or reductions	31-12-10
Lands	4,928	228	—	—	5,156
Buildings	679	—	1,700	—	2,379
Plant and machinery	108,917	4,230	14,056	(4,287)	122,916
Other fixtures, tools and furniture	2,849	363	(267)	(82)	2,863
Computer hardware	1,366	52	—	(142)	1,276
Transport equipment	18,640	13	631	(814)	18,470
Property, plant and equipment in the course of construction	13,624	5,228	(16,120)	—	2,732
Total cost	**151,003**	**10,114**	**—**	**(5,325)**	**155,792**

Accumulated depreciation	Thousands of euros 31-12-09	Period provisions	Increase or decrease due to Transfers	Disposals or reductions	31-12-10
Buildings	(288)	(34)	(180)	—	(502)
Plant and machinery	(62,173)	(9,771)	177	2,182	(69,585)
Other fixtures, tools and furniture	(2,188)	(158)	3	74	(2,269)
Computer hardware	(1,254)	(48)	—	87	(1,215)
Transport equipment	(12,031)	(1,284)	—	651	(12,664)
Total accumulated depreciation	**(77,934)**	**(11,295)**	**—**	**2,994**	**(86,235)**

Impairment	Thousands of euros 31-12-09	Period provisions	Increase or decrease due to Transfers	Disposals or reductions	31-12-10
Land and facilities allocated to landfill	(12,855)	(473)	(329)	—	(13,657)
Other	(329)	—	329	—	—
Total net impairment losses	**(13,184)**	**(473)**	**—**	**—**	**(13,657)**

Total Property, Plant and Equipment	Thousands of euros 31-12-09	31-12-10
Cost	151,003	155,792
Accumulated depreciation	(77,934)	(86,235)
Impairment	(13,184)	(13,657)
Total, net	**59,885**	**55,900**

Under property plant and equipment, the "Plant and machinery" heading is used to record the costs of the different landfills owned by the Company The Company is authorised to operate them by the official competent agencies.

During 2011, the main investments made by the Company were used, basically, to expand the capacity of the landfills, as well as to construct, expand, develop and improve the new treatment plants owned by the Company, which includes a plant for recovered solid fuels, as well as other already-existing ones. A total of EUR 4.3 million in additions are in the process of construction at 2011 year-end.

Disposals in 2011 relate mainly to write-offs of fully amortised items, which include items related to an agreement that ended in 2011, with a cost of EUR 965 thousand, the result of which has entailed a loss of EUR 7 thousand.

At 2011 and 2010 year-ends, the Company had fully amortised property, plant and equipment still in use, as shown below:

	Thousands of euros	
	(Gross) Carrying amount	
	2011	2010
Buildings	156	156
Plant and machinery	33,511	28,814
Other fixtures, tools and furniture	1,843	1,278
Computer hardware	1,155	1,208
Transport equipment	7,856	8,011
Total	**44,521**	**39,467**

Additionally, for the investment related to its landfill, the Company considers its degree of fullness and fulfilment of the total investments to be made in it, recording the related impairment, if any, based on the tonnes dumped.

As stated in Note 8, at 2011 and 2010 year-end, the Group had undertaken several financial lease transactions with respect to its property, plant and equipment.

The Company's policy is to take out insurance policies to cover the possible risks to which its property, plant and equipment are subject. There was no insurance coverage deficit related to said risks at 2011 year-end.

7. Concession contracts

At 31 December 2011, the Company classifies all of its assets under concession as intangible assets, according to their type. Their movement during the year was as follows:

	Thousands of euros		
	Total cost	Accumulated depreciation	Net
Balance at 1 January 2011	**12,496**	**(2,124)**	**10,372**
Additions or provisions	1,658	(1,647)	11
Balance at 31 December 2011	**14,154**	**(3,771)**	**10,383**

Additions for the year are related to the development, improvement and expansion of several waste treatment plants.

The Company's policy is to sign insurance policies to cover the potential risks to which the items included in "Concession contracts" of the accompanying balance sheet are subject. At 31 December 2011, they are appropriately insured.

The amount related to capitalised interest during the construction period included under the "Concession agreement, regulated asset" heading at 31 December 2011 is not material.

The concessions held by the Company at 31 December 2011 are the following:

Description of the concession	District	Ownership Interest	Thousands of euros: Estimated investment	Thousands of euros: Investment made	Years: Duration of the concession	Years: Time remaining
Joint operation of a biometrisation, recycling, composting and urban solid waste transporting plant and of a container sorting plant.	Burgos	55%	5,817	3,896	10	8
Operating several waste treatment centres in the province of Huelva.	Huelva	80%	10,104	8,292	10	5
Constructing the treatment centre and the concession of the waste collection, transport and treatment services for the municipalities of the Mancomunidad de Servicios Comsermancha.	Alcázar de San Juan Ciudad Real)	20%	2,530	2,530	15	2
Service contract for collecting solid urban waste, constructing the solid urban waste recovery and composting plant and operating that plant and the transfer plants for Consorcio Almanzora Levante.	Pulpí (Almería)	20%	3,052	3,052	20	17
Construction and operation of a recycling and composting plant for urban solid waste, construction of a back-up landfill and other supplementary works of the Mancomunidad de Serivicos de "La Vega".	Sevilla	100%	4,416	4,260	20	7

8. Leases

Finance leases

At 31 December 2011 and 2010, the Company, as financial lessee, had recognised the leased assets broken down below:

Fiscal Year 2011

			Thousands of euros				
Description	Duration for contract (months)	Months elapsed	Original cost without purchase option	Instalments paid: Prior years	Instalments paid: Current period	Present value of instalments pending	Present value of purchase option
Contracts effective at December 31, 2010:							
Machinery (*)	60	41	281	124	58	99	6
Machinery (**)	60	12-15	2,109	34	391	1,684	42
2011 contracts:							
Machinery (**)	60	9	137	—	4	133	3
			2,527	**158**	**453**	**1,916**	**51**

Fiscal Year 2010

Description	Duration for contract (months)	Months elapsed	Thousands of euros: Original cost without purchase option	Instalments paid: Prior years	Current the year	Present value of instalments pending	Present value Purchase option
Contracts effective at 31 December 2009:							
Machinery (*)	60	29	287	71	53	156	7
2010 contracts:							
Machinery (**)	60	3-5	1,092	—	34	1,037	21
			1,379	**71**	**87**	**1,193**	**28**

(*) The financial lease agreements indicated are related to a joint venture in which the Company holds an ownership interest of 75%.

(**) The financial lease agreements indicated are related to a joint venture in which the Company holds an ownership interest of 55%.

The above table shows the present value of instalments pending payment of the financial lease agreements signed by the Company. The nominal value of the abovementioned instalments, as well as of the purchase option, totals EUR 2,209 thousand, of which EUR 530 thousand fall due within less than one year with a present value of EUR 422 thousand, and EUR 1,679 thousand mature within more than one year with a present value of EUR 1,545 thousand. Both amounts were recorded in the accompanying balance sheet at 31 December 2011 under the headings "Current payables" and "Non-current payables", respectively (Note 13).

Operating lease

As at 2011 and 2010 year-end, the Company had reached an agreement with the lessees on the following minimum lease payments as per the current contracts in force, without considering their effect on common expenses, future increases due to CPI or future updates of leases agreed upon under contract:

Operating leases lease payments	Thousands of euros 2011	2010
In one year	445	543
From 2 to 5 years	1,018	1,320
Over five years	11	74

The detail of the operating lease payments recognised respectively as an expense in 2011 and 2010 is as follows:

	Thousands of euros 2011	2010
Operating leases recognised in the period profit or loss.	2,673	2,250

The most significant lease agreements are related to real estate, transport equipment, land and technical facilities, among others. One of these includes the Company's contract for a building leased in Barcelona, which expires in 2015, with the possibility of extending it for an additional 10 years. The amount committed, without taking into account the effect of common expenses, future increases due to CPI or future updates of leases agreed upon under contract amount to approximately EUR 974 thousand for this contract.

9. Financial assets (non-current and current)

a) Non-current financial assets

The balance of the accounts under the heading “Non-current financial investments” upon 2011 and 2010 year-end is as follows:

	Thousands of euros	
	Non-current financial instruments	
	Credits, derivatives and others	
Classes Professional category	2011	2010
Loans and receivables	4,864	5,054
Total	**4,864**	**5,054**

In this section of the above table the Company records EUR 4,663 thousand, related to three loans granted to customers for a total of EUR 2,241 thousand, EUR 1,942 thousand and EUR 480 thousand, approximately and respectively, valued at their amortised cost. In the abovementioned loans, it is established that the repayment of the principal amount will be made through monthly instalments that will end in 2020, 2019 and 2012, respectively. Furthermore, the financial burden of the debt is tied to the Euribor.

The breakdown of loans granted to municipal councils by maturity is as follows:

Fiscal Year 2011

Maturity	Thousands of euros
2013	1,007
2014	545
2015	565
2016	585
2017 onwards	1,961
Total	**4,663**

Fiscal Year 2010

Maturity	Thousands of euros
2012	871
2013	518
2014	534
2015	550
2016 onwards	2,353
Total	**4,826**

Additionally, at 2011 year-end this included guarantees and loans granted to staff with a long-term maturity in the amount of approximately EUR 201 thousand.

Lastly, this heading includes EUR 702 thousand, involving an agreement for fiduciary services regarding the ownership interest that another company not forming part of Cespa Group holds in a subsidiary and in relation to which the Company recorded a credit to that company. A provision was set for the full amount of this loan.

b) Current financial investments

The balance of the heading “Current financial investments” at 31 December 2011 and 31 December 2010 was as follows:

	Thousands of euros					
	Current financial instruments					
	Debt securities		Credits, derivatives and others		Total	
Classes Professional category	2011	2010	2011	2010	2011	2010
Loans and receivables	—	275	825	833	825	1,108
Total	**—**	**275**	**825**	**833**	**825**	**1,108**

The balance recorded is basically related to the instalments of the loans granted to customers, the expiration of which is less than a period 12 months, mentioned in Note 9.a., and the amortised cost of which totals EUR 672 thousand.

c) Information on the nature and level of risk of financial instruments

The Company's financial risks management is under the responsibility of the Financial Management of the Group to which the Company belongs (Note 1), which has the necessary mechanisms to control the exposure to interest rate and exchange rate fluctuations, as well as credit and liquidity risks. Below are the main financial risks affecting the Company:

1. Credit risk

   In general, the Company maintains its cash and other equivalent liquid assets in high-credit rating financial institutions. It also monitors receivables on a case-by-case basis to determine potential insolvency situations.

2. Liquidity risk

   In order to guarantee liquidity and meet all payment obligations derived from its activity, the Company relies on the cash shown in its balance, as well as the credit and financing lines detailed in Notes 13 and 16.b.

   In the current market context, that during the last financial years has been affected mainly by a significant financial crisis that has led to a widespread contraction of credit, the Company has maintained a proactive policy with regard to liquidity risk management, focusing essentially on preserving the Company's liquidity.

   This policy has been developed essentially through the thoroughly detailed management of working capital, seeking to ensure timely fulfilment of payment obligations by customers.

   The Group has also sought to always utilise available cash to settle payment obligations and liabilities in advance.

10. Investments in Group companies, jointly controlled entities and associates

The most significant information related to the Group, jointly-controlled entities and associates at 2011 and 2010 year-ends is the following:

Fiscal Year 2011

	Thousands of euros			
	01-01-11	Additions/ provisions for the period	Disposals or reductions	31-12-11
Investments in Group companies, jointly-controlled entities and associates	33,426	—	(5)	33,421
Impairment of equity instruments	(5,453)	(24)	2	(5,475)
Disbursements yet to be paid on long-term investments	(662)	—	—	(662)
Credits to Group companies (Note 16.b)	39,680	—	(4,639)	35,041
	66,991	**(24)**	**(4,642)**	**62,325**

Fiscal Year 2010

	Thousands of euros			
	31-12-09	Additions/ provisions for the period	Disposals or reductions	31-12-10
Investments in Group companies, jointly-controlled entities and associates	33,646	—	(220)	33,426
Impairment of equity instruments	(7,234)	(1,952)	3,733	(5,453)
Disbursements yet to be paid on long-term investments	(662)	—	—	(662)
Credits to Group companies (Note 16.b)	16,734	22,946	—	39,680
	42,484	**20,994**	**3,513**	**66,991**

The breakdown and movement of the "Investments in Group companies, jointly-controlled entities and associates" item in the above table, as well as the provisions allocated to it, is as follows:

Fiscal Year 2011

	Thousands of euros			
	01-01-11	Additions / (Provisions)	Removals / Uses	31-12-11
Cost:				
Contenedores Reus, S.A.	833	—	—	833
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	756	—	—	756
Cespa Gestión y Tratamiento de Residuos, S.A.	20,603	—	—	20,603
Tratamientos, Residuos y Energías Valencianas, S.A.	2,644	—	—	2,644
Ecoparc del Mediterrani, S.A.	2,518	—	—	2,518
Reciclados y compostajes Piedra Negra, S.A.	1,654	—	—	1,654
Ecoenergía Can Mata A.I.E.	141	—	—	141
Cespa Nadafa, S.A.R.L.	4	—	—	4
Centre de Tractament de Residus d'Andorra, S.A.	1,908	—	—	1,908
Novalis Medio Ambiente, S.A.	30	—	—	30
Planta de RCD'S Albacete, S.L.	5	(5)	—	—
Albaida Residuos, S.L.	2,330	—	—	2,330
Total	**33,426**	**(5)**	**—**	**33,421**
Impairment of equity instruments:				
Contenedores Reus, S.A.	(1,061)	—	—	(1,061)
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	(1,313)	(24)	—	(1,337)
Tratamientos, Residuos y Energías Valencianas, S.A.	(1,130)	—	2	(1,128)
Cespa Nadafa, S.A.R.L.	(11)	—	—	(11)
Centre de Tractament de Residus d'Andorra, S.A.	(1,908)	—	—	(1,908)
Novalis Medio Ambiente, S.A.	(30)	—	—	(30)
Total	**(5,453)**	**(24)**	**2**	**(5,475)**
Total, net	**27,973**	**(29)**	**2**	**27,946**

Fiscal Year 2010

	Thousands of euros			
	31-12-09	Additions / (Provisions)	Removals / Uses	31-12-10
Cost:				
Contenedores Reus, S.A.	833	—	—	833
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	756	—	—	756
Cespa Gestión y Tratamiento de Residuos, S.A.	20,603	—	—	20,603
Tratamientos, Residuos y Energías Valencianas, S.A.	2,644	—	—	2,644
Ecoparc del Mediterrani S.A.	2,518	—	—	2,518
Reciclados y compostajes Piedra Negra, S.A.	1,654	—	—	1,654
Ecoenergía Can Mata A.I.E.	141	—	—	141
Cespa Nadafa, S.A.R.L.	4	—	—	4
Centre de Tractament de Residus d'Andorra, S.A.	1,908	—	—	1,908
Centre de Recollida i Transferencia Fogars, S.L.	220	(220)	—	—
Novalis Medio Ambiente, S.A.	30	—	—	30
Planta de RCD'S Albacete, S.L.	5	—	—	5
Albaida Residuos, S.L.	2,330	—	—	2,330
Total	**33,646**	**(220)**	**—**	**33,426**
Impairment of equity instruments:				
Contenedores Reus, S.A.	(1,061)	—	—	(1,061)
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	(1,299)	(14)	—	(1,313)
Tratamientos, Residuos y Energías Valencianas, S.A.	(1,350)	—	220	(1,130)
Ecoparc del Mediterrani S.A.	(3,500)	—	3,500	—
Cespa Nadafa, S.A.R.L.	(11)	—	—	(11)
Centre de Tractament de Residus d'Andorra, S.A.	—	(1,908)	—	(1,908)
Centre de Recollida i Transferencia Fogars, S.L.	(13)	—	13	—
Novalis Medio Ambiente, S.A.	—	(30)	—	(30)
Total	**(7,234)**	**(1,952)**	**3,733**	**(5,453)**
Total, net	**26,412**	**(2,172)**	**3,733**	**27,973**

The most significant ownership interests in Group companies and the information related to them, at 31 December 2011, are detailed in Annex I.

Ownership interests in Group companies, jointly controlled entities and associates

- The ownership interest in Cespa Gestión y Tratamiento de Residuos, S.A. includes an additional amount of EUR 18,563 thousand of implicit gain related, at the time of the interest's acquisition, to an increased capacity of a given landfill, obtained afterwards in 2004. Therefore, the abovementioned implicit gain decreases based on the degree of fullness of the abovementioned expansion, which currently forms part of the property, plant and equipment of the Company after having acquired them from Cespa Gestión y Tratamiento de Residuos, S.A. in 2005, detailing the net amount at 31 December 2011 in Annex I.
- The Company has a 55% interest in Tratamientos, Residuos y Energías Valencianas, S.A. (TREVSA), with EUR 662 thousand yet to be disbursed at 31 December 2011. This company is undergoing a liquidation process, pursuant to an agreement adopted by the Annual General Meeting on 28 May 2008.
- At 2011 and 2010 year-end, the cost of the interests held in companies Centre de Tractament de Residus d'Andorra, S.A. and Novalis Medio Ambiente, S.A. was fully impaired as a result of the doubts as to their recovery and because the Joint Administrators considered there are no additional guarantees granted in favour of those subsidiaries that could entail a loss for the Company.
- During 2011, subsidiary Planta de RCD's Albacete, S.L. was sold. Accordingly, the company has not recorded any material profit or loss in the accompanying income statement.

- The Company uses the "Long-term provisions" heading of the accompanying balance sheet at 31 December 2011 to record a total of EUR 515 thousand, approximately, to cover potential losses that may arise as a result of the negative equity of Companyia Especial de Recuperacions i Reacondicionaments, S.L.

Impairment of equity instruments

Additionally, the Company maintains a provision for impairment with regard to Contenedores Reus, S.A., Companyia Especial de Recuperacions i Reacondicionaments, S.L., Tratamientos, Residuos y Energías Valencianas, S.A. and Cespa Nadafa, S.A.R.L., calculated using the underlying carrying value of those subsidiaries, considering this to be the best evidence of the recoverable amount of the investments, except as described above. Lastly, the Company has not recorded any provision for impairment on the interest held in Albaida Residuos, S.L., acquired during 2009, as the Joint Administrators consider there are no doubts as to the recovery of the investment based on the cash flows of the following years according to the Group's current business plans.

The rest of the fair values of the investments held have been calculated based on the underlying carrying value of the interest held, which have not entailed posting any impairment whatsoever, either because of irrelevance or because of sufficient indications that there is no impairment.

11. Equity and shareholders' equity

Share capital

At 2011 and 2010 year-ends, the share capital was represented by 306,972 bearer shares with a par value of 60.10 euros each, fully subscribed and paid in.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. ("Cespa") is the Sole Shareholder of the Company. Ferrovial Servicios, S.A., 99.99% of which is owned by Ferrovial, S.A., is the shareholder of Cespa, with a 99.99% interest (Note 1).

During 2011, the Company distributed dividends with a charge to the income statement of 2010 in the amount of EUR 19,277 thousand.

Legal reserve

Under the Capital Companies Law, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2011, the reserve had reached the required minimum amount.

Revaluation reserve Royal Decree-Law 7/1996, of 7 June

As set forth in the current regulations, the amount in this reserve may be allocated, without accruing taxes, to offset the accounting losses, including the losses accumulated in prior years as well as those of the current year, or those that may result in the future, and to increase the share capital. From 1 January 2007, the balance of this account can be taken to unrestricted reserves, provided that the monetary surplus has been realised. The surplus will be deemed to have been realised in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or derecognised. If the balance of this account were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be subject to tax.

Reserve for goodwill

Under the Spanish Limited Liability Companies Law, when distributing the profit for each year an appropriation of at least 5% of the goodwill recognised on the asset side of the balance sheet must be made to a restricted reserve for that goodwill. If a company does not report a profit, or reports an insufficient profit, unrestricted reserves must be used for this purpose (Notes 1, 4.a and 5).

12. Provisions and contingencies

Provisions

Set out below is an analysis of the provisions in the balance sheet at 2011 and 2010 year-ends, together with the main movements recorded during those years:

2011

Long-term provisions	01-01-11	Period provisions	Adjustment increases	Reversal	31-12-11
	Thousands of euros				
Provision for closure and post-closure (Note 4.h)	**47,532**	**3,166**	**1,484**	**(24)**	**52,158**
Provision related to subsidiaries (Note 10) and provision for liabilities	4,040	**1,225**	—	—	5,265
Non-current total	**51,572**	**4,391**	**1,484**	**(24)**	**57,423**

Short-term provisions	01-01-11	Period provisions	Reversal	31-12-11
	Thousands of euros			
Provision for environmental issues	**1,250**	**—**	**(750)**	**500**
Other	91	111	—	202
Non-current total	**1,341**	**111**	**(750)**	**702**

2010

Long-term provisions	31-12-09	Period provisions	Adjustment increases	Reversal	31-12-10
	Thousands of euros				
Provision for closure and post-closure (Note 4.h)	**42,791**	**3,780**	**1,268**	**(307)**	**47,532**
Provision related to subsidiaries (Note 10) and provision for liabilities	4,051	**13**	**—**	**(24)**	4,040
Non-current total	**46,842**	**3,793**	**1,268**	**(331)**	**51,572**

Short-term provisions	31-12-09	Period provisions	Reversals	31-12-10
	Thousands of euros			
Provision for environmental issues	**1,750**	**—**	**(500)**	**1,250**
Other	54	37	—	91
Non-current total	**1,804**	**37**	**(500)**	**1,341**

Provisions for closure and post-closure

At 31 December 2011, the Company's Management has re-estimated the closure and post-closure costs of the landfills owned and operated by the Company, in accordance with the best estimates made by

Cespa Group's technical department (Note 10). As a result, the Company recorded the amount of the provision as well as the related financial effect in the "Other operating expenses – Losses on, impairment of and change in allowances for trade receivables" and "Financial expenses – on debts to third parties" headings of the income statement for 2011.

It is estimated that there are no material differences if those allowances were calculated based on the degree of the effective percentage of fullness at year-end.

Provision for liabilities

The Company has a provision that was recorded in prior years in the amount of EUR 778 thousand to cover the maximum risk of a tax assessment signed on a contested basis in relation to prior year taxes.

A provision is also included in the amount of EUR 2,600 thousand in relation to a penalty imposed by the National Anti-trust Commission during 2009, and this amount was secured by the Company at 2011 year-end (Note 18.c).

Provision for environmental issues

The Company has recorded a provision of EUR 500 thousand that was set in prior years to cover the expenses that the Company's Joint Administrators consider they will have to assume until the completion of the environmental follow-up and surveillance commitments of a landfill. During 2011 EUR 500 thousand were paid in fulfilment of the obligations resulting from those commitments and EUR 250 thousand were reversed based on a re-estimate of the costs that will have to be borne.

Additionally, at 31 December 2011, the Company recorded provisions in the amounts of EUR 1.3 million and EUR 1.7 million, respectively, under the "Trade and other payables – Suppliers" heading of the accompanying balance sheet to cover the best estimate made of the liability that will have to be borne in relation to possible claims from third parties and the commitments already acquired but not yet paid, respectively, for the operation of a landfill until 31 December 2011.

Contingencies

At 2011 year-end, the Company was not aware of any contingencies or lawsuits that are pending that may materially affect the accompanying financial statements.

13. Non-Current and Current Payables

a) Non-current financial liabilities

The balance of the accounts under the heading "Non-current liabilities" at 2011 and 2010 year-ends is as follows:

	Thousands of euros					
Classes	Bank borrowings and financial lease payables (Note 8)		Other		Total	
Professional category	2011	2010	2011	2010	2011	2010
Accounts payable	1,545	1,015	(128)	71	1,417	1,086
Total	**1,545**	**1,015**	**(128)**	**71**	**1,417**	**1,086**

b) Current financial liabilities

The breakdown of the balance of "Current Payables" at 2011 and 2010 year-ends is as follows:

	Thousands of euros					
Classes	Bank borrowings and financial lease payables (Note 8)		Other		Total	
Professional category	2011	2010	2011	2010	2011	2010
Accounts payable	422	212	966	1,077	1,388	1,289
Total	**422**	**212**	**966**	**1,077**	**1,388**	**1,289**

At 2011 year-end, the instalments of financial lease agreements maturing within a term of less than 12 months were included in the "Bank borrowings and financial lease payables" heading (Note 8).

Additionally, the amount recorded under "Other liabilities" is basically related to the Company's nontrade payables to third parties that had not been settled at the end of 2011.

c) Disclosures on deferrals made to suppliers. Third Additional Provision. "Duty to Report" under Law 15/2010 of 5 July

The table below contains information relating to deferrals of payments to suppliers pursuant to the resolution passed by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010, which regulates the information disclosure obligation set forth in the third additional provision of Law 15/2010 of 5 July on the measures to counteract delinquency in business transactions.

	Amount (Thousands of Euros)	%
Within the maximum legal term	56,802	95%
Other	3,643	5%
Total	60,445	100%
PMPE (days)	55	
Past due payable	410	

The information shown in the above table only includes the payments and payables to business suppliers that do not belong to the Group which the Company belongs to and, therefore, does not include the payments or payables to other Group companies and which in any case comply with Law 15/2010 of 5 July.

The "Exceeded average weighted term of payments" is the amount resulting from the sum of each of the payments made to suppliers during the reporting year with a deferral term beyond the maximum term established by law multiplied by the number of days of deferral over the relevant term divided by the total amount of payments made during said period with a deferral term exceeding the maximum term established by law.

Those payments exceeding the maximum legal term are included under "Other".

The item "Deferral" includes the outstanding amount due to suppliers with a cumulative deferral term at year end exceeding the term established by law.

14. Tax matters

a) Current balances with public authorities

The breakdown of the current balances with Public Authorities is as follows:

Debit balances

	Thousands of euros	
	2011	2010
Income tax receivable	18	16
VAT refundable	545	460
Receivables from Public Authorities	4	176
Total	**567**	**652**

Credit balances

	Thousands of euros	
	2011	2010
Corporate Tax payable (*)	5,993	7,503
VAT payable	351	752
Personal Income tax withholdings payable	522	520
Accrued social security taxes payable	832	824
Other tax payables	1,763	1,770
Total	**9,461**	**11,369**

(*) *Amount to be materialised in favour of Ferrovial, S.A. (Note 14.b).*

At 31 December 2011, the Company carried amounts payable to Tax Authorities in the amount of EUR 1,763 thousand, approximately, related to the amount yet to be paid to different Autonomous Authorities under autonomous legislation, pursuant to which the waste managers are required to assess certain amounts calculated based on tonnage and type of waste dumped.

b) Reconciliation of the accounting profit/loss to the taxable profit/tax loss

Since 2004, the Company has been filing consolidated tax returns as part of the Consolidated Tax Group, the parent company of which is Ferrovial, S.A., No. 0217/02. Based on the distribution methods agreed between the Company and the tax group it forms a part of, the differences between the taxes that the Company would have paid in the event of an individual tax filing and the amounts that are paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the assessment method established by the parent company for them.

Reconciliation between accounting income and taxable amount for Corporate Tax purposes is as follows:

Fiscal Year 2011

	Thousands of euros					
	Profit and loss account			Income and expenses recognised directly in equity		
Income and expenses balance for the year			12,930			(86)
	Increase	Decrease	Total	Increase	Decrease	Total
Corporate Tax	5,951	—	5,951	—	—	—
Permanent differences	1,234	(306)	928	86	—	86
Temporary differences	2,530	(2,362)	168	—	—	—
Taxable base			**19,977**			**—**

Fiscal Year 2010

	Thousands of euros					
	Profit and loss account			Income and expenses recognised directly in equity		
Income and expenses balance for the year			19,648			95
	Increase	Decrease	Total	Increase	Decrease	Total
Corporate Tax	10,355	—	10,355	—	—	—
Permanent differences	120	(303)	(183)	—	(95)	(95)
Temporary differences	4,427	(9,237)	(4,810)	—	—	—
Taxable base			**25,010**			**—**

The timing differences are due mainly to the adjustment of the accounting record of certain impairment on property, plant and equipment used in the Company's landfill business activity (Note 6). The impairment of trade and other receivables from public-sector agencies, possible claims from third parties and commitments already acquired but not yet paid (Note 12) are also adjusted as timing differences; this is also the case of the impairment recorded of equity instruments in subsidiaries that is not tax deductible and that is tax deductible, without accounting records, given their fair value measurement and deferral in the gains or losses contributed by certain joint ventures.

c) Reconciliation of accounting income to income tax expense

Reconciliation between accounting income and the expense for Corporate Tax is as follows:

	Thousands of euros	
	2011	2010
Accounting loss before tax	18,881	30,003
Payment at 30%	5,664	9,001
Permanent differences impact	279	(55)
Income tax adjustments of the prior year	8	1,409
Total income tax expense recognised in profit or loss	**5,951**	**10,355**

d) Breakdown of corporate tax expense

The breakdown of the income tax expense is as follows:

	Thousands of euros 2011	2010
Current tax:		
For continued transactions	5,993	7,503
Deferred tax		
For continued transactions	(50)	1,443
Income tax adjustments of the prior year	8	1,409
Total expense for Corporate Tax	**5,951**	**10,355**

e) Deferred tax assets

Broken down below is an analysis of this caption at year-end:

	Thousands of euros 2011	2010
Timing differences (Advance tax):		
Impairment of property, plant and equipment (Note 6)	4,394	4,126
Trade payables provision	795	1,205
Provisions related to subsidiaries	1,402	890
Provision related to environmental issues (Note 12)	150	375
Impairment of trade receivables and other receivables	454	321
Provisions for closure and post-closure	216	216
Other	145	167
Total deferred tax assets	**7,556**	**7,300**

The deferred tax assets indicated above were recognised because the Company's Joint Directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

f) Recorded deferred tax liabilities

Broken down below is an analysis of this caption at year-end:

	Thousands of euros 2011	2010
Timing differences (deferred taxes):		
Deferral of profit or loss from joint ventures	17	318
Provisions related to subsidiaries	335	712
Total deferred tax liabilities	**352**	**1,030**

g) Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2011 year-end, the Company had the last four years open for review for income tax and other taxes applicable to it. The Company considers that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

15. Income and expenses

a) Revenue

All revenues for 2011 and 2010 correspond to Spain.

Net revenues for periods 2011 and 2010, broken down by line of business, are as follows:

Line of Business	Thousands of euros 2011	2010
Clean-up	6,577	6,277
Works carried out on treatment plants	97	511
Waste plants	12,022	12,223
Waste collection	51,149	49,753
Triage and recycling	15,457	14,528
Waste landfills	49,066	59,118
Other	10,134	11,122
Total	**144,502**	**153,532**

b) Breakdown of purchases by origin

Purchases during 2011 and 2010 were made in Spain, and intra-community purchases and imports were not material.

c) Staff costs

The detail of the staff costs accrued during 2011 and 2010 is as follows:

	Thousands of euros 2011	2010
Wages and salaries and similar expenses	26,789	26,270
Termination benefits (Note 4.i)	539	612
Employer social security costs	8,511	8,309
Other social security costs	537	644
Restricted cash and other non-current financial assets	**36,376**	**35,835**

16. Related party balances and transactions

a) Transactions with related companies

The breakdown of the transactions carried out with related parties during 2011 and 2010 is as follows:

Fiscal Year 2011

	Thousands of euros				
	Expenses			Income	
	Procurements	Other operating expenses	Interest to Group companies	Services rendered	Finance income
Ferrovial Group –					
Ferrovial Servicios, S.A.	—	—	28	99	—
Ferrovial Agromán, S.A.	—	73	—	144	—
Cadagua, S.A.	—	—	—	147	—
Cespa Group –					
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	42	8,179	—	6,881	962
Ingeniería Urbana, S.A.	—	128	—	78	—
Cespa Gestión y Tratamiento de Residuos, S.A.	6	3,228	—	5,662	—
Reciclados y Compostajes Piedra Negra, S.A.	—	50	—	438	—
Cespa Jardinería, S.L.U.	—	153	—	39	—
Contenedores Reus, S.A.	—	—	—	49	—
Cespa Conten, S.A.U.	403	1,406	—	1,101	—
Ecocat, S.L.	—	1,727	—	1,374	—
Ecoparc del Mediterrani, S.A.	—	—	—	375	—
Ecoparc de Can Mata, S.L.U.	1	87	—	3,065	—
Gestión Medioambiental de Toledo, S.A.	220	—	—	—	—
Other	—	694	1	372	110
Total	**672**	**15,725**	**29**	**19,824**	**1,072**

Fiscal Year 2010

	Thousands of euros				
	Expenses			Income	
	Procurements	Other operating expenses	Interest to Group companies	Services rendered	Finance income
Ferrovial Group –					
Ferrovial Servicios, S.A.	—	11	—	120	—
Ferrovial Agromán, S.A.	—	98	—	281	—
Ferrovial, S.A.	—	127	27	—	—
Cespa Group –					
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	66	6,907	—	7,207	381
Ingeniería Urbana, S.A.	—	196	—	152	—
Cespa Gestión y Tratamiento de Residuos, S.A.	8	3,065	—	5,859	—
Reciclados y Compostajes Piedra Negra, S.A.	—	100	—	562	—
Cespa Jardinería, S.L.U.	5	—	—	—	—
Contenedores Reus, S.A.	—	—	—	33	23
Albaida Residuos, S.L.U.	—	—	—	17	—
Tratamiento de Residuos Medioambientales, S.L.	—	—	—	94	—
Cespa Conten, S.A.U.	311	1,021	—	1,052	—
Ecocat, S.L.	—	2,249	—	1,612	—
Ecoparc del Mediterrani, S.A.	—	—	—	443	—
Ecoparc de Can Mata, S.L.U.	—	—	—	90	—
Gestión Medioambiental de Toledo, S.A.	74	—	—	—	—
Other	—	717	1	653	35
Total	**464**	**14,491**	**28**	**18,175**	**439**

b) Balances with related parties

The breakdown of the balances with related parties is as follows:

Fiscal Year 2011

	Thousands of euros	
	Accounts receivable	Accounts payable
	Loans, credits and trade receivables	Loans, credits and trade receivables
Long-term loans		
Cespa Group:		
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	30,653	109
Contenedores Reus, S.A.	721	—
Novalis Medio Ambiente, S.A.	1,375	—
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	2,099	—
Other	193	461
Total non-current loans (Note 10)	**35,041**	**570**
Current trade payables and loans:		
Ferrovial Group:		
Ferrovial Agromán, S.A.	105	1,312
Cadagua, S.A.	79	—
Cespa Group:		
Tratamiento de Residuos Medioambientales, S.L.	91	—
Ecocat, S.L.	563	529
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	196	163
Cespa, Gestión y Tratamiento de Residuos, S.A.	1,434	135
Cespa Conten, S.A.U.	196	420
Contenedores de Reus, S.A.	23	—
Ingeniería Urbana, S.A.	32	—
Reciclados y Compostajes Piedra Negra, S.A.	110	—
Ecoparc del Mediterrani, S.A.	47	—
Ecoparc de Can Mata, S.L.U.	1,250	62
Gestión Medioambiental de Toledo, S.A.	—	101
Other	665	299
Total current liabilities	**4,791**	**3,021**

Fiscal Year 2010

	Thousands of euros	
	Accounts receivable	Accounts payable
	Loans, credits and trade receivables	Loans, credits and trade receivables
Long-term loans		
Cespa Group:		
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	35,786	—
Contenedores Reus, S.A.	722	—
Novalis Medio Ambiente, S.A.	1,115	—
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	2,057	—
Other	—	**16**
Total non-current loans (Note 10)	**39,680**	**16**
Current trade payables and loans:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	28	**4**
Ferrovial, S.A.	—	**138**
Ferrovial Agromán, S.A.	170	**150**
Cespa Group:		
Albaida Residuos, S.L.	5	**—**
Tratamiento de Residuos Medioambientales, S.L.	168	**—**
Ecocat, S.L.	402	**557**
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	164	**226**
Cespa, Gestión y Tratamiento de Residuos, S.A.	813	**13**
Cespa Conten, S.A.U.	59	**255**
Cespa Jardinería, S.L.U.	—	**8**
Contenedores de Reus, S.A.	13	**—**
Ingeniería Ambiental Granadina, S.A.	21	**—**
Ingeniería Urbana, S.A.	38	**21**
Reciclados y Compostajes Piedra Negra, S.A.	220	**41**
Ecoparc del Mediterrani S.A.	191	**—**
Ecoparc de Can Mata, S.L.U.	9	**—**
Gestión Medioambiental de Toledo, S.A.	—	**27**
Other	177	**188**
Total current liabilities	**2,478**	**1,628**

Non-current receivables from and payables to Group companies-

The different subsidiaries making up the Cespa Group have a centralised cash system, meaning that all of them maintain mutual current accounts with each other, so that Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (Note 11) can manage the surpluses and channel the cash needs with regard to its group of companies. Although the payment dates of the positions held in the abovementioned system of current accounts are not established, the idea is that the Group companies maintain the financing, as the case may be, with a structural nature, so that the balances of those current accounts have been classified as non-current.

Said current accounts accrue a market interest rate.

Except for the above, during 2008, the Company signed a financing agreement with Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (Note 11), granting a EUR 40 million credit line in favour of the Company. This agreement's maturity date was set as 1 June 2010, with the possibility of annual extensions. It accrues a market interest rate. The Company recorded it as non-current as it has received express confirmation from Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. that payment will not be demanded within less than twelve months from the date of these financial statements, with the abovementioned credit line remaining effective.

Additionally, this heading includes a participating loan granted to subsidiary Contenedores Reus, S.A. (Note10) with a view to restoring its financial balance in the amount of EUR 698 thousand, plus accrued interest totalling EUR 23 thousand. The maturity of the abovementioned loans is 31 December 2014, with the possibility of extensions for yearly periods with the express consent of both parties. This loan accrues interest based on a floating rate tied to the Euribor, as well as based on the subsidiary's revenues.

Lastly, the Company signed a credit line during 2010 in favour of the subsidiary Novalis Medio Ambiente, S.A. (Note 10) in the amount of EUR 10 million, of which it assumed the 50% portion related to its percentage of interest, maturing on 31 January 2012, with the possibility of annual extensions with the express consent of both parties. At year-end, EUR 1,266 thousand had been drawn down on this credit line, which relate to the portion assumed by the Company, on which interest had accrued in favour of the Company for a total of EUR 109 thousand.

The Company's Joint Administrators consider that the loans and credit lines granted are recoverable based on the business plans of both subsidiaries, which is why they recorded no impairment whatsoever in this regard.

Current receivables from and payables to Group companies-

The Company records trade payables to or receivables from Cespa Group companies as current. Also recorded as current is certain interest accrued and not paid of the current account positions held with those companies.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (Note 11) has service contracts with certain subsidiaries; each of these subsidiaries is charged for the central services provided to them.

The EUR 5,993 thousand income tax payable is included under "Current tax liabilities" in the accompanying balance sheet for 2011.

c) Remuneration of the joint administrators and senior executives

During the reporting periods 2011 and 2010, the Company's Joint Administrators have not accrued any remuneration and no loan or advance was granted to them by the Company No loans or sureties or any other commitment regarding pensions or life insurance was granted to the Joint Administrators.

During 2011, the Joint Administrators were two men.

At the end of 2011 neither the members of the Company's Joint Directors nor persons related to them as defined in the Spanish Limited Liability Companies Law held any ownership interests in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the

Company's purpose. The breakdown of positions held or duties performed in other companies with the same, similar or supplementary type of activity as that set forth in the company purpose of the Company is shown below:

Fiscal Year 2011

Director	Company	Business activity	Position and/or duty in the Company
Santiago Olivares Blázquez	Ferrovial Servicios, S.A.	Urban services rendered	Chief Executive Officer
Santiago Olivares Blázquez	Ingeniería Ambiental Granadina, S.A.	Urban clean-up and collection and waste treatment	Chairman of the Board
Santiago Olivares Blázquez	Ecoparc de Can Mata, S.L.U.	Comprehensive treatment of municipal waste.	Joint Administrator
Santiago Olivares Blázquez	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment	Joint Administrator
Santiago Olivares Blázquez	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Santiago Olivares Blázquez	Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	Waste collection and treatment	Chairman of the Board
Santiago Olivares Blázquez	Cespa Conten, S.A.U.	Waste collection and treatment	Joint Administrator
Santiago Olivares Blázquez	Cespa Jardinería, S.L.U.	Urban clean-up and collection and waste treatment	Joint Administrator
Javier Llansó Benito	Ecocat, S.L.	Waste collection and treatment	Director
Javier Llansó Benito	Reciclados y Compostaje Piedra Negra, S.A.	Waste collection and treatment	Vice Chairman of the Board
Javier Llansó Benito	Ingeniería Ambiental Granadina, S.A.	Urban clean-up and collection and waste treatment	Director
Javier Llansó Benito	Ecoparc de Can Mata, S.L.U.	Comprehensive treatment of municipal waste.	Joint Administrator
Javier Llansó Benito	Cespa Conten, S.A.U.	Waste collection and treatment	Joint Administrator
Javier Llansó Benito	Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	Waste collection and treatment	Director
Javier Llansó Benito	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment	Joint Administrator
Javier Llansó Benito	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Javier Llansó Benito	Cespa Jardinería, S.L.U.	Urban clean-up and collection and waste treatment	Joint Administrator
Javier Llansó Benito	AmeyCespa Limited	Waste collection and treatment	Director
Javier Llansó Benito	Cespa UK Limited	Waste collection and treatment	Director
Javier Llansó Benito	Cespa Ventures Limited	Waste collection and treatment	Director

(*) Position held during 2011 but not at the date of preparation of these financial statements.

The Company integrates into the Cespa Group (Note 11), which has management bodies common to most of the companies integrated into said group. The Company and Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. share the same senior executives, the latter paying their entire remuneration. At 2011 year-end, the management body was made up of nine men and one woman.

17. Information on the environment

At the end of 2011 and 2010, the Company had items in its property, plant and equipment the purpose of which is to minimise the environmental impact and to protect and enhance the environment. The list of those items in thousands of euros is as follows:

Fiscal Year 2011	Thousands of euros		
	01/01/2011	Additions / (Provisions)	31/12/2011
Clean-up			
Cost	4,323	(383)	3,940
Amortisation	(2,864)	(141)	(3,005)
	1,459	(524)	935
Transfer plants			
Cost	2,838	—	2,838
Amortisation	(2,047)	(152)	(2,199)
	791	(152)	639
Hospital waste treatment plants			
Cost	9,370	(317)	9,053
Amortisation	(5,530)	138	(5,392)
	3,840	(179)	3,661
Treatment and composting plants			
Cost	427	1	428
Amortisation	(126)	(52)	(178)
	301	(51)	250
Triage and recycling plants			
Cost	19,917	1,836	21,753
Amortisation	(5,942)	(2,166)	(8,108)
	13,975	(330)	13,645
Industrial collection			
Cost	15,469	(346)	15,123
Amortisation	(11,622)	110	(11,512)
	3,847	(236)	3,611
Selective collection			
Cost	456	3	459
Amortisation	(225)	(37)	(262)
	231	(34)	197
Landfills			
Cost	79,774	1,231	81,005
Amortisation	(45,854)	(4,529)	(50,383)
	33,920	(3,298)	30,622
Urban collection			
Cost	3,328	266	3,594
Amortisation	(2,004)	(243)	(2,247)
	1,324	23	1,347
Interting			
Cost	94	—	94
Amortisation	—	—	—
	94	—	94
Total			
Cost	135,996	2,291	138,287
Amortisation	(76,214)	(7,072)	(83,286)
Total	**59,782**	**(4,781)**	**55,001**

Fiscal Year 2010	Thousands of euros		
	31-12-09	Additions / (Provisions)	31-12-10
Clean-up			
Cost	4,124	199	4,323
Amortisation	(2,587)	(277)	(2,864)
	1,537	(78)	1,459
Transfer plants			
Cost	2,845	(7)	2,838
Amortisation	(1,897)	(150)	(2,047)
	948	(157)	791
Hospital waste treatment plants			
Cost	9,430	(60)	9,370
Amortisation	(5,333)	(197)	(5,530)
	4,097	(257)	3,840
Treatment and composting plants			
Cost	568	(141)	427
Amortisation	(83)	(43)	(126)
	485	(184)	301
Triage and recycling plants			
Cost	18,834	1,083	19,917
Amortisation	(4,571)	(1,371)	(5,942)
	14,263	(288)	13,975
Industrial collection			
Cost	15,243	226	15,469
Amortisation	(10,903)	(719)	(11,622)
	4,340	(493)	3,847
Selective collection			
Cost	463	(7)	456
Amortisation	(192)	(33)	(225)
	271	(40)	231
Landfills			
Cost	71,133	8,641	79,774
Amortisation	(38,181)	(7,673)	(45,854)
	32,952	968	33,920
Urban collection			
Cost	2,886	442	3,328
Amortisation	(1,569)	(435)	(2,004)
	1,317	7	1,324
Interting			
Cost	94	—	94
Amortisation	—	—	—
	94	—	94
Total			
Cost	125,620	10,376	135,996
Amortisation	(65,316)	(10,898)	(76,214)
Total	**60,304**	**(522)**	**59,782**

Furthermore, during 2011 and 2010, the Company incurred different expenses for the purpose of protecting and enhancing that environment.

Except for the provision for environmental issues described in Note 12 at 31 December 2011 and 2010, the Company has not recorded any provision whatsoever for possible environmental risks given that it considers that there are no significant contingencies related to possible lawsuits, compensation or other items. On the other hand, the Company records an internal fund to bear the costs resulting from the closure and post-closure of landfills owned by the Company and those operated by the Company, for which it considers those obligations exist.

Additionally, the above breakdown does not include the impairment in value of that land and facilities allocated to landfills, respectively, which has been calculated based on their estimated degree of fullness at 31 December 2011 and 2010.

Lastly, the Company has insurance policies as well as security plans that enable it to reasonably ensure that any possible contingency that may arise from its environmental involvement is covered.

18. Other information

a) Staff

The average number of employees during 2011, before including the staff contributed by the different joint ventures in which the Company is involved, is as follows:

Professional category	2011
University graduates	45
Administrative staff	61
Technicians and workers	641
	747

The number of employees at the end of 2011, before including the staff contributed by the different joint ventures in which the Company is involved, distributed by category and gender, is as follows:

	2011	
Professional category	Men	Women
University graduates	23	21
Administrative staff	17	44
Technicians and workers	587	42
	627	**107**

b) Fees paid to auditors

During 2011 and 2010, the fees regarding audit services provided by the Company's auditor, Deloitte, S.L., amounted to EUR 37 thousand in both years, and other types of audit services were provided for a total of EUR 3 thousand in 2010; no other type of tax advisory service or other service was provided by the auditor or companies related to it in either year.

c) Off-balance sheet arrangements

At 31 December 2011 the Company was backed by financial institutions before different public-sector agencies in an amount of EUR 60 million (EUR 57.4 million at 31 December 2010) for different items related to its activity, without the expectation that this may result in material contingencies.

d) Subsequent events

There were no subsequent events except for those listed in the annual report.

19. Joint Ventures

The relationship of joint ventures and the percentage of the Group's interest in them at 31 December 2011 are listed in Annex II.

The balance sheet at 31 December 2011 and the related income statement for the year then ended, as well as the broken-down movements in these financial statements, include the effect of the proportional integration of these joint ventures according to the Company's percentages of interest in them.

The contribution of joint ventures to the different headings of the balance sheet and income statement at 31 December 2011 was as follows:

ASSETS	Thousands of euros	LIABILITIES	Thousands of euros
Intangible assets	7,453	Operating capital	314
Property, plant and equipment	6,289	Profit for the year	1,032
Non-current financial assets	1,964		
Accounts receivable	19,732	Long-term provisions	85
Current financial assets	303	Non-current payables	1,349
Cash and cash equivalents	1,292	Current liabilities	34,253
Total	**37,033**	**Total**	**37,033**

INCOME STATEMENT	Thousands of euros
Revenue	16,058
Procurements	(3,161)
Other operating income	95
Staff costs	(5,529)
Other operating expenses	(3,397)
Depreciation and amortisation charge	(3,003)
Financial loss	(31)
Profit for the year	**1,032**

Cespa Gestión de Residuos, S.A.
(Single-Member Company)

Directors' Report
for the fiscal year ended
31 December 2011

The income statement of 2011 shows a decrease in the year's profits of close to 34% compared to the prior year, which is influenced mainly by the drop in operating profits of about 32%, which in turn, is the result of a fall in revenues close to 6% against 2010, while operating expenses remained the stable.

Financial results have decreased significantly as a result of the impairment in financial instruments recorded during 2011.

As a non-financial indicator, the employee absence percentage during 2011 was 3.3%, approximately, and the number of input tonnes during 2011 entailed a negative change of about 13.5% against the prior year.

Additionally, the Company did not engage in research and development and technological innovation projects in 2011.

As of the date of this report no relevant events have taken place after year-end.

The Company does not use derivative financial products.

Lastly, it should be reported that during 2011 no operations were carried out which involved the acquisition of treasury shares.

LIST OF SUBSIDIARIES – FISCAL YEAR 2011

Company	Registered offices (of the parent company in the subgroup, if applicable	Activity	% of ownership Direct	Indirect	Carrying amount in Company accounting records (*)	Thousands of euros Capital	Reserves	2011 Profit /Loss	Grants	Equity as at 31.12.2011	Profit/Loss from operations (**)	Dividends received by the Company
Contenedores Reus, S.A.	Reus	Collection and treatment of work materials	75.50%	—	(228)	180	(765)	35	—	(550)	214	—
Companyia Especial de Recuperacions i Reacondicionaments, S.L. (a)	Barcelona	Construction and operation of public service of generation and distribution of hot water	42.11%	—	(581)	1,803	(3,124)	(56)	—	(1,377)	(8)	—
Cespa Gestión y Tratmiento de Residuos., S.A. (b)	Barcelona	Waste collection, treatment and disposal	99.99%	—	20,603	835	70,998	(395)	—	71,438	(2,315)	—
Tratamiento de Residuos y Energías Valencianas, S.A.	Valencia	Waste collection, dumping and treatment	55.00%	—	854	4,808	(2,056)	3	—	2,755	(5)	—
Ecoparc del Mediterrani, S.A.	Barcelona	Construction and operation of a selection centre, and energy recovery	48.00%	—	2,518	4,800	(392)	5,642	—	10,050	5,641	—
Centre de Tractament de Residus d'Andorra	Andorra	Construction and operation of waste treatment centre	29.00%	—	—	6,579	(749)	—	47,319	53,149	—	—
Reciclajes y compostajes Piedra Negra, S.A.	Xixona	Construction and operation of waste treatment centre	48.99%	—	1,654	3,607	2,710	589	1,335	8,241	(280)	—
Ecoenergía Can Mata, A.I.E.	Barcelona	Energy exploitation of biogas	70.00%	—	141	180	110	169	—		151	—
Ferrovial Medio Ambiente, S.A.	Valencia	Public work concession of the urban waste management project of area XVII of the Community of Valencia	50.00%	—	—	60	(247)	(107)	—	(294)	(11)	—
Albaida Residuos, S.L.U.	Almeria	Waste collection, treatment, and disposal, co-generation and renewable energy.	100.00%	—	2,330	14,627	(12,064)	(1,039)	355	1,879	(862)	—
Other					(7)							
					27,284							

(*) It does not include the provisions recognised under "Provisions for risks and expenses" (Note 12) and it includes the disbursements yet to be made at 2011 year end. Note: The information regarding the abovementioned companies was obtained from the individual financial statements of the different companies, which, in some cases, are provisional since they have not been prepared yet. In any case, they do not include the standardisations necessary for adapting their accounting policies to those of the Company, or for correcting possible situations described in the relevant audit reports. Thus, they do not include the effect which would result from applying consolidation methods for the majority ownership interest, or the equity method for those companies over which a significant influence is exerted (its existence is obvious in the case of an ownership interest of over 20% in non-listed companies).

(**) It entirely derives from continued operations.

(a) It does not include the amount of approximately 39% corresponding to the trust loan to a company not belonging to Cespa Group, related to the ownership interest held in this company.

(b) At 31 December 2011, the abovementioned ownership interest includes an implied net *gain, calculated based on its historical cost, of EUR 4,197 thousand (Note 10).*

LIST OF JOINT VENTURES IN WHICH CESPA, GESTIÓN DE RESIDUOS, S.A. HOLDS OWNERSHIP INTEREST AS AT 31 DECEMBER 2011

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Inusa – Cespa GR (Consermancha)	20%	Crta. Quero Km. 4, 5, 13.600 Alcázar de San Juan, Ciudad Real	Street cleaning, rubbish collection, and landfill management.	02.03.1998
Cespa GR – ACSA UTE Terrassa	50%	Gran Vía de les Corts Catalanes 657, bajos, Barcelona	Performance of the construction works of a composting plant in Vallés Occidental, and its subsequent operation.	04.06.1999
CESPA GR-Sacyr, S.A. Badajoz	50%	Padilla, 17 Madrid	Construction of the Urban Waste Treatment Centres in Badajoz and Navamoral de la Mata	12.12.2002
Cespa GR – Ecoparc 3	50%	Avda. Baix Llobregat 10., Esplugues DE Llobregat	Full and correct performance of the works and material supply contract, for the construction of Ecopark No. 3, in Barcelona metropolitan area.	04.10.2002
Cespa, S.A. – Cespa GR – Villanueva Cañada	50%	C/ Albarracín 44, Madrid	Maintenance service of green areas and trees for a four-year term.	10.02.2003
Cespa GR – Bio Terrassa	80%	Gran Via de les Corts Catalnes, 657, Barcelona	Construction of a biomethanisation plant awarded by the *Consell Comarcal* of Vallès Occidental.	21.01.2003
Cespa GR – ACSA – GTM – Planta Francolí	40%	Gran Via de les Corts Catalnes, 657, Barcelona	Construction and management of a deposit controlled with a leachate treatment system, in Espluga de Francolí.	17.07.2002
Cespa GR – Ferrovial Servicios	80%	Calle Príncipe Vergara 135, Madrid	Execution of the works of the “Clean Spot” collection centre of valuable and special waste, in San Agustín de Guadalix (Madrid).	10.02.2003
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa Gestión de Residuos, S.A., UTE, Law 18/82, UTE Contenedores Huelva	20%	Gran Vía de les Corts Catalanes, 657, Barcelona	Rendering of the service of maintenance, upkeep, washing and replacement of containers and wastepaper bin, in Huelva city.	06.04.2005
Cespa Gestión de Residuos, S.A. – SACYR, S.A.U, UTE, Law 18/82	50%	Gran Vía de les Corts Catalanes, 657, Barcelona	Performance of the works for the operation of the management area No. 7, in Talaburrias (Badajoz).	26.05.2005

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa, Gestión de Residuos, S.A, Law 18/82	80%	Gran Vía de les Corts Catalanes, 657, Barcelona	Transport and waste treatment service in the province of Huelva, and sludge transport and loading and unloading operations, and Purifier Stations of Sewage from the northern area.	08.11.2005
Cespa Gestión de Residuos, S.A. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. , Law 18/82 (UTE Ecoparc IV)	20%	Avda. de la Catedral, 6-8, Barcelona	Waste management and comprehensive treatment service.	01.02.2006
Cespa Gestión de Residuos, S.A. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. , Law 18/82 (UTE Bollullos)	20%	Avda. de la Catedral, 6-8, Barcelona	Urban waste management, collection and transport service, in Bollillos, County of Huelva.	18.05.2006
Cespa, Gestión de Residuos, S.A. – Ferrovial Agroman, S.A., Law 18/82, known for short as "UTE Clausura Abocadors Lote 1"	80%	Avda. de la Catedral, 6-8, Barcelona	Closure works of unused municipal landfills and of demolition and other construction waste unused municipal landfills, plot 1: Darnius, Riduara, *Consell, Comoracal d´Osona i Cercs.*	17.08.2007
Cespa, Conten, S.A. – Cespa Gestión de Residuos, S.A., Law 18/82, known for short as "UTE Hospital Universitario de la Paz"	20%	Avda. de la Catedral, 6-8, Barcelona	Comprehensive waste management service of university hospital waste of La Paz.	09.10.2007
Cespa Gestión de Residuos, S.A.U., Alquimia Soluciones Ambientales, S.L. y Aglomerados Daimiel, S.L., Unión Temporal de Empresas, Law 18/82, known for short as "UTE Reciclados Daimiel".	50%	Alcázar de San Juan – Ciudad Real, Carretera de Quero Km 4,5.	The purpose of this Joint Venture is to carry out the lease of the plot of land No. 86, industrial estate 160, of the Rural Land Registry of Daimiel, for the installation of a construction and demolition waste plant, as well as for the management and operation of said plant.	14.09.2007
Cespa Gestión de Residuos, S.A.U., Ecocat S.L., Unión Temporal de Empresas, Law 18/82, known for short as "UTE el Serrallo"	20%	Polígono Industrial Artana, Prolongación Pietat s/n, 12540, Vila-Real (Castellón).	Performance of the contract entered into by the Joint Venture members and company BP Oil Refinería de Castellón, S.A., the purpose of which is to manage the waste arising from or entering into the refinery.	05.12.2007
Cespa Gestión de Residuos, S.A.U., Ecocat S.L., Unión Temporal de Empresas, Law 18/82, known for short as "UTE Servicios Emergencias Residuos"	50%	Avda. de la Catedral, 6-8, Barcelona	Hiring the service of mobilisation of human resources and materials, for the intervention in incidents and emergencies with waste.	17.01.2008

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa Gestión de Residuos, S.A.U., Enrique Ortiz e Hijos Contratista de Obras, S.A., Unión Temporal de Empresas, Law 18/82, known for short as “UTE Plan Zonal XVII”.	50%	Avenida Alfoso X El Sabio, 36, Alicante	The Companies have been awarded the performance of the public work concession contract of the Urban Waste Management Project of area XVII, of the Community of Valencia, by virtue of the Agreement by the Consortium Governing Board, for awarding the provisions of the local waste plan of area XVII, Provincial Council of Alicante, adopted on 3 January 2008.	07.02.2008
Cespa Gestión de Residuos, S.A.U., Energía, Sur de Europa, S.L., Unión Temporal de Empresas, Law 18/82, known for short as “UTE CESPA/ ENUR”.	50%	Alejo Fernández nº15, Casa F-1ºC, Sevilla	Rendering the service related to the management and complete use of the biogas generated in the urban solid waste controlled deposit in Toledo, located in carretera de Ávila, Km. 8,300.	06.03.2008
Cespa Gestión de Residuos, S.A.U., Limpiezas, Ajardinamientos y Servicios Seralia, S.A., Unión Temporal de Empresas, Law 18/82, known for short as “UTE Navatejera”	50%	Avda. de la Catedral, 6-8, Barcelona	Carrying out the lease of the land of Navatejera neighbourhood, for the construction, installation, start- up and operation of a recycling plant of construction and demolition waste.	21.01.2009
Cespa Gestión de Residuos, S.A.U., Jovilma Construcciones, S.L., Unión Temporal de Empresas, Law 18/82, known for short as “UTE Tratamiento Burgos”	55%	Avda. de la Catedral, 6-8, Barcelona	Management of the joint operation of a biomethanisation, recycling, composting and transfer plant of urban solid waste, and a plant for the classification of plastic, metals and brik packaging fraction, resulting from the selective collection from the yellow containers.	05.03.2009
Cespa Gestión de Residuos, S.A.U., Construcciones Disfarol, S.L., Unión Temporal de Empresas, Law 18/82, known for short as “UTE RCD’s Montiel y Calatrava”	65%	Avda. de la Catedral, 6-8, Barcelona	Comprehensive management of inert, debris, and building waste, by the Consortium General Meeting.	26.08.2009
Cespa Gestión de Residuos, S.A.U. – Acertis Obres i Serveis, S.A., Unión Temporal de Empresas, Law 18/82, known for short as “Ute Cal Gitanet”.	50%	Avda. de la Catedral, 6-8, Barcelona	Drafting of the executive technical project, physical implementation of the waterproofing and improvement works related to the leachate control from the closed down landfill of Cal Gitanet, in the municipal district of Gurb, temporarily awarded by Resolution of the *Consorci per a la Gestió de Residus urbans d’Osona.*	01.01.2010

JOINT VENTURE	Percentage of ownership	Registered offices	Activity	Creation date
Cespa Gestión de Residuos, S.A.U. – Acertis Obres i Serveis, S.A., Unión Temporal de Empresas, Law 18/82, known for short as "CTR Osona UTE".	90%	Avda. de la Catedral, 6-8, Barcelona	Exectution of the contract whose purpose is to draft the construction project of the Municipal waste Treatment Centre in Osona and Ripollés, to provide the land for the implementation of the centre, to construct the infrastructure, to obtain the necessary permits for the Centre investment and operation, to start-up under load the whole Centre, and to operate its facilities.	15.07.2010

Cespa Gestión de
Residuos, S.A.
(Sole – Shareholder Company)

Financial Statements for the year ended
31 December 2010 and Directors'
Report, together with Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Sole Shareholder of
Cespa Gestión de Residuos, S.A. (Sole-Shareholder Company):

1. We have audited the financial statements of Cespa Gestión de Residuos, S.A.U., which comprise the balance sheet at 31 December 2010 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The joint directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and polices applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial position of Cespa Gestión de Residuos, S.A.U. at 31 December 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

3. The accompanying directors' report for 2010 contains the explanations which the joint directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Fernando García Beato
30 March 2011

Cespa Gestión de
Residuos, S.A.U.
(Sole – shareholder Company)

Financial Statements for
the year ended
31 December 2010 and
Directors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-shareholder Company)

BALANCE SHEET AT 31 DECEMBER 2010

(Thousands of Euros)

ASSETS	Notes to financial Statement	31.12.10	31.12.09
NON-CURRENT ASSETS:			
Intangible assets	**Note 5**	**5.855**	**5.968**
Property, plant and equipment	**Notes 6 and 7**	**55.900**	**59.885**
Non-current investments in Group companies and associates	**Note 9**	**66.991**	**42.484**
Non-current financial assets	**Note 8.a**	**5.054**	**5.513**
Deferred tax assets	**Note 13.e**	**7.300**	**10.063**
Total non-current assets		**141.100**	**123.913**
CURRENT ASSETS:			
Inventories		**551**	**596**
Trade and other receivables –		**64.538**	**56.028**
Trade receivables for sales and services		60.667	52.172
Receivables from Group companies and associates	**Note 15.b**	2.478	2.664
Sundry accounts receivable		690	17
Staff		51	3
Current tax assets	**Note 13.a**	16	15
Other accounts receivable from public authorities	**Note 13.a**	636	1.157
Current financial assets	**Note 8.b**	**1.108**	**802**
Current accruals and deferred income		**123**	**104**
Cash and cash equivalents		**964**	**1.228**
Total current assets		**67.284**	**58.758**
TOTAL ASSETS		**208.384**	**182.671**

LIABILITIES	Notes to financial Statement	31.12.10	31.12.09
EQUITY:	**Note 10**		
SHAREHOLDERS' EQUITY –			
Capital		**18.449**	**18.449**
Reserves		**18.731**	**13.091**
Profit of the period		**19.648**	**21.685**
Interim dividend		**—**	**(16.045)**
GRANTS, DONATIONS AND LEGACIES RECEIVED		**95**	**—**
Total equity		**56.923**	**37.180**
NON-CURRENT LIABILITIES:			
Long-term provisions	**Note 11**	**51.572**	**46.842**
Non-current payables	**Notes 7 and 12.a**	**1.086**	**169**
Deferred tax liabilities	**Note 13.f**	**1.030**	**930**
Total non-current liabilities		**53.688**	**47.941**
CURRENT LIABILITIES:			
Short-term provisions	**Note 11**	**1.341**	**1.804**
Current payables	**Notes 7 and 12.b**	**1.289**	**1.106**
Current payables with Group companies and associates		**16**	**—**
Trade and other payables –		**95.045**	**94.502**
Payable to suppliers	**Note 12.c**	44.003	43.423
Payables to suppliers – Group companies and associates	**Note 15.b**	1.628	2.109
Sundry accounts payable		36.209	33.656
Staff		1.694	1.626
Current tax liabilities	**Note 13.a**	7.503	10.051
Other accounts payable to public authorities	**Note 13.a**	3.866	3.461
Customer advances		142	176
Current accruals and deferred income		**82**	**138**
Total current liabilities		**97.773**	**97.550**
TOTAL EQUITY AND LIABILITIES		**208.384**	**182.671**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the balance sheet at 31 December 2010.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-shareholder Company)

INCOME STATEMENT FOR THE YEAR 31 DECEMBER 2010

(Thousands of Euros)

	Notes to Financial Statement	Fiscal year 2010	Fiscal year 2009
CONTINUING OPERATIONS:			
Revenue –	**Note 14.a**	**153.532**	**153.290**
Sales		11.844	14.022
Provision of services		141.688	139.268
Procurements –		**(41.933)**	**(37.217)**
Cost of goods held for resale sold		(746)	(1)
Cost of raw materials and other consumables used		(16.231)	(12.445)
Work performed by other companies		(24.956)	(24.771)
Other operating income –		**594**	**736**
Non-core and other current operating income		175	456
Operating grants transferred to profit or loss		419	280
Staff costs –	**Note 14.c**	**(35.835)**	**(35.663)**
Wages, salaries and similar expenses		(26.882)	(27.427)
Employee benefit costs		(8.953)	(8.236)
Other operating expenses –		**(35.184)**	**(35.381)**
Outside services		(22.711)	(19.836)
Taxes		(3.023)	(4.599)
Losses on, impairment of and change in allowances for trade receivables		(3.856)	(4.724)
Other current operating expenses		(5.594)	(6.222)
Depreciation and amortisation charge	**Notes 5 and 6**	**(11.408)**	**(10.161)**
Allocation to profit or loss of grants related to non-financial assets and other grants		**32**	**163**
Impairment and gains or losses on disposals of non-current assets		**(782)**	**(1.900)**
Impairment and other losses	**Note 6**	(473)	(1.914)
Gains or losses on disposals and others	**Note 6**	(309)	14
Profit from operations		**29.016**	**33.867**
Finance income –		**776**	**694**
From marketable securities and other financial instruments-		776	694
From Group companies and associates	**Note 15.a**	439	380
Third parties		337	314
Finance costs –		**(1.536)**	**(1.548)**
On debts to Group companies and associates	**Note 15.a**	(28)	(132)
On debts to third parties		(1.508)	(1.416)
Impairment and gains or losses on disposals of financial instruments		**1.747**	**(3.168)**
Impairment and other losses	**Note 9**	1.767	(3.505)
Gains or losses on disposals and others		(20)	337
Financial loss		**987**	**(4.022)**
Profit or loss before tax		**30.003**	**29.845**
Income tax	**Note 13.c**	(10.355)	(8.160)
Profit for the year from continuing operations		**19.648**	**21.685**
Profit of the year		**19.648**	**21.685**

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-shareholder Company)

STATEMENT OF CHANGES IN EQUITY FOR 2010
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE
(Thousands of Euros)

	Notes to Financial Statement	Fiscal year 2010	Fiscal year 2009
PROFIT/LOSS PER INCOME STATEMENT (I)		**19.648**	**21.685**
Income and expense recognised directly in equity:			
Grants, donations and legacies received		127	—
Total income and expense recognised directly in equity (II)		**127**	**—**
Transfers to profit or loss:			
Grants, donations and legacies received		(32)	(163)
Total transfers to profit or loss (III)		**(32)**	**(163)**
Total recognised income and expense (I+II+III)		**19.743**	**21.522**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the statement of recognised income and expenses for 2010.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-shareholder Company)

STATEMENT OF CHANGES IN EQUITY FOR 2010
B) STATEMENTS OF CHANGES IN EQUITY
(Thousands of Euros)

	Share capital	Legal reserve	Other reserves	Valuation reserve	reserve from Merger	Goodwill reserve	Profit for the year	Grants Donations and legacies	Interim dividend	Total
Balance at 2008 year-end	**29.449**	**10.279**	**1**	**355**	**887**	**—**	**30.330**	**163**	**(21.278)**	**50.186**
Total recognised income and expense	—	—	—	—	—	—	21.685	(163)	—	21.522
Distribution of 2008 profit	—	—	8.681	—	—	371	(30.330)	—	21.278	—
Transactions with shareholders:										
Division of branch of activity	(11.000)	—	—	—	—	—	—	—	—	(11.000)
Interim dividend	—	—	—	—	—	—	—	—	(16.045)	(16.045)
Distribution of dividend with a charge to reserves	—	—	(7.483)	—	—	—	—	—	—	(7.483)
Balance at 2009 year-end	**18.449**	**10.279**	**1.199**	**355**	**887**	**371**	**21.685**	**—**	**(16.045)**	**37.180**
Total recognised income and expense	—	—	—	—	—	—	19.648	95	—	19.743
Distribution of 2009 profit	—	—	5.269	—	—	371	(21.685)	—	16.045	—
Balance at 2010 year-end	**18.449**	**10.279**	**6.468**	**355**	**887**	**742**	**19.648**	**95**	**—**	**56.923**

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the statement of changes in total equity for 2010.

CESPA GESTIÓN DE RESIDUOS, S.A.
(Sole-shareholder Company)

STATEMENT OF CASH FLOWS FOR FISCAL YEAR 2010
(Thousands of Euros)

	Notes to Financial Statement	Fiscal year 2010	Fiscal year 2009
CASH FLOWS FROM OPERATING ACTIVITIES (I):		**29.173**	**47.667**
Profit (Loss) for the year before tax		**30.003**	**29.845**
Adjustments for –		**14.981**	**3.405**
Depreciation and amortisation charge	**Notes 5 and 6**	11.408	10.161
Impairment losses	**Notes 5 and 9**	(1.308)	(12.201)
Changes in provisions	**Note 11**	3.830	4.741
Recognition of grants in profit or loss		(32)	(136)
Gains/Losses on derecognitions and disposal of non-current assets	**Note 6**	309	(14)
Gains or losses on derecognitions and disposal of financial instruments	**Note 9**	14	—
Finance income		(776)	(694)
Finance costs		1.536	1.548
Changes in working capital –		**(8.827)**	**23.323**
Inventories		45	(174)
Trade and other receivables		(8.585)	12.453
Trade and other payables		544	13.502
Other non-current assets and liabilities		(831)	(2.458)
Other cash flows from operating activities-		**(6.984)**	**(8.906)**
Interest paid		(268)	(399)
Interest received		776	694
Income tax recovered (paid)		(7.492)	(9.201)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(30.680)**	**(24.544)**
Payments due to investment –		**(33.336)**	**(24.791)**
Group companies and associates	**Note 9**	(22.947)	—
Property, plant and equipment	**Note 6**	(10.114)	(24.704)
Other financial assets	**Note 8**	(275)	(87)
Proceeds from disposal –		**2.656**	**247**
Group companies and associates	**Note 9**	206	—
Property, plant and equipment	**Note 6**	2.022	—
Other financial assets	**Note 8**	428	247
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**1.243**	**(19.476)**
Proceeds and payments relating to equity instruments		**127**	**—**
Grants, donations and legacies received		127	—
Proceeds and payments relating to financial liability instruments-		**1.116**	**4.052**
Proceeds from issue of bank borrowings	**Note 12**	1.011	353
Proceeds from issue of borrowings from Group companies and associates		16	—
Proceeds from issue of other borrowings		89	—
Repayment of borrowings from Group companies and associates		—	3.699
Dividends and returns on other equity instruments paid-		**—**	**(23.528)**
Dividends		—	(23.528)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**—**	**—**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(264)**	**3.647**
Cash and cash equivalents at beginning of year		1.228	4.875
Cash and cash equivalents at end of year		964	1.228

The accompanying Notes 1 to 19 and Appendix I and II in the Financial Statements are an integral part of the statement of cash flows for 2010

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

Cespa, Gestión de Residuos, S.A.
(Sole-shareholder Company)

Notes to the Financial Statements for the fiscal year ended 31 December 2010

1. Company activity

Cespa Gestión de Residuos, S.A.U. (hereinafter, "the Company") was incorporated in February 1992 with its registered offices at Avenida de la Catedral n° 6-8, Barcelona.

Its corporate purpose consists mainly in the pick-up, transportation, storage, treatment, disposal, valuation, recycling, and trade of waste and by-products of any nature, as well as the building, installation and management of plants, transfer stations and landfills aimed at helping the environment, in all areas and sectors and, particularly, in those requiring the application of environmental, chemical, clean and recovery technologies, as well as any technology aimed at reducing, minimizing and preventing pollution.

In furtherance of its corporate purpose, the Company owns or operates several waste landfills, having the appropriate administrative and environmental authorisations.

The Company is the parent company of the Group (Note 9 and Annex I), but it does not prepare consolidated financial statements because it is exempted from that obligation pursuant to the applicable law.

The Company is fully owned by Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (hereinafter, Cespa), of which Ferrovial Servicios owns 99,99%, and this company, in turn, is 99,99% owned by Ferrovial, S.A. (Note 10). The latter is the parent company of a group of companies and it prepares consolidated financial statements, of which those corresponding to period 2009 are filed with the Commercial Registry of Madrid.

On 28 February 2000, the Annual General Meeting of Shareholders' of Secolén, S.A. fully owned by Cespa Gestión de Residuos, S.A.U., approved the partial spin-off of part of its business activity in favour of the Company, effective on 1 January 2000 and which increased the Company's equity by EUR 2,065 thousand. The requirements relating to the accounting information, applicable to spin-offs, are listed in the annual report corresponding to period 2000, pursuant to Law 43/2000.

On 29 April 2005, the Annual General Meeting of Shareholders of the Company and its fully-owned subsidiaries Ecoclínic S.L.U. and Reciclajes y Valorizaciones, S.L., approved the plan for the merger of the latter two with and into the former. The date as from which the operations were considered to have been completed, for accounting purposes, on account of the recipient company was 1 January 2005. Said merger was registered at the Commercial Registry of Madrid on 6 July 2005.

The financial instruments included in the financial statements for period 2005 included detailed information of the merger and full spin-off process, pursuant to Royal Decree Law 4/2004 of 5 March, approving the consolidated Corporate Tax Law.

On 26 June 2009, the partial spin-off of a branch of the Company's business activity in favour of a newly-created company, Ecoparc de Can Mata, S.L., was registered with the Commercial Registry of Barcelona, and consisted in a concession for the comprehensive treatment of municipal waste in a newly-created facility. The financial instruments included in the financial statements for period 2008 included detailed information of the partial spin-off process, pursuant to Royal Decree Law 4/2004 of 5 March, approving the consolidated Corporate Tax Law.

2. Basis of presentation of the financial statements

a) *Financial reporting regulatory framework applicable to the Company*

1. These financial statements were prepared by the Joint Directors in accordance with the financial reporting regulatory framework applicable to the Group, which is set forth in:

a) Spanish Commercial Code and other commercial legislation.
2.

b) The Spanish Chart of Accounts approved by RD 1514/2007 and its sector-related adjustments.
3.

c) The mandatory standards approved by the Spanish Accounting and Audit Institute whereby the Spanish Chart of Accounts and its supplementary standards are implemented.
4.

d) The remaining Spanish accounting standards in force.
5.

b) Fair presentation

6. The accompanying financial statements were prepared based on the Company's accounting records and are presented in compliance with the applicable regulatory financial reporting framework and, specifically, with the accounting principles and methods contained therein, so as to present fairly the Company's equity, financial position, results, changes in equity, and cash flows for the relevant period. These financial statements, which were formally prepared by the Company's Joint Directors, will be submitted for approval by the Sole Shareholder, and it is considered that they will be approved without any changes.

7. The financial statements for 2009 were approved by the Sole Shareholder on 17 May 2010.

c) Non-obligatory accounting principles applied

8. No non-obligatory accounting principles were applied. Also, the Joint Directors formally prepared these financial statements by taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles have been applied.

d) Key issues in relation to the measurement and estimation of uncertainty

9. The accompanying financial statements were prepared using key estimates made by the Company Joint Directors to value certain assets, liabilities, income, expenses and commitments recorded therein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets, among which is goodwill (Note 4.c).
- The useful life of the property, plant and equipment and intangible fixed assets (Notes 4.a and 4.b).
- The calculation of valuation corrections related to trade and other receivables (Note 4.e)
- The calculation of closure and post-closure provisions (Notes 4.h and 11)
- The fair value of investments in Group companies, jointly-controlled entities and associates (Note 9.e)

10. Although these estimates were made on the basis of the best information available at 2010 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Such changes in the accounting estimates would be applied prospectively, except for the goodwill impairment test, which may not prospectively revert in the future, in which case changes in the estimates shall be recorded in the relevant income statement.

e) Comparative information

11. On 24 September 2010 Royal Decree 1159/2010, dated 17 September, was published in the Official Bulletin, introducing some amendments to the Spanish Chart of Accounts approved by Royal Decree 1514/2007.

12. According to the established transition rules, these amendments have been applied prospectively as from 1 January 2010, without them having had any impact. As permitted by these rules, the Company also opted to present comparative information without adapting it to the new rules and, therefore, these financial statements are considered to be initial financial statements for the purposes of the principles of consistency and comparability.

13. On 23 December 2010 Order EHA/3362/2010 was approved, which authorized the adjustment of the Spanish National Chart of Accounts for operators of public infrastructure which came into force on 1 January 2011 and the application of which is mandatory for the years beginning on or after its entry into force.

14. The Company is carrying out a transition plan to adjust to the new accounting standards which includes, among other aspects, an analysis of the differences in accounting standards and criteria, the determination of whether comparative information adjusted to the new regulations will or will not be presented and, therefore, as of the date of the opening balance sheet, the selection of accounting standards and criteria to be applied in the transition and in the assessment of the necessary changes in the reporting systems and procedures. As of the date of preparation of these annual financial statements, the abovementioned plan is in the execution stage without it being possible to currently estimate the potential effects of the transition in a comprehensive and reliable manner with the relevant information.

f) Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

g) Going concern principle

15. The accompanying balance sheet as at 31 December 2010 has a negative working capital in the amount of EUR 30,489 thousand. Even so, in preparing the accompanying annual financial statements the Company Joint Directors have taken into consideration the Company's financing agreement with its shareholder, Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (Note 15.b), whereby the Company is granted a line of credit of EUR 40 million that cannot be demanded in the short term that had not been drawn down at year end. Therefore, it was decided to prepare these annual financial statements in accordance with the going concern principle.

3. Distribution of profit

The proposal for the fiscal year's profit distribution, prepared by Company Joint Directors, to be submitted to Sole Shareholder's approval, is the following:

	Thousands of Euros
Distribution:	
To reserve for goodwill	371
To dividends	19,277
Total	**19,648**

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2010 and 2009, in accordance with the Spanish Chart of Accounts, were as follows:

a) Intangible assets

16. As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

17. Administrative concessions

18. Administrative concessions are measured according to the total expenses incurred in obtaining them or according to the designated price in the case of a transfer, plus any acquisition expenses. They are amortised, as a general rule, on a straight-line basis for a period of 10 years or their total duration. Unless the concession is obtained to operate a landfill, in which case the amortisation is calculated based on the filling degree thereof (Note 5).

19. Goodwill

20. Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow and is not amortised. Instead, these

cash-generating units are tested for impairment at least once a year and, using the methodology described below and, where appropriate, the corresponding valuation adjustment is made.

21. The valuation adjustments relating to impairment recognised in the goodwill are not subject to reversal in subsequent years.

22. Specifically, the Company records under this heading the goodwill resulting from the takeover merger described in Note 1.

b) *Property, plant and equipment*

23. Property, plant and equipment is valued initially by its acquisition price or production cost, and subsequently is reduced by the related accumulated amortisation and impairment losses, if any, in accordance with the criterion mentioned in Note 4.c, except for the items of property, plant and equipment acquired prior to 31 December 1996 which is valued at cost price offset and adjusted according to different legal provisions, one of which includes Royal Decree-Law 7/1996 (Note 6).

24. Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

25. The replacement or renewal of complete property, plant and equipment items is booked as an asset, with the resulting accounting retirement of the replaced or renewed assets.

26. The years of useful life estimated by the Company for each group of items are indicated below (not applicable to the items of property, plant and equipment that are explained subsequently):

	Years of Estimated Useful Life
Buildings	25-50
Plant and machinery	5-10
Other facilities	10
Furniture and tools	4-12
Computer hardware	3
Transport equipment	5-8

27. In addition, for landfill-related investments, the Company takes into account the amount of land filled as well as compliance with the total investments to be made in connection therewith, recording, as appropriate, any relevant impairment.

28. The company has recorded an impairment provision for the landfill plots since it considers that the realisable value at the end of the concession or upon closure of the landfill will not be significant.

c) *Impairment of intangible assets and property, plant and equipment*

29. Whenever there is any indication of an impairment loss, the Company estimates the possibility of impairment losses that might reduce the recoverable value of said assets at a price below its carrying amount by using the Impairment Test.

30. Recoverable amount is the higher of fair value less costs to sell and value in use.

31. On an annual basis, the Company performs impairment tests on goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use. At each reporting date, the Company tests assets for permanent impairment that might make it necessary to write-down the assets. Should evidence of impairment be detected, the asset's recoverable amount is calculated in order to identify the scope of the impairment loss if the recoverable amount is lower than the asset's carrying amount, and the difference is recognised in profit or loss. Impairment losses must be assessed for each individual asset. If this is not possible, the impairment loss is determined for the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets (cash-generating units).

32. When an impairment loss from a cash-generating unit, to which part or an entire goodwill was assigned, is to be recognised, the carrying amount of the goodwill corresponding to said unit is first reduced. When impairment exceeds its amount, the other cash-generating assets are then reduced according to their book value to the limit of the higher value between the following: its fair value less sale costs, its value in use and zero.

33. Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

d) Leases

34. Leases are classified as finance lease provided that their conditions imply that the risks and benefits inherent to the property of the assets subject matter of the contract are materially transferred to the lessee. All other leases are classified as operating leases.

35. Operating leases

36. Lease expenses from operating leases are recognised in income on an accrual basis.

37. A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

38. Finance leases

39. In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

40. Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned (Notes 6, 7 and 12).

e) Financial instruments

41. Financial assets

42. The financial assets held by the Company are classified in the following categories:

1. Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
2. Held-to-maturity investments: Debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.
3. Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly-controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control together with one or more investors.

Initial recognition

43. Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

44. As from 1 January 2010, for investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement.

Subsequent measurement

45. Loans and receivables and held-to-maturity investments are measured at amortised cost.

46. Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These adjustments are calculated as the difference between their carrying amount and their recoverable amount. Recoverable amount is the higher of fair value less sales costs and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

47. At least at year-end, the Company makes the necessary valuation changes provided there is objective evidence of impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, such impairment loss is recognised in the income statement.

48. Particularly, and as to the impairment regarding trade and other accounts receivable, the Company's method for calculation consists in depreciating receivables from public agencies due but not yet collected at year-end for which there is no impairment provision following a financial criterion. This criterion is not very different from the one that consists in making the adjustment of those receivables deemed to be realisable in the long term when the transaction generating them takes place. In addition, the Company sticks to the criterion of setting a provision for fifty per cent of the amount corresponding to invoices due and not yet collected, with a due date exceeding six months, as well as a provision for the entire balance of invoices due and not yet collected with a due date exceeding one year, except for any receivables from public entities, for which a specific analysis is conducted. This criterion is not significantly different from conducting an analysis of the specific impairment according to information available at year-end for all receivables.

49. The Company derecognises the financial assets upon expiration or when the rights on cash flows of said financial assets are transferred together with substantial risks and benefits inherent to ownership. However, the Company does not write off financial assets, and records a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

The Company has a controlling interest in the share capital of some companies (Note 9 and Annex 1). The attached financial statements corresponding to year ended on 31 December 2010 refer to the Company only, and do not reflect any information that would result from using consolidation criteria. The estimated effect of a consolidated statement, prepared as per the companies' accounting records, as compared with the attached financial statements, would imply an increase of the assets and equity as at 31 December 2010 of EUR 55.6 and EUR 58.6 million, respectively, as well as an increase of sales and profits and losses for the period 2010 of EUR 29 million and EUR 0.9 million respectively.

50. Financial liabilities

51. Financial liabilities are Company debts and accounts payable from the purchase of goods and services through trade operations, or those which not coming from trade operations, cannot be considered as derivative financial instruments.

1. Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.
2. The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

f) Income tax

52. Income tax comprises current and deferred tax.

53. Current tax is the amount the Company pays for income tax for a specific year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

54. Deferred tax relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences identified as amounts payable or recoverable derived from the difference between assets and liabilities carrying amount and their tax value, as well as the negative taxable amounts pending offsetting and tax relief credits not applied from a tax point of view. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

55. Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

56. Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

57. Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

58. The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

59. Since 2004, the Company has been filing consolidated tax returns as part of the Consolidated Tax Group, the parent company of which is Ferrovial, S.A. Based on the distribution methods agreed between the Company and the tax group it forms a part of, the differences between the taxes that the Company would have paid in the event of an individual tax filing and the amounts that are paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the assessment method established by the parent company for them.

60.g) Revenue and expense recognition

61. Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

62. Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold were transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

63. As to income from services, they are recognised considering the level of completion of such service at the balance sheet date, provided the transaction result can be reliably estimated.

64. Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

65. h) Provisions and contingencies

Upon preparing the financial statements, Company's Joint Directors differentiate between:

a) Provisions: Credit balances covering current obligations derived from past events, whose settlement may trigger an outflow of resources, but whose amount and/or time of settlement has not yet been established.

b) Contingent liabilities: Possible obligations derived from past events, whose future materialisation depends on whether one or more future events will take place or not, regardless of Company's will.

Financial statements include all the provisions the relevant obligations of which are more likely to be addressed than not. Contingent liabilities are not recognised in the balance sheet, but are reported in the annual report notes, provided they are not considered remote.

66. Closure and post-closure provisions

67. Under the heading "Long-term provisions", the Company records the estimated costs for closure and waste treatment during the post-closure period of owned landfills and those managed landfills for which, under the agreements executed, such obligation exists.

68. The allocation to landfill closure and post-closure provisions is made according to the best estimation by the Company's technical staff of the final cost of such closure and plot maintenance for closure of the landfills. In both cases, the current value is calculated according to an estimated 2% inflation rate and a 5% interest rate. In addition, such allocation is made pursuant to the amount of land filled of the relevant landfills as estimated by the Company's technical staff (Note 11).

i) Termination benefits

69. Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Compensations for dismissal that can be reasonably quantified are, therefore, registered as expenses during the period in which the dismissal decision is made and a valid expectation is created with regard to third parties about such dismissal.

70. During the reporting period 2010 termination benefits for EUR 612 thousand, approximately, were recognised under "Staff costs" in the accompanying income statement (Note 14.c).

j) Environmental assets and liabilities

71. Environmental activities, energy saving and efficiency projects are mainly taken to income following the accrual criterion.

72. However, new investments in property, plant and equipment consider the environmental parameter as a basic variable upon implementation and have followed the corresponding environmental impact study. The effect on the cost of said environmental investments is considered higher than the value of the assets.

73. The method used to calculate and estimate provisions derived from the environmental impact are described in Note 4.h.

k) Retirement bonus commitments

74. Pursuant to collective agreements to which workers from some of the Company branches are subject, said workers have the right to retirement bonus under a single payment if they willingly choose this option in an age range, according to the corresponding collective agreements, between 60 and 65 years old.

75. In prior years, the Company outsourced the commitments related to retirement bonuses established in company and cross-company collective bargaining agreements.

l) Grants, donations or gifts and legacies

76. Non-refundable grants related to assets are valued at the fair value of the amount or asset granted, based on whether they have monetary value or not, initially recorded under Equity. They are allocated to profits or losses proportionally to the allocation of the amortisation made in the period for the subsidised assets or, if applicable, when their disposal or impairment valuation adjustment is made, with the exception of those received from shareholders or owners, which are directly recognised under shareholders' equity and represent no income.

m) Joint Ventures

77. Certain contracts are executed by the grouping of various companies in a joint venture (UTE). The joint ventures in which the Company has interests at 31 December 2010 are listed in Annex II.

78. Profit/loss from services provided by joint ventures with other companies is registered following the same criterion applied by the Company in its own contracts.

79. The expenses incurred on behalf of, and other services provided to the joint venture are recognised when the expense is incurred or the service provided.

80. The transactions of the joint ventures in which the Company has interests are proportionately consolidated in the balance sheet and the income statement.

n) Related party transactions

81. The Company performs all its transactions with related parties on an arm's length basis. In addition, transfer prices are adequately supported, so Company Joint Directors consider there is no significant risk on this matter that may derive in relevant liabilities in the future.

n) Current/Non-current classification

In the accompanying balance sheet assets and liabilities falling due within one year or less are classified as current, while those falling due after one year are classified as non-current.

5. Intangible assets

The changes in this item in the accompanying balance sheet in 2010 and 2009 were as follows:

Fiscal Year 2010

	Thousands of Euros		
Cost	31-12-09	Additions	31-12-10
Administrative concessions	3,389	—	3,389
Goodwill	3,706	—	3,706
Computer software	5	—	5
Total cost	**7,100**	**—**	**7,100**

	Thousands of Euros		
Accumulated depreciation	31-12-09	Period provisions	31-12-10
Administrative concessions	(1,127)	(113)	(1,240)
Computer software	(5)	—	(5)
Total accumulated depreciation	**(1,132)**	**(113)**	**(1,245)**

	Thousands of Euros	
Total intangible assets	31-12-09	31-12-10
Cost	7,100	7,100
Accumulated depreciation	(1,132)	(1,245)
Total, net	**5,968**	**5,855**

Fiscal Year 2009

	Thousands of Euros		
Cost	31-12-08	Additions	31-12-09
Administrative concessions	3,389	—	3,389
Goodwill	3,706	—	3,706
Computer software	5	—	5
Total cost	**7,100**	**—**	**7,100**

	Thousands of Euros		
Accumulated depreciation	31-12-08	Period provisions	31-12-09
Administrative concessions	(1,015)	(112)	(1,127)
Computer software	(5)	—	(5)
Total accumulated depreciation	**(1,020)**	**(112)**	**(1,132)**

Total intangible assets	Thousands of Euros	
	31-12-08	31-12-09
Cost	7,100	7,100
Accumulated depreciation	(1,020)	(1,132)
Total, net	**6,080**	**5,968**

The heading “Administrative concessions” includes the acquisition value incurred in the concession obtained to operate a landfill, as well as the payment of EUR 1.4 million made by the Company in prior years to obtain a new concession to operate a biogas plant.

At 31 December 2010 and 2009 the Company had fully amortised items of intangible fixed assets still in use, the detail being as follows (in Euros):

The breakdown of the goodwill classified by cash-generating unit to which it belongs is as follows:

Goodwill	Thousands of Euros	
	Balance at 31-12-09	Balance at 31-12-10
Management of sanitary waste	3,706	3,706
Total	**3,706**	**3,706**

As a result of the merger carried out in 2005 and described in Notes 1 and 4.a, in that year the Company recorded a goodwill that was originally calculated as the difference between the price paid and the consolidated underlying carrying amount of the acquired company.

The most significant assumptions used to determine the recoverable amount of the cash-generating unit were the following:

Goodwill	Discount rate	Nominal growth rate
Management of sanitary waste	7% - 8%	2% - 3%

The recoverable amount of the cash-generating unit is determined by using cash flow projections for a five-year period. The residual value is based on the cash flow for the last year projected, provided this represents a cash flow with no exceptional factors, and the growth rate applied in no case exceeds the estimated long-term growth rate for the market in which the Company operates.

Cash flows are discounted using a rate based on the weighted average cost of capital for this type of assets. The discount rates used are those appearing in the above table. Additionally, a sensitivity analysis is carried out, especially in relation to the discount rate used and the residual growth rate, with the purpose of ensuring that the possible changes in estimates of those rates will not affect the determination of the recoverable value of the cash-generating unit.

Based on the abovementioned assumptions, the Company’s Joint Directors consider that there are no indications of impairment whatsoever regarding the goodwill at 2010 year-end, which is why no provision for impairment has been set.

6. Property, plant and equipment

The changes in this balance sheet item during 2010 and 2009, as well as the most significant information thereof, were the following:

Fiscal Year 2010

Cost	Thousands of Euros				
	31-12-09	Additions	Increase or Decrease due to Transfers	Disposals derecognitions or reductions	31-12-10
Land	4,928	228	—	—	5,156
Buildings	679	—	1,700	—	2,379
Plant and machinery	108,917	4,230	14,056	(4,287)	122,916
Other fixtures, tools and furniture	2,849	363	(267)	(82)	2,863
Computer hardware	1,366	52	—	(142)	1,276
Transport equipment	18,640	13	631	(814)	18,470
Property, plant and equipment in the course of construction	13,624	5,228	(16,120)	—	2,732
Total cost	**151,003**	**10,114**	**—**	**(5,325)**	**155,792**

Accumulated depreciation	Thousands of Euros				
	31-12-09	Period provisions	Increase or decrease from transfers	Disposals derecognitions or reductions	31-12-10
Buildings	(288)	(34)	(180)	—	(502)
Plant and machinery	(62,173)	(9,771)	177	2,182	(69,585)
Other fixtures, tools and furniture	(2,188)	(158)	3	74	(2,269)
Computer hardware	(1,254)	(48)	—	87	(1,215)
Transport equipment	(12,031)	(1,284)	—	651	(12,664)
Total accumulated depreciation	**(77,934)**	**(11,295)**	**—**	**2,994**	**(86,235)**

Impairment loss	Thousands of Euros				
	31-12-09	Period provisions	Increase or decrease from transfers	Disposals derecognitions or reductions	31-12-10
Land and facilities used in landfills	(12,855)	(473)	(329)	—	(13,657)
Other	(329)	—	329	—	—
Total impairment losses	**(13,184)**	**(473)**	**—**	**—**	**(13,657)**

Total property, plant and equipment	Thousands of Euros	
	31-12-09	31-12-10
Cost	151,003	155,792
Accumulated depreciation	(77,934)	(86,235)
Impairment loss	(13,184)	(13,657)
Total, net	**59,885**	**55,900**

Fiscal Year 2009

Cost	Thousands of Euros 31-12-08	Additions	Increase or decrease from transfers	Disposals Derecognitions or reductions	Spin-off (Note 2.f)	31-12-09
Land	4,886	42	—	—	—	4,928
Buildings	752	—	(73)	—	—	679
Plant and machinery	96,972	5,815	6,470	(340)	—	108,917
Other fixtures, tools and furniture	2,902	25	—	(78)	—	2,849
Computer hardware	1,323	45	—	—	(2)	1,366
Transport equipment	18,058	59	998	(475)	—	18,640
Property, plant and equipment in the course of construction	30,489	18,718	(7,395)	—	(28,188)	13,624
Total cost	**155,382**	**24,704**	**—**	**(893)**	**(28,190)**	**151,003**

Accumulated depreciation	Thousands of Euros 31-12-08	Period provisions	Increase or decrease from transfers	Disposals Derecognitions or reductions	Spin-off (Note 2.f)	31-12-09
Buildings	(260)	(52)	24	—	—	(288)
Plant and machinery	(54,057)	(8,464)	79	269	—	(62,173)
Other fixtures, tools and furniture	(2,077)	(165)	—	54	—	(2,188)
Computer hardware	(1,179)	(75)	—	—	—	(1,254)
Transport equipment	(11,090)	(1,293)	(103)	455	—	(12,031)
Total accumulated depreciation	**(68,663)**	**(10,049)**	**—**	**778**	**—**	**(77,934)**

Impairment loss	Thousands of Euros 31-12-08	Period provisions	Increase or decrease from transfers	Disposals Derecognitions or reductions	Spin-off (Note 2.f)	31-12-09
Land and facilities used in landfills	(11,036)	(1,819)	—	—	—	(12,855)
Other	(234)	(95)	—	—	—	(329)
Total impairment losses	**(11,270)**	**(1,914)**	**—**	**—**	**—**	**(13,184)**

Total property, plant and equipment	Thousands of Euros 31-12-08	31-12-09
Cost	155,382	151,003
Accumulated depreciation	(68,663)	(77,934)
Impairment loss	(11,270)	(13,184)
Total, net	**75,449**	**59,885**

The item “Plant and machinery” under property, plant and equipment in the attached balance sheet includes the costs of the different landfills owned by the Company. The Company is authorised by competent official bodies to operate those landfills.

During 2010, the main investments made by the Company were used essentially to expand the landfill capacity, as well as construct, expand, develop and improve the new treatment plants, along with some already-existing ones.

Additionally, during 2010 two treatment plants began operating, managed by a joint venture in which the Company holds an equity interest of 80%, and as at 31 December 2009 the two plants were still in the course of construction as they were not in full operating conditions. The total investment made by this joint venture amounts to EUR 13.2 million, 80% of which constitutes the Company’s interest (EUR 10.6 million), and EUR 991 thousand (EUR 793 thousand at the interest percentage) were still in the course of construction at the end of 2010.

Additionally, during 2010, the Company also began to operate a leachate treatment plant located in a landfill belonging to the Company and a container selection plant that as at 31 December 2009 were recorded under current fixed assets in the amount of EUR 6.4 million.

Derecognitions for 2010 in the Plant and machinery heading are related essentially to the sale of a biogas motor in the amount of EUR 2,012 thousand, the net carrying amount of which totalled about EUR 1,650 thousand, respectively. Remaining derecognitions are related to elements that have been fully amortised or are obsolete, as well as other sales to third parties and to the Group made during the year.

At 2010 and 2009 year-ends, the Company had fully amortised property, plant and equipment still in use, as shown below:

	Thousands of Euros	
	(Gross) Carrying Amount	
	2010	2009
Buildings	156	156
Plant and machinery	28,814	27,398
Other fixtures, tools and furniture	1,278	1,394
Computer hardware	1,208	1,049
Transport equipment	8,011	7,335
Total	**39,467**	**37,332**

82. In addition, the Company considers for the investment linked to its landfill, the filling degree thereof and compliance of total investments to be made, registering, as applicable, the corresponding impairment according to the tons of waste dumped.

As stated in Note 7, at 2010 and 2009 year-ends, the Group had undertaken several financial lease transactions with respect to its property, plant and equipment.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. There was no insurance coverage deficit related to said risks at 2010 year-end.

7. Leases

Finance leases

At 31 December 2010 and 2009, the Company, as financial lessee, had recognised the leased assets broken down below:

Fiscal Year 2010

			Thousands of euros				
				Instalments paid			
Description	Duration of contract (months)	Months passed	Original cost without purchase option	Years years	Current the year	Present value of pending instalments	Present value of purchase option
Contracts effective at 31 December 2009:							
Machinery (*)	60	29	287	71	53	156	7
2010 contracts:							
Machinery (**)	60	3-5	1,092	—	34	1,037	21
			1,379	**71**	**87**	**1,193**	**28**

(*) The financial lease agreements indicated are related to a joint venture in which the Company held an interest of 75% at the end of 2010.

(**) The financial lease agreements indicated are related to a joint venture in which the Company held an interest of 55% at the end of 2010.

Fiscal Year 2009

Description	Duration of contract (months)	Months passed	Original cost without purchase option	Instalments paid Years years	Instalments paid Current the year	Present value of pending instalments	Present value of purchase option
			Thousands of euros				
Contracts effective at 31 December 2008:							
Machinery (**)	60	17	287	21	50	209	7
			287	**21**	**50**	**209**	**7**

(**) The financial lease agreements indicated are related to a joint venture in which the Company held an interest of 75% at the end of 2009.

The above table shows the present value of instalments pending payment of the financial lease agreements signed by the Company. The nominal value of the abovementioned instalments, as well as of the purchase option, totals EUR 1,389 thousand, of which EUR 272 thousand fall due within less than one year with a present value of EUR 206 thousand, and EUR 1,116 thousand mature within more than one year with a present value of EUR 1,015 thousand. Both amounts were recorded in the accompanying balance sheet at 31 December 2010 under the headings "Current payables" and "Non-current payables", respectively (Note 12).

Operating leases

At the end of the reporting period 2010 and 2009, the Company had reached an agreement with the lessees on the following minimum lease payments as per the current contracts in force, without considering their effect on common expenses, future increases due to CPI or future updates of leases agreed upon under contract:

Operating leases	Thousands of Euros	
Minimum installments	2010	2009
In one year	543	487
From 2 to 5 years	1,320	1,418
After five years	74	233

The detail of the operating lease payments recognised respectively as an expense in the reporting period 2010 and 2009 is as follows:

	Thousands of Euros	
	2010	2009
Operating leases recognised under profit or loss.	2,250	1,912

The most significant lease agreements are related to real estate, transport equipment, land and technical facilities, among others. One of these is the Company's agreement for a building leased in Barcelona, which expires in 2015, with the possibility of an additional 10-year extension. The amount committed, without taking into account the effect of common expenses, future increases due to CPI or future updates of leases agreed upon under this contract amount to approximately EUR 1,212 million.

8. Financial assets (non-current and current)

a) Non-current financial assets

The balance of the accounts under the heading "Non-current financial investments" at 2010 and 2009 year-ends is as follows:

	Thousands of euros	
	Non-current financial instruments	
Classes	Credits, derivatives and others	
Categories	2010	2009
Loans and receivables	5,054	5,513
Total	**5,054**	**5,513**

In this section of the above chart, the Company recorded EUR 4,826 thousand related to three loans granted to customers in the amounts of about EUR 2,582, 1,876 and 368 thousand, respectively, valued at amortised cost. The abovementioned loans establish that repayment of the principal through monthly instalments will finalise in 2020, 2019, and 2012, respectively. Furthermore, the financial burden of the debt is tied to the Euribor.

The breakdown of loans to municipal councils, by due date, is as follows:

Fiscal Year 2010

Maturity	Thousands of Euros
2012	871
2013	518
2014	534
2015	550
2016 onwards	2.353
Total	**4,826**

Fiscal Year 2009

Maturity	Thousands of Euros
2011	604
2012	620
2013	637
2014	532
2015 onwards	2,892
Total	**5,285**

Additionally, at 2010 year-end this included guarantees and loans granted to staff with a long-term maturity in the amount of EUR 228 thousand approximately.

Lastly, this heading includes EUR 702 thousand in relation to a trust agreement regarding the interests that another company not forming part of Group Cespa holds in a subsidiary and in relation to which the Company recorded a loan to that company. The abovementioned loan has been reserved in full.

b) Current financial assets

83. The balance of the heading "Current financial investments" at 31 December 2010 and 31 December 2010 and 2009 was as follows:

	Thousands of Euros					
	Current financial instruments					
Classes	Debt securities		Credits, derivatives and others		Total	
Categories	2010	2009	2010	2009	2010	2009
Loans and receivables	275	—	833	802	1,108	802
Total	**275**	**—**	**833**	**802**	**1,108**	**802**

The amount recorded is related, basically, to the loans granted to customers, mentioned in Note 8.a, which fall due within a term of less than 12 months, with an amortised cost of EUR 634 thousand.

Furthermore, at the end of 2010 this included the debt securities held by a joint venture in which the Company holds a 55% interest.

9. Investments in Group companies, jointly controlled entities and associates

The most significant information related to the Group, jointly controlled entities and associates at the end of the reporting period 2010 and 2009 is the following:

Fiscal Year 2010

	Thousands of Euros			
	31-12-09	Additions / (Provisions)	Disposals, derecognitions or reductions	31-12-10
Interests in Group companies, jointly-controlled entities and associates	33,646	—	(220)	33,426
Impairment of equity instruments	(7,234)	(1,952)	3,733	(5,453)
Disbursements yet to be paid on non-current investments	(662)	—	—	(662)
Loans to Group companies (Note 15.b)	16,734	22,946	—	39,680
	42,484	**20,994**	**3,513**	**66,991**

Fiscal Year 2009

	Thousands of Euros				
	31-12-08	Additions / (Provisions)	Disposals, derecognitions or reductions	Transfers	31-12-09
Interests in Group companies, jointly-controlled entities and associates	31,311	2,335	—		33,646
Impairment of equity instruments	(2,995)	(3,572)	67	(734)	(7,234)
Disbursements yet to be paid on non-current investments	(662)	—	—	—	(662)
Loans to Group companies	715	16,019	—	—	16,734
	28,369	**14,782**	**67**	**(734)**	**42,484**

The breakdown and movement of the "Investments in Group companies, jointly-controlled entities and associates" item in the above table, as well as the provisions allocated to it, is as follows:

Fiscal Year 2010

	Thousands of Euros			
	31-12-09	Additions / (Provisions)	Disposals / Allocations	31-12-10
Cost:				
Contenedores Reus, S.A.	833	—	—	833
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	756	—	—	756
Cespa Gestión y Tratamiento de Residuos, S.A.	20,603	—	—	20,603
Tratamientos, Residuos y Energías Valencianas, S.A.	2,644	—	—	2,644
Ecoparc del Mediterrani, S.A.	2,518	—	—	2,518
Reciclados y compostajes Piedra Negra, S.A.	1,654	—	—	1,654
Ecoenergía Can Mata A.I.E.	141	—	—	141
Cespa Nadafa, S.A.R.L.	4	—	—	4
Centre de Tractament de Residus d'Andorra, S.A.	1,908	—	—	1,908
Centre de Recollida i Transferencia Fogars, S.L.	220	(220)	—	—
Novalis Medio Ambiente, S.A.	30	—	—	30
Planta de RCD'S Albacete, S.L.	5	—	—	5
Albaida Residuos, S.L.	2,330	—	—	2,330
Total	**33,646**	**(220)**	**—**	**33,426**
Impairment of equity instruments:				
Contenedores Reus, S.A.	(1,061)	—	—	(1,061)
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	(1,299)	(14)	—	(1,313)
Tratamientos, Residuos y Energías Valencianas, S.A.	(1,350)	—	220	(1,130)
Ecoparc del Mediterrani, S.A.	(3,500)	—	3,500	—
Cespa Nadafa, S.A.R.L.	(11)	—	—	(11)
Centre de Tractament de Residus d'Andorra, S.A.	—	(1,908)	—	(1,908)
Centre de Recollida i Transferencia Fogars, S.L.	(13)	—	13	—
Novalis Medio Ambiente, S.A.	—	(30)	—	(30)
Total	**(7,234)**	**(1,952)**	**3,733**	**(5,453)**
Total, net	**26,412**	**(2,172)**	**3,733**	**27,973**

Fiscal Year 2009

	Thousands of Euros				
	31-12-08	Additions / (Provisions)	Disposals / Allocations	Transfers	31-12-09
Cost:					
Contenedores Reus, S.A.	833	—	—	—	833
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	756	—	—	—	756
Cespa Gestión y Tratamiento de Residuos, S.A.	20,603	—	—	—	20,603
Tratamientos, Residuos y Energías Valencianas, S.A.	2,644	—	—	—	2,644
Ecoparc del Mediterrani, S.A.	2,518	—	—	—	2,518
Reciclados y compostajes Piedra Negra, S.A.	1,654	—	—	—	1,654
Ecoenergía Can Mata A.I.E.	141	—	—	—	141
Cespa Nadafa, S.A.R.L.	4	—	—	—	4
Centre de Tractament de Residus d'Andorra, S.A.	1,908	—	—	—	1,908
Centre de Recollida i Transferencia Fogars, S.L.	220	—	—	—	220
Novalis Medio Ambiente, S.A.	30	—	—	—	30
Planta de RCD'S Albacete, S.L.	—	5	—	—	5
Albaida Residuos, S.L.	—	2,330	—	—	2,330
Total	**31,311**	**2,335**	**—**	**—**	**33,646**
Impairment of equity instruments:					
Contenedores Reus, S.A.	(833)	—	—	(228)	(1,061)
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	(756)	(41)	—	(502)	(1,299)
Tratamientos, Residuos y Energías Valencianas, S.A.	(1,334)	(16)	—	—	(1,350)
Ecoparc del Mediterrani, S.A.	—	(3,500)	—	—	(3,500)
Ecoenergía Can Mata A.I.E.	(67)	—	67	—	—
Cespa Nadafa, S.A.R.L.	(4)	(3)	—	(4)	(11)
Centre de Recollida i Transferencia Fogars, S.L.	(1)	(12)	—	—	(13)
Total	**(2,995)**	**(3,572)**	**67**	**(734)**	**(7,234)**
Total, net	**28,316**	**(1,237)**	**67**	**(734)**	**26,412**

The most significant investment in Group companies and the information related thereto at 31 December 2010 is shown in Annex 1:

84. Investments in Group companies, jointly controlled entities and associates

- The investment in Cespa Gestión y Tratamiento de Residuos, S.A. includes an additional amount of EUR 18,563 thousand of imputed gain related, upon acquisition of the interest, to obtaining the capacity expansion of a given landfill, subsequently obtained in 2004. Therefore, the abovementioned imputed gain decreases based on the degree of filling of the abovementioned expansion, which currently forms part of the tangible assets belonging to the Company after having acquired them from Cespa Gestión y Tratamiento de Residuos, S.A. in 2005, with the net amount as at 31 December 2010 being provided in Annex I.

- The Company holds a 55% interest in Tratamientos, Residuos y Energías Valencianas, S.A. (TREVSA), with EUR 662 thousand yet to be disbursed as at 31 December 2010. This company is undergoing a liquidation process, pursuant to the agreement adopted by the General Shareholders' Meeting held on 28 May 2008.

- The Company holds a 48% equity interest in Ecoparc del Medeterrani, S.A., which was awarded the construction and subsequent operation of waste treatment facilities by the competent governing body.

  On 16 December 2010, this subsidiary signed a new operation agreement of the plant managed by that company with effects that are retroactive to 1 January 2010. The Company Joint Directors consider that based on the new terms and conditions of the agreement, the provision of this public service no longer shows a deficit, which is why, as a consequence of this agreement, the Company reversed the impairment related to that interest at the end of 2010, considering that the present value of future cash flows resulting from the new contract is greater than its carrying amount.

- At the end of 2010, the Company has fully impaired the cost of the interests held in Centre de Tractament de Residus d'Andorra, S.A. and Novalis Medio Ambiente, S.A. as a result of the doubts as to whether it will recover and because the Joint Directors do not consider there to be additional guarantees granted in favour of those subsidiaries that may entail possible losses for the Company.
- During 2010 the subsidiary Centre de Recollida i Transferencia Fogars, S.L. was liquidated and dissolved. Consequently, the company recorded a loss in the amount of EUR 14 thousand under "Impairment and gains or losses on disposals of financial instruments – Impairment and losses" in the accompanying income statement for 2010.
- The Company has recorded a total of about EUR 515 thousand under "Long-term provisions" on the accompanying balance sheet as at 31 December 2010, to cover potential losses that may arise as a result of the negative equity of Companyia Especial de Recuperacions i Reacondicionaments, S.L.

85. Impairment of equity instruments

Furthermore, the Company has an impairment loss provision regarding Contenedores Reus, S.A., Companyia Especial de Recuperacions i Reacondicionaments, S.L., Tratamientos, Residuos y Energías Valencianas, S.A. and Cespa Nadafa, S.A.R.L., calculated based on the underlying carrying amount of those subsidiaries, considering this to be the best evidence of the recoverable amount of investments, except as described previously. Lastly, the Company has not booked any impairment loss allowances in relation to the interest held in Albaida Residuos, S.L., acquired during 2009, with the Joint Directors considering that there are no doubts as to the recovery of the investment based on cash flows of the following years according to the Group's current business plans.

The rest of the fair values of the investments made were calculated using the underlying carrying amount of the interest held, which did not involve the registration of any impairment whatsoever, either due to lack of relevance or because it is sufficient indication of lack of impairment.

10. Equity and shareholders' equity

Share capital

At 2010 and 2009 year-ends, the share capital is represented by 306,972 bearer shares with a par value of EUR 60.10 each, fully subscribed and paid in.

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. ("Cespa") is the Company's Sole Shareholder, and Ferrovial Servicios, S.A. 99.99% of which is owned by Ferrovial, S.A., has a 99.99% shareholding in Cespa (Note 1).

As at 31 December 2010, the Company is the guarantor of a syndicated loan of Ferrovial, S.A.; consequently, its shares were pledged.

Legal reserve

Under the Spanish Companies Law, the Public Limited Liability Company must transfer 10% of net profit for each year the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2010, the reserve had reached the required minimum amount.

Valuation reserve Royal Decree-Law 7/1996 of 7 June

As provided in current regulations, the amount in this reserve may be used, without accruing taxes, to offset accounting losses, including both losses accumulated in prior years and those of the current year, or those that may arise in the future, and to increase capital. From 1 January 2007, the balance of this account can be taken to unrestricted reserves, provided that the monetary surplus has been realised. The surplus will be deemed to have been realised in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or derecognised. If the balance of this account were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be subject to tax.

Reserve for goodwill

86. Under the Spanish Limited Liability Companies Law, when distributing the profit for each year an appropriation of at least 5% of the goodwill recognised on the asset side of the balance sheet must be made to a restricted reserve for that goodwill. If a company does not report a profit, or reports an insufficient profit, unrestricted reserves must be used for this purpose (Notes 1, 4.a and 5).

11. Provisions and contingencies

Provisions

Set out below is an analysis of the provisions in the balance sheet at the end of the reporting period 2010 and 2009, together with the main changes recorded during those years:

Fiscal Year 2010

	Thousands of Euros				
Long-term provisions	31-12-09	Period provisions	Adjustment increases	Uses	31-12-10
Closure and post-closure provisions (Note 4.h	42,791	3,780	1,268	(307)	47,532
Provision related to subsidiaries (Note 9) and provision for liabilities	4,051	13	—	(24)	4,040
Long-term total	**46,842**	**3,793**	**1,268**	**(331)**	**51,572**

	Thousands of Euros			
Short-term provisions	31-12-09	Period provisions	Uses	31-12-10
Environmental provision	1,750	—	(500)	1,250
Other	54	37	—	91
Long-term total	**1,804**	**37**	**(500)**	**1,341**

Fiscal Year 2009

	Thousands of Euros					
Long-term provisions	31-12-08	Period provisions	Adjustment increases	Uses	Transfers (Note 9)	31-12-09
Closure and post-closure provisions	38,738	4,102	1,149	(1,198)	—	42,791
Provision related to subsidiaries and provision for liabilities	4,172	639	—	(26)	(734)	4,051
Long-term total	**42,910**	**4,741**	**1,149**	**(1,224)**	**(734)**	**46,842**

	Thousands of Euros		
Short-term provisions	31-12-08	Uses	31-12-09
Environmental provision	2,250	(500)	1,750
Other	54	—	54
Long-term total	**2,304**	**(500)**	**1,804**

Closure and post-closure provisions

At 31 December 2010, the Company's Management has re-estimated the closure and post-closure costs of the landfills operated under a concession arrangement, in accordance with the best estimates made by Cespa Group's technical department Note 10). As a result, the Company recorded the amount of the provision in the profits and loss account for the reporting period 2010, as well as the pertaining financial impact on "Other operating expenses – Losses on, impairment of and change in allowances for trade receivables" and "Financial expenses – on debts to third parties", respectively.

No significant differences are considered to emerge if said provisions had been calculated according to the effective filling degree at the end of the reporting period.

Provision for liabilities

The Company recorded a provision that was allotted in prior years in the amount of EUR 778 thousand to cover the maximum risk of a tax assessment signed on a contested basis in relation to a tax from prior years.

Furthermore, this includes a provision in the amount of EUR 2,600 thousand in relation to a penalty imposed by the National Antitrust Commission during 2009, and this amount was guaranteed by the Company at the end of 2010 (Note 17.c).

Environmental provision

The Company recorded a provision in the amount of EUR 1,250 thousand allotted in prior years to cover the expenses that the Company's Joint Directors consider they will have to assume through the end of the environmental follow-up and monitoring commitments of a landfill. During 2010 a total of EUR 500 thousand have been satisfied in compliance with the obligations resulting from those commitments.

Furthermore, as at 31 December 2010, the Company recorded provisions in the amounts of EUR 1.7 and 2.9 million under "Trade and other payables – Suppliers" of the accompanying balance sheet to cover the best estimate made of the liability that would need to be paid in relation to possible claims from third parties and current obligations not yet paid, respectively, in relation to the operation of a landfill until 31 December 2010.

Contingencies

At the end of the reporting period 2010, the Company was not aware of any contingencies or litigation underway, except for the aforementioned, that could have a significant impact on the accompanying financial statements.

12. Non-Current and Current Payables

a) Non-current financial liabilities

The balance of the accounts under the heading "Non-current liabilities" at 2010 and 2009 year-ends is as follows:

	Thousands of Euros					
Classes	Bank borrowings and financial leases (Note 7)		Other		Total	
Categories	2010	2009	2010	2009	2010	2009
Accounts payable	1,015	166	71	3	1,086	169
Total	**1,015**	**166**	**71**	**3**	**1,086**	**169**

b) Current financial liabilities

The breakdown of the balance of "Current Payables" at 2010 and 2009 year-end is as follows:

	Thousands of Euros					
Classes	Bank borrowings and financial leases (Note 7)		Other		Total	
Categories	2010	2009	2010	2009	2010	2009
Accounts payable	212	50	1,077	1,056	1,289	1,106
Total	**212**	**50**	**1,077**	**1,056**	**1,289**	**1,106**

87. At the end of 2010, the heading "Bank borrowings and financial lease payables" included the payments for financial lease contracts which fall due within a period of less than 12 months, in the amount of about EUR 206 thousand (Note 7).

Furthermore, the balance recorded under "Other debts" is related basically to the Company's non-commercial debts to third parties which remained unpaid by the end of 2010.

c) Disclosures on deferrals of payments made to suppliers. Third Additional Provision. "Duty to Report" under Law 15/2010 of 5 July.

Pursuant to the Law 15/2010 amending the law on the measures to counteract delinquency, the Company declares that at 31 December 2010 and considering the total amount payable to suppliers in Spain at that date, there were no significant unpaid trade payables past due by more than the maximum payment period.

13. Tax matters

a) Balances with public authorities

The breakdown of the current balances with Public Authorities is as follows:

Debit balances

	Thousands of Euros	
	2010	2009
Income tax receivable	16	15
VAT refundable	460	1,025
Receivables from Public Authorities	176	132
Total	**652**	**1,172**

Credit balances

	Thousands of Euros	
	2010	2009
Corporate Tax payable (*)	7,503	10,051
VAT payable	752	—
Personal Income Tax withholdings payable	520	445
Accrued social security taxes payable	824	915
Other tax payables	1,770	2,101
Total	**11,369**	**13,512**

(*) Amount to be materialised in favour of Ferrovial S.A. (Note 13.b).

As at 31 December 2010, the Company has payables to public authorities in the amount of about EUR 1,770 thousand, related to the amount yet to be paid to different Public Administrations of autonomous communities under autonomous community legislation, according to which the waste management companies are required to settle certain amounts calculated based on the tonnage and type of waste dumped.

b) Reconciliation of the accounting profit/loss to the taxable profit/tax loss

Since 2004, the Company has been filing consolidated tax returns as part of the Consolidated Tax Group, the parent company of which is Ferrovial, S.A., No. 0217/02. Based on the distribution methods agreed between the Company and the tax group it forms a part of, the differences between the taxes that the Company would have paid in the event of an individual tax filing and the amounts that are paid to the Tax Authority for the positive tax bases on a consolidated basis are materialised according to the assessment method established by the parent company for them.

Reconciliation between accounting income and taxable amount for Corporate Tax purposes is as follows:

Fiscal Year 2010

	Thousands of Euros		
	Increase	Decrease	Total
Accounting loss before tax			30,003
Permanent differences	120	(303)	(183)
Temporary differences	4,427	(9,237)	(4,810)
Taxable income	**4,547**	**(9,540)**	**25,010**

Fiscal Year 2009

	Thousands of Euros		
	Increase	Decrease	Total
Accounting loss before tax			29,845
Permanent differences	984	(306)	678
Temporary differences	7,964	(4,985)	2,979
Taxable income	**8,948**	**(5,291)**	**33,502**

The temporary differences are basically due to the adjustment made as a result of the accounting record of certain impairments made on property, plant and equipment used in the Company's landfill operation (Note 6). Furthermore, the impairments related to trade and other receivables from government entities, possible claims from third parties and current obligations not yet paid (Note 11) as well as the impairment recorded on equity instruments in subsidiaries that are non tax deductible, and tax deductible impairments thereon without accounting registration due to their fair value measurement and the deferral of the income or loss contributed by given joint ventures are all adjusted as temporary differences. Specifically, the company made a negative adjustment to the 2010 tax base in the amount of EUR 1,223 thousand, in accordance with section 12.3, Corporate Tax Law, equivalent to the difference in the year of owners' equity of subsidiaries Albaida Residuos, S.L. and Planta de RCD'S Albacete, S.L., generating the related deferred tax liability of EUR 367 thousand. Through 2009, the amounts deducted and yet to be paid total EUR 345 thousand for both subsidiaries.

The withholdings applied to the Company during 2010 on account of Corporate Tax totalled EUR 16 thousand.

c) Reconciliation of the accounting profit for the year and the expense for Corporate Tax

88. Reconciliation between accounting income and the expense for Corporate Tax is as follows:

	Thousands of Euros	
	2010	2009
Accounting loss before tax	30,003	29,845
Tax charge at 30%	9,001	8,954
Effect of permanent differences	(55)	203
Adjustments of previous reporting year Corporate Tax	1,409	(997)
Total income tax expense recognised in profit or loss	**10,355**	**8,160**

89. The Corporate Tax adjustment of the prior year is related essentially to the adjustment of certain deferred tax assets from deductions applied in prior years that have been written off due to doubts based on the best available estimate by the Company's Joint Directors and their tax advisors of their recoverability under tax consolidation.

d) Breakdown of Corporate Tax expense

90. The breakdown of the income tax expense is as follows:

	Thousands of Euros	
	2010	2009
Current tax:		
For continued transactions	7,503	10,051
Deferred tax		
For continued transactions	1,443	(894)
Other	1,409	(997)
Total expense for Corporate Tax	**10,355**	**8,160**

e) Deferred tax assets

91. An analysis of this balance at year-end:

	Thousands of Euros	
	2010	2009
Temporary differences (Advance tax):		
Impairment on property, plant and equipment (Note 6)	4,126	3,914
Provision for trade payables (Note 11)	1,205	1,472
Provisions for investees	890	1,860
Environmental provision (Note 11)	375	675
Trade and other receivables	321	361
Closure and post-closure provisions	216	216
Other	167	126
Tax credits	—	1,439
Total deferred tax assets	**7,300**	**10,063**

92. The deferred tax assets indicated above were recognised because the Company's Joint Directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

In 2010, deductions corresponding to previous years were adjusted on the basis of the best available estimates by the Company's Joint Directors regarding their recoverability under tax consolidation.

f) Registered deferred tax liabilities

93. An analysis of this balance at year-end:

	Thousands of Euros	
	2010	2009
Temporary differences (deferred taxes):		
Deferral of profit or loss from joint ventures	318	353
Provisions for investees	712	577
Total deferred tax liabilities	**1,030**	**930**

g) Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2010 year-end, the Company had the last four years open for review for income tax and other taxes applicable to it. The Company considers that the tax returns for the aforementioned taxes were filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

14. Income and expenses

a) Revenue

Company's revenue for the reporting period 2010 and 2009 correspond to the Spanish territory.

Net revenues for the reporting period 2010 and 2009, broken down by line of business, are as follows:

	Thousands of Euros	
Line of Business	2010	2009
Cleaning	6,277	7,095
Works executed on treatment plants	511	1,722
Waste plants	12,223	14,169
Waste collection	49,753	47,633
Sorting and recycling	14,528	11,109
Waste landfills	59,118	68,075
Other	11,122	3,487
Total	**153,532**	**153,290**

b) Breakdown of purchases by origin

Company purchases during the reporting periods 2010 and 2009, by origin, were made in the national territory. Intra-community purchases and imports were not significant.

c) Staff costs

The breakdown of staff costs accrued during the reporting period 2010 and 2009 is as follows:

	Thousands of Euros	
	2010	2009
Wages and salaries and similar expenses	26,270	26,493
Termination benefits (Note 4.i)	612	934
Employer social security costs	8,309	8,175
Other social security costs	644	61
TOTAL	**35,835**	**35,663**

15. Related party balances and transactions

a) Related party transactions

The breakdown of the transactions carried out with related parties during 2010 and 2009 is as follows:

Fiscal Year 2010

	Thousands of Euros					
	Expenses			Income		
	Procurements	Other operating expenses	Interest in Group companies	Services rendered	Other operating income	Finance income
Ferrovial Group –						
Ferrovial Servicios, S.A.	—	11	—	120	—	—
Ferrovial Agroman, S.A.	—	98	—	281	—	—
Ferrovial S.A.	—	127	27	—	—	—
Cespa Group –						
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	66	6,907	—	7,207	—	381
Ingeniería Urbana, S.A.	—	196	—	152	—	—
Cespa Gestión y Tratamiento de Residuos, S.A.	8	3,065	—	5,859	—	—
Reciclados y Compostajes Piedra Negra, S.A.	—	100	—	562	—	—
Cespa Jardinería, S.L.U.	5	—	—	—	—	—
Contenedores Reus, S.A.	—	—	—	33	—	23
Albaida Residuos, S.L.U.	—	—	—	17	—	—
Tratamiento de Residuos Medioambientales, S.L.	—	—	—	94	—	—
Cespa Conten, S.A.U.	311	1,021	—	1,052	—	—
Ecocat, S.L.	—	2,249	—	1,612	—	—
Ecoparc del Mediterrani, S.A.	—	—	—	443	—	—
Ecoparc de Can Mata, S.L.U.	—	—	—	90	—	—
Gestión Medioambiental de Toledo, S.A.	74	—	—	—	—	—
Other	—	717	1	653	—	35
Total	**464**	**14,491**	**28**	**18,175**	**—**	**439**

Fiscal Year 2009

	Thousands of Euros					
	Expenses			Income		
	Procurements	Other operating expenses	Interest in Group companies	Services rendered	Other operating income	Finance income
Ferrovial Group –						
Ferrovial Servicios, S.A.	—	29	—	140	—	38
Ferrovial Agroman, S.A.	792	—	—	202	—	—
Ferrovial S.A.	—	—	60	—	—	—
Cespa Group –						
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	134	7,206	69	6,204	6	222
Ingeniería Urbana, S.A.	325	—	—	113	—	—
Cespa Gestión y Tratamiento de Residuos, S.A.	53	2,473	—	7,240	9	—
Reciclados y Compostajes Piedra Negra, S.A.	189	—	—	342	—	—
Cespa Conten, S.A.U.	101	1,071	—	770	—	—
Ecocat, S.L.	2,542	—	—	2,404	—	—
Ecoparc del Mediterrani, S.A.	—	—	—	1,747	—	—
Ecoparc de Can Mata, S.L.U.	—	—	—	702	—	—
Other	150	551	3	351	—	120
Total	**4,286**	**11,330**	**132**	**20,215**	**15**	**380**

b) Related party balances

The breakdown of the balances with related parties is as follows:

Fiscal Year 2010

	Thousands of Euros	
	Accounts receivable	Accounts payable
	Loans trade receivables and balances	Loans trade receivables and balances
Long-term loans:		
Cespa Group:		
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	35,786	—
Contenedores Reus, S.A.	722	—
Novalis Medio Ambiente, S.A.	1,115	—
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	2,057	—
Total long-term loans (Note 9)	**39,680**	**—**
Trade receivables and short-term loans:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	28	4
Ferrovial, S.A.	—	138
Ferrovial Agroman, S.A.	170	150
Cespa Group:		
Albaida Residuos, S.L.	5	—
Tratamiento de Residuos	168	—
Medioambientales, S.L.		
Ecocat, S.L.	402	557
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	164	226
Cespa, Gestión y Tratamiento de Residuos, S.A.	813	13
Cespa Conten, S.A.U.	59	255
Cespa Jardinería, S.L.U.	—	8
Contenedores de Reus, S.A.	13	—
Ingeniería Ambiental Granadina, S.A.	21	—
Ingeniería Urbana, S.A.	38	21
Reciclados y Compostajes Piedra Negra, S.A.	220	41
Ecoparc del Mediterrani, S.A.	191	—
Ecoparc de Can Mata, S.L.U.	9	—
Gestión Medioambiental de Toledo, S.A.	—	27
Other	177	188
Total short-term loans	**2,478**	**1,628**

Fiscal Year 2009

	Thousands of Euros	
	Accounts receivable	Accounts payable
	Loans trade receivables and balances	Loans trade receivables and balances
Long-term loans:		
Cespa Group:		
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	13,861	—
Contenedores Reus, S.A.	721	—
Companyia Especial de Recuperacions i Reacondicionaments, S.L.	1,984	—
Other	168	—
Total long-term loans	**16,734**	**—**
Trade receivables and short-term loans:		
Ferrovial Group:		
Ferrovial Servicios, S.A.	60	5
Ferrovial, S.A.	—	13
Ferrovial Agroman, S.A.	113	888
Cespa Group:		
Ecocat, S.L.	439	448
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	173	353
Cespa, Gestión y Tratamiento de Residuos, S.A.	510	8
Cespa Conten, S.A.U.	147	71
Ingeniería Urbana, S.A.	37	55
Reciclados y Compostajes Piedra Negra, S.A.	111	71
Ecoparc del Mediterrani, S.A.	774	—
Other	300	197
Total short-term loans	**2,664**	**2,109**

Non-current payables and receivables with Group companies-

The different subsidiaries that make up Cespa Group have a centralised cash management system. Therefore, they all register current account reciprocal positions so that Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.(Note 10) can manage surplus and channel cash needs among its Group companies. Even though the maturity of the positions registered in the aforementioned system of current accounts is not established, Group companies plan to maintain the structural financing, as applicable; the balances for said current accounts were thus classified as non-current.

Said current accounts accrue a market interest rate.

Except for the foregoing, during the reporting period 2008, the Company signed a financing agreement with Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (Note 10) granting a EUR 40 million credit line to the Company. Said facility matures on 1 June 2010, with the possibility of annual extensions. It accrues a market interest rate. The Company recorded that amount as non-current, as Cespa, Compañía Española de Servicios Públicos has expressed its intention not to demand settlement thereof within less than twelve months from the date of these financial statements, and the abovementioned credit line thus remains effective.

Likewise, said caption includes a participating loan granted to the subsidiary Contenedores Reus, S.A. (Note 9) in order to recover its equity balance for an amount of EUR 698 thousand, plus accrued interests totalling EUR 23 thousand. Said loan falls due on 31 December 2014. This loan can be extended for annual periods with the express consent of both parties. This loan accrues interest based on a floating interest rate tied to the Euribor, as well as on the subsidiary's net revenue.

Lastly, in 2010 the Company formalised a credit line in favour of the subsidiary Novalis Medio Ambiente, S.A. (Note 9) amounting to EUR 10 million, of which the Company undertakes 50% in accordance with its equity percentage. The credit line falls due on 31 January 2012 and can be extended for annual period with the express consent of both parties. At the closing of the reporting period, said EUR 1,056 thousand of the credit line had been withdrawn, which represent the portion undertaken by the Company, over which a favourable interest of EUR 35 million was accrued.

The Company's Joint Directors consider that the loans and credit lines granted are recoverable based on the business plans of both subsidiaries, which is why no impairment was recorded in this regard.

Current payables and receivables with Cespa Group companies

The Company registered trade payables and receivables with Cespa group companies as current. Likewise, interests accrued and not paid from current account positions held with Group companies were also classified as current

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. (Note 10) has service provision contracts arranged with specific subsidiaries, each of them registering the services provided by central services.

The corporate tax payable totalling EUR 7,503 thousand is included in the "Current tax liabilities" heading of the accompanying balance sheet at 2010 year-end.

c) Remuneration of Joint Directors and senior executives

During the reporting period 2010 and 2009, Company Joint Directors did not accrue any remuneration and no loan or advance was granted to them by the Company.

No loans or sureties or any other commitment regarding pensions or life insurance were granted to Joint Directors.

There were two male Joint Directors during the reporting period 2010.

At the end of the reporting period 2010, neither Company Joint Directors nor persons related to them as defined in the Companies Law held any ownership interests in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose. The breakdown of positions and functions performed in other companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose is as follows:

Fiscal Year 2010

Director	Company	Business activity	Position and/or function in the Company
Santiago Olivares Blázquez	Ferrovial Servicios, S.A.	Urban services rendered	Chief Executive Officer
Santiago Olivares Blázquez	Ingeniería Ambiental Granadina, S.A.	Urban cleaning and waste collection and treatment.	Chairman of the Board
Santiago Olivares Blázquez	Ecoparc de Can Mata, S.L.U.	Integrated municipal waste treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Santiago Olivares Blázquez	Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.	Waste collection and treatment.	Chairman of the Board
Santiago Olivares Blázquez	Cespa Conten, S.A.	Waste collection and treatment.	Joint Administrator
Santiago Olivares Blázquez	Cespa Jardinería, S.L.U.	Urban cleaning and waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Ecocat, S.L.	Waste collection and treatment.	Director
Javier Llansó Benito (*)	Ecocem, Valorización de Residuos, S.A.	Waste collection and treatment.	Director

Director	Company	Business activity	Position and/or function in the Company
Javier Llansó Benito	Reciclados y Compostaje Piedra Negra, S.A.	Waste collection and treatment.	Director
Javier Llansó Benito	Ingeniería Ambiental Granadina, S.A.	Urban cleaning and waste collection and treatment.	Director
Javier Llansó Benito	Ecoparc de Can Mata, S.L.U.	Integrated municipal waste treatment.	Joint Administrator
Javier Llansó Benito	Cespa Conten, S.A.U.	Waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Cespa Compañía Española de Servicios Públicos Auxiliares, S.A.	Waste collection and treatment.	Director
Javier Llansó Benito	Cespa Gestión y Tratamiento de Residuos, S.A.	Waste collection and treatment.	Joint Administrator
Javier Llansó Benito	Cespa Inversiones Ambientales, S.A.	Holding company	Joint Administrator
Javier Llansó Benito	Cespa Jardinería, S.L.U.	Urban cleaning and waste collection and treatment.	Joint Administrator
Javier Llansó Benito (*)	Albaida Residuos, S.A.U.	Waste collection, treatment, and disposal, co-generation and renewable energy.	Joint Administrator
Javier Llansó Benito	AmeyCespa Limited	Waste collection and treatment.	Director
Javier Llansó Benito	Cespa UK Limited	Waste collection and treatment.	Director
Javier Llansó Benito	Cespa Ventures Limited	Waste collection and treatment.	Director

(*) Position held in reporting period 2010, not as at the date of preparation of these financial statements.

The Company integrates into Cespa Group (Note 10), which has management bodies common to most of the companies integrated into said group. The Company and Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., share the same senior management, the latter paying their entire remuneration. At the end of the reporting period 2010, the management body consists of ten men and one woman.

16. Information on the environment

At the closing of the reporting periods 2010 and 2009, the Company had items in its property, plant and equipment, aimed at minimising its environmental impact and protecting and improving the environment. The breakdown of those items in thousands of euros is as follows:

	Thousands of euros		
Fiscal Year 2010	31-12-09	Additions / (Provisions)	31-12-10
Cleaning			
Cost	4,124	199	4,323
Amortisation	(2,587)	(277)	(2,864)
	1,537	(78)	1,459
Transfer plants			
Cost	2,845	(7)	2,838
Amortisation	(1,897)	(150)	(2,047)
	948	(157)	791
Hospital waste treatment plant			
Cost	9,430	(60)	9,370
Amortisation	(5,333)	(197)	(5,530)
	4,097	(257)	3,840
Treatment and composting plants			
Cost	568	(141)	427
Amortisation	(83)	(43)	(126)
	485	(184)	301
Sorting and recycling plant			
Cost	18,834	1,083	19,917
Amortisation	(4,571)	(1,371)	(5,942)
	14,263	(288)	13,975
Industrial collection			
Cost	15,243	226	15,469
Amortisation	(10,903)	(719)	(11,622)
	4,340	(493)	3,847
Selective collection			
Cost	463	(7)	456
Amortisation	(192)	(33)	(225)
	271	(40)	231
Landfills			
Cost	71,133	8,641	79,774
Amortisation	(38,181)	(7,673)	(45,854)
	32,952	968	33,920
Urban collection			
Cost	2,886	442	3,328
Amortisation	(1,569)	(435)	(2,004)
	1,317	7	1,324
Inertisation			
Cost	94	—	94
Amortisation	—	—	—
	94	—	94
Total			
Cost	125,620	10,376	135,996
Amortisation	(65,316)	(10,898)	(76,214)
Total	**60,304**	**(522)**	**59,782**

Fiscal Year 2009	31-12-08	Additions / (Provisions)	31-12-09
	Thousands of euros		
Cleaning			
Cost	4,152	(28)	4,124
Amortisation	(2,266)	(321)	(2,587)
	1,886	(349)	1,537
Transfer plants			
Cost	2,847	(2)	2,845
Amortisation	(1,739)	(158)	(1,897)
	1,108	(160)	948
Hospital waste treatment plant			
Cost	8,516	914	9,430
Amortisation	(4,947)	(386)	(5,333)
	3,569	528	4,097
Treatment and composting plants			
Cost	428	140	568
Amortisation	(18)	(65)	(83)
	410	75	485
Sorting and recycling plant			
Cost	11,451	7,383	18,834
Amortisation	(3,575)	(996)	(4,571)
	7,876	6,387	14,263
Industrial collection			
Cost	15,388	(145)	15,243
Amortisation	(10,313)	(590)	(10,903)
	5,075	(735)	4,340
Selective collection			
Cost	372	91	463
Amortisation	(155)	(37)	(192)
	217	54	271
Landfills			
Cost	65,681	5,452	71,133
Amortisation	(33,438)	(4,743)	(38,181)
	32,243	709	32,952
Urban collection			
Cost	3,291	(405)	2,886
Amortisation	(1,477)	(92)	(1,569)
	1,814	(497)	1,317
Special waste transfer plant			
Cost	8	(8)	—
Amortisation	—	—	—
	8	(8)	—
Inertisation			
Cost	94	—	94
Amortisation	—	—	—
	94	—	94
Total			
Cost	112,228	13,392	125,620
Amortisation	(57,928)	(7,388)	(65,316)
Total	**54,300**	**6,004**	**60,304**

Furthermore, during 2010 and 2009, the Company incurred in different expenses for the purpose of protecting and enhancing that environment.

Except for the environmental provision described in Note 11 at 31 December 2010 and 2009, the Company did not register any provision for possible environmental risks as it estimates that there are no significant contingencies related to possible litigation, compensation for dismissals or other reasons. However, the Company sets up an internal fund to face the costs derived from the closure and post-closure of landfills owned by the Company and those managed by it for which said responsibilities are estimated to exist.

In addition, the details above do not include the impairment of land and facilities used for landfills respectively, which was calculated according to the filling degree estimated as at 31 December 2010 and 2009.

Furthermore, the Company has insurance policies as well as security plans that enable it to reasonably ensure that any possible contingency that may arise from its environmental involvement is covered.

17. Other information

a) Staff

The average number of employees during 2010, before including the staff contributed by the different joint ventures in which the Company is involved, was as follows:

Categories	2010
University graduates and upper-education graduates	46
Administrative staff	64
Technicians and workers	631
	741

The number of employees at the end of 2010, before including the staff contributed by the different joint ventures in which the Company is involved, distributed by category and gender, was as follows:

	2010	
Categories	Men	Women
University graduates and upper-education graduates	27	19
Administrative staff	14	50
Technicians and workers	581	48
	622	**117**

b) Audit fees

During the reporting periods 2010 and 2009, fees for audit services provided by the Company auditor, Deloitte, S.L., amounted to EUR 37 thousand and EUR 48 thousand respectively. Another verification service was provided by the auditor in 2010, which amounted to EUR 3 thousand. During these reporting periods no other fiscal counselling or other services whatsoever were provided by the auditor or by companies related to the auditor.11

c) Off-balance sheet arrangements

As at 31 December 2010 the Company held sureties from financial institutions before Public Entities for an amount of: EUR 57.4 million on account of different items related with its business activity. These sureties are not expected to derive in any significant contingencies.

d) Events after the reporting period

No significant subsequent events took place other than those detailed in the Annual Report.

18. Joint Ventures

The relationship of the joint ventures (U.T.E.) and the percentage of ownership of the Group as at 31 December 2010 is broken down in Annex II.

The balance sheet at 31 December 2010, together with the income statement corresponding to the reporting period ended on said date, and the changes listed in these financial statements include the effect of the equity method consolidation of these joint ventures, according to the Company ownership interest percentage therein.

In addition, the contribution of joint ventures to the different items of the balance sheet and income statement at 31 December 2010 was as follows:

ASSETS	Thousands of Euros	LIABILITIES	Thousands of Euros
Property, plant and equipment	14,573	Operating capital	367
Non-current financial assets	1,896	Profit for the year	1,759
Accounts receivable	22,160	Long-term provisions	44
Current financial assets	552	Non-current payables	1,018
Cash and cash equivalents Equivalents	811	Current liabilities	36,804
Total	**39,992**	**Total**	**39,992**

INCOME STATEMENT	Thousands of Euros
Revenue	15,903
Procurements	(3,307)
Other operating income	71
Staff costs	(5,517)
Other operating expenses	(3,647)
Depreciation and amortisation charge	(1,845)
Financial loss	101
Profit for the year	**1,759**

19. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Cespa Gestión de Residuos, S.A.U.
(Sole-shareholder Company)

Directors' Report
for the year ended
31 December 2010

The profits and loss account for 2010 shows a y-o-y drop of 9%, which was mainly triggered by the operating income fall of approximately 15%; and despite the slight increase of net revenue against 2009, the increase in operating expenses is more noticeable.

Financial income and expenses are in line with the previous year. However, a positive result in impairment and losses was the main reason leading to positive financial profits.

Non-financial indicators include the absenteeism percentage during the reporting period 2010 of approximately 3.03% and the number of incoming tons during 2010 with a y-o-y drop of around 11%.

The Company does not expect any significant changes in its business activities that may affect its development.

The Company did not engage in any technical research and development projects in 2010.

At the date of issue of this report, no relevant events had occurred subsequent to the end of the reporting period.

Finally, there were no transactions for the purchase of treasury shares during the reporting period 2010.

The Company does not use derivative financial instruments.

LIST OF SUBSIDIARIES – FISCAL YEAR 2010

Company	Registered offices (of the parent company in the subgroup, if applicable)	Activity	% Shareholding		Carrying amount in Company accounting records (*)	Thousands of euros						
			Direct	Indirect		Capital	Reserves	2010 Profit /Loss	Grants	Equity as at 31.12.10	Profit/Loss from operations for the period	Dividends received by the Company
Contenedores Reus, S.A.	Reus	Collection and treatment of work materials	75.50%	—	(228)	180	(811)	47	—	(584)	230	—
Companyia Especial de Recuperacions i Reacondicionaments, S.L. (a)	Barcelona	Construction and operation of public service of generation and distribution of hot water	42.11%	—	(557)	1,803	(3,090)	(34)	—	(1,321)	(2)	—
Cespa Gestión y Tratmiento de Residuos., S.A. (b)	Barcelona	Waste collection, treatment and disposal	99.99%	—	20,603	835	70,087	912	—	71,834	(397)	—
Tratamiento de Residuos y Energías Valencianas, S.A.	Valencia	Waste collection, dumping and treatment	55.00%	—	852	4,808	(2,454)	398	—	2,752	19	—
Ecoparc del Mediterrani, S.A.	Barcelona	Construction and operation of a selection centre, and energy recovery	48.00%	—	2,518	4,800	(422)	30	—	4,408	(1,500)	—
Centre de Tractament de Residus d'Andorra	Andorra	Construction and operation of waste treatment centre	29.00%	—	—	6,579	(749)	—	47,319	53,149	—	—
Reciclajes y compostajes Piedra Negra, S.A.	Xixona	Construction and operation of waste treatment centre	48.99%	—	1,654	3,607	2,885	(175)	2,003	9,974	(345)	—
Ecoenergía Can Mata, A.I.E.	Barcelona	Energy exploitation of biogas	70.00%	—	141	180	25	85	1	291	77	—
Ferrovial Medio Ambiente, S.A.	Valencia	Public work concession of the urban waste management project of area XVII of the Community of Valencia	50.00%	—	—	60	(73)	(173)	—	(186)	(83)	—
Albaida Residuos, S.L.U.	Almería	Waste collection, treatment, and disposal, co- generation and renewable energy.	100.00%	—	2,330	14,627	(10,438)	(1,626)	—	2,563	(2,065)	—
Other					(2)							
					27,311							

(*) *It does not include the provisions recognised under "Provisions for risks and expenses" (Note 11) and it includes the disbursements yet to be made at 2010 year end.*

Note: The information regarding the abovementioned companies was obtained from the individual financial statements of the different companies, which, in some cases, are provisional since they have not been prepared yet. In any case, they do not include the standardisations necessary for adapting their accounting policies to those of the Company, or for correcting possible situations described in the relevant audit reports. Thus, they do not include the effect which would result from applying consolidation methods for the majority ownership interest, or the equity method for those companies over which a significant influence is exerted (its existence is obvious in the case of an ownership interest of over 20% in non-listed companies).

(a) *It does not include the amount of approximately 39% corresponding to the trust loan to a company not belonging to Cespa Group, related to the ownership interest held in this company.*

(b) *At 31 December 2010, the abovementioned ownership interest includes an implied net gain, calculated based on its historical cost, of EUR 4,588 thousand (Note 9).*

LIST OF JOINT VENTURES IN WHICH CESPA, GESTIÓN DE RESIDUOS, S.A HOLDS OWNERSHIP INTEREST AS AT 31 DECEMBER 2010

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Date of Incorporation
Inusa – Cespa GR (Consermancha)	20%	Crta. Quero Km. 4, 5, 13.600 Alcázar de San Juan, Ciudad Real	Street cleaning, rubbish collection, and landfill management.	02.03.1998
Cespa GR – ACSA "UTE Terrassa"	50%	Gran Vía de les Corts Catalanes 657, bajos, Barcelona	Performance of the construction works of a composting plant in Vallés Occidental, and its subsequent operation.	04.06.1999
CESPA GR-Sacyr, S.A. Badajoz	50%	Padilla, 17 Madrid	Construction of the Urban Waste Treatment Centres in Badajoz and Navamoral de la Mata.	12.12. 2002
Cespa GR – Ecoparc 3	50%	Avda. Baix Llobregat 10., Esplugues DE Llobregat	Full and correct performance of the works and material supply contract, for the construction of Ecopark No. 3, in Barcelona metropolitan area.	04.10.2002
Cespa, S.A. – Cespa GR – Villanueva Cañada	50%	C/ Albarracín 44, Madrid	Maintenance service of green areas and trees for a four-year term.	10.02.2003
Cespa GR – Bio Terrassa	80%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Construction of a biomethanisation plant awarded by the Consell Comarcal of Vallès Occidental.	21.01.2003
Cespa GR – ACSA – GTM – Planta Francolí	40%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Construction and management of a deposit controlled with a leachate treatment system, in Espluga de Francolí.	17.07.2002
Cespa GR – Ferrovial Servicios	80%	Calle Príncipe Vergara 135, Madrid	Execution of the works of the "Clean Spot" collection centre of valuable and special waste, in San Agustín de Guadalix (Madrid).	10.02.2003
Cespa Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa Gestión de Residuos, S.A., UTE, Law 18/82, "UTE Contenedores Huelva"	20%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Rendering of the service of maintenance, upkeep, washing and replacement of containers and wastepaper bin, in Huelva city.	06.04.2005
Cespa Gestión de Residuos, S.A. – SACYR, S.A.U, UTE, Law 18/82	50%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Performance of the works for the operation of the management area No. 7, in Talaburrias (Badajoz).	26.05.2005
Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. – Cespa, Gestión de Residuos, S.A, Law 18/82	80%	Gran Vía de Les Corts Catalanes, 657, Barcelona	Transport and waste treatment service in the province of Huelva, and sludge transport and loading and unloading operations, and Purifier Stations of Sewage from the northern area.	08.11.2005

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Date of Incorporation
Consenur, S.A. – Cespa, Gestión de Residuos, S.A.	38.56%	Avenida de la Catedral, 6-8, Barcelona	Collection, transport and disposal of sanitary waste of primary care centres of Institut Catalá de la Salut.	04.11.2005
Cespa Gestión de Residuos, S.A. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A. , Law 18/82. known for short as "UTE Ecoparc IV"	20%	Avda. de la Catedral, 6-8, Barcelona	Waste management and comprehensive treatment service.	01.02.2006
Cespa Gestión de Residuos, S.A. – Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A., Law 18/82, known for short as "UTE Bollullos"	20%	Avda. de la Catedral, 6-8, Barcelona	Urban waste management, collection and transport service, in Bollillos, County of Huelva.	18.05.2006
Cespa, Gestión de Residuos, S.A. – Ferrovial Agroman, S.A. Law 18/82, known for short as "UTE Clausura Abocadors Lote 1"	80%	Avda. de la Catedral, 6-8, Barcelona	Closure works of unused municipal landfills and of demolition and other construction waste unused municipal landfills, plot 1: Darnius, Riduara, Consell, Comoracal d´Osona i Cercs.	17.08.2007
Cespa, Conten, S.A. – Cespa Gestión de Residuos, S.A., Law 18/82, known for short as "UTE Hospital Universitario de la Paz"	20%	Avda. de la Catedral, 6-8, Barcelona	Comprehensive waste management service of university hospital waste of La Paz.«	09.10.2007
Cespa Gestión de Residuos, S.A.U., Alquimia Soluciones Ambientales, S.L. y Aglomerados Daimiel, S.L., UTE, Law 18/82, known for short as "UTE Reciclados Daimiel"	50%	Alcázar de San Juan – Ciudad Real, Carretera de Quero Km 4,5.	The purpose of this Joint Venture is to carry out the lease of the plot of land No. 86, industrial estate 160, of the Rural Land Registry of Daimiel, for the installation of a construction and demolition waste plant, as well as for the management and operation of said plant.	14.09.2007
Cespa Gestión de Residuos, S.A.U., Ecocat S.L., UTE, Law 18/82, known for short as "UTE el Serrallo"	20%	Polígono Industrial Artana, Prolongación Pietat s/n, 12540, Vila-Real (Castellón).	Performance of the contract entered into by the Joint Venture members and company BP Oil Refinería de Castellón, S.A., the purpose of which is to manage the waste arising from or entering into the refinery.	05.12.2007
Cespa Gestión de Residuos, S.A.U., Ecocat S.L., UTE, Law 18/82, known for short as "UTE Servicios Emergencias Residuos"	50%	Avda. de la Catedral, 6-8, Barcelona	Hiring the service of mobilisation of human resources and materials, for the intervention in incidents and emergencies with waste.	17.01.2008

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Date of Incorporation
Cespa Gestión de Residuos, S.A.U., Enrique Ortiz e Hijos Contratista de Obras, S.A., UTE, Law 18/82, known for short as "UTE Plan Zonal XVII".	50%	Avenida Alfoso X El Sabio, 36, Alicante	The Companies have been awarded the performance of the public work concession contract of the Urban Waste Management Project of area XVII, of the Community of Valencia, by virtue of the Agreement by the Consortium Governing Board, for awarding the provisions of the local waste plan of area XVII, Provincial Council of Alicante, adopted on 3 January 2008.	07.02.2008
Cespa Gestión de Residuos, S.A.U., Energía, Sur de Europa, S.L., UTE, Law 18/82, known for short as "UTE CESPA/ENUR".	50%	Alejo Fernández nº15, Casa F-1ºC, Sevilla	Rendering the service related to the management and complete use of the biogas generated in the urban solid waste controlled deposit in Toledo, located in carretera de Ávila, Km. 8.300.	06.03.2008
Cespa Gestión de Residuos, S.A.U., Limpiezas, Ajardinamientos y Servicios Seralia, S.A., UTE, Law 18/82, known for short as "UTE Navatejera"	50%	Avda. de la Catedral, 6-8, Barcelona	Carrying out the lease of the land of Navatejera neighbourhood, for the construction, installation, start-up and operation of a recycling plant of construction and demolition waste.	21.01.2009
Cespa Gestión de Residuos, S.A.U., Jovilma Construcciones, S.L., UTE, Law 18/82, known for short as "UTE Tratamiento Burgos"	55%	Avda. de la Catedral, 6-8, Barcelona	Management of the joint operation of a biomethanisation, recycling, composting and transfer plant of urban solid waste, and a plant for the classification of plastic, metals and brick packaging fraction, resulting from the selective collection from the yellow containers.	05.03.2009
Cespa Gestión de Residuos, S.A.U., Construcciones Disfarol, S.L., UTE, Law 18/82, known for short as "UTE RCD's Montiel y Calatrava"	65%	Avda. de la Catedral, 6-8, Barcelona	Comprehensive management of inert, debris, and building waste, by the Consortium General Meeting.	26.08.2009
Cespa Gestión de Residuos, S.A.U. – Acertis Obres i Serveis, S.A., UTE, Law 18/82, known for short as "Ute Cal Gitanet"	50%	Avda. de la Catedral, 6-8, Barcelona	Drafting of the executive technical project, physical implementation of the waterproofing and improvement works related to the leachate control from the closed down landfill of Cal Gitanet, in the municipal district of Gurb, temporarily awarded by Resolution of the Consorci per a la Gestió de Residus urbans d'Osona.	01.01.2010

JOINT VENTURE	Percentage of Ownership	Registered Offices	Activity	Date of Incorporation
Cespa Gestión de Residuos, S.A.U. – Acertis Obres i Serveis, S.A., UTE, Law 18/82, known for short as "CTR Osona UTE"	90%	Avda. de la Catedral, 6-8, Barcelona	Execution of the contract whose purpose is to draft the construction project of the Municipal waste Treatment Centre in Osona and Ripollés, to provide the land for the implementation of the centre, to construct the infrastructure, to obtain the necessary permits for the Centre investment and operation, to start-up under load the whole Centre, and to operate its facilities.	15.07.2010

Cintra Infraestructuras, S.A.

Financial Statements for the Fiscal Year ended
31 December 2011 and
Director's Report together with the
Audit Report

FINANCIAL STATEMENTS AUDIT REPORT

To the Shareholders of Cintra Infraestructuras, S.A.:

1. We have audited the financial statements of Cintra Infraestructuras, S.A., comprising the balance sheet as at 31 December 2011, the income statement, the statement of changes in equity, the statement of cash flows and the summarised annual report for the fiscal year ended on said date. Directors are responsible for the preparation of the Company's financial statements, under the financial reporting regulatory framework applicable to the Company (identified in Note 3.a of the accompanying annual report) and, especially, subject to the accounting principles and methods contained therein. Our responsibility is to express an opinion on all of the abovementioned financial statements, based on the work carried pursuant to the auditing process applicable in Spain, which requires the examination, through sampling, of the evidentiary support of the financial statements and the assessment of compliance with the financial reporting regulatory framework upon filing thereof as well as with the applicable accounting principles and estimations.

2. In our opinion, the accompanying financial statements for 2011 present fairly, in all material respects, the financial position and equity of Cintra Infraestructuras, S.A. as at 31 December 2011, as well as of the results from operations and cash flows for the relevant year ended on such date, all of this pursuant to the regulatory framework resulting from applying the accounting principles and methods contained therein.

3. Without this affecting our audit opinion, pursuant to Note 22 of the accompanying financial statements, almost the entire Company's income and expenses result from operations with related companies as they are the effect of financial income and expenses, service charges, dividends and portfolio provisions, which are eliminated on consolidation. On this same date, the audit report is issued for the consolidated financial statements of Cintra Infraestructuras, S.A. and Subsidiaries, prepared pursuant to the International Financial Reporting Standards, adopted by the European Union (IFRS-EU), in which we expressed a favourable opinion. Note 3.1 of the accompanying annual report includes the Group's main consolidated figures.

4. The directors' report attached hereto for the reporting period 2011 contains the explanations that the Directors consider appropriate, concerning the situation of the Company, its business development and other matters and does not form an integral part of the financial statements. We have verified that the accounting information contained in the directors' report agrees with the financial statements for 2011. Our work as auditors is limited to verifying the directors' report in the scope referred to in this paragraph and does not include the examination of any information other than that derived from the Company's accounting records.

DELOITTE, S.L.
Registered on the R.O.A.C. no. S0692

Javier Parada Pardo
20th April 2012

Deloitte, S.L., registered in the Business Registry of Madrid, Volume 13,650, section 8, sheet 188, page M-54414. Entry no. 96, Tax Identity Number: B-79104469.
Registered office: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid.

CINTRA INFRAESTRUCTURAS, S.A.

Individual Financial Statements
for fiscal year 2011

CINTRA INFRAESTRUCTURAS, S.A.

SUMMARISED FINANCIAL STATEMENTS FOR FISCAL YEAR 2011

Financial Statements

Notes to the Financial Statements

CINTRA INFRAESTRUCTURAS, S.A.

BALANCE SHEET AT 31 DECEMBER 2011
(Euros)

ASSETS	Notes	2011	2010
NON-CURRENT ASSETS		**1,754,754,747**	**1,104,204,808**
Property, plant and equipment	7	**267,146**	**1,269,118**
Non-current investments in Group companies and associates		**1,605,701,158**	**920,004,754**
Equity instruments	9	1,605,701,158	917,111,963
Loans to companies	11	0	2,892,791
Non-current financial assets		**661,999**	**393,211**
Other financial assets		661,999	393,211
Deferred tax assets	20	**148,124,444**	**182,537,725**
CURRENT ASSETS		**754,448,498**	**1,059,034,691**
Non-current assets classified as held for sale	10	**—**	**12,534,728**
Trade and other receivables		**28,976,772**	**43,607,575**
Trade receivables for sales and services	12.b	(156,144)	1,632,154
Receivable from Group companies and associates	12.a	22,109,610	22,183,665
Sundry accounts receivable		1,076,635	154,651
Staff	12.a	272,040	578,413
Current tax assets (under tax consolidation)	24.b	1,174,918	14,415,785
Other accounts receivable from public authorities	24.a	4,499,713	4,642,907
Current investments in Group companies and associates		**262,713,855**	**988,587,623**
Loans to Group companies and associates	11	108,011,803	584,850,213
Other financial assets	12.c	154,702,052	403,737,409
Current financial assets		**2,090,443**	**2,067,976**
Other financial assets		2,090,443	2,067,976
Current accruals and deferred income		**310**	**16,193**
Cash and cash equivalents	14	**460,667,118**	**12,220,597**
TOTAL ASSETS		**2,509,203,245**	**2,163,239,499**

EQUITY AND LIABILITIES	Notes	2011	2010
EQUITY		**2,193,702,455**	**1,923,408,843**
Shareholders' equity	15	**2,193,417,956**	**1,930,739,110**
Capital		153,764,357	153,764,357
Share premium		1,625,066,212	1,625,066,212
Reserves		30,752,871	30,752,871
Profit (loss) for the year		503,124,723	315,383,435
Interim dividend		(120,000,000)	(195,000,000)
Other equity instruments		709,793	772,235
Adjustments for changes in value	13	**284,499**	**(7,330,267)**
NON-CURRENT LIABILITIES		**201,671,003**	**207,069,613**
Long-term provisions	16	**173,933,160**	**118,160,538**
Other provisions		173,933,160	118,160,538
Non-current payables	13	**13,547,532**	**26,220,283**
Derivatives		13,547,532	26,220,283
Non-current payables with Group companies and associates	19	**14,068,383**	**37,063,602**
Deferred tax liabilities	20	**121,928**	**25,625,190**
CURRENT LIABILITIES		**113,829,786**	**32,761,044**
Current payables	18.a	**22,767**	**13,029**
Bank borrowings		22,767	13,029
Current payables with Group companies and associates		**101,541,454**	**22,272,679**
Loans to Group companies and associates	19	92,418,950	22,064,326
Other financial liabilities	18.d	9,122,504	208,353
Trade and Other Payables		**12,263,920**	**10,466,771**
Suppliers	18.c	4,471,592	5,170,592
Suppliers – Group companies and associates	18.b	3,135,909	1,556,652
Staff		750,431	3,331,285
Current tax liabilities (under tax consolidation)	24	3,783,755	0
Other accounts payable to public authorities	24.a	122,233	408,242
Current accruals and deferred income		**1,646**	**8,565**
TOTAL EQUITY AND LIABILITIES		**2,509,203,245**	**2,163,239,499**

The accompanying Notes 1 to 34 to the Financial Statements are an integral part of the Balance Sheet for fiscal year 2011.

CINTRA INFRAESTRUCTURAS, S.A.

INCOME STATEMENT FOR FISCAL YEAR 2011
(Euros)

	Notes	2011	2010
CONTINUING OPERATIONS			
Revenue	22.a	**373,425,866**	**815,580,427**
Services		45,767,319	61,560,705
Other revenue from Group companies		2,580,781	454,558
Dividends from Group companies		296,864,023	733,451,756
Profits Group companies		28,213,743	20,113,408
Other operating income		**—**	**1**
Non-core and other current operating income		—	1
Staff costs	21	**(12,471,454)**	**(17,641,292)**
Wages, salaries and similar expenses		(11,159,173)	(16,051,107)
Employee benefit costs		(1,312,281)	(1,590,185)
Other operating expenses	22.b	**(48,352,836)**	**(44,752,700)**
Outside services		(48,352,687)	(44,721,147)
Taxes other than income tax		(149)	(31,553)
Depreciation and amortisation charge	7	**(323,138)**	**(441,073)**
Impairment and gains or losses on disposals		**(283,883)**	**(160,602)**
Gains or losses on disposals and others	7.22.d	(283,883)	(160,602)
Other profit (loss)	22.e	**(23,296)**	**(4,830,263)**
PROFIT FROM OPERATIONS		**311,971,259**	**747,754,498**
Finance income	23.a	**9,095,922**	**17,944,260**
From marketable securities and other financial instruments		9,095,922	17,944,260
From Group Companies		—	—
Third parties		9,095,922	17,944,260
Finance costs	23.b	**(23,920,210)**	**(41,804,204)**
On debts to Group companies and associates		(6,877,290)	(13,547,507)
On debts to third parties		(17,042,920)	(28,256,697)
Exchange differences		**6,718,920**	**(298,754)**
Change in fair value of financial instruments		**2,200,939**	**(3,549,732)**
Negotiation portfolio and others	13 and 23.c	2,200,939	(3,549,732)
Impairment and gains or losses on disposal of financial instruments		**222,856,750**	**(581,153,182)**
Gains or losses on disposal of financial profit/loss	23.d	80,726,370	37,245,279
Impairment and losses	23.e	142,130,380	(618,398,461)
FINANCIAL PROFIT (LOSS)	23	**216,952,321**	**(608,861,612)**
PROFIT BEFORE TAX		**528,923,580**	**138,892,886**
Corporate taxes	24.c	(25,798,857)	176,490,549
PROFIT FOR THE YEAR		**503,124,723**	**315,383,435**

The accompanying Notes 1 to 34 to the Financial Statements are an integral part of the Income Statement for fiscal year 2011.

CINTRA INFRAESTRUCTURAS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR FISCAL YEAR 2011

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR FISCAL YEAR 2011 (Euros)

	2011	2010
Balance of the Income Statement	**503,124,723**	**315,383,435**
Income and expenses recognised directly in equity	**353,634**	**(6,775,876)**
On cash flow hedging	505,192	(9,679,822)
Taxation effect	(151,558)	2,903,946
Transfers to profit or loss	**7,261,133**	**1,193,177**
On cash flow hedging	10,373,047	1,704,537
Taxation effect	(3,111,914)	(511,361)
TOTAL RECOGNISED INCOME AND EXPENSE	**510,739,490**	**309,800,736**

The accompanying Notes 1 to 34 are an integral part of the statement of recognised income and expense for fiscal year 2011.

CINTRA INFRAESTRUCTURAS, S.A.

B) STATEMENT OF CHANGES IN EQUITY FOR FISCAL YEAR 2011
(Euros)

	Registered capital	Share premium	Legal reserve	Profit(loss) for the year	Interim dividend	Other equity instruments	Adjustments for changes in value	Restricted cash and other non-current financial assets
2009 CLOSING BALANCE	**153,764,357**	**1,625,066,212**	**—**	**404,871,009**	**(337,358,999)**	**568,716**	**(1,747,569)**	**1,845,163,726**
I. Total recognised income and expense	**—**	**—**	**—**	**315,383,435**	**—**	**—**	**(5,582,699)**	**309,800,736**
II. Transactions with members or owners	**—**	**—**	**30,752,871**	**-404,871,009**	**142,358,999**	**—**	**—**	**(231,759,139)**
– Distribution of 2009 profit/loss	—	—	30,752,871	-404,871,009	374,118,138	—	—	—
– Dividends paid	—	—	—	—	(231,759,139)	—	—	(231,759,139)
III. Other changes in Equity	**—**	**—**	**—**	**—**	**—**	**203,520**	**—**	**203,520**
2010 CLOSING BALANCE	**153,764,357**	**1,625,066,212**	**30,752,871**	**315,383,435**	**(195,000,000)**	**772,235**	**(7,330,267)**	**1,923,408,843**
I. Total recognised income and expense	**—**	**—**	**—**	**503,124,723**		**—**	**7,614,767**	**510,739,490**
II. Transactions with members or owners	**—**	**—**	**—**	**(315,383,435)**	**75,000,000**	**—**	**—**	**(240,383,435)**
– Distribution of 2010 profit/loss	—	—	—	(315,383,435)	315,383,435	—	—	—
– Dividends paid	—	—	—	—	(240,383,435)	—	—	(240,383,435)
III. Other changes in Equity	**—**	**—**	**—**	**—**	**—**	**(62,443)**	**—**	**(62,443)**
2011 CLOSING BALANCE	**153,764,357**	**1,625,066,212**	**30,752,871**	**503,124,723**	**(120,000,000)**	**709,792**	**284,500**	**2,193,702,455**

The accompanying Notes 1 to 34 to the Financial Statements are an integral part of the Statement of Changes in Total Equity for fiscal year 2011.

CINTRA INFRAESTRUCTURAS, S.A.

STATEMENT OF CASH FLOWS FOR FISCAL YEAR 2011
(Euros)

	Notes	2011	2010
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before tax		528,923,580	315,383,436
Profit (loss) adjustments		(284,998,276)	(139,272,007)
Changes in working capital		(577,967)	2,337,919
Other cash flows from operating activities		406,824,380	(181,417,586)
Other cash flows from operating activities	25	**650,171,717**	**(2,968,238)**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES			
Collection (payments) due to investment		(17,625,054)	195,759,227
Cash flows from investment activities	26	**(17,625,054)**	**195,759,227**
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments relating to equity instruments		9,737	(75)
Proceeds and payments relating to financial liability instruments		56,273,556	29,340,291
Dividends and returns on other equity instruments paid		(240,383,435)	(231,759,139)
Cash flows from financing activities	**27**	**(184,100,142)**	**(202,418,923)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**448,446,521**	**(9,627,933)**
Cash and cash equivalents at the beginning of the reporting period before segregation		12,220,597	21,848,530
Cash and cash equivalents at end of year		**460,667,118**	**12,220,597**

The accompanying Notes 1 to 34 to the Financial Statements are an integral part of the Statement of Cash Flows for fiscal year 2011.

Cintra Infraestructuras, S.A.

Financial Statement for Fiscal Year 2011

1. Company activities

Cintra Infraestructuras, S.A., hereinafter Cintra or the Company, the parent company of the Cintra Group, was incorporated on 8 June 2009 as a public limited liability company.

The purpose of its incorporation was the contribution of shares of Cintra Concesiones de Infraestructuras de Transporte, S.A. to the Company through segregation as part of a company reorganisation transaction aimed at the merger of Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transporte, S.A. Such segregation consisted of the transfer en bloc of the shares held by Cintra Concesiones de Infraestructuras de Transporte, S.A. in the concession operators (except for Cintra Aparcamientos, S.A. and the controlled concession operators in Greece), at the Company's carrying amount at 30 June 2009.

The Company's registered office is at Plaza Manuel Gómez Moreno, n° 2, Edificio Alfredo Mahou, 28020 Madrid. The Company is registered before the Commercial Registry of Madrid, in Book 26,795, Folio 8, 8th Section of the Companies Book, Page M-482817, 1st entry, with CIF (Tax Identification Code) A-85716215.

Cintra belongs to a group whose parent company is Ferrovial, S.A., which holds a direct 100% ownership interest in the Company and has prepared consolidated and individual Financial Statements for reporting period 2011 dated 23 February 2012, which are pending approval by the Annual General Meeting.

According to the Company bylaws, its corporate purpose is mainly related to the following activities: design, construction, execution, operation, management, financing, administration and maintenance of all types of infrastructure and public and private works, as well as of all kinds of services associated with urban and inter-urban transport infrastructure.

The abovementioned activities are carried out by Cintra, either totally or partially, through the involvement of other companies, groups or consortia with similar corporate purposes and domiciled either in Spain or in other countries overseas.

The Company is the head of a holding and fulfils all of the applicable requirements. It does not claim the possibility of not submitting consolidated statements as Ferrovial does so; therefore, the Company prepares and submits consolidated statements.

During 2011 the company structure and activities of Cintra Infraestructuras, S.A. were reorganised, including the segregation of the provision of services to the company Cintra Servicios de Infraestructuras, S.L., as well as the reorganisation of a portion of the financial activity of Cintra Infraestructuras, S.A. to Cintra Inversiones, S.L.U.

Therefore, the Company's main activity in 2011 has been the tender, study, negotiation, design and submittal of proposals, investment and project financing, as well as the management, coordination and administration of such activities, when applicable.

2. Segregation transaction carried out during the fiscal year

On 30 June 2011 the management bodies of the Company and Cintra Servicios de Infraestructuras, S.L. formalised a Segregation Project aimed at the transfer en bloc by universal succession of a Company's business line consisting of the provision of Services. The purpose of such Services is to give advice on the operation of infrastructure projects once awarded by delivering support, backup and assistance on administration, accounting, economic analysis, technical, legal, financial, IT, taxation and human resources issues, among others.

The abovementioned Segregation was formalised through a deed issued before a Notary Public on 30 August 2011 and lodged with the Commercial Registry of Madrid, becoming fully effective on 15 September 2011.

Pursuant to Article 31.7 under the Structural Markets Law (*Ley de mercados estructurales – LME*), and for accounting purposes, as of 1 January 2011 the activities comprised under the segregated Services business line are deemed to be carried out by Cintra Servicios de Infraestructuras, S.L.

For the purposes of Article 36.1 under the LME, the segregation balances considered were those held by both companies at 31 December 2010. In turn, for the purposes of Article 31.9, relating to section 74 under the LME, the joint assessment of both assets and liabilities within the scope of the Segregation resulted in EUR 21,220,284 and EUR 1,854,378 respectively. Therefore, the net value attributed to the segregated equity totals EUR 19,365,906 (Annex II).

All of the liabilities associated with the Cintra Infraestructuras, S.A. Portugal Branch are included as part of the equity items subjected to segregation. This Branch, as a result of the segregation, has become the agent of Cintra Servicios de Infraestructuras, S.L. in Portugal.

The above stated assessments match the carrying amount of the segregated assets and liabilities as registered on 31 December 2010. This is an intra-group transaction within the framework of the special tax scheme provided for in Chapter VIII, Title VII, and the second additional provision under the Corporate Tax Law. Any discrepancies between the tax base and the carrying amount are thus avoided.

Annex II to the Financial Statements contains the Company's assets and liabilities items at 31 December 2010 within the scope of the Segregation, as well as breakdown of the carrying amounts of the segregated assets and liabilities at 31 December 2010.

3. Basis of presentation

a) Regulatory financial reporting framework applicable to the Company

These financial statements were prepared by the Directors in accordance with the financial reporting regulatory framework applicable to the Group, which is set forth in:

- The Spanish Commercial Code and all other Spanish corporate law.
- The 2007 Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its sector-related adjustments.
- The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- All other applicable Spanish accounting legislation.

b) Fair presentation

The accompanying financial statements were prepared from the accounting records of the Company and are presented in accordance with the financial reporting regulatory framework applicable and, specifically, with the accounting principles and methods contained therein, so as to present fairly the equity, financial position, results and cash flows for the relevant reporting year.

These financial statements, prepared by Company Directors, will be submitted for approval by the Annual General Meeting, such approval being estimated with no amendments. Similarly, the financial statements for reporting period 2010 were approved by the Universal Annual General Meeting held on 26 April 2011.

The amounts included in the documents making up these financial statements are stated in euros.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the Directors formally prepared these financial statements by taking into account all the binding accounting principles and standards with a significant effect hereon. All obligatory accounting principles have been applied.

d) Key issues in relation to the measurement and estimation of uncertainty

The accompanying financial statements were prepared using estimations by the Company Directors to value certain assets, liabilities, income, expenses and commitments recorded therein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Notes 7, 9 and 11).

- The life and amortisation criteria of tangible assets (see Note 7).
- Calculation of provisions (see Note 16).
- Market value of certain financial instruments (see Note 13).
- The recoverability of deferred tax assets and liabilities (see Note 20).

Although these estimates were made on the basis of the best information available at 2011 year-end, future events might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would then be applied prospectively.

e) Comparative information

In addition to the 2011 revenue, these Financial Statements also contain the revenue for reporting period 2010. As a result of the segregation of the Services business line and the financial activity reorganisation carried out by the Company (see Note 2), the data corresponding to both reporting periods are not totally comparable.

f) Grouping of items

In order to better understand the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows, these financial statements are grouped together, including the analyses required in the notes accompanying the financial statements.

g) Changes in accounting principles

No significant changes were introduced to accounting principles during 2011 compared to those applied in 2010.

h) Correction of errors

No significant errors were detected in the preparation of the accompanying financial statements requiring a restatement of amounts included in the 2010 financial statement.

i) Consolidation effect

The Company prepares its financial statements on a consolidated basis as it is the parent company of a consolidated group, as per the International Financial Reporting Standards. Pursuant to Article 43 of the Commercial Code, the Company could claim the right to be exempted from the obligation of preparing consolidated financial statements since the parent company Ferrovial, S.A. prepared consolidated financial statements on 23 February 2012. The Company is fully consolidated with the Ferrovial Group and, therefore, submits consolidated financial statements voluntarily. None of Cintra Group companies are listed companies.

Therefore, the Company's individual financial statements do not show any equity increase or decrease that would result from applying consolidation criteria by fully integrating the majority shareholdings and accounting criteria following the equity method for the remaining significant shareholdings.

Grupo Cintra's financial statements under consolidation as per the International Financial Reporting Standards show a consolidated equity attributable to the parent company at 31 December 2011 tantamount to EUR 3,164,868 (in 2010: EUR 3,762,193), with a loss attributable to the parent company for EUR -43,398 thousand (in 2010: profit of EUR 3,690,072), assets for EUR 12,846,925 (in 2010: EUR 12,374,222), and liabilities for EUR 9,682,057 (in 2010: EUR 8,612,029).

4. Distribution of profit

The proposal for 2011 distribution of profit to be submitted to the Annual General Meeting is as follows:

Item	Euros
Distribution base	
Profit (loss) for the year	503,124,723,48
Distribution	
Interim	120,000,000,00
Voluntary reserves	383,124,723,48
Total	503,124,723,48

The breakdown for the distribution of profit is the following:

- No provisions for legal reserve are proposed since they are fully covered as per the legal requirements set out in the Spanish Companies Law.
- The distribution of dividend proposed amounts to EUR 120,000,000 which has been fully paid as interim dividend in 2011.
- Therefore, the difference of EUR 383,124,723.48 will be allotted to voluntary reserves.

As for interim dividends, on 19 May and 26 October 2011, the Company Board of Directors resolved that, based upon the liquidity statement approved on said dates, interim dividends from reporting period 2011 should be paid in the amount of EUR 40,000,000 and EUR 80,000,000 respectively.

The provisional financial statements prepared pursuant to Article 277 under the Spanish Companies Law evidenced sufficient liquidity and proceeds to that end.

The provisional liquidity statement one year after the approval of the distribution of interim dividend was calculated based on the closing of the reporting period prior to the distribution of dividend and on the best one-year horizon estimates available to the Company at each given time, according to the budget or the relevant budgetary revision. The corresponding breakdown is as follows:

(Millions of euros)

Item	30/04/11	30/09/11
Cash on hand on dividend distribution date	602	392
One-year collection forecast	165	175
One-year payment forecast	(220)	(211)
Interim dividend payment forecast	(40)	(80)
Cash on hand	**507**	**276**

Said financial statements also showed that the Company's net profit was as follows:

(Millions of euros)

Item	30/04/11	30/09/11
Temporary profit for the year after tax	43	364
Legal reserve	—	—
Distributable temporary profit for the year	**43**	**364**

The provisional profit reported by the Directors indicated that the amount to be distributed did not exceed the amount of profit earned since the end of the last month closed, after deducting the estimated tax amounts chargeable thereon and after allocation to the obligatory reserve, when applicable.

5. Accounting policies and measurement bases

The main accounting policies and measurement bases used by the Company when preparing its 2011 financial statements, pursuant to provisions of the Spanish National Chart of Accounts, were the following:

a) Property, plant and equipment

Property, plant and equipment is recognised at its acquisition price or production cost minus the accumulated depreciation and the total amount of recognised losses.

Property, plant and equipment upkeep and maintenance expenses are posted to the income statement of the year in which they are incurred. In turn, costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are registered as higher cost thereof.

Property, plant and equipment depreciation is systematically calculated based on the straight-line method according to their estimated life and taking into account their actual depreciation as a result of the operation and use thereof.

Property, plant and equipment owned by the Company includes both furniture and fixtures as well as the works performed on the leased facilities for the next five years, and data processing equipment with a life of ten and three years respectively.

Assets subject to depreciation undergo impairment loss tests if a certain event or change in circumstances indicates that the carrying amount may not be recovered.

At 31 December 2011 and 2010 no impairment on property, plant and equipment had been registered.

b) Non-current assets classified as held for sale

The Company classifies a non-current asset or disposable group as held for sale when its sale has already been decided, estimating its occurrence within the next twelve months.

These assets or disposable groups are carried at the lower of the accounting cost or the fair value, net of necessary costs for sale.

Non-current assets classified as held for sale are not amortised, but the corresponding valuation changes are carried at the date of each balance sheet so the accounting value does not exceed the fair value net of sale costs.

Income and expenses generated by non-current assets and disposable groups of elements classified as held for sale, that do not qualify as interrupted transactions are charged to the relevant caption of the corresponding income statement, according to their nature.

The Company will classify a non-current asset as held for sale if its carrying amount can be mainly recovered through the sale thereof rather than through its continuous use and provided that the following requirements are fulfilled:

a) The asset must be available for its immediate sale under its current condition, subject to ordinary and regular terms applicable to the sale thereof; and

b) Its sale must be highly plausible due to the concurrence of the following circumstances:

b1) The Company must be bound by a plan to sell the asset concerned and must have started a programme to find a purchaser and thus finalise the plan.

b2) The sale of the asset must be actively negotiated at an adequate price according to its current fair value.

b3) The sale is expected to be finalised within one year after the date of classification of the asset as held for sale unless, due to events and circumstances beyond the Company's control, the term for sale must be extended, there being sufficient grounds to believe that the Company remains bound by the plan to sell the asset in question.

b4) The actions to finalise the plan indicate that no significant changes to the plan are likely to occur or that the latter is likely to be cancelled.

In 2011 the Company had no non-current assets held for sale. In 2010 the Company classified under non-current assets held for sale the investment made in Autopista Trados 45, S.A., sold in January 2011 (see Note 10).

c) Leases

Finance lease

Leases are classified as finance lease provided that their conditions imply that the risks and benefits inherent to the property of the assets subject matter of the contract are materially transferred to the lessee. All other leases are classified as operating leases. The Company does not hold any finance lease agreements at 31 December 2011 and 31 December 2010.

Operating lease

Income and expenses derived from operating lease agreements are posted to the income statement in the reporting period when accrued.

Any collection or payment that may be made when entering an operational lease will be considered as an advanced collection or payment that will be allocated to profits/losses over the term of the lease, as benefits of the leased asset are assigned or received.

d) Financial instruments

Loans and receivables

Financial assets from the sale of goods or service provision through Company trade operations or those which, though non-commercial, cannot be considered as equity or derivative instruments representing a fixed amount, or one yet to be established, and which are not traded in an active market.

These financial assets are initially carried at their fair value, including directly associated transaction costs. They are subsequently carried at amortised cost recognising accrued interest according to their effective interest rate, understood as the discount rate that matches exactly the initial payments of the instrument with all of its estimated cash flows until maturity thereof. Notwithstanding the foregoing, trade receivables maturing within one year are carried at their face value, either upon their initial recognition or later on, provided that the effect of not discounting cash flows is not material.

If at year-end there is objective evidence that not all amounts receivable will be collected, the necessary impairment losses are recognised.

Investments held until maturity

Financial assets held until their maturity date represent debt securities with a specific maturity date and identifiable amounts receivable, which are traded in an active market and which the Company has the firm intention and ability to hold until the date of maturity thereof.

The valuation criteria applied to these investments are the same as those for loans and receivables.

Equity investments in Group companies, associates and jointly-controlled entities

Group companies are deemed to be those related to the Company as a result of a control relationship, while associates are companies over which the Company exercises significant influence. Jointly-controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control together with one or more investors.

The initial recognition is determined as follows:

Financial assets are initially registered at the fair value of the consideration plus transaction costs directly attributed to them.

For investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement. The subsequent recognition is determined as follows:

Investments in Group companies and associates and interests in jointly-controlled entities are measured at cost net of any accumulated impairment losses, where appropriate. These adjustments are calculated as the difference between their carrying amount and their recoverable amount. Recoverable amount is the higher of its fair value less sales costs and the present value of the future cash flows from the investment. The effective value of cash flows is generally calculated based on the updated Financial Economic Models (EFM) corresponding to the concessions in which the Group participates or taking into account any potential investment risks or contingencies. Exceptionally, if no better evidence exists about the recoverable amount, the controlled entitys' equity is then considered, after adjustment by the current unrealised gains on the valuation date, including goodwill, if any.

The forecasted cash flows for the shareholder are discounted at an estimated cost of capital based on a risk-free rate referenced to a 30-year bond, taking into account the location of each concession operator, a Beta coefficient reflecting the Company's leverage and asset risk, and an estimated market premium of 5.5%.

Projections are prepared based on the financial and economic models updated by the companies that imply a cash generating unit based on the information coming from abroad.

When an impairment loss from a cash-generating unit, to which part or an entire goodwill was assigned, is to be recognised, the carrying amount of the goodwill corresponding to said unit is first reduced. When an impairment exceeds its amount, the other cash-generating assets are then reduced according to their carrying amount to the limit of the higher value among its fair value less sale costs, its value in use and zero.

Where an impairment loss subsequently reverses (which is not permitted in the specific case of the goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Said reversal for a value impairment loss is recognised as income.

The Company derecognises the financial assets upon expiration or when the rights on cash flows of said financial assets are transferred together with substantial risks and benefits inherent to ownership.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

e) Financial derivatives and hedge accounting

The Company uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed. These risks include mainly variations of exchange rate on dividends and future investments. Within the context of such transactions, the Company trades hedging financial instruments.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80% to 125% of the gain or loss on the hedged item.

The Company applies the following type of hedge, which is booked as described below:

- Fair value hedges: In this case, changes in the value of the hedging instrument and the covered entry attributable to the hedged risk are entered in the income statement.
- Cash flow hedges: In this type of hedging, the portion of profit or loss of the hedging instrument established as effective hedge will be temporarily recorded in the shareholders' equity, and it will be allocated to the income statement in the years in which the expected hedged transaction impacts on the profit/loss, unless the hedge pertains to an expected transaction that ends in the recording of a non-financial asset or liability; in that event, the amounts entered in the shareholders' equity will be included in the cost of the asset or liability when acquired or incurred.

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

The Company tries to avoid any speculative holdings and restrains exchange rate and interest rate risks.

The exchange rate risk hedging policy is aimed at ensuring that foreseeable cash flows are not affected by exchange rate fluctuations. Thus, hedges are allocated to the following transactions:

- Multiple foreign currency projects regarding future transactions. Such projects refer to payments and collections made in different currencies. In this case, the hedge is intended to ensure that the transaction profit (difference between collections and payments) is not affected by exchange rate fluctuations.

- Profit earned from foreign subsidiaries and dividends or capital reimbursements that are expected to be collected from said subsidiaries. The aim in this case is to hedge short and long term cash flows.

Hedge accounting

Exchange rate derivatives have been assigned as hedging instruments to offset the cash flow variations of items qualifying as hedged items. Future cash flows from capital contributions stated in US dollars and hedged sale collection flows (40% Intervial Chile, S.A.) have been classified as hedged items and highly probable transactions.

Said foreign exchange risk hedge is deemed a cash flow hedge. The profit or loss derived from the hedging instrument deemed efficient is temporarily recognised in the equity and charged to the income statement for the reporting period(s) in which the hedged transaction may affect the period's profit (loss).

f) Equity

The share capital is represented by ordinary shares. The cost of issuing new shares or options is charged directly to equity, under lower reserves.

g) Financial liabilities

Accounts payable

Financial liabilities are Company debts and accounts payable from the purchase of goods and services through trade operations, or those which not coming from trade operations, cannot be considered as derivative financial instruments.

Debits and accounts payable are initially valued at the fair value of the consideration received, plus transaction costs directly attributed to them. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

h) Current and deferred taxes

Income tax expenses or income include the portion of expense or income for the current tax and the portion corresponding to expense or income for deferred tax.

The current tax is the amount the Company pays for income tax for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

In turn, deferred tax assets are only recognised to the extent that it is considered likely that the Company will have sufficient taxable earnings in the future against which the deferred tax asset can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Cintra Infraestructuras, S.A.

The Company pays taxes under the consolidated tax scheme, being part of the Consolidated Tax Group which parent company is Ferrovial, S.A., the entity responsible for the submittal and settlement of the Corporate Tax.

i) Employee benefits

The employees working for Cintra prior to the segregation and who performed jobs directly associated with services rendered to the concession operators were transferred from Cintra Infraestructuras to Cintra Servicios de Infraestructuras, S.L. on 1 October 2011. Thus, Cintra Infraestructuras, S.A. has retained the staff that is involved in tender and equity holding activities.

Share-based payment

The parent company, Ferrovial, S.A., has provided Cintra Infraestructuras, S.A. employees with a share-based compensation plan payable in Ferrovial, S.A. shares. Thus, on the one hand, the Company recognises the services rendered by its employees in exchange of stock options as an expense incurred upon their receipt and reinvoiced by Ferrovial, S.A. and, on the other, it recognises the corresponding increase in equity. The total amount charged to expense during the accrual period is determined based on the fair value of the stock options granted.

The Compensation Systems paid through stock option plans are measured at fair value when the options are initially granted using a financial method based on an improved binomial model, taking into account the exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and the assumptions made to incorporate the effects of expected early exercise. The initial fair value is not subsequently revised. This fair value is recognised under "Staff costs" in proportion to the stipulated period of time during which the employee must remain with the Company, with a balancing entry in equity.

There are no compensation systems in place linked to the evolution of stocks being paid in cash.

Termination benefits

According to current legislation, the Company is bound to pay compensations to those employees with whom labour relations are terminated, under specific conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

Benefits and bonus plans

The Company recognises an item under liabilities and an expense for the payment of bonuses and benefits based on a formula that takes into account the proceeds attributable to shareholders after certain due adjustments. The Company recognises a provision when contractually bound or when past practice has created an implicit obligation in this regard.

j) Provisions and contingencies

In preparing its financial statements, the Company makes a distinction between:

a) Provisions: Credit balances covering current obligations derived from past events or future risks, whose settlement may trigger an outflow of resources, but whose amount and/or time of settlement has not yet been established.

b) Contingent liabilities: Possible obligations derived from past events, whose future materialisation depends on whether one or more future events will take place or not, regardless of Company's will.

Financial statements include all the provisions the relevant obligations of which are more likely to be addressed than not. Contingent liabilities are not recognised in the financial statements unless they are deemed feasible. Instead, they are reported in the notes accompanying the financial statements.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Third party compensation received upon settling an obligation, provided such reimbursement is to be received, is recorded as an asset, except in case of legal bond whereby part of the risk was externalised, and according to which the Company is not liable; in such a situation, the compensation should be used to estimate the amount, if any, of the corresponding provision.

k) Recognition of income

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Such income is carried at the fair value of the received consideration, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

As to income from services, they are recognised considering the level of completion of such service at the balance sheet date, provided the transaction result can be reliably estimated.

Services rendered

The Company renders design, construction, performance, operation, management, administration, financing and maintenance services relating to all types of infrastructure and public and private works. These services are delivered based on a specific date and service or else on a fixed-price contractual basis.

Income earned from contracts concerning specific dates and services are recognised at the rate established in such contracts as the staff effectively carries out their work and direct expenses are incurred.

Should any events arise that may modify the initially estimated ordinary income, costs or degree of progress, said estimates are then reviewed. Reviews may result in the increase or decrease of the estimated income and costs and are posted to the income statement for the reporting period in which the circumstances triggering such reviews have become known by the management.

Interest income

Interest income is recognised by applying the effective interest rate method. When a receivable is affected by a value impairment loss, the Company reduces its carrying amount to its redeemable amount, discounting future cash flows estimated at the instrument's effective interest rate and keeps carrying the discount as less interest income. Interest income derived from loans registering losses due to value impairment is recognised by applying the effective interest rate method.

Dividend income

Dividend income is recognised as income in the income statement when the right of collection is established.

Interest income from Group companies and dividend income are recognised under the caption "Net revenue" according to the inquiry contained under BOICAC 79.

l) Foreign currency transactions

The functional currency used by the Company is the euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the consolidated income statement in the year in which they arise.

m) Transactions with related parties

The Company conducts all transactions with related entities at market value. Also, the transfer prices are adequately supported and, therefore, the Company Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

n) Environment

In view of the business activities currently performed by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial situation or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

o) Current/Non-current classification

Current assets are considered to be those related to the normal cycle of operations that is generally deemed to be one year, as well as other assets the expiry, disposal or realisation of which is expected to take place in the short term as from year-end, financial assets held for negotiation, except for financial derivatives the liquidation term of which exceeds one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.

Likewise, current liabilities are those related to the normal cycle of operations, financial liabilities held for negotiation, with the exception of the financial derivatives the liquidation term of which exceeds one year and in general all obligations that will expire or be extinguished in the short term. If this is not the case, they are classified as non-current.

6. Financial risk management

a) Financial risk factors

The Company's activities are exposed to different financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the uncertainty in the financial markets and is geared to minimise the potential adverse effects of the Company's financial profitability. The Company applies derivatives to hedge certain risks.

Financial risk management is controlled by the Company's Treasury Department, which identifies, assesses and hedges financial risks pursuant to the policies approved by the Board of Directors. The Board provides written policies for overall risk management, as well as for specific issues such as exchange rate risk, interest rate risk, liquidity risk, using derivatives and non-derivatives and investing surplus cash.

Exchange rate risk

The Company carries out international operations and, therefore, it is exposed to the exchange rate risk resulting from transactions performed in foreign currency, especially the US dollar, the Canadian dollar, the Chilean peso and the Polish zloty, as its activities are tied to such currencies. The exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in businesses abroad.

The Board has established a foreign currency exchange rate risk management policy regarding the functional currency. In order to manage the exchange rate risk derived from future business transactions and recognised assets and liabilities, term contracts arranged by the Treasury Department are used. Exchange rate risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency other than the Company's functional currency.

The Company has several investments in businesses abroad, the net assets of which are exposed to foreign currency translation risk. The exchange rate risk on the net assets of transactions carried out abroad is mainly managed through third party resources denominated in the corresponding foreign currencies.

Credit risk

Credit risk is managed by groups. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits held with banks and financial institutions, as well as from wholesale and retail customers, including outstanding receivables and binding transactions. As for banks and financial institutions, only those entities that have been independently classified with at least an "A" rating are accepted.

Liquidity risk

Carrying out a prudent management of the liquidity risk implies holding sufficient cash and marketable securities, as well as available financing through sufficient credit facilities and the capacity to settle market positions. Given the dynamic nature of the underlying businesses, the Company's Treasury Department intends to maintain flexible financing by using the credit lines undertaken.

The management follows up on the Company's liquidity reserves estimates, including debt (Note 18) and cash and cash equivalents availability (Note 14) according to estimated cash flows.

b) Estimate of fair value

The fair value of financial instruments not listed on an active market is determined through valuation techniques. The Company applies varied methods and carries out hypotheses based on current market conditions on each individual balance sheet date. In the case of non-current debt, market prices or quotations from securities dealers are used. In order to determine the fair value of the remaining financial instruments, other techniques are applied, such as estimated cash flow discounts. The fair value of term exchange rate contracts is established using the term exchange rate market value on the balance sheet date.

The carrying amount of credits and debits for trade receivables is assumed to be near its fair value. The fair value of financial liabilities for financial information presentation purposes is estimated by discounting future contractual cash flows at current market interest rate that the Company has available for similar financial instruments.

Any potential impairment is calculated by comparing the Company's carrying amount (own resources plus the Company's net goodwill) with its fair value, understood as the price at which the Company could be sold to independent parties, minus any costs arising from such sale and provided that such fair value is estimated on a reliable basis, that is, that the investee company is actively listed on a financial market or some transaction between independent parties exists that could be considered as a reference.

If the fair value cannot be estimated on a reliable basis or a potential impairment has been identified, then the fair value of the investee company is compared against the value in use obtained by discounting cash flows. In the case of concession operators with a financial structure independent of the Group's global structure and with a limited valid term, an assessment is carried out discounting estimated cash flows after tax collected by the shareholder until the expiry of the concession term, according to such companies' economic-financial plan. The economic-financial plan is revised annually, adding any new income, cost and investment estimations. Shareholder's forecasted cash flows are discounted at an estimated capital cost based on a risk-free rate referenced to a 30-year bond, a Beta coefficient reflecting the Company's leverage and asset risk, and an estimated market premium. In the case of motorway projects, no residual value is estimated since the models used consider the entire concession period. By contrast, with regard to car park projects, a residual value that includes growth and contract renewal is calculated.

7. Property, plant and equipment

The movements of the items included under "Property, plant and equipment" during 2011 are as follows:

Item	Balance at 31/12/10	Segregation derecognitions	Additions	Disposals	Balance at 31/12/11
Furniture	1,895,679	(742,177)	3,717	(631,426)	525,793
Computer hardware	387,939	(11,519)	10,475	(287,498)	99,397
Total cost	**2,283,618**	**(753,696)**	**14,192**	**(918,924)**	**625,190**
Furniture	(650,252)	231,828	(309,689)	454,510	(273,603)
Computer hardware	(364,248)	2,554	(13,449)	290,702	(84,441)
Total accumulated depreciation	**(1,014,500)**	**234,382**	**(323,138)**	**745,212**	**(358,044)**
Furniture	1,245,427	(510,349)	(305,972)	(76,916)	252,190
Computer hardware	23,691	(8,965)	(2,974)	3,204	14,956
Carrying Amount	**1,269,118**	**(519,314)**	**(308,946)**	**(173,712)**	**267,146**

The movements of the items included under "Property, plant and equipment" during 2010 are as follows:

Item	Balance at 31/12/09	Additions	Disposals	Balance at 31/12/10
Furniture	2,192,687	3,380	(300,388)	1,895,679
Computer hardware	467,906	26,148	(106,115)	387,939
Other items of property, plant and equipment	3,380	—	(3,380)	—
Total cost	**2,663,973**	**29,528**	**(409,883)**	**2,283,618**
Furniture	(437,626)	(353,279)	140,653	(650,252)
Computer hardware	(381,156)	(86,576)	103,484	(364,248)
Other items of property, plant and equipment	(1,481)	(282)	1,763	—
Total accumulated depreciation	**(820,263)**	**(440,137)**	**245,900**	**(1,014,500)**
Furniture	1,755,061	(351,662)	(157,972)	1,245,427
Computer hardware	86,750	(60,428)	(2,631)	23,691
Other items of property, plant and equipment	1,899	(282)	(1,617)	—
Carrying Amount	**1,843,709**	**(410,609)**	**(163,983)**	**1,269,118**

As a result of the Segregation transaction, the company Cintra Servicios de Infraestructuras, S.L. was transferred property, plant and equipment totalling EUR 753,696 on 31 December 2010 euros – the value date –, with an accumulated depreciation of EUR 234,382. Given the fact that said Segregation did not become fully effective until 15 September 2011, the Company amortised a total of EUR 110,171 during the period, the accumulated depreciation of which was transferred as well (see Annex II).

During the reporting period 2011 property, plant and equipment was added in the amount of EUR 14,192.

During 2011 property, plant and equipment disposals totalled EUR 918,924 with an accumulated depreciation of EUR 745,212. Such disposals resulted in a loss posted to the income statement amounting to EUR 283,883.

The Company has taken out several insurance policies to cover the possible risks to which its property, plant and equipment may be subject. The coverage of these policies is considered sufficient.

No impairment losses were recognised for any property, plant and equipment item during reporting periods 2011 and 2010.

There are no property, plant and equipment items subjected to any guarantees or located abroad.

At 31 December 2011 no fully amortised items exist.

8. Operating leases

On 17 July 2008 Cintra Concesiones de Infraestructuras de Transporte S.A. signed a lease contract on the real property where its headquarters are located.

The initial valid term of said contract is five (5) years as for 18 July 2008, expiring in July 2013.

The annual lease as of 1 March 2009 is contractually set at EUR 1,678,104, to be annually updated as per the consumer price index variation (CPI) in Spain. The base value that will be subjected to review is €26/m^2/month for the office premises and €170/month for car parks.

As at 2011 year-end, the Company had reached an agreement with the lessors on the following minimum lease payments as per the current contracts in force, without considering their effect on common expenses, future increases due to CPI or future lease adjustments agreed upon under contract:

Operating leases	Face value
Minimum lease payments	
Within one year	1,837,218
2013	1,002,568
Total	**2,839,786**

Cintra Infraestructuras, S.A.

As a consequence of the Company's segregation, at year end, lease contracts were being renegotiated in order to formalise separate lease contracts for the companies Cintra Infraestructuras, S.A. and Cintra Servicios de Infraestructuras, S.L.

On 1 March 2012, a new lease contract was executed for the use of the office premises and car parks, with a five-year expiry term ending on 1 March 2017.

9. Non-current investments in Group companies and associates

Financial investment is one of the Company's core assets, accounting for 58% over the total. It is composed chiefly of ownership interest held in Group companies and associates.

A breakdown of the interest held in Group companies and associates is shown below. Annex I contains more detailed information regarding shareholding percentages and the domicile of each company.

None of the Group companies in which the Company holds an interest is listed.

The chart below shows the direct interest held by the Company in the various Group companies at 31 December 2011:

	2011			
Company	**%**	**Investment**	**Outstanding disbursements**	**Net value**
Autopista del Sol, S.A.	80.00%	198,777,348	—	198,777,348
Inversora de Autopistas del Sur, S.L.	55.00%	189,834,472	—	189,834,472
Inversora Autopistas de Levante, S.L.	51.84%	50,097,881	—	50,097,881
Euroscut Norte Litoral, S.A.	75.53%	57,219,805	—	57,219,805
Euroscut Algarve, S.A.	77.00%	19,912,221	—	19,912,221
Euroscut Açores, S.A.	89.00%	54,809,510	—	54,809,510
Via Livre, S.A.	84.04%	42,020	—	42,020
Algarve International BV	77.00%	13,860	—	13,860
407 Toronto Highway BV	100.00%	369,126,105	—	369,126,105
Eurolink Motorway Operation Ltd. M4	66.00%	2,805,132	—	2,805,132
Financinfraestructures Ltd.	100.00%	71,901,160	—	71,901,160
Cinsac, S.A. (M3)	100.00%	5,763,840	—	5,763,840
Autostrada Poludnie, S.A.	93.68%	19,081,017	—	19,081,017
Laertida, S.L. (SH -130)	100.00%	552,292,119	—	552,292,119
Cintra Autopistas Integradas, S.A.	100.00%	20,990,200	—	20,990,200
Cintra Inversiones, S.L.	100.00%	320,291,219	—	320,291,219
Cintra Servicios de Infraestructuras, S.L.	100.00%	19,367,067	—	19,367,067
Cintra Inversora de Autopistas de Cataluña, S.A.	100.00%	6,020	—	6,020
TOTAL GROUP COMPANIES		**1,952,330,996**	**—**	**1,952,330,996**
Serrano Park, S.A.	50.00%	9,642,840	—	9,642,840
TOTAL ASSOCIATES		**9,642,840**	**—**	**9,642,840**
TOTAL GROUP COMPANIES AND ASSOCIATES		**1,961,973,836**	**—**	**1,961,973,836**
IMPAIRMENT PROVISION				**(356,272,678)**
TOTAL EQUITY INSTRUMENTS				**1,605,701,158**

Cintra Infraestructuras, S.A.

The chart below shows the direct interest held by the Company in the various Group companies at 31 December 2010:

	2010			
Company	%	Investment	Outstanding disbursements	Net value
Autopista del Sol, S.A.	80.00%	198,777,348	—	198,777,348
Inversora de Autopistas del Sur, S.L.	55.00%	189,834,472	—	189,834,472
Inversora Autopistas de Levante, S.L	52.36%	50,097,881	—	50,097,881
Euroscut Norte Litoral, S.A.	75.53%	57,219,805	—	57,219,805
Euroscut Algarve, S.A.	77.00%	19,912,221	—	19,912,221
Euroscut Açores, S.A.	89.00%	49,337,079	—	49,337,079
Via Livre, S.A.	84.04%	42,020	—	42,020
Algarve International BV	77.00%	13,860	—	13,860
407 Toronto Highway BV	100.00%	369,126,105	—	369,126,105
Eurolink Motorway Operation Ltd. M4	66.00%	2,805,132	—	2,805,132
Financinfraestructures Ltd.	100.00%	64,580,000	—	64,580,000
Cinsac, S.A.	100.00%	2,965,000	—	2,965,000
Autostrada Poludnie, S.A.	93.68%	43,047,046	(4,176,356)	38,870,690
Laertida, S.L.	100.00%	7,059,765	—	7,059,765
Cintra Autopistas Integradas, S.A.	100.00%	5,060,200	—	5,060,200
Autopista de Toronto, S.L.	100.00%	9,264,780	—	9,264,780
Cintra Inversora de Autopistas de Cataluña, S.A.	100.00%	6,020	—	6,020
TOTAL GROUP COMPANIES		**1,069,148,734**	**(4,176,356)**	**1,064,972,378**
Serrano Park, S.A.	50.00%	9,030,000	—	9,030,000
Intervial Chile, S.A. (formerly Cintra Chile, Limitada)	40.00%	121,964,990	—	121,964,990
TOTAL ASSOCIATES		**130,994,990**	**—**	**130,994,990**
TOTAL GROUP COMPANIES AND ASSOCIATES		**1,200,143,724**	**(4,176,356)**	**1,195,967,368**
IMPAIRMENT PROVISION				**(278,855,405)**
TOTAL EQUITY INSTRUMENTS				**917,111,963**

Cintra Infraestructuras, S.A.

The movements of interest held in Group companies during reporting period 2011 are as follows:

Company	Balance at 31/12/10	Additions	Disposals	Balance at 31/12/11
Autopista del Sol, S.A.	198,777,347	0	0	198,777,347
Inversora de Autopistas del Sur, S.L.	189,834,472	0	0	189,834,472
Inversora Autopistas de Levante, S.L.	50,097,881	0	0	50,097,881
Euroscut Norte Litoral, S.A.	57,219,805	0	0	57,219,805
Euroscut Algarve, S.A.	19,912,221	0	0	19,912,221
Euroscut Açores, S.A.	49,337,079	5,472,431	0	54,809,510
Via Livre, S.A.	42,020	0	0	42,020
Algarve International BV	13,860	0	0	13,860
407 Toronto Highway BV	369,126,105	0	0	369,126,105
Eurolink Motorway M4	2,805,132	0	0	2,805,132
Cinsac, Lted.	2,965,000	2,798,840	0	5,763,840
Financinfrastructures Ltd.	64,580,000	7,321,160	0	71,901,160
Autostrada Poludnie, S.A.	43,047,047	0	(23,966,029)	19,081,018
Laertida, S.L.	7,059,765	545,232,354	0	552,292,119
Cintra Autopistas Integradas, S.A.	5,060,200	15,930,000	0	20,990,200
Cintra Inversiones, S.L.	9,264,780	311,026,439	0	320,291,219
Cintra Servicios de Infraestructuras, S.L.	0	19,369,004	(1,937)	19,367,067
Cintra Inversora de Autopistas Cataluña, S.L.	6,020	0	0	6,020
Group companies	**1,069,148,734**	**907,150,228**	**(23,967,966)**	**1,952,330,996**
Serranopark, S.A.	9,030,000	612,840	0	9,642,840
Intervial Chile, S.A.(formerly Cintra Chile, Ltda.)	121,964,990	0	(121,964,990)	0
Associates	**130,994,990**	**612,840**	**(121,964,990)**	**9,642,840**
TOTAL INVESTMENT	**1,200,143,724**	**907,763,068**	**(145,932,956)**	**1,961,973,836**
Autostrada Poludnie, S.A.	(4,176,356)	0	4,176,356	0
Total Outstanding Disbursements	**(4,176,356)**	**0**	**4,176,356**	**0**
Total Group Companies Impairment	**(278,855,405)**	**(84,477,038)**	**7,059,765**	**(356,272,678)**
TOTAL EQUITY INSTRUMENTS	**917,111,963**	**823,286,030**	**(134,696,835)**	**1,605,701,158**

Movements registered during 2011 are accounted for below:

- In January, April, July and October 2011 capital was both increased and paid up in favour of the company Euroscut Azores, S.A. in the amount of EUR 1,776,742, EUR 1,197,790, EUR 1,273,342, and EUR 1,224,557 respectively, resulting in a total investment of EUR 5,472,431 for the period. Cintra holds an 89% interest in said company.
- On 22 June 2011 capital was both increased and paid up in favour of the company Cinsac, Ltd. totalling EUR 2,798,840. Cintra holds a 100% interest in said company, which has a majority shareholding in the Eurolink M3 motorway in Ireland.
- On 22 June 2011 capital was both increased and paid up in favour of the company Financinfrastructures Ltd. amounting to EUR 7,321,160. Cintra holds a 100% interest in said company, which provides financing to the Eurolink M3 and Eurolink M4 motorways in Ireland.
- In July 2011 capital in Autostrada Poludnie, S.A. was decreased by EUR 23,966,030. Cintra holds an investment of EUR 19,081,017, which accounts for a 93.68% interest in the company. Although such capital decrease became effective in July, its funds were not allocated until January 2012, once six months and ten days had expired since the publication of said transaction in the relevant Polish official bulletin.
- On 28 July 2011 capital was both increased and paid up in favour of the company Laertida S.L. totalling EUR 545,232,354. Said capital increase was signed for the entire amortisation of the participating loan held by the Company with Laertida, S.L. Cintra owns 100% of the abovementioned company, which heads the Group's investments in the United States.

Cintra Infraestructuras, S.A.

- On 3 October 2011 capital was both increased and paid up in favour of the company Cintra Autopistas Integradas S.L. totalling EUR 15,930,000. Cintra owns 100% of said company, which holds an interest in Autopista Alcalá O'Donell, S.L.
- On 28 July 2011 capital was both increased and paid in favour of the company Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) totalling EUR 311,026,439. Such capital increased was signed and paid up through a monetary contribution of EUR 40,000,000 with the aim of fully amortising the lines of credit held by the Company with Laertida, S.L. and Cintra Autopistas Integradas, S.L. totalling EUR 223,299,859 and EUR 47,726,580 respectively. Cintra owns 100% of the company, which, in turn, provides financing to various Group companies.
- On 28 June 2011 the Company acquired all the shares in Cintra Servicios de Infraestructuras, S.L. (formerly Participaciones Algorab, S.L.) for EUR 3,100.

  On 30 August 2011 the Company segregated in favour of Cintra Servicios de Infraestructuras, S.L. (formerly Participaciones Algorab, S.L.) the equity tied to the Services provision business line. As a result of such segregation, the company's capital was increased by the net value of the segregated equity tantamount to EUR 19,365,904 (see Annex II).

  On 13 October 2011 the Company sold an interest in Cintra Servicios de Infraestructuras, S.L. (formerly Participaciones Algorab, S.L.) to Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) for a total of EUR 1,937.
- On 29 December 2011 capital was both increased and paid up in favour of the company Serranopark, S.A. totalling EUR 612,840. Cintra holds a 50% interest in said company, which is currently the concessionaire for the Serranopark car park in Madrid.
- On 19 December 2011, the Colombian company Interconexión Eléctrica, S.A. (hereinafter "ISA") through ISA Inversiones Chile, Ltda., exercised the call option of 40% of Intervial Chile, S.A. capital (formerly Cintra Concesiones de Infraestructuras de Transporte de Chile, S.A.). The sale amount was EUR 159,238,704 and the carrying amount was EUR 121,964,990. Therefore, the sale profit was registered in the income statement for EUR 37,273,714 under the caption "Gains or losses on disposal of financial profit(loss)".
- In addition, during the reporting period a value impairment was registered due to the negative evolution of traffic and the adjustment of long-term hypotheses regarding motorway concessions. Provisions allocated during the 2011 totalled EUR 84,477,038. Of said amount, a total of EUR 16,542,840 corresponds to projects carried out in Spain and EUR 67,934,199 to projects performed in Europe. Furthermore, there was a reversal of impairment losses for EUR 7,059,765 relating to the USA projects. Therefore, at year end the accumulated impairment provision totals EUR 356,272,678 (in 2010: EUR 278,855,404) derived from various investments with the following geographical breakdown: EUR 270,565,393 for Spain (in 2010: EUR 254,022,553); EUR 85,707,285 for Europe (in 2010: EUR 17,773,086), and there is no accumulated balance for the projects in the USA due to the reversal recognised given the positive performance of such projects in 2011 (in 2010: EUR 7,059,765);
- In general, at the end of the concession terms, investments in concession projects will be transferred to the related administrative authorities in good working conditions. Consequently, the recovery of the investments in concession projects is dependent on whether the operator achieves sufficient levels of revenue during the concession term to enable all payables to third parties to be settled and the shareholders to recover the net assets of the Company's investees at the end of the concession term. In this regard, the economic-financial plans of the various concessions held by the investees envisage that the net investments in motorways will be amortised and the total payables to third parties will be repaid at the end of the respective concession terms.

Cintra Infraestructuras, S.A.

The movements of interest held in Group companies during the reporting period 2010 are as follows:

Company	Balance at 31/12/09	Additions	Disposals	Transfers	Balance at 31/12/10
Autopista del Sol, S.A.	187,734,158	11,043,190	—	—	198,777,348
Inversora de Autopistas del Sur, S.L.	181,826,472	8,008,000	—	—	189,834,472
Inversora Autopistas de Levante, S.L.	49,737,999	359,882	—	—	50,097,881
Euroscut Norte Litoral, S.A.	76,102,784	—	(18,882,979)	—	57,219,805
Euroscut Algarve, S.A.	19,912,221	—	—	—	19,912,221
Euroscut Açores, S.A.	37,105,596	12,231,483	—	—	49,337,079
Via Livre, S.A.	—	42,020	—	—	42,020
Algarve International BV	13,860	—	—	—	13,860
407 Toronto Highway BV	369,126,105	—	—	—	369,126,105
Eurolink Motorway M4	2,805,132	—	—	—	2,805,132
Cinsac, S.A.	—	2,965,000	—	—	2,965,000
Financinfrastructures Ltd.	64,580,000	—	—	—	64,580,000
Autostrada Poludnie, S.A.	43,047,047	—	—	—	43,047,047
Laertida, S.L.	7,059,765	—	—	—	7,059,765
Cintra Autopistas Integradas, S.A.	5,060,200	—	—	—	5,060,200
Autopista de Toronto, S.L.	9,264,780	—	—	—	9,264,780
Cintra Inversora de Autopistas Cataluña, S.L.	6,020	—	—	—	6,020
Group companies	**1,053,382,139**	**34,649,574**	**-18,882,979**	**—**	**1,069,148,734**
Serranopark, S.A.	521,385	8,508,615	—	—	9,030,000
Autopista Trados-45, S.A. (2)	12,534,728	—	—	(12,534,728)	—
Intervial Chile, S.A. (formerly Cintra Chile, Ltda. (1)	—	—	(182,946,977)	304,911,967	121,964,990
Associates	**13,056,113**	**8,508,615**	**(182,946,977)**	**292,377,239**	**130,994,990**
TOTAL INVESTMENT	**1,066,438,252**	**43,158,189**	**(201,829,956)**	**292,377,239**	**1,200,143,724**
Autopista del Sol, S.A.	(956,812)	—	956,812	—	—
Autostrada Poludnie, S.A.	(4,024,657)	(151,699)	—	—	(4,176,356)
Total Group Companies Outstanding Disbursements	**(4,981,469)**	**(151,699)**	**956,812**	**—**	**(4,176,356)**
Total Group Companies Impairment	**(5,060,200)**	**(273,795,205)**	**—**	**—**	**(278,855,405)**
TOTAL EQUITY INSTRUMENTS	**1,056,396,583**	**(230,788,715)**	**(200,873,144)**	**292,377,239**	**917,111,963**

(1) During reporting period 2009, the 100% ownership of Intervial Chile, S.A. (formerly Cintra Chile, Ltda.) was considered an asset held for sale. Once 60% was sold, the remaining 40% was reclassified under another caption.

(2) In 2010 Trados 45, S.A. was considered an asset held for sale; therefore, it was reclassified.

Cintra Infraestructuras, S.A.

The composition of the shareholdings' equity of investee companies at 31 December 2011 is as follows:

	Euros					
Company	Capital	Share premium	Reserves	Other items	Profit(Loss)	Total shareholders' equity
Group companies						
Autopista del Sol, S.A.	151,610,630	5,251,185	19,780,695	(1)	12,276,809	188,919,318
Inversora de Autopistas del Sur, S.L.	44,184,760	241,045,200	37,278,360	(184,271,930)	(25,722,114)	112,514,276
Inversora Autopistas de Levante, S.L.	67,918,524	37,826,354	17,388,713	(105,603,902)	(17,296,882)	232,807
Euroscut Norte Litoral, S.A.	75,757,402	—	937,535	8,087,703	18,174,831	102,957,471
Euroscut Algarve, S.A.	25,266,000	—	1,409,002	(2,093,999)	1,141,611	25,722,614
Euroscut Açores, S.A.	61,100,000	—	—	(12,792,661)	(5,076,545)	43,230,794
Via Livre, S.A.	50,000	—	2,398	45,559	1,004,706	1,102,663
Algarve International BV	18,000	—	—	2,226,938	454,881	2,699,819
407 Toronto Highway BV	18,154	—	—	(104,538,679)	137,038,527	32,518,002
Eurolink Motorway M4	4,250,200	—	—	(10,081,756)	656,085	(5,175,471)
Cinsac, S.A.	5,763,841	—	—	(5,310,758)	5,314,586	5,767,669
Financinfrastructures Ltd.	64,580,002	—	7,321,160	(4,630,164)	5,068,594	72,339,592
Autostrada Poludnie, S.A.	19,046,765	—		(1,548,375)	878,428	18,376,818
Laertida, S.L.	54,626,335	497,665,784	4,118,266	(257,661,145)	3,524,312	302,273,552
Cintra Autopistas Integradas, S.A.	6,653,200	14,337,000	-16,075	(7,522,476)	(2,146,986)	11,304,663
Cintra Inversiones, S.L.	40,367,410	279,923,809	1,852,956	—	13,536,337	335,680,512
Cintra Servicios de Infraestructuras, S.L.	3,879,792	15,489,214	—	(433)	(543,350)	18,825,223
Cintra Inversora de Autopistas Cataluña, S.L.	6,020	—	—	(23,865,832)	(13,201,961)	(37,061,773)
Associates						
Serranopark, S.A.	18,180,000	1,105,680	—	—	(3,445,630)	15,840,050

No significant influence is found in companies where less than a 20% is held nor in those where more than a 20% is owned.

Cintra and its subsidiaries are mainly engaged in the development of motorways and car parks, both in Spain and overseas.

Through investment in various companies, Cintra indirectly holds an ownership in the capital of different motorways: Laertida, S.L. has an indirect interest in several highways in the USA (Skyway, ITR, SH130, NTE, and LBJ); Cintra Autopistas Integradas, S.L. has a direct interest in a Spanish toll road (M203 Alcalá O'Donell); Cinsac Ltd. is a company based in Ireland that holds an interest in an Irish motorway (Eurolink (M3); Cintra Inversora de Autopistas de Cataluña, S.L. holds an indirect interest in a Spanish toll road (Autopista Terrassa-Manresa, S.A.); 407 Highway BV holds an indirect interest in a Canadian highway (407 ETR). Inversora Autopistas del Sur, S.L. has a direct interest in Autopista Madrid Sur (Radial 4); Inversora Autopistas de Levante, S.L. holds a direct interest in Autopista Madrid Levante (AP36).

Cintra Infraestructuras, S.A.

The summary of the concessions run by the various Group investees at 31 December 2011 is as follows:

Toll roads	Interest (1)	Length (Km)	Concession term	Remaining years	Toll type	Status	Effective commissioning date
Canada							
407 ETR	43.23%	108	1999-2098	87	Real / Closed	Transaction	May-99
United States							
SCC	55.00%	12.5	2005-2104	93	Real / Closed	Operation	Jan-05
ITR	34.81%	252.6	2006-2081	70	Real / Both	Operation	Jun-06
SH130	65.00%	64	2007-2062	51	Real / Open	Construction	—
NTE	56.67%	21.4	2009-2061	50	Real / Open	Construction	—
LBJ	51.00%	27.4	2009-2061	50	Real / Open	Construction	—
Spain							
Ausol I	80.00%	82.7	1996-2046	35	Real / Open	Operation	Jun-99
Ausol II	80.00%	22.5	1999-2054	43	Real / Open	Operation	Aug-02
Autema	76.28%	48.3	1986-2036	25	Real / Open	Operation	Jun-89
R4	55.00%	97.2	2000-2065	54	Real / Open	Operation	Apr-04
AP36	52.36%	182.8	2004-2040	29	Real / Closed	Operation	Jul-06
M-203	100.00%	15.3	2005-2065 (2)	54	Real / Closed	Construction	—
Portugal							
Algarve	77.00%	129.8	2000-2030	19	Under shade	Operation	Jan-04
North-East	75.53%	119	2001-2031	20	Under shade	Operation	Feb-06
Azores	89.00%	93.7	2006-2036	25	Under shade	Construction	—
Via Livre	84.04%	177.2	2010-2031 (3)	20	Real / Open	Operation	Oct-10
Ireland							
M4-M6	66.00%	36	2003-2033	22	Real / Open	Operation	Dec-05
M3	95.00%	50	2007-2052	41	Real / Open	Operation	Jun-10
Greece (4)							
Central Greece	33.34%	231	2008-2038	27	Real / Open	—	Aug-13
Nea Odos	33.34%	378.7	2007-2037	26	Real / Mixed	Both	Dec-13
TOTAL (5)		**1,973**					

(1) *Direct or indirect interest in CINTRA.*
(2) *Renewable for another year according to claim/loss rates.*
(3) *Until the termination of the North-East concession (if the parties decide to continue after the first 2 years).*
(4) *The companies Central Greece and Nea Odos belong to Ferrovial, S.A. and are managed by Cintra Infraestructuras, S.A. since the transfer of these companies after their segregation in 2009 was not possible.*
(5) *The Via Livre section is not included in the total length in kilometres, as it is included in North (47.4) and Algarve (129.8).*

Likewise, the Company has an interest in Serranopark, S.A., which is currently involved in the operation of three car parks.

Below is a breakdown of the estimated number of car parks upon their commissioning during reporting period 2011:

Activity	2011	Status
P1	307	O
P2	379	O
P3	261	O
Total Turnover	**947**	
P1	831	O
P2	794	O
P3	725	O
Total Residents	**2.350**	—
Total	**3.297**	=

O: *Under operation*

10. Non-current assets classified as held for sale

On 10 January 2011 the company Autopista Trados 45, S.A. was sold to Finavias, S.à.r.l. from Luxembourg pursuant to the sale contract signed on 20 July 2010. The purchaser paid the sum of EUR 65,417,433 on account of the shares subject matter of the sale transaction. Such shares represented 50% of the share capital and were fully subscribed and paid in. The sale contract further established the assignment by the seller to the purchaser of the subordinated loan contract that, on the sale effective date, amounted to EUR 2,964,102, of which EUR 2,892,791 was tied to principal and EUR 71,312 to accrued and unpaid interest. The carrying amount of the abovementioned interest was EUR 12,534,728, resulting in a profit of EUR 52,876,530 from the sale, registered under "Gains/losses on disposal of financial profit/loss" in the income statement.

The detail of non-current assets held for sale during reporting periods 2011 and 2010 is as follows:

Non-current assets classified as held for sale	2011	2010
Equity instruments		
Carrying amount of the interest in Autopista Trados 45, S.A.	—	12,534,728
Non-current assets classified as held for sale	**—**	**12,534,728**

At 31 December 2011 the Company holds no balances with Autopista Trados 45, S.A. Below is a detail at 31 December 2010 of the assets and liabilities balances with Autopista Trados 45, S.A. not classified as current assets held for sale in reporting period 2010.

ASSETS	2011	2010
Loans to Group companies	**—**	**245**
C/C Autopista Trados 45, S.A.	—	245
Trade receivables	**—**	**16,135**
Autopista Trados 45, S.A.	—	16,135
Total Assets Balances	**—**	**16,380**

An analysis of the implications that would have derived from the reclassification of Autopista Trados 45, S.A. in 2010 as well as its tax impact is shown below.

Income statement	2011	2010
Revenue		
Trados 45	—	164,090
Total Revenue	**—**	**164,090**
Profit(loss) from discontinued operations	**—**	**164,090**
Taxes		
Trados 45	—	49,227
Total Taxes	**—**	**49,227**
Reporting period profit(loss) from discontinued operations net of taxes		
Trados 45	—	114,863
Reporting period profit(loss) from discontinued operations net of taxes	**—**	**114,863**

11. Short and long term loans with Group companies and associates

The terms and conditions governing short and long term loans with Group companies and associates at 31 December 2011 are stated below:

Company	Type of loan	Cap	Granting/Renewal date	Maturity/termination date	Rate applied
Inversora de Autopista Madrid Levante, S.A.	Participating loan	55,373,830	30/07/04	31/12/13(Deadline)	Variable rate: 50% over surplus cash flow
Serranopark, S.A.	Participating loan	11,192,088	28/02/11	Senior debt maturity	EURIBOR 1, 3 or 5M + 3%
Short-term loans					
Cintra Inversiones, S.L.	Loan	60,000,000	01/12/11(*)	31/12/12	1 M EURIBOR + 4%
Cintra Inversora de Autopistas Cataluña, S.L.	Participating loan	108,011,803	07/05/08	31/12/12	Fixed rate: EURIBOR - 1% Variable rate: 40% of finance income from Inca loan The sum of the two above cannot surpass 1-year EURIBOR + 5%
Inversora de Autopistas del Sur, S.A.	Loan	2,190,578	27/07/11	27/04/12(**)	3M EURIBOR + 4.5%
Inversora de Autopistas del Sur, S.A.	Loan	7,912,323	24/11/09	27/04/12(**)	3M EURIBOR + 3%
Inversora Autopistas Madrid- Sur, S.L (AMS/ IAMS) /Autopista Madrid Sur (AMS/IAMS)	Loan	3,250,000	15/09/11	27/04/12(**)	3M EURIBOR + 4.5%
Short-term loans					

(*) Retroactive effects until 28/07/11.
(**) Tied to the waiting agreement of the R4 senior debt.

The movements of loans with Group companies and associates at 31 December 2011 are as follows:

Company	Balance 31/12/10	Transfer / Depreciation	Drawdowns	Derecognitions	Interest capitalisation	Subtotal at 2011 year-end
Autopista Trados-45, S.A.	2,892,791	—	—	(2,892,791)	—	—
Inversora de Autopista Madrid Levante, S.L.	2,751,530	—	—	—	—	2,751,530
Serranopark, S.A.	—	—	11,192,088	—	74,218	11,266,306
Long-term loans	**5,644,321**	**—**	**11,192,088**	**(2,892,791)**	**74,218**	**14,017,836**
Impairment provisions	**(2,751,530)**	**—**	**(11,266,306)**	**—**	**—**	**(14,017,836)**
Total long-term loans	**2,892,791**	**—**	**(74,218)**	**(2,892,791)**	**74,218**	**—**
Cintra US, LLC	465,276	(1,612,424)	7,493,882	(6,417,396)	70,662	—
Cintra US Holding, LLC	—	(548,560)	563,857	(30,035)	14,738	—
Texas Toll Services, LLC	—	(1,597,237)	2,224,259	(664,871)	37,849	—
Laertida, S.L.	164,228,462	(222,499,944)	54,420,119	(495,088)	4,346,451	—
Laertida, S.L.	537,598,049	(545,232,354)	—	—	7,634,305	—
Cintra Inversiones, S.L.	—	(9,327,957)	31,825,794	(22,548,734)	50,897	—
NTE 2-4 LLC	518,876	—	41,210	(585,637)	25,551	—
Cintra Inversora de Autopistas Cataluña, S.L.	108,011,803	—	—	—	—	108,011,803
Cintra Autopistas Integradas, S.A.	59,128,488	(59,216,186)	610,000	(1,890,000)	1,367,698	—
Cintra Autopistas Integradas, S.A.	5,075,367	(5,196,535)	—	—	121,168	—
Inversora de Autopistas del Sur, S.L. (*)	8,157,572	—	—	—	336,903	8,494,475
Inversora de Autopistas del Sur, S.L. (*)	—	—	2,145,000	—	45,578	2,190,578
Inversora de Autopistas del Sur, S.L. (*)	—	—	188,500	—	75	188,575
Inversora de Autopistas del Sur, S.L.(EIB)	—	(5,157,547)	5,135,000	—	22,547	—
Inversora de Autopistas del Sur, S.L. (SWAP)	—	(396,419)	390,000	—	6,419	—
Autopista Madrid Sur, S.L.	—	—	780,000	—	5,762	785,762
Serranopark, S.A.	75,699	(75,699)	—	—	—	—
Autopista Trados-45, S.A.	68,594	—	—	(68,594)	—	—
Short-term loans	**883,328,186**	**(850,860,862)**	**105,817,621**	**(32,700,355)**	**14,086,603**	**119,671,193**
Impairment provisions	**(298,477,973)**	**11,702,494**	**(3,501,818)**	**278,617,907**	**—**	**(11,659,390)**
Total short-term loans	**584,850,213**	**(839,158,368)**	**102,315,803**	**245,917,552**	**14,086,603**	**108,011,803**
Total Loans	**587,743,004**	**(839,158,368)**	**102,241,585**	**243,024,761**	**14,160,821**	**108,011,803**

(*) In 2010 this loan was a long-term loan.

Cintra Infraestructuras, S.A.

Balance sheet interest in reporting period 2011 is as follows:

Opening balance	Opening balance	Income	Collections	Capitalisation	Transfers/Non-monetary contribution	Closing balance
Autopista Trados-45, S.A.	68,594	2,718	(71,311)	—	—	—
Inversora de Autopista Madrid Levante, S.L.	—	—	—	—	—	—
Serranopark, S.A. (Participative)	—	294,483	(220,265)	(74,218)	—	—
Cintra US, LLC	—	70,662	—	(70,662)	—	—
Cintra US Holding, LLC	—	14,738	—	(14,738)	—	—
Texas Toll Services, LLC	—	52,165	(14,316)	(37,849)	—	—
Laertida, S.L.	—	5,146,366	—	(4,346,451)	-799,915	—
Laertida, S.L. (Participative)	—	7,634,305	—	(7,634,305)	—	—
Cintra Inversiones, S.L.	—	50,897	—	(50,897)	—	—
NTE 2-4 LLC	—	25,551	—	(25,551)	—	—
Cintra Inversora de Autopistas Cataluña, S.L.	—	7,025,088	(7,025,088)	—	—	—
Cintra Autopistas Integradas, S.A.	—	1,580,639	—	(1,367,698)	-212,941	—
Cintra Autopistas Integradas, S.A. (Participative)	—	121,168	—	(121,168)	—	—
Inversora de Autopistas del Sur, S.L. (*)	—	336,903	—	(336,903)	—	—
Inversora de Autopistas del Sur, S.L. (*)	—	45,578	—	(45,578)	—	—
Inversora de Autopistas del Sur, S.L. (SWAP)	—	6,419	—	(6,419)	—	—
Inversora de Autopistas del Sur, S.L. (EIB)	—	22,547	—	(22,547)	—	—
Inversora de Autopistas del Sur, S.L./ Autopista Madrid Sur, S.L.	—	75	—	(75)	—	—
Autopista Madrid Sur, S.L./Inversora de Autopistas del Sur, S.L. (**)	—	5,762	—	(5,762)	—	—
Serranopark, S.A.	—	621	(621)	—	—	—
	68,594	**22,436,685**	**(7,331,601)**	**(14,160,821)**	**-1,012,856**	**—**

The most significant movements for reporting period 2011 are as follows:

Autopista Trados 45, S.A.

- On 17 November 2009 Cintra granted a subordinated loan to Autopista Trados 45, S.A., with a limit amount of EUR 7,500,000, exclusively allotted to the payment of expropriations in excess of the maximum amount initially foreseen for this item. On 10 January 2011, Cintra sold its interest in Trados, 45 to the company Finanvias, S.A.r.l., which was simultaneously assigned the subordinated loan rights.

  A six-month EURIBOR 2.5% rate was applied. The amount drawn was EUR 2,892,791.

Inversora Madrid Levante, S.L.

- At 31 December the Company holds a participating loan with Inversora Madrid Levante, S.L. for a maximum amount of EUR 55,373,830. No drawdowns were made up to the closing of the reporting period, the total drawdown amount being EUR 2,751,530, the same as in 2010. This loan, which was granted in 2004, is aimed at financing the construction of the Madrid-Levante motorway. A variable interest rate equal to 50% is applied over the surplus cash flow. No interest accrued during 2011. Said participating loan is subordinated to the Company's senior loan contract due to expire on 31 December 2012. However, this contract will expire only if either of the following conditions occurs: that the date of 31 December 2013 is reached; or that the obligations arising from the senior loan contract have been fully honoured.

Cintra Infraestructuras, S.A.

Serranopark, S.A.

- On 16 November 2010 Cintra renewed the loan granted to Serranopark, S.A. to finance its current operations and treasury needs. The amount drawn at the beginning of reporting period 2011 was EUR 75,699 with a cap of EUR 1,000,000. The interest rate applied was three-month EURIBOR plus 4%, while the interest rate applied upon repayment was 5.006%. Accrued interest amounted to EUR 621, the loan being paid off on 3 March 2011 for EUR 75,699. A 19% withholding was applied on accrued interest.
- On 28 February 2011 a participating loan with Serranopark, S.A. was formalised for a maximum amount of EUR 11,192,088, equal to the amount drawn and expiring on the same date as the senior debt held by this Company with a bank syndicate. The senior debt was formalised on 4 March 2011. The interest rate agreed consists of a fixed one, three or six month rate tied to EURIBOR plus a spread of 3%. The variable portion, in turn, consists of a 20% over the free cash flow obtained by the borrower in each interest period, except for the lines of credit between the Borrower and the Lending Entities. The sum of both payments above cannot exceed a one, three or six month rate tied to EURIBOR, plus a spread of 5%. Interest accrued during the period totalled EUR 294,013. A total of EUR 74,218 was capitalised and the remaining interest for EUR 220,013 paid. A 19% withholding was applied on accrued interest.

Cintra US, LLC

- Cintra US LLC held a credit policy with Cintra to cover its treasury needs with a cap of EUR 3,000,000. In December 2011 the limit of such credit was increased up to EUR 5,000,000. The amount drawn as at the maturity date on 31 December 2011 totalled EUR 1,612,424. Drawdowns made during the year amounted to EUR 7,493,882 and repayments totalled EUR 6,417,396 while interest was capitalised for EUR 70,662. The interest settlement term was divided into quarterly periods tied to three-month EURIBOR plus 3.5%. The interest rate applied is 5.044%. Upon the expiry of this credit policy, Cintra US LLC formalised a new credit with Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) for the outstanding amount through which has fully amortised the credit held with Cintra Infraestructuras, S.A.

Cintra US Holding, LLC

- On 1 June 2011 an agreement between Cintra and Cintra US Holding, LLC was executed regarding a line of credit aimed at providing financial resources to said company. The limit of such credit was EUR 1,000,000. The interest rate applied was three-month EURIBOR plus a spread of 3.5%. The maturity date established in the agreement was 31 December 2011. During the reporting period drawdowns made amounted to EUR 563,857. Interest capitalisation totalled EUR 14,738 and principal was amortised for EUR 30,035. The interest rate applied at the end of the reporting period was 5.044%. On 31 December 2011 the loan balance amounting to EUR 548,560 was amortised and the current account balance held by both companies was settled. A new loan with Cintra Inversiones, S.L.U. has been formalised.

Tex Toll Services, LLC

- On 1 June 2011 an agreement between Cintra and Texas Toll Services, LLC was formalised for the granting of a line of credit aimed at providing resources to Texas Toll Services, LLC with a cap of EUR 1,000.000. The interest rate applied was three-month EURIBOR plus a spread of 3.5%. The maturity date established in the agreement was 31 December 2011. During the reporting period drawdowns made amounted to EUR 2,224,259. Interest capitalisation totalled EUR 37,849 and principal was amortised for EUR 664,871. On 31 December 2011 the loan balance amounting to EUR 1,597,237 fell due. Upon the expiry of this credit policy, Texas Toll Services, LLC formalised a new credit for the outstanding amount held with Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) in order to repay the debt with Cintra Infraestructuras, S.A.

Laertida, S.L.

- The company held a credit policy with Laertida, S.L. for a maximum amount of EUR 250,000,000. The policy was valid for a one-year term and could be renewed for equal annual periods, being tied to three-month EURIBOR plus 3.5%. Accrued interest during the period totalled EUR 5,146,366, of which EUR 4,346,451 was capitalised. The net amount of drawdowns and repayments made during the year was EUR 53,925,031 allotted to investments in the US companies NTE for EUR 12,946,210 (USD 18,343,815); in LBJ for EUR 26,276,469 (USD 37,190,629); and in SH 130 for EUR 15,197,440 (USD 21,353,000). A total of EUR 495,088 (USD 723,077) has been repaid as a result of a capital decrease at Cintra Zachry LP, a company that is undergoing a wind-up process. On 28 July 2011 a non-monetary contribution was made by Cintra Infraestructuras, S.A. to Cintra Inversiones, S.L. consisting of the assignment of the credit rights held by Cintra Infraestructuras, S.A. in Laertida, S.L.U. by virtue of an agreed line of credit. Therefore, on such date the credit was repaid and transferred over to Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) for EUR 222,499,944.

- Cintra had granted a participating loan to Laertida, S.L. amounting to EUR 537,598,049 (the cap of which was the same as the amount drawn) in order to provide financial resources to Cintra US Corp to carry out various investments in the highways managed by Cintra in the United States. This loan was applied a fixed one-year EURIBOR rate plus 1% and a variable rate of 35% over the free cash flow earned by the company during the year. Both rates could not surpass the annual EURIBOR rate plus a spread of 5%. Accrued and capitalised interest amounted to EUR 7,634,305. On 28 July 2011 capital was both increased and paid up in favour of the company Laertida S.L. totalling EUR 545,232,354. Such capital increase was subscribed for the entire amortisation of the participating loan held by the Company with Laertida, S.L.

Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.)

- On 1 December 2011 Cintra granted a loan to Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) that became effective on 28 July 2011 for a maximum amount of EUR 60,000,000 in order to provide financial resources to its ongoing concern. A one-month EURIBOR rate plus 4% was applied. The maturity date agreed between the parties is 31 December 2012. During the reporting period drawdowns were made for EUR 31,825,794. Such funds have been allocated to equity contribution to the various concession operators as follows: to SH 130 for EUR 6,570,839 (USD 9,164,500); to North Tarrant Express for EUR 8,727,145 (USD 12,274,334); to LBJ for EUR 15,836,912 (USD 21,930,896); and to Autopista Alcalá O'Donnell for EUR 590,000. Another drawdown for EUR 100,898 was also made to settle the current account balance held by both companies. Repayments and partial amortisations were made during the reporting period totalling EUR 22,548,734. Accrued and capitalised interest during the period amounts to EUR 50,897. The outstanding balance at 30 November for EUR 9,327,957 was settled amortising the abovementioned loan, although the latter continues fully available at year end.

North Tarrant Express segmentos 2-4

- On 1 June 2010 Cintra granted a loan to NTE segmentos 2-4 for a maximum amount of EUR 1,000,000 to be allotted to the company's current payments. A three-month EURIBOR rate plus 3.5% was applied. No drawdowns were made during 2011. Accrued and capitalised interest during the period amounts to EUR 25,551. The current account balance held by both companies against the loan was settled in the sum of EUR 41,210. On 31 December the loan fell due for the amount of EUR 585,637. Upon the expiry of this credit policy, NTE segmentos 2-4 formalised a new credit for the outstanding amount held with Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) in order to repay the debt with Cintra Infraestructuras, S.A.

Cintra Inversora de Autopistas de Cataluña, S.L.U.

- On 31 December 2011, Cintra holds a participating loan for EUR 108,011,803 granted to Cintra Inversora de Autopistas de Cataluña, S.L.U. (hereinafter CINCA). A fixed one-year EURIBOR rate plus – 1% is applied. The annual variable interest rate is 40% over the finance income derived from the loan granted to Inversora de Autopistas de Cataluña, S.L.U. The sum of both interest rates cannot outstrip the one-year EURIBOR rate plus 5% (6.5% at 31 December 2011). The loan effective rate at year end was 6.5%. Accrued interest during the reporting period amounted to EUR 7,025,088, paid through settlement of the current account balance held by both companies, thus resulting in the same amount of principal as in reporting period 2010 equal to EUR 108,011,803.

Cintra Infraestructuras, S.A.

Cintra Autopistas Integradas, S.A.

- On 1 January 2011 Cintra renewed a credit policy to Cintra Autopistas Integradas, S.A. amounting to EUR 70,000,000 in order to finance its current transactions and treasury needs geared to the capital increase of Autopista Alcalá O'Donell. The policy maturity date was 31 December 2011 and said policy has not been renewed. The policy was tied to three-month EURIBOR plus 3.5%, the interest rate applied during the reporting period being 5.047%. The amount of accrued interest amounted to EUR 1,580,587 with a capitalisation of EUR 1,367,698 during the period. The amount at the beginning of 2011 was EUR 59,128,488. During the reporting period drawdowns were made for EUR 610,000. The balances transferred to the participating loan of Cintra Autopistas Integradas, S.A. during the period totalled EUR 1,800,000. Additionally, a repayment for EUR 90,000 was made. This loan was granted by Cintra to Cintra Inversiones, S.L. (formerly Autopista de Toronto, S.L.) on 28 July as a non-monetary capital contribution. Thus, on 31 December the loan between Cintra and Cintra Autopistas Integradas, S.A. was no longer effective. Provisions for this loan had been partially allocated upon the non-monetary capital increase in Cintra Inversiones, S.L.U. in the amount of EUR 11,702494.

- On 1 January 2011 Cintra held a participating loan for EUR 5,075,367 granted to Cintra Autopistas Integradas, S.A., automatically renewable by annual terms. The interest rate agreed consisted of a fixed interest rate tied to twelve-month EURIBOR plus an annual 1% and an annual variable rate of 35% over the free cash flow earned by Cintra Autopistas Integradas, S.A. during the period. The sum of both rates could not exceed the one-year EURIBOR plus 5%. During the reporting period drawdowns amounting to EUR 1,800,000 were made and transferred from the intercompany credit held by both companies. Accrued interest during the period totalled EUR 121,168 and was capitalised at year end. On 22 October the loan was paid off with the surplus of funds from the capital increase by Cintra Infraestructuras, S.A. in Cintra Autopistas Integradas, S.A.

Inversora de Autopistas del Sur, S.L.

- On 24 November 2009, with effective date on 27 January 2009, Cintra granted a subordinated intra-group loan to Inversora de Autopistas del Sur, S.L. The loan principal at the beginning of the year was EUR 8,157,572 and was aimed at the payment of the upfront fee on account of the debt refinancing. The interest rate applied is three-month EURIBOR plus 4.5%, the interest rate applied at year end being 5.974%. Interest accrued and capitalised during the reporting period totalled EUR 336,903, raising the limit of the loan by the amount of said capitalised interest. The loan principal at year end thus totalled EUR 8,494,475. This loan is subordinated to Inversora's senior debt, which is subject to a waiting period agreement. Therefore, the parties have decided to declare the intercompany loan due and non callable. The same will be extended until the next maturity date that, as at the date of these financial statements, is 27 April 2012.

- On 26 July 2011, an intercompany loan with Inversora de Autopistas del Sur, S.L. was executed to provide the amounts required to guarantee the payment of the debt service amount. On 27 July a drawdown for EUR 2,145,000 was made since Cintra has undertaken the payment of the amount proportional to the interest in the share capital of Autopista Madrid Sur Concesionaria Española, S.A. held by Caja Castilla la Mancha Corporación, S.A., which owns an interest of 10% in Autopista Madrid Sur Concesionaria Española, S.A. During the period interest capitalisation totalled EUR 45,578. The interest rate is three-month EURIBOR plus a spread of 4.5%, the interest rate applied at 31 December being 5.974%. Accrued interest during the period amounted to EUR 56,269. Accrued interest is subject to a 19% withholding. This loan is subordinated to Inversora's senior debt, which is subject to a waiting period agreement. Therefore, the parties have decided to declare the intercompany loan due and non callable. The same will be extended until the next maturity date that, as at the date of these financial statements, is 27 April 2012.

- On 15 September 2011, an intercompany loan with Inversora de Autopistas del Sur, S.L. was executed to provide the amounts required to guarantee the payment of the debt service amount, as well as the payment of expropriations carried out by the concession operator. Cintra has undertaken the payment of the amount proportional to the interest in the share capital of Autopista Madrid Sur Concesionaria Española, S.A. held by Caja Castilla la Mancha Corporación, S.A., which owns an interest of 10% in Autopista Madrid Sur Concesionaria Española, S.A. On 7 November 2011 a drawdown was made by Autopista Madrid Sur, S.A. in the amount of EUR 780,000. On 28 December 2011, the amount of

EUR 188,500 was drawn by Inversora de Autopistas del Sur, S.L. During the reporting period capitalised interest totalled EUR 5,837. The interest rate is three-month EURIBOR plus a spread of 4.5%, the average interest rate applied at 31 December being 5.992%. Accrued interest during the period amounted to EUR 7,206. Accrued interest is subject to a 19% withholding. This loan is subordinated to Inversora's senior debt, which is subject to a waiting period agreement. Therefore, the parties have decided to declare the intercompany loan due and non callable. The same will be extended until the next maturity date that, as at the date of these financial statements, is 27 April 2012.

- On 9 June 2011 an intercompany loan with Inversora de Autopistas del Sur, S.L. was executed to provide the amounts required to guarantee the service of the debt held with the European Investment Bank (EIB). On 14 June a drawdown for EUR 5,135,000 was made since Cintra has undertaken the payment of the amount proportional to the interest in the share capital of Autopista Madrid Sur Concesionaria Española, S.A. held by Caja Castilla la Mancha Corporación, S.A., which owns an interest of 10% in Autopista Madrid Sur Concesionaria Española, S.A. During the period, interest capitalisation totalled EUR 22,547. The interest rate is three-month EURIBOR plus a spread of 5%. Accrued interest during the period amounted to EUR 22,547. A 19% withholding was applied on accrued interest. This loan was subordinated to Inversora's senior debt and was amortised and paid off on 15 July 2011.

- On 15 March 2011 an intercompany loan was formalised with Inversora de Autopistas del Sur, S.L. with the aim of contributing the amounts required to guarantee the payment of interest accrued by the interest rate swap agreements held by the company to cover the debt's interest rate fluctuations. On that same date a drawdown for EUR 390,000 was made since Cintra has undertaken the payment of the amount proportional to the interest in the share capital of Autopista Madrid Sur Concesionaria Española, S.A. held by Caja Castilla la Mancha Corporación, S.A., which owns an interest of 10% in Autopista Madrid Sur Concesionaria Española, S.A. During the period, interest capitalisation totalled EUR 6,419. The interest rate is three-month EURIBOR plus a spread of 5%. Accrued interest during the period amounted to EUR 6,419. A 19% withholding was applied on accrued interest. This loan was subordinated to Inversora's senior debt and was amortised and paid off on 15 July 2011.

- All of the participating loans granted by the Company to its investee companies will be considered accounting equity for the purposes of a potential capital decrease and company wind-up.

- In addition, during the reporting period a value impairment was registered due to the negative evolution of traffic and the adjustment of long-term hypotheses regarding motorway concessions. The balance at 31 December 2011 was EUR 25,677,226 (long term: EUR 14,017,836 and short term: EUR 11,659,390) and corresponds in its entirety to the projects carried out in Spain. The 2010 balance was EUR 301,229,503 (long term: EUR 2,751,530 and short term: EUR 298,477,973) arising from projects in Spain for EUR 27,762,662 whereas the remaining amount of EUR 273,466,841 is related to projects in the United States.

  In reporting period 2011 a provision of EUR 14,768,124 (long term: EUR 11,266,306 and short term: EUR 3,501,818) was allocated to projects conducted in Spain. A total of EUR 278,617,907 were reversed, of which EUR 273,466,841 were aimed at projects in the United States, due to the positive performance of the projects, and the remaining reversed amount of EUR 5,151,066 at projects in Spain. In addition, an amount of EUR 11,702,494 from projects conducted in Spain has been transferred.

  In general, at the end of the concession terms, investments in concession projects will be transferred to the related administrative authorities in good working conditions. Consequently, the recovery of the investments in concession projects is dependent on whether the operator achieves sufficient levels of revenue during the concession term to enable all payables to third parties to be settled and the shareholders to recover the net assets of the investees of the Company at the end of the concession term. In this regard, the economic-financial plans of the various concessions held by the investees envisage that the investments in motorways will be amortised and the total payables to third parties will be repaid at the end of the respective concession terms.

Cintra Infraestructuras, S.A.

The movements of loans with Group companies and associates at 31 December 2010 are as follows:

Company	Balance 31/12/09	Transfers	Drawdowns	Derecognitions	Interest capitalisation	Balance 31/12/10
Autopista Trados-45, S.A.	52,157	—	2,840,634	—	—	2,892,791
Inversora de Autopistas del Sur, S.L.	7,912,323	(7,912,323)	—	—	—	—
Inversora de Autopista Madrid Levante, S.L.	2,118,265	—	633,265	—	—	2,751,530
Long-term loans	**10,082,745**	**(7,912,323)**	**3,473,899**	**—**	**—**	**5,644,321**
Impairment provisions	**—**		**(2,751,530)**			**(2,751,530)**
Total long-term loans	**10,082,745**	**(7,912,323)**	**722,369**			**2,892,791**
Cintra US, LLC	784,654	—	4,298,289	(4,669,085)	51,418	465,276
Laertida, S.L.	3,836,830	—	160,595,339	(2,849,298)	2,645,591	164,228,462
Laertida, S.L.	537,598,049	—	—	—	—	537,598,049
NTE 2-4 LLC	—	—	507,997	—	10,879	518,876
Cintra Inversora de Autopistas Cataluña, S.L.	106,394,198	—	—	—	1,617,605	108,011,803
Cintra Autopistas Integradas, S.A.	55,839,255	—	1,881,000	(753,471)	2,161,704	59,128,488
Cintra Autopistas Integradas, S.A.	5,025,066	—	—	—	50,301	5,075,367
Inversora de Autopistas del Sur, S.L. (*)	—	7,912,323	—	—	245,249	8,157,572
Serranopark, S.A.	679,485	—	321,980	(950,000)	24,234	75,699
Autopista Trados-45, S.A.	—	—	—	68,594	—	68,594
Short-term loans	**710,157,537**	**7,912,323**	**167,604,605**	**(9,153,260)**	**6,806,981**	**883,328,186**
Impairment provisions	**—**		**(298,477,973)**			**(298,477,973)**
Total short-term loans	**710,157,537**	**7,912,323**	**(130,873,368)**	**(9,153,260)**	**6,806,981**	**584,850,213**
Total	**720,240,282**	**—**	**(130,150,999)**	**(9,153,260)**	**6,806,981**	**587,743,004**

The movement of interest during reporting period 2010 is shown below:

Opening balance	Opening balance	Income	Collections	Capitalisation	Closing balance
Autopista Trados-45, S.A.	81	68,513	—	—	68,594
Cintra US, LLC	—	51,417	—	(51,417)	—
Laertida, S.L.	—	2,645,591	—	(2,645,591)	—
Laertida, S.L. (Participative)	—	6,513,998	(6,513,998)	—	—
NTE 2-4 LLC	—	10,879	—	(10,879)	—
Cintra Inversora de Autopistas Cataluña, S.L.	—	6,650,701	(5,033,096)	(1,617,605)	—
Cintra Autopistas Integradas, S.A.	—	2,161,704	—	(2,161,704)	—
Cintra Autopistas Integradas, S.A. (Participative)	—	50,301	—	(50,301)	—
Inversora de Autopistas del Sur, S.L. (*)	—	246,110	—	(246,110)	—
Serranopark, S.A.	3,826	24,234	—	(28,060)	—
Total	**3,907**	**18,423,448**	**(11,547,094)**	**(6,811,667)**	**68,594**

12. Sundry accounts receivable

a) Staff

Credits to staff tolling EUR 272,040 are granted for an average term of 3 years and bear interest, the average loan interest rate for employees during reporting period 2011 being 1.3550%. Accrued income in 2011 resulting from this item amounted to EUR 1,208.

b) Group companies clients and other clients

The expiry of "Group companies clients and other clients" is as follows:

Debt seniority	2011	2010
Up to 3 months	**21,851,920**	**16,164,794**
3 and 6 months	**5,763**	**2,141,537**
> 6 months	**95,783**	**5,509,518**
Total Group companies clients and other clients	**21,953,466**	**23,815,819**

Due trade receivables in 2011 and 2010 did not undergo any value impairment.

The fair value of loans and receivables from Group companies matches the carrying amount thereof.

Outstanding balances held with related parties at 31 December 2011 and 2010 are indicated below. Outstanding receivables from services invoiced to companies making up the Cintra Group and the Ferrovial Group are also shown below.

As for invoicing by Cintra to its Group companies, the table below shows a breakdown of support services rendered for the latter's technical and financial management during the tender, construction and operation period.

Company	Euros	
	2011	2010
Ferrovial, S.A.	749,145	1,752,362
Ferrovial Aeropuertos, S.A.	40,249	10,689
Ferrovial Agromán, S.A.	245,124	245,124
Ferrovial Agromán USA	11,025	11,025
M3 Motorway Joint Venture, Ltd.	—	3,828,224
Nea Odos Concession, S.A.	—	—
Cespa S.A.	1,226	1,226
Total Ferrovial	**1,046,769**	**5,848,650**
Autopista del Sol, S.A.	—	515,554
Autopista Terrasa-Manresa, S.A.	630	165,713
Cintra Servicios, S.L.	688,078	—
Inversora de Autopistas del Sur, S.L.	—	3,741
Autopistas del Sur, S.A.	—	364,572
Autopista Madrid-Levante, S.A.	—	233,792
407 Toronto Highway Bv	—	6,035,161
Cintra Sucursal Portugal	—	29,097
Euroscut Norte Litoral, S.A.	161	1,365,725
Euroscut Algarve, S.A.	161	224,810
Euroscut Azores, S.A.	161	47,990
Via Livre, S.A.	161	648,045
Autoestrada Poludnie, S.A.	19,709,865	235,011
Serranopark, S.A.	—	21,904
Eurolink Motorway, Ltd. (M4)	—	162,358
Eurolink Motorway Operation Ltd. (M3)	—	38,408
Chicago-Skyway Concession Co.	—	200,205
Autopista Alcalá O'Donell, S.A.	—	50,927
Cintra US LLC, LLC	—	267,075
Cintra Zachry, L.P.	—	28,766
LBJ Infraestructure LLC	637,585	1,217,874
Cintra Autopistas Integradas, S.A.	10,782	—
SH130 Concession Company	—	—
TEX TOLL SERVICES, LLC	—	1,011,914
NTE Mobility Partners, LLC	—	729,064
Total Cintra Group	**21,047,584**	**13,597,706**

Cintra Infraestructuras, S.A.

Company	Euros 2011	2010
407 ETR Concesión Co	5,986	813,122
Autopista Trados 45, S.A.	—	16,135
Intervial Chile, S.A.	9,271	528,312
Autopista del Maipo, S.A.	—	264,641
Temuco-Río Bueno, S.A.	—	34,952
Collipulli-Temuco, S.A.	—	248,885
ITR Concession Company, LLC	—	831,261
Total Associates	**15,257**	**2,737,308**
Total Group Companies Clients	**22,109,610**	**22,183,664**

As a result of the segregation of Services (see Note 2), of amount of EUR 22,183,664 in 2010 the sum of EUR 15,700,970 has been segregated in favour of Cintra Servicios de Infraestructuras, S.L.

The amount corresponding to Autoestrada Poludnie, S.A. for EUR 19,709,865 corresponds to the return of capital derived from the funds invested in the Polish project. Said amount was fully collected in January 2012.

Therefore, the remaining outstanding amounts correspond to services rendered to Cintra Servicios de Infraestructuras, S.L. and guarantees raised mainly in favour of LBJ.

Maximum credit risk exposure on the date of presentation of the financial information is the fair value of each receivable stated above. The Company holds no collection guarantees.

C) Other financial assets and liabilities with Group companies and associates

The amount of financial assets corresponds mainly to the current account held by the Company with its majority shareholder Ferrovial, S.A.:

Company	Type of loan	2011	2010	Rate applied Last quarter 2011
Ferrovial, S.A.	Current account	149,530,804	397,485,678	3M EURIBOR +1.25%(2.79%)
Other current accounts	Current account	5,171,248	6,251,731	3M EURIBOR + 2.50%(4.04%)
Other financial assets		**154,702,052**	**403,737,409**	
Other current accounts	Current account	9,122,504	208,353	3M EURIBOR + 1.25%(2.79%)
Other financial liabilities		**9,122,504**	**208,353**	

- The Company holds a current account balance with Group companies for payment and collection among them amounting to EUR 154,702,052 (in 2010: EUR 403,737,409), the most significant amount due being that held with Ferrovial, S.A. for EUR 149,530,804 (in 2010: EUR 397,485,678). Ferrovial, S.A. debt is subject to a 2.79% interest rate while the other companies to a 4.04%. The reduction of the current account balance with Ferrovial is due to a change of policy in the allocation of cash surplus, the Company now being the holder of the investments it carries out.
- In addition, it holds other representative balances with the company Inversora de Autopistas de Cataluña, S.L. for the settlement of the Corporate Tax amounting to EUR 4,725,782.
- Other current accounts under “Other financial liabilities” include the current account held with Cintra Servicios de Infraestructuras, S.L. for EUR 7,895,677 for cash surplus management.

13. Derivative financial instruments

Balances relating to the derivative financial assets at 31 December 2011 and 2010 are as follows:

Item	Amount in local currency	2011	2010
Foreign currency denominated term contracts – CAD	—	—	(8,128,431)
Foreign currency denominated term contracts – USD	22,865,000	357,619	(2,343,381)
Foreign currency denominated term contracts – Chilean Pesos (CLP)	5,750,000,000	48,808	
Foreign currency denominated term contracts – Chilean UF	3,920,000		—
Hedges charged to Equity		**406,427**	**(10,471,812)**
Equity Swap contracts (Euros)	25,355,001	(13,547,532)	(15,748,472
Hedges charged to Income Statement		**(13,547,532)**	**(15,748,472)**
Total Assets Hedges		**406,427**	**—**
Total Liabilities		**(13,547,532)**	**(26,220,284)**

Hedges charged to equity are indicated under "Other equity instruments" for EUR 406,427 together with the net loss of deferred tax on the valuation of hedging transactions amounting to EUR 121,928, the total amount registered in the balance sheet being EUR 284,499.

Exchange rate risk hedging transactions

Future foreign currency hedged transactions are expected to occur on various dates in the next twelve-month period. Profit and loss recognised in the equity under "Valuation adjustments" on foreign currency denominated term contracts at 31 December 2011 are recognised in the income statement in the reporting period(s) in which the hedged transactions has an impact on the income statement. This normally happens within the twelve-month period following the balance sheet date, unless the relevant profit/loss has been included in the amount initially recognised for the purchase of fixed assets, in which case the asset is recognised during its life (between five and ten years).

The amounts corresponding to the notional principal of outstanding foreign currency denominated term contracts at 31 December 2011 are equal to CLF 3,920,000 (Unidades de Fomento) and Chilean Pesos 5,750,000,000 for the repatriation of funds from the sale of Intervial Chile, S.A. and the estimation of 2012 capital contribution in the USA concession operators totalling USD 22,865,000.

Being considered an effective hedging instrument as per valuation standard 4.f, the net amount of taxes is recognised under 2011 equity. Net deferred tax equals EUR 284,499 (in 2010: EUR 7,330,268).

During the reporting period various hedges were taken out, which premiums and settlements had a negative impact on income statement amounting to EUR 12,053,747 (in 2010: EUR 24,754,597). Other hedges had a positive effect on the income statement tantamount to EUR 1,680,700 (in 2010: EUR 16,173,968) (see Note 23).

Hedged amounts in reporting period 2010 totalled CAD 114,440,000 in funds from the sale of 10% of 407 ETR and USD 150,000,000 in investments made in US projects.

Compensation system risk hedging transactions – stock options

In order to hedge any possible losses arising from the exercise of Ferrovial stock options, upon their granting the Company arranged Equity Swaps payable in cash only.

These hedges are not registered according to the hedging accounting procedure. Given the share price evolution, the stock option value of EUR 2,200,939 was registered for the period (in 2010: a loss of EUR 3,549,732) (see Note 23).

14. Cash and cash equivalents

The chart below includes the Company's balance of current cash deposits at 31 December 2011 and 2010, as well as outstanding accrued interest. The Company uses short-term instruments, usually with a weekly due date, in order to allocate cash surplus amounts.

	Euros	
Item	**2011**	**2010**
Cash in banks	84,772,871	12,207,965
Cash	7,973	12,632
Other cash equivalents	375,886,274	—
Total	**460,667,118**	**12,220,597**

The average balance for cash allocation in 2011 was EUR 49 million (in 2010: EUR 111 million), at an average interest rate of 1.79% (in 2010: 2.11%). The amount of interest earned at the closing of 2011 totals EUR 5,180 thousand (in 2010: EUR 419 thousand).

The difference between 2011 and 2010 balances is due to the change of treasury policy for the allocation of cash surplus. In fact, while in 2010 such allocation was made by Ferrovial, S.A., in 2011 it switched over to Cintra Infraestructuras, S.A.

15. Shareholders' Equity

Share Capital

The Company's Share capital at 31 December 2011 is as follows.

	Euros	
Item	**31/12/11**	**31/12/10**
Authorised capital	153,764,357	153,764,357

During reporting period 2011 no movements were registered in the share capital composition.

The Company was incorporated on 8 June 2009 subscribing and paying in a capital amount of EUR 60,102.

Capital is composed of 153,764,357 ordinary bearer shares with a face value of EUR 1 each, totally paid in and carrying the same rights, with no transfer restrictions thereof whatsoever.

At 31 December 2011 Ferrovial, S.A. held an interest in the Company of 99.9999% while Can Am, S.A. owned 0.0001%. Therefore, Ferrovial has direct or indirect control over 100% of the Company.

Pursuant to the loan contract between Ferrovial, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. dated 29 June 2009, the lender was bound to pledge the shares of Cintra Infraestructuras, S.A. during the contract valid term. All the same, during its validity term the loan was jointly and severally guaranteed by the Group subsidiaries that were either directly or indirectly controlled by the lender by 100% and that individually represented 7% of the consolidated EBITDA or 7% of the Group's consolidated assets, as well as other subsidiaries fully controlled by the lender and chosen by the latter at its discretion, provided that they account for at least 75% of the consolidated EBITDA and 75% of the Group's consolidated assets at each given time. At 31 December 2011, the guarantees set forth in said contract were no longer effective as the loan had been fully amortised. However, Cintra Infraestructuras, S.A. became the guarantor of the syndicated loan formalised between Ferrovial, S.A. and a syndicate of 32 national and international entities on 12 April 2011.

During the reporting period no own shares or shares of the parent company were held.

Share issue premium

Share issue premium amounts to EUR 625,066,212 and can be freely used pursuant to the Spanish Consolidated Companies Law.

Legal reserve

Under the Spanish Companies Law, the Public Limited Liability Company must transfer 10% of net profit for each year the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, and as long as it does not exceed 20% of share capital, it can only be used to offset losses, provided that no other reserves are available for this purpose. At 31 December 2011 the legal reserve is 20% of the share capital amounting to EUR 30,752,871.

Interim dividend

During reporting period 2011 a total of EUR 120,000,000 was paid on account of interim dividend on 16 May and 26 October totalling EUR 40,000,000 (EUR 0.26 per share) and EUR 80,000,000 (EUR 0.52 per share), respectively (see Note 3).

Other equity instruments

Equity instruments reflect mainly the recognition under equity of the stock options granted to staff hired by Ferrovial, S.A. on behalf of Cintra Infraestructuras, S.A. for the employees of the latter. The balance at 31 December 2011 is EUR 709,793 (in 2010: EUR 772,236).

Adjustments for changes in value

The balance registered in the item "Adjustments for changes in value – Hedging transactions" under equity in the accompanying balance sheet at 31 December 2011 and 31 December 2010 corresponds to the balance registered in the caption "Non-current payables – Derivatives" (see Note 13) thereunder after tax (see Note 20).

16. Long-term provisions

The breakdown of long-term provisions during 2011 is as follows:

Item	31/12/10	Additions	31/12/11
Provision for taxes	74,786,784	2,270,493	77,057,277
Provision for liabilities	43,373,754	53,502,129	96,875,883
Long-term provisions	**118,160,538**	**55,772,622**	**173,933,160**

The breakdown of long-term provisions during 2010 is as follows:

Item	31/12/09	Additions	31/12/10
Provision for taxes	68,143,325	6,643,459	74,786,784
Provision for liabilities	—	43,373,754	43,373,754
Long-term provisions	**68,143,325**	**50,017,214**	**118,160,538**

Tax provision includes a provision for the Chamber of Commerce annual membership fee amounting to EUR 24,424 (in 2010: EUR 24,424), a provision for the Inspection Record on Corporate Tax for the 2003-2005 reporting periods totalling 72,361,413 (in 2010: EUR 70,548,216), and a VAT provision for the 2009- 2011 period totalling EUR 4,671,440, including the corresponding penalty.

The Inspection Record on Corporate Tax for the 2003-2005 periods in the amount of EUR 72,361,413 (in 2010: EUR 70,548,216) is composed as follows: tax payment adjustment for EUR 45,329,927 (in 2010: EUR 45,329,927), interest arising from claimed payment for EUR 15,715,505 (in 2010: EUR 13,902,308), and request for the application of penalty for EUR 11,315,981 (in 2010: EUR 11,315,981). The increase in reporting period 2011 is mainly due to the rise of default interest for EUR 1,813,197.

On 19 February 2010 the Company requested the suspension of said record by submitting guarantees before the Regional Inspection Bureau of Madrid, appealing such verification record through an Economic-Administrative Claim pending resolution in the long term. As a result of the abovementioned claim, bank collaterals were formalised by Ferrovial, S.A. as the responsible party totalling EUR 57,419,038 plus default interest arising from the suspension as well as any applicable surcharges. On 24 May 2010 the penalty resolution was issued for the sum of EUR 11,315,981, for which the Company has filed an appeal as well.

Regarding the VAT provision, the Company has allocated an amount for the adjustment made by the Tax Authority concerning the 2009 VAT. Said provision equals EUR 1,740,080 and comprises the difference between the VAT amount payable by the Company (EUR 2,809,725) and the one agreed in the Record initiated by the Tax Authority (EUR 1,092,942). Such provision can be deducted for tax purposes; therefore, no adjustment to the Corporate Tax base is required. Likewise, the Company allocated a VAT provision for reporting periods 2010 and 2011 totalling EUR 1,833,167 and EUR 1,121,489 respectively

There is also a risk and expense provision for EUR 96,875,882 (2010: EUR 43,373,754) on account of future investments and guarantee recoverability risks (see Note 17). The portion relating to future investments in projects conducted in Spain totals EUR 32,498,182 (2010: EUR 32,498,182), EUR 55,177,700 (2010: EUR 10,875,572) to risks in Europe and EUR 9,200,000 to potential claims in Chile (see note 23). Therefore in 2011 there are provisions for future liabilities for EUR 53,502,129 (2010: EUR 43,373,182) from which no amount has been charged due to projects conducted in Spain (2010: EUR 32,498,182) and EUR 44,302,129 (2010: EUR 10,875,572) have been charged for projects in Europe.

17. Guarantees and contingencies

a) Guarantees

Financial risks to which the Company is exposed include those arising from the guarantees and sureties required for the Company's ordinary course of business.

During 2011 and 2010 the Company raised bank collaterals before third parties and guarantees in favour of other Group companies for the development of its activity.

At 31 December 2011 Cintra is secured before third parties in order to face any potential risks. A list of the sureties raised with various institutions is shown below:

	31/12/11			
Guarantor	**Currency**	**Currency**	**Euros**	**Guarantee limit**
	US dollar	44,650,000	34,452,160	
	Chilean UFS	30,000	993,281	
	Euros	45,690,408	45,690,408	
BBVA			**81,135,849**	**119,061,420**
	Canadian dollar	10,000,000	7,590,133	
	Euros	32,852,970	32,852,970	
BSCH			**40,443,103**	**40,443,103**
	Euros	50,255,232	50,255,232	
Banco Popular			**50,255,232**	**75,000,000**
	Euros	2,203,911	2,203,911	
Bancaja			**2,203,911**	**2,250,000**
	Euros	5,000,000	5,000,000	
BES			**5,000,000**	**10,000,000**
Total			**179,038,095**	**246,754,523**

Cintra Infraestructuras, S.A.

Guarantees held by Cintra before third parties in 2010 were as follows:

	31/12/10			
Guarantor	**Currency**	**Currency**	**Euros**	**Guarantee limit**
	US dollar	44,650,000	33,405,656	
	Chilean UFS	46,604	1,598,293	
	Euros	44,986,099	44,986,099	
BBVA			**79,990,048**	**118,018,431**
	Euros	36,230,643	36,230,643	
BSCH			**36,230,643**	**36,230,643**
	Chilean UFS	7,000	240,068	
	Euros		65,924,987	
Banco Popular			**66,165,055**	**75,000,000**
	Euros	2,203,911	2,203,911	
Bancaja			**2,203,911**	**2,250,000**
	Euros	10,000,000	10,000,000	
BES			**10,000,000**	**35,000,000**
Total			**194,589,657**	**266,499,074**

Similarly, the guarantees raised at 31 December 2011 and 2010 can be classified according to their ultimate purpose, as shown below:

Concession	Guarantor	Purpose of 2011 guarantees	31/12/11	31/12/10	Type of guarantee	Invoiced	Guaranteed entity
Talca Chillan	BBVA	—	—	569,430	E	NO	Cintra
Nea Odos	Banco Popular	Shareholder capital contribution	24,441,189	37,323,642	E/T	NO	Ferrovial
Nea Odos	BBVA	Construction	26,672,000	26,672,000	T	NO	Ferrovial
Nea Odos	Banco Popular	Toll bid bond	1,085,148		T	NO	Ferrovial
Scut Azores	SCH	—	—	5,484,727	E/T	NO	Cintra
LBJ	BBVA	Shareholder capital contribution	34,336,420	33,293,431	E	YES	Cintra
Autopista Madrid Levante	BBVA	City Council debt	10,692	10,692	T	NO	Autopista Madrid Levante
Autopista Alcalá-O'Donell	SCH	M-203 construction	4,073,916	4,073,916	T	YES	Cintra Autopistas Integradas
Autopista Alcalá-O'Donell	SCH	M-203 construction	2,107,054		T	YES	Cintra Autopistas Integradas
Central Greece	Banco Popular	Shareholder capital contribution	23,231,108	27,341,345	E	NO	Ferrovial
Central Greece	SCH	Construction	26,672,000	26,672,000	T	NO	Ferrovial
Central Greece	BBVA	Operation	333,400	333,400	T	NO	Ferrovial
Serranopark	Bancaja	Construction/ Operation	2,203,911	2,203,911	T	NO	Cintra
Total Concessions			**145,166,838**	**163,978,494**			
Chile	Banco Popular	—	0	1,500,068	T	NO	Cintra
407 Extension	SCH	Project tender	7,590,133	—	T	NO	Cintra
Benavente Zamora	Banco Popular	Project tender	1,030,672	—	T	NO	Cintra
Tender			**8,620,805**	**1,500,068**			
Cintra	BBVA	2003-2005 Cintra Inspection Record	18,200,000	17,500,000	E	NO	Cintra
Cintra	BES	Potential flaws derived from Car Park Division	5,000,000	10,000,000	E	NO	Cintra
Ferrovial Aeropuertos	BBVA	Aeropuerto Cerro Moreno	993,281	1,028,863	T	YES	Ferrovial Aeropuertos
Others			1,057,171	582,232		NO	Cintra
Other			**25,250,452**	**29,111,095**			
Total Guarantees			**179,038,095**	**194,589,657**			

T. Technical E: Economic

Expenses incurred in 2011 on account of the abovementioned guarantees amounted to EUR 2,531,168 (in 2010: EUR 1,389,528), the average interest rates applied to economic sureties (concessions and others) being 0.19% quarterly (in 2010: 0.20%) and to technical sureties (tenders) 0.17% quarterly (in 2010: 0.17%).

Bid bonds amounting to EUR 8,620,805 (in 2010: EUR 1,500,068) are mandatory in tender processes guaranteeing the submittal of a proposal by the Company. Likewise, guarantees were presented for the payment of rights and fulfilment of obligations as per the various concession contracts executed by investee companies in the amount of EUR 145,166,838 (in 2010: EUR 163,978,494). These guarantees are intended to secure the subsequent construction and operation processes by the concession operators.

"Other" includes various types of guarantees, the most relevant ones being the guarantee raised on account of the Inspection Record (EUR 18,200,000) and the guarantee on the sale of Cintra Aparcamientos (EUR 5,000,000). It has a valid term of four years as of 24 July 2009. Within 24 months, it was reduced to EUR 5,000,000 and within 36 months it could be brought down to EUR 2,500,000.

The Company believes that non-estimated liabilities at 31 December 2011 that could arise from the guarantees raised, if any, would not be significant.

Cost incurred on account of guarantees on behalf of other Group companies are invoiced as agreed on in each individual case.

b) Guarantees

Cintra, as parent company, is liable for the following guarantees at 31 December 2011 relating to its investment in the projects specified below:

Project	Purpose	Duration	100% Amount
North-East (Portugal)	Baseline expropriation cost overruns.	Expropriation period.	Amount beyond the limit agreed.
	Expiry / Resolution guarantee.	Debt life (Standstill).	Limited to refinancing for € 23M.
Radial 4 (Spain)	Shareholders subordinated loan in favour of Inversora.	Debt life (Standstill).	Limited to cover operating costs up to € 5M.
	EIB cash collateral due to bank collateral downgrade (Cajasur).	Life of collaterals – EIB tranche.	Limited to 103% of Caja Sur interest: € 3.76M.
Ausol	Ferrovial guarantee (to cover 6-month DRSA, DS si DRSA <1x; and amortisation upon maturity).	Debt life.	Limited to € 38M.
	Ferrovial tax credit (BINs AUSOL compensation).	Debt life.	Limited to € 12.53M (Ferrovial 100%).
Azores (Portugal)	Art. 35 under the Spanish Companies Law (dissolution due to reduction of shareholders' equity).	Until 2017.	Limited to € 11.4M.
	Guarantee to cover the insolvent shareholder Aurelio Martins should any presumption under Art 35. arise.	Until 2017.	Limited to € 0.31M.
Via Livre (Portugal)	Cintra secures 100% of the liability guarantee undertaken by Via Livre as per the Investment Agreement and the Agreement between Euroscut Algarve and Via Livre.	Until formalisation of a New Concession Contract (Estimated timeline: 150 days).	Limited to € 700,000.
Serranopark (Spain)	Baseline recalculation guarantee.	Until Dec. 2014.	Limited to € 9.5M max. in December 2014. (June 2011-December 2014 limited to € 2M).
LBJ (USA)	Shareholders support contract for the lower amount between 51% of equity pending disbursement and the debt amount drawn.	Construction period.	Limited to USD 342.67M.
NTE (USA)	Shareholders support contract.	Construction period.	Limited to USD 241.55M.
SH 130 (USA)	Expropriation cost overruns.	Expropriation period.	Limited to USD 35M.
	Cash deficit.	First 5 years of operation.	Limited to USD 30M.

Cintra Infraestructuras, S.A.

Guarantees raised in 2010 were as follows:

Project	Purpose	Duration	100% Amount
Talca-Chillán (Chile)	Increased construction costs.	Debt life.	Amount beyond 10% of baseline.
	Increased operating costs.	Debt life.	Amount beyond 6.5% of baseline.
	Increased ordinary maintenance costs.	Debt life.	Amount beyond 10% of baseline.
	Increased extraordinary maintenance costs.	Debt life.	Amount beyond 10% of baseline.
	Increased financial costs (interest rates)	Debt life.	Amount beyond 10% of baseline.
Santiago Talca (Chile)	Pre-completion payment obligation (section 3.3 Second Amended and Restated Investor Support Agreement).	Until final commissioning.	Certain percentages of current debt are guaranteed.
	Works completion guarantee (before 31-12-11).	Until final commissioning.	Amount required to complete the works.
North-East (Portugal)	Baseline expropriation cost overruns.	Expropriation period.	Amount beyond the limit agreed.
Ocaña-La Roda (Spain)	Capital contributions.	Debt life.	Limited to € 8.2M. Reduced by € 4.4M due to contributions made.
Azores (Portugal)	Art. 35 under the Spanish Companies Law (dissolution due to reduction of shareholders' equity).	Until 2017.	Limited to € 11.4M.
LBJ (USA)	Shareholders support contract for the lower amount between equity pending disbursement and debt amount drawn.	Debt life.	Limited to USD 55M.
NTE (USA)	Shareholders support contract.	Debt life.	Limited to USD 29.29M.
	Shareholders support contract.	Debt life.	Limited to USD 25M.
	Expropriation cost overrun.	Expropriation period.	Limited to USD 35M.
SH 130 (USA)	*Pari passu* with lenders to fulfil the leverage ratio.	One year after opening (2013).	Limited to USD 92.45M.
	Cash deficit.	First 5 years of operation.	Limited to USD 30M.
Cintra Inversora de Autopistas de Cataluña (AUTEMA)	Hedge-derived credits rights.	Debt life.	—
	Pledge of shares of concession operator and intermediate companies.	Debt life.	—
	Pledge of credit rights arising from intra-group loans.	Debt life.	—
	Bank counter-guarantee (EIB debt)	Debt life.	—

Cintra Infraestructuras, S.A.

c) Contingencies

Regarding contingencies in some companies within the Cintra Group, the following should be highlighted:

Lower traffic: AP36 and R4

The Eighth Additional Provision under Law 43/2010 has introduced a measure aimed at balancing out the economic and financial situation of several toll road concession operators affected by major drops in their traffic levels, which include the AP36 and R4 toll road operators. Such provision allows for the possibility of receiving from the concession awarding entity compensation equal to the difference between the toll revenue that would have been earned had 80% of the traffic estimated in the tender specifications been reached and the toll revenue arising from actual traffic. Said right is exclusively recognised for a three-year term and is subject to certain budgetary and maximum volume restrictions. Both companies have filed a compensation request for reporting period 2012 in January 2012.

Notwithstanding the foregoing, and due to the fact that the measures mentioned above were deemed insufficient, in 2011 both companies filed individual claims before the Ministry of Development demanding further measures to restore the economic and financial balance of the concession, given the major drops affecting their traffic levels.

In the case of the R-4 motorway, the claim is currently being heard by the Supreme Court.

Expropriations: R4

During 2011 estimated expropriations remained unaltered. Regarding the estimation of expropriation pending amounts, the resolutions passed by the Provincial Expropriation Court were taken as reference by directly applying the amount established thereunder, if any, (or the amount ordered by virtue of a judgement) or, in the case of files not specifying any such amount, the sum established in similar cases after adjustment, when applicable, to the specific characteristics of the file concerned, all of the above including estimated accrued interest.

In 2011 the Supreme Court continued to pass judgment regarding the appraisal of land subject to expropriation for motorway building, located within the Community of Madrid.

In reporting period 2011 the concession operator continued to receive judgements passed by the Supreme Court of Madrid regarding the appraisal of land in Madrid, for both the R-4 and the M-50 roads. Likewise, it received further judgements on the appraisal of land for the R-4 road in Toledo. Most of said judgements have been appealed by the Company. Also during 2011 the Company received the first judgements passed by the Supreme Court regarding ordinary cassation appeals on expropriation in the province of Toledo (in general less costly than those in Madrid). During this reporting period, final judgements continued to be honoured.

In general terms, and as far as expropriated land for the construction of radial motorways is concerned (as well as the R-4 toll road), judgements provide that land must be appraised according to its classification and, therefore, the land classified as land that cannot be developed must be appraised as such and not under the general scheme. Nevertheless, said judgments raise significantly the value of initially foreseen land that cannot be developed (although they provide a value considerably below that approved by the Court of Madrid).

On the other hand, regarding expropriated land for the construction of the bypass road to Madrid (M-50), the Supreme Court has deemed the land crossed by such road as part of the general scheme; therefore, in its opinion, it must be appraised as land suitable for development regardless of its classification. The judgments passed by the Supreme Court of Madrid and notified to the Company are along the same lines. Consequently, the value of land goes up markedly vis-à-vis the initial one, mainly regarding land that cannot be developed.

The estimated amount according to the aforementioned, including accrued interest, is EUR 369,535,908. The same is registered under Autopista Madrid Sur, C.E.S.A. and its balancing entry is booked under Assets in the “Investment in toll roads” caption.

Cintra Infraestructuras, S.A.

As part of the proceedings currently filed, on 9 March 2011 the Company received a request by the expropriated party for the provisional enforcement of a judgment passed by the Court on Administrative and Contentious Matters of the Supreme Court of Madrid dated 21 June 2010, regarding the appraisal of a estate expropriated for the construction of the M-50 road. Said judgement was appealed by the Company before the Supreme Court, said proceedings having been admitted and pending resolution at present. Such request for provisional enforcement claims the payment of a EUR 37.3 million by the Company on account of fair value and legal interest. After the first resolution was voided and the abovementioned provisional enforcement ordered, a new judgment was passed, after due payment of surety, which is not yet final.

This expropriation risk has been reduced by the Forty-first Additional Provision of State Budget Law 26/2009 for the year 2010, which provides that toll road concession operators may obtain a participating loan for compulsory purchase cost overruns provided certain requirements are met, which is the case of the R4 toll road concession operator. The aforementioned provision is currently in force and recognises the right to collect the participating loan for the amount in excess of 175% of the price offered by the concession operator. For the redemption of said loan, the Ministry of Development must amend the concession contract (rates and/or term) in order to generate additional income for the purposes of amortising the loan principal and accrued interest. The concession operator has requested the first drawdown on said loan.

R-4 refinancing

On 27 January 2012 the maturity term of the financing granted to Inversora de Autopistas del Sur, S.L. regarding the Radial 4 toll road for EUR 548 million was extended until 27 March 2012. After its maturity, the term was extended once again until 27 April 2012, while the concession's economic and financial balance is restored.

The evolution of expropriations and the continuous fall of traffic levels hindered the refinancing of the debt concerning this project. In this regard, various successive agreements have been reached to postpone the debt service, first until November 2011 and then until 17 January 2012.

AP-36 expropriations

At 31 December 2011 the Company is a party to lawsuits concerning expropriations resulting from toll road concession projects. In most cases, such lawsuits are concerned with the appraisal of the property and rights subject to expropriation for the construction of the infrastructure within the scope of the concession. Such appraisal is subject to potential adjustments according to the criteria adopted by the Provincial Courts on Forced Expropriation, as well as the Supreme Court of Castilla-La Mancha.

M203

The M-203 toll road, the concession of which was granted by the Community of Madrid and which works have been at a standstill for several reporting periods, was the subject matter of judgements passed by the Supreme Court in 2011 regarding the appraisal of the expropriated land. Said judgements have not been appealed by the concession operator since they raise the prices established by the Court of Madrid, although they eliminate, in principle, the risk that said road could have been included within the scope of the general scheme whereby the construction of roads entail the potential development of cities, which would have led – as in the case of the M-50 road – to the appraisal of such land as suitable for urban development and, therefore, resulting in much higher values).

On 9 December 2011 the amendment and economic and financial rebalancing of the Concession Contract was formalised after approval of the Amendment Order dated 21 October 2011 by the Councillor of Transportation and Infrastructure of the Community of Madrid. Said Amendment implies the approval of a Modified Project and the implementation of the measures aimed at the concession rebalancing, tariff increase and concession term extension.

Also, other Cintra Group companies are the defendants in a number of lawsuits. The effect this litigation has on the accompanying financial statements should not be material.

18. Accounts payable

a) Bank borrowings

The detail of the lines of credit not withdrawn at 31 December 2011 is shown below:

Company	Limit in euros	Reference	Spread	Interest rate in current month	Maturity
BBVA	2,000,000	1M EURIBOR	2.5%	3.59	04/12/12
Total	**2,000,000**				

The credit policy signed with BBVA for Cintra was renewed, now maturing on 4 December 2012. The maximum amount thereof is EUR 2,000,000 at EURIBOR + 2.5% and an annual availability fee of 0.90% (0.225% quarterly). The amount drawn at 31 December 2011 totals EUR 22,767.

b) Payable to Group companies and associates

During reporting period 2011 the service activity carried out by Cintra Infraestructuras, S.A. was segregated and transferred to Cintra Servicios de Infraestructuras, S.L.

The detail of the balance corresponding to "Payable to Group companies and associates" at 31 December 2011 and 2010 is shown below. Inter-group transactions carried out are due to tender, IT and management support services, as shown below:

Company	2011	2010
Ferrovial, S.A.	40,978	(999,232)
Ferrovial Corporación, S.A.	(590)	—
Ferrovial Aeropuertos, S.A.	14,924	14,924
Ferrovial Agromán, S.A.	378,447	378,447
Ferrovial Agromán USA	—	538,948
Ferrovial Servicios, S.A.	(14,743)	31,528
Total Ferrovial Group	**419,016**	**(35,385)**
Cintra Servicios de Infraestructuras, S.L.	2,149,709	—
Inversora de Autopistas del Sur, S.L.	—	5,314
Autopista del Sol, S.A.	—	28,056
Autopista Alcalá O'Donell, S.A.	620	—
Autopista Madrid-Levante, S.A.	394	394
Autopistas del Sur, S.A.	—	4,378
Autoestrada Poludnie, S.A.	—	450
Cintra US, LLC	483,001	881,758
Eurolink Motorway Operation Ltd.	68	68
Chicago-Skyway Concession Co.	82,559	123,215
Total Cintra Group	**2,716,351**	**1,043,633**
407 ETR Concesión Co. (*)	—	420,598
Intervial Chile, S.A. (*)	542	127,806
Total Associates	**542**	**548,404**
Total Payable to Group companies and associates	**3,135,909**	**1,556,652**

(*) Both 407 ETR and Intervial Chile, S.A. have become associates after the sale in 2010 of a shareholding that sets the investment below 50%.

Of the 2010 balance totalling EUR 1,556,652, the amount of EUR 1,485,094 was segregated. The 2011 balance includes an entry relating to Cintra Servicios de Infraestructuras, S.L. for EUR 2,149,709, which reflects the services rendered by Cintra Servicios de Infraestructuras, S.L.

c) Suppliers

The detail of the balance corresponding to "Suppliers" at 31 December 2011 and 2010 is shown below:

Company	2011	2010
National suppliers	535,055	1,234,826
Foreign suppliers	141,706	366,505
Suppliers pending invoice reception	3,794,831	3,569,261
Total Suppliers	**4,471,592**	**5,170,592**

During reporting period 2011 the service activity carried out by Cintra Infraestructuras, S.A. was segregated and transferred to Cintra Servicios de Infraestructuras, S.L. Of the 2010 balance amounting to EUR 5,170,592, the sum of EUR 351,725 was subject to segregation. The remaining outstanding balances are mainly related to the tender activity.

Disclosures on Deferrals of Payments Made to Suppliers – Third additional provision "Disclosure obligation" provided for in Law 15/2010, of 5 July

Law 15/2010 of 5 July, amending Law 3/2004 of 29 December, which sets out the measures to counteract delinquency in business transactions, states as follows: "Companies shall expressly disclose payment term information to suppliers in the Notes to their financial statements". Likewise, the resolution by the Spanish Accounting and Audit Institute dated 29 December 2010 specifies the information to be disclosed in annual reports to comply with the above said law.

Thus, pursuant to the abovementioned third provision regarding the balance held by the Company with trade payables at 31 December 2011, no material amount exceeding the maturity terms set out thereunder has been established. As per the first interim provision thereunder, the latter shall apply to all contracts formalised after the entry into force of said law (July 2010.)

An explanation is contained in the chart below:

Financial Statements Report (ICAC)	2011
Within the maximum legal term	5,283,300
Others	533,584
% Within the maximum legal term	90.83%
% Other	9.17%
PMPE	28.24 days
Doubtful deferrals pursuant to law	84,055

g) Other financial liabilities

Current accounts held by the Company with Group companies accrued an interest rate of 2.79% in 2011, the most significant balance being the one held with Cintra Servicios de Infraestructuras, S.L. in the amount of EUR 7,895,677 on account of cash surplus.

	Euros	
	2011	2010
Other current accounts	9,122,504	208,353

19. Debts with Group Companies and associates

The breakdown of credits received from Group companies and associates at 31 December 2011 is as follows:

Company	Type of loan	Cap	Granting/ Renewal date	Maturity date	Rate applied
Financinfraestructure, LLC	Intercompany Loan	25,000,000	26/05/09	15/12/13	6M EURIBOR + 1.5%
Total long-term amount drawn and long-term outstanding interest and exchange rate differences					
Cintra Inversiones, S.L.	Intercompany Loan	80,000,000	31/12/11	31/12/12	3M EURIBOR + 2.5%
407 Toronto Highway BV	Intercompany Loan	150,000,000	1/01/10	31/12/12	3M EURIBOR + 2.5%
Autoestrada Poludnie, S.A.	Debentures and Bonds	19,824,197	25/06/10	15/07/12	12M WIBOR + 1%
Autoestrada Poludnie, S.A.	Debentures and Bonds	1,313,443	8/07/10	15/07/12	12M WIBOR + 1%
Autoestrada Poludnie, S.A.	Debentures and Bonds	2,540,005	16/09/10	15/07/12	12M WIBOR + 1%
Total amount drawn and short-term outstanding interest					

(1) Interest accrued pending payment or capitalisation.

The breakdown of credits received from Group companies on 31 December 2011 is as follows:

Company	Balance at 31/12/10	Drawdowns	Accrued interest	Interest capitalisation	Derecognitions	Exchange differences	Balance at 31/12/11
Financinfraestructure, LLC	13,729,823	—	—	338,560	—	—	14,068,383
Total amount drawn and long-term interest	**13,729,823**	**—**	**—**	**338,560**	**—**	**—**	**14,068,383**
Cintra Inversiones, S.L.	13,529,563	64,125,112	—	473,767	(40,103,533)	—	38,024,909
407 Toronto Highway BV	8,498,426	137,487,224	—	282,223	(113,787,934)	—	32,479,939
407 Toronto Highway BV	—	163,300,575	—	—	(163,300,575)	—	—
Autoestrada Poludnie, S.A. (principal)	18,959,982	—	—	—	—	(2,154,012)	16,805,970
Autoestrada Poludnie, S.A. (interest)	511,635	—	941,953	—	—	(71,133)	1,382,455
Autoestrada Poludnie, S.A. (principal)	1,263,999	—	—	—	—	(143,601)	1,120,398
Autoestrada Poludnie, S.A. (interest)	31,794	—	63,192	—	—	(4,747)	90,239
Autoestrada Poludnie, S.A. (principal)	2,527,998	—	—	—	—	(287,201)	2,240,797
Autoestrada Poludnie, S.A. (interest)	38,371	—	126,629	—	—	(9,512)	155,488
Financinfraestructure, S.A.	36,337	—	82,418	—	—	—	118,755
Total amount drawn and short-term interest	**45,398,105**	**364,912,911**	**1,214,192**	**755,990**	**(317,192,042)**	**(2,670,206)**	**92,418,950**
Total	**59,127,928**	**364,912,911**	**1,214,192**	**1,094,550**	**(317,192,042)**	**(2,670,206)**	**106,487,333**

The breakdown of interest for 2011 is as follows:

Company	Opening balance	Long-term transfer	Expenses	Payments	Capitalisation	Closing balance
Financinfraestructure, LLC	36,337	—	420,978	—	(338,560)	118,755
Cintra Inversiones, S.L.	—	—	572,647	(98,880)	(473,767)	—
407 Toronto Highway BV	—	—	2,146,918	(1,864,695)	(282,223)	—
407 Toronto Highway BV	—	—	2,307,124	(2,307,124)	—	—
Autoestrada Poludnie, S.A.	—	507,282	875,824	—	—	1,383,106
Autoestrada Poludnie, S.A.	—	31,422	58,445	—	—	89,867
Autoestrada Poludnie, S.A.	—	38,143	117,117	—	—	155,260
Total amount drawn and short-term interest	**36,337**	**576,847**	**6,499,053**	**(4,270,699)**	**(1,094,550)**	**1,746,988**

Cintra Infraestructuras, S.A.

The movements relating to 2011 are as follows:

- On 26 May 2009, Financinfraestructure, Ltd. granted to Cintra Infraestructuras, S.A. a line of credit to fund Cintra Infraestructuras, S.A. since the business purpose of Financinfraestructure is the financing of toll road projects. The limit amounts to EUR 25,000,000 maturing on 15 December 2013. The interest rate applied is six-month EURIBOR plus a spread of 1.5%, tantamount to 3.205%. The balance at 31 December 2011 is EUR 14,068,383. Interest accrued during the period totals EUR 420,978, of which EUR 338,560 have been capitalised.
- Cintra Infraestructuras, S.A. renewed a credit policy granted by Cintra Inversiones S.L. on 1 January 2011 with a limit of EUR 80,000,000 (in 2010: EUR 30,000,000) and an annual maturity term renewable by yearly periods. The interest rate applied is three-month EURIBOR plus 2.5%, the interest rate applied in December 2011 being 4.04%. The balance at 31 December 2011 is EUR 38,024,909.

The chart below shows the drawdowns and amortisations made during the reporting period using the abovementioned credit:

Drawdowns	2011
Cash surplus (Ferrovial)	40,000,000
Sale of ITR percentage	24,125,112
Total	**64,125,112**

Cash surplus was used for two fund allocations to Cintra Infraestructuras, S.A., namely:

- The first one on 16 November 2011 totalling EUR 40,000,000 on account of cash surplus derived from the current account held with Ferrovial.
- In December 2011 another contribution was made for EUR 24,125,112 arising from the funds of Laertida, S.L. as a result of the 31% sale of Cintra ITR LLC formalised by Cintra US Holding.

Accumulated depreciation	2011
Laertida, S.L. (SH 130)	3,819,548
Cintra Autopistas Integradas, S.A. (M 203)	100,000
Laertida, S.L. (NTE)	4,445,137
Laertida, S.L. (LBJ)	1,977,624
Cintra US LLC (amortisation of Cintra Infraestructuras, S.A. credit)	4,566,110
Cintra US Holding (amortisation of Cintra Infraestructuras, S.A. credit)	548,560
Texas Toll Services, LLC (amortisation of Cintra Infraestructuras, S.A. credit)	1,597,238
NTE 2-4 (amortisation of Cintra Infraestructuras, S.A. credit)	585,637
Cintra Inversiones, S.L.U. 2010 (Dividends paid)	258,367
Current account settlement payment	29,651
Cintra Inversiones, S.L.U. – Cintra Infraestructuras, S.A. credit amortisation	22,271,883
Exchange rate value adjustments	(96,172)
Total	**40,103,583**
Interest	**473,767**
2010 Opening Balance	**13,529,563**
Reporting period variation	**24,495,296**
2011 Closing Balance	**38,024,859**

Amortisations of the loan held with Cintra Inversiones, S.A. aimed at addressing the funding needs of Cintra Inversiones, S.L.U. in order to, in turn, finance several projects, total EUR 3,819,548 to Laertida, S.L. for SH 130; EUR 100,000 to Cintra Autopistas Integradas, S.A. for M203; EUR 4,445,137 to Laertida, S.L. for NTE; and EUR 1,977,624 to Laertida, S.L. for LBJ. Additionally, the credits of Cintra US LLC, Cintra US Holding LLC, Texas Toll Services and NTE 2-4 were amortised for EUR 4,566,110, EUR 548,560, EUR 1,597,238 and EUR 585,637, respectively.

Cintra Infraestructuras, S.A.

The amount of EUR 258,367 was amortised through Cintra Inversiones, S.A. 2010 dividends paid. In order to repay the credit held by Cintra Inversiones, S.L. with Cintra Infraestructuras, S.A. the sum of EUR 22,271,883 was also amortised.

- On 1 January 2011, Cintra Infraestructuras, S.A. renewed its line of credit with 407 Toronto Highway BV with a maximum amount of EUR 150,000,000. During the reporting period repayments and drawdowns amounting to EUR 113,787,934 and EUR 137,487,224 respectively were made. Interest capitalisation amounted to EUR 282,223. Drawdowns made correspond mostly to funds from dividends paid by 407 Internacional Inc. In turn, the dividends paid by 407 Toronto Highway BV are applied to the partial repayment of the credit. This credit has an annual valid term and can be automatically renewed for the same period, accruing an interest rate tied to three-month EURIBOR plus 2.5%. The interest rate applied at 31 December is 4.05%.

- On 10 November 2010, Cintra Infraestructuras, S.A. formalised a line of credit with 407 Toronto Highway BV with a maximum amount of EUR 700,000,000, maturing on 10 November 2011.

  During the reporting period drawdowns amounting to EUR 163,300,575 were made from the funds derived from the sale of 10% of the interest in Autopista 407 ETR from Canada. Accrued interest amounted to EUR 2,307,124 and were duly paid. The interest rate applied is three-month EURIBOR plus a spread of 2.75%, the rate at the end of the reporting period being equal to 3.79%. Said credit was amortised by applying a portion of the dividends paid by 407 Toronto Highway BV, which was EUR 167,000,000 in aggregate. The amount allocated to amortise this credit on 30 June was EUR 165,607,699.

- During reporting period 2010 the Company issued three series of bonds that were fully acquired by Autoestrada Poludnie, S.A. The first issue was formalised on 25 June 2010, maturing on 15 July 2012 and the principal at the transaction interest rate is EUR 18,369,958 (PLN 75,000,000). As a result of applying the exchange rate at 2010 year end, exchange differences arose setting the total amount of principal at EUR 18,959,982 and that of interest at EUR 511,635. During reporting period 2011 interest accrued for EUR 946,957 at an annual interest rate of 5.14%. Both the principal and interest were updated at the interest rate applicable at year end.

- The second bond was formalised on 8 July 2010, maturing on 15 July 2012, with a principal of EUR 1,218,828 (PLN 10,000,000). Adjusted to the interest rate at the closing of reporting period 2010, the total amount of principal was EUR 1,263,999 while interest in 2010 was EUR 31,794. During reporting period 2011 interest accrued for EUR 63,192 at an annual interest rate of 5.145%. Both the principal and interest were updated at the interest rate applicable at year end.

- The third bond was formalised on 16 September 2010, maturing on 15 July 2012, with a principal of EUR 2,540,005 (PLN 10,000,000). Adjusted to the interest rate at the closing of reporting period 2010, the total amount of principal was EUR 2,527,998 while interest in 2010 was EUR 38,371. During reporting period 2011 interest accrued for EUR 126,629 at an annual interest rate of 5.155%. Both the principal and interest were updated at the interest rate applicable at year end.

  Said bonds can be paid off in advance against the capital, which was done in January 2012.

Cintra Infraestructuras, S.A.

The breakdown of credits received from Group companies and associates at 31 December 2010 is as follows:

Company	Type of loan	Cap	Granting/Renewal date	Maturity date	Rate applied
Financinfraestructure, LLC	Intercompany Loan	25,000,000	26/06/09	15/12/13	6M EURIBOR + 1.5%
Autoestrada Poludnie, S.A.	Debentures and Bonds	19,471,617	25/06/10	15/07/12	12M WIBOR + 1%
Autoestrada Poludnie, S.A.	Debentures and Bonds	1,295,793	8/07/10	15/07/12	12M WIBOR + 1%
Autoestrada Poludnie, S.A.	Debentures and Bonds	2,566,369	16/09/10	15/07/12	12M WIBOR + 1%
Total long-term amount drawn and long-term outstanding interest and exchange rate differences					
Autopista de Toronto, S.L.	Intercompany Loan	30,000,000	15/12/07	31/12/10	3M EURIBOR + 2%
407 Toronto Highway BV	Intercompany Loan	150,000,000	1/01/10	31/12/10	3M EURIBOR + 2%
407 Toronto Highway BV	Intercompany Loan	700,000,000	10/11/10	10/11/11	3M EURIBOR + 2.75%
Financinfraestructure, S.A.	Intercompany Loan	25,000,000	30/06/09	15/12/13	6M EURIBOR + 1.5%
Laertida, S.L.	Intercompany Loan	50,000,000	31/12/07	31/12/10	3M EURIBOR + 2%
Total amount drawn and short-term outstanding interest					

(1) Interest accrued pending payment or capitalisation.

The breakdown of credits received from Group companies on 31 December 2010 is as follows:

Company	Balance at 31/12/09	Drawdowns	Interest capitalisation	Derecognitions	Balance at 31/12/10
Financinfraestructure, LLC	13,200,000	—	529,823	—	13,729,823
Autoestrada Poludnie, S.A.	—	18,959,982	511,635	—	19,471,617
Autoestrada Poludnie, S.A.	—	1,263,999	31,794	—	1,295,793
Autoestrada Poludnie, S.A.	—	2,527,998	38,371	—	2,566,369
Total amount drawn and long-term interest	**13,200,000**	**22,751,979**	**1,111,623**	**—**	**37,063,602**
Autopista de Toronto, S.L.	13,474,166	—	370,566	(315,169)	13,529,563
407 Toronto Highway BV	65,513,975	111,088,107	6,056	(168,109,712)	8,498,426
407 Toronto Highway BV	—	480,472,861	—	(480,472,861)	—
Financinfraestructure, S.A. (Accrued interest)	228,295	—	(191,958)	—	36,337
Total amount drawn and short-term interest	**79,216,436**	**591,560,968**	**184,664**	**(648,897,742)**	**22,064,326**

The breakdown of interest earned from Group companies on 31 December 2010 is as follows:

Company	Opening balance	Expenses	Payments	Capitalisation	Closing balance
Financinfraestructure, LLC	228,296	337,866	—	(529,825)	36,337
Cintra Inversiones, S.L. (Autopista de Toronto, S.L.)	—	370,611	—	(370,611)	—
407 Toronto Highway BV	—	1,696,714	(1,696,714)	—	—
407 Toronto Highway BV	—	2,366,600	(2,360,545)	(6,055)	—
Autoestrada Poludnie, S.A.	—	511,635	—	—	511,635
Autoestrada Poludnie, S.A.	—	31,794	—	—	31,794
Autoestrada Poludnie, S.A.	—	38,371	—	—	38,371
Total amount drawn and short-term interest	**228,296**	**5,353,591**	**(4,057,259)**	**(906,491)**	**618,137**

20. Deferred taxes

The detail of deferred tax liabilities at 31 December 2011 and 2010 is as follows:

	Euros	
	2011	2010
Deferred tax assets:		
– Timing differences	148,124,444	182,537,725
Deferred tax liabilities:		
– Timing differences	(121,928)	(25,625,190)
Net deferred taxes	**148,002,516**	**156,912,535**

The movement of deferred tax assets and liabilities during reporting period 2011 is as follows:

	Euros		
Assets	31/12/2010	Movements	31/12/2011
Taxable income	3,987,549	—	3,987,549
Equity swap provision	4,366,043	(301,783)	4,064,260
Provision for impairment on shareholding in Group companies (investment, loan and risk)	171,042,590	(30,969,955)	140,072,635
Derivatives (forwards)	3,141,543	(3,141,543)	—
Closing balance	**182,537,725**	**(34,413,281)**	**148,124,444**

	Euros		
Liabilities	31/12/2010	Movements	31/12/2011
Other	25,625,190	(25,503,262)	121,928
Closing balance	**25,625,190**	**(25,503,262)**	**121,928**

The main balances relating to deferred tax assets correspond to provisions for impairment on shareholding and provision for credits granted to Group companies recognised in reporting periods 2010 and 2011.

Taxable losses entirely from reporting period 2008 prescribe in 2026.

The deferred tax assets mentioned above have been recorded in the consolidated balance sheet because the Parent Company Directors considered that, based on the best estimation of the future profits of the Group companies, said assets may be recovered.

The Company recognised a deferred tax amounting to EUR 24,285,312 arising from the sale of Europistas in reporting period 2006. Said deferred tax was fully reversed.

21. Staff

The items included in the item “Staff costs” for reporting periods 2011 and 2010 are as follows:

Item	Euros 2011	Euros 2010
Wages and salaries	10,569,166	15,085,017
Termination benefits	146,537	371,008
Social security costs	1,312,281	1,590,185
Other employee expenses (life/injury insurance, luncheon vouchers)	443,470	595,082
Total Staff Costs	**12,471,454**	**17,641,292**

Cintra Infraestructuras, S.A.

Of the amount of staff costs for 2011 totalling EUR 12,471,454, the sum of EUR 8,734,058 was invoiced to Cintra Servicios de Infraestructuras, S.L. for the nine-month period during which its employees were part of the Company's staff prior to its segregation. Expenses derived from staff involved in Sociedad Cintra Infraestructuras, S.A. and therefore in the tender and equity holding activities for reporting period 2011 amounted to EUR 3,737,396.

The average number of employees in 2011 and 2010 by category was as follows:

	2011	2010
Managers	32	41
Higher and intermediate education graduates	69	80
Administrative staff	13	15
Technicians and workers	2	2
Restricted cash and other non-current financial assets	**116**	**138**

Staff at the closing of 2011 distributed by gender and category is as follows:

	Male	Female	Total
Managers	7	—	7
Higher and intermediate education graduates	17	4	21
Administrative staff	—	8	8
Technicians and workers	1	—	1
Restricted cash and other non-current financial assets	**25**	**12**	**37**

Staff at the closing of 2010 distributed by gender and category is as follows:

	Male	Female	Total
Managers	34	5	39
Higher and intermediate education graduates	52	30	82
Administrative staff	3	12	15
Technicians and workers	2	—	2
Restricted cash and other non-current financial assets	**91**	**47**	**138**

In order to adapt our company structure to the various activities performed by the Company (tender, equity holding and consulting and advice services), on 30 June 2011, the Board of Directors of Cintra approved the segregation of the Concession Services activity in favour of a company fully owned by Cintra, namely, Cintra Servicios de Infraestructuras, S.A.

On 1 October 2011 a total of 100 employees working for the various concession operators joined this new company. In turn, those employees who perform tender and equity holding related activities have remained mainly with Cintra. That is the reason underlying the staff difference between 2011 and 2010, the latter including the employees that in 2011 are part of both companies.

22. Income and expenses

a) Revenue

The amount of revenue earned both in Spain and overseas during reporting periods 2011 and 2010 is as follows:

	Euros	
Item	**2011**	**2010**
National	29,297	457,682
International	(127,964)	629,945
– Provision of Services with third parties	**(98,667)**	**1,087,627**
National	31,607,353	9,124,301
International	14,258,633	51,348,777
– Provision of Services with Group companies	**45,865,986**	**60,473,078**
Total Provision of Services	**45,767,319**	**61,560,705**
National	800,174	—
International	1,780,607	454,558
Other revenue from Group companies	**2,580,781**	**454,558**
National	32,436,824	9,581,983
International	15,911,276	52,433,280
Total operating income	**48,348,100**	**62,015,263**
National	258,367	71,130,463
International	296,605,656	662,321,293
Total Dividends from Group companies	**296,864,023**	**733,451,756**
National	28,049,778	20,050,398
International	163,965	63,010
Total Profits from Group companies	**28,213,743**	**20,113,408**
National	28,308,145	91,180,861
International	296,769,621	662,384,303
Total finance income	**325,077,766**	**753,565,164**
National	60,744,969	100,762,844
International	312,680,897	714,817,583
Total Revenue	**373,425,866**	**815,580,427**

The invoicing by Cintra to Group companies includes the provision of technical, legal, economic, financial and IT services during the tender, construction and operation period. Other income reflects the invoicing of expenses as a result of guarantees raised in favour of the Group companies, mainly LBJ Infraestructures LLC, that the Company incurred before.

Finance income consists of interest from credits with Group companies and income from dividend, which are recognised under the caption "Net revenue" according to the inquiry contained under BOICAC 79.

Cintra Infraestructuras, S.A.

The detail corresponding to the provision of services in various currencies for reporting periods 2011 and 2010 is as follows:

Transaction currency	2011 Euros	2011 Local currency	2010 Euros	2010 Local currency
Canadian dollars	321,573	456,173	1,475,024	1,965,419
American dollars	9,197,019	12,974,017	31,095,068	39,245,904
Chilean Unidades de Fomento	(32,768)	(1,239)	862,192	27,217
Euros	4,644,845	4,644,845	18,546,438	18,546,438
Total International Transactions	**14,130,669**	**18,073,796**	**51,978,722**	**59,784,978**
Euros	31,636,650	31,636,650	9,581,983	28,128,421
Total National Transactions	**31,636,650**	**31,636,650**	**9581983**	**28,128,421**
Total Provision of Services	**45,767,319**		**61,560,705**	
American dollars	1,780,607	2,473,759	454,558	631,507
Total International Transactions	**1,780,607**	**2,473,759**	**454,558**	**631,507**
Euros	800,174	800,174	—	—
Total National Transactions	**800,174**	**800,174**	**—**	**—**
Other revenue from Group companies	**2,580,781**		**454,558**	
Total operating income	**48,348,100**		**62,015,263**	

"Provision of Services" during 2011 and 2010 is broken down by activity below:

Activity	2011	2010
Tender and project services	1,217,879	22,684,563
IT services	11,827,356	12,911,969
Technical, legal, economic-financial services and other	32,722,084	25,964,173
Total Provision of Services	**45,767,319**	**61,560,705**

As stated in the accompanying Note 2, the Segregation transaction did not become fully effective until 15 September 2011. However, 1 January 2011 is the date as of which the transactions within the scope of the segregated Concession Services activity are considered to be carried out by Cintra Servicios de Infraestructuras, S.L. for accounting purposes. Thus, the Company's net revenue amounts to EUR 18,394,153 on account of services delivered to various clients until the segregation date. All the same, the Company's net revenue shows the invoices issued to Cintra Servicios de Infraestructuras, S.L. amounting to EUR 23,496,183 for expenses incurred as a result of the segregated activity until the date of segregation. In addition, a total of EUR 2,254,217 was invoiced on account of overhead undertaken by Cintra Infraestructuras, S.A. and directly chargeable to Cintra Servicios de Infraestructuras, S.L. All of the expenses attributable to Cintra Servicios de Infraestructuras, S.L. for the segregation of the activity total EUR 25,750,400.

The amount corresponding to the provision of services is shown below broken down by activity and time of the year, the reference date being the time of the Segregation. The item "Own activity" shows the invoicing derived from the provision of services directly related to tenders and projects, as well as the services linked to the operation of concessions.

Activity	Prior to segregation	Segregated	Own activity	Total
Tender and project services	—	—	1,217,879	**1,217,879**
IT services	4,709,473	7,117,884	—	**11,827,357**
Technical, legal, economic-financial services and other	13,684,680	18,632,516	404,887	**32,722,083**
Total Provision of Services by Activity	**18,394,153**	**25,750,400**	**1,622,766**	**45,767,319**

Cintra Infraestructuras, S.A.

The Total Provision of Services by Activity, broken down by company generating the transaction is shown below:

Companies	**Prior to segregation (1)**	**Segregation (2)**	**Own activity (3)**	**Provision of Services**
Ferrovial, S.A.	1,121,090	—	356	1,121,446
Total Ferrovial Group	**1,121,090**	**—**	**356**	**1,121,446**
407 Toronto Highway BV	237,817	—	260,096	497,913
ITR Concession Company	90,245	—	—	90,245
SH 130 seg. 1 – 5	892,987	—	—	892,987
Skyway Concession Co LLC	446,846	—	—	446,846
NTE Mobility Partners LLC	1,354,602	—	—	1,354,602
NTE Seg. 2-4	791,633	—	—	791,633
LBJ Infraestructure LLC	1,580,902	—	(5)	1,580,897
TEX TOLL SERVICES, LLC	1,098,706	—	—	1,098,706
Cintra Servicios de Infraestructuras, S.L.	—	25,750,400	382,590	26,132,990
Cintra US LLC	2144284	—	643,999	2,788,283
Cintra Zachry, L.P.	—	—	147,056	147,056
Autopista Terrasa-Manresa, S.A.(1)	577,374	—	535	577,909
Autopista del Sol, S.A.	1,232,963	—	—	1,232,963
Autopista Madrid-Levante, S.A.	764,287	—	—	764,287
Autopistas del Sur, S.A.	1,122,657	—	—	1,122,657
Autopista Alcalá-O'Donell	577,192	—	—	577,192
Eurolink Motorway M4	446,377	—	—	446,377
Eurolink Motorway M3	338,173	—	—	338,173
M3 Motorway Joint Venture	286,977	—	—	286,977
Autoestrada Poludnie, S.A.	—	—	296,889	296,889
Cintra Sucursal Portugal, S.A.	214,135	—	—	214,135
Euroscut Norte Litoral, S.A.	541,982	—	161	542,143
Euroscut Algarve, S.A.	537,888	—	161	538,049
Via Livre, S.A.	688,716	—	161	688,877
Euroscut Açores, S.A.	489,884	—	159	490,043
Total Cintra Group	**16,456,627**	**25,750,400**	**1,731,802**	**43,938,829**
407 ETR Co	313,389	—	5,986	319,375
Temuco Rio Bueno	(32,768)	—	32,768	—
Intervial Chile, S.A.	431,923	—	(23,498)	408,425
Serranopark, S.A.	73,500	—	—	73,500
Autopista Trados 45, S.A.	—	—	4,411	4,411
Total Associates	**786,044**	**—**	**19,667**	**805,711**
Non-Group company	30,392		(129,059)	(98,667)
Suppliers – Group companies and associates	**18,394,153**	**25,750,400**	**1,622,766**	**45,767,319**

1) Provision of services activity performed by Cintra Infraestructuras from January to October 2011 and that is segregated to Cintra Servicios. This activity is no longer carried out and it is segregated through invoices issued by Cintra Servicios to Cintra Infraestructura, registered under Cintra Infraestructuras's outside services. The initial business relationship is held by the specified companies.
2) Expenses incurred by Cintra Infraestructuras that are segregated to Cintras Servicios through invoicing.
3) Provision of services activity carried out by the Company during 2011, excluding the segregation.

b) Outside services

The amount of "Outside services" rendered in Spain and overseas for reporting periods 2011 and 2010 is specified below:

Item	Euros 2011	Euros 2010
National	(4,438,863)	(7,049,717)
International	(2,638,871)	(12,422,278)
Outside services with third parties	**(7,077,734)**	**(19,471,995)**
National	(32,129,762)	(13,910,453)
International	(9,145,339)	(11,338,699)
Outside services with Group companies	**(41,275,101)**	**(25,249,152)**
National	(36,568,625)	(20,960,170)
International	(11,784,210)	(23,760,977)
Total Outside Services	**(48,352,835)**	**(44,721,147)**

Expenses for "Third party services with Group companies" derive mainly from services rendered by companies belonging to Ferrovial or Cintra, on account of IT services and others.

The breakdown of the various currencies in which outside services expenses were incurred in reporting periods 2011 and 2010 is detailed below:

	2011		2010	
Transaction currency	Euros	Local currency	Euros	Local currency
Canadian dollar	(699,064)	(968,289)	(5,444,963)	(7,304,516)
American dollar	(10,924,754)	(15,206,240)	(15,926,605)	(20,844,461)
Chilean peso	—	—	(152,097)	(100,449,045)
Sterling pound	(134,548)	(114,394)	(123,723)	(106,747)
Euros	(546,405)	(546,405)	(2,920,949)	(2,920,949)
Total International Transactions	**(12,304,771)**		**(24,568,337)**	
Euros	(36,048,064)	(36,594,469)	(20,152,810)	(23,073,759)
Total National Transactions	**(36,048,064)**		**(20,152,810)**	
Total Outside Services	**(48,352,835)**		**(44,721,147)**	

The detail of "Outside services" for reporting periods 2011 and 2010 is shown below broken down by activity:

Item	Euros 2011	Euros 2010
Tender and project services	(11,011,195)	(9,584,214)
IT services	(11,827,356)	(12,968,764)
Technical, legal, economic-financial services and other	(25,514,284)	(22,168,169)
Total Outside Services	**(48,352,835)**	**(44,721,147)**

"Outside services" corresponding to 2011 broken down by activity at different times of the year are detailed below taking the time of Segregation as the reference date. Segregation expenses match the portion invoiced by Cintra Infraestructuras, S.A. to the Group companies until 30 September 2011.

Cintra Infraestructuras, S.A.

The period "Prior to segregation" corresponds to the one between January and September 2011. The total amount of expenses invoiced to Cintra Servicios de Infraestructuras, S.L. was EUR 16,843,785.

Activity	Prior to segregation	Segregation	Own activity	Total Provision of Services
Tender and project services	—	—	11,011,195	11,011,195
IT services	7,117,883	4,709,473	—	11,827,356
Technical, legal, economic-financial services and other	9,725,902	13,684,680	2,103,702	25,514,284
Total Outside Services by Activity	**16,843,785**	**18,394,153**	**13,114,897**	**48,352,835**

"Outside services" corresponding to 2011 broken down by company are detailed below taking the time of Segregation as the reference date.

Companies	Segregated January-September	Own activity October-December	Total
Ferrovial, S.A.	8,874,300	1,742,401	10,616,701
Ferrovial Agromán, S.A.	—	262,568	262,568
Ferrovial Corporación, S.L.	—	899,772	899,772
Ferrovial Servicios, S.A.	89,343	44,913	134,256
Total Ferrovial Group	**8,963,643**	**2,949,654**	**11,913,297**
ITR Concession Company	—	4,192	4,192
Skyway Concession Co LLC	—	64,236	64,236
Cintra Servicios de Infraestructuras, S.L.	18,394,153	1,821,787	20,215,940
Cintra US LLC	4,004,675	5,073,014	9,077,689
Autopista Alcalá-O'Donell	—	525	525
Eurolink Motorway M4	—	3,120	3,120
Autoestrada Poludnie, S.A.	—	7,550	7,550
Total Cintra Group	**22,398,828**	**6,974,424**	**29,373,252**
Intervial Chile, S.A.	—	(11,448)	(11,448)
Total Associates	**—**	**(11,448)**	**(11,448)**
Suppliers – Group companies and associates	**31,362,471**	**9,912,630**	**41,275,101**
Outside services with third parties	3,727,922	3,349,813	7,077,735
Total	**35,090,393**	**13,262,443**	**48,352,836**

The breakdown of "Outside services" for reporting periods 2011 and 2010 is shown below according to the type of expense concerned:

Item	2011	2010
Travel expenses	547,991	1,194,076
Insurance premiums	214,428	189,182
Advertising, publicity and PR	448,622	424,092
Third party services	2,666,867	15,031,449
General services	3,188,186	2,829,996
Group companies third party services	15,774,705	14,971,813
Group companies third party services – Segregation	18,394,152	—
IT systems	7,117,885	10,080,539
Total Outside services by type of expense	**48,352,836**	**44,721,147**

c) Transactions with Group companies and associates

The net amount for "Revenue" and "Outside services" relating to the provision of services by Group companies in reporting period 2011 is as follows:

Companies	Provision of Services	Other income	Interest (Note 22.a)	Dividends (Note 22)	Outside services
Ferrovial, S.A.	1,121,446	749,145	5,388,938	—	10,616,701
Ferrovial Agromán, S.A.	—	—	—	—	262,568
Ferrovial Corporación, S.L.	—	—	—	—	899,772
Ferrovial Servicios, S.A.	—	—	—	—	134,256
Ferrovial Aeropuertos, S.A.	—	40,248	13	—	—
Total Ferrovial Group	**1,121,446**	**789,393**	**5,388,951**	**—**	**11,913,297**
407 Toronto Highway BV	497,913	—	—	272,000,000	—
ITR Concession Company	90,245	—	—	—	4,192
SH 130 seg. 1 – 5	892,987	—	—	—	—
Skyway Concession Co LLC	446,846	—	805	—	64,236
NTE Mobility Partners, LLC	1,354,602	—	—	—	—
NTE Seg. 2 – 4	791,633	—	25,551	—	—
LBJ Infraestructure LLC	1,580,897	1,780,607	—	—	—
TEX TOLL SERVICES, LLC	1,098,706	—	52,165	—	—
Cintra Servicios de Infraestructuras, S.L.	26,132,990	—		—	20,215,940
Cintra US LLC	2,788,283	—	70,662	—	9,077,689
Cintra Zachry, L.P.	147,056	—		—	—
Cintra US Holding	—	—	14,738	—	—
Laertida, S.L.	—	—	12,784,021	—	—
Autopista Terrasa-Manresa, S.A.(1)	577,909	—	1,930	—	—
Cintra Inversora de Autopistas de Cataluña, S.L.U.	—	—	7,025,319	—	—
Inversora de Autopistas de Cataluña, S.L.U.	—	—	184,803	—	—
Autopista del Sol, S.A.	1,232,963	—	1,303	—	—
Inversora de Autopistas del Sur, S.L.	—	—	508,033	—	—
Inversora Autopistas de Levante, S.A.	—	—	17	—	—
Autopista Madrid-Levante, S.A.	764,287	—	887	—	—
Autopistas del Sur, S.A.	1,122,657	—	11,144	—	—
Cintra Inversiones, S.A.	—	—	47,244	258,367	—
Cintra Autopistas Integradas, S.A.	—	10,781	1,729,502	—	—
Autopista Alcalá-O'Donell	577,192	—	282	—	525
Cinsac, Ltd.	—	—	—	5,300,000	—
Financinfrastructures Ltd.	—	—	—	11,000,000	—
Eurolink Motorway M4	446,377	—	—	—	3,120
Eurolink Motorway M3	338,173	—	—	—	—
M3 Motorway Joint Venture	286,977	—	—	—	—
Autostrada Poludnie, S.A.	296,889	—	—	—	7,550
Cintra Sucursal Portugal, S.A.	214,135	—	—	172,488	—
Euroscut Norte Litoral, S.A.	542,143	—	—	7,574,448	—
Euroscut Algarve, S.A.	538,049	—	—	558,720	—
Via Livre, S.A.	688,877	—	—	—	—
Euroscut Açores, S.A.	490,043	—	—	—	—
Total Cintra Group	**43,938,829**	**1,791,388**	**22,458,406**	**296,864,023**	**29,373,252**
407 ETR Co	319,375	—	—	—	—
Intervial Chile, S.A.	408,425	—	42	—	(11,448)
Serranopark, S.A.	73,500	—	363,559	—	—
Autopista Trados 45, S.A.	4,411	—	2,785	—	—
Total Associates	**805,711**	**—**	**366,386**	**—**	**(11,448)**
Suppliers – Group companies and associates	**45,865,986**	**2,580,781**	**28,213,743**	**296,864,023**	**41,275,101**

Cintra Infraestructuras, S.A.

The Provision of Services by Group companies amounting to EUR 45,865,986, together with the Provision of Services by third parties amounting to EUR -98,667, post a total of EUR 45,767,319 in the income statement on account of Provision of Services that, if added to “Other revenue from Group companies” in the amount of EUR 2,580,781 result in operating income for the year tantamount to EUR 48,348,100.

Other profits arise from the credits granted by Cintra to Group companies representing ancillary transactions that are not intended to obtain a return on the capital invested, for which there are not specific resources and that, additionally, imply an irrelevant use of both third party goods and services and human and material resources owned by the Company, which are allotted to the provision of services to its subsidiaries.

Cintra Infraestructuras, S.A.

The net amount for "Revenue" and "Outside services" relating to the provision of services by Group companies in reporting period 2011 is as follows:

Companies	Provision of Services	Other income	Interest	Dividends	Outside services
Ferrovial, S.A.	3,754,522	—	1,289,757	—	13,351,889
Ferrovial Agromán, S.A.	41,584	—	—	—	325,862
Ferrovial Inversiones, S.A.	—	—	11	—	—
Ferrovial Servicios, S.A.	—	—	—	—	185,081
Ferrovial Aeropuertos, S.A.	—	—	114	—	12,647
Total Ferrovial Group	**3,796,106**	**—**	**1,289,882**	**—**	**13,875,479**
407 Toronto Highway BV	6,035,162	—	—	652,000,000	—
ITR Concession Company	517,603	—	—	—	—
SH 130 seg. 1 – 5	1,182,101	—	—	—	—
Skyway Concession Co LLC	634,167	—	714	—	44,397
NTE Mobility Partners, LLC	2,284,264	—	—	—	—
NTE Seg. 2 – 4	—	—	10,879	—	—
LBJ Infraestructure LLC	21,495,452	454,558	—	—	—
TEX TOLL SERVICES, LLC	1,011,914	—	—	—	—
Cintra US LLC	3,333,845	—	51,417	—	10,630,491
Laértida, S.L.	—	—	9,418,137	46,765,183	—
Autopista Terrasa-Manresa, S.A.(1)	803,632	—	899	—	—
Cintra Inversora de Autopistas de Cataluña, S.L.U.	—	—	6,653,794	—	—
Inversora de Autopistas de Cataluña, S.L.U.	—	—	70,692	—	—
Autopista del Sol, S.A.	1,654,435	—	1,880	12,000,000	33,110
Inversora de Autopistas del Sur, S.L.	—	—	303,148	—	—
Inversora Autopistas de Levante, S.A.	—	—	88	—	—
Autopista Madrid-Levante, S.A.	926,166	—	3,351	—	—
Autopistas del Sur, S.A.	1,329,971	—	6,335	—	1,864
Autopista de Toronto, S.L.	—	—	776	219,861	—
Cintra Autopistas Integradas, S.A.	—	—	2,207,673	—	—
Autopista Alcalá-O'Donell	539,741	—	756	—	—
Eurolink Motorway M4	648,027	—	—	—	—
Eurolink Motorway M3	2,888,226	—	—	—	—
M3 Motorway Joint Venture	248,569	—	—	—	—
Autostrada Poludnie, S.A.	2,424,755	—	—	—	3,100
Cintra Sucursal Portugal, S.A.	252,549	—	—	(3,106)	—
Euroscut Norte Litoral, S.A.	3,907,426	—	—	—	—
Euroscut Algarve, S.A.	572,710	—	—	—	—
Via Livre, S.A.	648,045	—	—	—	—
Euroscut Açores, S.A.	564,233	—	—	—	—
Total Cintra Group	**53,902,993**	**454,558**	**18,730,539**	**710,981,938**	**10,712,962**
407 ETR Co	898,855	—	—	—	190,606
Intervial Chile, S.A.	774,592	—	—	10,324,399	470,105
Autopista del Maipo, S.A.	437,167	—	—	—	—
Collipulli – Temuco, S.A.	425,025	—	—	—	—
Serranopark, S.A.	74,250	—	24,234	8,508,615	—
Autopista Trados 45, S.A.	164,090	—	68,753	3,636,804	—
Total Associates	**2,773,979**	**—**	**92,987**	**22,469,818**	**660,711**
Total Group companies and associates	**60,473,078**	**454,558**	**20,113,408**	**733,451,756**	**25,249,152**

d) Impairments and gains or losses on disposals

This caption reflects the amount relating to losses due to furniture derecognitions totalling EUR 283,883. In 2010, losses arising from furniture and computer hardware amounted to EUR 157,971 and EUR 2,631 respectively.

e) Other losses

"Other losses" in reporting period 2011 amounting to EUR 23,296 corresponds to expenses due to inspections and penalties.

23. Financial profit(loss)

Finance income and costs

The detail of finance income and costs for reporting periods 2011 and 2010 is as follows:

	Euros	
Item	**2011**	**2010**
From marketable securities and other financial instruments	9,095,922	17,944,260
– Third parties	9,095,922	17,944,260
Finance income	**9,095,922**	**17,944,260**
On debts to Group companies and associates	-6,877,290	-13,547,507
On debts to third parties	-17,042,920	-28,256,697
Finance costs	**-23,920,210**	**-41,804,204**
Exchange gains	8,055,402	3,065,901
Negative exchange rate differences	-1,336,482	-3,364,655
Exchange differences	**6,718,920**	**-298,754**
Portfolio held for trading and others (Note 13)	2,200,939	-3,549,732
Change in fair value of financial instruments	**2,200,939**	**-3,549,732**
Gains or losses on disposals of financial instruments (Notes 9 and 10)	80,726,370	37,245,279
Impairment and losses (Notes 9, 11 and 21)	142,130,380	-618,398,461
Impairment and gains or losses on disposals of financial instruments	**222,856,750**	**-581,153,182**
Financial profit(loss)	**216,952,321**	**-608,861,612**

a) Finance income

Finance income derived from loans held with Group companies is an integral part of the Company's Net Revenue, as stated in section 22.a of the notes to the financial statements.

Third party finance income reflects mainly income earned from the allocation of cash surplus amounting to EUR 5,180,474 (in 2010: EUR 418,649). The average amount allocated in 2011 was EUR 49 million at an average interest rate of 1.79%. This item also includes profit from exchange rate in futures transactions for EUR 1,680,700 (in 2010: EUR 16,173,968), other finance income arising from financial instruments purchased with dividends collected from Ferrovial on stock options plans amounting to EUR 1,505,971 (in 2010: EUR 1,253,876) and interest from bank accounts for EUR 728,777 (in 2010: EUR 96,900).

Profit from exchange rate in futures transactions amounting to EUR 1,680,700 correspond mainly to exchange rate hedges made for the collection of dividends in Canadian dollars from the subsidiary 407 International Inc.

(b) Finance costs

Third party finance costs include interest from the tax inspection record for the period 2003-2005 in the amount of EUR 1,813,197 (in 2010: EUR 1,813,197), a loss due to futures transactions for EUR 12,053,747 (in 2010: EUR 24,754,596), interest arising from collaterals for EUR 2,682,337 (in 2010: EUR 1,389,664) and other finance costs for EUR 493,638 (in 2010: EUR 299,240).

Cintra Infraestructuras, S.A.

Third party finance costs correspond mainly to losses due to exchange rate hedges, of which EUR 6,089,461 correspond to hedges of investments in American concessions, EUR 4,202,139 derive from hedges made for the repatriation of dividends paid by 407 International Inc. and EUR 1,762,147 from hedges for the sale of 10% of 407 ETR in 2010.

The breakdown of finance costs with Group companies for reporting periods 2011 and 2010 is as follows:

Companies	2011	2010
Ferrovial, S.A.	(65,363)	1,559,452
Ferrovial Servicios, S.A.	114	—
Ferrovial Aeropuertos, S.A.	143	—
Ferrovial Financiera, S.A.	160,533	—
Ferrovial Agromán, S.A.	2,177	6,371,278
Ferrovial Inversiones, S.A.	108	84
Total Ferrovial Group	**97,712**	**7,930,814**
407 Toronto Highway BV	4,454,043	4,063,319
Laértida, S.L.	—	17,693
Autopista Terrasa-Manresa, S.A. (1)	—	3,993
Autoestrada Poludnie, Ltd.	1,136,778	—
Cintra Inversora de Autopistas de Cataluña, S.L.U.	94,169	56,959
Autopista del Sol, S.A.	—	19,495
Inversora de Autopistas del Sur, S.L.	—	1,367
Cintra Inversiones, S.L.	588,336	370,611
Cintra Servicios, S.L.	80,253	—
Cintra Autopistas Integradas, S.A.	4,806	7,198
Financinfraestructure, S.A.	420,978	337,864
Eurolink Motorway	206	—
Autostrada Poludnie, S.A.	—	576,847
Euroscut Algarve, S.A.	9	8
Total Cintra Group	**6,779,578**	**5,455,354**
Serranopark, S.A.	—	188
407 ETR Co	—	161,151
Total Cintra Associates	**—**	**161,339**
Total Group Companies and Associates	**6,877,290**	**13,547,507**

C) Change in fair value of financial instruments

In reporting period 2011 there was a surplus provision for equity swap of EUR 2,200,939, registered in the item "Change in fair value of financial instruments". In 2010, equity swap provision totalled EUR 3,549,732 (see Note 13).

d) Gains or losses on disposals of financial instruments

In January 2011 the company Autopista Trados 45, S.A. was sold to the Luxembourg company Finavias, S.à.r.l. resulting in a gain of EUR 52,876,530 for the Company (see Note 10 on assets held for sale).

Also during reporting period 2011, 40% of the remaining interest in Intervial Chile, S.A. was sold through the exercise of the call option of the Colombian company Interconexión Eléctrica S.A., E.S.P. (ISA). The sale resulted in a gain of EUR 27,849,840. Said gain includes a provision for possible future claims in the amount of EUR 9,200,000 and the final settlement of the amount derived from the sale of 60% of the interest in Intervial Chile, S.A. (Notes 10 and 16).

At this date the likelihood of such claims is uncertain, as well as the amount thereof, but this is the best estimation the Company can provide at this time.

e) Impairment and losses

Income for the year amounts to EUR 142,130,380 (2010: an expense of EUR 618,398,461), related to the impairment charge of investments in highway projects for EUR 84,477,038 (2010: EUR273,795,204) (see note 9), the impairment charge of loans totalling EUR 17,768,124 (2010: EUR 301,229,503) (see note 11), charge of EUR 44,302,129 to the provision of future liabilities (2010: EUR 43,373,753) (see note 16) and to the reversal in 2011 of EUR 285,677,672, from which EUR 7,059,765 are due to the reversal of portfolio provisions (see note 9) and EUR 278,617,907 to the reversal of loans (see note 11).

f) Exchange differences

During reporting period 2011 positive exchange differences were registered for a net amount of EUR 6,718,920.

Exchange differences total a net profit of EUR 2,650,182 that correspond mainly to transactions carried out in foreign currency during the reporting period, of which the transactions made in Canadian dollars as a result of the funds collected from the sale of 10% of 407 ETR should be highlighted.

Outstanding exchange differences for EUR 4,068,738 reflect chiefly the value established according to the valid exchange rate applicable to current account balances and temporary financial investments in currencies other than the euro, as well as the value of Autoestrada Poludnie, S.A. bonds at the closing of the reporting period.

24. Public authorities and tax matters

a) Balances with public authorities

The breakdown of the current balances with Public Authorities for reporting periods 2011 and 2010 is as follows:

Debit balances	2011	2010
VAT receivable	4,499,713	4,642,907
Total	**4,499,713**	**4,642,907**

Credit balances	2011	2010
Social security bodies payable	44,602	157,508
Tax withholdings refundable	77,631	250,734
Total	**122,233**	**408,242**

VAT receivable consists of balances pending reimbursement by the Tax Authority for the reporting periods 2009, 2010 and 2011, as stated below:

VAT	2011
2009	1,716,799
2010	1,833,167
2011	949,747
Total	**4,499,713**

b) Reconciliation of the accounting profit to the taxable profit

Reconciliation between accounting income and taxable income for individual Corporate Tax purposes at 31 December 2011 and 2010 is as follows:

	2011			2010		
Item	**Increase**	**Decrease**	**Total**	**Increase**	**Decrease**	**Total**
Ongoing operation profit(loss)			**528,923,580**			**138,892,885**
Profit(loss) before tax			**528,923,580**			**138,892,885**
Permanent differences		**(324,577,191)**	**(324,577,191)**	**618,404**	**(696,221,779)**	**(695,603,374**
Timing differences:	**135,798,988**	**(293,555,617)**	**(157,756,629)**	**568,631,503**	**—**	**568,631,503**
– Arising during the year	135,798,988		135,798,988	568,631,503	—	568,631,503
– Arising in previous years		(293,555,617)	(293,555,617)	—	—	—
Taxable profit			**46,589,760**	**569,249,907**	**(696,221,779)**	**11,921,014**
Previous payment			**13,976,928**			**3,576,304**
Double taxation deductions			**(10,193,173)**			**(17,695,513)**
Tax credits			**—**			**—**
Final payment			**3,783,755**			**(14,119,209)**

Permanent negative differences registered in reporting period 2011 are mainly related to foreign dividends and goodwill, that account for tax exempted gains.

Positive temporary differences in 2011 correspond to provisions due to impairment loss of the ownership interest in Group companies, provision for credits to Group companies, provision for risks and non-deductible expenses registered during the reporting period.

Negative temporary differences relating to previous years correspond to reversals of provisions that could not be deducted on account of credits to Group companies, provision for equity swap and provision for impairment loss of the ownership interest in Group companies.

c) Breakdown of Corporate Tax expense

At 31 December 2011 the Company recognised a Corporate Tax expense equal to EUR 25,798,857 (in 2010: EUR 176,490,549), consisting of the following items registered in the income statement:

Item	**2011**	**2010**
Current Corporate Tax	(3,783,755)	14,119,209
Deferred tax liabilities	(51,688,745)	170,589,452
Adjustment of Corporate Tax from previous years	30,305,133	(816,767)
Overseas Income tax	(631,490)	(7,401,345)
Income from Reporting Period Corporate Tax	**(25,798,857)**	**176,490,548**

Overseas income tax corresponds mainly to the tax paid for the sale of Intervial Chile, S.A (see note 23).

Previous year adjustment corresponds chiefly to the reversal of deferred taxes, mainly to the reversal at maturity of the deferred tax liability for EUR 24,285,312 derived from the sale of Europistas in 2006.

As for the deferred tax expense for EUR 51,688,745, it is related mainly to the effect from the reversal of the provision for projects conducted in the USA (see notes 9 and 11).

The following deductions are pending application. Accounting income has not been included, as at this time it is not possible to determine when it will be applied:

Deduction generating year	Maturity	Euros
2001	2011-2012	3,369,325
2006	2016-2017	2,100
2007	2017-2018	2,795,999
2008	2018-2019	2,155,887
2009	2019-2020	871,183
2010	2020-2021	497,024
2011	2021-2022	3,994,541
Total Deductions		**13,680,082**

d) Years open for review and tax audits

The past four reporting periods remain open to tax audit regarding all of the applicable taxes. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. Nevertheless, the parent Company Directors believe that no significant liabilities will stem from this situation.

25. Other cash flows from operating activities

Cash flow from operating activities in reporting periods 2011 and 2010 is as follows:

	Euros 2011	Euros 2010
Profit for the year before tax (a)	528,923,580	315,383,436
Profit (loss) adjustments:		
– Depreciation and amortisation charge	323,139	441,073
– Changes in provisions	112,070,175	626,778,456
– Gains or losses on derecognitions and disposal of non-current assets	(80,419,191)	(37,085,069)
– Finance income	(9,095,922)	(17,944,261)
– Finance cost	23,920,210	41,804,204
– Exchange differences	(6,718,920)	298,754
– Dividends from subsidiaries	(296,864,023)	(733,451,756)
– Other income and expenses	(28,213,743)	(20,113,408)
	(284,998,275)	(139,272,007)
Changes in working capital:		
– Inventories		0
– Trade and other receivables	1,389,937	(11,774,308)
– Other current assets	15,884	98,189
– Trade and other payables	(1,986,605)	14,014,686
– Other current liabilities	2,816	(647)
– Other non-current assets and liabilities		0
	(577,968)	2,337,919
Other cash flows from operating activities:		
– Interest paid	(14,736,039)	(26,144,125)
– Dividends received	296,691,535	506,434,065
– Interest received	9,094,714	17,943,393
– Income tax recovered (paid)	5,673,356	(114,432)
– Other amounts paid (received)		0
– Loans to Group companies and associates:	110,100,814	(679,536,488)
	406,824,380	(181,417,586)
Cash flows from operating activities	**650,171,718**	**(2,968,238)**

26. Cash flows from investment activities

Cash flow from investment activities in reporting periods 2011 and 2010 is as follows:

	Euros 2011	Euros 2010
Collection (payments) due to investment:		
– Group companies and associates – increases	(273,875,384)	(43,158,189)
– Group companies and associates – reductions	255,801,029	239,075,626
– Intangible assets	0	0
– Property, plant and equipment	718,089	0
– Other financial assets	(268,788)	(158,210)
Cash flows from investment activities	**(17,625,054)**	**195,759,227**

27. Cash flows from financing activities

Cash flow from financing activities in reporting periods 2011 and 2010 is as follows:

	2011	2010
Proceeds and payments relating to financial assets instruments:		
– Bank borrowings	9,737	(75)
	9,737	(75)
Proceeds and payments relating to financial liability instruments:		
– Debts with Group companies and associates	56,273,556	29,340,291
	56,273,556	29,340,291
Dividends and returns on other equity instruments paid:		
– Dividends	(240,383,435)	(231,759,139)
Cash or equivalents from Segregation	0	0
Cash flows from financing activities	**(184,100,142)**	**(202,418,923)**

28. Stock option plan

a) Stock option plans

Cintra Infraestructuras, S.A. undertook the current Stock Option Plans of Cintra Concesiones de Infraestructuras de Transportes, S.A. by virtue of the segregation and, pursuant to the terms of the Merger Project, the Company has taken over Cintra Concesiones de Infraestructuras de Transportes, S.A. as the entity liable for such plans. Stock option rights have automatically become stock option rights over Ferrovial S.A. shares, as per the terms ruling the swap established in the abovementioned Project.

Cintra currently holds the following stock option plans over Ferrovial, S.A. shares:

Stock Option Plan (Holders / Granting Date)	Number of stock options granted	Exercise price (euros)
Ferrovial Plans		
Directors / October 2005	224,480	15.88
Directors / October 2005 (extension)	60,000	16.60
Directors / October 2005	679,605	8.98
Senior Management / November 2006	67,720	10.54
Steering Committee / July 2007	55,596	10.9
Directors / November 2007	274,160	14.99
Directors and Steering Committee / November 2007	371,755	10.72
Senior Management / April 2008	300,000	12.12
Senior Management / April 2008	256,526	9.09

All stock option plans have a three-year vesting period as from the grant date followed by a three to five-year exercise period, provided certain minimum returns on consolidated equity are obtained by Ferrovial.

The exercise price is calculated as the arithmetic mean of the weighted average changes during the previous 20 stock market trading sessions, each option being equivalent to the exercise of one option at that price to which the share exchange ratio resulting from the merger has been applied.

Equity swaps were arranged by the Company at the grant date in order to hedge against possible losses resulting from the exercise of stock options. These swaps ensure that the Company will collect an amount equal to the rise in the share price when the options are executed by employees.

Under the equity swap contract, the financial institution undertakes to pay cash amounts equal to the return on the shares of Ferrovial and Cintra Infraestructuras, S.A., in return for a payment by the Company. The main features of equity swaps are as follows:

- The "number of shares" used to calculate returns is equal to the number of options granted under each plan.
- The "share price" used to calculate returns matches the exercise price employed to calculate the increase in the share's value.
- Ferrovial will pay a return to the financial institution calculated by applying the EURIBOR rate plus a spread to the result of multiplying the number of shares by the exercise price.
- The financial institution will pay Cintra an amount equal to all the dividends generated by those shares.

Cintra may opt to partially or totally terminate the contract, in which case:

a. If the share price is below the "exercise price" at which the contract was granted, Ferrovial must pay the difference to the financial institution.

b. If the share price is above the exercise price, Cintra will receive the difference between the two amounts.

For accounting purposes, these contracts are treated as derivative financial instruments, this being the general treatment afforded to financial products of this type (see Note 5.e).

During reporting period 2011 a loss amounting to EUR 2,201 thousand was registered relating to such contracts, as further explained in Note 5.e on variable income risk and Note 23 on financial profit(loss).

Invoicing by Ferrovial concerning these compensation schemes during reporting period 2011 rendered income for EUR 62 thousand (vs. 2010 with a cost of EUR 203 thousand).

B) Target-based share plan

The Company has granted Ferrovial target-based shares to some Directors. These plans have been awarded by Ferrovial's Board of Directors and consist in granting a certain number of Ferrovial, S.A. shares to some beneficiaries. Such number will be the base to establish the final number of shares they will be entitled to receive as a result of this Plan.

The Plan will be valid for a three-year term and share units will be allocated annually in 2010, 2011 and 2012. Shares will be delivered in the reporting period corresponding to the third anniversary of the allocation of the relevant units.

Delivery is conditional upon at least three year's service at the Company (barring special circumstances), subject to the achievement during this period of ratios based partly on cash flows from operating activities and partly on EBITDA as a percentage of net productive assets.

The number of shares granted during reporting period 2011 was 223,000 versus 220,300 in 2010.

This plan has a duration of three years and grants within its scope will be made on an annual basis. The main requirements establish for delivery of shares to the employees under the plan include the following:

- Service at the Company during a vesting period of three years as from the date of execution barring certain exceptional causes.

- Achievement of ratios based on cash flows from operating activities and the ratio between EBITDA and net productive assets during the aforementioned vesting period.
- Every year a calculation is made of the levels that those ratios must reach during the grant period for beneficiaries to be entitled to delivery of all of the shares or a proportional amount thereof.

29. Compensation to the Board of Directors and Steering Committee Members

The Company's Board of Directors receives no remuneration. The Company's Steering Committee Directors, in turn, receive remuneration for their work as such, but not as members of the Board of Directors.

Remuneration paid to Company Directors (Chief Executive Officer and Director Secretary) in reporting periods 2011 and 2010 is broken down as follows:

Euros	2011	2010
Fixed remuneration	580,282	633,750
Variable remuneration	667,114	685,457
Other	0	
Life insurance premium	2,123	3,195

No obligations were undertaken with respect to the Directors. Furthermore, the Group holds no obligations with respect to them regarding pension funds or life insurance.

The remuneration paid to the Members of Company's Steering Committee during reporting periods 2011 and 2010 is broken down as follows:

Euros	2011	2010
Fixed remuneration	1,107,281	1,531,607
Variable remuneration	504,508	1,098,590
Other	466,372	
Life insurance premium	2,851	6,205

The Company Directors benefit from certain Ferrovial, S.A. stock option plans due to their position as members of the Company's Steering Committee.

Stock Option Plans	Price upon granting	Number of options
October 2005	15.88	72,000
November 2007	14.99	45,600

The Company's Steering Committee Members benefit from certain Ferrovial, S.A. stock option plans.

Stock Option Plans	Price upon granting	Number of options
October 2005	15.88	37,120
October 2005	8.98	55,547
November 2007	14.99	62,400
November 2007	10.72	44,100

30. Information on the Board of Directors – Art. 229 of the Spanish Companies Law

Article 229 of the Spanish Companies Law requires the directors to notify the Company of the following information:

- Conflicts that they may have with the Company's interest.
- Any ownership interests they may have in the share capital of a company engaging in any activity that is identical, similar or complementary to the Company's corporate purpose:
- Positions held or functions discharged at such companies.

Cintra Infraestructuras, S.A.

In accordance with paragraph 3 of the aforementioned Article 229, this information is to be included in the financial statements. Furthermore, Article 230 establishes that Directors may not engage, as independent professionals or as employees, in activities that are identical, similar or complementary to the activity that constitutes the Company's purpose, except in the event of receiving express authorisation to do so from the Company, through a resolution by the Annual General Meeting, which shall require previous notice as set forth in Section 229.

The following information was provided to the Company by the Board members of Cintra Infraestructuras, S.A. in 2011:

Conflicts of interest:

There were no conflicts of interest.

Ownership interests in the share capital:

- **Iñigo Meiras Amusco**, holder of 0.002% of the share capital of Ferrovial, S.A.;
- **Santiago Ortiz Vaamonte**, holder of 0.001% of the share capital of Ferrovial, S.A.;
- **Ernesto López Mozo**, holder of 0.0005% of the share capital of Ferrovial, S.A.;
- **Enrique Díaz-Rato Revuelta**, holder of 0.0004% of the share capital of Ferrovial, S.A.;
- **Javier Romero Sullá**, holder of 0.0004% of the share capital of Ferrovial, S.A.;

Positions or functions:

- **Iñigo Meiras Amusco**, Chief Executive Officer of Ferrovial S.A.; Chairman of Ferrovial Aeropuertos S. A., Ferrovial Servicios S.A. and Ferrovial Fisa S.L.; Chairman and Chief Executive Officer of Finecofer S. L.; and Director of Ferrovial Qatar LLC and Ferrovial Agromán S.A.
- **Santiago Ortiz Vaamonte**, Secretary of the Board of Directors of Ferrovial S.A.; Director of Ferrovial Fisa S.L., Ferrovial Agromán S.A., Finecofer S.L., Ferrovial Aeropuertos S.A. and Ferrovial Servicios S.A.; Joint Administrator of Ferrovial Inversiones S.A.
- **Ernesto López Mozo**, Director of Ferrovial Aeropuertos S.A., BAA Ltd., Ferrovial Agromán S.A., Ferrovial Servicios S.A., Ferrovial Fisa S.L. and Finecofer S.L.; and Joint Administrator of BURETY S.L., Ferrovial Inversiones S.A. and Ferrovial Emisiones S.A.
- **Enrique Díaz-Rato Revuelta**, Chairman of Cintra Holding US Corp.; and Director of Skyway Concession Company Holdings LLC, 407 International Inc., Statewide Mobility Partners LLC, ITR Concession Company Holdings LLC, Odos Kentrikis Elladas S.A.[1], Nea Odos Concessionaire S.A.[2], Euroscut Açores Sociedade Concesionaria da Scut do Açores S.A., Auto-Estrada Norte Litoral – Sociedade Concessionaria- AENL S.A. and Euroscut Sociedade Concesionaria da Scut do Algarve.
- **Javier Romero Sullá**, Director of Cintra Holding US Corp., 407 Toronto Highway B.V., Odos Kentrikis Elladas S.A., Nea Odos Concessionaire S.A. and Autopista Terrassa Manresa, Autema, Sociedad Concesionaria de la Generalitat de Catalunya S.A.; Member of the Monitoring Committee of Autostrada Poludnie S.A.; and Joint Administrator of Cintra Servicios de Infraestructuras S.L., Cintra Inversiones S.L.U., Cintra Autopistas Integradas S.A.U., Cintra Inversora de Autopistas de Cataluña S.L.U., Inversora de Autopistas de Cataluña S.L.U. and Laertida S.L.U.

31. Transactions with related parties

The main balances regarding transactions between the Company and its shareholder and Group companies during reporting periods 2011 and 2010 are specified in Note 12. Loans, receivables, debits and payables are detailed in Note 19 and income and expenses for the period in Note 22.

---

1 2 Resigned from both companies before the closing of the reporting period.

32. Information on the environment

In view of the business activity performed by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial situation or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

33. Account auditors' fees

Expenses accrued during reporting period 2011 for account auditing services rendered by the main auditor (Deloitte, S. L.) amounts to EUR 32,500 (in 2010: EUR 52,500). No tax expenses or other service expenses were incurred.

34. Events subsequent to year-end

- On 18 January 2012 the maturity term of the loan granted to Inversora de Autopistas del Sur, S.L. with respect to Radial 4 toll road amounting to EUR 548 million was extended until 27 February 2012, when it was further extended until 27 April 2012. Said debt is currently being refinanced with the financial institutions involved therein.

The evolution of expropriations and the continuous fall of traffic levels hindered the refinancing of the debt concerning this project. In this regard, various successive agreements have been reached to postpone the debt service during reporting period 2012, first until 27 February 2012 and then until 27 April 2012.

- On 3 January 2012, Cintra Holding Us Corp formalised the sale of another 19% of Cintra ITR to Ferrovial US, Corp for EUR 15.3 million (USD 19.8 million). This sale has resulted in a 9.31% reduction in the indirect ownership interest of Cintra Infraestructuras, S.A. in the concession operator Indiana Toll Road (ITR), adding to the 15.19% already sold in 2011.
- The Public Works Agency of the Andalusia Government Board has awarded to Cintra the Almanzora A-334 dual carriageway between Purchena and the A-7 Mediterranean dual carriageway with a total length of 41.4 kilometres. Said contracts encompass the design, construction and project management of 3 tranches of 15.9 kilometres, as well as the maintenance and operation of the A-334 dual carriageway between Purchena and Huércal-Overa. The concession valid term is 30 years as from the contract execution, representing a total investment of EUR 145 million.

On 15 March Cintra signed the administrative concession contract for the construction, maintenance and operation of the Almanzora dual carriageway section between Purchena and Autovía del Mediterráneo (A-7).

For the construction of such section, Cintra will be supported by Ferrovial Agroman. The term for the project execution is 46 months, including its design and infrastructure implementation. The construction of these new sections running along the province of Almería will entail an investment of EUR 145 million. The works are expected to start in early 2013, once the construction project has been approved by the Public Works Agency of the Government Board.

- Cintra Infraestructuras has been selected as "Preferred Proponent" in order to carry out the design, construction, financing and maintenance of the first phase of the "Highway 407 East Extension", an eastward extension of the 407 ETR Highway in Ontario, Canada. The concession, payable upon availability, will be valid for a 30-year term as from the completion of the construction period. The estimated date of commissioning of this highway is by the end of 2015.

In the upcoming months the project's financial closing is foreseen. Construction works will be managed by Ferrovial Agroman and its partner SNC-Lavalin.

- On 6 February 2012, Autema was notified of the judgment passed by the Central Court on Economic and Administrative Matters during the hearing held on 31 January 2012 to address the claim filed by said company against the agreement that dismissed the administrative appeal filed against the wind-up agreement ordered by the Regional Inspection Office of the Special Catalonian Delegation of the Tax Authority regarding VAT chargeable to toll payments of the Government of Catalonia for reporting periods 2004 and 2005, on the grounds that the toll payments received cannot be included in the VAT taxable base insofar as Community requirements to that end are not fulfilled. Therefore, the abovementioned Court decided to consider the claim, thus voiding the contested administrative decision. Based on the foregoing, in reporting period 2012 the Company will proceed with the accounting transfer of all of the provisions allocated to that end amounting to EUR 19,934 thousand. Furthermore, it will request the reimbursement of the collateral produced to the Tax Authority.

- On 1 March 2011, a lease contract was formalised between Mutua Madrileña Automovilística, S.S.P.F. and Cintra Infraestructuras, S.A. regarding the rental of the Company's offices. Said contract will be valid for a five-year term until 1 March 2017.

Appendix I

Interest Group companies and associates

GROUP COMPANIES

Company	Auditor (1)	Parent Company	Equity interest % Direct and indirect	Gross cost of equity interest (millions of euros)	Location
SPAIN					
Cintra Servicios de Infraestructuras, S.L.	DT	Cintra Infraestructuras, S.A.	99.99%	19.367	Madrid
Cintra Servicios de Infraestructuras, S.L.	DT	Cintra Inversiones, S.L.U.	0.01%	0.002	Madrid
Autopista del Sol, C.E.S.A.	DT	Cintra Infraestructuras, S.A.	80%	198.777	Madrid
Cintra Inversiones, S.L.U.	DT	Cintra Infraestructuras, S.A.	100%	320.291	Madrid
Inversora de Autopistas del Sur, S.L.	DT	Cintra Infraestructuras, S.A.	55%	189.834	Madrid
Autopista Madrid Sur C.E.S.A.	DT	Inversora de Autopistas del Sur, S.L.	100%	663.59	Madrid
Inversora de Autopistas del Levante, S.L.	DT	Cintra Infraestructuras, S.A.	51.84%	50.097	Madrid
Autopista Madrid Levante, C.E.S.A.	DT	Inversora de Autopistas del Sur, S.L.	100%	512.753	Madrid
Laertida, S.L.U.	DT	Cintra Infraestructuras, S.A.	100%	552.292	Madrid
Cintra Autopistas Integradas, S.A.U.		Cintra Infraestructuras, S.A.	100%	20.990	Madrid
M-203 Alcalá-O'Donnell	DT	Cintra Autopistas Integradas, S.A.	100%	64.777	Madrid
Cintra Inversora Autopistas de Cataluña, S.A.U.	DT	Cintra Infraestructuras, S.A.	100%	6.02	Madrid
Inversora Autopistas de Cataluña, S.A.U.	DT	Cintra Inversora Autopistas de Cataluña, S.A.	100%	0.003	Madrid
Autopista Terrasa-Manresa, S.A.	DT	Inversora Autopistas de Cataluña, S.A.	76.28%	443.504	Barcelona
PORTUGAL					
Euroscut Norte Litoral, S.A.	DT	Cintra Infraestructuras, S.A.	75.54%	57.22	Portugal
E-S Concessionaria da Scut do Algarve, S.A.	DT	Cintra Infraestructuras, S.A.	77%	19.912	Portugal
Euroscut Azores, S.A.	DT	Cintra Infraestructuras, S.A.	89%	54.809	Portugal
Via Livre, S.A.	DT	Cintra Infraestructuras, S.A.	84.05%	0.042	Portugal
HOLLAND					
Algarve International B.V.	DT	Cintra Infraestructuras, S.A.	77%	0.014	Holland
407 Toronto Highway B.V.		Cintra Infraestructuras, S.A.	100%	369.126	Holland
POLAND					
Autostrada Poludnie, S.A.	DT	Cintra Infraestructuras, S.A.	93.68%	19.081	Poland
CANADA					
4352238 Canada Inc.		407 Toronto Highway B.V.	100%	0	Canada
IRELAND					
Eurolink Motorway Operation (M4-M6), Ltd.	DT	Cintra Infraestructuras, S.A.	66%	2.805	Ireland
Financinfrastructures	DT	Cintra Infraestructuras, S.A.	100%	71.901	Ireland
Cinsac, Ltd.		Cintra Infraestructuras, S.A.	100%	5.764	Ireland
Eurolink Motorway Operation (M3), Ltd.	DT	Cinsac, Ltd.	95%	5.764	Ireland

Cintra Infraestructuras, S.A.

Company	Auditor (1)	Parent Company	Equity interest %	Gross cost of equity interest (millions of euros)	Location
UNITED STATES (*)					
Cintra US Holding Corp		Laertida	100%	703.589	Texas
Cintra Texas Corp		Cintra US Holding Corp	100%	2.899	Texas
Cintra US LLC		Cintra Texas Corp	100%	0.054	Texas
Cintra Zachry, LP (iv)		Cintra Texas Corp	84.15%	1.91	Texas
Cintra Zachry ZP LLC		Cintra Texas Corp	85.00%	0.026	Texas
Cintra Skyway LLC		Cintra US Holding Corp	100%	195.35	Illinois
SCC Holding LLC	DT	Cintra Skyway LLC	55%	195.35	Illinois
Skyway Concession Co.	DT	SCC Holding LLC	100%	432.013	Illinois
Cintra ITR LLC		Cintra Holding US Corp. / Cintra Texas Corp.	68% / 1%	186.126	Indiana
Cintra Texas 56, LLC		Cintra US Holding Corp	100%	96.796	Texas
SH-130 Concession Company, LLC	DT	Cintra Texas 56, LLC	65%	96.80	Texas
Cintra NTE LLC		Cintra US Holding Corp	100%	69.72	Texas
NTE Mobility Partners Holding LLC	DT	Cintra NTE LLC	56.67%	69.715	Texas
NTE Mobility Partners, LLC	DT	NTE Mobility Partners Holding LLC	100%	123.026	Texas
Cintra LBJ LLC		Cintra US Holding Corp	100%	76.779	Texas
LBJ Infraestructure Group Holding LLC	DT	Cintra LBJ LLC	51%	76.779	Texas
LBJ Infraestructure Group LLC	DT	LBJ Infraestructure Group Holding LLC	100%	148.91	Texas
NTE Mobility Partners Segment 2 – 4 LLC		Cintra NTE, LLC	75.0%		Texas
Tex Toll Services, LLC		Cintra US Holding Corp	100.0%		Texas

(1) Audited at 31/12/11

ASSOCIATES

Company	Auditor (1)	Parent Company	Equity interest %	Gross cost of equity interest (millions of euros)	Location
SPAIN					
Serrano Park, S.A.	DT	Cintra Infraestructuras, S.A.	50%	0	Madrid
UNITED STATES					
Statewide Mobility Partners LLC		Cintra ITR LLC / Cintra Holding US Corp	49% / 1%	271.16	Indiana
ITR Concession Company Holdings	DT	Statewide Mobility Partners LLC	100%	542.34	Indiana
ITR Concession Company	DT	ITR Concession Company Holdings	100%	542.34	Indiana
CANADA					
407 International Inc.	DT	4352238 Canada Inc.	43.23%	254.279	Canada

(1) Audited at 31/12/11

Appendix II

Scope of Segregation of the Services Activity in the Balance Sheet of Cintra Infraestructuras, S.A. at 31 December 2010

(Amounts in euro)	31/12/2010
NON-CURRENT ASSETS	**519,314**
Property, Plant and Equipment	**519,314**
Plant and other items of property, plant and equipment	**519,314**
CURRENT ASSETS	**20,700,970**
Trade and other receivables	**15,700,970**
Trade receivables for sales and services GC	**15,700,970**
Cash and cash equivalents	**5,000,000**
Cash	**5,000,000**
TOTAL ASSETS	**21,220,284**
CURRENT LIABILITIES	**1,854,378**
Debts with Group Companies and Associates	**17,558**
Current accounts with Group companies	**17,558**
Trade and other payables	**1,836,820**
Suppliers	**351,725**
Suppliers, Group companies and associates	**1,485,095**
TOTAL LIABILITIES	**1,854,378**
AMOUNT OF SEGREGATION	**19,365,906**

Appendix II

BREAKDOWN OF GROUP COMPANIES CLIENTS AT 31 DECEMBER 2010 FOR THE SERVICES ACTIVITY AS A RESULT OF THE SEGREGATION

(Amounts in euro)	**Amount**
SPAIN	
Autopista del Sol, C.E.S.A.	515,554.45
Inversora de Autopistas del Sur, S.L.	3,741.47
Autopista Madrid Sur C.E.S.A	364,571.84
Autopista Madrid Levante, C.E.S.A.	233,792.30
Ferrovial, S.A.	1,752,361.83
Ferrovial Aeropuertos, S.A.	10,688.68
M-203 Alcalá-O'Donnell	50,926.59
Autopista Terrasa–Manresa, S.A.	165,713.01
Serrano Park, S.A.	21,903.75
Autopista Trados 45, S.A.	16,135.47
	3,135,389.39
PORTUGAL	
Euroscut Norte Litoral, S.A.	1,365,725.49
E-S Concessionaria da Scut do Algarve, S.A.	224,810.38
Euroscut Azores, S.A.	47,990.18
Via Livre, S.A.	648,045.49
Cintra S.A. Sucursal Portugal	29,097.25
	2,315,668.79
POLAND	
Autostrada Poludnie, S.A.	**26,659.79**
CANADA	
407 International Inc.	**813,121,59**
IRELAND	
Eurolink Motorway Operation (M4-M6), Ltd.	200,765.83
Eurolink Motorway Operation (M3), Ltd.	3,828,223.60
	4,028,989.43
CHILE	
Autopista del Maipo, S.A.	264,640.81
Intervial Chile, S.A.	575,270.35
Collipulli-Temuco, S.A.	248,885.22
Temuco-Río Bueno, S.A.	34,952.29
	1,123,748.67
USA	
ITR Concession Company	831,261.06
LBJ Infraestructure Group, LLC	1,217,873.80
NTE Mobility Partners, LLC	729,063.58
Skyway Concession Co.	200,204.52
Texas Toll Services, LLC	1,011,914.02
Cintra US, LLC	267,075.17
	4,257,392.15
TOTAL GROUP COMPANIES CLIENTS	**15,700,969.81**

BREAKDOWN OF GROUP COMPANIES SUPPLIERS AT 31 DECEMBER 2010 AS A RESULT OF THE SEGREGATION

(Amounts in euro)	**Amount**
SPAIN	
Autopista del Sol, C.E.S.A.	28,056.30
Inversora de Autopistas del Sur, S.L.	5,314.24
Autopista Madrid Sur C.E.S.A	4,377.51
Autopista Madrid Levante, C.E.S.A.	394.30
	38,142.35
POLAND	
Autostrada Poludnie, S.A.	**450.00**
CANADA	
407 International Inc.	**440,921.00**
IRELAND	
Eurolink Motorway Operation (M4-M6), Ltd.	**66.55**
CHILE	
Intervial Chile, S.A.	**542.31**
USA	
Skyway Concession Co.	**123,214,53**
Cintra US, LLC	**881,758,10**
	1,004,972,63
TOTAL GROUP COMPANIES SUPPLIERS	**1,485,094.84**

Cintra Infraestructuras, S.A.

Directors' report for fiscal year 2011

1. Company's evolution

a) Tendering of new projects:

As regards tendering, although high uncertainty still prevails in financial markets as well as a severe lack of liquidity, the Company's activity tending to foster public administrations is showing signs of recovery in some target markets, basically due to the need to reduce the public deficit of the last three years.

In North America, the Company is working on several projects:

- **NTE extension (Texas):** The terms and conditions of the concession contract are currently under negotiation, and it is expected to be concluded by 2012 first quarter. Signature is anticipated for 2012 second quarter, once approved by the Federal Highway Administration and the Legislative Budget Board, and once the Office of the Attorney General of Texas delivers its opinion (shortened to FHWA, LBB, and OAG, respectively). The client (TxDOT) submitted an application for TIFIA funds in December 2011, and the decision on the availability of federal funds for the project will be made public soon.
- **WXNW (Georgia):** Process cancelled by Georgia Department of Transportation (GDOT) in December 2011 with 2 months left for submission of binding offers. GDOT has opted for developing the project based on a business model different from a concession project.
- **407 East Extension (Ontario, Canada):** The Company pre-qualified on 10 March 2011 and submitted its binding offer on 8 November 2011, having been finally selected as "Preferred Proponent" to design, build, finance and maintain "Highway 407 East Extension" phase one, an extension to the East of Highway 407 ETR in Ontario, Canada. The payment for availability concession will last for 30 years as of completion of the construction phase. The new motorway is expected to open to traffic by the end of 2015.
- **Route US-460 (Virginia):** Although Virginia Department of Transportation (VDOT) published a draft of the bid specifications on 28 July 2011 requesting technical and financial bids on 20 January and 22 February 2012, respectively, the process has been adjourned indefinitely since VDOT is studying financing alternatives which will secure the project feasibility. The process is expected to be resumed by 2012 first quarter.
- **Grand Parkway (Texas):** Project re-authorised under Texas legislation to be put out to tender as a P3. On 18 November 2011, Texas Department of Transportation ("TxDOT") issued a RFQ (Request For Qualification) inviting applicants to submit their responses on 1 February 2012. The RFQ provides for TxDOT's right to develop the project under the Design & Build model or under the concession model (with traffic risk). TxDOT reserves the right to launch a tender for the project under either of the two models, or even under both models simultaneously. TxDOT is expected to announce the consortia selected to submit their bids (Request For Proposal, or RFP) by mid 2012, with the project award date anticipated for late 2012. The pre-qualification documents were submitted on 1 February 2012.
- **IH-35E (Texas):** Project re-authorised under Texas legislation to be put out to tender as a P3. On 23 January 2012, Texas Department of Transportation (TxDOT) issued a RFQ (Request For Qualification) inviting applicants to submit their responses by 2012 first semester. As with Grand Parkway, the RFQ for IH-35E provides for TxDOT's right to develop the project under the Design & Build model or under the concession model (with traffic risk); thus TxDOT reserves the right to launch a tender for the project under either of the two models, or even under both models simultaneously. Although the project detailed schedule is yet to be published, TxDOT has announced that the project is to be put out to tender during the second half of 2012 with a view to signing the commercial agreement by the end of 2012. At present, we are preparing the pre-qualification documents.
- **Third Crossing or Patriot Crossing (Virginia):** On 30 September 2011, the Company submitted a letter to Virginia Department of Transportation (VDOT) to let it know about its interest in designing, building, financing, operating and maintaining the above said project. Although the letter is not an unsolicited offer, VDOT has informed that, acting through its P3 Project Office, it will undertake studies to determine the project feasibility. The project is under a very preliminary stage of development, and environmental approval proceedings are yet to be initiated.

- **Knik Arm Crossing Project (Alaska):** Cintra applied for pre-qualification on 22 September 2011 to finance, build and maintain an 8,200-feet-long bridge and access ways in exchange for payments for availability during a 35-year concession term. A total of 6 consortia applied for pre-qualification. The consortium led by Cintra did not pre-qualify.
- **Cameron County Projects (Texas):** The legislature did not authorise the projects for which the Company had pre-qualified. Project cancelled.
- **Ohio River Bridges (Indiana-Kentucky):** The Company filed a RFI (Request For Information) on 30 September 2011. On 29 December 2011 the client announced that the east end of the bridge and its connection to I-65 and Utica (Indiana) was to be in charge of the State of Indiana, while the second span of the I-65 bridge and improvements on the Kennedy connection was to be in charge of the State of Kentucky. The State of Indiana is expected to issue a RFQ in 2012 first semester to develop the project under the payment-for-availability model. The State of Kentucky seems to have opted for the Design & Build bidding model for its part of the project.
- **Mopac (Austin, Texas):** On 31 October 2011 the Company responded to a request for information ("RFI") by Central Texas Regional Mobility Authority ("CTRMA") to design, build, finance, operate and maintain 12 miles of managed lanes (1 lane/direction) along the corridor known as MoPac or Loop 1. At present, the Client is determining the business model for the tender (Design & Build or concession with real toll and risk of traffic for private entities). The decision on and publication of the RFQ is anticipated for the first/second quarter of 2012, with the tender expected to take place during 2012.
- **Sacramento Parking Assets (Sacramento, California):** Sacramento City Council has put out to public tender a concession contract to operate, maintain and upgrade its on- and off- street parking system. Cintra applied for pre-qualification on 30 January 2012. The client will announce pre-qualified consortia soon.
- **La Guardia Airport (New York):** The Port Authority of New York and New Jersey is assessing the possibility of putting out to tender, through public-private collaboration (P3), the construction, operation and maintenance of a new central terminal and parking lot in LaGuardia Airport (NY). On 31 January 2012, Cintra, together with Ferrovial's airport and construction division, responded to the request for information ("RFI") issued by the client. The authority is expected to define the tender model by 2012.

In Spain in August 2011, road A66 between Benavente and Zamora was put out to tender through an emergency procedure under the Government's Extraordinary Infrastructure Plan. The date for submission of bids was 20 September 2011, with 6 bidding consortia having submitted their proposals. The Company is awaiting the final decision on the award by the Ministry of Development.

Additionally, in the second half of 2011, two other projects were put out to tender which belong to the so-called "Pista" Plan, promoted by the government of Andalucía, in particular, A-334 Almanzora road (Purchena – Huercal Overa section), and A-318 Olivar road (Lucena – Estepa section). Cintra submitted its offer for the former on 11 November 2011 as part of a consortium comprising Meridiam, Acciona and several Andalusian companies. The consortium was awarded the project, which was officially confirmed on 13 January 2012. The concession contract was signed last 15 March.

At the European level, the Company is following up opportunities in the United Kingdom, where, in consortium with BAM PPP, it applied for pre-qualification for Mersey Bridge project on 14 December 2011. Notice of the consortia selected to participate in the bid phase is estimated to be released in 2012 first semester. Also in the United Kingdom, two new opportunities arose in Scotland for the Abardeen By-pass and the extension of A8 (a motorway link between Glasgow and Edinburgh); the Scottish administration has already issued the notice preceding the launch of the tender for the latter (A8), thus tender phase is anticipated for 2012 first semester.

Other opportunities currently followed up by the Company are A1 in Poland and A15 in the Netherlands. At present, the consortia to participate in the tender for these projects are being defined, but as there has been no news in this respect recently, the procedures seem unlikely to commence before 2012 summer.

As for other markets where Cintra has an active bidding activity, in Chile, the Company has been confirmed to as pre-qualified for the Vespucio Oriente Motorway tender (greenfield, real toll, urban free flow) – a project to complete the inner ring road in the city of Santiago, and for which the tender is expected to commence by mid 2012 according to the latest news coming from the administration. Furthermore, two additional projects are being studied which are estimated to be put out to tender over this year: Rutas del Loa and 43 Route.

Finally, as to new markets, the follow-up process of countries such as Australia, Turkey, Colombia, Peru or Brazil continues, although the Company has not yet participated in any tender. Such continuous analysis is basically aimed at exploring new investment opportunities, without disregarding potentially-interesting markets in advance, and without sacrificing the main principles followed to date.

b) Divestment projects:

- **Sale of Trados 45**

On 21 July 2010, an agreement was signed to sell Cintra's 50% interest in Autopista Trados 45, S.A. to the company FINAVÍAS, an investment vehicle of AXA Private Equity's infrastructure funds.

The transaction, completed on 10 January 2011, amounted to EUR 68.3 million.

Autopista Trados 45 manages the 14.5-km section between O'Donnell and the connection to N-IV of M-45 motorway, in Madrid. This is a shadow-toll motorway for which fees and the ceiling amount to be paid by the Community of Madrid are indexed to inflation. This road was opened in March 2002 and the concession expires in 2029.

- **Sale of shareholding in Chile**

On 19 December 2011, the Colombian company Interconexión Electrica, S.A. (hereinafter, "ISA"), through ISA Inversiones Chile, Ltda, exercised the call option to purchase 40% of the share capital of Intervial Chile, S.A. (formerly, Cintra Concesiones de Infraestructuras de Transporte de Chile, S.A.). The amount of the sale was EUR 159,238,704, and the carrying amount of said percentage was EUR 121,964,990, thus an amount of EUR 37,273,714 was registered as profits on the sale. The 60% interest in Intervial Chile, S.A. had been previously sold to ISA as well in 2010.

This transaction was carried out under an agreement executed on 15 September 2010, whereby the parties agreed on ISA's right to acquire Cintra's remaining interest in Intervial Chile S.A. through a call option.

- **Sale of other assets**

After the divestments carried out over the last months, the Company has no other process pending, although it continues assessing the possibility of an asset turnover including those assets having a low risk profile or a limited potential for growth as a result of the optimisation of their management.

To develop Cintra's growth strategy, it is essential to count with the necessary funds to seize any new investment opportunity which may arise. Traditionally, such resources have been obtained by re-leveraging existing assets. However, under the present financial market conditions, this alternative has been curtailed, so we are assessing the possibility of generating new additional funds through an asset turnover. There is a growing interest among financial and industrial investors in the market in associating with Cintra in the mid and long term.

In any case, the final decision on the sale of further assets will depend on the prices at which they may be sold, that is, on whether offers are adjusted to the real level of risk of the assets, and on the potential return on existing investment alternatives.

c) Status of operation projects:

Evolution of the various motorways in 2011 was as follows:

NORTH AMERICA

- **2011 increase in 407ETR tariffs**

The new tariffs together with the reorganisation of the toll zones, effective since 1 February 2011, were published by the motorway on 31 December 2010.

The tariff for light vehicles during peak hours is 22.95 dollar cents in the Regular Zone (in the west of motorway 403, between motorways 401 and 400 and between motorways 404 and Brock Road) and 22.75 dollar cents in the peak period.

The tariff for light vehicles during peak hours is 21.45 dollar cents in the Regular Zone (between motorways 403 and 401, and between motorways 400 and 404) and 21.25 dollar cents in the peak period.

Off-peak and weekend/bank holiday tariff throughout the motorway is 19.35 dollar cents for light vehicles.

Tariffs for simple and multiple heavy vehicles are two (2) and three (3) times the tariffs for light vehicles, respectively.

The change of tariffs also includes the rise of Video Toll Charge (VTC) for light vehicles from $ 3.60 to $ 3.65, of Trip Toll Charge (TTC) for light vehicles from $ 0.40 to $ 0.50, and of the fee to maintain the account of users without transponder (Video Account) from $ 2.50 to $ 2.75.

The monthly rental of the transponder has gone up from $ 2.50 to $ 2.75.

The annual fee for renting the transponder ($ 21.50) and the Video Toll Charge for all types of heavy vehicles ($ 15.00) remain the same as in 2010. All heavy vehicles on the motorway are required to use a transponder.

The weighted average increase in tariffs for light vehicles in an average standard trip (20 km) is 8.5% (including the increase in tariffs and the Trip Toll Charge – TTC –).

- **2012 increase in 407ETR tariffs**

The new tariffs, due to become effective on 1 February 2012, were published by the motorway on 30 December 2011.

The tariff for light vehicles during peak hours is 25.20 dollar cents/km in the Regular Zone (sections C1 through C7 and E1 through E2) and 24.20 dollar cents/km in the peak period.

In the Light Zone (sections W1 through W3), the tariff for light vehicles during peak hours is 23.55 dollar cents/km and 22.60 dollar cents/km in the peak period.

A new tariff period was introduced, called Midday, corresponding to the 10:00AM-3:00PM timeslot, during which the tariff for light vehicles is 21.00 dollar cents/km, irrespective of the motorway zone.

Note: [Peak hour: (7:00AM-9:00AM & 4PM-6PM). Peak period: (6:00AM-7:00AM, 9:00AM-10:00AM, 3:00PM-4:00PM & 6:00PM-7:00PM)].

Off-peak tariff (7:00PM-6:00AM, bank holidays and weekends) remains at 19.35 dollar cents/km for light vehicles.

Tariffs for simple and multiple heavy vehicles are two (2) and three (3) times the tariffs for light vehicles, respectively.

Additionally, as for fees, the Video Toll Charge (TVC) for light vehicles is $3.80, remaining at $50.00 for heavy vehicles. The Trip Toll Charge (TTC) for light vehicles is $0.60. The fee to maintain the account of users without transponder (Video Account) and the transponder monthly rent is $3.00 in both cases. The transponder annual rent remains at $21.50.

The weighted average increase in tariffs for light vehicles in an average standard trip (20 km) is 8.2% (including the increase in tariffs and the Trip Toll Charge – TTC –).

- **Sale of ABCPs (Asset-Backed Commercial Paper)**

During March 2011 the Company settled 100% of its ABCP portfolio (Asset-Backed Commercial Paper). The value of these investments was seriously affected by the 2008 financial crisis which brought the market to a standstill and subsequently led to its restructuring. This transaction has helped to eliminate the risk of potential damage.

Actually, on 24 March 2011, the sale of ABCPs was completed, including Eligible MAVs (A1, A2, B & C) and higher quality. The nominal amount sold was CAD 138 million, with the sale amount being CAD 100.7 million (including CAD 0.2 million of interest accrued and collected), and profits against the carrying amount for CAD 1.2 million. The credit line tied to this paper has been cancelled.

Additionally, the Credit Line option was exercised (current limit: CAD 9.5 million), secured by Ineligible ABCPs, drawing the above said amount and repaying it at maturity (31 March) with Ineligible MAVs (nominal amount: CAD 6.13 million). Therefore, as at 31 March 2011, the amount of the ABCP portfolio was zero.

- **407 International Inc. dividends**

In 2011, the amount of dividends distributed totalled CAD 460 million against CAD 300 million distributed in 2010. Detailed below is the distribution of dividends:

On 17 February 2011, the Board of Directors of 407 International approved the distribution of an ordinary dividend of CAD 0.106 per share unit, totalling CAD 82.5 million.

In addition, on 14 April 2011, the Board of Directors of 407 International approved the distribution of an ordinary dividend of CAD 0.106 per share unit (a total amount of CAD 82.5 million), and an extraordinary dividend of CAD 0.142 (totalling CAD 110 million), the latter resulting from the sale of some long-term investments.

On 14 July 2011, they agreed to distribute an ordinary dividend to the shareholders for a total amount of CAD 82.5 million (CAD 0.106 per share unit).

On 19 October 2011, an ordinary dividend was distributed to its shareholders for a total amount of CAD 102.5 million (CAD 0.132 per share unit).

- **Infrastructure Ontario announcement**

On 28 April 2011, Infrastructure Ontario (IO) launched an invitation for the three groups short listed in March 2011 to submit their bids for the East Completion. Submission was for about six (6) months, and the winning consortium was announced in March 2012, with Cintra finally selected as "Preferred Proponent".

In addition, the preliminary agreement with 407 ETR was announced for delivery of the Tolling/Back-office services for ten (10) years. Hence, they will take advantage of the synergies existing between 407 ETR and East Extension (using the same transponder, issuing a single invoice, the same payment system and customer care service), resulting in greater benefits for the Client.

Should it be closed, this agreement would represent an additional business for 407ETR.

- **407ETR traffic record**

On 30 June 2011, daily traffic hit a new record high of 460,293 trips, breaking its previous record of 454,275 trips of 30 June 2010.

- **Extension of 407ETR lanes**

Extension of a lane per direction, 13 km long, between Trafalgar Rodad and Highway 401 (Section C1 and part of section W3). The lanes were opened to traffic on 17 August 2011, with Final Acceptance by the Ministry of Transport on 25 August 2011.

As part of the extension works, two additional lanes were built in each direction with a view to reducing the impact of traffic as a result of future scheduled extensions.

- **407 ETR Video Toll Charge discount for heavy vehicles comes to an end**

In August 2011, the VTC discount for heavy vehicles was eliminated, rising from $ 15 up to $ 50. Tariffs included a statement that the amount was actually $ 50, but had been lowered to $ 15 due to a temporary discount. The charge for light vehicles remained the same, at $ 3.65

- **Chicago Skyway tariff increase in January 2011**

The new tariffs became effective on 1 January 2011. The average tariff increase was 16.7% and 33.3% for light and heavy vehicles, respectively.

- **Indiana Toll Road tariff increase in July 2011**

The new tariffs for light vehicles not using a transponder as a means of payment and all heavy vehicles came into force on 1 July 2011.

The average tariff increase was 2.2% and 3.26% for light and heavy vehicles, respectively. The average increase for the Barrier section (closer to Chicago) was 6.6% for light vehicles and 1.18% for heavy ones.

SPAIN

- **Compensation**

Pursuant to the Eighth Additional Provision of Law 43/2010 of the universal postal service, the Company filed a second application for compensation in January 2012 for an amount of EUR 16,947,741; no final resolution has been delivered to date with respect to the above said file, thus collection remains pending.

Similarly, and as per Royal Decree 907/2011 of 24 June, whereby certain concession terms and conditions were amended, and according to the Forty-first Additional Provision of Law 26/2009 of 23 December, an amount of EUR 110,734,765 was recognised as cost overruns for additional works. Effective from 1 January 2012, the Company implemented an extraordinary increase in its tariffs by an additional 1.95%. This extraordinary gradual increase in tariffs by a cumulative annual amount of 1.95% is to apply until the cost overruns for the additional works recognised are compensated.

In addition to obtaining compensation, which will enable the Company to enhance its short-term liquidity, the Company's Management has informed the Ministry of Development about the convenience of extending the compensation for a period longer than three years through such process as the Ministry may deem appropriate. Consequently, the Company started negotiations with the Administration for the purpose of restoring the economic and financial balance that will enable to cover any project deviation from the original economic and financial plan approved by the Administration, and to secure the project profitability, which is the basis for the investment.

On 18 January a formal request was filed with the Ministry of Development for assistance under the relevant compensation method; and on 22 June 2011, the Ministry of Development's approval was granted for both motorways, collecting an amount of EUR 14,000,669 on 14 July 2011.

- **Autopista del Sol extraordinary repairs**

As a consequence of the extraordinary rains that took place at the end of 2009 and beginning of 2010, serious damage was caused to the motorway, affecting its infrastructure due to side slippage and instability of cut and fill slopes. This made it necessary to close Casares tunnel to traffic in order to repair the coating and stabilise the fill affected by the flood.

Repairs regarded as a priority for the motorway service were made and, at the same time, the procedure for reimbursement of the costs of repair was completed through the Insurance Compensation Consortium ("Consorcio de Compensación de Seguros", in Spanish) and the insurance company ALLIANZ.

On 8 February 2011, the Insurance Compensation Consortium paid EUR 3.25 million to the concession operator as a prepayment for the damage caused by the rains of the end of 2009 and beginning of 2010.

At present, the necessary meetings are being held to conclude the loss case and ultimately assess any applicable compensation.

- **Speed reduction**

On 25 February 2011 the Council of Ministers approved a speed reduction in motorways and roads of 110 km/h. The impact of such reduction has been negative. After having initiated actions through the trade associations SEOPAN and ASETA tending to exempt toll motorways from this measure proposing a speed difference between toll motorways and the rest of the network, or alternatively the elimination of the measure, on 24 June 2011 the Council of Ministers repealed the measure in its whole, getting back to the 120 km/h on 1 July 2011. Although traffic jurisdiction belongs to the Generalitat, this measure also affected AUTEMA.

- **Radial 4 economic and financial rebalancing due to the construction project changes**

During execution of the construction works, the Road General Directorate ("Dirección General de Carreteras", in Spanish) ordered to modify the project to include additional non-scheduled works for an amount of EUR 92.5 million without VAT.

On 28 November 2007, payment of the amounts for such works was demanded.

On 30 June 2011, the amendment to the concession contract to compensate for such additional works was published in the Official Gazette ("BOE", Spanish acronym).

To compensate for such amount, an extraordinary gradual tariff increase was set at a cumulative rate of 1.95% as of 2012 and until the year when the EUR 110,734,765.41 are totally compensated, for any cost overruns for the additional works (EUR 92,525,380.37) and interest accrued (EUR 18,209,385.04) as of 28 November 2007 (application to restore the economic and financial balance) until beginning of the compensation.

All balances yet to be offset accrue a 6.5% interest as of 1 January 2012.

When the compensation amount is reached, the extraordinary tariff increase will come to an end.

- **Expropriations exceeding 175% in Radial 4**

Generally speaking, as regards the land expropriated to build radial motorways (as well as R-4), according to judgments, the land should be appraised based on its classification and therefore, the land classified as non-building land should be valued as such and not under the general system; however, the value of the non-building land has been raised significantly with respect to the amount initially set (though in general reducing significantly the appraisal by the Court of Madrid).

On the other hand, as regards the land expropriated to build the ring road to Madrid, M-50, the Supreme Court has regarded the expropriated land where it runs through as part of a general system; accordingly, it should be appraised as non-building land, irrespective of the classification of such land. In this train of thought are the judgments by the High Court of Justice for Madrid, as notified to the Company. As a result, the value of the land has been substantially raised against the value initially set, especially the non-building land.

This risk has been reduced by the Forty-first Additional Provision of 2010 State Budget Law 26/2009, which provides that toll road concession operators may obtain a participating loan for compulsory purchase cost overruns provided certain requirements are met, which is the case of the R4 toll road concession operator. The above said Forty-first Additional Provision, currently in force, provides for the right to obtain a participating loan for the amount exceeding 175% of the price offered by the concession operator. For repayment of the loan, the Ministry of Development must amend the concession contract (tariffs and/or timelines) to generate additional revenue to amortise the loan principal and accrued interest. The concession operator has requested to make the first draw on the loan.

EUROPE

- **ViaLivre toll booth increase**

Talks are being held with the Administration to increase the number of toll booths from 4 to 11, which means a new investment. A decision from the new Government is expected soon. At the time, it is being considered by the new Secretary of Public Works (Development). Once approved, its financing should be discussed.

- **Negotiations on transition to real toll in Scut Algarve**

On 9 December 2011 the concession started to collect the real toll in line with the model set in place in Norte Litoral.

As with Norte Litoral, signing the agreement has helped to reduce uncertainties and achieve some improvements:

- Increased NPV of future revenues, up to a total of EUR 481 million.
- Risk of traffic eliminated.
- The Concession Operator gains a preference right to the motorway revenues, in the event of non-payment by the Administration.

- **Lane extension in Norte Litoral**

Norte Litoral Concession Contract provides for the obligation to extend the motorway on a 2x3 basis in those sections where a specific level of traffic is reached. This obligation has been fulfilled as regards the section between Freixeiro and Póvoa de Varzim.

The project total cost, including other additional items, will amount to EUR 72,487,735.37 (subject to price review) and the term for execution is 34 months.

The Concession Operator must reach an agreement with the Administration on the form of payment, although it basically intends to agree on a new annual availability payment which would be added to the current one, thus the Concession Operator would not profit from the lane extension in any way whatsoever, and would not incur any loss either. It must be neutral in terms of shareholders' IRR.

- **2011 cut in Eurolink M4 tariffs**

The concession operator had preferred to maintain 2011 tariffs at the same level as in 2010, based on its interpretation of existing legislation and in line with most motorway concession operators in the Republic of Ireland. The Administration disagreed on such interpretation, and referred the issue to the courts, which ruled in its favour on 11 March 2011 and urged the concession operator to reduce tariffs by approximately 6%. Accordingly, Eurolink M4 reduced its tariffs on 11 March 2011.

- **Completion Certificate in Eurolink M3**

After the opening of the motorway in July 2010, the final Completion Certificate was granted on 3 June 2011. Although this certificate does not affect collection of grants on operation or collections from guaranteed traffic – already collected as of 7 October 2010 (when the Permit to Use was granted)–, it does affect the debt. Its main effects are:

  - Interest capitalisation ends, and the Term Loan principal is set to be repaid according to the schedule set out under the model.
  - The spread is reduced from 0.95% to 0.85% as of 4 June 2011 and for 6 reporting periods; on 4 June 2017, it was increased to 0.90% until the end of the loan.
  - Principal began to be repaid, as so did the interest on the subordinated debt, which began to accrue with the Permit to Use (4 June 2010).
  - Repayment started as per the model schedule.

- **Repayment of Equity Bridge Loan in Eurolink M3**

On Monday 27 June 2011, the Equity Bridge Loan was repaid by Eurolink M3, for an amount of EUR 15.5 million. The shareholders (Cintra and SIAC) fulfilled their obligations of payment of principal and subordinated debt, thereby completing the transfer of funds to Eurolink M3.

- **Distribution of dividends at Financinfrastructures and Cinsac**

Once M3 was authorised by the agent bank to make the first repayment of principal and interest of the subordinated debt, a dividend amounting to EUR 6.8 million was paid on 30 June 2011 from Financinfrastructures to Cintra.

A new distribution of dividends took place on 29 December 2011, as follows:

EUR 4.2 million from Financinfrastructures to Cintra;

EUR 5.3 million from Cinsac to Cintra.

Financinfrastructures' funds were obtained from the repayment of principal and interest on M3 and M4 subordinated debt.

Cinsac's funds were obtained from the distribution of M3 dividends.

d) Status of projects under development:

Below is the evolution of projects under development during reporting period 2011:

UNITED STATES:

SH130:

- Progress of design and construction works as at 31/12/2011: 89.05% (deadline for commissioning: Nov. 2012. The Company does not foresee any difficulty in meeting it).
- Expropriations: 100% surrendered. Expropriation costs as at 31/12/2011: $ 117.3 million. Total cost is estimated at $ 122.8 million. Due to financing requirements, any cost exceeding $ 111.8 million must be covered by shareholders' contributions ($ 10.9 million; 65% Cintra $ 7.1 million).

As at December 2011, capital contributions due to expropriation cost overruns amounted to $ 5.7 million, $ 3.7 million of which were disbursed by Cintra.

North Tarrant Express:

- Since the financial closing on December 2009, the concession operator and construction company have been making progress on the design, construction and acquisition of land. The land acquisition process is implemented throughout the entire project, and is making more progress than expected, thus there should be no difficulty in securing access by the contractor to every plot within contract terms (2012 first semester).
- The value of works completed as at December 2011 amounted to $ 256.5 million – 17.61% of the project total costs, which total $ 1,456.5 million. The pace of progress is in line with the programme estimates.
- The contractor has recently proposed an upgrade of the original design of link 183/121, which is being considered by TxDOT. This would mean a clear step forward for the project, both from the construction and concession standpoints. Other changes put forward by TxDOT, such as those derived from the environmental regulation approved after execution of the Concession Contract (CDA, Comprehensive Development Agreement), re-designing the Haltom junction to add two ramps to its original design, and changes to the east access ramp to solve some problems of the original proposal, have already been discussed and settled with TxDOT, and are now undergoing the relevant administrative approval proceedings.
- Others: On 1 May 2010 the concession operator started maintenance works in the motorway, which are being performed smoothly.

LBJ:

- Once financing was agreed in June 2010 and contract proceedings were completed on 19 December 2010, the Notice to Proceed2 was received, marking the beginning of the design and construction term.
- Construction works officially started in February 2011. Construction terms are 3 years for the east section, 4 years and 4 months for the IH35 section, and 5 years for total completion. Accordingly, the first section should start operating before December 2013, and the project as a whole, before December 2015.
- Maintenance works started on 31 January 2011, after a 15-day period of overlap with TxDOT, being carried out smoothly since then.
- The construction company has put forward a complete upgrade of LBJ/DNT link design which would result in construction savings, easier execution, and easier operation in the future by the concession operator. Approval of such upgrade by the relevant authorities (FHWA) and the corresponding economic agreement with TxDOT (including solutions to other problems posed during execution of the works since start-up) have been agreed orally, and there is only the administrative formalisation left, which is anticipated for the next few days.
- A few months ago, the contractor filed a claim for delay by TxDOT in delivering land and restoring a disrupted service. This claim is being settled under the agreement mentioned in the item above, currently under negotiation.
- The value of works completed as at December 2011 amounted to $ 359.0 million – 17.31% of the project total costs, which total $ 2,074.2 million. The pace of progress is in line with the programme estimates.

SPAIN:

M203 Alcalá – O' Donnell:

Proceedings are currently in progress before the Community of Madrid to restore the concession economic and financial balance. Such restoration implies approval of an amended works project which provides a solution to the tunnel under the AVE railway and connection to R3. Both the amended project and the application for restoration measures were submitted in October 2010.

On 29 April 2011 the amended project was definitely approved by the Community of Madrid.

On 20 October 2011 the Community of Madrid approved the restoration of the economic and financial balance. At present, we are waiting for the signature by the Ministry of Development of the agreement that will allow for the works start-up at the link with R-3 motorway.

Serranopark:

The Company started operating the three car parks on 31 March 2011. Last 22 July, an application to restore the economic and financial balance was filed with the Town Hall with a view to obtaining a compensation for amendment no. 1, approved by the Town Hall in July 2010. This application deals with two measures: Extension of the concession from the current 40-year period to 60 years, and modification of the time for full collection from residents' car parks, requesting that it be fixed at the time of selling the car parks for new contracts, and making an advance of 30% of car parks sold and belonging to the Town Hall before approval of the restoration.

EUROPE:

Euroscut Azores:

After the great efforts by the construction joint venture to bring forward the construction and timelines, all construction timelines have been brought forward, except for section 1.6, where two pillars collapsed on 12 March 2011.

Therefore, in the south road, sections 1.4 and 1.5 were opened on 22 October 2011, totalling 9 km; and the northeast road was opened on 31 October 2011. As for the latter, it was a 25-km section built from ground up, with 12 viaducts, very long lights, and some structures with pillars of almost 90 meters.

As completion of the 5-km section 1.6 delayed, it was opened on 15 December 2011 – the concession contract deadline for completion of the construction works.

To sum up, the term has been brought forward about 1.5 months. The Company intends to negotiate collection of revenues from these months with the administration.

All sections having been opened, toll collection began on 16 December 2011.

The Control Centre has been conducting monitoring tasks since November 2011, and it can be asserted that all concession roads are operating in full.

Greece concessions:

Between March and April 2010, banks suspended drawdowns on the debt for both projects due to some breaches of conditions precedent, which was basically due to the non-delivery of plots of land for construction, thereby resulting in non-fulfilment of construction partial milestones.

The inability to make drawdowns on the debt has prevented payment of works certificates, the debt of which amounted to EUR 170 million as at December 2011. As a consequence of such non-payment, the construction joint venture forwarded the corresponding notices to stop works in November 2011. By the end of January 2012, Works Suspension letters were received. Works have been suspended by all the joint venture members.

With five large road concessions in the country going through the same problem, the Greek Government has created a working team reporting directly to the ministers of infrastructure and finance in order to implement solutions. At one of the Company's concessions (Central Greece), they have managed to advance a grant on construction (EUR 62.4 million) by amending a law. These funds are deposited into an escrow account, and cannot be used at present, as banks have denied the waiver to use them to pay completed and certified works. Besides, banks have denied other waivers which facilitated continuation of works during several months.

The Government has taken the following steps to settle the issue:

- Expropriations were made part of an exception system ("Ley Olímpica de Expropiaciones", in Spanish) to reduce or eliminate problems arising from delays in delivery of land.
- Regularisation of VAT refunds due.
- Payment of financial contributions (State Financial Contribution) in a way proportional to the state of progress of works rather than after fulfilment of partial milestones.
- New legislation imposing administrative penalties to those failing to pay tolls.

A Steering Committee has been established with the banks to serve as a contact with the rest of the syndicate.

The Government has forwarded the first draft MOU (Memorandum of Understanding) to all concession operators. This agreement fails to provide for any solution in the long term; provides that works must be resumed as soon as possible; requires banks to finance works to be done during the interim period with some collateral from the Government; provides that unpaid certificates must remain unpaid during this period; and requires tariffs to be reduced by 20-50%.

A draft MOU was finally signed with the Government on 8 June 2011.

The Ministry has met with the European Commission to obtain the initial approval of the proposals, including the MOU. In principle, the response was positive, although subsequent meetings will need to be held once solutions are implemented.

Analysis and negotiations with the Government were conducted during June and July 2011, and 5 specific working teams were created to report and agree on potential restructuring solutions as soon as possible. Several meetings were held on a weekly basis together with the banks and the Government in order to design the restructuring solutions.

A solution was designed for both projects based on a system called Safety Net, under which the Government will use the funds generated by Nea Odos to cover – in the following order – operating costs, the debt service, debt amortisation and return of equity, first at Nea Odos, and then – in the same order –, at Kentriki Odos. Should this system be finally approved, the risk profile will improve, but limiting the upside.

By the end of July 2011, a proposal was submitted by the concession operators including an Assumption Book, a Financial Model, a document on technical solutions, and another one on tariff policy. The proposal had been agreed with the Steering Committee of the banks and included the principles passed by the administration during the working period.

In July 2011, a company called Helenic Republic Asset Development Fund was established to manage privatisation of assets and rights held by the Greek Government. The rights of collection in relation to the Company's Projects (any excess from the Projects which belongs to the Government) will be managed by the Fund, according to a bi-ministerial resolution from the end of October 2011.

As a result, the Fund and the Ministry of Finance will get involved in restructuring negotiations, but the final resolution will need to be agreed with the Ministry of Infrastructures. The Fund's legal, financial and technical consultants are participating in the negotiations.

A Term Sheet is being negotiated with the Government that includes all restructuring solutions, basically using funds received by the Government form the Ionia Project to make Nea Odos and Kentriki Odos feasible, as well as securing a grant for Central Greece. A pseudo-availability system is set in place, as the Government uses those excess funds to pay operating costs, the debt service and return of equity, irrespective of the concession company's revenues. It is believed that there are sufficient funds available to cover both projects under the same system, although it depends on new traffic projections, which are being analysed, and which the Company expects to have during 2012 first semester. In addition, the Government risk has been eliminated or reduced significantly. The concession operator and the Government should sign the Term Sheet within no more than two weeks.

Afterwards, the Company should agree with the Government on the final IRR for the Projects. The banks, with whom the financial restructuring must be negotiated, along with the Government, would get involved in the negotiations in a subsequent stage. Once the financing structure has been agreed, the bank syndicate will vote and proceed to amend the contracts.

Finally, the whole process must be ratified by the EU and Greek parliament.

There is too much political instability which might affect the process. Elections are supposed to be held in April 2012, but there might be a government change before. Additionally, Greece has reached a rough agreement on its second bail-out and its debt reduction on March 2012.

2. Treasury shares

During 2011 no acquisitions or disposals were made of the Company's treasury shares, or of the shares issued by the parent company.

3. Use of financial instruments by the Company

During 2011, the Company has arranged foreign currency hedges, which were considered efficient and, therefore, have been allocated to Equity. These hedges were arranged essentially to cover the foreign exchange risk of the Canadian dollar against the euro in light of the funds received in relation to the sale of 10% of Canadian company 407 ETR and for its recurring dividends of the year, as well as to cover the investments to be made in the projects in the US in US dollars. Likewise, a series of hedges of have been established regarding Chile's unit of account *Unidades de Fomento* (CLF) and Chilean pesos (CLP) against the US dollar to cover funds from the sale of 40% of Intervial Chile to ISA. At 31 December 2011, the latter hedges remained effective, as well as part of the US dollar hedges, as shown in Note 13.

The Company has hedge contracts in its portfolio regarding the signed stock option plans of Ferrovial (equity swaps), which are not registered according to hedge accounting, but for which the increase or loss in their value according to the Ferrovial share price is considered.

4. Information on the environment

In view of the business activities currently performed by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

5. Research and development expenses

At 31 December 2011 and 2010, the Company had no Research expenses.

6. The Company's main risks

In general, Cintra considers relevant risks to be those that can compromise the economic profitability of its business activity, the financial solvency of the company in question or the Group, the corporate reputation and the integrity of its employees. Particularly, the most significant risks covered by this system are the following:

- Risks related to the quality of service provided to the users.
- Risks related to the physical damage to infrastructure, essentially those due to natural catastrophes.
- Environmental risks.
- Social and political and regulatory risks.
- Financial risks: Exposure to exchange rate changes in activities abroad and changes in the interest rates in infrastructure financing.

7. Events Subsequent to Year-End

- On 18 January 2012, the maturity date of the financing granted to Invesrora de Autopistas del Sur, S.L. in relation to motorway Radial 4 in an amount of EUR 548 million was extended to 27 February 2012, and was then extended again on that date to 27 April 2012. This debt is currently undergoing a refinancing process with the financial institutions involved.

The changes in the expropriation processes and the continuous decline in traffic of that project have not enabled the debt related to that project to be refinanced, which is why in 2012 successive debt non-enforcement agreements have been executed, first until 27 February 2012, and then to 27 April 2012.

- On 3 January 2012, Cintra Holding Us Corp has sold an additional 19% of Cintra ITR to Ferrovial US, Corp. for a total of EUR 15.3 million (USD 19.8 million). This sale has entailed an additional 9.31% decline in Cintra Infraestructuras, S.A.'s indirect ownership interest in the concession operator Indiana Toll Road (ITR) to the 15.19% that had already been sold in 2011.
- The government of Andalucía's Public Works Agency has awarded Cintra the Autovía del Almanzora A-334 motorway between the district of Purchena and Autovía del Mediterráneo A-7 motorway, with a total length of 41.4 kilometres. The contract includes the design, construction and optional management of 3 stretches, of 15.9 kilometres; and preservation and operation of Autovía A-334 motorway, between the districts of Purchena and Huércal-Overa The concession period is 30 years, from the execution of the agreement and entails a total investment of EUR 145 million.

On 15 March Cintra signed the administrative concession contract for the construction, preservation, maintenance and operation of the stretch of Autovía del Almanzora motorway running between Purchena and the Autovía del Mediterráneo (A-7) motorway.

For the construction of this stretch, Cintra will have Ferrovial Agroman's collaboration and will have an execution term of 46 months in which to design and execute the infrastructure. The construction of these new stretches of road that run through the province of Almería would require a EUR 145 million investment. The works are expected to begin in early 2013, when the construction project is approved by the provincial government's Public Works Agency.

- Cintra Infraestructuras has been selected as Preferred Proponent to design, construct, finance and do maintenance of the first phase of the Highway 407 East Extension, an extension towards the east of road 407 ETR in Ontario, Canada. The payment for availability concession will last for 30 years as of completion of the construction phase. The new motorway is expected to open to traffic by the end of 2015.

In the coming months, the project's financing is expected to have been finalised. The construction works will be directed by Ferrovial Agroman and its partner SNC-Lavalin.

- On 6 February 2012 Autema was notified of the ruling entered by the Central Economic Administrative Court in the session held 31 January 2012, accepting the claim filed by that company against the agreement that dismissed the appeal filed against the assessment agreement issued by the Regional Delegation of Tax Audits of the Tax Authority's Special Delegation of Cataluña, dated 23 December 2009 for value-added tax; the abovementioned ruling annuls the settlement agreement challenged and issued by the Tax Authority's Special Delegation of Cataluña with regard to the value-added tax of the toll compensations of Generalitat Cataluña for 2004 and 2005, considering that the toll compensations received cannot constitute or form part of the value-added tax base as they fail to meet the prerequisites required in European community case law to do so. Consequently, the abovementioned Court has agreed to accept the claim, declaring the challenged administrative act to be null and void. Given the above, in 2012 the Company will reverse all provisions set to that effect, which total EUR 19,934 thousand, as well as request the reimbursement of the surety provided to the Tax Authority.
- On 1 March 2011, a lease agreement was signed regarding the Company's offices between Mutua Madrileña Automovilística, S.S.P.F. and Cintra Infraestructuras, S.A. The agreement was entered for a five-year period, through 1 March 2017.

CINTRA INFRAESTRUCTURAS, S.A.

SIGNATURES

The above Financial Statements, which constitute a single document, and which include the Balance Sheet, the Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes for reporting period 2011, as well as the Directors' Report for that period, correspond to CINTRA INFRAESTRUCTURAS, S.A. and have been submitted for their preparation to the Company's Board of Directors at their meeting on 29 March 2012, and consist of 128 sheets of ordinary paper numbered 1 to 122, all of them signed by the Board of Directors' Secretary and with all directors or their representatives signing this last page; these Financial Statements have been unanimously approved by all those present at the meeting.

To comply with the provision set forth in section 253 of the Spanish Companies Law – Royal Decree-Law 1/2010 of 2 July, each and every member of the Company's Board of Directors has signed the Financial Statements and the Director-Secretary has endorsed each one of the pages.

Mr. Íñigo Meirás Amusco

Mr. Enrique Díaz-Rato Revuelta

Mr. Ernesto López Mozo

Mr. Santiago Ortiz Vaamonde

Mr. Javier Romero Sullá

Madrid, 29 March 2012

CINTRA INFRAESTRUCTURAS, S.A.

Individual Financial Statements for 2010

CINTRA INFRAESTRUCTURAS, S.A.

SUMMARISED FINANCIAL STATEMENTS FOR FISCAL YEAR 2010

Financial Statements

Notes to the Financial Statements

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CINTRA INFRAESTRUCTURAS, S.A.

BALANCE SHEET AT 31 DECEMBER 2010
(Euros)

ASSETS	Notes	2010	2009
NON-CURRENT ASSETS		**1,104,204,808**	**1,078,518,209**
Intangible assets	6	**—**	**1,328**
Property, plant and equipment	7	**1,269,118**	**1,843,709**
Non-current investments in Group companies and associates		**920,004,754**	**1,066,479,328**
Equity instruments	9	917,111,963	1,056,396,583
Loans to companies	11	2,892,791	10,082,745
Non-current financial assets		**393,211**	**235,001**
Other financial assets		393,211	235,001
Deferred tax assets	18	**182,537,725**	**9,958,843**
CURRENT ASSETS		**1,059,034,691**	**1,066,643,038**
Non-current assets classified as held for sale	10	**12,534,728**	**304,911,967**
Trade and other receivables		**43,607,575**	**17,599,626**
Trade receivables for sales and services	12	1,632,154	2,020,452
Receivables from Group companies and associates	12	22,183,665	12,553,194
Sundry accounts receivable		154,651	34,095
Employees	12	578,413	—
Current tax assets (under tax consolidation)	24.b	14,415,785	182,144
Other accounts receivable from public authorities	24.a	4,642,907	2,809,741
Current investments in Group companies and associates		**988,587,623**	**721,861,690**
Loans to Group companies and associates	11	584,850,213	710,157,624
Other financial assets	12.c	403,737,409	11,704,066
Current financial assets		**2,067,976**	**306,843**
Other financial assets		2,067,976	306,843
Current accruals and deferred income		**16,193**	**114,382**
Cash and cash equivalents	14	**12,220,597**	**21,848,530**
TOTAL ASSETS		**2,163,239,499**	**2,145,161,247**
EQUITY AND LIABILITIES			
EQUITY		**1,923,408,843**	**1,845,163,726**
Shareholders' equity	15	**1,930,739,110**	**1,846,911,295**
Share Capital		153,764,357	153,764,357
Share premium		1,625,066,212	1,625,066,212
Reserves		30,752,871	—
Profit for the year		315,383,435	404,871,009
Interim dividend		(195,000,000)	(337,358,999)
Other equity instruments		772,235	568,716
Adjustments for changes in value	13	**(7,330,267)**	**(1,747,569)**
NON-CURRENT LIABILITIES		**207,069,613**	**135,682,792**
Long-term provisions	16	**118,160,538**	**68,143,325**
Other provisions		118,160,538	68,143,325
Non-current payables	13	**26,220,283**	**14,695,266**
Derivatives		26,220,283	14,695,266
Non-current payables with Group companies and associates	19	**37,063,602**	**13,200,000**
Deferred tax liabilities	20	**25,625,190**	**39,644,201**
CURRENT LIABILITIES		**32,761,044**	**164,314,729**
Current payables	18	**13,029**	**13,104**
Bank borrowings:		13,029	13,104
Current payables with Group companies and associates		**22,272,679**	**81,795,990**
Loans to Group companies and associates	19	22,064,326	79,216,436
Other financial liabilities		208,353	2,579,554
Trade and other payables		**10,466,770**	**82,496,498**
Payable to suppliers	18	5,170,592	3,050,879
Payables to suppliers – Group companies and associates	18	1,556,652	21,425,117
Employees		3,331,285	—
Current tax liabilities (under tax consolidation)	24	—	58,015,041
Other accounts payable to public authorities		408,242	5,461
Current accruals and deferred income		**8,565**	**9,137**
TOTAL EQUITY AND LIABILITIES		**2,163,239,499**	**2,145,161,247**

The accompanying Notes 1 to 35 in the Financial Statements are an integral part of the Balance Sheet for reporting period 2010.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CINTRA INFRAESTRUCTURAS, S.A.

INCOME STATEMENT FOR FISCAL YEAR 2010
(EUROS)

	Notes	2010	2009
CONTINUING OPERATIONS			
Revenue	22	**815,580,427**	**96,295,451**
Provision of services		62,015,263	31,293,574
Dividends from Group companies		733,451,756	58,300,000
Profits Group companies		20,113,408	6,701,877
Other operating income		**1**	**1,706,035**
Non-core and other current operating income		1	1,706,035
Staff costs		**(17,641,292)**	**—**
Wages, salaries and similar expenses		(16,051,107)	—
Employee benefit costs		(1,590,185)	—
Other operating expenses	22	**(44,752,700)**	**(32,148,355)**
Outside services		(44,721,147)	(32,131,809)
Taxes other than income tax		(31,553)	(16,546)
Depreciation and amortisation charge	6,7	**(441,073)**	**(128,846)**
Impairment and gains or losses on disposals		**(160,602)**	**(206,347)**
Gains or losses on disposals and others	8	(160,602)	(206,347)
Other profit (loss)	22	**(4,830,263)**	**(10,699,862)**
PROFIT FROM OPERATIONS		**747,754,498**	**54,818,076**
Finance income		**17,944,260**	**1,125,487**
From marketable securities and other financial instruments		17,944,260	1,125,487
From Group companies		—	53,936
Third parties		17,944,260	1,071,551
Finance costs		**(41,804,204)**	**(26,925,408)**
On debts to Group companies and associates		(13,547,507)	(13,754,094)
On debts to third parties		(28,256,697)	(13,171,314)
Exchange differences		**(298,754)**	**(1,212,037)**
Change in fair value of financial instruments		**(3,549,732)**	**14,691,006**
Negotiation portfolio and others	12	(3,549,732)	14,691,006
Impairment and gains or losses on disposals of financial instruments		**(581,153,182)**	**398,901,203**
Gains or losses on disposal of financial instruments	23	37,245,279	399,564,596
Impairment and losses	9,11,21	(618,398,461)	(663,393)
FINANCIAL PROFIT (LOSS)	23	**(608,861,612)**	**(12,984,345)**
PROFIT BEFORE TAX		**138,892,886**	**441,398,327**
Corporate taxes	24	176,490,549	-36,775,504
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**315,383,435**	**404,622,823**
Profit/Loss of reporting period from discontinued operations net of tax	10	—	248,186
PROFIT FOR THE YEAR		**315,383,435**	**404,871,009**

The accompanying Notes 1 to 35 in the Financial Statements are an integral part of the Income Statement for reporting period 2010.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CINTRA INFRAESTRUCTURAS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2010

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR FISCAL YEAR 2010 (EUROS)

	2010	2009
Balance of the Income Statement	**315,383,435**	**404,871,009**
Income and expenses recognised directly in equity	**(6,775,876)**	**(1,695,783)**
On cash flow hedging	(9,679,822)	(2,422,547)
Tax effect	2,903,946	726,764
Transfers to profit or loss	**1,193,177**	**(51,786)**
On cash flow hedging	1,704,537	(73,980)
Tax effect	(511,361)	22,194
TOTAL RECOGNISED INCOME AND EXPENSE	**309,800,736**	**403,123,440**

The accompanying Notes 1 to 35 are an integral part of the Statement of Recognised Income and Expense Expenses for reporting period 2010.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CINTRA INFRAESTRUCTURAS, S.A.

B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR FISCAL YEAR 2010 (EUROS)

	Authorised capital	Share premium	Legal reserve	Profit(loss) for the year	Interim dividend	Other equity instruments	Adjustments for changes in value	TOTAL
BALANCE AT BEGINNING OF FISCAL YEAR 08/06/2009	—	—	—	—	—	—	—	—
Segregation	**153,704,255**	**1,625,066,212**	—	—	—	—	—	**1,778,770,467**
I. Total recognised income and expense	—	—	—	**404,871,009**	—	**270,053**	**(1,747,569)**	**403,393,493**
II. Transactions with members or owners	—	—	—	—	**(337,358,999)**	—	—	**(337,358,999)**
– Capital increases	60,102	—	—	—	—	—	—	60,102
– Dividends paid	—	—	—	—	(337,358,999)	—	—	(337,358,999)
III. Other changes in Equity	—	—	—	—	—	**298,663**	—	**298,663**
2009 CLOSING BALANCE	**153,764,357**	**1,625,066,212**	—	**404,871,009**	**(337,358,999)**	**568,716**	**(1,747,569)**	**1,845,163,726**
I. Total recognised income and expense	—	—	—	**315,383,435**	—	—	**(5,582,699)**	**309,800,736**
II. Transactions with members or owners	—	—	**30,752,871**	**(404,871,009)**	**142,358,999**	—	—	**(231,759,139)**
– Distribution of 2009 profit/loss	—	—	30,752,871	(404,871,009)	374,118,138	—	—	—
– Dividends paid	—	—	—	—	(231,759,139)	—	—	(231,759,139)
III. Other changes in Equity	—	—	—	—	—	**203,520**	—	**203,520**
2010 CLOSING BALANCE	**153,764,357**	**1,625,066,212**	**30,752,871**	**315,383,435**	**(195,000,000)**	**772,236**	**(7,330,267)**	**1,923,408,843**

The accompanying Notes 1 to 35 in the Financial Statements are an integral part of the Statement of Changes in Total Equity for reporting period 2010.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CINTRA INFRAESTRUCTURAS, S.A.

STATEMENT OF CASH FLOWS FOR FISCAL YEAR 2010
(Euros)

	Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before tax (a)		315,383,436	441,752,880
Profit(loss) adjustments		-139,272,007	-451,246,935
Changes in working capital		2,337,919	7,240,553
Other cash flows from operating activities		-181,417,586	-2,358,950
Other cash flows from operating activities	25	**-2,968,238**	**-4,612,452**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Collection (payments) due to investment		195,759,227	-4,322,818
Cash flows from investment activities	26	**195,759,227**	**-4,322,818**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments relating to equity instruments		-75	-391
Proceeds and payments relating to financial liability instruments		29,340,291	36,211,816
Dividends and returns on other equity instruments paid		-231,759,139	-337,358,999
Cash or equivalents from Segregation	2		331,871,289
Cash flows from financing activities	27	**-202,418,923**	**30,723,715**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**-9,627,933**	**21,788,445**
Cash and cash equivalents at beginning of year		**21,848,530**	**60,085**
Cash and cash equivalents at end of year		**12,220,597**	**21,848,530**

(a) The profit/loss for reporting period 2009 includes the profit/loss from discontinued operations in the amount of EUR 354,552.

The accompanying Notes 1 in 35 to the Financial Statements are an integral part of the Statement of Cash Flows for reporting period 2010.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CINTRA INFRAESTRUCTURAS, S.A.

FINANCIAL STATEMENT FOR FISCAL YEAR 2010

1. Business activity

Cintra Infraestructuras, S.A., hereinafter Cintra or the Company, the parent company of the Cintra Group, was incorporated on 8 June 2009 as a public limited liability company.

The purpose of its incorporation was the contribution of shares of Cintra Concesiones de Infraestructuras de Transporte, S.A. to the Company through segregation as part of a company reorganisation transaction aimed at the merger of Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transporte, S.A. Such segregation consisted of the transfer en bloc of the shares held by Cintra Concesiones de Infraestructuras de Transporte, S.A. in the concession operators (except for Cintra Aparcamientos, S.A. and the controlled concession operators in Greece), at the Company's carrying amount at 30 June 2009.

The Company's registered office is at Plaza Manuel Gómez Moreno, nº 2, Edificio Alfredo Mahou, 28020 Madrid. The Company is registered before the Commercial Registry of Madrid, in Book 26,795, Folio 8, 8th Section of the Companies Book, Page M-482817, 1st entry, with CIF (Tax Identification Code) A-85716215.

Cintra belongs to a group whose parent company is Ferrovial, S.A., which holds a direct and indirect 100% ownership interest in the Company and has prepared consolidated and individual Financial Statements for reporting period 2010 dated 22 February 2011, which are pending approval by the Annual General Meeting. The consolidated financial statements for fiscal year 2009 were approved by the Annual General Meeting of Grupo Ferrovial on 29 June 2010 and filed with the Commercial Registry of Madrid.

According to the Company bylaws, its corporate purpose is mainly related to the following activities: design, construction, execution, operation, management, financing, administration and maintenance of all types of infrastructure and public and private works, as well as of all kinds of services associated with urban and inter-urban transport infrastructure.

The abovementioned activities are carried out by Cintra, either totally or partially, through the involvement of other companies, groups or consortia with similar corporate purposes and domiciled either in Spain or in other countries overseas.

Therefore, the Company's main activity consists in leading, coordinating and managing all of the foregoing activities.

2. Basis of presentation

a) Financial reporting regulatory framework applicable to the Company

These financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code and all other Spanish corporate law.
- The Spanish National Chart of Accounts (PGC 2007, as per the Spanish acronym) approved by Royal Decree 1514/2007.
- The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- All other applicable Spanish accounting legislation.

b) Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2010.

2010 Financial Statements

These financial statements, prepared by Company Directors, will be submitted for approval by the General Shareholders' Meeting, estimating its approval with no amendments. Similarly, the financial statements for reporting period 2009 were approved by the Universal Annual General Meeting held on 25 May 2010.

The amounts included in the documents making up these financial statements are stated in euros.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles have been applied.

d) Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Notes 6, 7, 9 and 11).
- The life and amortisation criteria of tangible assets (see Notes 6 and 7).
- Calculation of provisions (see Note 16).
- Market value of certain financial instruments (see Note 13).
- The recoverability of deferred tax assets and liabilities (see Note 20).

Although these estimates were made on the basis of the best information available at 2010 year-end, future events might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would then be applied prospectively.

e) Comparative information

On 24 September 2010 Royal Decree 1159/2010, dated 17 September, was published in the Official Bulletin, introducing some amendments to the Spanish Chart of Accounts approved by Royal Decree 1514/2007.

According to the established transition rules, these amendments have been applied prospectively as from 1 January 2010, without them having had any significant impacts. As permitted by these rules, the Company also opted to present comparative information without adapting it to the new rules and, therefore, these financial statements are considered to be initial financial statements for the purposes of the principles of consistency and comparability.

These Financial Statements include the figures for reporting periods 2010 and 2009. The period to which the 2009 Financial Statements refer is the one between 8 June and 31 December 2009; therefore, it does not entail an entire fiscal year.

The investment in the company Trados 45, S.A. has been reclassified in reporting period 2010 as non-current asset held for sale (transaction finalised in January 2011).

In fiscal year 2009, Cintra Chile, Ltd. was considered as a non-current asset held for sale according to the Company's policy of implementing a specific disinvestment plan. In fiscal year 2010 a total of 60% of the shareholding in Cintra Chile, Ltda. was sold and the remaining 40% was presented as an associate. The outcome of the sale of this shareholding was recognised as a financial result in the income statement (Profit/loss on disposal of financial instruments" in the income statement.).

For comparison purposes, the result of the sale of Autema, S.A. to Inversora de Autopistas de Cataluña, S.L. in fiscal year 2009 was classified under the same item.

f) Grouping of items

In order to better understand the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows, these financial statements are grouped together, including the analyses required in the notes accompanying the financial statements.

g) Changes in accounting principles

No significant changes were introduced to accounting principles during 2010 compared to those applied in the 2009 reporting period.

h) Correction of errors

No significant errors were detected in the preparation of the accompanying financial statements requiring a restatement of amounts included in the 2009 financial statement.

i) Consolidation effect

The Company voluntarily prepares its financial statements on a consolidated basis as it is the parent company of a consolidated group, as per the International Financial Reporting Standards. Pursuant to Article 43 of the Commercial Code, the Company could claim the right to be exempted from the obligation of preparing consolidated financial statements since the parent company Ferrovial, S.A. prepared consolidated financial statements on 23 February 2011. The Company is fully consolidated with the Ferrovial Group through the Full Consolidation Method. None of Cintra Group companies are listed companies.

Therefore, the Company's individual financial statements do not show any equity increase or decrease that would result from applying consolidation criteria by fully integrating the majority shareholdings and accounting criteria following the equity method for the remaining significant shareholdings.

Grupo Cintra's financial statements under consolidation as per the International Financial Reporting Standards show a consolidated equity attributable to the parent company at 31 December 2010 tantamount to EUR 3,762,193 thousand, with a profit attributable to the parent company equal to EUR 3,690,072 thousand, assets for EUR 12,374,222 thousand and the rest of liabilities for 8,612,029 thousand.

3. Distribution of profit

The proposal for 2010 distribution of profit to be submitted to the Annual General Meeting is as follows:

Item	Euros
Distribution base	
Profit for the year	315,383,434.95
Distribution	
Interim	315,383,434.95
Total	**315,383,434.95**

The breakdown for the distribution of profit is the following:

- No provisions for legal reserve are proposed since they are fully covered as per the legal requirements set out in the Companies Law.
- The distribution of dividend proposed is EUR 315,383,434.95, of which EUR 195,000,000 have been distributed as interim dividend for fiscal year 2010. Therefore, the difference of EUR 120,383,434.95 will be distributed when so agreed at the Annual General Meeting.

  As for interim dividends, on 30 June, 30 September and 23 December 2010, the Company Board of Directors resolved that, based upon the liquidity statement approved on said dates, interim dividends from reporting period 2010 should be paid in the amount of EUR 65,000,000, EUR 20,000,000 and EUR 110,000,000 respectively.

The provisional financial statements prepared pursuant to Article 277 under the Companies Law evidenced sufficient liquidity and proceeds to that end.

The interim liquidity statement one year after the approval of the distribution of interim dividend is as follows:

(Millions of euros)

Item	30/06/10	30/09/10	23/12/10
Cash on hand on dividend distribution date	65	40	544
Collection forecast for the period	913	899	161
Payment forecast for the period	-330	-282	-251
Interim dividend payment forecast	-65	-20	-110
Cash on hand	**584**	**637**	**344**

Said financial statements also showed that the Company's net profit was as follows:

(Millions of euros)

Item	30/06/10	30/09/10	23/12/10
Temporary profit for the year after tax	78	192	317
Legal reserve	—	—	—
Distributable temporary profit for the year	**78**	**192**	**317**

The provisional profit reported by the Directors indicated that the amount to be distributed did not exceed the amount of profit earned since the end of the last period closed, after deducting the estimated tax amounts chargeable thereon and after allocation to the obligatory reserve, when applicable.

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2010 and 2009, in accordance with the Spanish Chart of Accounts, were as follows:

a) Intangible fixed assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently valued at cost net of the relevant accumulated amortisation and impairment losses, if applicable. Said assets are amortised according to their life.

Computer software

Software licences acquired from third parties are capitalised according to acquisition or development costs and those related to preparing the asset for its intended use. They are subsequently valued at their cost minus their corresponding accumulated amortisation and impairment loss. Such costs are amortised during their estimated life within a three-year period.

Computer software upkeep and maintenance expenses are expensed currently.

At the end of each reporting period or whenever there are indications of impairment, the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

At 31 December 2010 and 2009 no impairment on intangible assets had been registered.

b) Property, plant and equipment

Property, plant and equipment is recognised at its acquisition price or production cost minus the accumulated depreciation and the total amount of recognised losses.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Property, plant and equipment depreciation is systematically calculated based on the straight-line method according to their estimated life and taking into account their actual depreciation as a result of the operation and use thereof.

Property, plant and equipment owned by the Company includes both furniture and fixtures as well as data processing equipment with a life of 10 and 3 years respectively.

Assets subject to depreciation undergo impairment loss tests if a certain event or change in circumstances indicates that the carrying amount may not be recovered.

At 31 December 2010 and 2009 no impairment on property, plant and equipment had been registered.

c) Non-current assets classified as held for sale

The Company classifies a non-current asset or disposable group as held for sale when its sale has already been decided, estimating its occurrence within the next twelve months.

These assets or disposable groups are carried at the lower of the accounting cost or the fair value, net of necessary costs for sale.

Non-current assets classified as held for sale are not amortised, but the corresponding valuation changes are carried at the date of each balance sheet so the accounting value does not exceed the fair value net of sale costs.

Income and expenses generated by non-current assets and disposable groups of elements classified as held for sale, that do not qualify as interrupted transactions are charged to the relevant caption of the corresponding income statement, according to their nature.

The Company will classify a non-current asset as held for sale if its carrying amount can be mainly recovered through the sale thereof rather than through its continuous use and provided that the following requirements are fulfilled:

a) The asset must be available for its immediate sale under its current condition, subject to ordinary and regular terms applicable to the sale thereof; and

b) Its sale must be highly plausible due to the concurrence of the following circumstances:

- b1) The Company must be bound by a plan to sell the asset concerned and must have started a programme to find a purchaser and thus finalise the plan.
- b2) The sale of the asset must be actively negotiated at an adequate price according to its current fair value.
- b3) The sale is expected to be finalised within one year after the date of classification of the asset as held for sale unless, due to events and circumstances beyond the Company's control, the term for sale must be extended, there being sufficient grounds to believe that the Company remains bound by the plan to sell the asset in question.
- b4) The actions to finalise the plan indicate that no significant changes to the plan are likely to occur or that the latter is likely to be cancelled.

In 2010 the Company classified the investment made in Autopista Trados 45, S.A. under non-current assets held for sale. In 2009 the Company classified the investment in Cintra Chile as non-current asset held for sale.

d) Leases

Finance leases

Leases are classified as finance lease provided that their conditions imply that the risks and benefits inherent to the property of the assets subject matter of the contract are materially transferred to the lessee. All other leases are classified as operating leases. The Company does not hold any finance lease agreements at 31 December 2010 and 31 December 2009.

Operating leases

Income and expenses derived from operating lease agreements are posted to the income statement in the reporting period when accrued.

Any collection or payment that may be made when entering an operational lease will be considered as an advanced collection or payment that will be allocated to profits/losses over the term of the lease, as benefits of the leased asset are assigned or received.

e) Financial instruments

Loans and receivables

Financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

These financial assets are initially carried at their fair value, including directly associated transaction costs. They are subsequently carried at amortised cost recognising accrued interest according to their effective interest rate, understood as the discount rate that matches exactly the initial payments of the instrument with all of its estimated cash flows until maturity thereof. Notwithstanding the foregoing, trade receivables maturing within one year are carried at their face value, either upon their initial recognition or later on, provided that the effect of not discounting cash flows is not material.

If at year-end there is objective evidence that not all amounts receivable will be collected, the necessary impairment losses are recognised.

Investments held until maturity

Financial assets held until their maturity date represent debt securities with a specific maturity date and identifiable amounts receivable, which are traded in an active market and which the Company has the firm intention and ability to hold until the date of maturity thereof.

The valuation criteria applied to these investments are the same as those for loans and receivables.

Equity investments in Group companies, associates and jointly-controlled entities

Group companies are deemed to be those related to the Company as a result of a control relationship, while associates are companies over which the Company exercises significant influence. Jointly-controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

The initial recognition is determined as follows:

Financial assets are initially registered at the fair value of the consideration plus transaction costs directly attributed to them.

For investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement.

The subsequent recognition is determined as follows:

Investments in Group companies and associates and interests in jointly-controlled entities are measured at cost net of any accumulated impairment losses, where appropriate. These adjustments are calculated as the difference between their carrying amount and their recoverable amount. Recoverable amount is the higher of fair value less sales costs and the present value of the future cash flows from the investment. The effective value of cash flows is generally calculated based on the updated Financial Economic Models (EFM) corresponding to the concessions in which the Group participates or taking into account any potential investment risks or contingencies. Exceptionally, if no better evidence exists about the recoverable amount, the controlled entity's equity is then considered, after adjustment by the current unrealised gains on the valuation date, including goodwill, if any.

The forecast cash flows for the shareholder are discounted at an estimated cost of capital (ranging from 8.90% to 11.87%) based on a risk-free rate referenced to a 30-year bond, taking into account the location of each concession operator, a beta coefficient reflecting the company's leverage and asset risk, and an estimated market premium of 5.5%.

Projections are prepared based on the financial and economic models updated by the companies that imply a cash generating unit based on the information coming from abroad.

When an impairment loss from a cash-generating unit, to which part or an entire goodwill was assigned, is to be recognised, the carrying amount of the goodwill corresponding to said unit is first reduced. When an impairment exceeds its amount, the other cash-generating assets are then reduced according to their book value to the limit of the higher value among its fair value less sale costs, its value in use and zero.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Said reversal for a value impairment loss is recognised as income.

The Company derecognises the financial assets upon expiration or when the rights on cash flows of said financial assets are transferred together with substantial risks and benefits inherent to ownership.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

f) Derivative financial instruments and accounting hedging

The Company uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed. Basically, these risks relate to changes in currency exchange rates. Within the context of such transactions, the Company trades hedging financial instruments.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80% to 125% of the gain or loss on the hedged item.

The Company applies the following type of hedge, which is booked as described below:

- Fair value hedges: In this case, changes in the value of the hedging instrument and the covered entry attributable to the hedged risk are entered in the income statement.
- Cash flow hedges: In this type of hedging, the portion of profit or loss of the hedging instrument established as effective hedge will be temporarily recorded in the shareholders' equity, and it will be allocated to the income statement in the years in which the expected hedged transaction impacts on the profit/loss, unless the hedge pertains to an expected transaction that ends in the recording of a non-financial asset or liability; in that event, the amounts entered in the shareholders' equity will be included in the cost of the asset or liability when acquired or incurred.

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

The Company tries to avoid any speculative holdings and restrains exchange rate and interest rate risks.

The exchange rate risk hedging policy is aimed at ensuring that foreseeable cash flows are not affected by exchange rate fluctuations. Thus, hedges are allocated to the following transactions:

- Multiple foreign currency projects regarding future transactions. Such projects refer to payments and collections made in different currencies. In this case, the hedge is intended to ensure that the transaction profit (difference between collections and payments) is not affected by exchange rate fluctuations.
- Profit earned from foreign subsidiaries and dividends or capital reimbursements that are expected to be collected from said subsidiaries. The aim in this case is to hedge short and long term cash flows.

Hedge accounting

Exchange rate derivatives have been allocated as hedging instruments to offset cash flow variations in the case of items that qualify as hedged captions. The items that qualify as hedged captions and highly probable transactions are future flows from the concession operator 407 ETR Concesión Company Limited, future American dollar-denominated capital contributions and hedged sale flows (10% 407 ETR Concesión and 60% Cintra Chile, Ltd). Said foreign exchange risk hedge is deemed a cash flow hedge. The profit or loss derived from the hedging instrument deemed efficient is temporarily recognised in the equity and charged to the income statement for the reporting period(s) in which the hedged transaction may affect the period's profit(loss).

g) Equity

The share capital is represented by ordinary shares. The cost of issuing new shares or options is charged directly to equity, under lower reserves.

h) Financial liabilities

Accounts payable

Financial liabilities are Company debts and accounts payable from the purchase of goods and services through trade operations, or those which not coming from trade operations, cannot be considered as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

i) Current and deferred taxes

Income tax expenses or income include the portion of expense or income for the current tax and the portion corresponding to expense or income for deferred tax.

The current tax is the amount the Company pays for income tax for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

The Company pays taxes under the consolidated tax scheme, being part of the Consolidated Tax Group which parent company is Ferrovial, S.A., the entity responsible for the submittal and settlement of the Corporate Tax.

j) Employee benefits

The employees working for Cintra prior to the merger and after the segregation, described in Note 1, were transferred from Ferrovial, S.A. to Cintra Infraestructuras on 1 January 2010, although all staff costs were invoiced from 1 July 2009 to 31 December 2009.

Share-based payment

The parent company, Ferrovial, S.A., has provided Cintra Infraestructuras, S.A. employees with a share-based compensation plan payable in Ferrovial, S.A. shares. Thus, on the one hand, the Company recognises the services rendered by its employees in exchange of stock options as an expense incurred upon their receipt and reinvoiced by Ferrovial, S.A. and, on the other, it recognises the corresponding increase in equity. The total amount charged to expense during the accrual period is determined based on the fair value of the stock options granted.

The Compensation Systems paid through stock option plans are measured at fair value when the options are initially granted using a financial method based on an improved binomial model, taking into account the exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and the assumptions made to incorporate the effects of expected early exercise. The initial fair value is not subsequently revised. This fair value is recognised under "Staff Costs" in proportion to the stipulated period of time during which the employee must remain at the company, with a balancing entry in equity.

There are no compensation systems in place linked to the evolution of stocks being paid in cash.

Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

Benefits and bonus plans

The Company recognises an item under liabilities and an expense for the payment of bonuses and benefits based on a formula that takes into account the proceeds attributable to shareholders after certain due adjustments. The Company recognises a provision when contractually bound or when past practice has created an implicit obligation in this regard.

k) Provisions and contingencies

In preparing its financial statements, the Company makes a distinction between:

a) Provisions: Credit balances covering current obligations derived from past events or future risks, whose settlement may trigger an outflow of resources, but whose amount and/or time of settlement has not yet been established.

b) Contingent liabilities: Possible obligations derived from past events, whose future materialisation depends on whether one or more future events will take place or not, regardless of Company's will.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements unless they are deemed feasible. Instead, they are reported in the notes accompanying the financial statements.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Third party compensation received upon settling an obligation, provided such reimbursement is to be received, is recorded as an asset, except in case of legal bond whereby part of the risk was externalised, and according to which the Company is not liable; in such a situation, the compensation should be used to estimate the amount, if any, of the corresponding provision.

l) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

As to income from services, they are recognised considering the level of completion of such service at the balance sheet date, provided the transaction result can be reliably estimated.

Provision of services

The Company renders design, construction, performance, operation, management, administration, financing and maintenance services relating to ally types of infrastructure and public and private works. These services are delivered based on a specific date and service or else on a fixed-price contractual basis.

Income earned from contracts concerning specific dates and services are recognised at the rate established in such contracts as the staff effectively carries out their work and direct expenses are incurred.

Should any events arise that may modify the initially estimated ordinary income, costs or degree of progress, said estimates are then reviewed. Reviews may result in the increase or decrease of the estimated income and costs and are posted to the income statement for the reporting period in which the circumstances triggering such reviews have become known by the management.

Interest income

Interest income is recognised by applying the effective interest rate method. When a receivable is affected by a value impairment loss, the Company reduces its carrying amount to its redeemable amount, discounting future cash flows estimated at the instrument's effective interest rate and keeps carrying the discount as less interest income. Interest income derived from loans registering losses due to value impairment is recognised by applying the effective interest rate method.

Dividend income

Dividend income is recognised as income in the income statement when the right of collection is established.

Interest income from Group companies and dividend income are recognised under the caption "Net revenue" according to the inquiry contained under BOICAC 79.

m) Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign Currency Transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

n) Transactions with related parties

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

o) Environment

In view of the business activities currently performed by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

p) Current/Non-current classification

Current assets are considered to be those related to the normal cycle of operations that is generally deemed to be one year, as well as other assets the expiry, disposal or realisation of which is expected to take place in the short term as from year-end, financial assets held for negotiation, except for financial derivatives the liquidation term of which exceeds one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.

Likewise, current liabilities are those related to the normal cycle of operations, financial liabilities held for negotiation, with the exception of the financial derivatives the liquidation term of which exceeds one year and in general all obligations that will expire or be extinguished in the short term. If this is not the case, they are classified as non-current.

5. Financial risk management

a) Financial risk factors

The Company's activities are exposed to different financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the uncertainty in the financial markets and is geared to minimise the potential adverse effects of the Company's financial profitability. The Company applies derivatives to hedge certain risks.

Financial risk management is controlled by the Company's Treasury Department, which identifies, assesses and hedges financial risks pursuant to the policies approved by the Board of Directors. The Board provides written policies for overall risk management, as well as for specific issues such as exchange rate risk, interest rate risk, liquidity risk, using derivatives and non-derivatives and investing surplus cash.

Currency risk

The Company carries out international operations and, therefore, it is exposed to the exchange rate risk resulting from transactions performed in foreign currency, especially the US dollar, the Canadian dollar, the Chilean peso and the Polish zloty, as its activities are tied to such currencies. The exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in businesses abroad.

The Board has established a foreign currency exchange rate risk management policy regarding the functional currency. In order to manage the exchange rate risk derived from future business transactions and recognised assets and liabilities, term contracts arranged by the Treasury Department are used. Exchange rate risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency other than the Company's functional currency.

The Company has several investments in businesses abroad, the net assets of which are exposed to foreign currency translation risk. The exchange rate risk on the net assets of transactions carried out abroad is mainly managed through third party resources denominated in the corresponding foreign currencies.

Credit risk

Credit risk is managed by groups. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits held with banks and financial institutions, as well as from wholesale and retail customers, including outstanding receivables and binding transactions. As for banks and financial institutions, only those entities that have been independently classified with at least an "A" rating are accepted.

Liquidity risk

Carrying out a prudent management of the liquidity risk implies holding sufficient cash and marketable securities, as well as available financing through sufficient credit facilities and the capacity to settle market positions. Given the dynamic nature of the underlying businesses, the Company's Treasury Department intends to maintain flexible financing by using the credit lines undertaken.

The management follows up on the Company's liquidity reserves estimates, including credit (Note 18) and cash and cash equivalents availability (Note 14) according to estimated cash flows.

b) Estimate of fair value

The fair value of financial instruments not listed on an active market is determined through valuation techniques. The Company applies varied methods and carries out hypotheses based on current market conditions on each individual balance sheet date. In the case of non-current debt, market prices or quotations from securities dealers are used. In order to determine the fair value of the remaining financial instruments, other techniques are applied, such as estimated cash flow discounts. The fair value of term exchange rate contracts is established using the term exchange rate market value on the balance sheet date.

The carrying amount of credits and debits for trade receivables is assumed to be near its fair value. The fair value of financial liabilities for financial information presentation purposes is estimated by discounting future contractual cash flows at current market interest rate that the Company has available for similar financial instruments.

Any potential impairment is calculated by comparing the Company's carrying amount (own resources plus the Company's net goodwill) with its fair value, understood as the price at which the Company could be sold to independent parties, minus any costs arising from such sale and provided that such fair value is estimated on a reliable basis, that is, that the investee company is actively listed on a financial market or some transaction between independent parties exists that could be considered as a reference.

If the fair value cannot be estimated on a reliable basis or a potential impairment has been identified, then the fair value of the investee company is compared against the value in use obtained by discounting cash flows. In the case of concession operators with a financial structure independent of the Group's global structure and with a limited valid term, an assessment is carried out discounting estimated cash flows after tax collected by the shareholder until the expiry of the concession term, according to such companies' economic-financial plan. The economic-financial plan is revised annually, adding any new income, cost and investment estimations. Shareholder's forecasted cash flows are discounted at an estimated capital cost (between 8.90% and 11.87%) based on a risk-free rate referenced to a 30-year bond, a Beta coefficient reflecting the Company's leverage and asset risk, and an estimated market premium. In the case of motorway projects, no residual value is estimated since the models used consider the entire concession period. By contrast, with regard to car park projects, a residual value that includes growth and contract renewal is calculated.

6. Intangible assets

The breakdown and changes to "Intangible assets" (IT applications) during the reporting period 2010 and 2009 is as follow:

Item	Balance at 08/06/09	Segregation additions	Additions	Balance at 31/12/09	Additions	Disposals	Balance at 31/12/10
Cost	—	88,367	—	88,367	—	(88,367)	—
Accumulated amortisation	—	(85,854)	(1,185)	(87,039)	(936)	87,975	—
Carrying Amount	**—**	**2,513**	**(1,185)**	**1,328**	**(936)**	**(392)**	**—**

At 31 December 2010 all of the Company's intangible assets were derecognised since they were no longer used and were virtually fully amortised.

No impairment losses were recognised for any property, plant and equipment item during the reporting period.

7. Property, plant and equipment

The movements of the items included under "Property, plant and equipment" during 2010 and 2009 are as follows:

Item	Balance at 08/06/09	Segregation additions	Additions	Disposals	Balance at 31/12/09	Additions	Disposals	Balance at 31/12/10
Furniture	—	2,100,880	343,089	(251,282)	2,192,687	3,380	(300,388)	1,895,679
Computer hardware	—	458,066	9,840	—	467,906	26,148	(106,115)	387,939
Other items of property, plant and equipment	—	3,380	—	—	3,380	—	(3,380)	—
Total cost	**—**	**2,562,326**	**352,929**	**(251,282)**	**2,663,973**	**29,528**	**(409,883)**	**2,283,618**
Furniture	—	(394,476)	(88,086)	44,936	(437,626)	(353,279)	140,653	(650,252)
Computer hardware	—	(341,721)	(39,435)	—	(381,156)	(86,576)	103,484	(364,248)
Other items of property, plant and equipment	—	(1,340)	(141)	—	(1,481)	(282)	1,763	—
Total accumulated deprecation	**—**	**(737,537)**	**(127,662)**	**44,936**	**(820,263)**	**(440,137)**	**245,900**	**(1,014,500)**
Furniture	—	1,706,404	255,003	(206,346)	1,755,061	(351,662)	(157,972)	1,245,427
Computer hardware	—	116,345	(29,595)	—	86,750	(60,428)	(2,631)	23,691
Other items of property, plant and equipment	—	2,040	(141)	—	1,899	(282)	(1,617)	—
Carrying Amount	**—**	**1,824,789**	**225,267**	**(206,346)**	**1,843,709**	**(410,609)**	**(163,983)**	**1,269,118**

During reporting period 2010 furniture and fixtures were derecognised in the amount of EUR 300,388 since they were no longer used. Their amortised value on the date of derecognition was EUR 142,416. Such disposals resulted in a loss posted to the income statement amounting to EUR 157,972. Computer hardware was also derecognised in the amount of EUR 106,115 for not being in use any longer and almost fully amortised. This resulted in a loss of EUR 2,630 registered in the income statement.

At 31 December 2010, the Company had fully amortised computer hardware with an original cost of EUR 288,138, fully amortised and still in use.

The Company has taken out several insurance policies to cover the possible risks to which its property, plant and equipment may be subject. The coverage of these policies is considered sufficient.

No impairment losses were recognised for any property, plant and equipment item during the reporting period.

There are no property, plant and equipment items subjected to any guarantees or located abroad.

8. Operating leases

Con On 17 July 2008 Cintra Concesiones de Infraestructuras de Transporte S.A. signed a lease contract on the real property where its headquarters are located. After the segregation operation said contract was transferred over to the Company.

The initial valid term of said contract is five (5) years as for 18 July 2008, expiring in July 2013.

The annual lease as of 1 March 2009 is contractually set at EUR 1,678,104, to be annually updated as per the consumer price index variation (CPI) in Spain. The base value that will be subjected to review is €26/m²/month for the office premises and €170/month for car parks.

Should the initial lease term be extended, the current lease price will be updated to the market conditions.

As at 2010 year-end, the Company had reached an agreement with the lessors on the following minimum lease payments as per the current contracts in force, without considering their effect on common expenses, future increases due to CPI or future lease adjustments agreed upon under contract:

Operating leases	Nominal value
Minimum lease payments	
One-year	1,793,765
To the expiry term	2,772,621
Total	**4,566,386**

9. Non-current investments in Group companies and associates

Financial investment is one of the Company's core assets, accounting for 42% over the total. It is composed chiefly of ownership interest held in Group companies and associates.

A breakdown of the interest held in Group companies and associates is shown below. Annex I contains more detailed information regarding shareholding percentages and the domicile of each company.

None of the Group companies in which the Company holds an interest is listed.

The chart below shows the direct interest held by the Company in the various Group companies at 31 December 2010:

	2010			
Company	%	Investment	Outstanding disbursements	Net value
Autopista del Sol, S.A.	80.00%	198,777,348	—	198,777,348
Inversora de Autopistas del Sur, S.L.	55.00%	189,834,472	—	189,834,472
Inversora Autopistas de Levante, S.L.	52.36%	50,097,881	—	50,097,881
Euroscut Norte Litoral, S.A.	75.53%	57,219,805	—	57,219,805
Euroscut Algarve, S.A.	77.00%	19,912,221	—	19,912,221
Eurolink Motorway Operation Ltd M4	66.00%	2,805,132	—	2,805,132
Laertida, S.L.	100.00%	7,059,765	—	7,059,765
407 Toronto Highway BV	100.00%	369,126,105	—	369,126,105
Euroscut Açores, S.A.	89.00%	49,337,079	—	49,337,079
Via Livre, S.A.	84.04%	42,020	—	42,020
Cintra Autopistas Integradas, S.A.	100.00%	5,060,200	—	5,060,200
Autostrada Poludnie, S.A.	93.68%	43,047,046	(4,176,356)	38,870,690
Financinfraestructures Ltd.	100.00%	64,580,000	—	64,580,000
Cinsac, S.A.	100.00%	2,965,000	—	2,965,000
Algarve Internacional BV	77.00%	13,860	—	13,860
Autopista de Toronto, S.L.	100.00%	9,264,780	—	9,264,780
Cinca, S.A.	100.00%	6,020	—	6,020
TOTAL GROUP COMPANIES		**1,069,148,734**	**(4,176,356)**	**1,064,972,378**
Serrano Park, S.A.	50.00%	9,030,000	—	9,030,000
Cintra Chile, Ltda.	40.00%	121,964,990	—	121,964,990
TOTAL ASSOCIATES		**130,994,990**	**—**	**130,994,990**
TOTAL GROUP COMPANIES AND ASSOCIATES		**1,200,143,724**	**(4,176,356)**	**1,195,967,368**
IMPAIRMENT PROVISION				**(278,855,405)**
TOTAL EQUITY INSTRUMENTS				**917,111,963**

The chart below shows the direct interest held by the Company in the various Group companies at 31 December 2009:

	2009			
Company	**%**	**Investment**	**Outstanding disbursements**	**Net value**
Autopista del Sol, S.A.	80.00%	187,734,159	(956,811)	186,777,348
Inversora de Autopistas del Sur, S.L.	55.00%	181,826,472	—	181,826,472
Inversora Autopistas de Levante, S.L.	52.36%	49,737,999	—	49,737,999
Euroscut Norte Litoral, S.A.	75.53%	76,102,784	—	76,102,784
Euroscut Algarve, S.A.	77.00%	19,912,221	—	19,912,221
Eurolink Motorway Operation Ltd M4	66.00%	2,805,132	—	2,805,132
Laertida, S.L.	100.00%	7,059,765	—	7,059,765
407 Toronto Highway BV	100.00%	369,126,105	—	369,126,105
Euroscut Açores, S.A.	89.00%	37,105,596	—	37,105,596
Cintra Autopistas Integradas, S.A.	100.00%	5,060,200	—	5,060,200
Autostrada Poludnie, S.A.	90.00%	43,047,046	(4,024,657)	39,022,389
Financinfraestructures Ltd.	100.00%	64,580,000	—	64,580,000
Cinsac, S.A.	100.00%	—	—	—
Algarve Internacional BV	77.00%	13,860	—	13,860
Autopista de Toronto, S.L.	100.00%	9,264,780	—	9,264,780
Cinca, S.A.	100.00%	6,020	—	6,020
TOTAL GROUP COMPANIES		**1,053,382,139**	**(4,981,468)**	**1,048,400,671**
Autopista Trados 45, S.A.	50.00%	12,534,727	—	12,534,727
Serrano Park, S.A.	50.00%	521,385	—	521,385
TOTAL ASSOCIATES		**13,056,112**	**—**	**13,056,112**
TOTAL GROUP COMPANIES AND ASSOCIATES		**1,066,438,251**	**(4,981,468)**	**1,061,456,783**
IMPAIRMENT PROVISION				**(5,060,200)**
TOTAL EQUITY INSTRUMENTS				**1,056,396,583**

2010 Financial Statements

The movements of interest held in Group companies during the reporting period 2010 are as follows:

Company	Balance at 31/12/09	Additions	Disposals	Transfers	Balance at 31/12/10
Autopista del Sol, S.A.	187,734,158	11,043,189	—	—	198,777,347
Inversora de Autopistas del Sur, S.L.	181,826,472	8,008,000	—	—	189,834,472
Inversora Autopistas de Levante, S.L.	49,737,999	359,882	—	—	50,097,881
Autopista de Toronto, S.L.	9,264,780	—	—	—	9,264,780
407 Toronto Highway BV	369,126,105	—	—	—	369,126,105
Algarve International BV	13,860	—	—	—	13,860
Euroscut Norte Litoral, S.A.	76,102,784	—	(18,882,979)	—	57,219,805
Euroscut Algarve, S.A.	19,912,221	—	—	—	19,912,221
Euroscut Açores, S.A.	37,105,596	12,231,483	—	—	49,337,079
Via Livre, S.A.	—	42,020	—	—	42,020
Autostrada Poludnie, S.A.	43,047,047	—	—	—	43,047,047
Laertida, S.L.	7,059,765	—	—	—	7,059,765
Cintra Autopistas Integradas, S.A.	5,060,200	—	—	—	5,060,200
Eurolink Motorway M4	2,805,132	—	—	—	2,805,132
Cinsac	—	2,965,000	—	—	2,965,000
Financinfrastructures Ltd.	64,580,000	—	—	—	64,580,000
Cintra Inversora de Autopistas Cataluña,	6,020	—	—	—	6,020
Group companies	**1,053,382,139**	**34,649,574**	**(18,882,979)**	**—**	**1,069,148,734**
Serranopark, S.A.	521,385	8,508,615	—	—	9,030,000
Autopista Trados-45, S.A. (2)	12,534,728			(12,534,728)	—
Cintra Chile, Ltda. (1)	—	—	(182,946,977)	304,911,967	121,964,990
Associated companies	**13,056,113**	**8,508,615**	**(182,946,977)**	**292,377,239**	**130,994,990**
TOTAL INVESTMENT	**1,066,438,252**	**43,158,189**	**(201,829,956)**	**292,377,239**	**1,200,143,724**
Autopista del Sol, S.A.	(956,812)	—	956,812	—	—
Autostrada Poludnie, S.A.	(4,024,657)	(151,699)	—	—	(4,176,356)
Total Outstanding Disbursements	**(4,981,469)**	**(151,699)**	**956,812**	**—**	**(4,176,356)**
Total Group Companies Impairment	**(5,060,200)**	**(273,795,205)**	**—**	**—**	**(278,855,405)**
TOTAL EQUITY INSTRUMENTS	**1,056,396,583**	**(230,788,715)**	**(200,873,144)**	**292,377,239**	**917,111,963**

(1) During reporting period 2009, the 100% ownership of Cintra Chile, Ltda. was considered an asset held for sale. Once 60% was sold, the remaining 40% was reclassified under another caption.
(2) In 2010 Trados 45, S.A. was considered an asset held for sale; therefore, it was reclassified.

Movements registered during 2010 are accounted for below:

- In January, April, July and October 2010 capital was both increased and paid up in favour of the company Euroscut Azores, S.A. in the amount of EUR 2,938,846, EUR 2,958,634, EUR 3,248,119, and EUR 3,085,884 respectively, resulting in a total investment of EUR 12,231,483 for the period. Cintra holds an 89% interest in said company.
- On 16 March 2010 capital was increased in the company Autopista del Sol, S.A. in the amount of EUR 11,043,189 and the outstanding amount was paid up totalling EUR 956,812. Cintra holds 80% of the interest in the company.
- On 12 March, 11 June, 14 September and 14 December 2010, capital was increased and paid up in the company Inversora de Autopistas del Sur, S.L. in the sum of EUR 1,760,000, EUR 2,750,000, EUR 1,023,000 and EUR 2,475,000 respectively, the total investment amounting to EUR 8,008,000 in 2010. Cintra holds 55% of the shareholding in said company.

- On 29 April, 28 May and 29 June 2010, capital was increased and paid up in the company Cinsac, Ltd. in the amount of EUR 400,000 euros, EUR 1,425,000, and EUR 1,140,000 respectively, the total investment for 2010 thus totalling EUR 2,965,000. Cintra holds 100% of the shareholding in the company which, in turn, owns the majority interest in the Eurolink M3 motorway in Ireland.
- On 29 June 2010 capital was increased and paid up in Inversora de Autopista del Levante, S.L. in the amount of EUR 359,882. The Company undertakes and pays up the shares belonging to Budimex, S.A. thus increasing the share capital by 55% and holding a 52.36% interest.
- On 8 June 2010 the company Via Livre, S.A. was incorporated in Portugal with a contribution of EUR 42,020. Said company is intended to absorb all the risks arising from the new business model implemented by the Portuguese Government whereby the current shadow toll scheme will be replaced by a real toll system through Euroscut Norte- Sociedad Concesionaria de Norte Litoral, S.A. The shareholders of Via Livre, S.A. are the same as those of the concession company.
- Reduction of capital in Euroscut Norte- Sociedad Concesionaria de Norte Litoral, S.A. realised on 14 September 2010 in the amount of EUR 18,882,979. This reduction was carried out by amortising a number of shares (18,882,979 in the case of Cintra), maintaining the face value of each share unaltered. Cintra continues owning an interest of 75.53% in said company.
- During 2010 the investment in Serranopark, S.A. was revalued in the amount of EUR 8,508,615, as a dividend in kind, to equal the investment at the interest value of 50% in Shareholders' Equity.
- Additionally, on 16 September, an agreement was formalised with the Colombian company ISA for the sale of 60% of the ownership interest in Cintra Chile. The amount of the sale was EUR 220,192,647, and the carrying amount of said percentage was EUR 182,946,977, thus an amount of EUR 37,245,670 was registered as profits on the sale. Both parties have also mutually granted each other put and call options on account of the remaining 40% of capital. The remaining 40% of the ownership interest was reclassified.
- The investment of 50% in Trados 45 was reclassified as asset held for sale. This transaction was carried out in early 2011.
- In addition, during the reporting period a value impairment was registered due to the negative evolution of traffic and the adjustment of long-term hypotheses regarding motorway concessions. The provision allocated during the period amounted to EUR 273,795,205. In general, at the end of the concession terms, investments in concession projects will be transferred to the related administrative authorities in good working conditions. Consequently, the recovery of the investments in concession projects is dependent on whether the operator achieves sufficient levels of revenue during the concession term to enable all payables to third parties to be settled and the shareholders to recover the net assets of the investees of the Company at the end of the concession term. In this regard, the economic-financial plans of the various concessions held by the investees envisage that the net investments in motorways will be amortised and the total payables to third parties will be repaid at the end of the respective concession terms.

The movements of interest held in Group companies during the reporting period 2009 are as follows:

Company	Balance at 08/06/09	Segregation additions	Additions	Disposals	Balance at 31/12/09
Autopista del Sol, S.A.	—	187,734,158	—	—	187,734,158
Autopista Terrasa-Manresa, S.A.	—	43,939,322	—	(43,939,322)	—
Inversora de Autopistas del Sur, S.L.	—	180,616,471	1,210,000	—	181,826,471
Inversora Autopistas de Levante, S.L.	—	49,378,024	359,975	—	49,737,999
Autopista de Toronto, S.L.	—	9,264,780	—	—	9,264,780
407 Toronto Highway BV	—	369,126,105	—	—	369,126,105
Algarve International BV	—	13,860	—	—	13,860
Euroscut Norte Litoral, S.A.	—	76,102,784	—	—	76,102,784
Euroscut Algarve, S.A.	—	35,312,221	—	(15,400,000)	19,912,221
Euroscut Açores, S.A.	—	30,543,824	6,561,772	—	37,105,596
Autostrada Poludnie, S.A.	—	43,047,047	—	—	43,047,047
Laertida, S.L.	—	7,059,765	—	—	7,059,765
Cintra Autopistas Integradas, S.A.	—	5,060,200	—	—	5,060,200
Eurolink Motorway M4	—	2,805,132	—	—	2,805,132
Financinfrastructures Ltd.	—	64,580,000	—	—	64,580,000
Cintra Inversora de Autopistas	—	6,020	—	—	6,020
Group companies	**—**	**1,104,589,713**	**8,131,747**	**(59,339,322)**	**1,053,382,138**
Autopista Trados-45, S.A.	—	12,534,728	—	—	12,534,728
Serranopark, S.A.	—	—	521,385	—	521,385
Associated companies	**—**	**12,534,728**	**521,385**	**—**	**13,056,113**
TOTAL INVESTMENT	**—**	**1,117,124,441**	**8,653,132**	**(59,339,322)**	**1,066,438,251**
Autopista del Sol, S.A.	—	(956,811)	—	—	(956,811)
Autostrada Poludnie, S.A.	—	(15,270,409)	—	11,245,752	(4,024,657)
Total Group Companies Outstanding Disbursements	**—**	**(16,227,220)**	**—**	**11,245,752**	**(4,981,468)**
Total Group Companies Impairment	**—**	**(4,396,807)**	**(663,393)**	**—**	**(5,060,200)**
TOTAL EQUITY INSTRUMENTS	**—**	**1,096,500,414**	**7,989,739**	**-48,093,570**	**1,056,396,583**

The most significant movements for reporting period 2009 are as follows:

- On 29 July 2009, the Boards of Directors of Cintra Concesiones de Infraestructuras de Transportes S.A. and Cintra Infraestructuras, S.A. unanimously approved the Segregation Project providing for the transfer en bloc of the shares owned by Cintra Concesiones de Infraestructuras de Transportes S.A. in concession companies over to Cintra Infraestructuras, S.A. On 22 October 2009 the Special Shareholders' Meetings held by Cintra Concesiones de Infraestructuras de Transportes S.A. and Cintra Infraestructuras, S.A. approved the segregation operation with effective date for accounting purposes as of 30 June 2009. Therefore, by virtue of said segregation, which as registered before the Commercial Registry of Madrid on 3 December 2009, the shares held by Cintra Concesiones de Infraestructuras de Transportes S.A. in the concession companies was transferred en bloc (except for the shares in Cintra Aparcamientos and in the investees in Greece) over to Cintra Infraestructuras, S.A.
- The outstanding capital in the company Autostrada Poludnie, S.A. was paid up in the amount of EUR 11,245,751.
- Capital in the company Euroscut Algarve S.A. was reduced by EUR 15,400,000.
- On 22 December 2009 Cintra completed the sale of all its shares in the concession company Autopista Terrasa Manresa, S.A. Thus, Inversora Autopistas de Cataluña, S.L., a company fully controlled by the seller, became the new owner of said interest, and Cintra began controlling 76.28% of Autema indirectly Such purchase and sale transaction led to the derecognition of the investment registered in Cintra's accounting records in the amount of EUR 43,939,321. Such purchase and sale transaction amounted to EUR 443,503,917, resulting in a profit for Cintra tantamount to EUR 399,564,596. The sale price was established based on the existing loan between the buyer and the seller formalised on

7 May 2008 within the scope of the purchase commitment agreement between both parties resulting from the motorway refinancing (Autema) and which totalled EUR 410,234,507, an amount that was increased with capitalised interests from the 2008 and 2009 periods up to the amount of EUR 443,503,917. According to said agreement, the borrower could repay the principal plus debt capitalised interest in cash or by transferring the shares of Autopista Terrasa Manresa, S.A., as it was the case.

The composition of the shareholdings' equity of investee companies at 31 December 2010 is as follows:

	Euros					
Company	Capital	Share premium	Reserves	Other items	Profit(Loss)	Total shareholders' equity
Group companies						
Autopista del Sol, S.A.	141,861,815	—	2,396,141	—	19,291,625	163,549,581
Inversora de Autopistas del Sur, S.L.	44,184,360	226,485,600	37,322,706	(150,038,693)	(17,435,414)	140,518,559
Inversora Autopistas de Levante, S.L.	67,918,424	37,172,124	17,390,026	(75,114,245)	(14,614,115)	32,752,214
Autopista de Toronto, S.L.	9,264,780	—	1,852,956	—	219,861	11,337,597
407 Toronto Highway BV	18,154	—	—	495,143	64,736,262	65,249,559
Algarve International BV	18,000	—	—	2,694,013	548,205	3,260,218
Euroscut Norte Litoral, S.A.	100,757,400	—	178,242	20671612	4,618,509	126,225,763
Euroscut Algarve, S.A.	25,266,000	—	1,013,348	—	5,131,435	31,410,783
Euroscut Açores, S.A.	41,207,983	—	—	(11,448)	(6,585)	41,189,950
Autostrada Poludnie, S.A.	43,266,590	—	2,983,402	—	—	46,249,992
Laertida, S.L.	103,100	6,956,665	4,118,266	(6,146,107)	52,911,290	57,943,214
Cintra Autopistas Integradas, S.A.	5,060,200	—	-16,075	(4,374,481)	(1,515,081)	(845,437)
Cinsac, Ltd.	1	—	-4,889	—	—	(4,888)
Eurolink Motorway, Ltd (M4)	4,250,200	—	—	(14,669,276)	958,328	(9,460,748)
Financinfrastructures Ltd.	64,580,002	—	—	3,070,307	971,220	68,621,529
Cintra Inv. de Autopistas Cataluña S.L.	6,020	—	—	(3,191,148)	(12,279,455)	(15,464,583)
Associates						
Serranopark, S.A.	18,060,000	—	—	—	—	18,060,000
Cintra Chile, Ltda. (1)	320,463,327	—	—	175,183,013	42,094,331	537,740,671
Group companies held for sale						
Autopista Trados-45, S.A. (2)	25,069,008	—	22,572,237	8,479,823	12,039,008	68,160,076

(1) In 2009 the ownership interest of Cintra Chile, Ltd. was reclassified as non-current assets held for sale.
(2) In 2010 the ownership interest in Trados 45 was reclassified as non-current asset held for sale.

No significant influence is found in companies where less than a 20% is held nor in those where more than a 20% is owned. The Company had no contingencies with regard to its associates.

Cintra and its subsidiaries are mainly engaged in the development of motorways and car parks, both in Spain and overseas.

In general, at the end of the concession terms, investments in concession projects will be transferred to the related administrative authorities in good working conditions. Consequently, the recovery of the investments in concession projects is dependent on whether the operator achieves sufficient levels of revenue during the concession term to enable all payables to third parties to be settled and the shareholders to recover the net assets of the investees of the Company at the end of the concession term.

In this regard, the economic-financial plans of the various concessions held by Cintra investees, approved by the relevant Administrative Authorities when applicable, envisage that the net investments in motorways will be amortised and the total payables to third parties will be repaid at the end of the respective concession terms.

Through investment in various companies, Cintra indirectly holds an ownership in the capital of different motorways: Laertida, S.L. has an indirect interest in several highways in the USA (Skyway Concession, Co; ITR Concession; SH 130 Concession, Co; NTE Mobility Partners, LLC; and LBJ Insfrastructure Group, LLC); Cintra Autopistas Integradas, S.L. has a direct interest in a Spanish toll road (M203 Alcalá O'Donell); Cinsac Ltd. is a company based in Ireland that holds an interest in an Irish motorway (Eurolink Motorway Operation Ltd (M3)); Cintra Inversora de Autopistas de Cataluña, S.L. holds an indirect interest in a Spanish toll road (Autopista Terrassa-Manresa, S.A.); 407 Highway BV holds an indirect interest in a Canadian highway (407 ETR); and Cintra Chile owns a direct interest in five Chilean motorways.

On 5 October 2010, an agreement was reached with Canada Pension Plan Investment Board (CPPIB) to sell 10% of the interest in the share capital of the 407 ETR toll road concession operator in Toronto (Canada), for CAD 894.3 million (around EUR 640 million).

To this date, Cintra was the indirect owner of 53.23% of the company; therefore, it continues to hold 43.23% of the company indirectly.

The summary of the concessions run by the various Group investees at 31 December 2010 is as follows:

Toll roads	Interest (1)	Length (Km)	Concession term	Remaining years	Toll type	Status	Effective commissioning date
Canada							
407 ETR	43.23%	108.0	1999-2098	87	Real / Closed	Operation	May 1999
United							
SCC	55.00%	12.5	2005-2104	93	Real / Closed	Operation	January 2005
ITR	50.00%	252.6	2006-2081	70	Real / Both	Operation	June 2006
SH130	65.00%	64.0	2007-2062	51	Real / Open	Construction	—
NTE	56.67%	21.4	2009-2061	50	Real / Open	Construction	—
LBJ	51.00%	27.4	2009-2061	50	Real / Open	Construction	—
Spain							
Ausol I	80.00%	82.7	1996-2046	35	Real / Open	Operation	June 1999
Ausol II	80.00%	22.5	1999-2054	43	Real / Open	Operation	August 2002
Autema	76.28%	48.3	1986-2036	25	Real / Open	Operation	June 1989
M-45 (6)	50.00%	14.5	1998-2029	18	Under shade	Operation	March 2002
R4	55.00%	97.2	2000-2065	54	Real / Open	Operation	April 2004
AP36	51.84%	182.8	2004-2040	29	Real / Closed	Operation	July 2006
M-203	100.00%	12.3	2005-2035	24	Real / Closed	Construction	—
Chile							
Santiago-Talca	40.00%	265.0	1999-2024 (3)	13	Real / Open	Operation	October 2001
Talca-Chillán	27.04%	193.3	1996-2015 (3)	4	Real / Open	Operation	October 1999
Collipulli-Temuco	40.00%	144.0	1999-2024 (3)	13	Real / Open	Operation	June 2001
Temuco Rio Bueno	30.00%	171.0	1998-2023	12	Real / Open	Operation	September 2001
Chillán-Collipulli	40.00%	160.0	1998-2021	10	Real / Open	Operation	June 2003
Portugal							
Algarve	77.00%	129.8	2000-2030	19	Under shade	Operation	January 2004
North-East	75.53%	119.0	2001-2031	20	Under shade	Operation	February 2006
Azores	89.00%	93.7	2006-2036	25	Under shade	Construction	—
Via Livre	84.04%	47.4	2010-2031	20	Real / Open	Operation	October 2010
Ireland							
M4-M6	66.00%	36.0	2003-2033	22	Real / Open	Operation	December 2005
innegad-M3	95.00%	50.0	2007-2052	41	Real / Open	Operation	June 2010
Greece (7)							
Central	33.34%	231.0	2008-2038	27	Real / Open	—	August 2013
Nea Odos	33.34%	378.7	2007-2037	26	Real / Mixed	Both	December 2013
TOTAL		**2,965 Km**					

(1) Direct or indirect interest in CINTRA.

(2) Renewable for another year according to claim/loss rates.

(3) *With extension or reduction according to MDI.*
(4) *Project gross investment as at 31 December 2010.*
(5) *Until the termination of the North-East concession (if the parties decide to continue after the first 2 years).*
(6) *The ownership interest in Trados 45 was sold in January 2011.*
(7) *The companies Central Greece and Nea Odos belong to Ferrovial, S.A. and are managed by Cintra Infraestructuras, S.A. since the transfer of these companies after their segregation in 2009 was not possible.*

Likewise, the Company has an interest in Serranopark, S.A., which is currently involved in the operation of three car parks.

Below is a breakdown of the estimated number of car parks upon their commissioning during reporting periods 2010 and 2009:

Activity	Country	2010	2009	Status
P1	Spain	307	309	C/O
P2	Spain	379	372	C/O
P3	Spain	261	266	C
Total Turnover		**947**	**947**	
P1	Spain	831	828	C/O
P2	Spain	794	804	C/O
P3	Spain	725	718	C
Total Residents		**2,350**	**2,350**	
Total		**3,297**	**3,297**	

C: Construction *O: Under operation*

10. Non-current assets classified as held for sale

During 2010 the investment in the company Trados 45, S.A. was reclassified as non-current asset held for sale (the sale was executed in January 2011).

In 2010 a total of 60% of the ownership interest in Cintra Chile, Ltda. was sold and the remaining 40% was transferred to an associate (buyer and seller established cross put and call options for such interest percentage). In 2009 this shareholding was considered as a non-current asset held for sale, after approval by the Board of Directors to implement a specific disinvestment plan and the ongoing execution of an active sale plan.

The detail of non-current assets held for sale during reporting periods 2010 and 2009 is as follows:

Non-current assets classified as held for sale	2010	2009
Equity instruments		
Carrying amount of the interest in Trados 45, S.A.	12,534,728	—
Carrying amount of the interest in Cintra Chile, Ltda.	—	304,911,967
Non-current assets classified as held for sale	**12,534,728**	**304,911,967**

Additionally, at 31 December 2010 and 2009, the Company had items under Assets and Liabilities relating to Trados 45, S.A. and Cintra Chile, Ltda. and their subsidiaries not reclassified as non-current assets held for sale.

ASSETS	2010	2009
Loans to Group companies	**245**	**1,090**
C/C Cintra Chile	—	1,090
C/C Autopista Trados 45, S.A.	245	—
Trade receivables	**16,135**	**1,610,376**
Cintra Chile, Ltda.	—	842,620
Autopista del Maipo, S.A.	—	371,562
Temuco-Río Bueno, S.A.	—	34,952
Collipulli-Temuco, S.A.	—	361,242
Autopista Trados 45, S.A.	16,135	—
Total Assets Balances	**16,380**	**1,611,466**
Total Chile	**16,135**	**1,611,466**
Total Trados 45, S.A.	**245**	

LIABILITIES	2010	2009
Payable to suppliers		
Cintra Chile, Ltda.	—	389,569
Total Liabilities Balances	**—**	**389,569**

An analysis of the implications that would have derived from the reclassification of Trados 45, S.A. in 2010 – as it was carried out in 2009 with Cintra Chile and its subsidiaries – as well as its tax impact is shown below.

Income statement	2010	2009
Revenue		
Trados 45	164,090	—
Chile	—	743,579
Total Revenue	**164,090**	**743,579**
Outside services		
Chile	—	(389,027)
Total Outside Services	**—**	**(389,027)**
Profit/loss discontinued operations	**164,090**	**354,552**
Taxes		
Trados 45	49,227	—
Chile	—	106,366
Total Taxes	**49,227**	**106,366**
Reporting period profit(loss) from discontinued operations net of taxes		
Trados 45	114,863	—
Chile	—	248,186
Reporting period profit(loss) from discontinued operations net of taxes	**114,863**	**248,186**

11. Short and long term loans with Group companies and associates

The terms and conditions governing short and long term loans with Group companies and associates at 31 December 2010 are stated below:

Company	Type of loan	Cap	Granting/Renewal date	Maturity date	Rate applied
Autopista Trados -45, S.A.	Loan	7,500,000	17/11/09	15/06/21	6M EURIBOR + 2.5%
Inversora de Autopista Madrid Levante, S.A.	Participating loan	55,373,830	29/10/08	31/12/13	Variable rate: 50% over surplus cash flow
Long-term loans					
Cintra Development, LLC (*)	Loan	3,000,000	1/01/10	31/12/10	3M EURIBOR + 3%
Laertida, S.L. (*)	Loan	190,000,000	1/01/10	31/12/10	3M EURIBOR + 3%
Laertida, S.L. (*)	Participating loan	537,598,049	1/01/10	31/12/10	Fixed rate: EURIBOR 12M -0.25%. Variable rate: 4% FCL. EURIBOR 12M + 4%
NTE 2-4 LLC (*)	Loan	1,000,000	1/06/10	31/12/10	3M EURIBOR + 3%
Cintra Inversora de Autopistas Cataluña S.L. (*)	Participating loan	106,394,198	1/01/10	31/12/10	EURIBOR - 1%
Cintra Autopistas Integradas, S.A. (*)	Loan	70,000,000	1/01/10	31/12/10	3M EURIBOR + 3%
Cintra Autopistas Integradas, S.A. (*)	Participating loan	5,025,066	1/01/10	31/12/10	Fixed rate: 0.25%. Variable rate: 20% FCL. EURIBOR 12M + 3%
Inversora de Autopistas del Sur, S.A.	Loan	7,912,323	24/11/09	27/01/11	3M EURIBOR + 3%
Serranopark, S.A.	Loan	1,000,000	16/09/09	16/09/11	3M EURIBOR + 4%
Short-term loans					

(*) All of them renewed for a 1-year term upon maturity.

The movements of loans with Group companies and associates at 31 December 2010 are as follows:

Company	Balance at 31/12/09	Transfers	Drawdowns	Derecognitions	Interest capitalisation	Subtotal at 2010 year-end
Autopista Trados-45, S.A.	52,157	—	2,840,634	—	—	2,892,791
Inversora de Autopistas del Sur, S.L.	7,912,323	-7,912,323	—	—	—	0
Inversora de Autopista Madrid Levante, S.L.	2,118,265	—	633,265	—	—	2,751,530
Long-term loans	**10,082,745**	**-7,912,323**	**3,473,899**			**5,644,321**
Impairment provisions						**(2,751,530)**
Total long-term loans						**2,892,791**
Cintra US, LLC	784,654	—	4,298,289	-4,669,085	51,418	465,276
Laertida, S.L.	3,836,830	—	161,893,039	-2,849,298	1,347,891	164,228,462
Laertida, S.L.	537,598,049	—		—		537,598,049
NTE 2-4 LLC	—	—	507,997	—	10,879	518,876
Cintra Inversora de Autopistas Cataluña S.L.	106,394,198	—		—	1,617,605	108,011,803
Cintra Autopistas Integradas, S.A.	55,839,255	—	1,881,000	-753,471	2,161,704	59,128,488
Cintra Autopistas Integradas, S.A.	5,025,066	—	—	—	50,301	5,075,367
Inversora de Autopistas del Sur, S.L. (*)	—	7,912,323	—	—	245,249	8,157,572
Serranopark, S.A.	679,485	—	321,980	-950,000	24,234	75,699
Autopista Trados-45, S.A.	—	—	—	68,594	—	68,594
Short-term loans	**710,157,537**	**7,912,323**	**168,902,305**	**-9,153,260**	**5,509,281**	**883,328,186**
Impairment provisions						**(298,477,973)**
Total short-term loans						**584,850,213**
Total Loans						**587,743,004**

(*) In 2009 this loan was a long-term loan.

2010 Financial Statements

The most significant movements for reporting period 2010 are as follows:

- On 17 November 2009 Cintra granted a subordinated loan to Autopista Trados 45, S.A., with a limit amount of EUR 7,500,000, exclusively allotted to the payment of expropriations in excess of the maximum amount initially foreseen for this item. At 31 December 2010 drawdowns were made for EUR 2,840,634. The interest rate is six-month EURIBOR plus 2.5%. Interest accrued at fiscal year-end totalled EUR 68,513, the closing rate being 3.757%. The drawdown balance at 31 December 2010 amounted to EUR 2,892,791. This loan was paid off in January 2011 with the sale of the ownership interest in Trados 45.

- At 31 December the Company holds a participating loan with Inversora Madrid Levante, S.L. for a maximum amount of EUR 55,373,830. Drawdowns were made at the closing of the reporting period for EUR de 633.265, the total drawdown being EUR 2,751,530. This loan was formalised in 2004 and was intended to finance the construction of the Madrid-Levante motorway at a variable interest rate of 50% over the surplus cash flow. No interest accrued during 2010. Said participating loan is subordinated to the Company's senior loan contract.

  Cintra US LLC (formerly Cintra Developments, LLC) held a credit policy with Cintra to cover its treasury needs with a cap of EUR 3,000,000. At fiscal year-end, the drawdown balance was EUR 465,276. The interest payment term is divided into quarterly periods tied to three-month EURIBOR plus 3%. At 31 December the applicable interest rate was 3.892%, the amount of EUR 51,417 having been accrued and capitalised on account of interest during the reporting period. The policy is renewable annually upon expiry. At 31 December 2010 the amount drawn totalled EUR 465,276.

- At 31 December, the Company held a credit policy with Laertida, S.L. for EUR 190,000,000. The policy was valid for a one-year term and could be renewed for equal annual periods, being tied to three-month EURIBOR plus 3%. Accrued interest during the period totalled EUR 2,645,591, which were capitalised at fiscal year-end. The net amount of drawdowns made during the year was EUR 75,574,097 allotted to investments in the US companies Cintra NTE for EUR 36,576,112 (USD 47,232,668); in Cintra LBJ, LLC for EUR 28,971,669 (USD 36,186,707); and in Cintra TX 56, LLC for EUR 10,236,179 (USD 13,515,000). In addition during the period the following movements of principal occurred:

  - Distribution of dividend of Laertida, S.L. for 46,765,183, paid through drawdown from the principal.
  - Principal drawdown to pay interest on the participating loan granted to Laertida, S.L. (EUR 6,513,998).
  - Principal was amortised to pay off another loan with a balance in favour of Laertida, S.L. for EUR 2,849,298 (from dividend from Skyway Concession Co.).
  - Principal drawdown to pay the Corporate Tax in the amount of EUR 31,480,352.
  - The current account existing between both companies was offset (EUR 261,709).

  The loan has a one-year expiry term and may be renewed for equal annual periods.

- At 31 December Cintra had granted a participating loan to Laertida, S.L. amounting to EUR 537,598,049 (the cap of which was the same as the amount drawn) in order to provide financial resources to Cintra US Corp to carry out various investments in the highways managed by Cintra in the United States. The loan has a one-year expiry term and may be renewed for equal annual periods. The loan is tied to one-year EURIBOR minus 0.25% and to a variable rate of 40% over the free cash flow earned by the Company during the year. Both rates could not surpass the annual EURIBOR rate plus a spread of 4%. Accrued interest during the period totalled EUR 6,513,998, which were capitalised at fiscal year-end.

- On 1 June 2010, Cintra granted a loan to NTE segmentos 2-4 for a maximum amount of EUR 1,000,000 to be allotted to the Company's current payments. The loan is tied to three-month EURIBOR plus a 3% spread, the closing interest rate being 3.892%. Drawdowns were made in the amount of EUR 507,997. Accrued and capitalised interest during the period amounts to EUR 10,879.

- At 31 December 2011, Cintra holds a participating loan for EUR 108,011,804 granted to Cintra Inversora de Autopistas de Cataluña, S.L.U. (hereinafter CINCA). A fixed one-year EURIBOR rate plus -1% is applied. The annual variable interest rate is 40% over the finance income derived from the loan granted to Inversora de Autopistas de Cataluña, S.L.U. The sum of both interest rates cannot outstrip the one-year EURIBOR rate plus 5% (6.25% at 31 December 2010). The loan effective rate at year end was 6.25%. Accrued interest during the period totalled EUR 6,650,701, of which EUR 5,033,096 were paid off and EUR 1,617,605 were capitalised.

- On 24 November 2009, with effective date on 27 January 2009, Cintra granted a subordinated intra-group loan to Inversora de Autopistas del Sur, S.L. The loan principal at the beginning of the year was EUR 7,911,462 and was aimed at the payment of the upfront fee on account of the debt refinancing. The interest rate applied is three-month EURIBOR plus 3%, the interest rate applied at year end being 3.880%. Interest accrued and capitalised during the reporting period totalled EUR 246,110, raising the limit of the loan by the amount of said capitalised interest. The loan principal at year end thus totalled EUR 8,157,572. Said loan was registered as a short-term loan in fiscal year 2010.

- At 31 December Cintra had a credit policy granted to Cintra Autopistas Integradas, S.A. amounting to EUR 70,000,000 in order to finance its current transactions and treasury needs geared to the capital increase of Autopista Alcalá O'Donell. The policy valid term is one year and can be renewed for equal annual periods. The policy was tied to three-month EURIBOR plus 3%, the closing interest rate applied being 3.892%. Accrued interest during 2010 was EUR 2,161,704. At the closing of 2010 the debt balance, including capitalised interest, was EUR 59,128,487. During the reporting period drawdowns and repayments were made for EUR 1,127,529.

- At 31 December 2010 Cintra held a participating loan for EUR 5,075,367 granted to Cintra Autopistas Integradas, S.A., automatically renewable by annual terms. The interest rate agreed consisted of a fixed interest rate tied to twelve-month EURIBOR plus an annual 0.25% and an annual variable rate of 40% over the free cash flow earned by Cintra Autopistas Integradas, S.A. during the period. The sum of both rates could not exceed the one-year EURIBOR plus 4%. Accrued interest during the period totalled EUR 50,300, which were capitalised at fiscal year-end.

- On 16 November 2010 Cintra renewed the loan granted to Serranopark, S.A. to finance its current operations and treasury needs. The amount drawn at the beginning of the reporting period was 675,660 with a cap of EUR 1,000,000. The applicable interest rate is three-month EURIBOR plus 4%, the interest rate applied at year end being 4.942%. Fiscal year 2010 drawdowns totalled EUR 325,806 and repayments EUR 950,000. Accrued and capitalised interest was EUR 24,234, the loan amount at fiscal year-end being EUR 75,699.

- All of the participating loans granted by the Company to its investee companies will be considered accounting equity for the purposes of a potential capital decrease and company wind-up.

- In addition, during the reporting period a value impairment was registered due to the negative evolution of traffic and the adjustment of long-term hypotheses regarding motorway concessions. The provision allocated during the period amounted to EUR 301,229,503. In general, at the end of the concession terms, investments in concession projects will be transferred to the related administrative authorities in good working conditions. Consequently, the recovery of the investments in concession projects is dependent on whether the operator achieves sufficient levels of revenue during the concession term to enable all payables to third parties to be settled and the shareholders to recover the net assets of the investees of the Company at the end of the concession term. In this regard, the economic-financial plans of the various concessions held by the investees envisage that the investments in motorways will be amortised and the total payables to third parties will be repaid at the end of the respective concession terms.

The movements of loans with Group companies and associates at 31 December 2009 are as follows:

Company	Balance at 08/06/09	Segregation additions	Drawdowns	Derecognitions	Interest capitalisation	Final balance at 31/12/09
Autopista Trados-45, S.A.	—	52,157	—	—	—	52,157
Inversora de Autopistas del Sur, S.L.	—	—	7,653,250	—	259,073	7,912,323
Inversora de Autopista Madrid Levante, S.L.	—	2,118,265	—	—	—	2,118,265
Long-term loans	**—**	**2,170,422**	**7,653,250**	**—**	**259,073**	**10,082,745**
Cintra US, LLC	—	789,955	2,953,892	-3,001,996	42,804	784,654
Laertida, S.L.	—	—	7,142,611	-3,305,781	—	3,836,830
Laertida, S.L.	—	537,598,049	—	—	—	537,598,049
NTE 2-4 LLC	—	—	—	—	—	0
Cintra Inversora de Autopistas Cataluña, S.L.	—	106,394,198	—	—	—	106,394,198
Cintra Autopistas Integradas, S.A.	—	55,839,255	—	—	—	55,839,255
Cintra Autopistas Integradas, S.A.	—	5,012,534	—	—	12,531	5,025,065
Serranopark, S.A.	—	679,485	—	—	—	679,485
Autopista Trados-45, S.A.	—	—	—	—	—	0
Short-term loans	—	**706,313,476**	**10,096,503**	**-6,307,777**	**55,335**	**710,157,536**
Total Loans						**720,240,281**

12. Sundry accounts receivable

a) Staff

Credits to staff tolling EUR 578,413 are granted for an average term of 3 years and bear interest, the average loan interest rate for employees during reporting period 2010 being 0.7586%.

b) Group companies clients and other clients

The expiry of "Group companies clients and other clients" is as follows:

Debt seniority	2010	2009
Up to 3 months	16,164,794	8,948,761
3 and 6 months	2,141,537	1,222,728
> 6 months	5,509,518	4,402,157
Total Group companies clients and other clients	**23,815,819**	**14,573,646**

Due trade receivables in 2010 and 2009 did not undergo any value impairment.

The fair value of loans and receivables from Group companies matches the carrying amount thereof.

2010 Financial Statements

Outstanding balances held with related parties at 31 December 2010 and 2009 are indicated below. Outstanding receivables from services invoiced to companies making up the Cintra Group and the Ferrovial Group are also shown below.

As for invoicing by Cintra to its Group companies, the table below shows a breakdown of support services rendered for the latter's technical and financial management during the tender, construction and operation period.

	Euros	
Company	**2010**	**2009**
Ferrovial, S.A.	1,752,362	889,635
Ferrovial Aeropuertos, S.A.	10,689	54,902
Ferrovial Agromán, S.A.	245,124	196,886
Ferrovial Agromán USA	11,025	11,025
M3 Motorway Joint venture, Ltd	3,828,224	939,998
Nea Odos Concession, S.A.	—	191,075
Cespa S.A.	1,226	1,226
Total Ferrovial	**5,848,650**	**2,284,747**
Autopista del Sol, S.A.	515,554	393,949
Autopista Terrasa-Manresa, S.A.	165,713	62,058
Inversora de Autopistas del Sur, S.L.	3,741	3,741
Autopistas del Sur, S.A.	364,572	84,322
Autopista Madrid-Levante, S.A.	233,792	77,729
407 Toronto Highway Bv	6,035,161	—
Cintra Sucursal Portugal	29,097	26,944
Euroscut Norte Litoral, S.A.	1,365,725	1,010,937
Euroscut Algarve, S.A.	224,810	30,996
Euroscut Azores, S.A.	47,990	71,666
Via Livre, S.A.	648,045	—
Autoestrada Poludnie, S.A.	235,011	1,024,446
Serranopark, S.A.	21,904	14,355
Eurolink Motorway, Ltd (M4)	162,358	36,138
Eurolink Motorway Operation Ltd (M3)	38,408	20,746
Chicago-Skyway Concession Co.	200,205	166,444
Autopista Alcalá O'Donell, S.A.	50,927	30,854
Cintra Development, LLC (*)	267,075	515,891
Cintra Zachry, L.P.	28,766	28,766
LBJ Infrastructure LLC	1,217,874	—
SH130 Concession Company	—	77,945
TEX TOLL SERVICES, LLC	1,011,914	—
NTE Mobility Partners, LLC	729,064	3,906,353
Total Cintra Group	**13,597,706**	**7,584,280**
407 ETR Concesión Co. (*)	813,122	638,817
Autopista Trados45, S.A.	16,135	31,972
Cintra Chile, Ltda. (*)	528,312	842,620
Autopista del Maipo, S.A.	264,641	371,562
Temuco-Río Bueno, S.A.	34,952	34,952
Collipulli-Temuco, S.A.	248,885	361,242
ITR Concession Company, LLC	831,261	403,001
Total Associates	**2,737,308**	**2,684,166**
Total Group Companies Clients	**22,183,665**	**12,553,194**

(*) Both 407 ETR and Intervial Chile, S.A. have become associates after the sale in 2010 of a shareholding that sets the investment below 50%.

Maximum credit risk exposure on the date of presentation of the financial information is the fair value of each receivable stated above. The Company holds no collection guarantees.

c) Other financial assets and liabilities with Group companies and associates

The amount of financial assets corresponds mainly to the current account held by the Company with its majority shareholder Ferrovial, S.A.:

Company	Type of loan	2010	2009	Rate applied
Ferrovial, S.A.	Current account	397,485,678	10,429,340	Fixed rate 2%
Other current accounts	Current account	6,251,731	1,274,726	Fixed rate 6%
Other financial assets		**403,737,409**	**11,704,066**	

- The Company holds a current account balance with Group companies for inter-company collections and payments amounting to EUR 403,737,409. The most significant debt is held with Ferrovial, S.A. for EUR 397,485,678 (EUR 10,429,340 in 2009). Ferrovial, S.A. debt is subject to a 2% interest rate while the other companies to a 6%. The increase of the current account balance with Ferrovial is due to the transfer of funds arising from disinvestments, mainly in Canada and Chile, to the parent company.
- In addition, Cintra holds current accounts with its subsidiaries in order to finance current transactions, the highest balance, following the one mentioned above, being the one held with Inversora de Autopistas de Cataluña, S.L. geared to finance the payment of 2009 Corporate Tax.

13. Derivative financial instruments

Balances relating to the derivative financial assets at 31 December 2010 and 2009 are as follows:

Item	2010	2009
Foreign currency denominated term contracts – CAD	(8,128,431)	(2,496,527)
Foreign currency denominated term contracts – USD	(2,343,381)	—
Hedges charged to Equity	**(10,471,812)**	**(2,496,527)**
Equity Swap contracts	(15,748,472)	(12,198,739)
Hedges charged to Income Statement	**(15,748,472)**	**(12,198,739)**
Total Liabilities	**(26,220,283)**	**(14,695,266)**

Exchange rate risk hedging transactions

Future foreign currency hedged transactions are expected to occur on various dates in the next twelve-month period. Profit and loss recognised in the equity under "Valuation adjustments" on foreign currency denominated term contracts at 31 December 2010 are recognised in the income statement in the reporting period(s) in which the hedged transactions has an impact on the income statement. This normally happens within the twelve-month period following the balance sheet date, unless the relevant profit/loss has been included in the amount initially recognised for the purchase of fixed assets, in which case the asset is recognised during its life (between five and ten years).

The amounts corresponding to the notional principal of outstanding foreign currency denominated term contracts at 31 December 2010 are equal to CAN 114,440,000 arising from estimated dividend to be paid in 2011 from 407 ETR. Other contracts cover 2011 capital contribution estimates from the concession companies in the USA totalling USD 150,000,000.

Being considered an effective hedging instrument as per valuation standard 4.f, the net amount of taxes is recognised under 2010 equity for EUR 7,330,267 (in 2009: EUR 1,747,569).

During the reporting period various hedges were taken out, which premiums and settlements had a negative impact on income statement amounting to EUR 24,754,597 (2009: EUR 349,934). Other hedges had a positive effect on the income statement tantamount to EUR 16,173,968 (see Note 23).

Compensation system risk hedging transactions – stock options

In order to hedge any possible losses arising from the exercise of Ferrovial stock options, upon their granting the Company arranged Equity Swaps payable in cash only.

These hedges are not registered according to the hedging accounting procedure. Given the share price evolution, a value impairment of stock options was registered in 2010 for EUR 3,549,732 (in 2009: EUR 14,500,867) (see Note 23).

14. Cash and cash equivalents

The chart below includes the Company's balance of current cash deposits at 31 December 2010 and 2009, as well as outstanding accrued interest. The Company uses short-term instruments, usually with a weekly due date, in order to allocate cash surplus amounts.

	Euros	
Item	**2010**	**2009**
Cash in banks	12,207,965	21,834,360
Cash	12,632	14,170
Total	**12,220,597**	**21,848,530**

The average balance for cash allocation in 2010 was EUR 111 million (in 2009: EUR 245 million), at an average interest rate of 2.11% (in 2009: 0.5%). The amount of interest earned at the closing of 2010 totals EUR 419 thousand (in 2009: EUR 523 thousand).

15. Shareholders' Equity

Share Capital

The Company's capital at 31 December 2010 is as follows.

	Euros	
Item	**31/12/10**	**31/12/09**
Authorised capital	153,764,357	153,764,357

The Company was incorporated on 8 June 2009 subscribing and paying in a capital amount of EUR 60,102.

On 22 October 2009, the Annual General Meeting agreed a capital increase for the Company. The segregation was registered in the Company's accounting records on 30 June 2009 for an amount equal to the net carrying value of the equity items actually contributed to the segregation process of Cintra Concesiones de Infraestructuras de Transporte, S.A. Said amount totalled EUR 153,704,255 (see Note 1).

Therefore, the capital consisted of 153,764,357 ordinary bearer shares with a par value of 1 euro each, fully paid in, carrying the same rights and free of any transfer restrictions.

On 3 December 2009, the Company agreed to transform said bearer shares into registered ones.

On 3 May 2010 the termination of the single ownership of Cintra Infraestructuras was registered before the Commercial Registry of Madrid after the sale of 160 shares to Can Am, S.A.

At 31 December 2010 Ferrovial, S.A. held an interest in the Company of 99.9999% while Can Am, S.A. owned 0.0001%. Therefore, Ferrovial has direct or indirect control over 100% of the Company.

Pursuant to the loan contract between Ferrovial, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. dated 29 June 2009, the lender was bound to pledge the shares of Cintra Infraestructuras, S.A. during the contract valid term. All the same, during its validity term the loan was jointly and severally guaranteed by the Group subsidiaries that were either directly or indirectly controlled by the lender by 100% and that individually represented 7% of the consolidated EBITDA or 7% of the Group's consolidated assets, as well as other subsidiaries fully controlled by the lender and chosen by the latter at its discretion, provided that they account for at least 75% of the consolidated EBITDA and 75% of the Group's consolidated assets at each given time.

During the reporting period no own shares or shares of the parent company were held.

Share issue premium

Share issue premium amounts to EUR 1,625,066,212 and can be freely used pursuant to the Spanish Consolidated Companies Law. This issue premium derives from the Company's segregation process.

Legal reserve

Under the Spanish Companies Law, the Public Limited Liability Company must transfer 10% of net profit for each year the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, and as long as it does not exceed 20% of share capital, it can only be used to offset losses, provided that no other reserves are available for this purpose. At 31 December 2010 the legal reserve is 20% of the share capital amounting to EUR 30,752,871.

Interim dividend

During reporting period 2010 a total of EUR 195,000,000 was paid on account of interim dividend on 30 June, 30 September and 23 December, totalling EUR 65,000,000 (EUR 0.422 per share), EUR 20,000,000 (EUR 0.13 per share), and EUR 110,000,000 (EUR 0.715 per share), respectively (see Note 3).

Other equity instruments

Equity instruments reflect mainly the recognition under equity of the stock options that during the period totalled EUR 502,182.

Adjustments for changes in value

The balance registered in the item "Adjustments for changes in value – Hedging transactions" under equity in the accompanying balance sheet at 31 December 2010 and 31 December 2009 corresponds to the balance registered in the caption "Non-current payables – Derivatives" (see Note 13) thereunder after tax (see Note 18).

16. Long-term provisions

The breakdown of long-term provisions during 2010 is as follows:

Item	31/12/09	Additions	31/12/10
Provision for taxes	68,143,325	6,643,459	74,786,784
Provision for liabilities	—	43,373,754	43,373,754
Long-term provisions	**68,143,325**	**50,017,214**	**118,160,538**

Tax provision includes a provision for the Chamber of Commerce annual membership fee amounting to EUR 24,424 (in 2009: EUR 24,424), a provision for the Inspection Record on Corporate Tax for the 2003-2005 reporting periods totalling EUR 70,548,217 (in 2009: EUR 68,118,900), and a provision for the Inspection Record on VAT for the 2009 reporting period (EUR 1,716,784 for 2009 included in the Record and a provision of EUR 2,497,360 for 2010).

The Inspection Record on Corporate Tax for the 2003-2005 periods in the amount of EUR 70,548,217 (in 2009: EUR 68,118,900) is composed as follows: tax payment adjustment for EUR 45,329,927 (in 2009: EUR 45,329,927), interest of payment claimed for EUR 13,902,308 (in 2009: EUR 12,089,111), and penalty request for EUR 11,315,981 (in 2009: EUR 10,699,861). The increase in reporting period 2010 is mainly due to the rise of default interest for EUR 1,813,197 and to a penalty increase of the sanctioning final termination agreement totalling EUR 616,120.

On 19 February 2010 the Company requested the suspension of said record by submitting guarantees before the Regional Inspection Bureau of Madrid, appealing such verification record through an Economic-Administrative Claim pending resolution in the long term. As a result of the abovementioned claim, bank collaterals were formalised by Ferrovial, S.A. as the responsible party totalling EUR 57,419,038 plus default interest arising from the suspension as well as any applicable surcharges. On 24 May 2010 the penalty resolution was issued for the sum of EUR 11,315,981, for which the Company has filed an appeal as well.

Regarding the VAT provision, the Company has allocated an amount for the adjustment made by the Tax Authority concerning the 2009 VAT. Said provision comprises the difference between the VAT amount receivable by the Company (EUR 2,809,725) and the one agreed in the Record initiated by the Tax Authority (EUR 1,092,942). Such provision can be deducted for tax purposes; therefore, no adjustment to the Corporate Tax base is required. The drawdown balance at 31 December 2010 amounted to EUR 1,716,184. Likewise, the Company recorded a VAT provision for reporting period 2010 equal to EUR 2,497,269.

A risk and expense provision was also allotted for EUR 43,373,754 aimed at future investments (see Note 23).

17. Guarantees and contingencies

a) Guarantees

Financial risks to which the Company is exposed include those arising from the guarantees and sureties required for the Company's ordinary course of business.

During 2010 and 2009 the Company raised bank collaterals before third parties and guarantees in favour of other Group companies for the development of its activity.

At 31 December 2010 Cintra is secured before third parties in order to face any potential risks. A list of the sureties raised with various institutions is shown below:

		31/12/10		
Guarantor	**Currency**	**Currency**	**Euros**	**Guarantee limit**
	US dollar	44,650,000	33,405,656	
	Chilean UFS	46.604	1,598,293	
	Euros	44,986,099	44,986,099	
BBVA			**79,990,048**	**118,018,431**
	Euros	36,230,643	36,230,643	
BSCH			**36,230,643**	**36,230,643**
	Chilean UFS	7.000	240,068	
	Euros		65,924,987	
Banco Popular			**66,165,055**	**75,000,000**
	Euros	2,203,911	2,203,911	
Bancaja			**2,203,911**	**2,250,000**
	Euros	10,000,000	10,000,000	
BES			**10,000,000**	**35,000,000**
Total			**194,589,657**	**266,499,074**

At 31 December 2009 Cintra is secured before third parties in order to face any potential risks. A list of the sureties raised with various institutions is shown below:

Guarantor	Currency	31/12/09 Currency	31/12/09 Euros	Guarantee limit
	US dollar	20,775,000	13,863,984	
	Chilean UFS	16.069	461,464	
	Euros	27,142,080	27,142,080	
BBVA			**41,467,528**	**91,000,000**
	Chilean UFS	335.000	9,642,077	
	Euros	48,551,227	48,551,227	
BSCH			**58,193,304**	**58,193,304**
	US dollar	20,625,000	14,391,878	
Fortis	**Euros**		**14,391,878**	**30,000,000**
	Chilean UFS	7.000	201,476	
Banco Popular	Euros	73,596,076	73,596,076	
			73,797,552	**75,000,000**
	Euros	2,203,911	2,203,911	
Bancaja			**2,203,911**	**2,250,000**
	Euros	10,000,000	10,000,000	
BES			**10,000,000**	**35,000,000**
Total			**200,054,174**	**291,443,304**

Similarly, the guarantees raised at 31 December 2010 can be classified according to their ultimate purpose, as shown below:

Concession	Guarantor	31/12/10	31/12/09	Type of guarantee
Santiago-Talca	SCH	—	3,885,613	T
Talca Chillan	BBVA	569,430	461,464	E
Temuco Rio Bueno	SCH	—	5,756,464	T
Nea Odos	Banco Popular	37,323,642	38,604,740	E/T
Nea Odos	BBVA	26,672,000	—	T
Scut Azores	SCH	5,484,727	17,805,311	E/T
LBJ	BBVA	33,293,431	—	E
Autopista Madrid Levante	BBVA	10,692	10,692	T
Autopista Alcalá- O'Donell	SCH	4,073,916	4,073,916	T
Central Greece	Banco Popular	27,341,345	30,731,335	E
Central Greece	SCH	26,672,000	26,672,000	T
Central Greece	BBVA	333,400	—	T
Serranopark	Bancaja	2,203,911	2,203,911	E
Total Concessions		**163,978,494**	**156,877,446**	
Chile	Banco Popular	1,500,068	4,461,476	T
LBJ	Fortis	—	14,391,878	T
LBJ	BBVA	—	13,759,316	T
Tender		**1,500,068**	**32,612,670**	
Other		**29,111,095**	**10,564,056**	
Total Guarantees		**194,589,657**	**200,054,172**	

T. Technical E: Economic

Expenses incurred in 2010 on account of the abovementioned guarantees amounted to EUR 1,389,528 (in 2009: EUR 394,459), the average interest rates applied to economic sureties (concessions and others) being 0.20% quarterly (in 2009: 0.22%) and to technical sureties (tenders) 0.17% quarterly (in 2009: 0.17%).

Bid bonds amounting to EUR 1,500,068 (in 2009: EUR 32,612,670) are mandatory in tender processes guaranteeing the submittal of a proposal by the Company. Likewise, guarantees were presented for the payment of rights and fulfilment of obligations as per the various concession contracts executed by investee companies in the amount of EUR 163,978,494 (in 2009: EUR 156,877,477). These guarantees are intended to secure the subsequent construction and operation processes by the concession operators.

"Other" includes various types of guarantees, the most relevant ones being the guarantee raised on account of the Inspection Record (EUR 17,500,000) and the guarantee on the sale of Cintra Aparcamientos (EUR 10,000,000). It has a valid term of four years as of 24 July 2009. Within 24 months, it was reduced to EUR 5,000,000 and within 36 months it could be brought down to EUR 2,500,000.

The Company believes that non-estimated liabilities at 31 December 2010 that could arise from the guarantees raised, if any, would not be significant.

Cost incurred on account of guarantees on behalf of other Group companies are invoiced as agreed on in each individual case.

The guarantees corresponding to the Chilean companies will be cancelled in 2011 once 40% of the Company is sold.

b) Collateral

Cintra, as parent company, is liable for the following guarantees at 31 December 2010 relating to its investment in the projects specified below:

Project	Purpose	Duration	100% Amount
Talca-Chillán (Chile)	Increased construction costs.	Debt life.	Amount beyond 10% of baseline.
	Increased operating costs.	Debt life.	Amount beyond 6.5% of baseline.
	Increased ordinary maintenance costs.	Debt life.	Amount beyond 10% of baseline.
	Increased extraordinary maintenance costs.	Debt life.	Amount beyond 10% of baseline.
	Increased financial costs (interest rates)	Debt life.	Amount beyond 10% of baseline.
Santiago Talca (Chile)	Pre-completion payment obligation (section 3.3 Second Amended and Restated Investor Support Agreement).	Until final commissioning.	Certain percentages of current debt are guaranteed.
	Works completion guarantee (before 31-12-11).	Until final commissioning.	Amount required to complete the works.
North-East (Portugal)	Baseline expropriation cost overruns.	Expropriation period.	Amount beyond the limit agreed.
Ocaña-La Roda (Spain)	Capital contributions.	Debt life.	Limited to € 8.2M. Reduced by € 4.4M due to contributions made.
Azores (Portugal)	Art. 35 under the Spanish Companies Law (dissolution due to reduction of shareholders' equity).	Until 2017.	Limited to € 11.4M.

Project	Purpose	Duration	100% Amount
LBJ (USA)	Shareholders support contract for the lower amount between equity pending disbursement and debt amount drawn.	Debt life.	Limited to USD 55M.
	Shareholders support contract.	Debt life.	Limited to USD 29.29M.
NTE (USA)	Shareholders support contract.	Debt life.	Limited to USD 25M.
SH 130 (USA)	Expropriation cost overrun.	Expropriation period.	Limited to USD 35M.
	Pari passu with lenders to fulfil the leverage ratio.	One year after opening (2013).	Limited to USD 92.45M.
	Cash deficit.	First 5 years of operation.	Limited to USD 30M.
Cintra Inversora de Autopistas de Cataluña (AUTEMA)	Hedge-derived credits rights.	Debt life.	—
	Pledge of shares of concession operator and intermediate companies.	Debt life.	—
	Pledge of credit rights arising from intra-group loans.	Debt life.	—
	Bank counter-guarantee (EIB debt)	Debt life.	—

Cintra, as parent company, is liable for the following guarantees at 31 December 2009 relating to its investment in the projects specified below:

Project	Purpose	Duration	Amount
Talca-Chillán (Chile)	Increased construction costs.	Debt life.	Amount beyond 10% of baseline.
	Increased operating costs.	Debt life.	Amount beyond 6.5% of baseline.
	Increased ordinary maintenance costs.	Debt life.	Amount beyond 10% of baseline.
	Increased extraordinary maintenance costs.	Debt life.	Amount beyond 10% of baseline.
	Increased financial costs (interest rates)	Debt life.	Amount beyond 10% of baseline.
Santiago Talca (Chile)	Pre-completion payment obligation (section 3.3 Second Amended and Restated Investor Support Agreement).	Until final commissioning.	Certain percentages of current debt are guaranteed.
	Works completion guarantee (before 31-12-11).	Until final commissioning.	Amount required to complete the works.
North-East (Portugal)	Baseline expropriation cost overruns.	Expropriation period.	Amount beyond the limit agreed.

Project	Purpose	Duration	Amount
Radial 4 (Spain)	Payment of debt service and refinancing.	Debt life.	Limited to the amount of interest and for refinancing purposes to € 23M.
Ocaña-La Roda (Spain)	Payment of debt service.	Debt life.	Cash deficit amount limited to € 1.8M (100%).
Azores (Portugal)	Art. 35 under the Spanish Companies Law (dissolution due to reduction of shareholders' equity).	Until 2017.	Limited to € 11.4M (100%).
SH 130 (USA)	Expropriation cost overrun.	Expropriation period.	Limited to USD 35M (100%).
	Cash deficit.	First 5 years of operation.	Limited to USD 30M (100%).

Additionally, the Company is contractually bound to contribute the investment in the company Euroscut Açores, S.A. for EUR 5,472,429.

c) Contingencies

Regarding contingencies in some companies within the Cintra Group, the following should be highlighted:

Lower traffic: AP36 and R4

The Eighth Additional Provision under Law 43/2010 has introduced a measure aimed at balancing out the economic and financial situation of several toll road concession operators affected by major drops in their traffic levels, which include the AP36 and R4 toll road operators. Such provision allows for the possibility of receiving from the concession awarding entity compensation equal to the difference between the toll revenue that would have been earned had 80% of the traffic estimated in the tender specifications been reached and the toll revenue arising from actual traffic. Said right is exclusively recognised for a three-year term and is subject to certain budgetary and maximum volume restrictions. Both companies filed a compensation request in January 2011.

Expropriations: R4

During 2010 estimated expropriations remained unaltered. Regarding the estimation of expropriation pending amounts, the resolutions passed by the Provincial Expropriation Court were taken as reference by directly applying the amount established thereunder, if any, (or the amount ordered by virtue of a judgement) or, in the case of files not specifying any such amount, the sum established in similar cases after adjustment, when applicable, to the specific characteristics of the file concerned, all of the above including estimated accrued interest.

In 2010 the Supreme Court continued to pass judgment regarding the appraisal of land subject to expropriation for motorway building, located within the Community of Madrid.

In reporting period 2010 the concession operator continued to receive judgements passed by the Supreme Court of Madrid regarding the appraisal of land in Madrid, for both the R-4 and the M-50 roads. Likewise, it received further judgements on the appraisal of land for the R-4 road in Toledo. Most of such judgments have been appealed by the Company.

In general terms, and as far as expropriated land for the construction of radial motorways is concerned (as well as the R-4 toll road), judgements provide that land must be appraised according to its classification and, therefore, the land classified as land that cannot be developed must be appraised as such and not under the general scheme. Nevertheless, said judgments raise significantly the value of initially foreseen land that cannot be developed (although they provide a value considerably below that approved by the Court of Madrid).

On the other hand, regarding expropriated land for the construction of the bypass road to Madrid (M-50), the Supreme Court has deemed the land crossed by such road as part of the general scheme; therefore, in its opinion, it must be appraised as land suitable for development regardless of its classification. In this train of thought are the judgments by the High Court of Justice for Madrid, as notified to the Company. As a result, the value of the land has been substantially raised against the value initially set, especially the non-building land. With regard to the plots of land located in Castilla-La Mancha, all of them on the Radial road and not very significant due to their smaller surface, the High Court of Justice of said region passed several judgements regarding this concession, for amounts much lower than those foreseen in the Community of Madrid.

The estimated amount according to the aforementioned, including accrued interest, is EUR 370,876,657. The same is registered under Autopista Madrid Sur, C.E.S.A. and its balancing entry is booked under Assets in the "Investment in toll roads" caption.

This risk has been reduced by the Forty-first Additional Provision of 2010 State Budget Law 26/2009, which provides that toll road concession operators may obtain a participating loan for compulsory purchase cost overruns provided certain requirements are met, which is the case of the R4 toll road concession operator. Said Additional Provision, currently in force, recognises the right to receive the participating loan for the amount in excess of 175% of the price offered by the concession operator. For repayment of the loan, the Ministry of Development must amend the concession contract (tariffs and/or timelines) to generate additional revenue to amortise the loan principal and accrued interest. During 2010 payments on account of expropriations did not exceed the threshold of 175%. The same scenario is envisaged for 2011, when the Ministry of Development will have to agree the granting of the loan and the concession rebalancing formula for its repayment.

In furtherance of the foregoing, the company holding the concession of the R4 toll road also filed a claim before the Ministry of Development in January 2011, demanding that the concession not be limited to a three-year term but rather that it be subjected to a broader economic and financial rebalancing.

As part of the proceedings currently filed, on 9 March 2011 the Company received a request by the expropriated party for the provisional enforcement of a judgment passed by the Court on Administrative and Contentious Matters of the Supreme Court of Madrid dated 21 June 2010, regarding the appraisal of an estate expropriated for the construction of the M-50 road. Said judgement was appealed by the Company before the Supreme Court, said proceedings having been admitted and pending resolution at present. Such request for provisional enforcement claims the payment of a EUR 37.3 million by the Company on account of fair value and legal interest. The Company filed a written appeal to such provisional enforcement, after which the Court will have to issue a decision pursuant to article 91 of the Law on Administrative and Contentious Matters.

M203

The M-203 toll road, the concession of which was granted by the Community of Madrid and which works have been at a standstill for several reporting periods, was the subject matter of judgements passed by the Supreme Court in 2011 regarding the appraisal of the expropriated land. Said judgements have not been appealed by the concession operator since they raise the prices established by the Court of Madrid, although they eliminate, in principle, the risk that said road could have been included within the scope of the general scheme whereby the construction of roads entail the potential development of cities, which would have led –as in the case of the M-50 road– to the appraisal of such land as suitable for urban development and, therefore, resulting in much higher values).

The Ministry of Transport and Infrastructure of the Community of Madrid, pursuant to the Resolution issued by the Road Director General on 9 July 2010, agreed to file a proceeding to modify the concession contract and restore its economic and financial balance. To this end, the concession operator submitted a rebalancing application to the Ministry containing the technical design for the modification of the route required by the grantor. The technical approval of the amended project was secured on 16 December 2010, although the modification case file that will specify the final financial and economic rebalancing measures has not yet been finally approved.

Also, other Cintra Group companies are the defendants in a number of lawsuits. The effect this litigation has on the accompanying financial statements should not be material.

18. Accounts payable

a) Bank borrowings

The detail of the lines of credit not withdrawn at 31 December 2010 is shown below:

Company	Limit in euros	Reference	Spread	Interest rate in current month	Expiry
BBVA	250,000	1M EURIBOR	2%	2.796	04/12/11
Total	**250,000**				

The credit policy signed with BBVA for Cintra was renewed, now maturing on 4 December 2011. The maximum amount thereof is EUR 250,000 at Spread: Euribor + 2% and availability fee equal to 0.80% a year (0.20% quarterly).

b) Payable to Group companies and associates

The detail of the balance corresponding to "Payable to Group companies and associates" at 31 December 2010 and 2009 is shown below. Inter-group transactions carried out are due to tender, IT and management support services, as shown below:

Company	2010	2009
Ferrovial, S.A.	-999,232	20,113,297
Ferrovial Aeropuertos, S.A.	14,924	—
Ferrovial Agromán, S.A.	378,447	—
Ferrovial Agromán USA	538,948	—
Ferrovial Servicios, S.A.	31,528	47,637
Total Ferrovial Group	**-35,385**	**20,160,934**
Inversora de Autopistas del Sur, S.L.	5,314	5,182
Autopista del Sol, S.A.	28,056	—
Autopista Madrid-Levante, S.A.	394	23,890
Autopistas del Sur, S.A.	4,378	—
Autoestrada Poludnie, S.A.	450	—
Cintra US, LLC	881,758	681,838
Eurolink Motorway Operation Ltd.	68	68
Chicago-Skyway Concession Co.	123,215	78,158
Total Cintra Group	**1,043,633**	**789,136**
407 ETR Concesión Co. (*)	420,598	85,478
Cintra Chile, Ltda. (*)	127,806	389,569
Total Associates	**548,404**	**475,047**
Total Payable to Group Companies and Associates	**1,556,652**	**21,425,117**

(*) Both 407 ETR and Intervial Chile, S.A. have become associates after the sale in 2010 of a shareholding that sets the investment below 50%.

c) Suppliers

The detail of the balance corresponding to "Suppliers" at 31 December 2010 and 2009 is shown below:

Company	2010	2009
National suppliers	1,234,826	934,103
Foreign suppliers	366,505	-1,532,138
Suppliers pending invoice reception	3,569,261	3,648,914
Total Suppliers	**5,170,592**	**3,050,879**

Disclosures on Deferrals of Payments Made to Suppliers – Third Additional Provision – "Disclosure obligation" provided for in Law 15/2010, of 5 July

Law 15/2010 of 5 July, amending Law 3/2004 of 29 December, which sets out the measures to counteract delinquency in business transactions, states as follows: "Companies shall expressly disclose payment term information to suppliers in the Notes to their financial statements". Likewise, the resolution by the Institute of Accounting and Account Auditing dated 29 December 2010 specifies the information to be disclosed in annual reports to comply with the above said law.

Thus, pursuant to the abovementioned third provision regarding the balance held by the Company with trade payables at 31 December 2010, no material amount exceeding the maturity terms set out thereunder has been established. As per the first interim provision thereunder, the latter shall apply to all contracts formalised after the entry into force of said law (July 2010.)

g) Other financial liabilities

Current accounts held by the Company with Group companies accrue an interest rate of 2.9% in 2010.

	Euros	
	2010	2009
Other current accounts	208,353	2,579,554

19. Debts with Group Companies and associates

The breakdown of credits received from Group companies and associates at 31 December 2010 is as follows:

Company	Type of loan	Cap	Granting/ Renewal date	Maturity date	Rate applied
Financinfraestructure, LLC	Intercompany Loan	25,000,000	26/06/09	15/12/13	6M EURIBOR + 1.5%
Autoestrada Poludnie, S.A.	Debentures and Bonds	19,471,617	25/06/10	15/07/12	12M WIBOR + 1%
Autoestrada Poludnie, S.A.	Debentures and Bonds	1,295,793	8/07/10	15/07/12	12M WIBOR + 1%
Autoestrada Poludnie, S.A.	Debentures and Bonds	2,566,369	16/09/10	15/07/12	12M WIBOR + 1%
Total long-term amount drawn and long-term outstanding interest and exchange rate differences					
Autopista de Toronto, S.L.	Intercompany Loan	30,000,000	15/12/07	31/12/10	3M EURIBOR + 2%
407 Toronto Highway BV	Intercompany Loan	150,000,000	1/01/10	31/12/10	3M EURIBOR + 2%
407 Toronto Highway BV	Intercompany Loan	700,000,000	10/11/10	10/11/11	3M EURIBOR + 2.75%
Financinfraestructure, S.A.	Intercompany Loan	25,000,000	30/06/09	15/12/13	6M EURIBOR + 1.5%
Laertida, S.L.	Intercompany Loan	50,000,000	31/12/07	31/12/10	3M EURIBOR + 2%
Total amount drawn and short-term outstanding interest					

(1) Interest accrued pending payment or capitalisation.

All loans due on 31 December 2010 have been renewed. The breakdown of loans from Group companies at 31 December 2010 is shown below:

Company	Balance at 31/12/09	Drawdowns	Interest capitalisation	Derecognitions	Balance at 31/12/10
Financinfraestructure, LLC	13,200,000	—	529,823	—	13,729,823
Autoestrada Poludnie, S.A.	—	18,959,982	511,635	—	19,471,617
Autoestrada Poludnie, S.A.	—	1,263,999	31,794	—	1,295,793
Autoestrada Poludnie, S.A.	—	2,527,998	38,371	—	2,566,369
Total amount drawn and long-term interest	**13,200,000**	**22,751,979**	**1,111,623**	**—**	**37,063,602**
Autopista de Toronto, S.L.	13,474,166	—	370,566	-315,169	13,529,563
407 Toronto Highway BV	65,513,975	111,088,107	6,056	-168,109,712	8,498,426
407 Toronto Highway BV	—	480,472,861	—	-480,472,861	—
Financinfraestructure, S.A. (Accrued interest)	228,295	—	-191,958	—	36,337
Total amount drawn and short-term interest	**79,216,436**	**591,560,968**	**184,664**	**-648,897,742**	**22,064,326**

The movements relating to 2010 are as follows:

- On 26 May 2009, Financinfraestructure, Ltd granted a maximum loan of EUR 25,000,000 to Cintra Infraestructuras, S.A. maturing on 15 December 2013. The interest rate applied is six-month EURIBOR plus a 1.5% spread, set at 2.76%. The balance at 31 December 2010 is EUR 13,729,823. Interest accrued during the period totals EUR 337,864, of which EUR 36,337 have been capitalised.
- Autopista de Toronto, S.L. renewed a credit policy granted to Cintra Infraestructuras, S.A. on 1 January 2010, with a limit of EUR 30,000,000 with an annual maturity term that can be extended for another equal period. The interest rate applied is three-month EURIBOR plus 2%, the interest rate applied in December 2011 being 2.89%. The current balance at 31 December is EUR 13,529,563, of which EUR 370,611 are interest accrued and capitalised during the period.
- On 01.01.10, Cintra Infraestructuras, S.A. renewed its line of credit with 407 Toronto Highway BV with a maximum amount of EUR 150,000,000. During the reporting period repayments and drawdowns amounting to EUR 168,109,712 and EUR 111,094,163 respectively were made. Repayments correspond mainly to dividend paid by 407 Internacional Inc. The loan is automatically renewable on an annual basis and accrues interest tied to three-month EURIBOR plus 2%. The interest rate applied at 31 December is 2.89%.
- On 10 November 2010, Cintra Infraestructuras, S.A. formalised a line of credit with 407 Toronto Highway BV with a maximum amount of EUR 700,000,000, maturing on 10 November 2011.

  During the reporting period drawdowns amounting to EUR 480,472,861 were made from the funds derived from the sale of 10% of the interest in Autopista 407 ETR from Canada. The interest rate applied is three-month EURIBOR plus a spread of 2.75%, the rate at the end of the reporting period being equal to 3.79%. Accrued interest amounts to EUR 1,696,714. Said amount has been repaid with a dividend from Highway BV.
- On 1 January 2010, Laertida, S.L. renewed a line of credit granted to Cintra Infraestructuras, S.A. for EUR 50,000,000. Said line of credit matures on 31 December 2010 and can be renewed by equal annual terms. The applicable interest rate is tied to three-month EURIBOR plus 2%. The balance at 31 December has been offset through an inter-company credit held by both companies. The drawdowns made for EUR 2,290,394 correspond to dividend from Chicago (USD 3,300,000). Interest accrued during the period totals EUR 17,639.
- During the reporting period, the Company issued three series of bonds that have been fully acquired by Autoestrada Poludnie, S.A. The first one was formalised on 25 June 2012 with a principal of EUR 18,959,982 (PLN 75,000,000) and maturity date on 15 July 2010. Interest accrued and capitalised during the period totalled EUR 511,635, at an annual interest rate of 5.14%.

  The second bond was formalised on 8 July 2010, with a principal of EUR 1,263,999 (PLN 10,000,000) and maturity date on 15 July 2012. Interest accrued and capitalised during the period totalled EUR 31,794, at an annual interest rate of 5.145%.

  The third bond was formalised on 16 September 2010, with a principal of EUR 2,527,998 (PLN 10,000,000) and maturity date on 15 July 2012. Interest accrued and capitalised during the period totalled EUR 38,371, at an annual interest rate of 5.155%.

20. Deferred tax liabilities

The detail of deferred tax liabilities at 31 December 2010 and 2009 is as follows:

	Euros	
	2010	**2009**
Deferred tax assets:		
– Timing differences	182,537,725	9,958,842
Deferred tax liabilities:		
– Timing differences	(25,625,190)	(39,644,201)
Net deferred taxes	**156,912,535**	**(29,685,359)**

The movement of deferred tax assets and liabilities during reporting period 2010 is as follows:

Assets	Euros		
	31/12/09	Movements	31/12/10
Taxable bases – Credits	4,082,881	-95,332	3,987,549
Equity swap provision	3,608,943	757,100	4,366,043
Provision for impairment on shareholding in Group companies	1,518,060	66,143,553	67,661,613
Provision for insolvency on credits to Group companies	—	90,368,851	90,368,851
Provision for risks and expenses	—	13,012,126	13,012,126
Derivatives (forwards)	748,958	2,392,585	3,141,543
Closing balance	**9,958,842**	**172,578,883**	**182,537,725**

Liabilities	Euros		
	31/12/09	Movements	31/12/10
Tax provision (IML/ IMS)	15,358,889	(15,358,889)	—
Other	24,285,312	1,339,878	25,625,190
Closing balance	**39,644,201**	**(14,019,011)**	**25,625,190**

Tax losses fully incurred in 2008 and derived from companies belonging to the Cintra Group will prescribe in 2023. In the current period, the Company has not offset any tax losses since it can only do so once the Tax Group earns a taxable profit and in 2010 the Group generated tax losses.

The limitation period to offset tax losses is 15 years and will commence as of the first tax period in which a taxable profit is obtained, pursuant to article 25.3 under the Spanish Corporate Tax Law (LIS).

The main balances relating to deferred tax assets correspond to provisions for impairment on shareholding and provision for credits granted to Group companies recognised in reporting period 2010 and deemed not deductible for tax purposes.

The deferred tax resulting from the sale of Eurospistas in 2006 for EUR 24,285,312 is maintained under liabilities.

The deferred tax assets and liabilities indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

21. Employees

The items included in the item "Staff costs" for reporting period 2010 are as follows:

Item	Euros 2010
Wages and salaries	15,085,017
Termination benefits	371,008
Social security costs	1,590,185
Other employee expenses (life/injury insurance, luncheon vouchers)	595,082
Total Staff Costs	**17,641,292**

The average number of employees in 2010 by category was as follows:

	2010
Managers	40.9
Higher and intermediate education graduates	79.9
Administrative staff	15
Technicians and workers	2
TOTAL	**137.8**

Staff at the closing of 2010 distributed by gender and category is as follows:

	Male	Female	Total
Managers	34	5	39
Higher and intermediate education graduates	52	30	82
Administrative staff	3	12	15
Technicians and workers	2	0	2
TOTAL	**91**	**47**	**138**

The Company did not have any payroll staff in 2009, Ferrovial, S.A. being in charge of the staff management and administration. Said staff consisting of 134 employees was transferred to the Company on 1 January 2010.

In 2009 Ferrovial, S.A. invoiced staff costs to Cintra for the period between 1 July and 31 December 2009.

The reason why the staff was not transferred to the Company until 1 January was due to the recommendation of avoiding split Social Security contributions of employees in different companies in order to prevent that the massive change of employees from one company to another within the same period could alter and, therefore, negatively affect such contributions.

At 31 December 2010 the total number of Directors is 5 males (2009: 5 Directors, also males).

At 31 December 2010 there is one handicapped person with a disability equal to or above 33%.

22. Income and expenses

a) Revenue

The amount of revenue earned both in Spain and overseas during reporting periods 2010 and 2009 is as follows:

	Euros	
Item	2010	2009
National	457,682	3,856,758
International	629,945	0
Provision of Services with third parties	**1,087,627**	**3,856,758**
National	9,124,301	2,702,204
International	51,803,335	24,734,612
Provision of Services with Group companies	**60,927,636**	**27,436,816**
Total Provision of Services	**62,015,263**	**31,293,574**
National	71,130,463	8,800,000
International	662,321,293	49,500,000
Total Dividends from Group companies	**733,451,756**	**58,300,000**
National	20,050,398	6,675,669
International	63,010	26,208
Total Profits from Group companies	**20,113,408**	**6,701,877**
Total Revenue	**815,580,427**	**96,295,451**
Revenue from discontinued operations (Note 10)		**743,580**

Interest income from Group companies and dividend income are recognised under the caption "Net revenue" according to the inquiry contained under BOICAC 79.

As for invoicing by Cintra to its Group companies, the table below shows a breakdown of support services rendered for the latter's technical and financial management during the tender, construction and operation period.

The detail corresponding to the provision of services in various currencies for reporting periods 2010 and 2009 is as follows:

Transaction currency	2010 Euros	2010 Local currency	2009 Euros	2009 Local currency
Canadian dollar	1,475,024	1,965,419	236,082	367,665
American dollar	31,549,626	39,877,411	14,670,318	21,601,121
Chilean Unidades de Fomento	862,192	27,217	—	—
Euros	28,128,421	28,128,421	16,387,174	16,387,174
Total Provision of Services	**62,015,263**		**31,293,574**	

"Provision of Services" during 2010 and 2009 is broken down below:

Item	Euros 2010	Euros 2009
Provision of Services – Tender	22,286,137	14,646,609
Provision of Services – IT	12,911,969	8,780,348
Provision of Services – Expatriates	8,289,898	3,303,564
Other Provision of Services	18,527,259	4,563,053
Total Provision of Services	**62,015,263**	**31,293,574**

b) Outside services

The amount of "Outside services" during 2010 and 2009 both in Spain and overseas is shown below:

Item	Euros 2010	Euros 2009
National	(7,049,717)	(4,425,541)
International	(12,422,278)	(4,273,725)
Outside services with third parties	**(19,471,995)**	**(8,699,266)**
National	(10,243,199)	(19,772,776)
International	(11,338,699)	(3,659,767)
Outside services with Group companies	**(25,249,152)**	**(23,432,543)**
Total Outside Services	**(44,721,147)**	**(32,131,809)**
Outside Services from discontinued operations (see Note 10)		(389,027)

Expenses for "Third party services with Group companies" derive mainly from services rendered by companies belonging to Ferrovial or Cintra, on account of IT services and other management support services. In 2009, one of the most relevant items under outside services were staff costs from other Group companies since Cintra did not have any payroll in that period and was transferred to the Company on 1 January 2010.

The breakdown of the various currencies in which outside services expenses were incurred in reporting periods 2010 and 2009 is detailed below:

Transaction currency	2010 Euros	2010 Local currency	2009 Euros	2009 Local currency
Canadian dollar	(5,444,963)	(7,304,516)	(88,992)	(139,177)
American dollar	(15,926,605)	(20,844,461)	(6,655,574)	(9,611,386)
Chilean peso	(152,097)	(100,449,045)	—	—
Polish zlotys	—	—	(2,111)	(8,638)
Sterling pound	(123,723)	(106,747)	(104,290)	(94,149)
Euros	(23,073,759)	(23,073,759)	(25,280,842)	(25,091,800)
Total Outside Services	**(44,721,147)**		**(32,131,809)**	

The detail of "Outside services" for reporting periods 2010 and 2009 is shown below broken down by activity:

Item	Euros 2010	Euros 2009
Tender	(9,584,214)	(5,035,155)
IT	(12,968,765)	(9,129,231)
Other (Management Support)	(22,168,169)	(17,967,423)
Total Outside Services	**(44,721,147)**	**(32,131,809)**

c) Transactions with Group companies and associates

The net amount for "Revenue" and "Outside services" relating to the provision of services by Group companies in reporting period 2010 is as follows:

Companies	Provision of Services	Borrowing costs	Dividends	Outside services
Ferrovial, S.A.	3,754,522	1,289,757	—	13,351,889
Ferrovial Agromán, S.A.	41,584	—	—	325,862
Ferrovial Inversiones, S.A.	—	11	—	—
Ferrovial Servicios, S.A.	—	—	—	185,081
Ferrovial Aeropuertos, S.A.	—	114	—	12,647
Total Ferrovial Group	**3,796,106**	**1,289,882**	**—**	**13,875,479**
407 Toronto Highway BV	6,035,162	—	652,000,000	—
ITR Concession Company	517,603	—	—	—
SH 130 seg. 1 – 5	1,182,101	—	—	—
Skyway Concession Co LLC	634,167	714	—	44,397
NTE Mobility Partners, LLC	2,284,264	—	—	—
NTE Seg. 2-4	—	10,879	—	—
LBJ Infrastructure LLC	21,950,010	—	—	—
TEX TOLL SERVICES, LLC	1,011,914	—	—	—
Cintra US LLC	3,333,845	51,417	—	10,630,491
Laértida, S.L.	—	9,418,137	46,765,183	—
Autopista Terrasa-Manresa, S.A. (1)	803,632	899	—	—
Cintra Inversora de Autopistas de Cataluña, S.L.U.	—	6,653,794	—	—
Inversora de Autopistas de Cataluña, S.L.U.	—	70,692	—	—
Autopista del Sol, S.A.	1,654,435	1,880	12,000,000	33,110
Inversora de Autopistas del Sur, S.L.	—	303,148	—	—
Inversora Autopistas de Levante, S.A.	—	88	—	—
Autopista Madrid-Levante, S.A.	926,166	3,351	—	—
Autopistas del Sur, S.A.	1,329,971	6,335	—	1,864
Autopista de Toronto, S.L.	—	776	219,861	—
Cintra Autopistas Integradas, S.A.	—	2,207,673	—	—
Autopista Alcalá-O'Donell	539,741	756	—	—
Eurolink Motorway M4	648,027	—	—	—
Eurolink Motorway M3	2,888,226	—	—	—
M3 Motorway Joint Venture	248,569	—	—	—
Autostrada Poludnie, S.A.	2,424,755	—	—	3,100
Cintra Sucursal Portugal, S.A.	252,549	—	-3,106	—
Euroscut Norte Litoral, S.A.	3,907,426	—	—	—
Euroscut Algarve, S.A.	572,710	—	—	—
Via Livre, S.A.	648,045	—	—	—
Euroscut Açores, S.A.	564,233	—	—	—
Total Cintra Group	**54,357,551**	**18,730,539**	**710,981,938**	**10,712,962**
407 ETR Co	898,855	—	—	190,606
Cintra Chile, Ltda.	774,592	—	10,324,399	470,105
Autopista del Maipo, S.A.	437,167	—	—	—
Collipulli-Temuco, S.A.	425,025	—	—	—
Serranopark, S.A.	74,250	24,234	8,508,615	—
Autopista Trados 45, S.A.	164,090	68,753	3,636,804	—
Total Associates	**2,773,979**	**92,987**	**22,469,818**	**660,711**
Total Group Companies and Associates	**60,927,636**	**20,113,408**	**733,451,756**	**25,249,152**

2010 Financial Statements

The Provision of Services by Group companies amounting to EUR 60,927,636, together with the Provision of Services by third parties totalling EUR 1,087,627, post a total of EUR 62,015,263 in the income statement on account of Provision of Services.

The net amount for "Revenue" and "Outside services" relating to the provision of services by Group companies in reporting period 2009 is as follows:

Companies	Provision of Services	Borrowing costs	Dividends	Outside services
Ferrovial, S.A.	334,790	—	—	19,679,961
Nea Odos, S.A.	191,075	—	—	—
Ferrovial Servicios, S.A.	—	—	—	90,887
Total Ferrovial Group	**525,865**	**—**	**—**	**19,770,848**
407 ETR Co	236,082	—	—	—
407 Toronto Highway BV	—	—	49,500,000	—
ITR Concession Company	101,134	—	—	—
SH 130 seg. 1 – 5	465,801	—	—	—
Skyway Concession Co LLC	360,104	—	—	80,496
NTE Mobility Partners, LLC	12,110,465	—	—	—
Cintra Development LLC	1,272,188	26,208	—	3,579,272
Laértida, S.L.	—	1,254,581	—	—
Autopista Terrasa-Manresa, S.A. (1)	342,104	—	—	—
Cintra Inversora de Autopistas de Cataluña, S.L.U.	—	4,426,185	—	—
Autopista del Sol, S.A.	720,812	—	8,800,000	—
Inversora de Autopistas del Sur, S.L.	—	167,748	—	448
Autopista Madrid-Levante, S.A.	386,791	—	—	1,479
Autopista Madrid Sur, C.E.S.A.	578,146	—	—	—
Cintra Autopistas Integradas, S.A.	—	823,208	—	—
Autopista Alcalá-O'Donell	220,391	—	—	—
Eurolink Motorway M4	375,460	—	—	—
Eurolink Motorway M3	120,672	—	—	—
M3 Motorway Joint Venture	796,509	—	—	—
Autostrada Poludnie, S.A.	2,081,000	—	—	—
Cintra Sucursal Portugal, S.A.	132,722	—	—	—
Euroscut Norte Litoral, S.A.	6,017,009	—	—	—
Euroscut Algarve, S.A.	182,574	—	—	—
Euroscut Açores, S.A.	291,817	—	—	—
Total Cintra Group	**26,791,781**	**6,697,930**	**58,300,000**	**3,661,695**
Total Group Companies	**27,317,646**	**6,697,930**	**58,300,000**	**23,432,543**
Serranopark, S.A.	37,125	3,826	—	—
Autopista Trados 45, S.A.	82,045	121	—	—
Total Associates	**119,170**	**3,947**	**—**	**—**
Total Group Companies and Associates	**27,436,816**	**6,701,877**	**58,300,000**	**23,432,543**
Cintra Chile, Ltda.	360,626	—	—	389,027
Autopista del Maipo, S.A.	194,173	—	—	—
Collipulli-Temuco, S.A.	188,780	—	—	—
Total Discontinued Operations	**743,579**	**—**	**—**	**389,027**

Other profits arise from the credits granted by Cintra to Group companies representing ancillary transactions that are not intended to obtain a return on the capital invested, for which there are not specific resources and that, additionally, imply an irrelevant use of both third party goods and services and human and material resources owned by the Company, which are allotted to the provision of services to its subsidiaries.

e) Other losses

VAT expenses relating to fiscal year 2009 and a 2010 VAT provision have been registered for a total sum of EUR 4,214,053 (see Note 16). Provisions have been increased after the update of the Sanctioning File of the Corporate Tax Inspection Record relating to fiscal years 2003-2005 for EUR 616,210 (see Note 16).

Similarly to other 2009 losses, the provision for the Sanctioning File of the Corporate Tax Inspection Record relating to fiscal years 2003-2005 is included for a total of EUR 10,699,862.

23. Financial loss

Finance income and finance costs

The detail of the finance income and costs in 2010 and 2009 is as follows:

	Euros	
Item	2010	2009
From marketable securities and other financial instruments	17,944,260	1,125,487
– Group companies and associates	—	53,936
– Third parties	17,944,260	1,071,551
Finance income	**17,944,260**	**1,125,487**
On debts to Group companies and associates	(13,547,507)	(13,754,094)
On debts to third parties	(28,256,697)	(13,171,314)
Finance costs	**(41,804,204)**	**(26,925,408)**
Exchange gains	3,065,901	560,633
Negative exchange rate differences	(3,364,655)	(1,772,670)
Exchange differences	**(298,754)**	**(1,212,037)**
Portfolio held for trading and others (Note 13)	(3,549,732)	14,691,006
Change in fair value of financial instruments	(3,549,732)	14,691,006
Profit on disposal of financial instruments (Note 9)	37,245,279	399,564,596
Impairment and losses (Notes 9, 11 and 21)	(618,398,461)	(663,393)
Impairment and gains or losses on disposals of financial instruments	**(581,153,182)**	**398,901,203**
Financial loss	**(608,861,612)**	**386,580,251**

a) Finance income

Finance income derived from loans held with Group companies is an integral part of the Company's Net Revenue, as stated in section 20.a of the financial statements.

Finance income from Group companies does not include 2010 current accounts for EUR 1,633,095 since it has been posted as Net Revenue. In 2009 they were part of the finance income (in 2009: EUR 53,936).

Third party finance income reflects mainly income earned from the allocation of cash surplus amounting to EUR 418,649 (in 2009: EUR 522,881, see Note 14). This item also includes exchange rate profit derived from futures transactions for EUR 16,173,968 (in 2009: EUR 166,121) and other finance income for EUR 1,253,876 (in 2009: EUR 270,121).

Third party finance income corresponds mainly to exchange rate hedges, of which EUR 6,089,461 correspond to hedges for the sale of 60% of Cintra Chile and EUR 4,269,352 to hedges for the sale of 10% of 407 ETR.

(b) Finance costs

Third party finance costs include interest from the tax inspection record for the period in the amount of EUR 1,813,197 (in 2009: EUR 12,089,111), a loss due to futures transactions for EUR 24,754,596 (EUR 516,053) and other finance costs for EUR 299,240 (in 2009: EUR 171,689).

2010 Financial Statements

Third party finance costs correspond mainly to losses derived from exchange rate hedges, of which EUR 11,845,430 correspond to hedges for the sale of 60% of Cintra Chile and EUR 12,406,734 to hedges for the sale of 10% of 407 ETR and the repatriation of dividend from 407 ETR.

The breakdown of finance costs with Group companies for reporting period 2010 is as follows:

Companies	Group companies Finance costs
Ferrovial, S.A.	1,559,452
Ferrovial Agromán, S.A.	6,371,278
Ferrovial Inversiones, S.A.	84
Total Ferrovial Group	**7,930,814**
407 Toronto Highway BV	4,063,319
Laértida, S.L.	17,693
Autopista Terrasa-Manresa, S.A. (1)	3,993
Cintra Inversora de Autopistas de Cataluña, S.L.U.	56,959
Autopista del Sol, S.A.	19,495
Inversora de Autopistas del Sur, S.L.	1,367
Autopista de Toronto, S.L.	370,611
Cintra Autopistas Integradas, S.A.	7,198
Financinfraestructure, S.A.	337,864
Autostrada Poludnie, S.A.	576,847
Euroscut Algarve, S.A.	8
Total Cintra Group	**5,455,354**
Serranopark, S.A.	188
407 ETR Co	161,151
Total Cintra Associates	**161,339**
Total Group Companies and Associates	**13,547,507**

The detail of finance costs with Group companies and finance income derived from current accounts held by Group companies in 2009 is as follows:

Companies	Group companies finance income	Group companies finance costs
Ferrovial, S.A.	28,348	-242,820
Ferrovial Agromán, S.A.	—	50
Ferrovial Aeropuertos, S.A.	98	—
Ferrovial Servicios, S.A.	—	78
Nea Odos, S.A.	634	—
Total Ferrovial Group	**29,080**	**-242,692**
407 Toronto Highway BV	3,259	1,230,969
Autopista de Toronto, S.L.	57	164,576
Laértida, S.L.	41	39,795
Skyway Concession Co LLC	278	—
Autopista Terrasa-Manresa, S.A. (1)	14	6,356
Cintra Inversora de Autopistas de Cataluña,	1,027	—
Autopista del Sol, S.A.	10,681	15,901
Inversora Cataluña, S.L.	318	12,345,561
Cintra Aparcamientos, S.A.	457	—
Autopista Madrid-Levante, S.A.	1,280	—
Autopista Madrid Sur, C.E.S.A.	5,430	—
Autopista Alcalá O'Donell, S.A.	204	—
Cintra Autopistas Integradas, S.A.	1,068	—
Eurolink Motorway, Ltd.	—	71
Financinfraestructure, S.A.	—	190,868
Cintra Sucursal Portugal, S.A.	—	1,678
Euroscut Algarve, S.A.	—	3
Total Cintra Group	**24,114**	**13,995,778**
Autopista Trados 45, S.A.	107	—
Cintra Chile, Ltd.	30	—
Serranopark, S.A.	605	1,008
Total Cintra Associates	**742**	**1,008**
Total Group Companies and Associates	**53,936**	**13,754,094**

c) Change in fair value of financial instruments

In 2010, the caption "Change in fair value of financial instruments" shows a variation in the equity swap provision for EUR 3,549,732 (in 2009: EUR 14,691,006, see Note 13).

d) Gains or losses on disposals of financial instruments

During reporting period 2010 a total of 60% of Cintra Chile, Ltda. was sold, delivering EUR 37,245,671 (see Note 9).

In 2009 the result of the sale of Autema was registered since such a sale transaction led to the write-off of the investment for EUR 43,939,321 that Cintra kept in its accounting records. Such transaction amounted to EUR 443,503,917, resulting in a profit for Cintra tantamount to EUR 399,564,596.

e) Impairment and losses

In addition, a value impairment was registered due to the negative evolution of traffic levels in 2010 and the adjustment of long-term hypotheses regarding highway concessions. The provision allocated during the period totalled EUR 618,398,461, of which EUR 273,795,205 correspond to financial investment provisions of Group companies (see Note 9), EUR 298,477,973 to short-term loans granted to Group companies (see Note 11), EUR 2,751,530 to long-term loans granted to Group companies (see Note 11), and EUR 43,373,753 to liabilities (see Note 16).

24. Public authorities and tax matters

a) Balances with public authorities

The breakdown of the current balances with Public Authorities for reporting periods 2010 and 2009 is as follows:

Tax receivables	2010	2009
VAT receivable	4,642,907	2,809,741
Total	**4,642,907**	**2,809,741**

Tax payables	2010	2009
Social security bodies payable	157,508	—
Tax withholdings refundable	250,733	5,461
Total	**408,242**	**5,461**

VAT receivable consists of balances pending reimbursement by the Tax Authority for the reporting periods 2009 and 2010.

b) Reconciliation of the accounting profit to the taxable profit

Reconciliation between accounting income and taxable income for individual Corporate Tax purposes at 31 December 2010 and 2009 is as follows:

	2010			2009		
Item	Increase	Decrease	Total	Increase	Decrease	Total
Ongoing operation profit(loss)	**—**	**—**	**138,892,886**	**—**	**—**	**441,398,327**
Ongoing operation Discontinued operations	**—**	**—**	**—**	**—**	**—**	**354,552**
Profit (Loss) before tax	**—**	**—**	**138,892,886**	**—**	**—**	**441,752,879**
Permanent differences	**618,404**	**(696,221,779)**	**(695,603,374)**	**10,699,861**	**(49,510,521)**	**(38,810,660)**
Timing differences:	**568,631,503**	**—**	**568,631,503**	**664,578**	**(41,597,488)**	**(40,932,909)**
– Arising during the year	568,631,503	—	568,631,503	664,578	(24,522,050)	(23,857,472)
– Arising in previous years	—	—	—	—	(17,075,438)	(17,075,438)
Taxable profit	**569,249,907**	**(696,221,779)**	**11,921,015**	**11,364,439**	**(91,108,009)**	**362,009,310**
Previous payment			**3,576,304**			**108,602,793**
Double taxation deductions			**-17,695,513**			**(2,640,000)**
Reinvestment deductions			**—**			**(47,947,751)**
Final payment			**(14,119,209)**			**58,015,041**

Permanent negative differences registered in reporting period 2010 are mainly related to foreign dividends and capital gains, that account for tax exempted gains. They are also tied to the tax effect of writing off internal dividends in the tax consolidation process.

Permanent positive differences respond to non-tax deductible expenses.

Positive temporary differences in 2010 correspond to provisions due to impairment loss of the ownership interest in Group companies, provision for credits to Group companies, provision for risks and expenses and provision for equity swap registered during the reporting period and non-tax deductible.

c) Reconciliation of the accounting profit for the year and the expense for Corporate Tax

At 31 December 2010 the Company posted an income from Corporate Tax equal to EUR 175,616,938 (in 2009: EUR -36,881,871), consisting of the following items registered in the income statement:

Item	Euros 2010	Euros 2009
Current Corporate Tax	14,119,209	(58,015,041)
Regularisation of CT due to inspection proceedings	—	(45,329,928)
Deferred tax	170,589,452	(12,279,874)
Reversal of deferred taxes due to inspection proceedings	—	78,763,537
Adjustment of Corporate Tax from previous years	(816,767)	(20,565)
Overseas Income tax	(7,401,345)	—
Income from reporting period Corporate Tax (*)	**176,490,549**	**(36,881,871)**

The Corporate Tax on outside profit derives mainly from the tax paid for the sale of Cintra Chile Ltda. and for the withholding of Cintra Chile dividend at source.

The Company has the following deductions pending application and accounting income has not been included either, as at this time it is not possible to determine when it will be applied:

Deduction generating year	Expiry	Euros
2000	2010	4,127,400
2001	2011	3,369,325
2006	2016	2,100
2007	2017	2,795,999
2008	2018	2,874,017
2009	2019	871,183
2010	2020	3,643,626
Total Deductions		**17,683,650**

d) Years open for review and tax audits

The last four years are open for review by the tax authorities for all the taxes applicable to the Group. Contingent tax liabilities may arise from the criteria that tax authorities may adopt in relation to the years open for review which cannot be objectively quantified. Nevertheless, the parent Company Directors believe that no significant liabilities will stem from this situation.

25. Other cash flows from operating activities

The cash flow from operating activities for reporting periods 2010 and 2009 is as follows:

	Euros	
	2010	**2009**
Profit for the year before tax (a)	**315,383,436**	**441,752,880**
Profit(loss) adjustments:		
– Depreciation and amortisation charge	441,073	128,846
– Calculation of provisions (Note 16)	626,778,456	-14,027,614
– Gains or losses on write-offs and disposal of financial instruments (Note 9)	-37,085,069	-399,358,249
– Finance income	-17,944,261	-1,125,487
– Finance costs (Note 23)	41,804,204	26,925,408
– Exchange differences	298,754	1,212,037
– Dividends from subsidiaries	-733,451,756	-58,300,000
– Other profit	-20,113,408	-6,701,877
	-139,272,007	**-451,246,935**
Changes in working capital:		
– Inventories		0
– Trade and other receivables	-11,774,308	-7,175,634
– Other current assets	98,189	-324
– Trade and other payables	14,014,686	14,416,913
– Other current liabilities	-647	-402
– Other non-current assets and liabilities		
	2,337,919	**7,240,553**
Other cash flows from operating activities:		
– Interest paid	-26,144,125	0
– Dividends received	506,434,065	8,800,001
– Interest received	17,943,393	959,123
– Income tax recovered (paid)	-114,432	1,651,510
– Loans to Group companies and associates (Note 11)	-679,536,488	-13,769,583
	-181,417,586	**-2,358,950**
Other cash flows from operating activities	**-2,968,238**	**-4,612,452**

(a) Profit for the reporting year includes the result of discontinued operations before tax.

26. Cash flows from investment activities

Cash flow from investment activities in reporting periods 2010 and 2009 is as follows:

	Euros	
	2010	**2009**
Collection (payments) due to investment: (Note 9)		
– Group companies and associates – increases	-43,158,189	-19,898,882
– Group companies and associates – reductions	239,075,626	15,400,000
– Intangible assets		0
– Property, plant and equipment		-18,921
– Other financial assets	-158,210	194,985
Cash flows from investment activities	**195,759,227**	**-4,322,818**

27. Cash flows from financing activities

Cash flow from financing activities in reporting periods 2010 and 2009 is as follows:

	Euros	
	2010	**2009**
Proceeds and payments relating to financial assets instruments:		
– Bank borrowings	-75	-391
Proceeds and payments relating to financial liability instruments:		
– Debts to Group companies and associates (Note 19)	29,340,291	36,211,816
Dividends and returns on other equity instruments paid:		
– Dividends (Note 4)	-231,759,139	-337,358,999
Cash or equivalents from Segregation	0	331,871,289
Cash flows from financing activities	**-202,418,92**	**30,723,105**

28. Stock option plan

As a result of the merger of Grupo Ferrovial, S.A. and Cintra, S.A., effective as of 1 January 2009, Ferrovial, S.A. subrogated Cintra Concesiones de Infraestructuras de Transporte S.A. as the entity bound to the stock option plans. Therefore, the stock option rights of Cintra, S.A. automatically became stock option rights over Ferrovial, S.A., as per the swap terms established in the abovementioned Project, that is, (4) shares of Cintra for every share of Grupo Ferrovial, S.A.

Cintra Infraestructuras, S.A. undertook the current Stock Option Plans of Cintra Concesiones de Infraestructuras de Transportes, S.A. by virtue of the segregation and, pursuant to the terms of the Merger Project, the Company has taken over Cintra Concesiones de Infraestructuras de Transportes, S.A. as the entity liable for such plans. Stock option rights have automatically become stock option rights over Ferrovial S.A. shares, as per the terms ruling the swap established in the abovementioned Project.

Cintra currently holds the following stock option plans over Ferrovial, S.A. shares:

Ferrovial Stock Option Plans – Cintra employees	Price upon granting	Euros
Directors / July 2003	6.06	284,000
Directors / July 2003 (extension)	9.46	60,000
Directors / October 2005	15.88	266,720
Directors / October 2005 (extension)	16.6	60,000
Directors / October 2005 (extension)	18.38	0
Directors / October 2005 (extension)	18.38	0
Directors and Senior Management / October 2005	8.98	679,605
Senior Management / November 2006	10.54	67,720
Directors / November 2007	14.99	317,840
Senior Management / April 2008	12.12	300,000
Directors / November 2007 (extension)	7.24	0
Senior Management / July 2007	10.9	54596
Directors and Senior Management / November 2007	10.72	467,725
Senior Management / April 2008	9.09	256,526

Although in 2009 the assets and liabilities of Cintra Concesiones de Infraestructuras de Transportes were segregated, the staff was not transferred until 1 January 2010. Nonetheless, Ferrovial, S. A. invoiced the Company staff costs incurred from 1 July 2009 to 31 December 2009.

The exercise price is calculated as the arithmetic mean of the weighted average changes during the previous 20 stock market trading sessions, each option being equivalent to the exercise of one option at that price to which the share exchange ratio resulting from the merger has been applied.

The main assumptions considered to assess the plans granted in 2008 are shown below, no new plans having been granted during reporting periods 2010 and 2009:

Assumptions considered and assessment of options	
Time estimated to exercise options	6.4 years
Rate of write-offs before and after the exercise of options	7%
Risk-free rate	4.28%
Expected dividend	1.81%
Expected volatility	28.24%

Equity swaps were arranged by Cintra and Ferrovial at the grant date in order to hedge against possible losses resulting from the exercise of stock options. These swaps ensure that both companies will collect an amount equal to the rise in the share price when the options are exercised by employees.

Under the equity swap contract, the financial institution undertakes to pay to Cintra Infraestructuras, S.A. cash amounts equal to the return of Ferrovial's shares while Cintra Infraestruturas, S.A. agrees to pay a consideration therefor. The main features of equity swaps are as follows:

- The number of shares used to calculate returns is equal to the number of options granted under each plan.
- The share price used to calculate both returns coincides with the exercise price applied to calculate the increase in the share's value.
- Ferrovial will pay a return to the financial institution calculated by applying the EURIBOR rate plus a spread to the result of multiplying the number of shares by the exercise price.
- The financial institution will pay Cintra an amount equal to all the dividends generated by those shares.

Cintra may opt to partially or totally terminate the contract, in which case:

If the share price is below the exercise price at which the contract was granted, Ferrovial must pay the difference to the financial institution.

b. If the share price is above the exercise price, Ferrovial will receive the difference between the two amounts. For accounting purposes, these contracts are treated as derivative financial instruments.

For accounting purposes, these contracts are treated as derivative financial instruments, this being the general treatment afforded to financial products of this type (see Note 13).

Staff expenses invoiced by Ferrovial, S.A. relating to these remuneration systems totalled EUR 203,519 in 2010 (2009: EUR 1,169,064).

29. Board of Directors and Senior Management Remuneration

The Company's Board of Directors receives no remuneration. The Company's senior management Directors, in turn, receive remuneration for their work as such, but not as members of the Board of Directors.

a) Director benefits

Remuneration paid to Company Directors (Chief Executive Officer and Director Secretary) in reporting periods 2010 and 2009 is broken down as follows:

Euros	2010	2009
Fixed remuneration	633,750	316,875
Variable remuneration	685,457	248,513
Other	—	—
Life insurance premium	3,195	1,446

The Company had no staff during fiscal year 2009; Ferrovial, S.A. managed staff administration and said services (from 1 July 2009 to 31 December 2009) were invoiced to the Company. The staff was transferred to

Cintra on 1 January 2010. Therefore, during fiscal year 2009, the Directors did not generate any amounts on account of salaries, allowances or any other remunerations, maintaining no balances with the Company at 31 December 2009.

However, the 2009 Ferrovial, S.A. invoice included services rendered by the Chief Executive Officer and the Director Secretary for a fixed remuneration of EUR 316,875, for a variable remuneration of EUR 248,513 and for the life insurance premium of EUR 1,446.

No obligations were undertaken with respect to the Directors. Furthermore, the Group holds no obligations with respect to them regarding pension funds or life insurance.

The Company Directors benefit from certain Ferrovial, S.A. stock option plans due to their position as members of Cintra Infraestructuras, S.A. senior management.

Cintra plans	Price upon granting	Euros
October 2005	8.98	63,122
November 2006	10.54	67,720
July 2007	10.9	54,596
April 2008	9.09	256,526

b) Director loans and advances

No obligations were undertaken with respect to the Directors. Furthermore, the Group holds no obligations with respect to them regarding pension funds or life insurance.

c) Remuneration and loans to Senior Management personnel

The remuneration paid to the Senior Management (Members of Company's Steering Committee) of the Company during reporting periods 2010 and 2009 amounted to the following:

Euros	2010	2009
Fixed remuneration	1,531,607	58,738
Variable remuneration	1,098,590	259,471
Other	—	447,310
Life insurance premium	6,205	2,821

The amounts paid to Senior Management in 2009 were invoiced by Ferrovial, S.A. to the Company. Therefore, during fiscal year 2009, Senior Management did not accrue any amount for salaries, allowances or other remunerations, maintaining no balances with the Company at 31 December 2009.

The Senior Management benefit from certain Ferrovial, S.A. stock option plans.

Cintra plans	Price upon granting	Euros
October 2005	8.98	197,202
July 2007	10.9	54,596
November 2007	10.72	174,983

30. Information on the Board of Directors – Art. 229 of the Spanish Companies Law

Article 229 of the Spanish Companies Law requires the Directors to notify the Company of the following information:

- *Situations that may pose a conflict of interest with the Company.*
- *Any ownership interests they may have in the share capital of a company engaging in any activity that is identical, similar or complementary to the Company's purpose:*
- *Positions held or functions discharged at such companies.*

In accordance with paragraph 3 of the aforementioned Article 229, this information is to be included in the financial statements. Furthermore, Article 230 establishes that Directors may not engage, as independent professionals or as employees, in activities that are identical, similar or complementary to the activity that constitutes the Company's purpose, except in the event of receiving express authorisation to do so from the Company, through a resolution by the Annual General Meeting, which shall require previous notice as set forth in Article 229.

The following information was provided to the Company by the Directors of Cintra Infraestructuras, S.A. in 2010:

a) Conflicts of interest:

There were no conflicts of interest.

b) Ownership interests in the share capital:

– Iñigo Meiras Amusco, Santiago Ortiz Vaamonte, Ernesto López Mozo, Enrique Díaz-Rato Revuelta and Javier Romero Sullá are shareholders, each one owning 0.001% of Ferrovial, S.A. share capital.

c) Positions or functions:

– **Iñigo Meiras Amusco,** Chief Executive Officer and Member of the Steering Committee of Ferrovial S.A.; Chairman of Ferrovial Aeropuertos S.A., Ferrovial Servicios S.A. and Ferrovial Fisa S.L.; Chairman and Chief Executive Officer of Finecofer S.L.; Vice-chairman of BAA Ltd. and Director of Ferrovial Qatar LLC and Ferrovial Agromán S.A.

– **Santiago Ortiz Vaamonte,** Director of the Legal Consultancy Department, Member of the Steering Committee and Secretary of the Board of Directors of Ferrovial S.A.; Director of Ferrovial Fisa S.L., Ferrovial Agromán S.A., Finecofer S.L., Ferrovial Aeropuertos S.A. and Ferrovial Servicios S.A.; Joint Administrator of Ferrovial Inversiones S.A.

– **Ernesto López Mozo,** Chief Financial Officer and Member of the Steering Committee of Ferrovial, S.A., Director of Ferrovial Aeropuertos S.A., BAA Ltd., Ferrovial Agromán S.A., Ferrovial Servicios S.A., Ferrovial Fisa S.L. and Finecofer S.L.; and Joint Administrator of BURETY S.L., Ferrovial Inversiones S.A. and Ferrovial Emisiones S.A.

– **Enrique Díaz-Rato Revuelta,** Member of the Steering Committee of Ferrovial, S.A.; Chairman of Cintra Holding US Corp.; and Director of Skyway Concession Company Holdings LLC, 407 International Inc., Central Greece Concession Company, Statewide Mobility Partners LLC, Euroscut Açores Sociedade Concesionaria da Scut do Açores S.A., Euroscut Norte Litoral and Euroscut Sociedade Concesionaria da Scut do Algarve.

– **Javier Romero Sullá,** Director of Cintra Concesiones de Infraestructuras de Transporte de Chile Limitada, Eurolink Motorway Operation Limited (M4-M6), Eurolink Motorway Operation Limited (M3), Cintra Holding US Corp., 407 Toronto Highway B.V. and Autopista Terrassa Manresa, Autema, Sociedad Concesionaria de la Generalitat de Catalunya S.A.; Member of the Monitoring Committee of Autostrada Poludnie S.A.; Secretary of Cintra Skyway LLC. and Joint Administrator of Autopista de Toronto S.L., Cintra Autopistas Integradas S.A., Cintra Inversora de Autopistas de Cataluña S.L., Inversora de Autopistas de Cataluña S.L. and Laertida S.L.

31. Related party transactions

The main balances regarding transactions between the Company and its shareholder and Group companies during reporting periods 2010 and 2009 are specified in Note 12. Loans, receivables, debits and payables are detailed in Note 18 and income and expenses for the period in Note 22.

32. Information on the environment

In view of the business activities currently performed by the Company, the latter does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

33. Account auditors' fees

In 2010, the Company changed auditors. Expenses accrued during reporting period 2010 for account auditing services rendered by the main auditor (Deloitte, S.L.) amounts to EUR 52,500. At 31 December 2009 the fees paid to the auditors (PricewaterhouseCoopers Auditores, S.L.) for audit services and other auditing services totalled EUR 56,425 and EUR 17,485 respectively. At 31 December no other services have been accrued nor any fiscal advice or other accounting verification services.

34. Events subsequent to year-end

Cintra completed the sale of its 50% ownership interest in Autopista Trados 45, S.A. to the company Finavías, an investment vehicle of AXA Private Equity's infrastructure funds.

The transaction amount – announced in July 2010 – totalled EUR 68.3 million and gave rise to a net gain of EUR 27 million.

Autopista Trados 45 manages the 14.5-km section between O'Donnell and the connection to N-IV of M-45 motorway, in Madrid. The road, opened in 2002, is a shadow toll road whose fees are indexed to inflation and its concession will be extended until 2029.

This operation fits within the scope of the Company asset turnover policy. In recent months, Cintra has sold its car park division, 60% of its Chilean motorways and 10% of its investment in the 407 ETR in Canada.

In addition, with the objective of having the necessary resources to partially finance the construction of Serrano Park, S.A., the Company, Iridium Concesiones de Infraestructuras, S.A. and Iridium Aparcamientos, S.L., on 28 February 2011, granted Serrano Park, S.A. a participating loan for EUR 22,384. The average interest rate is Euribor plus a margin of 3%, plus a variable annual interest rate of 20% over surplus cash flow generated in the year by the borrower with a Euribor limit plus 5%. The maturity date is 31 December 2034.

In April 2010, Ausul signed the extension of the syndicated loan term from 19 March 2011 to 19 June 2011 for the amount of EUR 492 million with the bank syndicate.

The Radial 4 toll road had syndicated borrowings of EUR 554 million outstanding at 31 December 2010. Tranche A amounts to EUR 97 million and matures in 2011; Tranche B amounts to EUR 100 million and matures in 2011; and the EIB tranche amounts to EUR 357 million and has final maturity in 2033, although the guarantee expires in 2011. The syndicated loan of this toll road was originally falling due in January 2011, but was extended an additional six-month term until July 2011 and is currently subject to a long-term refinancing process.

In furtherance of the measures aimed at the concession rebalancing which the Government has been approving to date, both those set forth in the additional Provision 41 of the State Budget Law 29/2009 for 2010 relative to works cost overruns and expropriation and the Eighth Additional Provision under Law 43/2010 of the Universal Postal Service connected to compensation, the concession operator has requested the Board of Governors in the concession operators of toll roads on 18 January 2011 to recognise the right to restore the economic and financial balance of the concession, based on the reduction of traffic in the road from the start of operations to the present. The concession operator alleges that said request is independent and compatible with the measures established in the additional Provision 41 of the State Budget Law 29/2009 for the year 2010 and of the Universal Postal Service Law 34/2010 since the latter constitutes an interim measure for three years.

On the other hand, on 9 March 2011 the concession Company received a request for the provisional enforcement of a judgment passed by the Court on Administrative and Contentious Matters of the Supreme Court of Madrid dated 21 June 2010 regarding the appraisal of an estate expropriated for the construction of the M-50 road. Said request for the provisional enforcement claims the payment of EUR 37.3 million by the Company on account of fair value and legal interest. The Company has prepared the appropriate documentation against the provisional enforcement, after which the Court must resolve it in accordance with article 91 of the regulatory Law on Administrative and Contentious Matters.

2010 Financial Statements

On 16 March 2011 an extension to the due date of the current debt (EUR 492 million) was signed, with the current bank syndicate, formed of 18 institutions, in order to have sufficient time to formalise the long-term refinancing which is currently being negotiated. The conditions of the extension are as follows:

- Extension from 16 March until 19 June 2011.
- From 19 March, the applicable margin will increase from the current 2.5% to 3.15%.

Regarding the long-term refinancing, once the extension was finalised, negotiations of terms and conditions, which will be the regular ones applicable in this type of "project finance" operation, with the current bank syndicate were resumed. In the coming months, an agreement with the bank syndicate is expected to be reached, estimating its execution prior to 19 June, which will be the expiry date of the previously mentioned 3-month extension.

35. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Appendix I

Interest in Group Companies and Associates

GROUP COMPANIES

Company	Auditor (1)	Parent Company	Equity interest % Direct and indirect	Gross cost of equity interest (millions of euros)	Registered office
SPAIN					
Autopista del Sol, C.E.S.A.	DT	Cintra Infraestructuras, S.A.	80%	198.777	Madrid
Autopista de Toronto, S.L.		Cintra Infraestructuras, S.A.	100%	9.265	Madrid
Inversora de Autopistas del Sur, S.L.	DT	Cintra Infraestructuras, S.A.	55%	0.000	Madrid
Autopista Madrid Sur C.E.S.A	DT	Inversora de Autopistas del Sur, S.L.	100%	663.590	Madrid
Inversora de Autopistas del Levante, S.L	DT	Cintra Infraestructuras, S.A.	51.84%	0.000	Madrid
Autopista Madrid Levante, C.E.S.A.	DT	Inversora de Autopistas del Levante, S.L	100%	511.998	Madrid
Laertida, S.L.	DT	Cintra Infraestructuras, S.A.	100%	0.000	Madrid
Cintra Autopistas Integradas, S.A.		Cintra Infraestructuras, S.A.	100%	0.000	Madrid
M-203 Alcalá-O'Donnell	DT	Cintra Autopistas Integradas, S.A.	100%	64.777	Madrid
Cintra Inversora Autopistas de Cataluña, S.A.	DT	Cintra Infraestructuras, S.A.	100%	0.006	Madrid
Inversora Autopistas de Cataluña, S.A.	DT	Cintra Inversora Autopistas de Cataluña, S.A.	100%	0.003	Madrid
Autopista Terrasa Manresa, S.A.	DT	Inversora Autopistas de Cataluña, S.A.	76.28%	443.504	Barcelona
PORTUGAL					
Euroscut Norte Litoral, S.A.	DT	Cintra Infraestructuras, S.A.	75.53%	57.220	Portugal
E-S Concessionaria da Scut do Algarve, S.A.	DT	Cintra Infraestructuras, S.A.	77%	19.912	Portugal
Euroscut Azores, S.A.	DT	Cintra Infraestructuras, S.A.	89%	37.106	Portugal
Via Livre, S.A.	DT	Cintra Infraestructuras, S.A.	84.04%	0.042	Portugal
HOLLAND					
Algarve International B.V.	DT	Cintra Infraestructuras, S.A.	77%	0.014	Holland
407 Toronto Highway B.V.		Cintra Infraestructuras, S.A.	100%	369.126	Holland
POLAND					
Autostrada Poludnie, S.A.	DT	Cintra Infraestructuras, S.A.	93,68%	38.871	Poland
CANADA					
4352238 Canada Inc.		407 Toronto Highway B.V.	100%	0	Canada
407 International Inc.	DT	4352238 Canada Inc.	43.23%	252.059	Canada
IRELAND					
Eurolink Motorway Operation (M4-M6), Ltd.	DT	Cintra Infraestructuras, S.A.	66%	2.805	Ireland
Financinfrastructures	DT	Cintra Infraestructuras, S.A.	100%	48.545	Ireland
Cinsac, Ltd.		Cintra Infraestructuras, S.A.	100%	2.965	Ireland
Eurolink Motorway Operation (M3), Ltd.	DT	Cinsac, Ltd.	95%	2.965	Ireland

Company	Auditor (1)	Parent Company	Equity interest % Direct and indirect	Gross cost of equity interest (millions of euros)	Registered office
UNITED STATES					
Cintra US Holding Corp		Laertida	100%	459.940	USA
Cintra Texas Corp		Cintra US Holding Corp	100%	2.569	USA
Cintra US, LLC		Cintra Texas Corp	100%	0.053	USA
Cintra Zachry, LP (iv)		Cintra Texas Corp	84.15%	2.421	USA
Cintra Zachry, L.P.		Cintra Texas Corp	85%	0.025	USA
Cintra Skyway LLC		Cintra US Holding Corp	100%	189.412	USA
SCC Holding LLC	DT	Cintra Skyway LLC	55%	189.412	USA
Skyway Concession Co.	DT	SCC Holding LLC	100%	418.891	USA
Cintra ITR LLC		Cintra US Holding Corp	100%	262.927	USA
Cintra Texas 56, LLC		Cintra US Holding Corp	100%	67.182	USA
SH-130 Concession Company, LLC	DT	Cintra Texas 56, LLC	65%	67.182	USA
Cintra NTE LLC		Cintra US Holding Corp	100%	40.386	USA
NTE Mobility Partners Holding LLC	DT	Cintra NTE LLC	57%	40.386	USA
NTE Mobility Partners, LLC	DT	NTE Mobility Partners Holding LLC	100%	71.269	USA
Cintra LBJ LLC		Cintra US Holding Corp	100%	28.299	USA
LBJ Infraestructure Group Holding LLC	DT	Cintra LBJ LLC	100%	28.299	USA
LBJ Infraestructure Group, LLC	DT	LBJ Infraestructure Group Holding LLC	51%	55.489	USA

(1) Audited at 31/12/10

ASSOCIATES

Company	Auditor (1)	Parent Company	Equity interest %	Gross cost of equity interest (millions of euros)	Registered office
SPAIN					
Autopista Trados -45, S.A.		Cintra Infraestructuras, S.A.	50%	12.535	Madrid
Serrano Park, S.A.	DT	Cintra Infraestructuras, S.A.	50%	0.000	Madrid
UNITED STATES					
Statewide Mobility Partners LLC		Cintra ITR LLC	50%	262.927	USA
ITR Concession Company Holdings	DT	Statewide Mobility Partners LLC	100%	525.855	USA
ITR Concession Company	DT	ITR Concession Company Holdings	100%	525.855	USA
CANADA					
407 International Inc.	DT	4352238 Canada Inc.	43.23%	252.059	Canada

(1) Audited at 31/12/10

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Cintra Infraestructuras, S.A.

Directors' Report for 2010

1. Business performance and current situation of Cintra Infraestructuras

Business evolution of the Company and its subsidiaries during the fiscal year was closely linked to the evolution of the economies of the countries in which the Company's main assets are based. It is worth noting the favourable outcome of the 407 ETR in Canada which has had a 5.5% growth of traffic (VKTs) by contrast with the negative outcome of the Spanish roads, which have suffered significant falls in traffic.

The fiscal year results are not comparable with those of 2009 due to two main reasons: On one hand because the Company started its activity in July 2009, therefore incorporating only the second-half of the fiscal year results and as a consequence of the merger between Cintra and Ferrovial and the later segregation of the Cintra and Cintra Infraestructuras activities. On the other hand, continuing with the Company asset turnover policy, during the fourth quarter of 2010, 10% of the investment in 407 ETR and 60% of the investment in Chilean roads were sold respectively. Nor is it comparable in terms of the provision of investment in different investee companies due to the negative foreseeable evolution of such entities.

FISCAL YEAR HIGHLIGHTS

a) ASSETS TURNOVER

As part of the active management of the project portfolio, Cintra analyses the possibility of generating additional financial resources by selling the most mature assets in its portfolio where the risk is already very low and which have a limited potential growth as their management has been optimised.

a) Sale of 10% of 407 ETR

As a result of this strategy, on 5 October Cintra Infraestructuras reached an agreement with the pension fund Canada Pension Plan Investment Board (CPPIB) to sell 10% of capital of the toll road concession holder 407 ETR in Toronto, Canada, for CAD 894.3 million (approximately EUR 640 million).

To this date, Cintra had indirectly held 53.23% of the company; therefore, it continues to indirectly hold a 43.23% share of the company.

b) Sale of 60% of Cintra Chile

In addition, on 16 September an agreement was finalised with the Colombian company ISA for the 60% sale of Cintra Chile. The transaction totalled approximately EUR 229 million, tantamount to CLF 6.8 million, a unit of account used in Chile, indexed to inflation.

Furthermore, both parties have mutually granted put and call options to each other for the remaining 40% of capital.

b) FINANCING

a) Refinancing of Ausol

In April 2010, Ausul signed the extension of the syndicated loan term from 19 March 2011 to 19 June 2011 for the amount of EUR 492 million with the bank syndicate.

b) Financing of LBJ IH 635

LBJ Infrastructure Group, a consortium mostly held by Cintra, a Ferrovial's subsidiary, assured the successful issue of PABs (Private Activity Bonds), which represent the last tranche that completes the financing of USD 2.8 billion (EUR 2,260 million) of the LBJ road (IH-635) in Texas (USA). The 21.2 kilometre road, under the Managed Lanes agreement, is situated in the metropolitan zone of Dallas and has a concession term of 52 years. This new project, which entails the construction, maintenance, management and financing of the road, is scheduled for gradual commissioning between 2013 and the end of 2015.

The project is financed via four sources. The first one is the issue of PAB (Private Activity Bonds), carried out on 15 June 2010, and through which LBJ placed USD 615 million in the US municipal bond marketplace. Despite the difficult current conditions in the financial markets, this transaction was highly welcomed by the investors. Moreover, the Texas Department of Transportation (TxDOT) makes a public contribution close to USD 496 million to the project. Additionally, the project has a TIFIA loan provided by the US Federal Government amounting to USD 850 million. Lastly, the three LBJ shareholders, Cintra (51% of capital), Meridiam (42.4%) and the Dallas Police and Fire Pension System fund (6.6%) contribute a capital of approximately USD 665 million according to their respective interest.

c) Refinancing of debt with a maturity date of 2010 for the 407 ETR

The refinancing of the debt maturing in 2010 was modified in June 2010 through two different issues totalling USD 800 million. The first one through Senior Notes for the amount of CAD 500 million, with a maturity date of June 2015 and a coupon of 3.88%; and the second, through Senior Notes for the amount of CAD 300 million with a maturity date of June 2020 and a coupon of 4.99%.

d) Refinancing of debt with a maturity date of January 2011 for the 407 ETR

On 23 November 2010 the 407-ETR road announced the refinancing of the debt with a maturity date of January 2011 through the issue of two different amounts totalling CAD 700 million. The first one through Senior Notes for the amount of CAD 400 million, with a maturity date of June 2021 and a coupon of 4.30%; and the second, through Subordinated Notes for the amount of CAD 300 million with a maturity date of June 2021 and a coupon of 3.87%.

c) MANAGEMENT OF THE PROJECT PORTFOLIO

Throughout 2010, Cintra has continued actively managing its portfolio projects with the aim of optimising their operating efficiency, whilst simultaneously improving service quality provided to the users.

a) Roads under construction

During the year, work has continued on all construction works on the roads which are in that phase. Noteworthy is mainly the progress made in the North Tarrant Express roads and LBJ and in sections 5&6 of the SH-130 in the USA and the Scut Açores motorway in Portugal.

b) New openings

Amongst the actions completed this year, it is worth noting the opening of the M3 road in Ireland, the second concession in which Cintra has participated in the country. The road provides a strategic connection between the capital and the north-east of the country. The real and open toll concession has two lanes per direction, with two trunk toll areas and six junctions. With a total of 50 km in length between Clonee and the North of Kells, the project also includes the connection road between Kells and Carnaross (10 km), the Kells ring road (3.5 km) and the corresponding access roads, totalling more than 100 kilometres of new road.

In addition, the 407 ETR road opened more than 18 kilometres of new lanes in order to continue guaranteeing a quick, safe and reliable mode of travel to users. The new lanes are located between the 404 Road and Markham Road and one can travel in both east and west directions. Although officially only one lane in each direction has been opened, another two additional lanes have been built. Thanks to the investment made in construction this year, the two additional lanes – one in each direction – can be opened in the future without causing much inconvenience to users. The incorporation of new lanes in this important corridor of the road is one of the many projects implemented in recent years in the 407-ETR, which have provided a great service for users and contributed to traffic fluidity.

The good development of the traffic on this road has been reflected on a new record of daily traffic, peaking on 30 June with 454,275 vehicles using the road.

c) Changes in agreement conditions

In July 2010 Euroscut Norte Litoral signed a new concession contract with the Portuguese State which regulates the shadow toll road available to the concession operator. Therefore, the company will start providing a real toll service (multi lane free flow) in exchange of availability payments from the State. The new contract started on 15 October.

On 31 December a plan to help certain toll roads, amongst which are the Autopista Radial 4 and the Autopista Madrid Levante, consisting of compensation from the Ministry of Development as a consequence of the low traffic levels on these roads, was published in the Official Gazette of the Spanish State. This compensation will be calculated based on the difference between income that should have been earned from 80% of the traffic in the tender specifications and that actually obtained, as long as the subsidy does not surpass the actual income of the year. Both companies filed a compensation request in January 2011.

Therefore, in the case of the Radial 4 road, and within the negotiations currently held with the Ministry of Development in order to rebalance the Company as a consequence of the expropriation cost overrun suffered by all radial motorways in Madrid, within the State Budget Law the possibility of obtaining a participating loan to finance said excess for the amount above 175% offered by the concession company has been approved. In order to cancel said loan, the Ministry must modify the concession contract with the aim of allowing the concession operator to obtain the funds necessary for that end.

d) New tariffs

It is worth noting the new tariffs to be applied by the Indiana Toll Roads, 407 ETR and Chicago Skyway roads.

The new tariffs for light vehicles not using a "transponder" as a means of payment and all heavy vehicles came into force on 1 July 2010. The new tariffs represent an average increase of between 8.4% and 11% for light and heavy vehicles in the "Ticket" tranche and of 20% for light vehicles and of 3.8% for heavy vehicles in the "Barrier" tranche.

On the Chicago Skyway, the increase was 16.7% and 33.3% for light and heavy vehicles, respectively, from 1 January 2011 onwards.

In turn, toll areas on the 407 ETR road are subjected to a reorganisation process effective as of 1 February 2011, as a result of which the maximum tariff for light vehicles within the "Regular zone" is set at CAD 22.95 cents and within the "Light zone" at CAD 21.45 cents. Tariffs for simple and multiple heavy vehicles are two and three times the tariffs for light vehicles, respectively.

The change in tariffs also includes an increase in the "Video Toll Charge", the "Trip Toll Charge" and the "Video Account Charge".

e) Delays in the construction of the M203 road

The M-203 toll road, the concession of which was granted by the Community of Madrid and which works have been at a standstill for several reporting periods, was the subject matter of judgments recently passed by the Supreme Court regarding the appraisal of the expropriated land. Said judgments have been appealed by the concession operator since they raise the prices established by the Court of Madrid, although they eliminate, in principle, the risk that said road could have been included within the scope of the general scheme whereby the construction of roads entail the potential development of cities, which would have led – as in the case of the M-50 road – to the appraisal of such land as suitable for urban development and, therefore, resulting in much higher values.

The Madrid Department of Transportation and Infrastructure, through a Resolution of the Directorate-General of Roads dated 9 July 2010, initiated proceedings to modify the concession arrangement and restore its economic and financial balance. To this end, the concession operator submitted a rebalancing application to the Department containing the technical design for the modification of the route required by the Administration. The technical approval of the modified project took place on 16 December 2010, although the modification case file that will specify the final financial and economic rebalancing measures is still pending final approval.

f) Tender of projects and market

As a consequence of the financial and economic crisis affecting the majority of countries in the competitive environment within which the Company operates, the latter has experienced a substantial change; however, the current market situation also presents opportunities to continue developing its growth strategy. The lack of liquidity of Public Administrations, highly affected by the tax shortfalls and the increase in spending, makes the public-private collaboration a necessary formula for the development of new projects, which will significantly foster tenders in coming years.

Despite the fact that uncertainty in the financial markets is still strong and the great lack of liquidity, slight signs of recovery in Public Administrations can be seen in some target markets.

– North America

In the North American market, one of the most noteworthy facts of the year has been the financial closing of the LBJ road, which became the first project in its category to achieve that in the USA this year, despite the present turmoil in the financial markets.

This innovating project consists in rehabilitating an already-existing urban road, in addition to adding new payment lanes that work with a dynamic toll system in which the price per use varies during the day according to the level of congestion on the toll free lanes. The project will incorporate a lane system of various levels, which will include various kilometres of underground lanes that will offer drivers the possibility to avoid congestion on the general lanes.

The "Managed Lanes" are, therefore, added-value projects which have greater value creation potential due to the state-of-the-art technology component that allow us, once again, to be at the forefront of the industry, with all the implicit advantages.

In terms of tender activity, the Company has been pre-qualified for three road projects and is currently working on the proposal presentations. The first is for the WxNW road in Atlanta, Georgia, a "Managed Lanes" project in a State with high potential growth in the coming years. It is estimated that the relevant proposal will be submitted following the summer.

The other two projects, whose pre-qualification was announced at the beginning of 2011, are the US 460 road in Virginia, a "greenfield" project for which a proposal is expected to be submitted by mid-year, and a new construction project in Cameron County, Texas, whose viability is currently being analysed.

In addition, work continues on a tender proposal for some of the remaining sections of the North Tarrant Express system. The latter has been completed in parallel with the elaboration of the Strategic Development Plan of the NTE system which was part of the contract awarded to Cintra.

Lastly, in Canada, the Company was pre-qualified for the South Fraser Perimeter Road in Vancouver but it was not finally awarded the project. On the other hand, it has been shortlisted for the extension of the 407 road in Toronto, a project in which the Company is obviously very interested in.

– Europe

In Europe, the other traditional market for Cintra, the Company has been pre-qualified for two new projects in Ireland, both are payment for availability. It is the M-11 road, between Gorey and Enniscorthy and a railway project, the "DART Underground" in Dublin. In both cases, the Irish Government is expected to provide clarity regarding its financial capacity and its priorities in the coming months.

Regarding two other two projects in Ireland for which the Company had been pre-qualified, the N-11 and the N-17, it could not advance further in tender process.

In Spain, the Extraordinary Infrastructure Plan, recently announced by the Government with potentially EUR 3,200 million for investment in road concessions and another EUR 3,000 million in rail concessions (all paid for availability) continues to be analysed in detail. In addition, various Autonomous Communities are determined to implement various availability payment based road projects in the coming months, the Andalusian project being the most imminent one.

– Other markets

Lastly, in Chile the Company is pre-qualified for the Vespucio Oriente tender, an urban free flow project to close the inner ring road in the city of Santiago, for which the tender could continue during 2011.

In addition, in Puerto Rico, interest continues in the tender process for at least three real toll roads which could start their tender process at the end of 2011.

Finally, regarding new markets, the follow-up process of countries such as India, Brazil and Mexico continues, although the Company has not yet participated in any tender. Such continuous analysis is basically aimed at exploring new investment opportunities, without disregarding potentially-interesting markets a priori, and without compromising the main investment principles followed to date.

2. Important highlights for Cintra Infraestructuras after fiscal year end

ASSETS TURNOVER

a) Sale of 50% of Autopista Trados 45

Finally, last 21 July, Cintra reached an agreement to sell 50% of its interest in Autopista Trados 45, S.A. to the company FINAVÍAS, an investment vehicle of AXA Private Equity's infrastructure funds. The transaction, completed at the end of 2011, amounted to EUR 68.3 million.

FINANCING

a) Refinancing of Autopista Radial 4

On 27 January 2011 Inversora Madrid Sur signed an extension for the loan until 27 July 2011 for the amount of EUR 554 million.

b) Financing of Serranopark

On 28 February 2011 a credit contract was signed among Banco Español de Crédito, S.A. (as agent bank), WestLB AG Branch in Spain, ICO and UNICAJA for the maximum global amount of EUR 53,312 to finance the turnover of car parks. The credit will have a grace period until 30 June 2012 and the maturity date is 31 December 2034. The interest rate applicable will be Euribor plus an applicable margin (until year 7, 300 bp, and from year 8 to 24, 350 bp).

OTHERS

On the other hand, the Order EHA/3362/2010, of 23 December 2010, approved standards under the Spanish National Chart of Accounts to public infrastructure concessionaires, which contains the accounting policies and measurement bases and information to include in the report regarding the public infrastructure concession agreements, for the financial statement corresponding to the first year starting on 1 January 2011.

3. Company outlook

The objective of the Company, in light of future years, is the continuous development of its profitable growth strategy, through the efficient management of its project portfolio as well as through the search for the best investment opportunities.

Regarding the current concession portfolio, it will focus its activities on:

c) Advancing in construction projects and the opening of the seven motorways currently underway: The North Tarrant Express and LBJ roads as well as section 5&6 of the SH-130 in the USA, the Central Greece and Ionian Roads motorways in Greece, the Scut Açores road in Portugal and the M-203 road in Spain.

d) Continuing to manage the rest of operational assets actively in order to optimise their efficiency whilst providing a high quality service to users.

Regarding the addition of new assets, despite the changes in the competitive environment triggered by the financial crisis and which have provoked a fall in liquidity and an increase in financial resources, the current market conditions also present opportunities to continue developing the Company growth strategy.

At present, the best value-added investment opportunities centre on "greenfield" projects, where it is imperative to use the Company's competitive advantages in order to obtain leveraging from both financial partners and Public Administrations, which will allow reducing capital contributions and, therefore, continue tendering for new projects.

On the other hand, to continue developing Cintra's growth strategy, it is essential to have the necessary funds to seize any new investment opportunity which may arise.

Traditionally, one of the key sources to obtain resources has been the re-leveraging of the asset portfolio. However, the current financial market conditions make this option almost impossible, or limit it considerably.

Therefore, the Company is currently analyzing the possibility of generating additional resources through the sale of the most mature assets where the risk is already very low and that have limited potential growth as their management has been optimised.

As for Europe, the Extraordinary Infrastructure Plan is being worked on in Spain and special attention is being placed on the evolution of tender processes in Ireland and the two projects under planning in the United Kingdom.

In North America, following the success achieved in the financing of the North Tarrant Express and LBJ, the Managed Lanes model is expected to prevail in future public tenders.

It is expected that some opportunities arise in the states which have a greater potential for projects of this type, such as Georgia and California, in addition to some new opportunities in traditional regions, such as Texas, Virginia and Florida.

In Canada, both Ontario and British Columbia show themselves to be the most active provinces and the Company expects to bid in at least one project in this country during 2011.

4. Treasury shares

During 2010 no acquisitions or disposals were made of the Company's treasury shares, or of the shares issued by the parent company.

5. Use of financial instruments by the Company

Note 13 of the financial statements includes a detailed analysis of the financial instruments hired by the Company and its evolution during the year.

6. Information on the environment

In view of the business activities currently performed by the Company, the latter does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

7. Research and development expenses

At 31 December 2010 and 2009, the Company had no Research expenses.

8. The Company's main risks

In general, Cintra considers relevant risks to be those that can compromise the economic profitability of its business activity, the financial solvency of the company in question or the Group, the corporate reputation and the integrity of its employees. Particularly, the most significant risks covered by this system are the following:

- Risks related to the quality of service provided to users.
- Risks related to the physical damage to infrastructure, essentially those due to natural disasters.
- Environmental risks.
- Social and political and regulatory risks.
- Financial risks: Exposure to exchange rate changes in activities abroad and changes in the interest rates in infrastructure financing.

CINTRA INFRAESTRUCTURAS, S.A.

SIGNATURES

The above Financial Statements, which constitute a single document, and which include the Balance Sheet, the Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes for reporting period 2010, as well as the Directors' Report for that period, correspond to CINTRA INFRAESTRUCTURAS, S.A. and have been submitted for their preparation to the Company's Board of Directors at their meeting on 31 March 2011; these Financial Statements have been unanimously approved by all those present at the meeting.

To comply with the provision set forth in section 253 of the Spanish Companies Law – Royal Decree-Law 1/2010 of 2 July, each and every member of the Company's Board of Directors has signed the Financial Statements and the Director-Secretary has endorsed each one of the pages.

Mr. Íñigo Meirás Amusco

Mr. Enrique Díaz-Rato Revuelta

Mr. Ernesto López Mozo

Mr. Santiago Ortiz Vaamonde

Mr. Javier Romero Sullá

Directors' Report

Cintra Infraestructuras, S.A.

Financial Statements for the year ended
31 December 2010 and Directors'
Report, together with Independent
Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Cintra Infraestructuras, S.A.:

1. We have audited the financial statements of Cintra Infraestructuras, S.A., which comprise the balance sheet at 31 December 2010 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial position of Cintra Infraestructuras, S.A. at 31 December 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

3. Without qualifying our audit opinion, as indicated in Note 2 to the accompanying financial statements, the Company carries out significant transactions with related companies, mainly the passing on of finance costs and income, charges for services rendered, dividends and investment valuation allowances, which are eliminated on consolidation. On this same date, we issued our auditors' report on the consolidated financial statements of Cintra Infraestructuras, S.A. and Subsidiaries, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in which we expressed an unqualified opinion. The Group's main consolidated aggregates are disclosed in Note 2-i to the accompanying financial statements.

4. The accompanying directors' report for 2010 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Javier Parada Pardo
1 April 2011

Certificatión / Certificate

(Ley Orgánica de 27 de abril de 1900)
(Ley 1/2000, de 7 de enero, art. 144)
(Reales Decretos 2555/1977, de 27 de agosto, 889/1987, de 26 dejunio, 752/1992, de 27 de junto, 79/1996, de 26 de enero, y 2002/2009, de 23 de diciembre)
(Orden Ministerial de 8 defebrero de 1996)

N° de orden de protocolo: 0619-12

Don Carlos Mota Utanda, Traductor-Intérprete Jurado de inglés, certifica que la que antecede es una traducción fiel y completa al ingles de un documento redactado en lengua española.

En Madrid, a veinticuatro de abril de dos mil doce.

Carlos Mota Utanda, Sworn Translator – Interpreter of English, does hereby certify: That the preceding translation is a complete and faithful rendering in English of the original in Spanish.

At Madrid, this twenty-fourth day of April of the year two thousand and twelve.

Annual Report

Ferrovial Agroman, S.A

Financial Statements and Directors'
Report for the fiscal year 2011

(TRADUCCIÓN JURADA DEL ORIGINAL EN ESPAÑOL AL INGLÉS)
(SWORN TRANSLATION FROM SPANISH ORIGINAL INTO ENGLISH)

Deloitte®

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
Spain

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

AUDITORS' REPORT ON THE ANNUAL ACCOUNTS

To the Shareholders of
Ferrovial Agroman, S.A.:

1. We have audited the annual accounts of Ferrovial Agroman, S.A. that include the balance sheet en 31st December 2011, the profit and loss accounts, the statement of changes in net assets, the cash flow statement and the annual report for the financial year ended on that date. The Directors are responsible for drawing up the annual accounts of the Company according to the regulatory framework on financial reporting applicable to the company (that is identified in Note 2. a of the attached annual report) and, in particular, with the accounting principles and criteria contained therein. Our responsibility is to express an opinion on the said annual accounts overall, based on the work carried out according to the rules that regulate auditing activity in force in Spain, that require examination, by performance of selective tests, of the evidence to justify the annual accounts, and evaluation of whether their presentation, the accounting principles and criteria used and the estimates made, arc in keeping with the regulatory framework of financial information applicable thereto.

2. In our opinion, the attached annual accounts for financial year 2011 present fairly, in all material respects, the assets and financial situation of Ferrovial Agroman, S.A. on 31st December 2011, as well as the results of its operations and its cash flows for the financial year ended on that date, pursuant to the regulatory standards on financial reporting applicable thereto and, in particular, the accounting principles and criteria contained therein.

3. The attached management report for financial year 2011 contains the explanations that the Directors consider appropriate concerning the situation of the Company, the evolution of its business and on other matters that do not form an integral part of the annual accounts. We have checked that the accounting information that management report contains matches that in the annual accounts for financial year 2011. Our work as auditors is limited to verification of the management report to the extent mentioned in this same paragraph and it does not include review of information other than that obtained from the accounting records of the Company.

DELOITTE, S.L.
Registered on the R.O.A.C. no. S0692

[Illegible].
Miguel Laserna Nino
2nd April 2012

Deloitte, 5, L, registered in the Business Registry of Madrid, Volume 13, 650, section 8, sheet 188, page M-54414. Entry no. 96, Tax Identity Number: B-79104469 Registered Office: Plaza Pabio Ruiz Picasso, 1, Torre Picasso, 28020 Madrid

Ferrovial Agromán, S.A.,

Financial Statements and Directors' Report
for the fiscal year 2011

Contents

Balance sheet at 31 december 2011

Ferrovial Agroman, S.A.

Balance Sheet

Assets	Note	Thousand Euros 2011	2010
Non-current assets		**911,867**	**850,608**
Intangible assets	6	309	318
Computer software		699	677
Other intangible assets		245	245
Accumulated Depreciation		(635)	(604)
Property, plant and equipment	7	23,709	30,556
Land and buildings		8,545	8,545
Plant and machinery		193,004	194,271
Property, plant and equipment in the course of construction and advances		—	574
Tools and furniture		20,188	23,126
Other items of property, plant and equipment		10,861	11,349
Accumulated Depreciation		(194,759)	(193,179)
Provisions for Property, plant and equipment		(14,130)	(14,130)
Non-current investments in Group companies and associates	8	753,549	729,163
Investments in Group companies and associated		605,292	577,067
Loans to Group companies	27.c	157,513	158,034
Provisions for equity investments		(9,256)	(5,938)
Non-current investments		5,453	6,278
Available-for-sale financial assets	9	124	124
Other loans		3,455	4,043
Long-term guarantees and deposits given		1,874	2,111
Deferred tax assets	19	128,847	84,293
Current assets		**2,786,618**	**3,136,540**
Inventories	11	83,382	96,404
Trade and other receivables	12	930,963	1,271,996
Trade receivables for sales and services		715,387	886,694
Group companies and associates	27.c	276,258	288,025
Other accounts receivable from public authorities		71,326	79,069
Current tax assets		3,246	6,463
Staff		350	431
Other receivables		92,478	123,961
Provisions		(228,082)	(112,647)
Derivative financial instruments at fair value	10	836	—
Current investments in Group companies and associates	27.c	1,415,130	1,450,770
Short-term loans to Group companies		1,415,130	1,450,770
Current accruals and deferred income		20,125	4,363
Cash and cash equivalents	13	336,182	313,007
Total assets		**3,698,485**	**3,987,148**

The accompanying Notes 1 to 32 of the Financial Statements and accompanying Appendix I, II and III are an integral part of balance sheet at 31 December 2011

Balance sheet at 31 december 2011

Ferrovial Agroman, S.A.

Equity and Liabilities	Note	2011	2010
Equity	14	**771,465**	**603,820**
SHAREHOLDERS' EQUITY		**771,465**	**603,820**
Share Capital		201,816	191,816
Share premium		331,904	241,904
Reserves		78,946	63,022
Legal reserve		38,411	38,411
Other reserves		40,535	24,611
Profit/(loss) for the year		158,799	107,078
Non-current liabilities		**562,932**	**133,599**
Long-term provisions	15	133,648	65,182
Non-current payables		37,002	56,960
Bank borrowings and other financial liabilities	17	4,946	1,425
Derivative Financial Instruments at Fair Value	10	28,290	54,432
Other liabilities		3,766	1,103
Payables to Group companies and associates	27.c	371,302	—
Deferred tax liabilities	19	20,980	11,457
Current liabilities		**2,364,088**	**3,249,729**
Short-term provisions	16	280,319	304,260
Current payables		20,275	3,714
Bank borrowings and other financial liabilities	17	20,044	3,610
Derivative Financial Instruments at Fair Value	10	231	104
Current payables to Group companies and associates	27.c	126,343	526,337
Trade Creditors and Other Payables	18	1,930,182	2,407,760
Payable to suppliers		1,081,651	1,476,257
Payable to Group companies and associates	27.c	169,651	196,182
Sundry accounts payable		73,751	63,546
Staff (Remuneration payable)	4.11	27,253	28,648
Current tax liabilities (group companies)	19	53,758	38,924
Other accounts payable to public authorities		136,364	174,339
Advances to trade receivables	12	387,754	429,864
Current accruals and deferred income		6,969	7,658
TOTAL EQUITY AND LIABILITIES		**3,698,485**	**3,987,148**

The accompanying Notes 1 to 32 of the Financial Statements and accompanying Appendix I, II and III are an integral part of balance sheet at 31 December 2011

Income statement for the fiscal year ended 31 December 2011

Ferrovial Agroman, S.A.

Income statements

Income statement	Note	Thousand Euros 2011	2010
Revenue		***1,712,080***	***2,270,696***
Sales		1,610,751	2,154,788
Provision of services		101,329	115,908
Other operating income		***37,899***	***56,129***
Total operating income	**21**	**1,749,979**	***2,326,825***
Change in inventories		***6,845***	***2,839***
Cost of goods held for resale sold and other external expenses	***22***	***(958,685)***	***(1,450,885)***
Cost of raw materials and other consumables used		(329,920)	(371,718)
Work performed by other companies		(628,765)	(1,079,167)
Staff costs	***23***	***(294,368)***	***(349,780)***
Wages, salaries and similar expenses		(247,772)	(293,249)
Employee benefit costs		(46,596)	(56,531)
Depreciation and amortisation charge	***6 and 7 11, 12, 15 and 16***	***(14,243)***	***(18,247)***
Change in operating provisions		***(172,235)***	***(21,430)***
Other operating expenses		***(274,456)***	***(420,384)***
Outside services		(225,077)	(343,087)
Taxes other than income tax		(39,880)	(57,171)
Impairment and change in provisions for property, plant and equipment	7	—	96
Other current operating expenses		(9,499)	(20,222)
Total operating expenses		**(1,707,142)**	**(2,257,887)**
Profit or loss from operations		**42,837**	**68,938**
From investments in equity instruments		***88,089***	***39,422***
In Group companies	27.c and 8.a	87,875	39,417
In other companies		214	5
From marketable securities and other financial instruments		***71,663***	***79,377***
In Group companies	27.c	54,696	59,780
In other companies		16,967	19,597
Total finance income		**159,752**	**118,799**
On debts to Group companies and associates	27.c	(11,960)	(11,427)
On debts to third parties		(14,268)	(25,548)
Total Financial Expense		**(26,228)**	**(36,975)**
Impairment and gains or losses on disposals of financial instruments	***8.a***	***(3,318)***	***1,390***
Changes in fair value in financial instruments	***10***	***26,142***	***(7,002)***
Exchange differences		***(1,069)***	***(1,280)***
Financial profit or loss	**24**	**155,279**	**74,932**
Loss before tax		**198,116**	**143,870**
Income tax	19	(39,317)	(36,792)
Profit/(loss) for the year:		**158,799**	**107,078**

The accompanying Notes 1 to 32 of the Financial Statements and accompanying Appendix I, II and III are an integral part of the income statement for the year ended 31 December 2011.

Statement of changes in equity for the year ended 31 December 2011

Ferrovial Agroman, S.A.

Statement of changes in equity

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

Recognised income and expense	Thousand Euros 2011	2010
Gains/(Losses) of Hedging instruments	—	—
Gains/(Losses) of actuarial defined benefit plans	—	—
Gains/(Losses) for changes in criteria	—	—
Gains/(Losses) for translation differences	1,707	329
Income and expense recognised directly in equity	**1,707**	**329**
Profit/(loss) for the year	158,799	107,078
Total recognised income and expense	**160,506**	**107,407**

The accompanying Notes 1 to 32 and Appendix I, II and III are an integral part of the statements of recognised income and expense for 2011.

B) TOTAL STATEMENTS OF CHANGES IN EQUITY

	(Thousand Euros)					
Changes in equity	Share capital	Share premium	Reserves (1)	Interim dividend	Profit/(loss) for the year	Equity
Balance at 31/12/09	191,816	241,904	58,470	(102,136)	120,819	**510,873**
Total income and expense recognised	—	—	329	—	107,078	**107,407**
Transactions with shareholders						
Distribution of 2009 profit						
– Interim dividend to offset	—	—	—	102,136	(102,136)	**—**
– To supplementary Dividends	—	—	—	—	(17,438)	**(17,438)**
– To voluntary reserves	—	—	1,245	—	(1,245)	**—**
Stock option plans (Note 27)	—	—	2,954	—	—	**2,954**
Other changes	—	—	24	—	—	**24**
Balance at 31/12/10	**191,816**	**241,904**	**63,022**	**—**	**107,078**	**603,820**
Total income and expense recognised	—	—	1,707	—	158,799	**160,506**
Transactions with shareholders						
Capital increase	10,000	90,000	—	—	—	**100,000**
Distribution of 2010 profit						
– To dividends	—	—	—	—	(94,662)	**(94,662)**
– To voluntary reserves	—	—	12,416	—	(12,416)	**—**
Stock option plans (Note 26)	—	—	1,626	—	—	**1,626**
Other changes	—	—	175	—	—	**175**
Balance at 31.12.2011	**201,816**	**331,904**	**78,946**	**—**	**158,799**	**771,465**

(1) *Includes reserves for translation differences (Note 14.c).*

The accompanying Notes 1 to 32 in the Financial Statements and the accompanying Appendix I, II and III are an integral part of the statement of changes in total equity for 2011.

Statement of cash flows for the year ended 31 December 2011

Ferrovial Agroman, S.A.

Statement of cash flows

	Note	Thousand Euros 2011	2010
Net loss		**158,799**	**107,078**
Adjustments for:		70,516	(3,532)
Accumulated Depreciation/Provisions		186,478	43,814
Profit or loss from financing		(155,279)	(84,138)
Tax		39,317	36,792
Payment of interest		(26,228)	(27,769)
Dividends received		88,089	39,422
Interest received		71,663	79,377
Tax paid	19	(38,924)	(59,877)
Changes in receivables, payables and other		(300,841)	(196,304)
Cash flows from operating activities		**23,074**	**(61,605)**
Payments due to investment			
Group companies and associates		(27,704)	(120,021)
Investment in property, plant and equipment/intangible assets	6 and 7	(10,002)	(18,552)
Other financial assets		—	—
Proceeds from disposal			
Group companies and associates		35,640	13,086
Divestment in Property, plant and equipment/intangible	6 and 7	2,611	1,668
Other financial assets		825	1,378
Cash flows from investing activities		**1,370**	**(122,441)**
Flow before financing		**24,444**	**(184,046)**
Proceeds from issue of equity instruments	14	100,000	—
Payment of dividends to shareholders of the Parent	14	(94,662)	(17,438)
Flow from self financing		**5,338**	**(17,438)**
Proceeds relating to financial liability instruments			
Bank borrowings and other financial liabilities		19,955	1,422
Payable to Group companies		2,273	14,674
Other liabilities		2,663	—
Payments relating to financial liability instruments			
Bank borrowings and other financial liabilities		—	(4,516)
Payable to Group companies		(30,965)	—
Other liabilities		—	(16,785)
Flows from financing		**(736)**	**(22,643)**
Change in Cash and cash equivalents		**23,708**	**(206,689)**
Cash and cash equivalents at the beginning of year		313,007	519,622
Cash and cash equivalents at end of year		336,182	313,007
Impact of change in Cash and cash equivalents		(533)	74

The accompanying Notes 1 to 32 in the Financial Statements and the accompanying Appendix I, II and III are an integral part of the statement of cash flows for 2011.

1. COMPANY ACTIVITY

Ferrovial Agroman, S.A., hereinafter referred to as Ferrovial Agromán or the Company, was established for an indefinite period on 9th July 1929. Its bylaws were adapted to current legislation by means of a notarial instrument authorised on 31 July 1990. Its registered office is at Calle Ribera del Loira, 42, in Madrid.

The main activity of Ferrovial Agromán, S.A., consists of the study, concession, construction and operation of all kinds of public and private works, as well as the construction and operation of all kinds of public services related to transport infrastructure, both in Spain and abroad. It also has investments in other companies with similar activities and, in the international sphere, the business carried out in Poland by the Budimex Group, the leading contractor in that country-indeed listed on the Warsaw Stock Exchange- in which it has a of 59.06% stake, via Discota XXI, S.L.U., a Company owned entirely by Ferrovial Agromán, S.A., as well and the business carried out, in the United States, by the Webber Group, one of the three main construction groups in the State of Texas and a leader in the production and distribution of recycled aggregates, of which Ferrovial Agromán, S.A. owns 100% via Norvarem, S.A.U.

Ferrovial Agromán, S.A. belongs to a larger group, the parent Company of which is Ferrovial, S.A., a Company listed on the Madrid Stock Exchange, which prepares consolidated financial statements, so the Company is not obliged to prepare consolidated accounts. The consolidated financial statements of the Ferrovial Group in Financial Year 2010 were approved by the General Meeting of Shareholders on 1 June 2011 and are deposited at the Business Registry of Madrid. Likewise, the consolidated financial statements of the Ferrovial Group for Financial Year 2011 were presented on 23 February 2012.

Ferrovial Agromán, S.A. is the parent Company of the Ferrovial Agromán Group, formed by Ferrovial Agromán, S.A. and its affiliates. The consolidated financial statements of the Ferrovial Agromán Group for Financial Year 2011 were presented voluntarily by the Directors at the meeting of its Board of Directors held on 30th March 2012. The individual and consolidated financial statements for Financial Year 2010 were approved by the General Meeting of Shareholders of Ferrovial Agromán, S.A. held on 30th May 2011 and deposited at the Business Registry of Madrid.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The accompanying financial statements were obtained from the Company's accounting records and are presented in compliance with the regulatory financial reporting framework applicable to the Company and, accordingly, present fairly the Company's equity, financial position and results of operations. The regulatory framework is that established in:

a) The Spanish Commercial Code and all other Spanish corporate law.

b) The Spanish Chart of Accounts and its construction sector-related adjustments.

c) The mandatory standards approved by the Spanish Accounting and Audit Institute in development of the Spanish National Chart of Accounts and supplementary standards.

d) All other applicable Spanish accounting legislation.

These financial statements will be submitted for approval by the Annual General Meeting, and it is estimating its approval with no amendments. The Company holds majority shareholdings in the capital of certain subsidiaries and holds shares equal to or greater than 20% in the stock capital of others. These financial statements do not record the increases or decreases in assets that would arise from applying consolidation criteria by global integration of the majority stakes and by accounting according to the equivalence procedure in the case of the other significant stakes. The Company also prepares consolidated financial statements voluntarily as the parent Company of the Ferrovial Agromán Group under the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The main magnitudes of the consolidated financial statements pursuant to International Financial Reporting Standards are as follows:

Thousand Euros	2011	2010
Equity	934,915	790,761
Total assets	5,887,665	5,891,224

Thousand Euros	2011	2010
Consolidated Profit for the Year Attributable to the Parent	178,106	138,381
Revenue	4,258,394	4,625,352

The amounts in the Balance Sheet, Income Statement, Statement of Changes in Equity and the Cash Flow Statement and the notes included in this Financial Statements are stated in thousand of Euros.

b) Accounting Principles

The balance sheet, income statement, statement of changes in equity and the cash flow statement were drawn up pursuant to accounting principles stated in current commercial legislation.

c) Key issues in relation to the measurement and estimation of uncertainty

In the financial statements for Financial Year 2011, estimations have been used to valuate some of the assets, liabilities, revenue, expenses and commitments that are recorded in them. Basically, these refer to:

- The assessment of possible impairment losses on certain assets (see Notes 4.2 and 4.4).
- The useful life of tangible and intangible assets (see Notes 4.1 and 4.2);
- Estimation of possible contingent liabilities (see Note 4.10);
- Value of the financial instruments (see Note 4.5 and 5.2);
- Valuation of stock options (see Note 4.12 and 29);
- Revenue recognition (see Notes 4.15 and 4.16).

Although these estimates were made on the basis of the best information available at 2011 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

d) Comparative information

The information relating to 2011 included in these notes to the financial statements is presented together with the information of fiscal year 2010, for comparison purposes.

The Company has changed the criterion to present “Trade and other receivables” considering the depreciation of the accounts receivable from public institutions as a lower amount of “Doubtful receivables”, rather than “Allowances for doubtful debts” (see Note 12). In addition, the Company has considered that the change of the aforementioned impairment should be registered under “Financial expenses – on debts to third parties” instead of “Change in operating provisions” in the reporting period’s income statement. Depreciation at 31 December 2011 amounts to EUR 10,951 thousand, posting a EUR 4,812 thousand income to the 2011 income statement.

As a result, in order to make information comparability easier, the balances of “Doubtful receivables” and “Allowances for doubtful debts” in the balance sheet at 31 December 2010 were respectively decreased and increased by EUR 15,763 thousand. In addition, the change in depreciation registered in the reporting period 2010, implying EUR 9,206 thousand in expense has been transferred from “Changes in operating provisions” to “Financial expenses – on debts to third parties”.

e) Grouping of Items

The balance sheet, profit and loss statement, statement of changes in equity and cash flow statement are presented grouped together to make them easier to understand. The required analyses are included in the corresponding report notes.

f) Changes in accounting criteria

During Financial Year 2011, no changes have taken place compared with those applied during the preceding Financial Year.

3. DISTRIBUTION OF PROFIT

The Company's Directors' proposal, to be submitted to the General Shareholders' Meeting for approval, is to distribute profits as follows:

	Thousand Euros
Profit/(loss) for the year	**158,799**
Distribution of profit	
To Voluntary Reserves	156,847
To legal reserve	1,952

4. ACCOUNTING POLICIES

The main accounting policies used by the Company in the preparation of its Financial Statements are as follows:

4.1 Intangible Assets

The items included in the "intangible assets" heading of the attached balance sheet are recognised initially at their purchase price or production cost, including financial costs that may be capitalised, and later they are valued at cost minus the corresponding accumulated depreciation and impairment losses, if there are any. Intangible assets with a defined useful life are amortised using a straight-line method over their useful life with a maximum of 3 years. Intangible assets with an indefinite life are not amortised and they are subjected to a loss in value test every year.

4.2 Property, Plant and Equipment

Property, plant and equipment are recognised by their purchase price or production cost, minus the accumulated depreciation and the accumulated amount of the recognised impairment losses. That cost price is updated pursuant to Royal Decree Act 7/1996.

The expenses of conservation and maintenance of the tangible assets are recorded as expenses in the year when they take place. The work the Company performs on its own assets show the real cost incurred. The costs of extension, modernisation or improvement involving increased productivity or lengthening of the useful life of the assets are capitalised as greater value thereof.

Costs of extension, modernisation or improvement of property, plant and equipment are incorporated to assets as the highest value of the property exclusively when they involve an increase in their capacity, productivity or extension of their useful life, and as long as it is possible to know or estimate the book value of the items that are deleted from the inventory as they have been replaced.

Financial expenses that are directly attributable to the purchase or construction of fixed asset elements that need longer than one year to be in a usable condition are incorporated at their cost until they are in a position to operate.

Important repair costs are capitalised and amortised over their estimated useful life, whilst recurrent maintenance costs are taken to the income statement in the Fiscal Year in which they occur.

Impairment Losses:

Assets with an indefinite useful life, such as goodwill, are not amortised, and they are tested for impairment losses annually. In the case of assets that are being depreciated, they are tested for impairment losses as long as an event or change in circumstance shows that the book value cannot be recovered. An impairment loss is recognised by the excess of the asset's book value on its recoverable amount, which is understood as the higher of its fair value less costs to sell or the value in use. For the purposes of assessing impairment losses, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, different from goodwill, which may have suffered an impairment loss, are subject to reviews on each balance sheet date in case reversals of the loss may have occurred.

Accumulated depreciation of property, plant and equipment:

The amortisation of property, plant and equipment, except for land, which does not depreciate, is calculated by using the decreasing figures method and the straight-line method according to the estimated useful life, in line with effective depreciation and use.

The amortisation ratios estimated by the Company are as follows:

	Years of estimated useful life
Buildings and other constructions	33 – 50
Machinery, fixtures and tools	5 – 8
Furniture	10 – 12
Transport equipment	5 – 7
Other items of property, plant and equipment	5

The machinery or other fixed assets purchased for a work and that in principle are only to be used in its execution, are depreciated over the life of the works, according to the works executed, a section that fundamentally includes minor machinery on site, utilities and tools, as well as fixed installations on site. In cases where repurchase of the asset at a fixed price is assured by contract, it is depreciated exclusively by the difference between the initial acquisition price and the buy-back one.

4.3 Leases

Leases are classified as finance leases provided their conditions substantially transfer the risks and rewards incident to the ownership to Ferrovial Agromán, which generally has the option of acquiring the asset at the end of the lease in accordance with the terms agreed when the contract is concluded. All other leases are classified as operating leases. The Company has no current financial leasing agreements in force.

Regarding operating leases, when Ferrovial Agromán, S.A. acts as a lessee in an operating lease, lease costs are taken to the income statement on a straight-line basis over the lease term, irrespective of the payment method stipulated in the lease. If that the lessor has established incentives in the lease consisting of payments corresponding to the lessee but made by the lessor, the income deriving from these incentives is taken to the income statement as a reduction of the costs of the lease on the same straight-line basis as that used to recognise the costs in profit or loss.

4.4 Financial Assets

a) Equity investments in Group companies, associates and jointly controlled entities

They are valued at their cost, less, if applicable, the accumulated amount of impairment adjustments. Nevertheless, when there is an investment prior to classification as group, multigroup or associated Company, the cost of the investment is considered as its book value before it had this classification. Prior valuation adjustments recorded directly in equity are held here until they are written off. If there is objective evidence that the book value is not recoverable, suitable valuation adjustments are performed for the difference between its book value and the recoverable amount, which is understood as the higher of its fair value less costs to sell and the current value of future cash flows derived from the investment. Unless there is better evidence of the recoverable amount, the equity of the associated Company is taken into consideration in the impairment estimate of these investments adjusted by the tacit capital gains existing on the valuation date (including the goodwill, if it exists) het of tax impact thereof. The valuation adjustment, and, if applicable, its reversal, is taken to the income statement for the Financial Year in which they occur.

As from 1 January 2010, for investments in Group companies' equity granting control over the subsidiary, fees paid to legal advisors and other professionals derived from investment acquisition are recognised directly in the income statement.

b) Held-to-maturity investments and accounts receivable

Both Held-to-maturity investments as well as loans granted and accounts receivable are initially valued at their fair value plus the costs that may be assigned to them and, subsequently, at depreciated cost, reporting the interest accrued according to their effective interest rate. The effective interest rate is the discount rate that exactly matches the carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life. Notwithstanding the foregoing, credits for commercial operations with maturity not exceeding one year are valued, both at the moment of initial reporting as well as subsequently, at their face value, as long as the effect of not updating the flows is not significant. At least at the financial year-end, the necessary valuation corrections are made for impairment of value, if there is objective evidence that not all the amounts owed shall be collected. The amount of the loss due to impairment of value is the difference between the value of the asset on the books and the present value of the future cash flows estimated, discounting the effective interest rate at the moment of initial reporting. The value corrections, as well as their reversion when appropriate, are reported in the profit and loss statement. Financial assets are derecognised when the risks and rewards of ownership of the financial asset are substantially transferred. In the specific case of receivables, this is deemed to occur when the default and delinquency risks have been transferred. These financial assets are included in the non- current assets, except for those with a maturity under 12 months from the date of the balance sheet, which are classified as current assets.

The criterion to record impairments in receivables consists of:

- Private clients: Provisions for private customer bad debts will be allotted following the criteria below:

1. In the case of private customers undergoing bankruptcy proceedings, court claims, or failure to pay bills, promissory notes or cheques, a provision will be allocated to the entire debt.

2. In the case of those with arrears calculated based on maturity, exceeding 6 months, a provision will be allotted for the entire past due debt.

The implementation of specific regulations for particular business areas will be allowed, after due authorisation by the Chief Financial Officer and provided they are justified given the activity's characteristics.

Valuation changes from private customers' creditworthiness impairment or delinquency are registered with a balancing entry under "Changes in operating provisions" in the income statement.

- Public clients: the debt is depreciated by the amount obtained from applying a market interest rate to the debt for the period from its due date to the close of each reporting period. Since the reporting period 2011, the depreciation change of the accounts receivables from public institutions is registered under "Financial expenses – on debts to third parties" in the income statement.

c) Available-for-sale financial assets and other non-current assets

This heading includes the securities acquired that are not kept for the purposes of immediate trading and that do not have a fixed maturity date either, which are fundamentally those of financial stakes in companies not integrated in the consolidation perimeter of the group. They are valued at their fair value, recording the variations that arise directly in the net assets until the asset is disposed of or has suffered impairment of its (stable or permanent) value, at which moment those accumulated results previously reported in the net equity statement are transferred to the profit and loss statement. In this sense, the assumption is that there is an impairment (of a permanent nature) if there has been a decline of more than 40% in the listed value of the asset, or if there has been a prolonged decline in it over a period of a year and a half without it recovering the value.

Financial stakes in companies not integrated in the consolidation scope of the group, the fair value of which cannot reliably be determined, are valued at their cost minus, when appropriate, the accumulated amount of the valuation corrections due to impairment of value. Valuation corrections are made if there is objective evidence that their value has deteriorated due to a reduction or delay in the estimated future cash flows in the case of debt instruments acquired, or due to lack of recoverability of the carrying amount, in the case of investments in equity instruments. The valuation correction is the difference between their cost or depreciated cost minus, as appropriate, any valuation correction previously recognised in the income statement and the fair value at the moment when the valuation is made. In the case of equity instruments that are valued at their cost due to not being able to determine their fair value, the value correction is determined in the same way as for investments in the equity of companies in the group, jointly controlled and associates.

The Company conducted an impairment test for financial assets not carried at fair value at year end. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, such impairment is recorded in the income statement.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk. In the specific case of receivables, this is deemed to occur when the default and delinquency risks have been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, with-recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender's return and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

4.5 Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date they are arranged. Subsequent changes in fair value are also recognised at each reporting date. The method used to recognise gains or losses on derivatives depends on whether the instrument has been designated as a hedging instrument and, as the case may be, on the type of hedge involved. The different types are as follows:

i. Cash flow hedge: Its objective is to cover exposure to highly probable future transactions and changes in cash flows. The gain or loss on the ineffective portion of the hedging instrument is taken to the consolidated income statement and the gain or loss on the effective portion is recognised directly in equity in the balance sheet. The amount deferred in equity is not recognised in the income statement until the gains or losses on the hedged transactions are recognised in profit or loss or until the transactions mature. That amount is recognised in the same line item as the gain or loss on the hedged item.

   Lastly, should the hedge become ineffective, the amount recognised in equity until then is taken to profit or loss proportionately over the term of the derivative arranged.

ii. Fair value hedge: Its objective is to cover exposure to changes in the value of a recognised asset or liability, or a firm commitment relating to a future transaction. The gain or loss on the hedging instrument and the gain or loss on the hedged asset or liability are recognised in the income statement.

iii. Hedge of net investments in foreign operations: Hedges of this nature hedge exposure to changes in the value of net investments in foreign operations attributable to foreign exchange fluctuations. Gains or losses are recognised in equity and taken to the income statement when the investment is sold or matures.

Gains or losses on derivatives not qualifying as hedges are recognised in the income statement. The Company does not currently have any derivative financial instruments that qualify as hedge accounting.

4.6 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits at credit institutions and other short-term highly liquid investments with an original maturity of three months or less, provided there is no significant risk of changes in value and they form part of the Company's normal cash management policy.

4.7 Inventories

Inventories are valued at their acquisition cost.

The Company makes suitable valuation adjustments, recognising them as expenditure in the profit and loss statement when the net realizable value of the inventories is less than its acquisition cost. If the circumstances causing the valuation adjustment cease to exist, the adjustment amount is reversed and it is taken to the profit and loss statement as income.

Inventories that need longer than a year to be in a saleable condition include financial expenses in their cost in the same terms provided for the tangible assets.

4.8 Equity

Ordinary shares are classified as capital stock. Incremental costs directly attributable to the issue of new shares are deducted, net of taxes, from equity. Acquisitions of the Parent's treasury shares are deducted from equity for the amount of the consideration paid, including the attributable costs associated with the acquisitions. When treasury shares are sold or reissued, any amount received is taken, net of costs, to equity.

4.9 Grants

Grants that are refundable are recorded as liabilities until the conditions are fulfilled that means they can be considered as non- refundable, whilst non-refundable grants are recorded as income directly attributable to equity and are recorded as income on the systematic and rational basis correlated with the expenses derived from the grant. Non-refundable grants received from members are recorded directly in equity.

For these purposes, a grant is considered non-refundable when there is an individualised concession agreement of the grant, all established conditions have been fulfilled for its concession and there is reasonable assurance that the grant will be received.

Monetary grants are valued by the fair value of the amount given and non-monetary grants by the fair value of the asset received. Both values refer to the moment of recognition.

Non-refundable grants related to the acquisition of intangible assets, tangible assets, and real estate investments, are recorded as income for the fiscal year in proportion to the depreciation of the corresponding assets, or, if applicable, when their disposal, valuation adjustment or deletion in the balance sheet occur. Non-refundable grants related to specific costs are recognised to the income statement in the year of their accrual, and those used to offset operating deficit in the Fiscal Year in which they are granted, except when they are used for offsetting the operating deficit of future financial years, in which case they are recognised in those financial years.

4.10 Provisions and Contingent Liabilities

The Company recognises a provision for a commitment or obligation vis-à-vis a third party that meets the following requirements: it is a present obligation (legal or implicit) arising from past events or constructive obligations, whose settlement is expected to result in an outflow of funds and whose amount or timing are not known for certain, but can be reliably estimated. The main provisions the Company has are described in notes 15 and 16.

Provisions are valued by the current value of the payments expected to be required to settle the obligation using a pre-tax rate that shows the current market assessments of the temporary value of money and the obligation's specific risks. Adjustments in the provision due to discounting are recognised as a financial expense as they are accrued. Provisions expiring within or at one year, with a non-significant financial effect, are not discounted.

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the consolidated companies. Contingent liabilities are not recognised, but the most significant are disclosed in these notes (see Note 20).

The following provisions are relevant:

- Provisions for deferred expenses: They cover payments that need to occur for various items, such as guarantee deposits of the main contract, removal of construction machinery, removal of installations, project completion settlement and preservation expenses in the guarantee period.

  Payments for these items generally occur after the project has been completed and the corresponding income is recognised. Consequently, provisions are made in accordance with best possible estimates and the project's characteristics on the basis of an initial estimated percentage of the work completed to be performed pursuant to its budgets, which, in general, cannot be changed until contract termination.

  Notwithstanding the above, the abovementioned initial percentage can vary if the initial estimate is deemed unsuitable as the contract unfolds. In this case, the provision is adjusted as soon as this fact is realised and this entry is considered a change to the original estimate.

  Upon the delivery of the purpose of the contract and as a result of the updated estimate the excess provision, if any, is reverted using the corresponding income accounts. Afterwards, these provisions can only be used for the purpose planned and they remain in the liabilities whilst there is a risk in the corresponding project.

- Provisions for budgeted losses: When the likely final result of a project is going to involve the recognition of a loss, these losses must be recognised immediately in the financial statements. This likelihood is determined by using standardised criteria for client or project types, based on accumulated historic experience and on project budget management policies.

4.11 Termination benefits

According to current legislation, the Company is under the obligation to pay compensations to those employees with whom labour relations are terminated, under specific conditions.

The Balance Sheet as of 31 December 2011 includes a provision for € 27,253 thousand (€ 28,648 thousand in 2010) under the heading "Remunerations payable". According to legal provisions, part of this provision is to meet the cost of terminating the contracts of temporary construction staff (Note18).

4.12 Share-based payment

Share Option Remuneration System though stock options of the Dominant Company of the Ferrovial Group, namely, Ferrovial, S.A.: They are measured at fair value when the options are initially granted using a financial method, based on an improved binomial model, taking into account the exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and the assumptions made to incorporate the effects of expected early exercise. The initial fair value is not subsequently revised. This fair value is recognised under "Staff Costs" in proportion to the stipulated period of time during which the employee must remain at the company, with a balancing entry in equity.

4.13 Financial liabilities

a) Debits and accounts payable

This category includes trade and non-trade payables. These accounts payable are classified as current liabilities, unless the Company has an unconditional right to defer their settlement for at least 12 months after the balance sheet date.

These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. If the effective interest rate is initially considered to differ from the market interest rate, the liability is measured based on the present value of future cash flows at the market rate in the case of interest-bearing loans. Where no effective interest rate is specified, the cash flows are also measured using the market interest rate.

If existing debts are renegotiated, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender and the present value of the cash flows, including origination and arrangement costs, applying the effective interest method is not more than 10% higher or lower than the present value of the future cash flows payable on the original liability calculated using this same method.

The Company strikes off financial liabilities when the obligations that generated them are extinguished.

4.14 Corporation Tax and Deferred Taxes

The Corporate Tax expense recorded in the financial statements of the Company is calculated on the basis of the accounting result of the Company, increased or decreased, as appropriate, by the impact of tax adjustments and by the timing differences that arise between the tax bases of the assets and liabilities and their amounts on the books in the financial statements (liability method) and that give rise to reporting assets and liabilities for deferred taxes.

Deferred tax assets and liabilities are calculated at the tax rates in force on the balance sheet date and that are foreseen to be applicable in the period when the asset is realised or the liability liquidated. They are charged or credited to the income statement, except when they relate to items that are recognised directly in equity, in which case they are charged or credited to equity. Deferred tax assets and tax loss carry forwards are recognised when it is probable that the Company will recover them in the future, regardless of when they will be recovered, provided this is within the maximum period provided by law. Deferred tax assets and liabilities are not discounted and are classified as a non-current asset or liability respectively. Deferred taxes recognised are reviewed at the end of each reporting period.

Deferred taxes are reported on the timing differences that arise in investments in subsidiaries and associated companies and joint businesses, except in cases in which the Company may control the moment of reversion of the timing differences and it is also probable that these shall not revert in a foreseeable future.

Deferred taxes are not recognised when the transaction has no effect on the accounting profit or loss or tax base of the related assets and liabilities.

The difference between the income tax expense recognised at the previous year end and the income tax expense reported in the final tax returns filed constitutes a change in accounting estimates and is recognised as current-year income or expense.

The Company is integrated in the tax consolidation group headed by Ferrovial, S.A. (see Note 19).

4.15 Revenue recognition

Revenue is measured at the fair value of the consideration receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, refunds, VAT and other sales-related taxes. Revenue is recognised when the risks and rewards are deemed to have been transferred.

4.16 Recording of Work Contracts

General Criterion of Revenue Recognition

The Company uses the method to recognise revenue, within the general percentage of completion criterion established in the adaptation of the PGC (Spanish National Chart of Accounts) for the construction sector.

This method may be used since all contracts include:

- a definition of each and every project unit that must be executed to complete the whole project
- measurement of every one of the project units and
- the price at which each unit is certified.

For practical application of this method at the end of each month, measurement of the units produced is performed on each of the sites and the production in the month recorded as income.

Contract costs are recognised on an accrual basis, and the costs actually incurred in completing of the units of output are recognised as an expense and those that might be incurred in the future have to be allocated to the project units completed.

In exceptional cases, where it is not possible to estimate the margin for the entire contract, the total costs incurred are recognised and estimated sales in connection with the work completed are recognised as contract revenue.

The application of this revenue recognition method is combined with the preparation of a budget made for each construction contract by project unit. This budget is used as a key management tool for detailed monitoring of differences between actual and budgeted figures, project unit by project unit.

This budget also serves to anticipate possible future losses that may arise. In this case, the losses are provisioned when they are foreseen as certain.

Recognition of Changes to the Prime Contract

During performance of construction work, unforeseen events not envisaged in the prime contract may occur that increase the volume of the work to be performed.

These changes to the contract initially entered into require the client's technical approval and subsequent economic approval to make it possible to issue certificates and collect on these additional works.

The Company does not recognise revenue from such additional work until approval is reasonably assured and the revenue can be measured reliably.

However, the costs associated with these project units are recognised when they arise irrespective of the degree of client approval of the work performed.

Interest from default

Interest arising from delays in the collection of certification is recognised when it is likely that this interest is actually going to be received and their amount can be reliably measured.

Interest arising from delays in the collection of certificates is recognised when it is likely that this interest will be collected and the amount can be reliably measured. Nevertheless, the procedure to recognise and collect interest is usually complicated, and it often occurs when the projects have been completed.

On the basis of the principle of prudence, the Company recognises late-payment interest as revenues when there is absolute assurance as to its collection.

This interest is recognised in the Profit and loss statement as financial income.

4.17 Foreign currency transactions

Conversion of the transactions performed by the Company into a currency other than the functional one, that is the euro, is performed by applying the exchange rate in force at the moment of formalising each operation, or at the closing exchange rate in the case of live balances on the date of preparation of the financial statements.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation to the closing exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the profit and loss statement, except if they differ in net equity, such as qualified cash flow hedging and qualified net investment hedging.

4.18 Related party transactions.

In general, transactions between group companies are recorded at inception at their fair value. In this case, if the price agreed differs from its fair value, the difference is recorded taking the economic reality of the transaction into account. They are subsequently valued pursuant to the provisions in the corresponding standards.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.19 Joint Ventures

The Company records its investments in Joint Ventures by registering in its balance sheet the corresponding proportion, according to the shareholding percentage, of jointly controlled assets and jointly incurred liabilities.

The portion relating to income earned and expenses incurred by the joint venture is recognised in the income statement. Likewise, the proportional part of the amounts of the joint venture items related to the statement of changes in equity and the statement of cash flows is booked therein.

With regard to Joint Ventures, the Company uses the same criteria as indicated in the preceding sections.

The contribution by Joint Ventures to the turnover and result of fiscal years 2011 and 2010 is as follows:

Fiscal year 2011 Thousand Euros	FERROVIAL AGROMAN		JOINT VENTURES AT %		Total
	Amount	%vs/Total	Amount	%vs/Total	Amount
N.B.T.	1,195,245	70%	516,835	30%	1,712,080
Profit or loss	89,965	57%	68,834	43%	158,799

2010 Thousand Euros	FERROVIAL AGROMAN		JOINT VENTURES AT %		Total
	Amount	%vs/Total	Amount	%vs/Total	Amount
N.B.T.	1,618,857	71%	651,839	29%	2,270,696
Profit or loss	93,092	87%	13,986	13%	107,078

Appendix I of this notes to the financial statements details the amounts contributed by the Joint Ventures in which Ferrovial Agromán, S.A. has invested in relation to the amounts for fiscal year 2011 included in the balance sheet and the income statement.

Appendix II of this notes to the financial statements shows a list of the domestic and industrial construction Joint Ventures in which Ferrovial Agromán S.A. has an interest, which contribute to the portfolio and/or business turnover in the Financial Year 2011.

Appendix III of this notes to the financial statements shows a list of the foreign construction Joint Ventures in which Ferrovial Agromán S.A. has an interest, which contribute to the portfolio and/or business turnover in the Financial Year 2011.

4.20 Environment

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity. The investments arising from environmental activities are valued at their acquisition cost as greater cost of the tangible assets in the Fiscal Year in which they take place and they are depreciated on a straight line basis according to their estimated useful life. Costs incurred to protect and improve the environment are taken to the income statement when incurred, irrespective of when the related monetary or financial flows take place.

5. Financial Risk Management

5.1 Financial Risk Factors

The Company's overall risk management program is aimed at assessing financial markets behaviour and minimising potential adverse effects on the Company, both in shareholders' equity and income statement. The Company seeks to minimise said potential adverse effects by arranging derivatives. The Company's Financial Department is responsible for risk management by identifying, assessing and hedging financial risks in accordance with the policies approved by the Board of Directors. The Board provides written policies for global risk management, as well as for specific areas, such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and investment of the excess liquidity.

Foreign Exchange Risk

Ferrovial Agromán has significant investments in currencies of non-euro countries, particularly US dollar and Polish zloty.

In general, foreign exchange risk management is centralised through the Economic and finance division on the basis of general criteria that limit exposure by means of hedging methods.

Globally, the Company applies a financial policy whereby debt is denominated in the same currency as the currency in which the revenues from the asset financed are obtained, so as to secure a natural hedge against foreign ex change fluctuations.

The impact of foreign exchange fluctuations on foreseeable cash flows is avoided by analysing and, in some cases, hedging the following transactions:

Multi-currency projects (awarded or under tender);

- Profits obtained in foreign subsidiaries in the form of dividends or capital reimbursements expected from these subsidiaries;
- Intergroup loans to foreign subsidiaries;
- Cash surpluses in foreign subsidiaries;
- Trade receivables and payables denominated in foreign currency.

The Company seeks to apply the abovementioned policy to the financing of all its infrastructure projects. When it is not feasible to finance the projects in the same currency, the Company contracts derivatives to hedge potential changes in the value of the debt caused by foreign exchange fluctuations.

As regards capital investment in the projects, where the decision is taken to finance a part of the investment using specific debt contracted by the group companies that invest in project capital, the debt is usually obtained in the same project currency and acts as a natural hedge of foreign exchange risk.

The same criterion described in the previous paragraph is applied when companies are acquired in activities other than infrastructure projects.

In construction contracts in which the price is received in a currency other than the one in which related costs are paid, hedges are contracted to avoid changes in the profit obtained on the contract caused by foreign exchange fluctuations.

The following table shows the values of assets, liabilities, and shareholders' equity attributable to the Company by type of currency for FY 2011 and 2010:

2011	**Thousand Euros**		
Currency	**Assets**	**Liabilities**	**Equity**
Euro	3,619,934	2,851,307	768,627
US dollar	20,204	5,088	15,116
Polish zloty	48,877	65,846	(16,969)
Chilean peso	1,905	307	1,598
Pound sterling	423	336	87
Other	7,142	4,136	3,006
Total Group	**3,698,485**	**2,927,020**	**771,465**

2010	**Thousand Euros**		
Currency	**Assets**	**Liabilities**	**Equity**
Euro	3,908,661	3,287,398	621,263
US dollar	17,999	3,755	14,244
Polish zloty	50,171	86,525	(36,354)
Chilean peso	2,737	952	1,785
Other	7,580	4,698	2,882
Total Group	**3,987,148**	**3,383,328**	**603,820**

An analysis of the table shows that the Company's equity is moderately exposed to the Polish zloty in particular, and, to a lesser extent, to the US dollar. This exposure originates from the branches in Poland and Puerto Rico.

In general, they are treated as long-term investments denominated in strong currencies that should not fluctuate significantly in the long term.

On the basis of table above, a 10% appreciation of the euro against the main currencies in which Ferrovial Agromán, S.A. has investments, would have had an impact of approximately € -257 million (€ 1,586 million in 2010) on the Company's equity, mainly generated by the Polish zloty, as detailed below:

2011	**Thousand Euros**		
Currency	**Equity of the Parent**	**Exchange rate at year-end**	**Impact +10%**
Euro	768,627	1.00	—
US dollar	15,116	1.29	(1,374)
Polish zloty	(16,969)	4.46	1,543
Chilean peso	1,598	673.32	(145)
Pound sterling	87	0.84	(8)
Other	3,006	1.00	(273)
Total Group	**771,465**		**(257)**

2010	**Thousand Euros**		
Currency	**Equity of the Parent**	**Exchange rate at year-end**	**Impact +10%**
Euro	621,263	1.00	—
US dollar	14,244	1.34	(1,295)
Polish zloty	(36,354)	3.98	3,305
Chilean peso	1,785	626.51	(162)
Other	2,882	1.00	(262)
Total Group	**603,820**		**1,586**

A 10% revaluation would imply an impact on assets of approximately EUR -7,140 thousand, a 62% corresponds to the Polish zloty in the reporting period 2011. In 2010 the impact was EUR -7,135 thousand, a 64% of which corresponds to the Polish zloty:

2011	**Thousand Euros**		
Currency	**Assets**	**Exchange rate at year-end**	**Impact +10%**
Euro	3,619,934	1.00	—
US dollar	20,204	1.29	(1,837)
Polish zloty	48,877	4.46	(4,443)
Chilean peso	1,905	673.32	(173)
Pound sterling	423	0.84	(38)
Other	7,142	1.00	(649)
Total Group	**3,698,485**		**(7,140)**

2010	**Thousand Euros**		
Currency	**Assets**	**Exchange rate at year-end**	**Impact +10%**
Euro	3,908,661	1.00	—
US dollar	17,999	1.34	(1,636)
Polish zloty	50,171	3.98	(4,561)
Chilean peso	2,737	626.51	(249)
Other	7,580	1.00	(689)
Total Group	**3,987,148**		**(7,135)**

In addition, the net profit obtained by currency type is shown in the following table:

2011	**Thousand Euros**		
Currency	**Profit or loss**	**Average exchange rate**	**Impact +10%**
Euro	159,056	1.00	—
US dollar	243	1.29	(22)
Polish zloty	(676)	4.46	61
Chilean peso	9	673.32	(1)
Pound sterling	85	0.84	(8)
Other	82	1.00	(7)
Total Group	**158,799**		**23**

2010	**Thousand Euros**		
Currency	**Profit or loss**	**Average exchange rate**	**Impact +10%**
Euro	108,534	1.00	—
US dollar	2,231	1.33	(203)
Polish zloty	(3,040)	3.99	276
Chilean peso	(9)	675.84	1
Other	(638)	1.00	58
Total Group	**107,078**		**132**

The impact on the income statement of a 10% appreciation of the euro would have meant an impact of € 23 thousand in 2011 and € 132 thousand in 2010.

On the other hand, the effect of a revaluation of 10% in the euro would have the following impact on the liabilities in foreign currency as of 31 December 2011 and 2010:

2011	Thousand Euros		
Currency	Liabilities	Exchange rate at year-end	Impact +10%
Euro	2,851,307	1.00	—
US dollar	5,088	1.29	(463)
Polish zloty	65,846	4.46	(5,986)
Chilean peso	307	673.32	(28)
Pound sterling	336	0.84	(31)
Other	4,136	1.00	(376)
Total Group	**2,927,020**		**(6,884)**

2010	Thousand Euros		
Currency	Liabilities	Exchange rate at year-end	Impact +10%
Euro	3,287,398	1.00	—
US dollar	3,755	1.34	(341)
Polish zloty	86,525	3.98	(7,866)
Chilean peso	952	626.51	(87)
Other	4,698	1.00	(427)
Total Group	**3,383,328**		**(8,721)**

In all cases, the impact of a 10% devaluation would be similar in the opposite sense.

Interest Rate Risk:

The objective of Ferrovial Agromán, S.A. in its interest rate risk management is to obtain an adequate balance between its positions in fixed- and variable-rate debt in order to be able to adapt to different market circumstances and, in any event, guarantee the fulfilment of its business plans.

The Group to which the Company belongs has a cash-pooling policy established, the remuneration of which is based on variable interest rates indexed to Euribor and reviewed on a quarterly basis.

Credit Risk:

The Group's main financial assets exposed to credit risk are as follows:

a) Investments in financial assets included in cash and cash equivalents (short-term), (Note 13).

b) Non-current financial assets (Note 8 and 9).

c) Trade and other receivables (Note 12).

As regards the risk incurred by investing in financial products, Ferrovial Agromán S.A. has implemented internal policies to minimise credit risk, stipulating that counterparties must always be highly rated by prestigious international rating agencies. Ferrovial Agromán S.A. also imposes maximum limits on amounts invested or contracted, which are periodically reviewed.

In the case of transactions in countries whose economic and socio-political circumstances preclude high credit quality, the Company mainly selects branches that comply or almost comply with stipulated credit policy, as well as the largest local institutions.

With respect to risks related to trade receivables (included in section c) and non-current receivables (section b), there is a wide variety of clients, as a large part thereof being accounted by public bodies. Indeed, 72.42% (64.10% in 2010) of all the Company's non-current and current receivables, long-term and short-term, refer to the Public Administrations.

Liquidity Risk:

The present financial market environment has mainly been marked by a major international crisis that has led to widespread limitation on the granting of credit. Ferrovial Agromán, S.A. has maintained a proactive policy regarding management of the liquidity risk, fundamentally concentrating on preservation of the Company's liquidity and on dynamic management of financial assets.

This policy is focused on four main areas:

1. – Efficient working capital management to ensure timely fulfilment of payment obligations by customers.

2. – Monetisation of financial assets, where this can be done under reasonable market conditions, through the factoring and discounting of future collection rights.

3. – Integral cash flow management, in order to optimise the daily liquidity positions that exist at the different companies, establishing a global “cash management” system.

4. – Setting up short-term credit facilities that guarantee the availability of cash and the payment of obligations in the event of periods of difficulty in relation to collections and available balances.

The Company has also sought to always utilise available cash to settle payment obligations and liabilities in advance.

Exposure to shares:

Ferrovial Agromán is also exposed to risk relating to the evolution of share prices of listed companies. This exposure specifically occurs in:.

– Equity swaps linked to share-based remuneration systems:

As indicated in Note 10 on derivative financial instruments and Note 26 and 29 on share-based payment, Ferrovial S.A. has arranged equity swaps to hedge possible disbursements that may be required in relation to executive remuneration systems linked to the price of Ferrovial S.A. shares.

The equity swaps eliminate uncertainty with respect to the exercise price of the remuneration systems; However, as they are not deemed to be hedge derivatives, their market value has an impact on the Income Statement, which is positive if the market share price rises and negative if it falls.

Considering a listed closing price of 9.33 for Ferrovial, S.A. (€7.43 in 2010), the Company has recorded an income of € 26,142 thousand for that item within heading of financial profits (see Note 24), (€7,002 thousand in 2010).

5.2 Estimate of Fair Value

The fair value of financial instruments that are negotiated in active markets (such as securities held for trading and available for sale) is based on market prices as at the balance sheet date. The market share price used for financial assets is the current purchase price. The market share price used by the Company for financial assets is the current purchase price. The appropriate market price for financial liabilities is the current selling price.

The fair value of financial instruments that are not negotiated in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes hypothesis, which are mainly based on existing market conditions on the date of each balance sheet. Market prices for similar instruments are used for debt due after one year. Other techniques, such as estimated discounted cash flows, are used to determine the fair value of the other financial instruments. The fair value of interest-rate swaps is calculated as the current value of future estimated cash flows. The fair value of forward exchange contracts is determined using forward exchange rates in the market on the balance sheet date.

The nominal value less estimated credit adjustments of accounts receivable and payable is assumed to be close to fair values. The fair value of financial liabilities for the purposes of the presentation of financial information is estimated by discounting future contract cash flows at the current market interest rate available to the Company for similar financial instruments.

6. Intangible Assets

The breakdown of the balances in this Intangible Assets heading for fiscal years 2011 and 2010 by nature is as follows:

	Thousand Euros		
MOVEMENTS DURING 2011	Computer Software	Other intangible assets	TOTAL
Investment:			
Balance at 31/12/10	677	245	922
Additions	22	—	22
Disposals	—	—	—
Changes in the scope and transfers	—	—	—
Impairment losses	—	—	—
Balance at 31.12.2011	**699**	**245**	**944**
Accumulated depreciation:			
Balance at 31/12/10	(603)	(1)	(604)
Charge for the year	(31)	—	(31)
Disposals	—	—	—
Changes in the scope and transfers	—	—	—
Impairment losses	—	—	—
Balance at 31.12.2011	**(634)**	**(1)**	**(635)**
Carrying amount at 31/12/11	**65**	**244**	**309**

	Thousand Euros		
MOVEMENTS DURING 2010	Computer Software	Other intangible assets	TOTAL
Investment:			
Balance at 31/12/09	641	245	886
Additions	100	—	100
Disposals	(65)	—	(65)
Changes in the scope and transfers	1	—	1
Impairment losses	—	—	—
Balance at 31/12/10	**677**	**245**	**922**
Accumulated depreciation:			
Balance at 31/12/09	(593)	(1)	(594)
Charge for the year	(24)	—	(24)
Disposals	14	—	14
Changes in the scope and transfers	—	—	—
Impairment losses	—	—	—
Balance at 31/12/10	**(603)**	**(1)**	**(604)**
Carrying amount at 31/12/10	**74**	**244**	**318**

The balance of the item "Other intangible assets" mainly corresponds to the goodwill generated in the reporting period 2009 for EUR 226 thousand through the increase of ownership interest in the Mérida III Milenio Joint Venture from 50% to 54.95%.

Valuation corrections have not been reported for impairment of any individual intangible tangible assets during Financial Year 2011.

Likewise, there are no significant elements of the intangible tangible assets located abroad. There are no elements of the intangible tangible assets that are fully depreciated on 31 December 2011 and 2010.

7. Property, plant and equipment

Movements in Property, plant and equipment in the consolidated balance sheet for years 2011 and 2010 are as follows:

	Thousand Euros					
MOVEMENTS DURING 2011	**Land and buildings**	**Plant and other items of property, plant and equipment**	**Property, plant and equipment in the course of construction and advances**	**Tools and furniture**	**Other property, plant and equipment**	**TOTAL**
Investment:						
Balance at 31/12/10	8,545	194,271	574	23,126	11,349	237,865
Additions	—	5,445	—	4,267	268	9,980
Disposals	—	(7,345)	—	(7,185)	(764)	(15,294)
Transfers	—	574	(574)	—	—	—
Exchange rate	—	59	—	(20)	8	47
Balance at 31.12.2011	**8,545**	**193,004**	**—**	**20,188**	**10,861**	**232,598**
Accumulated depreciation:						
Balance at 31/12/10	(405)	(164,274)	—	(18,250)	(10,249)	(193,178)
Charge for the year	(21)	(8,333)	—	(5,410)	(448)	(14,212)
Disposals	—	4,746	—	7,103	834	12,683
Transfers	—	—	—	—	—	—
Exchange rate	—	(61)	—	14	(5)	(52)
Balance at 31.12.2011	**(426)**	**(167,922)**	**—**	**(16,543)**	**(9,868)**	**(194,759)**
Impairment losses:						
Balance at 31/12/10	—	(14,130)	—	—	—	(14,130)
Additions	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Exchange rate	—	—	—	—	—	—
Balance at 31.12.2011	**—**	**(14,130)**	**—**	**—**	**—**	**(14,130)**
Carrying amount at 31/12/11	**8,119**	**10,952**	**—**	**3,645**	**993**	**23,709**

	Thousand Euros					
MOVEMENTS DURING 2010	**Land and buildings**	**Plant and other items of property, plant and equipment**	**Property, plant and equipment in the course of construction and advances**	**Tools and furniture**	**Other property, plant and equipment**	**TOTAL**
Investment:						
Balance at 31/12/09	8,545	201,437	1,679	21,128	12,206	244,995
Additions	—	12,557	1,980	6,290	340	21,167
Disposals	—	(22,854)	—	(4,247)	(1,189)	(28,290)
Transfers	—	3,085	(3,085)	—	—	—
Exchange rate	—	46	—	(45)	(8)	(7)
Balance at 31/12/10	**8,545**	**194,271**	**574**	**23,126**	**11,349**	**237,865**
Accumulated depreciation:						
Balance at 31/12/09	(379)	(173,362)	—	(14,566)	(10,611)	(198,918)
Charge for the year	(25)	(10,597)	—	(7,013)	(588)	(18,223)
Disposals	—	19,732	—	3,286	948	23,966
Transfers	—	—	—	—	—	—
Exchange rate	—	(47)	—	43	—	(4)
Balance at 31/12/10	**(404)**	**(164,274)**	**—**	**(18,250)**	**(10,251)**	**(193,179)**
Impairment losses						
Balance at 31/12/09	—	(12,619)	—	—	—	(12,619)
Charge for the year	—	(1,511)	—	—	—	(1,511)
Disposals	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Exchange rate	—	—	—	—	—	—
Balance at 31/12/10	**—**	**(14,130)**	**—**	**—**	**—**	**(14,130)**
Carrying amount at 31/12/10	**8,141**	**15,867**	**574**	**4,876**	**1,098**	**30,556**

Additions in 2010 and 2011 correspond to the acquisition of specific construction machinery and other non-recoverable construction facilities (access roads, deckhouses and similar).

With regard to derecognitions during fiscal year 2011, they are mainly related to plants and machinery located in Spain that have been disposed of during the reporting period upon conclusion of the railway works. Those elements have been depreciated to a great extent, and the sale price was similar to their carrying amount, therefore recognising a significant result in the profit and loss statement has not been required.

With regard to derecognitions in 2010, they are mainly related to plants and machinery located at the Branch in Italy that have been disposed of during the reporting period on conclusion of the railway works performed in that country. Those elements have been depreciated to a great extent, and the sale price was similar to their carrying amount, therefore recognising a significant result in the profit and loss statement has not been required.

During Financial Year 2009, depreciation amounting to € 8,538 thousand was recorded, on a special feature tunnel-boring machine acquired by the Company to perform specific works, as a loss of value associated with it not being used in the production activity by the Company during that reporting period was estimated. In Financial Year 2010, a provision was set aside for € 1,512 thousand to bring the book value of that tunnel- boring machine to zero, as it is estimated that it cannot be reused.

At 31 December 2011, the heading "Tangible assets" includes fully depreciated elements amounting to € 110,680 thousand (€ 115,945 thousand at 31 December 2010), fundamentally due to machinery and plants.

The Joint Ventures contribute approximately 48% of the net balance of Property, plant and equipment (39% at 31 December 2010). The balances mainly correspond to Machinery (tunnel boring machines on the whole).

The Company has assets under financial leases amounting to EUR 3,153 and 870 thousand in cost value and accumulated amortisation at 31 December 2011, respectively, corresponding to machinery acquired during the reporting period 2011.

Other Information

The net book value of the tangible assets located abroad at 31 December 2011 and 2010 amounts respectively to € 2,650 and € 3,424 thousand, being broken down as follows:

MOVEMENTS DURING 2011	Plant and other items of property, plant and equipment	Tools and furniture	Other property, plant and equipment	TOTAL
Investment:				
Balance at 31/12/10	**13,967**	**5,582**	**3,528**	**23,077**
Additions	44	111	73	228
Disposals	(4)	(815)	(212)	(1,031)
Transfers	—	—	—	—
Exchange rate	59	(20)	7	46
Balance at 31.12.2011	**14,066**	**4,858**	**3,396**	**22,320**
Accumulated depreciation:				
Balance at 31/12/10	**(12,682)**	**(3,900)**	**(3,071)**	**(19,653)**
Charge for the year	(498)	(242)	(169)	(909)
Disposals	(19)	609	337	927
Transfers	—	—	—	—
Exchange rate	(61)	30	(4)	(35)
Balance at 31.12.2011	**(13,260)**	**(3,503)**	**(2,907)**	**(19,670)**
Carrying amount at 31/12/11	**806**	**1,355**	**489**	**2,650**

MOVEMENTS DURING 2010	Plant and other items of property, plant and equipment	Tools and furniture	Other property, plant and equipment	TOTAL
Investment:				
Balance at 31/12/09	**22,222**	**5,907**	**3,796**	**31,925**
Additions	124	213	45	382
Disposals	(8,423)	(494)	(305)	(9,222)
Transfers	—	—	—	—
Exchange rate	45	(44)	(8)	(7)
Balance at 31/12/10	**13,968**	**5,582**	**3,528**	**23,078**
Accumulated depreciation:				
Balance at 31/12/09	**(18,589)**	**(3,939)**	**(3,019)**	**(25,547)**
Charge for the year	(2,125)	(489)	(241)	(2,855)
Disposals	8,078	486	187	8,751
Transfers	—	—	—	—
Exchange rate	(47)	42	2	(3)
Balance at 31/12/10	**(12,683)**	**(3,900)**	**(3,071)**	**(19,654)**
Carrying amount at 31/12/10	**1,285**	**1,682**	**457**	**3,424**

All the assets included in this heading are directly subject to the operation and they are suitably hedged by the corresponding insurance policies taken out.

There is not interest or exchange differences capitalised in tangible assets. Neither are there any assets subject to guarantees.

8. Non-current investments in Group companies and associates

The movements at 31 December 2011 and 2010 are detailed as follows:

	Thousand Euros			
MOVEMENTS DURING 2011	**Investments in Group companies**	**Loans to Group Companies**	**Impairment**	**TOTAL**
Investment:				
Balance at 01/01/11	577,067	158,034	(5,938)	729,163
Additions	28,225	15,755	(4,576)	39,404
Disposals	—	(16,276)	1,258	(15,018)
Balance at 31/12/2011	**605,292**	**157,513**	**(9,256)**	**753,549**

	Thousand Euros			
MOVEMENTS DURING 2010	**Investments in Group companies**	**Loans to Group Companies**	**Impairment**	**TOTAL**
Investment:				
Balance at 01/01/10	528,280	156,065	(7,430)	676,915
Additions	51,028	12,814	(774)	63,068
Disposals	(2,241)	(10,845)	2,266	(10,820)
Balance at 31/12/2010	**577,067**	**158,034**	**(5,938)**	**729,163**

a. – Investments in Group companies

The main operations performed in Financial Years 2011 and 2010 that justify the variation in the stakes, associated and securities portfolio are detailed as follows:

Fiscal year 2011:

- The main upward movement corresponds to the capital increase made by Ferrovial Conservación, S.A., fully subscribed by the Company when the remaining shareholders waived their pre-emptive subscription right, rendering a EUR 16,276 thousand cost. The payment was made by offsetting a participating loan held by Ferrovial Agroman S.A. against Ferrovial Conservación, S.A. dated 31 May 2008, subsequently novated through deeds dated 31 December 2009 and 31 October 2011, the principal of which amounted to EUR 15,000 thousand (see Note 8.b), together with outstanding accrued interest for EUR 1,276 thousand, of which EUR 932 thousand were included under "Current loans to group companies" at 31 December 2010, and EUR 344 thousand were accrued in the reporting period 2011 (see Note 27.c). Upon capital increase, 25% of the loan was due, liquid and payable, and the remaining principal was due within 5 years.

  Moreover, during the reporting period 2011, additions for EUR 7,436 and EUR 3,773 thousand associated to the capital increase subscription carried out by Ferrovial Agroman US Corp and Norvarem, S.A.U., respectively, have been fully paid.

Fiscal Year 2010:

- The main movement in additions is due to Ferrovial Agromán, S.A. having exercised all its pre-emptive subscription rights in the capital increase performed by the Company Cadagua, S.A. that is 99.95% owned, at a cost of € 39,980 thousand, fully paid up.
- The main movement in derecognitions is due to having performed a capital reduction in the subsidiary Euroscut do Norte Litoral, S.A., amounting to € 2,128 thousand.

The detail of this balance at 31 December 2011 is as follows:

Thousand Euros

Companies	Investment	Accumulated Impairment	(Impairment) Fiscal year reversal
Domestic Construction			
Ditecpesa, S.A.	1,201	—	—
Compañía de Obras Castillejos, S.A.	8,252	(2,601)	1,254
Encofrados Deslizantes y Técnicas Especiales, S.A.	1,796	—	—
Ferrovial Conservación, S.A.	20,491	(5,703)	(4,540)
Urbaoeste, S.A.	908	(120)	2
Discota XXI, S.L.U. (3)	97,589	—	—
Urbs ludes Causidicus S.A.	8,558	(335)	—
Tecnológica Lena S.L.	453	(453)	—
Norvarem S.A.U.	3,832	—	—
Industrial construction			
Cadagua, S.A. (4)	118,596	—	—
Aplicación de Recursos Naturales, S.A.	247	—	—
Ferrovial Medio Ambiente, S.A.	879	—	—
Overseas construction			
Ferrovial Agroman Canadá, Inc	728	—	—
Ferrovial Agroman Chile, S.A.	4,499	—	—
Ferrovial Agroman Empresa Constructora, Ltda.	419	—	—
Ferrovial Agroman UK, Ltd.	19,875	—	—
Ferrovial Agroman Airports (UK), Ltd.	—	—	—
Ferrovial Agroman Railways S.A.	247	(37)	(36)
Constructora Agroman Ferrovial, Ltda.	20	—	—
Ferrovial Agroman Cía. Ctra. Ltda.	30	—	—
Ferrovial Agroman Ireland Ltd. (2)	—	—	—
Ferrovial Agroman US Corp.	10,610	—	—
Infrastructures			
Autoestrada Poludnie, S.A.	606	—	—
Euroscut-Sociedade Concessionaria da Escut do Algarve, S.A.	2,021	—	—
Euroscut do Norte Litoral, S.A.	6,448	—	—
Euroscut Azores, S.A.	122	—	—
Concesionaria de Prisiones de Lledoners, S.A.	15,559	—	—
Autovía de Aragón Sociedad Concesionaria, S.A.	3,219	—	—
Sociedade Concesionaria Baio, S.A. (1)	2,206	(7)	2
Concesionaria de Prisiones de Figueras, S.A.	11,022	—	—
Ferrovial Financing, A.I.E.	264,859	—	—
Total	**605,292**	**(9,256)**	**(3,318)**

(1) Net investment of an outstanding payment for EUR 6,619 thousand.
(2) Net investment of an outstanding payment for EUR 100 thousand.
(3) Company through which the ownership interest (59.06%) in Budimex is channelled (Note 1).
(4) Includes implicit goodwill for EUR 57,707 thousand.

The revenue arising as a consequence of the variation in the impairment of stakes in group companies during 2011 is recorded under the heading “Impairment and gains or losses on disposals of financial instruments” of the attached profit and loss statement.

At 31 December 2011 and 2010 carrying amounts of investments in group companies have been reduced by the outstanding payments, related mainly to the investment in the Company Concesionaria Baio, incorporated in 2008, from which Ferrovial Agromán acquired 50% of the shares, initially paying up 25%, leaving the remaining 75% outstanding, equivalent to € 6,619 thousand.

The information on these subsidiaries at 31 December 2011 is as follows:

Companies	Registered Office	Auditor	Share	Share capital and Premium	Reserves	Profit or loss 2011
Domestic Construction						
Ditecpesa, S.A.	Madrid	Deloitte	99.95%	1,184	2,592	1,291
Compañía de Obras Castillejos, S.A.	Madrid	Deloitte	99.95%	4,476	637	1,584
Encofrados Deslizantes y Técnicas Especiales, S.A.	Madrid	Deloitte	99.07%	661	5,459	(0)
Ferrovial Conservación, S.A.	Madrid	Deloitte	99.29%	20,519	(3,645)	(1,444)
Urbaoeste, S.A.	Cartagena	Unaudited	99.00%	210	575	10
Discota XXI, S.L.U. (1)	Madrid	Deloitte	100.00%	97,589	(25,862)	34,446
Urbs ludex Caudidicus, S.A.	Barcelona	Deloitte	22.00%	38,902	(17,198)	4,439
Tecnológica Lena, S.L.	Asturias	Unaudited	50.00%	1	(1,447)	26
Norvarem, S.A.U. (1)	Madrid	BDO	100.00%	3,834	6,501	(3,213)
Ferrovial Railways, S.A.	Madrid	Unaudited	98.80%	250	(1)	(37)
Industrial construction						
Cadagua, S.A.	Bilbao	Deloitte	99.95%	46,010	12,014	3,043
Aplicación de Recursos Naturales, S.A.	Madrid	Unaudited	99.97%	240	983	6
Ferrovial Medio Ambiente y Energía, S.A.	Madrid	Deloitte	99.00%	607	1,888	19
Overseas construction						
Ferrovial Agroman Canadá, Inc.	Canada	Unaudited	100.00%	728	506	(369)
Ferrovial Agroman Chile, S.A.	Chile	Unaudited	13.38%	13,757	21,778	3,781
Ferrovial Agroman Empresa Constructora, Ltda.	Chile	Unaudited	99.99%	0	177	699
Ferrovial Agroman UK, Ltd.	UK	Deloitte	100.00%	19,874	(14,400)	(601)
Ferrovial Agroman Airports UK, Ltd.	UK	Deloitte	100.00%	0	2,910	11,545
Constructora Agroman Ferrovial Limitada	Chile	Unaudited	56.87%	35	(593)	(2)
Ferrovial Agroman Compañía Constructora, S.A.	Chile	Unaudited	0.87%	2,916	(2,040)	273
Ferrovial Agroman Ireland, Ltd.	Ireland	Deloitte	100.00%	0	4,751	(4,450)
Ferrovial Agroman US. Corp.	USA	Deloitte	100.00%	10,610	(9,885)	(14,203)
Infrastructures						
Autoestrada Poludnie, S.A.	Poland	Deloitte	1.27%	19,067	(1,550)	—
Euroscut-Sociedad Concesionaria da Escut do Algarve, S.A.	Portugal	Deloitte	8.00%	25,266	(685)	1,142
Euroscut do Norte Litoral, S.A.	Portugal	Deloitte	8.51%	75,757	9,026	18,175
Euroscut Azores, S.A.	Portugal	Deloitte	0.20%	61,100	(12,793)	(5,077)
Concesionaria de Prisiones Lledoners, S.A.U.	Spain	Deloitte	100.00%	15,559	(4,451)	404
Autovía de Aragón Sociedad Concesionaria, S.A.	Spain	Deloitte	25.00%	12,874	(7,280)	117
Sociedad Concesionaria Baio, S.A.	Spain	Unaudited	50.00%	4,413	(15)	—
Concesionaria de Prisiones Figueras, S.A.U.	Spain	Deloitte	100.00%	11,022	(84)	1,546
Ferrovial Financing, AIE	Spain	Unaudited	19.53%	1,356,475	2,581	52,535

(1) Holding companies

Ferrovial Financing, AIE channels the cash surplus of specific Group companies toward those with financing needs, as well as toward other related transactions such as certificates discount, factoring, and similar transactions.

The dividends received in the Financial Year come from the following companies:

Group companies	Thousand Euros 2011	2010
Ferrovial Agroman Airports UK, Ltd	9,958	—
Ferrovial Agroman Ireland, Ltd	42,636	—
Euroscut-Sociedad Concesionaria da Escut do Algarve, S.A	783	—
Ferrovial Financiera, AIE	56	—
Discota XXI, S.L.U.	34,442	25,068
Edytesa, S.A.	—	1,365
Ditecpesa, S.A.	—	1,744
Cadagua, S.A.	—	7,606
Ferrovial Agromán Chile, S.A.	—	3,634
	87,875	**39,417**

None of the owned companies was listed on regulated markets on 31st December 2011 and 2010.

b. – Loans to Group Companies

The reporting period's main movement corresponds to the compensation of the participating loan held with Ferrovial Conservación S.A. as disbursement for the capital increase totalling EUR 16,272 thousand (see Note 8.a). Additions in this period correspond mainly to an equity loan with the Company Concesionaria de Prisiones Figueras, S.A.U. for a nominal amount of € 15,000 thousand. The detail of the balance of this sub-heading at 31st December 2011 is as follows:

Companies	Currency	Interest	Maturity date	Thousand Euros	Thousand Euros
Loans participated					
Norvarem, S.A.U.	EUR	(*)	30/12/2015	130,168	130,168
Ferrovial Conservación, S.A.U.	EUR		31/12/2012	—	15,000
Concesionaria de Prisiones Figueras, S.A.U.	EUR	(**)	06/07/2035	9,762	9,409
Concesionaria de Prisiones Figueras, S.A.U.	EUR	(***)	06/07/2035	14,515	—
Long-term loans					
Autovía de Aragón Sociedad Concesionaria, S.A.	EUR	(****)	04/12/2016	3,068	3,457
TOTAL				**157,513**	**158,034**

(*) Fixed interest rate of 2.75% per annum (that will be reviewed annually every 31 December, according to the fixed interest rate published by Ferrovial, S. A. for loans to its subsidiaries), and moreover, a variable interest that will consist of 25% per annum on the operating result, excluding the variations on provisions and depreciation (EBITDA), of the set of companies W.W.Webber, Webber Management Group, Southern Crushed Concrete and Norvarem, S. A. U. The total annual interest accrued by Norvarem, S. A. U. and that comprises the sum of the two interest rates agreed, may under no circumstance exceed the equivalent percentage amount of the annual rate of the LIBOR referenced to the US Dollar + 400 basic points.

(**) Interest rate of ANNUAL EURIBOR (12M) + 1.5% reviewed according to the index published by the Bank of Spain, 2 working days prior to the end of each calendar year. The principal of the loan amounts to € 9,302 thousand, being increased by the interest accrued during the life of the loan, which may be liquidated on the maturity date.

(***) Interest rate of ANNUAL EURIBOR (12M) + 5% reviewed according to the index published by the Bank of Spain, 15 working days prior to the end of each calendar year. The principal of the loan amounts to € 15,000 thousand, being increased by the interest accrued during the life of the loan, which may be liquidated on the maturity date.

(****) 6.041% interest rate for the construction period and 7.851% for the operating period, each interest period lasting 6 months. The principal corresponding to the subordinated loan amounts to EUR 12,270 thousand, distributed among lending companies according to their shareholding, EUR 3,068 thousand of which correspond to Ferrovial Agroman, S.A.

The credits recorded under this heading have accrued revenue from financial interest amounting to € 7,365 and € 7,338 thousand during fiscal years 2011 and 2010, respectively, recorded in the attached profit and loss statement (see Note 24 and 27.c).

9. Non-current financial assets in equity instruments

The detail of this heading on 31 December 2011 and 2010, in thousand Euros, is as follows:

	2011		
Companies	**Source**	**Impairment**	**Carrying amount**
Build2Edifica, S.A.	2,053	(1,933)	120
Terra Mítica Parque Temático de Benidorm, S.A.	1,352	(1,352)	—
Other	398	(394)	4
Total	**3,803**	**(3,679)**	**124**

	2010		
Companies	**Source**	**Impairment**	**Carrying amount**
Build2Edifica, S.A.	2,053	(1,933)	120
Terra Mítica Parque Temático de Benidorm, S.A.	1,352	(1,352)	—
Other	398	(394)	4
Total	**3,803**	**(3,679)**	**124**

The above stakes do not have a reference market, so they are recorded at adjusted cost according to the impairments that may be identified.

10. Derivative Financial Instruments at Fair Value

The detail of the said coverage operations and their relevant fair values that exist on 31 December 2011 and 2010 is presented below, as well as the maturity of the notional amounts to which they are linked:

	Thousand Euros							
	Fair value		Notional maturities					
Instrument type	**Balances at 31/12/11**	**Balances at 31/12/10**	**31/12/12**	**31/12/13**	**31/12/14**	**31/12/15**	**31/12/16 and subsequent**	**TOTAL**
USD Currency Swap	732	(104)	36,790	—	—	—	—	36,790
Cross Currency Swap	(127)	—	2,751	421	—	—	—	3,172
Equity swaps	(28,290)	(54,432)	21,214	57,214	—	287	7,888	86,603
Total	**(27,685)**	**(54,536)**	**60,755**	**57,635**	**—**	**287**	**7,888**	**126,565**

The notional amounts listed in this table include all these underwritten at 31 December 2011 and 2010. Thus, their maturity dates are presented with a positive sign and the future increases already underwritten (if any) by their amount with negative sign.

a) Description of main hedging:

	Thousand Euros					
	Fair value			Other Information		
	Balance at 31/12/11	Balance at 31/12/10	Change	Impact on profit or loss, fair value	Other impacts on profit or loss/balance sheet	Total
USD Currency Swap	836	—	836	—	836	836
USD Currency Swap	(104)	(104)	—	—	—	—
Cross Currency Swap	(127)	—	(127)	—	(127)	(127)
Equity swaps	(28,290)	(54,432)	26,142	(26,142)	—	(26,142)
Total	**(27,685)**	**(54,536)**	**26,851**	**(26,142)**	**709**	**(25,433)**

USD Currency Swap and Cross Currency Swap

These are derivatives taken by the Company to hedge the exchange risk associated with expected cash flows of subsidiaries and affiliates. The impact of the derivative on the income statement for fiscal year 2011 has amounted to € 836 thousand in income and €127 thousand in expenses respectively (€104 thousand in expenses and zero in 2010) included in the heading "Exchange differences" (See Note 24).

Equity Swaps

The derivatives heading includes the equity swap contracts taken by taken by Ferrovial, S.A. for the exclusive purpose of covering the equity impact of share option schemes, just as stated in Note 5.1 on market risks.

Those equity swap agreements mentioned are considered derivatives that do not fulfil the conditions to be identified as accounting hedging, the result thereof being recorded in the heading "Change in fair value of financial instruments" of the income statement, in which an income of € 26,142 thousand and €7,002 thousand have been recognised in fiscal year 2011 and 2010 respectively.

11. Inventories

The breakdown of inventories at 31 December 2011 and 2010 is as follows:

	Thousand Euros		
ITEMS	Balance at 31/12/11	Balance at 31/12/10	Change
Trade inventories and acquired buildings	18,037	18,014	23
Raw materials and other supplies	26,721	44,402	(17,681)
Work in progress and semi-finished products	18,072	11,415	6,657
Finished buildings and other goods	5,963	1,294	4,669
Initial expenses and general facilities	17,072	22,703	(5,631)
Impairment losses	(2,483)	(1,424)	(1,059)
Total	**83,382**	**96,404**	**(13,022)**

There are no sale commitments, capitalised financial expenses or inventories subject to ownership restrictions or pledged to secure liabilities for 2011.

There are no embargoes on any of the inventories of the Company nor any limitation whatsoever on their availability at 31 December 2011.

Among trade inventories and buildings acquired, mainly from assets given in payment and received by the Company, there is the land transferred in 2010 from the heading "Non-current assets classified as held for sale" amounting to €8.000 thousand. This also includes the land located in Mojácar (Almeria), received for the same reason during fiscal year 2010 fiscal year, for € 8,815 thousand.

The Company has evaluated the existence of impairment associated with the assets included in inventories, not identifying significant loss in value that might become apparent at the time of their disposal that is not covered by the existing provisions at the end of Financial Year 2011.

12. Trade and Other Receivables

The breakdown of the trades and other receivables at 31 December 2011 and 2010 is as follows:

	Thousand Euros		
ITEMS	**Balance at 31/12/11**	**Balance at 31/12/10**	**Change**
Work performed not certified	125,411	169,318	(43,907)
Certification and invoices	456,223	522,412	(66,189)
Notes receivable	1,786	31,910	(30,124)
Tax withholdings payable	56,906	74,611	(17,705)
Doubtful trade receivables	71,322	66,893	4,429
Default	3,739	21,550	(17,811)
Total trade receivables for sales and services	**715,387**	**886,694**	**(171,307)**
Trade receivables from Group companies and associates	**276,258**	**288,025**	**(11,767)**
Other receivables	92,828	124,392	(31,564)
Receivable from public authorities	74,572	85,532	(10,960)
Total Other receivables	**167,400**	**209,924**	**(42,524)**
Provisions for bad debts	(228,082)	(112,647)	(115,435)
Total Valuation adjustments for impairment	**(228,082)**	**(112,647)**	**(115,435)**
Total	**930,963**	**1,271,996**	**(341,033)**

The management considers that the carrying amounts of trade receivables approximate their fair values. The fair values of the items are considered receivable in the short-term and they are measured by their nominal, given that the discounting of the cash flows is not significant.

A deduction has been made from the total amount of Customers for sales and services rendered in Financial Year 2011 of € 257,956 thousand (€ 202,170 thousand in 2010) for collection documents assigned to financial institutions, as those assignments are performed without the possibility of recourse by these in the event of the customer default.

The percentage distribution of trade loans by relevant customer type at 31 December 2011 and 2010 is:

Item	**2011**	**2010**
Central Administration	30.01%	26.02%
Autonomous Communities	26.78%	21.28%
Local Corporations	15.63%	16.80%
Private customers	26.24%	22.72%
Customers abroad	1.34%	13.18%
	100.00%	**100.00%**

The average collection period for trade receivables in 2011 and 2010 was:

- Central Administration: 3 months (2 months in 2010)
- Autonomous Communities: 4 months (4 months in 2010)
- Local Corporations: 6 months (4 months in 2010)
- Private Clients: 5 months (3 months in 2010)

Advances received from clients are also held on the balance sheet, amounting to € 387,754 thousand (€429,864 thousand in 2010), which reflects records sums billed in advance for diverse items, whether collected or not, as well as deliveries made on account, normally in cash.

The heading "Other trade receivables" mainly includes the balances arising from integration of Joint Ventures, held by their partners, amounting to € 73,242 and € 104,516 thousand on 31 December 2011 and 2010, respectively, as well as the balances to be collected for other services.

The heading "Receivable from Public Authorities" includes receivable balances from Public Authorities for items other than taxes on earnings.

Bad and doubtful debts are provided for pursuant to the accounting criterion established in Note 4.11 of the annual report. Change in the trade provision was as follows:

	Thousand Euros	
Changes of impairments	**2011**	**2010**
Opening balance	112,647	126,529
Amounts charged to the income statement	210,444	22,237
Reductions/Amounts used	(93,656)	(36,225)
Exchange rate	(1,353)	106
Closing balance	**228,082**	**112,647**

"Doubtful receivables" has dropped due to the depreciation of the balance with public institutions by EUR 10,951 thousand at 31 December 2011 (EUR 15,763 in 2010). The change of depreciation was registered under "Financial expenses – on debts to third parties" in the attached income statement. (see Notes 2.d and 24).

The provisions and reversions under this heading are made against the heading "Variation in trade provisions" of the attached income statement. Said movements were made based on the Company's best available collection estimates. Impairments are registered under "Provisions" in the attached balance sheet.

Lastly, with regard to construction contracts, the ordinary income recognised as such in the period and contracts in progress at the closing date (including balances from transactions with related parties) are detailed below:

	Thousand Euros	
	31/12/2011	**31/12/2010**
Revenues recognised	**1,749,979**	**2,326,825**
Contracts in progress at year end		
Accumulated amount of costs accrued	1,707,142	2,267,093
Accumulated amount of gains recognised	42,837	59,732
Advances received	387,754	429,864
Tax withholdings payable	56,906	74,611
Work performed not certified	125,411	169,318
Advanced certifications (*)	364,387	387,326

(*) Included in "Advances received".

13. Cash and Cash Equivalents

The breakdown of short-term financial investments at 31 December 2011 and 2010 is as follows:

	Thousand Euros		
	Balance at 31/12/11	**Balance at 31/12/10**	**Change**
Cash	188,205	185,748	2,457
Debt securities	127,063	104,776	22,287
Short-term deposits	20,824	22,381	(1,557)
Short-term deposits and guarantees given	90	102	(12)
TOTAL	**336,182**	**313,007**	**23,175**

The amount under the heading of securities representing debt is mostly that of the placement of treasury surpluses by the Company in corporate promissory notes, State Debt and euro-deposits, with a maturity date of less than 3 months, amounting to € 127,063 thousands (€ 104,776 as at 31 December 2010).

The securities portfolio revenue in 2011 is registered under "Financial expenses – on debts to third parties" in the attached 2011 income statement. These transactions have generated in the reporting periods 2011 and 2010 a variable Euribor interest rate plus a margin.

14. Equity

a) Share Capital

At 31 December 2010 and the Share Capital was set at € 191,815,512.35, distributed in 249,111,055 nominative shares of € 0.77 face value each, all of the same class and series, fully underwritten and paid up and represented by nominative titles. The share premium amounted to € 241,904,100.18, and it is a distributable reserve.

On 29 December 2011, the Annual General Meeting approved the share capital increase for EUR 10,000,000.01 by issuing 12,987,013 new shares with a face value of EUR 0.77 each issued at 900%, implying a total issuance premium of EUR 90,000,000.09, by means of monetary contributions fully subscribed and paid by all shareholders.

Thus, at 31 December 2011 and 2010, the majority shareholder of the Company is Fincecofer, S.L. with a 99.99% stake.

b) Legal reserve

Under the Spanish Companies Law, the Public Limited Liability Company must transfer 10% of net profit for each year to the legal reserve until the balance of it reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance is not over 10% of the already increased share capital amount. Otherwise, and as long as it does not exceed 20% of share capital, it can only be used to offset losses, provided that no other reserves are available for this purpose.

c) Translation differences

This item includes the heading of "Other reserves" and records the translation differences associated with integration of the branches located outside Spain nominated in foreign currency. The movement of the translation differences during Financial Years 2011 and 2010 was as follows:

Translation differences (Receivable) / Payable	**Thousand Euros**
Balance at 31/12/09	(1,867)
Additions	329
Disposals	—
Amounts charged to the income statement	—
Balance at 31/12/10	**(1,538)**
Additions	1,922
Disposals	(215)
Amounts charged to the income statement	—
Balance at 31.12.2011	**169**

d) Dividend distributed during the Financial Year

During the reporting period 2011, dividends for EUR 94,662 thousand have been distributed charged to 2010 income statement.

15. Long-term provisions

The movements for Financial Years 2011 and 2010 were as follows:

	Thousand Euros		
	Provisions for taxes	Other provisions	Total
Balance at 01/01/2011	**10,056**	**55,127**	**65,182**
Charge for the year	—	85,729	85,729
Applications and reversals	(7,592)	(9,722)	(17,314)
Exchange rate	—	50	50
Balance at 31/12/2011	**2,464**	**131,184**	**133,647**

	Thousand Euros		
	Provisions for taxes	Other provisions	Total
Balance at 01/01/2010	**10,161**	**38,148**	**48,308**
Charge for the year	147	21,036	21,183
Applications and reversals	(252)	(4,056)	(4,308)
Exchange rate	—	(1)	(1)
Balance at 31/12/2010	**10,056**	**55,127**	**65,182**

The provisions and reversions under this heading are made against the heading "Variation in trade provisions" of the attached profit and loss statement.

The balance of the provision for taxes is mainly for the certificates signed stating non-conformity and pending payment for taxes and for Financial Years inspected in previous years (see Note 19).

"Other provisions" mainly corresponds to provisions for responsibilities associated with claims and litigation, covering the Company's risks when acting as defendant in disputes over the specific responsibilities derived from its activities.

Disputes, which may be significant in number, are not expected to have an impact on the Company's equity based on the estimates about their final result. During 2011 and 2010, provisions for EUR 85,729 and 21,036 thousand, and allocations for EUR 9,722 and 4,056 thousand were respectively made. Provisions are registered under this heading for negative results of stakes amounting to € 257 thousand (€ 270 thousand in 2010) for negative results of Tecnológica Lena, S.L.

The Company Directors consider that the provisions recorded on 31 December 2011 significantly cover the liabilities that may arise from resolution of the claims and certificates with disconformity

16. Short-term Provisions

The movements for Financial Years 2011 and 2010 were as follows:

	Thousand Euros		
	Provisions for termination and work removal	Other provisions	Total
Balance at 01/01/2011	**218,181**	**86,079**	**304,260**
Charge for the year	76,893	38,098	114,991
Applications and reversals	(91,153)	(43,150)	(134,303)
Exchange rate	10	(4,639)	(4,629)
Balance at 31/12/2011	**203,931**	**76,388**	**280,319**

	Thousand Euros		
	Provisions for termination and work removal	Other provisions	Total
Balance at 01/01/2010	**219,780**	**79,181**	**298,961**
Charge for the year	47,197	69,171	116,368
Applications and reversals	(52,582)	(63,143)	(115,725)
Exchange rate	3,786	870	4,656
Balance at 31/12/2010	**218,181**	**86,079**	**304,260**

The provisions for construction completion and removal are recorded to meet those expenses that are usually incurred and paid once construction work has been completed, such as removal of installations and machinery (Note 4.10).

The Other Provisions heading mainly records the provisions for losses in works amounting to € 22,234 thousand (€ 23,010 thousand as at 31 December 2010) and provisions in the Joint Ventures amounting to €39,746 thousand (€44,244 thousand as at 31 December 2010) (Note 4.10).

The provisions recorded under this heading are provisioned against the relevant expense according to their nature, with the liabilities recorded reverting directly against the obligation to which they are assigned.

17. Bank borrowings

Non-current bank borrowings

The balance in this account corresponds to two mortgage loans for EUR 3,223 and 1,723 thousand at 31 December 2011, respectively (EUR 936 and 489 at 31 December 2010, respectively), tied to own-construction housing development on Company-owned land. The loans' principal amounts to EUR 9,895 and 5,478 thousand, respectively, maturing in 2040. The interest rate is established according to the benchmark percentage rate of mortgage loans from all the banks established by the Bank of Spain, adjusted by a reduction coefficient and accruing a fixed interest rate. During the reporting periods 2011 and 2010 a 2.57% interest rate was accrued.

Short-term debts with credit institutions

The balance of this item relates to the amounts drawn down from credit facilities held by the Company, accruing a variable interest based on an Euribor plus a spread for 2011 and 2010.

FISCAL YEAR 2011	Thousand Euros		
	Limit	Drawn Down	Amount drawable
Bank borrowings and other financial liabilities			
Credit line	—	17,291	—
Other Short-Term Other loans	95,504	2,753	92,751
TOTAL	**95,504**	**20,044**	**92,751**

FISCAL YEAR 2010	Thousand Euros		
	Limit	Drawn Down	Amount drawable
Bank borrowings and other financial liabilities	**84,852**	**3,610**	**81,242**
Credit line	84,852	3,610	81,242
TOTAL	**84,852**	**3,610**	**81,242**

Credit lines are granted Company personal guarantee.

Other current loans include factoring debts still pending settlement.

18. Trade Creditors and Other Payables

a. Trade Creditors and Other Payables

The breakdown of the rest of the non-financial short-term debts is shown below:

	Thousand Euros		
ITEMS	Balance at 31/12/11	Balance at 31/12/10	Change
Trade payables for sales and services	982,430	1,295,988	(313,558)
Notes payable	99,221	180,269	(81,048)
Payable to Group companies and associates	169,651	196,182	(26,531)
Sundry accounts payable	73,751	63,546	10,205
Staff (Remuneration payable)	27,253	28,648	(1,395)
Current tax liabilities	53,758	38,924	14,834
Other accounts payable to public authorities	136,364	174,339	(37,975)
Advances received on orders	387,754	429,864	(42,110)
Total	**1,930,182**	**2,407,760**	**(477,578)**

b. Information on delayed payments to suppliers. Third Additional Provision, "Duty to Report" under Law 15/2010 of 5 July

The following table includes disclosures on deferrals of payments made to suppliers pursuant to Institute of Accounting and Account Auditing) Resolution dated 29 December 2010, about the disclosure obligation required by the third additional provision under Law 15/2010 of 5 July, laying down measures against delinquency in transactions.

	2011	
Payments made and outstanding at year end	Amount	%
Total		
Made within the maximum legal term	1,249,940	98.46%
Other	19,552	1.54%
Total payments in the year	**1,269,492**	**100%**
PMPE (days) of payments	46.15	
Deferrals not complying with regulations	3,201	

Data showed above on payments to suppliers refer to suppliers that by their nature are trade payables involving goods and services, so that they include the data pertaining to the "Payables to suppliers", and "Other non-trade payable" items of current liabilities on the balance sheet. Information regarding Joint Ventures not managed by the Group, representing 5% of the balance of the aforementioned items at 31 December 2011 is not included.

The calculation of the exceeded average weighted term of payments is based on the sum of each of the payments made to suppliers during the fiscal year with a higher deferral than the maximum term established by law multiplied by the number of days of deferral over the relevant term divided by the total amount of payments made during the fiscal year with a higher deferral than the maximum term established by law.

The item "Others" includes those payments exceeding the maximum legal term.

Past due payables comprise the balance yet to be paid to suppliers that, upon year-end, accumulate a past due term exceeding the legal term for payment.

According to the Law 3/2004 of 29 December which sets forth the measures to counteract delinquency in business transactions, the maximum legal term applicable to the Company during 2011 is 85 days and 120 days in the cases related to work contracts with Public Authorities.

On 31 December 2010, and considering the total balance pending payment to suppliers in Spain on that date, there is no amount of a significant nature in that item that accumulates delays exceeding the legal term for payment.

19. Tax matters

a. Consolidated Tax Group

Ferrovial Agromán, S.A. has availed itself of the tax consolidation regime since fiscal year 2002, within the consolidated tax group of Ferrovial, S.A. (see Note 27 c)

b. Reconciliation between Accounting Profit and Taxable income

The reconciliation between the accounting profit and the gross base of Corporate Tax is as follows:

	Thousand Euros		
2011	Increase	Decrease	TOTAL
Profit /Loss for the year before tax			**198,116**
Permanent differences:			
From individual companies (Spain)	13,630	—	**13,630**
From individual companies (abroad)	173	(78)	**95**
Timing differences:			
Arising during the year	173,737	(48,193)	**125,544**
Arising in previous years	27,153	(88,583)	**(61,430)**
Offset of individual prior year's tax losses			
Tax loss			**275,955**

	Thousand Euros		
2010	Increase	Decrease	TOTAL
Profit /Loss for the year before tax			**143,870**
Permanent differences:			
From individual companies (Spain)	4,727	(838)	**3,889**
From individual companies (abroad)	5,684	(16,833)	**(11,149)**
Timing differences:			
Arising in the year	91,447	(21,983)	**69,464**
Arising in previous years	78,623	(117,867)	**(39,244)**
Offset of individual prior year's tax losses			
Tax loss			**166,830**

The breakdown of the tax expense during the Financial Year, in thousand Euros, is as follows:

	2011	2010
Breakdown of the tax expense	Total	Total
Current tax expense	53,643	38,224
Deferred tax expense	(19,234)	(9,066)
Prior years expense	4,239	6,092
Expenses for Inspection Certificates	—	159
Foreign tax expenses	669	1,383
Tax expense for the year	**39,317**	**36,792**

Permanent differences

Permanent differences are mainly due to the existence of expenses that are considered non-deductible, as well as the use of negative tax bases not activated in previous financial years. Moreover, this item includes adjustment of the Corporate Tax expense arising from the difference in the tax rates for branches located abroad.

Timing differences

Timing differences considered in the estimate of the Corporate Tax are mainly due to reporting Joint Venture advance certifications as revenue (according to the resolution by the Regional Economic Administrative Tribunal in 2001) and to provision changes deemed not deductible for tax purposes, as well as deferral of Joint Venture results for Financial Year 2011.

c. Tax Rates

Expenditure on Corporate Tax is calculated at the tax rates of each country: Spain 30%, Portugal 26,5%, Italy 30%, Colombia 30%, Canada 28,5%, Puerto Rico 45%, Chile 30%, Dominican Republic 30%, Poland 30%, United Kingdom 30% e Ireland 12,5%. There have been no changes in the rates compared with those applied in Financial Year 2010.

Ferrovial Agromán, S.A. has recorded a Corporate Tax expense in fiscal year 2011 of € 39,317 thousand (€ 36,792 thousand in 2010), that amounts to a tax rate of 19.85% for fiscal year 2010 (25.57% in fiscal year 2010).

	Thousand Euros	
	2011	2010
Tax rate	**30.00%**	**30.00%**
Profit or loss before tax	**198,116**	**143,870**
Permanent differences	13,725	(7,260)
Adjusted Taxable income	**211,841**	**136,610**
Tax expense (income)	**63,552**	**40,983**
Tax credits:		
Inspection certificates	—	159
Tax credits	(29,143)	(11,825)
Other adjustments:		
Foreign tax expenses	669	1,383
Adjustment of prior years' taxes	4,239	6,092
Total tax expense	**39,317**	**36,792**
Corporate tax rate over accounting profit	**19.85%**	**25.57%**

d. Changes of deferred taxes

The detail of movement in Differed Taxes of assets and liabilities during Financial Years 2011 and 2010 is as follows:

	Thousand Euros	
Fiscal year 2011	**Assets**	**Equity and liabilities**
Balance at 31/12/10	**84,293**	**11,457**
2010 Tax adjustment	19,020	3,141
Creation	52,121	14,458
Recovery	(26,575)	(8,146)
Impact of Equity	—	6
Effect of exch. rate	(12)	64
Balance at 31/12/11	**128,847**	**20,980**

	Thousand Euros	
2010	**Assets**	**Equity and liabilities**
Balance at 31/12/09	**90,375**	**19,912**
2009 tax adjustment	1,799	8,388
Creation	27,434	6,595
Recovery	(35,360)	(23,587)
Impact of Equity	—	—
Effect of exch. rate	45	149
Balance at 31/12/10	**84,293**	**11,457**

Deferred tax assets relate to the following items:

DEFERRED TAX ASSETS	2011	2010
Accumulated Depreciation	4,704	6,404
Tax credits	168	—
Tax credits	21	—
Difference between Tax and account criteria	113	178
Write offs from profit or loss consolidation	4,337	2,432
Other deferred taxes	6	5
Non- deductible provisions	119,498	75,274
Total Deferred tax assets	**128,847**	**84,293**

Deferred tax liabilities relate to the following:

DEFERRED TAX LIABILITIES	2011	2010
Deferred tax liabilities Joint Ventures	13,212	6,140
Difference between Tax and account criteria	1,067	339
Write offs from profit or loss consolidation	319	3,180
Interest	2	3
Other deferred taxes	2,776	204
Provisions	1,907	—
Repatriation tax	1,660	1,591
Stock Options	37	—
Total Deferred tax liabilities	**20,980**	**11,457**

Adjustments for the year include € 18,538 thousand for the re-evaluation of deductions taken in previous financial years, due to their future recovery by the Company being considered improbable.

On 16 July 2007, Grupo Ferrovial, S.A. as controlling Company of the tax group, was notified of commencement of inspection actions for Corporate Tax from Financial Years 2002-2005, that amounts to paralysis of calculation of the expiry term with regard to Corporate Tax of the firms in the Ferrovial Agromán Group that are part of the tax Consolidation Group whose controlling Company was Grupo Ferrovial, S.A. On that same date, Ferrovial Agromán was notified of commencement of audit activities in relation to Corporate Tax for fiscal years 2002 – 2005, Value Added Tax (2003 – 2005) and Personal Income Tax (2003 – 2005). In June 2009, those actions concluded with the signing of certificates of conformity and certificates of disconformity.

On 10th September 2009, the definitive liquidation agreements were signed regarding Corporate Tax for the fiscal years 2002 to 2005, issued by the Tax Inspectorate to Tax Consolidation Group 23/93, the controlling Company of which was Grupo Ferrovial, S.A., as well as the result of the relevant penalisation proceedings. The debt attributable to Ferrovial Agromán, S.A., as a Company forming the tax consolidation group, amounts to € 10,313 thousand. During 2011, the Company initiated contentious-administrative proceedings before the

National High Court against the resolution passed by the Economic Administrative Court that rejects the claim against the Settlement and Imposition of Sanction Agreements derived from these minutes, including a provision for EUR 2,316 thousand at 31 December 2011 and 2010 (see Note 15).

At 31 December 2010 there were different contentious-administrative appeals before the Supreme Court against the liquidations arising from the Corporation Tax Inspection Certificates for Financial Years 1991 to 1995. The amount of those overall appeals amounts to € 7,592 thousand, which are pending discussion in chambers and handing down of judgement. The contingent liability that would arise from a resolution contrary to the appeals by the Company is covered by the contractual guarantee recorded in the agreement of purchase of Agromán. During the reporting period 2011, a favourable resolution was passed and the provisions have thus been reversed.

The Company is now under inspection in connection to Corporate Tax for 2006.

As established in the laws in force, taxes may not be considered definitively liquidated until the return submitted have been inspected by the tax authorities or the prescription period of four years has elapsed. At 2011 year-end the Company had all years since 2007 open for review for income tax and 2008 for the other taxes applicable to it. The Company Directors consider that the liquidation of those taxes has been correctly performed, so that, even in the event of discrepancies arising over interpretation of the provisions in force applicable to the tax treatment granted to the operations, the eventual liabilities arising, should these materialise, would not have a significant effect on the attached financial statements.

20. Contingent Liabilities, Contingent Assets and Commitments

Litigation

The Group has contingent liabilities in respect of litigation arising in the ordinary course of business from which no significant liabilities are envisaged other than the amounts already provisioned (see Note 15).

Tax Certificates

The tax certificates issued for the inspection actions for Corporation Tax in Financial Years 2002-2005 (see Note 19) include certificates signed stating disagreement therewith, for the expenses of personnel who provide services at the Branch in Portugal, amounting to € 7,997 thousand, which have not been provisioned.

Bank Guarantees

At 31 December 2011, the Company had presented bank guarantees for a global amount of € 2,712,487 thousand (€ 2,646,849 thousand in 2010), the majority of which were demanded on works being awarded.

At 31st December 2011, the amount to which the bank guarantees provided to Group companies came is € 177,848 thousand (€ 97,611 thousand in 2010).

The Company Directors consider that any liabilities additional to the provisions recognised as at 31 December 2011 which might arise from the guarantees received, if any, would not be material.

(a) Commitments to Purchase non current assets and Investments in Associated Companies and Joint Ventures

There are no commitments to purchase non current assets and investments in associated companies and joint ventures in Grupo Ferrovial Agromán.

(b) Operating Lease Commitments

The expense reported in the income statement for Financial Year 2011, for operating leases, amounted to € 102,532 thousand (€ 121,225 thousand in 2010).

Future total minimum payments on non-cancellable operating leases are shown below:

	Thousand Euros	
	31/12/2011	31/12/2010
Less than one year	15,106	17,616
Between one and five years	10,864	10,317
More than five years	2,700	2,518
Total	**28,670**	**30,451**

They mainly correspond to property leases representing EUR 20,125 thousand over the total minimum payments at 31 December 2011 (EUR 20,365 thousand at 31 December 2010).

(c) Environmental Commitments

Civil engineering and building construction are activities with a huge environmental impact, directly connected with socio-economic development, so they condition virtually every single action taken by Ferrovial Agromán, S.A. and its subsidiaries.

Definition of Environmental Activity and Assessment Standards

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

The majority of construction works are subject to environmental impact assessment and include tasks to preserve, maintain and restore the environment.

Those assets and expenses connected with the abovementioned activities will not be considered environmental assets and expenses since they are performed for and invoiced to third parties. However, environmental claims and obligations are included irrespective of whether they are the Company's own operations or operations performed for third parties.

Investments derived from environmental activities are measured at acquisition cost and capitalised as an increase in the cost of the asset in the reporting period in which they incur. Depending on the estimate of the useful life of the environmental assets and works, the amounts incurred are incorporated as tangible assets or they are recognised as an expense in the reporting period.

Costs incurred to protect and improve the environment are taken to the income statement when incurred, irrespective of when the related monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding obligations of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises.

Environmental Assets and Expenses

Tangible assets include elements for wastewater treatment at the machinery yard owned by Ferrovial Agromán, S.A. This equipment basically consists of the installation of elements for decanting and settling water used to clean machinery, grease and oil separators and a wastewater treatment plant with a biological reactor.

Furthermore, the painting facilities of the machines has been adapted at the machinery yard to prevent contamination of the soil.

Equipment or measure and control contamination of water and the atmosphere have also been added to the tangible assets.

Ordinary environmental expenses incurred in the Financial Year 2011 include the following:

- Installation maintenance expenses (spare parts for treatment systems of emissions to atmosphere at the machinery yard).
- Waste management expenses.
- Financial expenses (for environmental sureties and guarantees).
- Expenses for third party services (environmental studies and technical advisory services).
- Staff Costs.
- Training costs.
- Representation expenses (corporate image, conference sponsorship, advertising in specialised journals).
- Research and development costs (financing research projects, CSIC [Spanish Scientific Research Council], University).

Extraordinary Environmental Expenses

In the last four years, proceedings with environmental penalties paid by Ferrovial Agromán, S.A. amounted to € 1,094 thousand in 2011 (€ 1,173 thousand in 2010).

(d) Other Commitments

The Company acts as guarantor for the banking debt of Ferrovial, S.A., the conditions of which are detailed in the consolidated financial statements of the group that Company heads, and which includes, among others, honouring a series of financial obligations during the term of financing, that shall be measured each semester:

i. That the Net Financial Debt / EBITDA ratio of the group not exceed certain pre-set levels;

ii. The Group's EBITDA/Net Finance Costs ratio must not fall below certain pre-established levels.

For the purposes of fulfilling the above-mentioned ratios, the Group is deemed to include the consolidated Group companies, excluding infrastructure projects, and other companies (mainly Amey, Budimex, Webber, BAA and BNI).

On 31 December 2011, Grupo Ferrovial complied with both ratios.

21. Operating Income

The detail of the operating revenue by the Company is broken down as follows:

	Thousand Euros	
	2011	**2010**
Revenue	**1,712,080**	**2,270,696**
Sales	1,610,751	2,154,788
Rendering of services	101,329	115,908
Other operating income	**37,899**	**56,129**
Total operating income	**1,749,979**	**2,326,825**

The majority of revenue in building work by the Company as principal contractor thereof.

The composition of the turnover in the different activities comprising the Company management by works type in Financial Years 2011 and 2010:

	Thousand Euros	
Branch of activity	**2011**	**2010**
Residential building construction	189,157	247,116
Non-residential building construction	374,865	504,837
Roads	417,646	597,133
Railways	348,381	457,933
Urban infrastructure	118,075	169,243
Hydraulic works	118,629	137,784
Maritime works	60,376	72,679
Industrial and environmental works	82,064	22,602
Maintenance and preservation	2,887	61,369
Total	**1,712,080**	**2,270,696**

The distribution by geographic location of the net turnover for Financial Years 2011 and 2010 is as follows:

	Thousand Euros	
Geographical market	**2011**	**2010**
Spain	**1,588,069**	**1,925,880**
Abroad		
Poland	—	7,659
Puerto Rico	18,763	34,459
Portugal	96,751	128,194
Italia	5,835	12,709
Ireland	1,733	12,846
Greece	323	148,949
United Kingdom	606	—
Total	**1,712,080**	**2,270,696**

The distribution by customer type of revenue for 2011 and 2010 is as follows:

	Thousand Euros	
Customer type	**2011**	**2010**
Central Administration	644,300	939,116
Private customers	323,939	353,298
Autonomous community	359,953	507,112
Infrastructure concessions	116,234	144,380
Local Corporations	144,884	217,069
Group companies	122,770	109,721
Total	**1,712,080**	**2,270,696**

The distribution of the portfolio of orders by branch of activity, for Fiscal years 2011 and 2010, is as follows:

	Thousand Euros	
Branch of activity	**2011**	**2010**
Civil work	2,533,424	3,075,957
Residential building construction	351,891	307,203
Non-residential building construction	495,940	530,318
Total	**3,381,255**	**3,913,478**

The distribution of the portfolio of orders by customer type, for fiscal years 2011 and 2010, is as follows:

	Thousand Euros	
Type of customer	**2011**	**2010**
Central Administration	1,250,608	1,463,890
Autonomous Communities	601,339	780,836
Local Corporations	167,961	229,080
Private customers	572,717	493,084
Infrastructure concessions	755,666	227,043
Group companies	32,964	719,545
Total	**3,381,255**	**3,913,478**

The distribution of the portfolio of orders by country, for 2011 and 2010, is as follows:

	Thousand Euros	
Geographical market	**2011**	**2010**
Spain	2,570,495	3,082,287
Abroad		
Portugal	9,124	87,249
Puerto Rico	72,534	53,210
Italy	13,606	—
Greece	674,947	670,506
North Ireland	40,549	—
Other	—	20,226
Total	**3,381,255**	**3,913,478**

22. Consumables and Other External Costs

The distribution by items on 31 December 2011 and 2010 is as follows:

	Thousand Euros	
	2011	**2010**
Raw materials and other procurements	312,239	363,271
Changes in inventories (see Note 11)	17,681	8,447
Other external expenses	628,765	1,079,167
Total procurements	**958,685**	**1,450,885**

The detail of the heading “Other external expenses” at 31 December 2011 and 2010 is as follows:

	Thousand Euros	
	2011	**2010**
Works conducted by Group companies	17,682	21,940
Leasing machinery fleet to work sites	31	170
Subcontracting	607,817	1,051,312
Work performed by other companies	2,778	3,418
Utilities	457	2,327
Total other external expenses	**628,765**	**1,079,167**

23. Staff Costs

The detail of this item in the accompanying income statements is as follows:

	Thousand Euros	
	2011	2010
Wages and salaries	247,772	293,249
Employer social security costs	39,713	48,467
Other employee benefit costs	6,883	8,064
Total staff costs	**294,368**	**349,780**

The staff costs at Ferrovial Agromán, S.A. include € 1,626 thousand for remuneration schemes by delivery of options on shares in Ferrovial, S.A. (€ 2,954 thousand in Financial Year 2010) (see Note 29).

The evolution of the average number of employees during Financial Years 2011 and 2010, distributed by categories, is as follows:

	2011			2010			CHANGE
	H)	M	Total	H)	M	Total	
Managers	70	5	75	64	4	68	7
University graduates	1,602	400	2,002	1,434	392	1,826	176
Administrative staff	287	192	479	302	220	522	-43
Workers and non-graduate technicians	2,179	72	2,251	2,461	90	2,551	-300
Total	**4,138**	**669**	**4,807**	**4,261**	**706**	**4,967**	**-160**

The total number of employees on 31 December 2011 is 4,513 employees, with a distribution of 3,862 men and 651 women, and the total number of employees on 31 December 2010 was 4,376, with a distribution of 3,743 men and 633 women.

24. Financial profit or loss

The following table breaks down by item the variation between the income and expenditure forming the financial profit:

	Thousand Euros	
	2011	2010
Financial assets interest income		
Dividends from Group companies and associates (Notes 8.a and 27.c)	87,875	39,417
Dividends from other investments	214	5
Interests from long term loans to Group companies (Notes 8 and 27.c)	7,365	7,338
Offset Talca-Chillán (Note 27.c)	—	6,371
Interests from account on demand with the Group (Note 27.c)	41,264	40,507
Invoice of group financial costs (Note 27.c)	6,067	5,564
Other financial income	16,967	19,597
Financial liabilities interest expenses:		
Interest from account on demand with group companies and associates (Note 27.c)	(11,960)	(11,427)
Guarantees expenses	(10,862)	(10,421)
Change in impairment of public customers	4,812	(9,206)
Other financial expense	(8,218)	(5,921)
Impairment and gains or losses on disposals of financial instruments (note 8)	(3,318)	1,390
Changes in fair value in financial instruments (Note 5.1)	26,142	(7,002)
Exchange differences		
Impact from exchange rate derivatives (note 10)	709	(104)
Other exchange differences	(1,778)	(1,176)
Financial profit or loss	**155,279**	**74,932**

The 2010 balance recorded under the heading "Talca-Chillán Compensation", obtained by virtue of the agreement signed with Cintra Concesiones de Infraestructuras de Transporte, S.A. on 1 August 2001, in relation to the minority stake held by the Company in Talca-Chillán Sociedad Concesionaria, S.A., as it is a necessary requisite under the conditions of the tender for construction of the concession assets, through its subsidiary Ferrovial Agromán Latinoamérica, that is 100% owned. It stipulates that in the event of disposal of Talca-Chillán by Cintra at a lower price than its market value, it would be bound to financially compensate the Company. By agreement signed on 15 September 2010, the sale of Ferrovial Agromán, S.A.'s stake, through its subsidiaries, to the Cintra Group was effected, in order for the latter to be able to dispose of 100% thereof, thus giving rise to that compensation, due to having incurred the conditions foreseen in the relevant contract.

25. Directors' remuneration

Directors' remuneration

Remunerations, in wages and per diems, accrued and paid during Financial Year 2011, to members of the Board of Directors of the Controlling Company, amounted to € 218.9 thousand (€ 217 thousand in 2010).

Likewise, during Financial Year 2011, life insurance and health care premiums have been paid for members of the Board of Directors, amounting to an overall amount of € 0.7 thousand (€ 0.9 thousand in 2010).

On 31 December 2011, loans had been granted to members of the Board of Directors, pending reimbursement, amounting to € 60 thousand (€ 120 thousand in 2010).

Top Management remuneration

The members of the Company Top Management have jointly accrued the following remuneration during Financial Years 2011 and 2010, in thousand Euros:

	2011	2010
Remuneration	2,431	2,727
Insurance premiums	6.4	10.6
Exercise of share option plans	621.27	31

The remunerations stated are for the holders of the following offices:

- Financial and Development Manager
- Human resources manager
- Construction Manager Spain
- International Construction Manager
- Construction Manager Cadagua
- Institutional relations Manager
- Technical Manager
- Procurement Manager
- Quality, Prevention and Environment Manager

This does not include remuneration for senior managers who were also executive directors which was addressed previously.

26. Share-based Remuneration System

Some Executives and Directors of the Ferrovial Agromán Group participate in remuneration schemes linked to the share value and in option schemes for shares in Ferrovial, S.A., under the terms reported by that Company.

The cost of these remunerations is recorded under the heading of Personnel Expenses, which is broken down in Note 23 and in Financial Year 2011, these amounted to € 1,626 thousands (€ 2,954 thousand in fiscal year 2010).

27. Information on Transactions with Related Parties

Approval of transactions

In accordance with the Regulations of the Board of Directors of Ferrovial, S.A., all professional or commercial transactions involving 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 Agromán, S.A., the general approval of the Board of Directors will suffice. This authorisation is not required, however, for transactions that simultaneously fulfil the following three conditions:

1 Performed under contracts containing standard terms and applied en masse to many clients.

2 Effect at prices or rates established on a general basis by the party acting as the supplier of the goods or service in question.

3 Amount does not exceed 1% of the Company's annual income.

The following persons are subject to this system:

- Directors of Ferrovial, S.A. The person requesting authorisation must leave the meeting room whilst the Board deliberates and votes on the matter and the former may not vote or delegate his voting rights.
- Controlling shareholders.
- Natural persons representing Board Members who are legal entities.
- Senior managers.
- Other managers designated individually by the Board of Directors.
- And the persons related to the persons included in the aforementioned categories, as defined in the regulation itself.

Transactions with Related Parties

The most relevant transactions with related parties effected in 2011 and 2010 in the ordinary course of the Company's business and in market conditions are analysed below. The complete list of transactions can be consulted in the Company's Annual Management Report.

The Company provides this information in compliance with the definitions and criteria set forth in Ministry of Economy and Finance Order EHA/3050/2004 of 15 September, and in CNMV Circular 1/2005, 1 April.

Where the profit or loss from a transaction cannot be stated, as it pertains to the providing entity or individual, the transaction has been marked with an asterisk (*).

a. Significant Shareholders

These state, individually, the most relevant transactions that have been performed during Financial Years 2011 and 2010 with the significant shareholders, with members of the "family control group" (except for natural persons forming it who are also Directors of the Company, with regard to whom the information is recorded in the following heading) or entities that have a shareholding relation with persons belonging to that "family control group" of Ferrovial, S.A. as majority shareholder of Ferrovial Agromán, S.A.

Name/ Company name	Nature of transaction	Type of transaction	2011 Amount	2011 Profit or Loss	2010 Amount	2010 Profit or Loss
			(Thousands of €)		(Thousands of €)	
Members of the "family group" of Grupo Ferrovial main shareholder / entities related thereto	Commercial	Execution of refurbishment work	18	(*)	28	6
	Commercial	Execution of "Rafael del Pino Sports Complex" work	423	38	—	—
	Commercial	Execution of housing construction work	—	—	1,998	167

(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

b. Transactions with Board Members and Senior Management.

Transactions were effected with the Company's Board Members and senior management in 2011. They are stated below. All of them were in normal market conditions and part of the ordinary course of the Company's business. In addition, the transactions concluded with Asea Brown Bovery and Cepsa are provided, pursuant to the provisions in the Second Section of Order EHA/3050/2004, given that certain board members of the Grupo Ferrovial, as the parent Company of Ferrovial Agromán, are or have been at some stage in 2011 and 2010 members of the Board of Directors or members of senior management of the companies stated:

			2011		2010	
Name/ Company name	**Nature of transaction**	**Type of transaction**	**Amount**	**Profit or Loss**	**Amount**	**Profit or Loss**
			(Thousands of €)		(Thousands of €)	
Rafael del Pino y Calvo Sotelo	Commercial	Refurbishment work	—	—	28	6
Joaquín Ayuso García	Commercial	Refurbishment work	4	(*)	—	—
Profesa	Commercial	Cost of guarantees	4	(*)	—	—
	Commercial	Fuel supply	(930)	(*)	—	—
Cepsa	Commercial	Cepsa civil work at Rabida	227	(*)	—	—
	Commercial	Execution of construction work	—	—	1,443	58
Los Estanquillos	Commercial	Roller repair	1	(*)	—	—
Maxam Europe	Commercial	Receipt of supplies of explosives and detonators	104	(*)	96	(*)
Bimarán	Commercial	Execution of construction work	1,439	89	10,537	420
	Commercial	Execution of different car parks	847	(*)	—	—
Empark	Commercial	Services received and collection of withholdings	—	—	417	(*)
	Commercial	Leases	(8)	(*)	—	—
Criu	Commercial	Refurbishment work	9	(*)	—	—
Banco Español de Crédito	Commercial	Payment of interests and commissions for reverse factoring operations	300	(*)	—	—
Sol Meliá	Commercial	Hotel services	(10)	(*)	—	—
NH Hoteles España	Commercial	Hotel services	(11)	(*)	—	—
Holcim España	Commercial	Cement supply	(1)	(*)	—	—
Asea Brown Bovery	Commercial	Equipment repair and maintenance services received.	(3)	(*)	127	(*)

(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

The information on remunerations and loan transactions with Board Members and Senior management can be consulted in the heading on "Remuneration of Board Members and Senior Management".

c. Balances and Transactions with Related Parties.

The detail of the balances with companies in Grupo Ferrovial and associates on 31 December 2011 and 2010 is as follows:

FISCAL YEAR 2011	Thousand Euros							
COMPANIES	Group and Debtor Associates	Short-Term Loans	Non-current payables	Current trade receivables and payables	Operating Income	Operating expenses	Finance income	Finance costs
Andaluza de Señalizaciones, S.A.	—	—	—	27	—	—	—	—
Arena, S.A.	—	—	—	156	—	—	—	(10)
Autoestrada, S.A. Grupo Cintra	8,907	—	—	—	—	—	—	—
Autop.Terrasa Manresa, S.A.	203	—	—	31	—	—	—	—
Autopista del Sol, C.E.S.A.	—	—	—	1,027	—	—	—	—
Autopista M-203 Alcalá-O`Donnell	—	—	—	5,733	—	—	—	—
Autopista R-4 Madrid Sur, S.A.	125,629	—	—	3,664	—	—	—	—
Autostrada, S.A.	883	—	—	292	—	—	—	—
Autovía de Aragón Sociedad Concesionaria, S.A.U.	—	9,938	—	12,980	—	—	2,653	—
Boremer, S.A.	—	954	—	—	—	—	—	—
Cadagua, S.A.	170	—	—	16,612	5,695	(1,911)	27	(436)
Central Greece Motorway (E65)	41,381	—	—	53,781	—	—	—	—
Cintra C. Inf. Tpte, S.A.	(3,584)	—	—	(1,581)	86,819	—	—	—
Cintra Infraestructuras	—	13	—	—	—	—	—	—
Cocsa Puerto Rico	—	274	—	460	851	(5,757)	—	—
Cocsa sucursal Portugal	—	450	—	61	3	—	—	—
Compañía de Obras Castillejos, S.A.	—	14,441	—	274	18,969	(1,532)	495	—
Concesionaria de Prisiones Figueras S.A.U.	1,374	—	—	—	115	—	960	—
Concesionaria de Prisiones Lledoners, S.A.U.	32	—	—	12,203	162	—	—	(255)
Constructora Agroman Ferrovial, Ltda.	—	555	—	—	—	—	—	—
Discota XXI, S.L.U	—	—	—	7,528	—	—	34,443	(222)
Ditecpesa, S.A.	—	1,567	—	3,099	126	(32)	1	(66)
Serrano Park, S.A.	—	—	—	—	4,856	—	—	—
Necropolis Valladolid, S.A.(NEVASA)	—	—	—	—	93,696	—	—	—
Encofrados Deslizantes y Técnicas Especiales, S.A.	—	—	—	594	43	—	—	(59)
Eurolimp, S.A.	—	—	—	1	—	—	—	—
EuroScut Algarve, S.A.	—	—	—	—	—	—	783	—
Euroscut Azores	9,716	—	—	370	—	—	—	—
F&A Canada	—	191	—	—	99	—	—	—
Ferroser Infraestructuras	—	—	—	1,430	85	(152)	—	(1)
Ferrovial Aeropuertos, S.L.	13	—	—	—	11	—	—	—
Ferrovial Agroman	110	—	—	—	—	—	—	—
Ferrovial Agroman Airports (UK) Ltd.	—	—	—	626	6,537	—	9,957	—
Ferrovial Agroman Chile, S.A.	—	443	—	5,480	1,970	(279)	86	—
Ferrovial Agroman Compaqma Constructora Ltda.	—	—	—	—	—	—	—	—
Ferrovial Agroman Empresa Constructora, Ltda.	—	167	—	—	—	—	—	—
Ferrovial Agroman Ireland Ltd.	3,630	281	—	2,595	2,466	(329)	42,635	(49)
Ferrovial Agroman Irlanda del Norte	—	—	—	12,063	696	(8)	10	—
Ferrovial Agroman Texas, LLC	—	—	—	21,349	—	—	—	(681)
Ferrovial Agroman UK Ltd.	—	—	—	7,430	6,068	(942)	39	—

FISCAL YEAR 2011

COMPANIES	Group and Debtor Associates	Short-Term Loans	Non-current payables	Current trade receivables and payables	Operating Income	Operating expenses	Finance income	Finance costs
	Thousand Euros							
Ferrovial Agroman US Corporation	38	1,319	—	—	18,965	(2,170)	5,933	—
Ferrovial Agroman, S.A. Branch Poland	(24)	—	—	—	—	—	—	—
Ferrovial Conservación, S.A.	—	—	—	20,331	196	(4,129)	344	(570)
Ferrovial Financiera AIE	—	—	371,302	—	—	—	56	(10,416)
Ferrovial Medio Ambiente y Energía, S.A.	—	—	—	867	—	—	—	(27)
Ferrovial Railway, S.A.	—	30	—	—	—	—	—	—
Ferrovial Servicios, S.A.	10	—	—	450	943	(68)	—	(1)
Ferrovial, S.A.	5,089	1,350,837	—	4,291	2,011	(2,857)	36,632	1,480
Grupisa Infraestructuras, S.A.	—	—	—	(2)	—	—	—	—
Grupo Budimex	45,174	981	—	26,385	1,700	—	—	—
Grupo Cespa	11,076	—	—	5,196	24,912	(3)	2	—
Grupo Ferrovial, S.A.	—	—	—	2	—	—	—	—
Grupo Webber	—	—	—	14,232	—	—	—	(454)
Nea Odos, S.A.	26,237	—	—	44,112	—	—	—	—
Norvarem, S.A.U.	122	32,243	—	—	1,599	—	7,515	—
Participaciones Alfard, S.L.	36	—	—	—	—	(30,148)	—	—
Sociedad Concesionaria BAIO	—	—	—	1,198	—	—	—	—
Técnicas del Pretensado y Servicios Auxiliares, S.L.	—	—	—	8,893	26	(671)	—	(175)
Técnológica Lena, S.L.	—	446	—	—	—	—	—	—
Urbaoeste, S.A.	12	—	—	664	—	(69)	—	(18)
Viales de Castilla y León- Const.-Infra.	—	—	—	273	—	—	—	—
Balances with joint ventures	—	—	—	759	61,865	—	—	—
Other	24	—	—	58	—	—	—	—
Total	**276,258**	**1,415,130**	**371,302**	**295,994**	**341,484**	**(51,057)**	**142,571**	**(11,960)**

FISCAL YEAR 2010

COMPANIES	Group and Debtor Associates	Short-Term Loans	Current trade receivables and payables	Operating Income	Operating expenses	Finance income	Finance costs
	Thousand Euros						
Ferrovial, S.A.	389	1,300,111	561	236,775	(30,123)	43,035	1,863
Boremer, S.A.	—	1,418	—	—	—	—	—
Técnológica Lena, S.L.	—	36	—	—	—	—	—
Sociedad Concesionaria BAIO	—	—	1,199	—	—	—	—
Encofrados Deslizantes y Técnicas Especiales, S.A.	15	—	7,170	68	(1,455)	1,365	(58)
Ferrovial Conservación, S.A.	—	932	22,796	235	(1,459)	413	(612)
Compañía de Obras Castillejos, S.A.	—	10,426	175	19,383	(1,515)	461	—
Discota XXI, S.L.U	—	—	8,385	—	—	25,080	(186)
Norvarem, S.A.U.	1,794	35,901	—	1,388	—	8,016	(61)
Urbaoeste, S.A.	—	—	637	—	(79)	—	(16)
Técnicas del Pretensado y Servicios Auxiliares, S.L.	—	—	6,972	61	—	—	(173)
Cadagua, S.A.	578	9,560	54	5,847	(2,273)	7,726	(340)
Eurolimp, S.A.	18	—	—	—	—	—	—
Grupisa Infraestructuras, S.A.	—	—	—	—	—	—	—
Ditecpesa, S.A.	1	—	4,840	185	(197)	1,746	(27)

FISCAL YEAR 2010	Thousand Euros						
COMPANIES	Group and Debtor Associates	Short-Term Loans	Current trade receivables and payables	Operating Income	Operating expenses	Finance income	Finance costs
Ferrovial Agroman Ireland Ltd.	1,675	—	49,168	4,625	(1,347)	18	(414)
Ferrovial Servicios, S.A.	374	—	2,009	821	(2,863)	—	—
Viales de Castilla y Leon	—	—	56	—	—	—	—
Andaluza de Señalizaciones, S.A.	—	—	33	—	—	—	—
Aplicación de Recursos Naturales, S.A.	—	—	599	—	—	—	(14)
Ferrovial Medio Ambiente y Energía, S.A.	—	—	1,041	—	—	—	(24)
Ferrovial Agroman Chile, S.A.	—	477	7,109	2,220	(335)	3,695	—
Ferrovial Agroman US Corporation	38	2,047	—	14,993	—	5,450	(800)
Ferrovial Agroman Texas	—	—	20,667	—	—	—	—
DBW Construction LLC.	—	—	13,778	—	—	—	—
Ferrovial Agroman UK Ltd.	—	1,410	128	6,236	(49)	22	—
Ferrovial Agroman Airports (UK) Ltd.	—	—	13,863	7,263	—	—	—
Grupo Budimex	50,416	1,107	5,237	2,630	—	—	—
Ferrovial Agroman Empresa Constructora, Ltda.	—	180	—	—	—	—	—
Constructora Agroman Ferrovial, Ltda.	—	597	—	—	—	—	—
Autopista del Sol, C.E.S.A.	185	—	636	—	—	—	—
Autostrada, S.A.	9,959	—	—	—	—	—	—
Euroscut Norte Litoral, S.A.	441	—	421	—	—	—	—
Euroscut Algarve, S.A.	—	—	—	—	—	—	—
Euroscut Azores	39	—	27,218	—	—	—	—
Autopista Madrid Levante, C.E.S.A.	42	—	—	—	—	—	—
Autopista R-4 Madrid Sur, S.A.	103,428	—	300	—	—	—	—
Autopista M-203 Alcalá-O`Donnell		—	5,768	—	—	—	—
Nea Odos, S.A.	25,866	—	44,112	—	—	—	—
Central Greece Motorway (E65)	49,117	—	53,781	—	—	—	—
Concesionaria de Prisiones Lledoners, S.A.U.	16	92	8,153	—	(34)	—	(116)
Grupo Cespa	11,086	—	11,458	53,107	(1,759)	—	(22)
Autovía de Aragón Sociedad Concesionaria, S.A.U.	—	85,703	19,048	121	—	1,617	—
Cocsa Puerto Rico	—	134	1,443	305	(9,248)	—	—
Cocsa sucursal Portugal	—	447	192	—	—	—	—
Concesionaria de Prisiones Figueras S.A.U.	31,747	192	5,551	479	—	397	—
Grupo Webber	—	—	—	—	—	133	(46)
Ferrovial Agroman Irlanda del Norte	—	—	6,755	1,692	—	—	—
Ditecpesa sucursal Portugal	—	—	234	—	—	—	—
Cadagua sucursal Portugal	—	—	—	14	—	—	—
Ferrovial Financiera AIE	—	—	369,029	—	—	20	(10,381)
Balances with joint ventures	798	—	1,911	75,182	—	—	—
Other	3	—	32	1	—	3	—
Total	**288,025**	**1,450,770**	**722,519**	**433,631**	**(52,736)**	**99,197**	**(11,427)**

In addition to balances with Group companies described in the tables above, the Company books a payable with Ferrovial, S.A. for EUR 53,758 and 38,924 thousand at 31 December 2011 and 2010, respectively, from the payment of Corporate Tax under the tax consolidation system (see Note 19).

Current receivables and payables correspond to demand current account with Group companies given its centralised cash management. In the case of "Current receivables", the accrued interest rate in the reporting period 2011 has fluctuated between 2.47% and 3.26% for balances with Ferrovial, S.A. (between 2.25% and 3.15% in 2010), and between 3.51% and 4.04% for the remaining balances with subsidiaries (between 3.25% and 6.00% in 2010). As to “Current payables”, the accrued interest rate in the reporting period 2011 has fluctuated between 3.51% and 4.04% for balances with Ferrovial, S.A. (between 3.25% and 5.00% in 2010), and between 2.47% and 3.01% for the remaining balances with subsidiaries (between 2.25% and 3.00% in 2010). The aforementioned balances have no definite maturity.

The balance maintained with Ferrovial Financiera AIE included under the heading “Short-term debts with group companies”, amounting to € 369,029 thousand at 31 December 2010, is that of a loan executed in the agreement signed on 20 December 2006, assigned to finance the ordinary activity of the Company, for a term of 5 years and was included in current payables at that date. The limit to the principal established in the initial agreement amounted to € 265 million, which was amended by the agreement dated 31 December 2009, being increased by € 145 million. There has been a contract novation in the reporting period 2011, extending its maturity to 31 January 2013. It is thus registered under “Non-current payables with Group companies” at 31 December 2011 for EUR 371,302 thousand. The loan has been paid at a variable interest rate established by Grupo Ferrovial, fluctuating between 4.72% and 5.04% and 4.74% and 5.00% in the reporting periods 2011 and 2010, respectively.

A 50 b.p. increase in the interest rate would have implied an approximate increment of financial income and expenses associated to Receivables and Payables with group companies in the amount of EUR 7,076 and 2,488 thousand, respectively, in the reporting period 2011 (EUR 7,254 and 2,632 thousand, respectively, in the 2010 period).

In addition, at 31 December 2011 there are long-term credits with companies in the group amounting to € 157,513 thousand (€ 158,034 thousand at 31 December 2010), explained in Note 8.b of the annual report.

In any case, the fair value of loans and receivables are considered the same as those recognised.

28. Participation by members of the Board of Directors in companies with the same, similar or complementary kind of activity to that comprising the corporate object of Ferrovial Agromán, S.A., offices or duties

Article 229 of the Public Limited Companies Act imposes the duty on the Directors to notify the Company of the following information:

- Situations of conflict that they may have with the interests of the Company;
- Shareholdings they may hold in the capital of a company with the same, similar or complementary type of activity to that forming the corporate object;
- Offices or duties they hold in such companies.

Pursuant to paragraph 3 of said Article 229, that information must be recorded in the Annual Report. On the other hand, Article 230 establishes that the Directors may not perform activities, on their own account or that of third parties, that are the same, similar or complementary to that constituting the corporate object, except with specific authorisation by the Company, by resolution by the General Meeting of Shareholders, to which end they must provide the notification foreseen in Article 229.

In that regard, it is appropriate to state the following information provided to the Company by the Directors who were members of the Board of Directors of Ferrovial Agromán, S.A. during 2011.:

Situations of conflict of interest:

No situations of conflict of interest have been recorded.

Ownership interests in the share capital:

Ferrovial, S.A.	Number of shares	% Ownership
Mr. Joaquín Ayuso García	95,528	0.013%
Mr. Iñigo Meirás Amusco	12,426	0.002%
Mr. Ernesto López Mozo	3,572	0.0005%
Mr. Santiago Ortiz Vaamonde	6,036	0.001%
Mr. Carlos Garrido Lestache	9,883	0.0013%
Mr. Alejandro de la Joya Ruiz de Velasco	8,244	0.001%

Offices or duties:

- Mr. Joaquin Ayuso Garcia: Vice-Chairman of Ferrovial, S.A., Chairman of Autopista Madrid Levante Concesionaria Española, S.A., Chairman of Autopista Alcalá O'Donell, S.A., Chairman of Autopista Madrid Levante Concesionaria Española, S.A., Chairman of Inversora Autopistas Levante, S.L., Director of Autopista Madrid Sur Concesionaria Española, S.A. and Director of Inversora de Autopistas del Sur, S.L.
- Mr. Íñigo Meirás Amusco: Managing Director of Ferrovial, S.A., Chairman of Ferrovial Aeropuertos, S.A., Chairman of Ferrovial Servicios, S.A., Chairman of Cintra Infraestructuras, S.A.U., Chairman of Ferrovial Fisa, S.L., Chairman and Managing Director of Finecofer, S.L., and Director of Ferrovial Qatar, LLC.
- Mr. Ernesto López Mozo: Director of BAA Limited, Joint Administrator of BURETY, S.L., Director of Cintra Infraestructuras, S.A.U., Director of Ferrovial Aeropuertos, S.A., Joint Administrator of Ferrovial Emisiones, S.A., Joint Administrator of Ferrovial Inversiones, S.A., Director of Ferrovial Servicios, S.A., Director of Ferrovial Fisa, S.L. and Director of Finecofer, S.L.
- Mr. José Carlos Garrido-Lestache: Joint Administrator of Aplicación de Regursos Naturales, S.A., Joint Administrator of Cadagua, S.A., Joint Administrator of Compañía de Obras Castillejos, S.A., Joint Administrator of Discota XXI Sociedad Unipersonal, Joint Administrator of Ditecpesa, S.A., Joint Administrator of Encofrados Deslizantes y Técnicas Especiales, S.A., Joint Administrator of Ferrovial Conservación, S.A., Joint Administrator of Ferrovial Medio Ambiente y Energía, S.A., Joint Administrator of Norvarem, S.A., Joint Administrator of Técnicas del Pretensado y Servicios Auxiliares, S.A. Joint Administrator of Ferrovial Railway, S.A., Director of Budimex and Cadagua Ferrovial Industria México, S.A., Director of Ferrovial Agromán Airports (UK) Limited, Director of Ferrovial Agromán Chile, S.A.
- Mr. Santiago Ortiz Vaamonde: Director of Cintra Infraestructuras, S.A., Director of Ferrovial Fisa, S.L., Director of Ferrovial Aeropuertos, S.A., Director of Ferrovial Servicios, S.A., Joint Administrator of Ferrovial Inversiones, S.A. and Director of Finecofer, S.L.
- MR. Alejandro de la Joya Ruiz de Velasco: Joint Administrator of Norvarem, S.A., Representative of Ferrovial Agroman Sucursal Marruecos and Director of de Finecofer, S.L.

29. Share option plans

Some Company Directors and Executive Directors are included in the following Ferrovial, S.A. stock options plan:

Stock option plan (Participants/Granting date)		Exercise price (Euros)
Executive Staff / October 2005	2,372,800	15.88
Executive Staff / November 2007	3,186,200	14.99
Senior Executives / April 2008	320,000	12.12
Executive Staff Plan Increase Ferrovial	119,048	8.98-18.21

All share option plans have a term for obtaining the right to exercise them of 3 years since the granting date thereof, and a term to effectively exercise them during a period of 3-5 years, provided some minimum profitability ratios on the consolidated shareholders' funds of Ferrovial S.A. set are attained.

The strike price is calculated as the arithmetic mean of weighted average changes in the previous twenty stock market sessions on the date it is granted.

Swaps were contracted at the grant date in order to hedge against possible losses resulting from the exercise of these remuneration systems. These hedges ensure that the Group will collect an amount equal to the rise in the share price when the options are executed by employees.

Under the swap contract, the financial institution undertakes to pay cash amounts equal to the return on Ferrovial S.A.'s shares, in return for a payment by the Group. The main features of the swaps are as follows:

- The number of shares used to calculate both returns is equal to the number of options granted under each plan.
- The share price used to calculate both returns is the same as the strike price employed to calculate the increase in the share's value.
- Ferrovial, S.A. will pay a yield to the financial institution calculated by applying the EURIBOR rate plus a margin to the result of multiplying the number of shares by the strike price.
- The financial institution shall pay Ferrovial, S.A the equivalent to all the dividends generated by those shares.

Ferrovial, S.A. may opt to partially or totally terminate the contract, in which case:

a. If the share price is below the strike price at which the contract was concluded, Grupo Ferrovial must pay the difference to the financial institution.

b. If the share price is above the strike price, Grupo Ferrovial will receive the difference between the two amounts.

Those contracts are considered as derivatives to accounting effects, their treatment being that established in general for this type of financial products, Note 5.1. During fiscal year 2011, a profit has been reported attributable to Ferrovial Agromán according to its participation in the € 26,142 million scheme (€ 7,002 million profit in 2010) in relation to those contracts, as explained in Note 5.1 on the market risk and Note 25 on financial results.

Since the swap contracts are subscribed by Ferrovial S.A., the balance registered by the Company in the balance sheet to show its value at the end of the reporting period corresponds to liabilities with Group companies.

The sums received, related to the dividends generated by those shares, and paid, for payment of the yield by the relevant financial institution, related to those financial exchange contracts, as previously remarked, amount to € 4 million (€ 6 million in 2010) and to € 2 million (€ 2 million in 2010) respectively.

Staff costs existing at Ferrovial Agromán related to these remuneration systems amount to € 1,626 million during the Financial Year (€ 2,954 million in 2010) (see Note 23).

30. Audit Fees

In compliance with the provisions of Audit Law 12/2010, of 30 June, all the fees for the audit of the financial statements for 2011 and 2010 by the auditors of the company, including the legal audit services, the audit services and other audit works to be performed by the company auditor and related mainly to tax services. A detail of the fees billed for services other than auditing is provided:

	Thousand Euros	
	2011	2010
Fees for audit services	**200**	**200**
Principal auditor	200	200
Audit services	200	200
Audit related services	4	—
Other audit services	4	—
Other services	**64**	**58**
Principal auditor	—	—
Other auditors	64	58

31. Events after the reporting period

After 31 December 2011, there have been no relevant facts that affect the financial statements of Ferrovial Agromán, S. A. on that date.

32. Commentaries to Appendix

Appendix I

Appendix I details the amounts contributed by the Joint Ventures in which Ferrovial Agromán S.A. participates, in fiscal year 2011, under each heading of the Balance Sheet and the Income statement.

Appendix II

Appendix II presents the contribution by NBT and portfolio of each one of the domestic and industrial Joint Ventures at 31 December 2011.

Appendix III

Appendix III presents the contribution by NBT and portfolio of each one of the foreign Joint Ventures at 31 December 2011.

33. Explanation added for translation into English

These financial statements are presented according to the generally accepted accounting principles in Spain. Certain accounting practices applied by the Company under the generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

Appendix I

Appendix I details the amounts contributed by the Joint Ventures in which Ferrovial Agromán S.A. participates, under each heading of the Balance Sheet and the Income Statements.

Fiscal year 2011

	Thousand Euros		
Assets	**Centres**	**JOINT VENTURES**	**31.12.2011**
Non-current assets	**898,511**	**13,356**	**911,867**
Intangible assets	308	1	309
Computer software	668	31	699
Other intangible assets	245	—	245
Accumulated Depreciation	(605)	(30)	(635)
Property, plant and equipment	12,323	11,386	23,709
Land and buildings	8,083	462	8,545
Plant and machinery	157,827	35,177	193,004
Property, plant and equipment in the course of construction and advances	—	—	—
Tools and furniture	17,091	3,097	20,188
Other items of property, plant and equipment	9,408	1,453	10,861
Accumulated Depreciation	(165,956)	(28,803)	(194,759)
Provisions for Property, plant and equipment	(14,130)	—	(14,130)
Non-current investments in Group companies and associates	754,350	(801)	753,549
Investments in Group companies and associated	606,093	(801)	605,292
Loans to Group companies	157,513	—	157,513
Provisions for equity investments	(9,256)	—	(9,256)
Non-current investments	3,108	2,345	5,453
Available-for-sale financial assets	124	—	124
Other loans	1,479	1,976	3,455
Long-term guarantees and deposits given	1,505	369	1,874
Deferred tax assets	128,422	425	128,847
Current assets	**2,411,064**	**375,554**	**2,786,618**
Non-current assets classified as held for sale	71,581	11,801	83,382
Inventories	674,321	256,642	930,963
Trade and Other Receivables	466,045	249,342	715,387
Trade receivables for sales and services	347,685	(71,427)	276,258
Group companies and associates	33,864	37,462	71,326
Other accounts receivable from public authorities	2,253	993	3,246
Current tax assets	209	141	350
Staff	131,874	(39,396)	92,478
Other receivables	(307,609)	79,527	(228,082)
Provisions	836	—	836
Derivative financial instruments at fair value	1,582,294	(167,164)	1,415,130
Current investments in Group companies and associates	1,582,294	(167,164)	1,415,130
Current financial assets	(123,776)	123,776	—
Current accruals and deferred income	3,202	16,923	20,125
Cash and cash equivalents	202,606	133,576	336,182
Total assets	**3,309,575**	**388,910**	**3,698,485**

Appendix I – Financial Statements with Joint Ventures contributions

Ferrovial Agroman, S.A.

Equity and Liabilities	Centres	JOINT VENTURES	31.12.2011
	Thousand Euros		
Equity	**702,632**	**68,833**	**771,465**
SHAREHOLDERS' EQUITY	**702,632**	**68,833**	**771,465**
Capital	201,817	(1)	201,816
Share premium	331,904	—	331,904
Reserves	78,946	—	78,946
Legal reserve	38,411	—	38,411
Other reserves	40,535	—	40,535
Profit/(loss) for the year	89,965	68,834	158,799
Non-current liabilities	**561,714**	**1,218**	**562,932**
Long-term provisions	133,648	—	133,648
Non-current payables	37,002	—	37,002
Bank borrowings and other financial liabilities	4,946	—	4,946
Derivative Financial Instruments at Fair Value	28,290	—	28,290
Other liabilities	3,766	—	3,766
Payables to Group companies and associates	371,302	—	371,302
Deferred tax liabilities	19,762	1,218	20,980
Current liabilities	**2,045,229**	**318,859**	**2,364,088**
Short-term provisions	208,955	71,364	280,319
Current payables	16,259	4,016	20,275
Bank borrowings and other financial liabilities	16,028	4,016	20,044
Derivative Financial Instruments at Fair Value	231	—	231
Current payables to Group companies and associates	320,971	(194,628)	126,343
Trade Creditors and Other Payables	1,492,722	437,460	1,930,182
Suppliers	808,032	273,619	1,081,651
Payable to Group companies and associates	151,851	17,800	169,651
Sundry accounts payable	73,424	327	73,751
Staff (Remuneration payable)	24,981	2,272	27,253
Current tax liabilities (group companies)	53,758	—	53,758
Other accounts payable to public authorities	100,996	35,368	136,364
Advances to trade receivables	279,680	108,074	387,754
Current accruals and deferred income	6,322	647	6,969
TOTAL EQUITY AND LIABILITIES	**3,309,575**	**388,910**	**3,698,485**

Appendix I – Financial Statements with Joint Ventures contributions

Ferrovial Agroman, S.A.

Income statement	Thousand Euros Centres	JOINT VENTURES	31.12.2011
Revenue	***1,195,245***	***516,835***	***1,712,080***
Sales	1,031,567	579,184	1,610,751
Provision of services	163,678	(62,349)	101,329
Other operating income	***37,695***	***204***	***37,899***
Total operating income	**1,232,940**	**517,039**	**1,749,979**
Change in inventories	***6,845***	***—***	***6,845***
Cost of goods held for resale sold and other external expenses	***(607,734)***	***(350,951)***	***(958,685)***
Cost of raw materials and other consumables used	(214,339)	(115,581)	(329,920)
Work performed by other companies	(393,395)	(235,370)	(628,765)
Staff costs	***(283,651)***	***(10,717)***	***(294,368)***
Wages, salaries and similar expenses	(239,769)	(8,003)	(247,772)
Employee benefit costs	(43,882)	(2,714)	(46,596)
Depreciation and amortisation charge	***(13,639)***	***(604)***	***(14,243)***
Change in operating provisions	***(152,441)***	***(19,794)***	***(172,235)***
Other operating expenses	***(198,981)***	***(75,475)***	***(274,456)***
Outside services	(176,761)	(48,316)	(225,077)
Taxes other than income tax	(15,535)	(24,345)	(39,880)
Other current operating expenses	(6,685)	(2,814)	(9,499)
Total operating expenses	**(1,249,601)**	**(457,541)**	**(1,707,142)**
Profit or loss from operations	**(16,661)**	**59,498**	**42,837**
From investments in equity instruments	***88,954***	***(865)***	***88,089***
In Group companies	88,740	(865)	87,875
In other companies	214	—	214
From marketable securities and other financial instruments	***61,696***	***9,967***	***71,663***
In Group companies	54,696	—	54,696
In other companies	7,000	9,967	16,967
Total finance income	**150,650**	**9,102**	**159,752**
On debts to Group companies and associates	(11,975)	15	(11,960)
On debts to third parties	(12,656)	(1,612)	(14,268)
Total Financial Expense	**(24,631)**	**(1,597)**	**(26,228)**
Impairment and gains or losses on disposals of financial instruments	***(3,318)***	***—***	***(3,318)***
Changes in fair value in financial instruments	***26,142***	***—***	***26,142***
Exchange differences	***(2,901)***	***1,832***	***(1,069)***
Financial profit or loss	**145,942**	**9,337**	**155,279**
Loss before tax	**129,281**	**68,835**	**198,116**
Income tax	(39,316)	(1)	(39,317)
Profit/(loss) for the year	**89,965**	**68,834**	**158,799**

Appendix I – Financial Statements with Joint Ventures contributions

Ferrovial Agroman, S.A.

2010

Assets	Centres	JOINT VENTURES	31.12.2010
	Thousand Euros		
Non-current assets	**836,548**	**14,060**	**850,608**
Intangible assets	313	5	318
Computer software	652	25	677
Other intangible assets	245	—	245
Accumulated Depreciation	(584)	(20)	(604)
Property, plant and equipment	18,696	11,860	30,556
Land and buildings	8,170	375	8,545
Plant and machinery	149,912	44,359	194,271
Property, plant and equipment in the course of construction and advances	574	—	574
Tools and furniture	23,126	—	23,126
Other items of property, plant and equipment	11,349	—	11,349
Accumulated Depreciation	(160,305)	(32,874)	(193,179)
Provisions for Property, plant and equipment	(14,130)	—	(14,130)
Non-current investments in Group companies and associates	729,557	(394)	729,163
Investments in Group companies and associated	577,461	(394)	577,067
Loans to Group companies	158,034	—	158,034
Provisions for equity investments	(5,938)	—	(5,938)
Non-current investments	3,992	2,286	6,278
Long-term Financial Investments in Equity Instruments	124	—	124
Other loans	1,965	2,078	4,043
Long-term guarantees and deposits given	1,903	208	2,111
Deferred tax assets	83,990	303	84,293
Current assets	**2,747,095**	**389,445**	**3,136,540**
Non-current assets classified as held for sale	—	—	—
Inventories	82,973	13,431	96,404
Trade and Other Receivables	921,407	350,589	1,271,996
Trade receivables for sales and services	516,905	369,789	886,694
Group companies and associates	357,775	(69,750)	288,025
Other accounts receivable from public authorities	31,464	47,605	79,069
Current tax assets	4,612	1,851	6,463
Employees	297	134	431
Other receivables	116,000	7,961	123,961
Provisions	(105,646)	(7,001)	(112,647)
Current investments in Group companies and associates	1,563,073	(112,303)	1,450,770
Short-term loans to Group companies	1,563,073	(112,303)	1,450,770
Current accruals and deferred income	(13,067)	17,430	4,363
Cash and cash equivalents	192,709	120,298	313,007
Total assets	**3,583,643**	**403,505**	**3,987,148**

Appendix I – Financial Statements with Joint Ventures contributions

Ferrovial Agroman, S.A.

Equity and Liabilities	Centres	JOINT VENTURES	31.12.2010
	Thousand Euros		
Equity	**666,688**	**(62,868)**	**603,820**
SHAREHOLDERS' EQUITY	**666,688**	**(62,868)**	**603,820**
Share Capital	191,808	8	191,816
Share premium	241,904	—	241,904
Reserves	142,733	(79,711)	63,022
Legal reserve	118,122	(79,711)	38,411
Other reserves	24,611	—	24,611
Profit/(loss) for the year	93,092	13,986	107,078
Interim dividend paid	(2,849)	2,849	—
Non-current liabilities	**132,504**	**1,095**	**133,599**
Long-term provisions	65,182	—	65,182
Non-current payables	56,960	—	56,960
Bank borrowings and other financial liabilities	1,425	—	1,425
Derivative Financial Instruments at Fair Value	54,432	—	54,432
Other liabilities	1,103	—	1,103
Payables to Group companies and associates	—	—	—
Deferred tax liabilities	10,362	1,095	11,457
Current liabilities	**2,784,451**	**465,278**	**3,249,729**
Short-term provisions	243,461	60,799	304,260
Current payables	3,370	344	3,714
Bank borrowings and other financial liabilities	3,266	344	3,610
Derivative Financial Instruments at Fair Value	104	—	104
Current payables to Group companies and associates	710,772	(184,435)	526,337
Trade Creditors and Other Payables	1,836,957	570,803	2,407,760
Suppliers	1,067,724	408,533	1,476,257
Payable to Group companies and associates	168,816	27,366	196,182
Sundry accounts payable	80,744	(17,198)	63,546
Staff (Remuneration payable)	25,442	3,206	28,648
Current tax liabilities (group companies)	44,362	(5,438)	38,924
Other accounts payable to public authorities	116,581	57,758	174,339
Advances to trade receivables	333,288	96,576	429,864
Current accruals and deferred income	(10,109)	17,767	7,658
TOTAL EQUITY AND LIABILITIES	**3,583,643**	**403,505**	**3,987,148**

Appendix I – Financial Statements with Joint Ventures contributions

Ferrovial Agroman, S.A.

	Thousand Euros		
Income statement	**Centres**	**JOINT VENTURES**	**31.12.2010**
Revenue	***1,618,857***	***651,839***	***2,270,696***
Sales	1,425,991	728,797	2,154,788
Services	192,866	(76,958)	115,908
Other operating income	***56,129***	***—***	***56,129***
Total operating income	***1,674,986***	***651,839***	***2,326,825***
Change in inventories	***2,839***	***—***	***2,839***
Cost of goods held for resale sold and other external expenses	***(987,808)***	***(463,077)***	***(1,450,885)***
Cost of raw materials and other consumables used	(248,662)	(123,056)	(371,718)
Work performed by other companies	(739,146)	(340,021)	(1,079,167)
Staff costs	***(331,781)***	***(17,999)***	***(349,780)***
Wages, salaries and similar expenses	(279,121)	(14,128)	(293,249)
Employee benefit costs	(52,660)	(3,871)	(56,531)
Depreciation and amortisation charge	***(17,050)***	***(1,197)***	***(18,247)***
Change in operating provisions	***(20,338)***	***(1,092)***	***(21,430)***
Other operating expenses	***(261,865)***	***(158,519)***	***(420,384)***
Outside services	(240,191)	(102,896)	(343,087)
Taxes other than income tax	(22,477)	(34,694)	(57,171)
Impairment and change in provisions for property, plant and equipment	13,213	(13,117)	96
Other current operating expenses	(12,410)	(7,812)	(20,222)
Total operating expenses	***(1,616,003)***	***(641,884)***	***(2,257,887)***
Profit or loss from operations	**58,983**	**9,955**	**68,938**
From investments in equity instruments	***39,434***	***(12)***	***39,422***
In Group companies	39,429	(12)	39,417
In other companies	5	—	5
From marketable securities and other financial instruments	***72,233***	***7,144***	***79,377***
In Group companies	59,780	—	59,780
In other companies	12,453	7,144	19,597
Total finance income	***111,667***	***7,132***	***118,799***
On debts to Group companies and associates	(10,858)	(569)	(11,427)
On debts to third parties	(23,348)	(2,200)	(25,548)
Total Financial Expense	***(34,206)***	***(2,769)***	***(36,975)***
Impairment and gains or losses on disposals of financial instruments	***301***	***1,089***	***1,390***
Changes in fair value in financial instruments	***(7,002)***	***—***	***(7,002)***
Exchange differences	***(1,280)***	***—***	***(1,280)***
Financial profit or loss	**69,480**	**5,452**	**74,932**
Loss before tax	**128,463**	**15,407**	**143,870**
Income tax	(35,371)	(1,421)	(36,792)
Consolidated comprehensive income for the year:	**93,092**	**13,986**	**107,078**

Appendix II

Appendix II presents the contribution by NBT and portfolio of each one of the domestic and industrial Joint Ventures at 31 December 2011 and 2010.

		Thousand Euros	
DOMESTIC AND INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	N.B.T.	PORTFOLIO
30 VIVIENDAS LA DEHESILLA	50.00%	—	784
94 VIVIENDAS LA DEHESILLA	50.00%	—	1,962
ABASTECIMIENTO OURENSE	57.82%	(265)	4,645
ACCESOS A LA ESTACION DE LA SAGRERA	37.50%	(7,514)	64,513
ACCESOS HUCA	65.00%	(34,208)	1,471
ACCESOS SAN MAMES	60.00%	(4,770)	1,406
ACEQUIA REAL DEL JUCAR	70.00%	(965)	—
ADECUACION LOCALES BURGOS	99.00%	(1,022)	2,272
ADEJE – SANTIAGO	64.70%	(28,449)	42,042
AEROPUERTO FUERTEVENTURA	85.00%	(1,279)	—
ALCOY	65.00%	(12,437)	3,620
ALFRI	50.00%	(80)	—
AMPLIACION EDAR ARENALES	40.81%	(120)	119
AMPLIACION EDAR CIUDAD REAL	40.00%	(2,600)	1,841
ANILLO OLIMPICO	50.00%	(1,833)	1,491
APARCAMENTS FIGUERES	70.00%	(1,516)	2,363
APARCAMIENTO PLAZA DE LAS CORTES	50.00%	(1,636)	—
APEADERO EL PORTILLO	100.00%	—	894
ARLABAN	50.00%	(9,421)	—
ARROYO ARGAMASILLA	50.00%	(3,969)	7,206
AVDA. SALAMANCA 2ª FASE	50.00%	(287)	—
AVE SUR	25.00%	(3,021)	6,263
AYORA	60.00%	24	—
BALLOU	63.00%	(8,716)	13,023
BALNEARIO DE GRAVALOS	60.00%	(408)	—
BALSA DE LA RESTINGA	20.00%	(292)	773
BARRANCO DE TRAMUSSER	60.00%	(3,876)	921
BARRANCO ENCISO LA RIOJA	60.00%	(9)	—
BARRANCO PERDIDO ENCISO	60.00%	(1,976)	—
BARRANCO PERDIDO ENCISO 2	60.00%	(535)	—
BASE AEREA TORREJON	80.00%	(3,491)	—
BASE AEREA TORREJON FASE 2	80.00%	—	2,128
BASE ALBACETE	50.00%	(2,211)	—
BASE BRIHUEGA	50.00%	(195)	—
BOROX AÑOVER	50.00%	(9,599)	16,375
BRION – MARTELO	50.00%	(443)	1,471
BY – PASS SUR TUNEL NORTE	50.00%	—	5,102
CALDEARENAS LANAVE	60.00%	(2,809)	28,492
CAMAS-SALTERAS	40.00%	(6,243)	—
CAMBIADORES ALCOLEA	25.00%	(4)	—
CAMPA DE LOS INGLESES	80.00%	(2,596)	—
CARCEL DE PAMPLONA	75.00%	(34,208)	1,137
CARRANZA – ARANGUREN	50.00%	(222)	269
CARRETERA ICOD-EL TANQUE UTE	40.00%	(9,590)	27,470
CASINO DE SANTANDER	50.00%	(43)	—
CASTROFUERTE – TORAL	50.00%	(1,807)	1,161
CENTRAL AEROPUERTO GARCIA LORCA	50.00%	(1,652)	—
CENTRAL ELECTRICA SUR	60.00%	(9,355)	2,396
CENTRO DE PREVENCION DE RIESGOS	50.00%	(2,582)	1,771
CENTRO DEPORTIVO CERVANTES	50.00%	(990)	1,066

Appendix II – Joint Ventures Contributions to Revenue and Portfolio

Ferrovial Agroman, S.A.

DOMESTIC AND INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros N.B.T.	PORTFOLIO
CENTRO DEPORTIVO SANCTI-PETRI	75.00%	(1,169)	446
CENTRO HOSPITALARIO DE LEON 2	36.00%	(4,139)	—
CENTRO INTERNACIONAL VITORIA	50.00%	(1,150)	—
CERCANIAS – PINTO UTE	60.00%	(1,711)	37,890
CERVANTES	50.00%	(4,095)	—
CHAMARTIN T4	70.00%	(12,997)	18,556
CIERRE ISLA VERDE	75.00%	(5,376)	8,372
CIRCUITOS MADRID RIO	80.00%	(1,014)	—
COLECTOR RIA DE MUNDAKA	99.50%	(2,596)	488
COLECTOR SUBCUENCA DE PINOS	80.00%	—	22,861
CONCHA	50.00%	(324)	—
CONDUCCION A GASSET 2	66.66%	(2)	—
CORB	50.00%	(6,005)	7,201
CPD ALCALA	60.00%	(4,080)	57,961
CREAA	50.00%	(6,125)	19,384
DALIAS	48.00%	—	354
DEPURADORA PANIBERICA	30.00%	(32)	—
DES SUR	25.00%	(8)	—
DESALADORA AGUILAS-GUADALENTIN	25.00%	(1,901)	7,779
DESALADORA CAMPO DE CARTAGENA	40.00%	(3,271)	208
DESALADORA GRANADILLA	40.60%	(946)	2,275
DESALADORA MELILLA	38.00%	(1,603)	—
DIAGONAL – BESOS	60.00%	(595)	—
DIAGONAL – BESOS FASE II	60.00%	(413)	—
DIAGONAL BESOS FASE III	60.00%	(712)	—
DRENAJES 358	25.00%	(100)	445
DRENAJES 409	25.00%	(21)	—
EDAR ALMENDRALEJO	50.00%	(1,875)	735
EDAR ARENAS DE CABRALES	50.00%	(494)	394
EDAR AZUQUECA	58.80%	(276)	—
EDAR BENS	45.48%	(6)	—
EDAR CHIPIONA	33.33%	(144)	196
EDAR COMILLAS Y RUILOBA	36.30%	(2,571)	503
EDAR GAVA – VILADECANS	25.00%	(369)	—
EDAR GUILLAREI	45.28%	(24)	—
EDAR MARISMAS DEL ODIEL	33.33%	(1,328)	217
EDAR RIBADESELLA	55.00%	(214)	—
EDAR SAN FELIU DE LLOBREGAT	42.54%	(345)	—
EDAR SAN JAVIER	59.60%	(14)	—
EDAR SISTEMAS BENIDORM	61.70%	(1,021)	177
EDAR TAMARACEITE	32.00%	(1,383)	1,457
EDIFICIO DE INVESTIGACION	99.00%	(1,789)	3,640
EDIFICIO TERMINAL	40.00%	230	—
EDIFICIOS AUXILIARES CPDS	50.00%	(4,750)	388
EDIFICIOS TERCAT	60.00%	(3,688)	1,585
EL ARCILLAR	1.00%	(17)	—
EL BAÑUELO	70.00%	(1,661)	5,243
EL CUCADOR	60.00%	(1,349)	915
EL OLIVAR	50.00%	(537)	13,061
EL SERRALLO	50.00%	(396)	193
EL TARAJAL	40.00%	(68)	—
EQUIPAMIENTO FUERTEVENTURA	85.00%	(83)	—
ESCLUSA 42	40.00%	(23)	—
ESTACION DE MATIKO	50.00%	(1,437)	4,530

Appendix II – Joint Ventures Contributions to Revenue and Portfolio

Ferrovial Agroman, S.A.

DOMESTIC AND INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros N.B.T.	Thousand Euros PORTFOLIO
ESTACION MARITIMA	80.00%	(5)	—
ESTACION MARITIMA ALCUDIA	70.00%	(463)	—
ESTACIONES LINEA 9	20.00%	(2,247)	18,444
ETAP ANDEVALO	46.00%	—	223
ETAP LA RIBERA	52.36%	(577)	2,603
ETAP RIO VERDE	33.33%	(1,370)	3,116
ETAP SANT JOAN DESPI	15.00%	(31)	—
ETAP VALMAYOR	32.50%	(7,119)	390
ETXABARRI – LUKO	50.00%	(1,420)	—
EXPLANADA DE LA ESFINGE	52.50%	—	5,012
EXPLOTACION SAN JAVIER	20.00%	(8)	—
EXPLOTACION SAN PEDRO	20.00%	(13)	—
EXPO ACTUR 4 Y 5 LOTE 2	70.00%	(1,269)	2,981
FACHADA MARITIMA 4	80.00%	(2,437)	378
FACULTADES	50.00%	(24)	—
FERIAL DE BADAJOZ	75.00%	—	200
FERRABE	65.00%	(11)	—
FERRERIES	90.00%	(9,575)	8,601
GARGANTILLA	50.00%	(330)	641
GATIN	50.00%	(13)	—
GUADARRAMA 3	33.00%	(3,797)	—
GUADARRAMA 4	33.00%	(4,548)	—
HOSPITAL GENERAL DE TOLEDO	40.00%	(6,694)	86,794
HOSPITAL SAN MARTIN	60.00%	(1,041)	193
HOSPITAL STA. CRISTINA	50.00%	—	471
IDAM CEUTA	20.00%	(837)	—
INFRAESTRUCTURA PARAMO BAJO	50.00%	(1,693)	425
LA FONT	78.00%	(40)	—
LADERAS DE ARENOS	60.00%	(690)	1,477
LEBRIJA 2	60.00%	—	1,657
LEGUTIANO	65.00%	(9,666)	37,015
LIERES	36.00%	(387)	—
LINDIN – MONDOÑEDO	75.00%	(4,525)	36,477
LINEA 9	20.00%	(11,630)	8,534
LINEA 9 MADRID	50.00%	(10,263)	30,370
LUIS MONTOTO	65.00%	(2,544)	—
MANTENIMIENTO ADIF MADRID NORTE	36.00%	—	6,018
MANTENIMIENTO SAHECHORES	50.00%	(200)	—
MANTENIMIENTO VIA ALBACETE	50.00%	—	7,371
MANTENIMIENTO VIA SEVILLA	50.00%	(122)	—
MAR DE CRISTAL	30.00%	(1)	—
MEDINACELI	32.80%	(3,925)	7,494
MELONARES	60.00%	(31)	—
MERIDA III MILENIO	54.95%	(9,049)	5,679
METRO URIBARRI	50.00%	(6,192)	8,746
METROGRANADA	70.00%	(4,203)	15,502
MONTMELO	50.00%	(15,341)	19,212
MUELLE AZ3 ZIERBENA	99.50%	—	1,287
MUELLE TRANSATLANTICOS	65.00%	(9)	—
MUELLES BOTAFOC	63.50%	(20,162)	15,081
MUELLES PUERTO ALCUDIA	70.00%	(3,894)	864
MUELLES PUERTO ENDESA	70.00%	(4,594)	509
MUSEO DE BELLAS ARTES DE BADAJOZ	60.00%	(34)	2,206
OVIÑANA	80.00%	(8)	—

Appendix II – Joint Ventures Contributions to Revenue and Portfolio

Ferrovial Agroman, S.A.

DOMESTIC AND INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros N.B.T.	 PORTFOLIO
OYANCO	80.00%	(1,834)	3,143
PABELLON CAGIGAL	75.00%	(1,214)	—
PAJARES 3	50.00%	(10,299)	1,700
PALMA – PALMANOVA	70.00%	—	449
PANELES INFORMATIVOS	40.00%	(40)	—
PANTANALES CIUTADELLA	90.00%	(932)	151
PARADAS TF-1	60.00%	(307)	—
PARC CENTRAL	80.00%	(345)	—
PARQUE ARGANZUELA	40.00%	(7,612)	—
PARQUE VALLADA	53.50%	—	9,143
PASARELA ESTACION DELICIAS	100.00%	—	282
PASEO TAMARGUILLO	65.00%	(2,410)	—
PEDROSA – BASCONES	80.00%	—	26,152
PERIMETRO FRONTERIZO CEUTA	40.00%	(477)	202
PFPV ANDOAIN-URNIETA	50.00%	(651)	31,413
PLANA DEL VENT	42.50%	(3)	—
PLAYAS BARCELONA II FASE	70.00%	(2,037)	—
PLAZA CATALUÑA	50.00%	(4,032)	—
POLIGONO LA ESTACION	75.00%	(1,140)	332
PUENTE DEL RIO	85.00%	—	214
PUERTO CIUTADELLA	98.00%	(6,942)	3,094
QUINTANA DE LA SERENA	50.00%	(1,245)	2,485
QUIROGA – FOLGOSO	50.00%	(18)	—
RADAR SECUNDARIO	85.00%	(7)	1,957
REFUERZO DEL TUNEL DEL ROBLE	50.00%	(896)	298
REHABILITACION MUELLE PRAT	70.00%	(65)	150
SAHECHORES	38.00%	(146)	377
SAIH DUERO	40.00%	(660)	—
SAN JULIAN	75.00%	(3,188)	31,598
SANTA LUCIA	60.00%	(1,914)	11,751
SANTAS MARTAS – LEON	60.00%	(4,951)	46,363
SERRANO	50.00%	(9,802)	924
SON CARRIO – SON SERVERA	99.50%	(3,067)	14,292
SOTERRAMIENTO M-30	75.00%	(3)	—
SUPERCOMPUTING CENTER	70.00%	(1,457)	207
SUPERESTRUCTURA T4	60.00%	(18,709)	3,409
T2 METRO VALENCIA	65.00%	(2,084)	367
TANQUE DE TORMENTAS DE ETXEBARRI	60.00%	(4,875)	14,701
TERCIARIO EDAR ALCANTARILLA	56.15%	(55)	—
TERCIARIO RINCON DE LEON	25.00%	(71)	—
TERMINACION PRESA DE TOUS	50.00%	(1,064)	2,875
TERMINAL AEROPUERTO MALAGA	60.00%	(8,119)	—
TERMINAL AEROPUERTO MALAGA 2	60.00%	(777)	—
TERMINAL MUELLE	60.00%	(24,889)	25,866
TORRE SUR FERCONSA	20.00%	(28)	—
TORRES QUEVEDO	55.00%	(62)	—
TRES MARES	65.00%	(10)	—
TRIANGLE LINEA 9	20.00%	(620)	—
TUNEL AEROPORT	20.00%	(8,568)	7,681
TUNEL AEROPORT II	20.00%	(6,596)	1,914
TUNEL DE LOS ALCORES	50.00%	(2)	48,172
TUNEL FIRA	20.00%	(1,279)	351
TUNEL SURIA UTE	65.00%	—	8,932
TUNEL TRASVASUR	50.00%	(9)	243

Appendix II – Joint Ventures Contributions to Revenue and Portfolio

Ferrovial Agroman, S.A.

DOMESTIC AND INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros	
		N.B.T.	PORTFOLIO
TUNELADORA METRO	20.00%	(372)	—
TUNELES A-5	60.00%	(1,246)	—
TUNELES DE GUADARRAMA	33.33%	(8,173)	178
URBANIZACION BARRES	80.00%	(2,819)	525
VARIANTE DE POSADAS	50.00%	(26)	1,172
VEGAS BAJAS	65.00%	(2,109)	1,111
VILLAPEDRE	80.00%	(3,938)	28,801
VIRGEN DEL CAMINO	60.00%	(2,309)	—
VIRGEN DEL CAMINO 2	60.00%	(2,051)	6,323
YESA	33.33%	(3,409)	63,439

Appendix III

Appendix III presents the contribution by NBT and portfolio of each one of the foreign Joint Ventures at 31 December 2011 and 2010.

FOREIGN CONSTRUCTION JOINT VENTURES	%	Thousand Euros N.B.T.	Thousand Euros PORTFOLIO
CONSORCIO EMBALSE EL BATO	50.00%	—	88
CONSORCIO FA-SAN VICENTE	60.00%	—	7,858
UTE ALARGAMIENTO A28	84.05%	—	275
UTE F-A CADAGUA ACE	50.00%	(636)	—
UTE DISEÑO AUTOPISTA A1	50.00%	(262)	—
UTE N3 BUTLERSBRIDGE TO BELTURBET	70.00%	—	13,640
UTE AUTOPISTA M50	50.00%	(1,733)	—
A8 BELFAST TO LANE UTE	33.33%	—	40,549
UTE COLEGIOS BRADFORD	50.00%	—	269
COLEGIOS BRADFORD FASE II UTE	50.00%	—	(4,877)
COLEGIO GRANGE UTE	50.00%	—	1,548
COLEGIO GREENHEAD UTE	50.00%	—	2,236
COLEGIO BECKFOOT UTE	50.00%	—	3,447
COLEGIO HANSON UTE	50.00%	—	3,473
COLEGIOS BRADFORD SECUNDARIAS	50.00%	—	142
UTE CROSSRIL C300-C410 PROJEC	33.33%	—	171,538
FARRINGDON STATION UTE	33.33%	—	81,510
HETCO	55.00%	—	232
EEAR/SET PH6 UTE	30.00%	—	1,453
T2A DESING AND BUILD- PHASE 1 UTE	55.00%	—	360,290
INDIANA TOLL-ROADS CONTRAC LLC	75.00%	—	1,782
FERROVIAL/ZACHRY CONSTR.56,LLC	50.00%	(131,707)	66,375
BLUEBONNET CONTRACTORS LLC (NTE)	60.00%	(53,808)	601,996
TRINITY INFRASTRUCTURE LLC (LBJ)	60.00%	(62,850)	881,985
EURO IONIA	33.34%	(107)	56,358
AUTOPISTA EUROIONIA FERROVIAL UTE	33.34%	(27)	213,398
MOTORWAY CENTRAL GREECE	33.34%	(216)	19,382
MOTORWAY CENTRAL GREECE	33.34%	(133)	385,809
CONSORCIO TUNELES ITUANGO FS	60.00%	—	33,764

CERTIFICATE TO ATTEST

That the Board of Directors of Ferrovial Agroman, S.A. in Meeting held in Madrid on 30 March 2012 and under the Public Limited Companies Act has prepared, unanimously, the Financial Statements as of 31 December 2011, which shall be submitted to the discussion and approval, if appropriate, of the Shareholders at the Annual General Meeting.

The aforesaid documents, which form a single set, have been transcribed on the preceding consecutively numbered pages, written only on the obverse and all signed by the Company Secretary, and bearing the Company's Seal.

Pursuant to the Public Limited Companies Act, the Directors, who on today's date form the Company's Board of Directors, have signed the last page of this document, to all of which I attest as the Company Secretary, in Madrid on 30 March 2012.

Chairman: Mr. Joaquín Ayuso García	**Director: Mr. Iñigo Meirás Amusco**
Director: Mr. Ernesto López Mozo	**Director: Mr. Alejandro de la Joya Ruiz de Velasco**
Director: Mr. Santiago Ortiz Vaamonde	**Secretary-Director** **Mr. José Carlos Garrido-Lestache Rodríguez**

Ferrovial Agroman, S.A.

Directors' Report
for the year 2011

BUSINESS PERFORMANCE & SIGNIFICANT EVENTS

The output during the Financial Year was € 1,712 million. Ferrovial Agromán's construction portfolio stood at € 3,381 million. This portfolio guarantees 24 months of activity.

Domestic Construction

The revenue amounted to € 1,588 million, with a portfolio of € 2,570 million, with drops of 18% and 17% respectively compared with the preceding year, in line with what took place in other major companies on the market. The reduction in portfolio and sales basically reflect the complicated situation of the market with regard to private works and, since 2010, also to public works. Despite these falls, there has been a remarkable 3% return on net operating profit given the current context. This improvement of return, despite the drop in sales, has been achieved thanks to cost control and a work mix with a higher level of development than previous years.

The reporting period's main awards have been the construction of the Telefónica Data Processing Centre in Alcalá de Henares (EUR 103 million, on a 90% Joint Venture), the A-334 Highway in Purchena (EUR 102 million on a 40% Joint Venture), the Variante de Beas–Trigueros Motorway (EUR 38 million), the civil and drilling work for the electrical Connection between Spain and France for INELFE (EUR 32 million) and the high-speed railway section between the Valladolid Campo Grande Station and Nudo Norte de Valladolid (EUR 31 million).

During the reporting period, many remarkable works have been opened, such as the SE-40 Alcalá Guadaira highway section; the second belt highway of Malaga (Hiperronda); the Ciutadella port; the preservation and operation of the A-2 Calatayud – Alfajarín section; conditioning of the Arganzuela Park (Madrid Río); the Barranco de la Batalla en Alcoy Motorway By-Pass; the La Concha parking and the car park at Plaza Cataluña in San Sebastián; and the railway access to Barajas Airport Terminal 4.

Among the prizes won during the reporting period, the following are noteworthy: the 16th Awards to Architecture from the Region of Murcia for the refurbishment of the Cartagena Seamanship Training Headquarters Building; the Madrid Road Engineers Association Award to Atocha Station and Madrid Río; the 2011 BCN Swimming Pool Prize for Recreational Sports Facility; the 11th Spanish Architectural Biennial Award for the Vara del Rey 12 development and the triple award given by the Madrid Association of Real Estate Developers (Asprima 2011 International Real Estate Awards) to three projects executed by Ferrovial Agromán: "The Torrejón Gardens", "Vara del Rey, 12 General Square" and "Offices of Chamartín Real Estate Agency".

International Construction

Outside Spain, the international construction division is also performing activity in all the fields of civil engineering and building works. The activity by the division is developed through stable delegations in countries that are considered of strategic interest, such as the United Kingdom, Ireland, Italy, Portugal, Chile, Puerto Rico, Greece, the United States or Poland.

In 2011, revenue amounted to € 124 millions, due to decrease compared to the previous year associated to the situation in Greece. It is to be mention the good performance of contracting, with a portfolio of € 811 million (29 months turnover), representing a soft decrease compared to previous year.

In North Ireland, the highway Northern Ireland DBFO Package 2 has been awarded with Construction Excellence Award 2011, as the best category in transport infrastructure…

Among other activities linked to technological development in construction, a key differentiating element for Ferrovial Construcción in such a competitive environment as the current one, on 7 February 2011, the INNOVATE event "A celebration of Ferrovial Agroman's pioneering engineering and architectural achievements" was held in London at the Royal Institute of British Architects. In addition to the Chairman of our Group, Mr. Rafael del Pino, and many other relevant authorities in the industry and from Grupo Ferrovial, Sir Richard Rogers also attended as the event's keynote guest.

EXPECTED BUSINESS DEVELOPMENT

Activity in Spain

After a long period of growth in the construction sector in Spain, 2011 has been the fourth consecutive year of contraction of activity, with a drop in production of about 2010 compared with 2010. Notwithstanding this, investment in construction in 2011 still amounts to 12% of the Spanish GDP.

The public investment downward trend that started in 2010 continued in 2011. Thus, forecasts for late 2011 indicate that this year civil work has experienced a steep fall much worse than the building construction sector's of around 20%, thus furthering the 13% drop of 2010. Due to the National Government's public deficit contention plans announced in January and May 2010, the country's largest investors in civil works, the Ministry of Development and the Ministry of the Environment, have slowed down the execution of various projects, have terminated already awarded contracts, and have implemented major curbs to investments in 2011. Something similar has occurred in the Autonomous Communities and Local Administrations, especially following the 2011 Autonomous and Local elections, and the end of the investments from the State Fund of Local Investment, which in 2010 continued the 2009 Plan-E.

In turn, building construction has slowed down its fall, a reasonable situation since it is already recording the lowest historic levels of the last decade, closing 2011 with an approximate 5% drop in investment. However, the outlook for the housing sector is still unfavourable, with 110,000 housing construction permits approved in 2011, representing a new low in the historic record since the beginning of the 80's (128,000 in 2010).

The sector forecast for 2012 according to renowned consultants, as those included in the Panel of Consultants of the Fundación de las Cajas de Ahorros, indicate an activity reduction of around 5%. As in 2011, the activity drop in 2012 across all other work sectors is expected to be steeper than in housing. These forecasts are based on the decline of public tender according to Seopan of around -47% in 2011 and -32% in 2010 (both year-on-year), which will be partially compensated by construction companies' portfolios, still at reasonable levels in terms of months of production.

Given this discouraging outlook, the sector relies on the quick implementation of relevant actions such as those announced by the Ministry of Development with the new 2012-2024 Infrastructure, Transport and Housing Plan (PITIVI), which is expected to be approved in July 2012 and which will have a significant budgetary investment, as well as contributions from European funds and the involvement of the private sector. Only a few actions and partial investment figures have been announced yet, such as the EUR 52,000 million planned for roads, EUR 25,000 million for the high-speed railway or more than EUR 15,000 million for the conventional railway, even though cargo railway, ports and airports investments are still to be defined, as well as the private sector contribution. The definition and execution of these actions should contribute to stabilise the sector in the medium term.

Within this context, Ferrovial Agromán has been negatively affected, as all the other large construction companies, with a total drop in sales in Spain of around 18% in 2011.

International presence

The strong component of international activity by Ferrovial Agromán allows the Company to fully compensate the reduction of construction activity in Spain. The positioning of Ferrovial Agromán is aimed at carefully selected markets: with future expansion potential, mainly in civil engineering works, such as Poland; or of less exponential, although more stable growth, and with a major deficit in investment in infrastructures, such as that of Texas; and in other countries among which the United Kingdom, Greece or Ireland may be pointed out, where it accompanies the Ferrovial investment companies.

All the same, the Company still maintains a steady presence in countries such as Ireland, Puerto Rico, Chile or Portugal, which will remain as benchmark markets in the long-term, though at smaller scale. In addition, we hope the efforts made will help us address new interesting markets in a more ambitious manner. In this regard, the division is studying how to work both together with CINTRA and without the involvement of Group investing companies to translate such efforts into success. These markets include the Middle East, Australia, Canada, Southeast of the United States, etc., in most of which stable structures have been created.

Poland

Poland, where Ferrovial Agromán develops its activity through Budimex, where the Company has a 59.06% indirect ownership interest through Discota XXI the country's leading construction company and fully owned by the Company, is the largest construction market in Eastern Europe. Based on information from the European Commission and the Polish Central Bureau of Statistics, the sector growth forecast in 2011 will be around 9-12% in real terms. This growth has mainly been due to civil works, although affected negatively by the bad weather to a certain extent, and in spite of a certain standstill in investment in building.

A slowdown is expected in the reporting period 2012 with a growth rate below 5% due to the conclusion of investments for the UEFA Euro 2012, the Government's lowest budgetary margin, and because the use of European Funds is at cruising speed. There could be a construction sector stagnation in 2013, affected by the lower activity on roads, although the GDP growth will still be favourable at around 2.5-3.0%.

In the medium term, as from 2013, there will be a reconfiguration of investment in civil work, with sectors experiencing strong expected growth such as energy and railways mainly, and an investment reduction in roads, which so far had been capitalising most of the country's investment. However, investment in civil work in the medium term will be highly affected by the results of the European Union structural and cohesion funds negotiations for the 2014-2020 framework, which are expected to take place by mid 2012, even though early estimates for Poland seem favourable for the country. The promotion of public-private collaboration projects is also expected, where Ferrovial Agromán is highly experienced together with CINTRA.

As regards to the building construction market, moderate medium-term growth, not exceeding 5%, is expected. Non-residential building construction will be stagnated, affected by the conclusion of UEFA Euro 2012 infrastructure and the budgetary restrictions for public buildings. Residential building construction reached a record level in 2007 with 250,000 new housing construction permits, more than twice the level registered two years earlier. Between 2009 and 2011, the number of permits remained highly stable at a lower level, around 170,000-180,000 houses, without clear improvement indicators for the future as there is still a stock yet to be sold at current production levels, and due to mortgage market uncertainties.

United States

Ferrovial Agromán is highly focused on different states of the United States regarding large PPP projects together with CINTRA, as well as D&B projects. It has also a leading position in the state of Texas (the second largest construction market in the country and second recipient of SAFETEA Funds) through its 100% indirect ownership interest in Webber via Norvarem, specialised in civil work and production of recycled aggregates in the state.

In the United States, the present investment in land transport infrastructures is mainly financed by Federal funds. The national programme SAFETEA 2004-2009, invested a budget of approximately $ 286,000 million, this amounting to a 38% increase on its predecessor (TEA-21). The SAFETEA funds have been extended during 2010, 2011 and beginning of 2012 as the new framework for investment in land transport infrastructures does not have a clear date of approval due to the budget difficulties in the country and the division of the political control among the different powers and legislative bodies. Although to date there are only proposals by diverse advisory committees on public administration and associations involved, they all agree in concluding that the assignment of the previous plan will be notably extended, a need that must be approached from the point of view of financing capacity and formulas. Among the financing sources proposed, there is encouragement of public-private collaboration projects, in which Ferrovial has ample experience along with CINTRA.

Through different proposals, the Obama administration has supported the need to face the country's serious transport infrastructure deficit, and use these investments as the driving force for employment. The American Recovery and Reinvestment Act ("ARRA") passed in 2009 has been the most successful initiative, with USD 48,000 million of national funds for transport. This plan has been the bridge for the sector in the absence of a new TEA, though the execution of financed works will conclude in 2011 and 2012. Since then, there have been several attempts by the Obama administration in 2010 and 2011 with the American Job Act to give new a momentum to the transport sector (both with investment proposals of around USD 50,000 million), but with no actual implementation yet.

Programmes associated to High-speed Railway investment, with an expected USD 53,000 million investment during a six-year period, are being delayed and raise doubts about their feasibility. However, some actions such as the California HSR are already under public tender.

The main two political parties in the United States have been intensifying their proposals during late 2011 and early 2012, and it is very likely that there will be concrete results before the presidential elections in November 2012.

United Kingdom

In 2007, Ferrovial Agromán established a new management unit in the United Kingdom to attend to that market directly fully owned by the Company. The strong orientation of the Ferrovial Group on the United Kingdom market, with acquisitions in recent years of Amey and especially of the BAA, makes it appropriate for the Construction Division to pay particular attention to these clients; as well as to other opportunities that may arise on that market, one of the largest in Europe.

Ferrovial Agromán's activity in the United Kingdom has continued growing throughout 2011, with +42% and +23% in portfolio. This growth will be maintained in the coming years thanks to works for BAA, among them an iconic project such as the Heathrow Airport East Terminal Building for EUR 900 million, and contracts for non-Grupo Ferrovial clients. Among them, three awards in 2011 for the CrossRail railway project to a consortium of Ferrovial Agroman, BAM Nuttall and Kier Construction for EUR 800 million should be noted.

We are confident that new opportunities will arise in the future such as the one offered by the National Infrastructure Plan released by the Government in November 2011, identifying 500 priority projects and plans chiefly in the transport and energy industries for a total of GBP 250,000 million to be executed throughout the next decade. This plan is expected to be financed through 60% private investment (mainly energy) and the remainder in similar proportions through PPP and public investment (mainly transport). Financing for the Government's contribution to support the Plan totalling GBP 30,000 million has already been identified and is pending confirmation.

Strategic positioning

The construction activity continues to be a strategic bet for Ferrovial, not only due to the solid historic evolution of growth and profitability, but also due to its major capacity to generate cash flow, that is necessary for continuity of the diversification process and the international expansion of the group.

The fundamental objectives of Ferrovial in the area of construction are:

Reinforcement of the position among the leaders of the sector, as well as growth in activity based on:

- Taking advantage of the international presence on markets selected by stability and growth capacity;
- Close collaboration with companies in the group with investment vocation that are world leaders in their activities, that has been successful for both parties for many years;
- Promoting presence in businesses in which Ferrovial Agromán still has a capacity to grow;
- Participation in projects linked to private financing formulas, both at national as well as international level, as long as these fulfil the requisites of profitability / risk / investment need to suit the present market situation;
- Meeting client's needs: Quality, environmental management, sustainability.

– Maintenance of present profitability levels, which are high considering the profitability of the competition environment at European level, through:

A careful selection of contracts, prioritising profitability over volume;

Exhaustive credit control with private clients;

Taking advantage of opportunities and synergies by means of more coordination between the various construction business lines, as well as other Group activities;

Creating value and competitive advantages via technical solutions and capacities;

Improvement in productivity via the incorporation of the use of new management technologies;

A tight, flexible, added -value generating structure.

– Prioritising cash flow generation over growth objectives, concentrating on non- intensive investment projects and with special monitoring of site- to- site management of operating funds.

Achieving the preceding objectives is based on management of the day-to-day management of the business, as well as implementation of the strategic patterns by each one of the business managements, consisting of:

Implementation in the construction business in Spain, which has a successful competitive situation, of very specific improvements that adapt their positioning to market development: Public-private collaboration formulas, greater competition on the public works market, recession on the real estate market, risks of defaulting by private customers, etc.

Boosting activity in the fields of industrial construction, especially internationalisation of the activity and penetration of new industrial construction activities other than water treatment.

Growth in the international construction business, although not if attaining this involves more risks or a decrease in profitability:

Continuing the commitment to Eastern Countries, strengthening presence in all the construction sectors and maintaining collaboration and know-how exchange with the rest of the companies in the Group.

Consolidating the already important activity of the North American markets, both by collaboration with Cintra and penetration in new markets of interest

Special emphasis on taking advantage of the growing presence of other divisions of the group in the United Kingdom to encourage construction activity on that market

Maintenance of a stable structure in other low risk countries in which the Company has major experience: Portugal, Ireland, Chile, Puerto Rico, etc.

Entry to new markets with growth potential, in an initial phase along with other companies with investment vocation in the group, mainly CINTRA, and a vocation to remain if the market conditions allow.

- Share in large international projects in countries with legal security, without the involvement of Group investing companies, following thorough assessment of the risks to be undertaken.

EVENTS AFTER THE REPORTING PERIOD

After 31 December 2011, there have been no relevant facts that affect the financial statements of Ferrovial Agromán, S.A. on that date.

RISKS

The construction activity is not risk free. That is why it is the Company's policy to do anything within their power to prevent risks and hazards from occurring and to diminish the negative effects that could be derived from them.

These risks and hazards include:

- Risks concerning construction quality: damage to the construction or third parties
- Environmental hazards: Incidents derived from actions that can have an impact on the environment

- Occupational hazards: derived from the activity itself or as a result of joint and several liabilities or contingent liabilities derived from subcontractor personnel
- Financial risks: losses derived from clients' non-payments, insolvencies or late payment.

Furthermore, the Company has continued to implement an active strategy to protect its equity interests against exchange rate and interest risks originating in the ordinary course of business.

Consequently, Ferrovial Agromán, S.A. usually performs hedging transactions to ensure that both the equity elements and the foreseeable cash flows are not affected by variations in exchange and/or interest rates, as detailed in Note 3 in its annual report.

Research and development activities

Ferrovial Agromán remains in the avant-garde in application of spearhead technology in the construction sector, for which it participates in the research and development activities that contribute to that aim.

Ferrovial Agromán, maintaining its commitment to quality and the environment, has continued to apply, in its activities, the production and management processes that were the object of the AENOR certification due to fulfilling the requisites of Standards ISO 9.001 and 14.001.

TREASURY SHARES

The Company held no treasury shares at 31 December 2011 and during that Financial Year it has not performed any operations with these.

CERTIFICATE TO ATTEST

That the Board of Directors of Ferrovial Agroman, S.A. in Meeting held in Madrid on 30 March 2012 and under the Public Limited Companies Act has prepared, unanimously, the Directors Reports of 31 December 2011, which shall be submitted to the discussion and approval, if appropriate, of the Shareholders at the Annual General Meeting.

The aforesaid documents, which form a single set, have been transcribed on the preceding consecutively numbered pages, written only on the obverse and all signed by the Company Secretary, and bearing the Company's Seal.

Pursuant to the Public Limited Companies Act, the Directors, who on today's date form the Company's Board of Directors, have signed the last page of this document, to all of which I attest as the Company Secretary, in Madrid on 30 March 2012.

Chairman: Mr. Joaquín Ayuso García	**Director: Mr. Iñigo Meirás Amusco**
Director: Mr. Ernesto López Mozo	**Director: Mr. Alejandro de la Joya Ruiz de Velasco**
Director: Mr. Santiago Ortiz Vaamonde	**Secretary-Director** **Mr. José Carlos Garrido-Lestache Rodríguez**

(TRADUCCIÓN JURADA DEL ORIGINAL EN ESPAÑOL AL INGLÉS)
(SWORN TRANSLATION FROM THE SPANISH ORIGINAL INTO ENGLISH)

Ferrovial
Agromán, S.A.

Annual Accounts for the Financial Year
ended on 31st December 2010
& Annual Report, together with
Independent Auditor's
Report

Deloitte

Deloitte, S.L.

Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
Spain

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

AUDITORS' REPORT ON ANNUAL ACCOUNTS

To the Shareholders of
Ferrovial Agromán, S.A.:

1. We have audited the Annual Accounts pertaining to Ferrovial Agromán, S.A., which comprise the balance sheet as of 31st December 2010, the profit and loss statement, the statement of changes in net assets, the statement of cash flow and the annual report for the Financial Year ended on that date, preparation of which is the responsibility of the Company Directors, pursuant to the legal framework on financial information applicable to the Company (identified in Note 2.a of the attached annual report) and to the accounting principles and criteria contained therein, in particular. Our responsibility is to express an opinion on those annual accounts taken as a whole, based on the work carried out according to the legal standards applicable to the annual accounts auditing activity currently in force in Spain, which require examining, by performance of selective tests, the evidence that justify the annual accounts, and evaluating if their presentation, the accounting principles and criteria applied and the estimates performed, are in line to the applicable legal framework on financial information.

2. In our opinion, the attached 2010 annual accounts present, in all material respects, a true and fair view of the net worth and the consolidated financial situation of Ferrovial Agromán, S.A. as of 31st December 2010, and of the results of its operations and the cash flow pertaining to the Financial Year ended on such date, in accordance with the applicable legal framework on financial information and with the accounting principles and criteria contained therein, in particular.

3. On 13th May 2010, another audit firm issued its report on the annual accounts for the Financial Year 2009, in which a favourable opinion was expressed.

4. The attached management report for Financial Year 2010 contains the explanations the Directors consider appropriate concerning the situation of the Company, the evolution of its business and on other matters and do not form an integral part of the annual accounts. We have verified that the accounting information that management report contains matches that in the annual accounts for Financial Year 2010. Our work as auditors is limited to verification of the management report to the extent mentioned in this same paragraph and does not include review of information other than that obtained from the accounting records of the Company.

DELOITTE, S.L.
Registered with the Official Registry of Chartered Accountants under no. S0692

(Illegible signature)
Miguel Laserna Niño
19th April 2011

Deloitte, S.L., registered in the Business Registry of Madrid, Volume 13,650, section 8, sheet 188, page M-54414. Entry no. 96, Tax Identity Number: B-79104469 Registered office: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid

Annual Report

Ferrovial Agromán, S.A

Annual Accounts & Annual Report for Financial Year 2010

Ferrovial Agromán, S.A.

Annual Accounts & Annual Report
for Financial Year 2010

Contents

Balance Sheet as of 31st December 2010

Ferrovial Agromán, S.A.

Balance sheet

Assets	Note	Thousand Euros 2010	2009
Non-current assets		**850,608**	**808,694**
Intangible Assets	6	318	292
Computer software		677	641
Other intangible assets		245	245
Accumulated amortisation		(604)	(594)
Tangible assets	7	30,556	33,456
Land & constructions		8,545	8,545
Technical installations & machinery		194,271	201,437
Assets under construction & prepayments		574	1,679
Tools & furniture		23,126	21,128
Other tangible assets		11,349	12,206
Accumulated amortisation		(193,179)	(198,920)
Tangible asset provision		(14,130)	(12,619)
Long term investments in Group companies & associated	8	729,163	694,028
Stakes in group & associated companies		577,067	545,393
Loans to group companies		158,034	156,065
Shareholding provisions		(5,938)	(7,430)
Long-term financial investments		6,278	7,656
Disposable financial investments	9	124	3,803
Other loans		4,043	4,651
Deposits & sureties established long-term		2,111	2,881
Deferred tax assets	21	84,293	90,375
Current assets		**3,136,540**	**3,203,463**
Non-current assets classified as held for sale	11	—	8,000
Inventories	12	96,404	88,638
Trade & other receivables	13	1,271,996	1,204,651
Trade receivables for sales & services		902,457	862,162
Receivable from group & associated companies	28	288,025	265,089
Other tax receivables		79,069	76,804
Assets for taxes on current profit		6,463	3,101
Staff		431	534
Other receivables		123,961	123,490
Provisions		(128,410)	(126,529)
Investments in group & associated companies short term	28	1,450,770	1,377,478
Loans to group companies short term		1,450,770	1,377,478
Short-term prepayments & accrued income		4,363	5,074
Cash & Cash Equivalents	14	313,007	519,622
Total Assets		**3,987,148**	**4,012,157**

Notes 1 to 33 form part of the Annual Accounts as of 31st December 2010.

Balance Sheet as of 31st December 2010

Ferrovial Agromán, S.A.

Liabilities & Equity	Note	Thousand Euros 2010	Thousand Euros 2009
Equity	**15**	**603,820**	**510,873**
Own funds		**603,820**	**510,873**
Capital		191,816	191,816
Share premium		241,904	241,904
Reserves		63,022	58,470
Legal Reserve		38,411	38,411
Other reserves		24,611	20,059
Profit for the year		107,078	120,819
Interim dividend distributed in the Financial Year		—	(102,136)
Non-current liabilities		**133,599**	**472,398**
Long-term provisions	16	65,182	48,308
Long-term debts		56,960	65,321
Amounts owed to credit institutions		1,425	3
Derivative financial instruments at fair value	10	54,432	47,430
Other debts		1,103	17,888
Long-term debts with group & associated companies	28	—	355,970
Deferred tax liabilities	20	11,457	19,912
Current liabilities		**3,249,729**	**3,028,886**
Short-term provisions	17	304,260	298,961
Short-term debts		3,714	8,126
Amounts owed to credit institutions	18	3,610	8,126
Derivative financial instruments at fair value	10	104	—
Short-term debts with group & associated companies	28	526,337	155,693
Trade creditors & other payables	19	2,407,760	2,538,286
Suppliers		1,476,257	1,583,473
Suppliers, group & associated companies	28	196,182	162,750
Other payables		63,546	58,500
Staff (remunerations pending payment)		28,648	28,442
Current tax liabilities (Group companies)	20	38,924	59,877
Other debts with the Public Administrations		174,339	175,897
Trade debtors-credit balances	13	429,864	469,347
Short-term prepayments & accrued income		7,658	27,820
Total Liabilities & Equity		**3,987,148**	**4,012,157**

Notes 1 to 33 form part of the Annual Accounts as of 31st December 2010.

Profit & Loss Statement for Financial Year ended 31st December 2010

Ferrovial Agromán, S.A.

Profit & loss statement

Profit & Loss Statement	Note	Thousand Euros 2010	2009
Net Business Turnover		**2,270,696**	**2,664,698**
Sales		2,154,788	2,556,880
Provision of services		115,908	107,818
Other operating income		**56,129**	**61,904**
Total operating income	**22**	**2,326,825**	**2,726,602**
Change in stock		**2,839**	**1,117**
Consumables & other external costs	**23**	**(1,450,885)**	**(1,730,731)**
Consumption of raw materials & other consumables		(371,718)	(466,946)
Work performed by other companies		(1,079,167)	(1,263,785)
Staff Costs	**24**	**(349,780)**	**(399,952)**
Salaries, wages & similar		(293,249)	(333,540)
Social security contributions		(56,531)	(66,412)
Allowances for fixed asset depreciation	**6 & 7**	**(18,247)**	**(19,917)**
Change in trade provisions	**12, 13 & 17**	**(30,636)**	**(60,976)**
Other operating charges		**(420,384)**	**(427,987)**
External services		(343,087)	(340,311)
Taxes		(57,171)	(62,658)
Deterioration & change in tangible asset provisions	7	96	(8,226)
Other operating charges		(20,222)	(16,792)
Total operating expenditure		**(2,267,093)**	**(2,638,446)**
Trading profit		**59,732**	**88,156**
From investments in equity instruments		**39,422**	**12,729**
In group companies	28 & 8	39,417	12,648
In non-group companies		5	81
From negotiable securities & other financial instruments		**79,377**	**70,814**
In group companies	28	59,780	54,032
In non-group companies		19,597	16,782
Total financial income		**118,799**	**83,543**
Due to debts with group & associated companies	28	(11,427)	(7,169)
Due to debts with third parties		(16,342)	(10,623)
Total financial expenditure		**(27,769)**	**(17,792)**
Deterioration & results due to disposal of financial instruments	**8**	**1,390**	**(2,048)**
Variation in the fair value of financial instruments	**10**	**(7,002)**	**31,909**
Exchange differences		**(1,280)**	**(3,090)**
Financial Profit	**25**	**84,138**	**92,522**
Profit before taxation		**143,870**	**180,678**
Corporation Tax	20	(36,792)	(59,859)
Consolidated profit for the business year:		**107,078**	**120,819**

Notes 1 to 33 form part of the Annual Accounts as of 31st December 2010.

Statement of changes in equity

A) STATEMENT OF RECOGNISED INCOME & EXPENSE

Income & expense recognised in the FY	Thousand Euros 2010	Thousand Euros 2009
Gains/ (Losses) on hedging instruments	—	—
Actuarial gains/ (Losses) on defined benefit plans	—	—
Gains/ (Losses) due to policy changes	—	—
Gains/ (Losses) due to currency translation differences	329	(1,574)
Income & expense recognised directly in equity	**329**	**(1,574)**
Profit for the year	107,078	120,819
Total income & expense recognised in the Financial Year 2008	**107,407**	**119,245**

B) TOTAL STATEMENT OF CHANGES IN EQUITY

	Thousand Euros					
Changes in Equity	**Share Capital**	**Share Premium**	**Reserves (1)**	**Interim dividend**	**Profit or loss for the Financial Year**	**Equity**
Balance as at 31.12.2008	191,856	241,904	133,059	(148,160)	189,349	**607,968**
Total of recognised revenue & expenses	—		(1,574)		120,819	**119,245**
Operations with shareholders						
Profit distribution of the Financial Year 2008						
– to interim dividend to be compensated	—	—	—	148,160	(148,160)	**—**
– to additional dividend	—	—	(83,367)	—	(41,189)	**(124,556)**
Share option plans	—	—	10,326	—	—	**10,326**
Interim payment distribution	—	—	—	(102,136)	—	**(102,136)**
Other movements	—	—	26	—	—	**26**
Balance as at 31.12.2009	**191,816**	**241,904**	**58,470**	**(102,136)**	**120,819**	**510,873**
Total of recognised revenue & expenses	—	—	329	—	107,078	**107,407**
Operations with shareholders						
Profit distribution of the Financial Year 2009						
– to interim dividend to be compensated	—	—	—	102,136	(102,136)	**—**
– to additional dividend	—	—	—	—	(17,438)	**(17,438)**
– to voluntary reserves	—	—	1,245	—	(1,245)	**—**
Share option plans (Note 27)	—	—	2,954	—	—	**2,954**
Other movements	—	—	24	—	—	**24**
Balance as at 31.12.2010	**191,816**	**241,904**	**63,022**	**—**	**107,078**	**603,820**

(1) *It includes reserves from translation differences.*

Cash Flow Statement for Financial Year ended 31st December 2010

Ferrovial Agromán, S.A.

Statement of cash-flow

	Note	2010	2009
		Thousand Euros	
Net Profit		**107,078**	**120,819**
Profit (loss) adjustments		(3,532)	58,556
Depreciation, amortisation & provisions		43,814	91,219
Profit (Loss) from financing		(84,138)	(92,522)
Tax		36,792	59,859
Interest payments		(27,769)	(17,792)
Dividend collections		39,422	12,442
Interest collections		79,377	83,543
Tax payment	20	(59,877)	(74,040)
Change in receivables, payables & other		(198,415)	106,303
Cash flow from operating activities		**(63,716)**	**289,831**
Investment in tangible & intangible assets	6 & 7	(18,552)	(15,609)
Investment in financial assets	8 & 9	(120,021)	(2,126)
Divestment		16,132	14,943
Cash flow from investing activities		**(122,441)**	**(2,792)**
Cash flow before financing activities		**287,039**	**358,714**
Capital flow & minority interests		—	—
Payment of dividends to parent Company		(17,438)	(226,692)
Cash flow own financing activities		**(226,692)**	**(226,692)**
Increase in bank borrowings		1,422	2,480
Decrease in bank borrowings		(4,516)	(20,459)
Cash flow from financing activities		**(20,532)**	**(244,671)**
Change in cash & cash equivalents		**(206,689)**	**42,368**
Opening cash & cash equivalents		519,622	477,139
Closing cash & cash equivalents		313,007	519,622
Impact of exchange rates on cash & cash equivalents		74	115

Notes 1 to 33 form part of the Annual Accounts as of 31st December 2010.

1. COMPANY ACTIVITY

Ferrovial Agromán, S.A., hereinafter referred to as Ferrovial Agromán or the Company, was established for an indefinite period on 9th July 1929. Its articles of association were adapted to current legislation by means of a notarial instrument authorised on 31st July 1990. Its registered office is at Calle Ribera del Loira, 42, in Madrid.

The main activity of Ferrovial Agromán, S.A., consists of the study, concession, construction and operation of all kinds of public and private works, as well as the construction and operation of all kinds of public services related to transport infrastructure, both in Spain and abroad. It also has stakes in other companies with similar activities and, in the international sphere, the business carried out in Poland by the Budimex Group, the leading contractor in that country- indeed listed on the Warsaw Stock Exchange- in which it has a of 59.06% stake, via Discota XXI, S.L.U., a Company owned entirely by Ferrovial Agromán, S.A., stands out; as well and the business carried out, in the United States, by the Webber Group, one of the three main construction groups in the State of Texas and a leader in the production and distribution of recycled aggregates, of which Ferrovial Agromán, S.A. owns 100% via Norvarem, S.A.U.

Its registered office is at calle Ribera del Loira nº 42, in Madrid.

Ferrovial Agromán, S.A. belongs to a larger group, the parent Company of which is Ferrovial, S.A., a Company listed on the Madrid Stock Exchange, which prepares consolidated annual accounts, so the Company is not obliged to prepare consolidated accounts. The consolidated annual accounts of the Ferrovial Group in Financial Year 2009 were approved by the General Meeting of Shareholders on 29th June 2010 and are deposited at the Business Registry of Madrid. Likewise, the consolidated annual accounts of the Ferrovial Group for Financial Year 2010 were presented on 22nd February 2011.

Ferrovial Agromán, S.A. is the parent Company of the Ferrovial Agromán Group, formed by Ferrovial Agromán, S.A. and its affiliates. The consolidated annual accounts of the Ferrovial Agromán Group for Financial Year 2010 were presented voluntarily by the Directors at the meeting of its Board of Directors held on 30th March 2011. The individual and consolidated annual accounts for Financial Year 2009 were approved by the General Meeting of Shareholders of Ferrovial Agromán, S.A. held on 6th May 2010 and deposited at the Business Registry of Madrid.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) True and Fair View and Basis of Presentation

The attached annual accounts have been obtained from the accounting records of the Company and are presented according to the regulatory framework for financial information that is applicable to the Company, so they provide a true image of the assets, the financial situation and results of the Company. The regulatory framework is that established in:

a) Code of Commerce and remaining mercantile legislation;

b) General Accounting Plan approved by Royal Decree 1514/2007 and its sectorial adaptations and, in particular, the Sectorial Adaptation of the General Accounting Plan to the Construction Sector, provided in the Ministerial Order of 27th January 1993;

c) The regulations for mandatory fulfilment approved by the Institute for Accounting and Accounts Auditing in development of the General Accounting Plan and its complementary regulations;

d) The rest of the Spanish accounting regulations that are applicable.

The annual accounts shall be submitted for approval by the Ordinary General Meeting of Shareholders and it is foreseen that they shall be approved without any amendment. The Company holds majority stakes in the capital of certain subsidiaries and has stakes equal to or greater than 20% in the stock capital of others. The annual accounts do not record the increases or decreases in assets that would arise from applying consolidation criteria by global integration of the majority stakes and by accounting according to the equivalence procedure in the case of the other significant stakes. The Company also draws up consolidated annual accounts voluntarily as the parent Company of the Ferrovial Agromán Group under the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The main magnitudes of the consolidated financial statements pursuant to international accounting regulations are as follows:

Thousand Euros	2010	2009
Equity	790,761	850,645
Total Assets	5,897,855	5,263,595

Thousand Euros	2010	2009
Consolidated gain (loss) for the business year for the dominant Company	138,381	168,772
Business Turnover	4,625,352	4,518,397

The Company also participates in certain Joint Ventures in the construction business. These Joint Ventures have been included proportionally according to the stake held in them, at the each one of the headings on the balance sheet and in the profit and loss statement of the Company.

The amounts in the Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity and the Cash Flow Statement and the notes included in this Report are stated in thousand of Euros.

b) Accounting Principles

The balance sheet, profit and loss statement, statement of changes in equity and the cash flow statement were drawn up pursuant to accounting principles stated in current commercial legislation.

c) Critical Aspects of the Valuation and Estimates

In the annual accounts for Financial Year 2010, estimations have been used to valuate some of the assets, liabilities, revenue, expenses and commitments that are recorded in them. Basically, these refer to:

- Valuation of possible losses due to impairment of certain assets (see Notes 4.2 and 4.4);
- The useful life of tangible and intangible assets (see Notes 4.1 and 4.2);
- Estimation of possible contingent liabilities (see Note 4.11);
- Fair value of the financial instruments (see Note 5.2);
- Valuation of stock options (see Note 30);
- Revenue reported (see Note 4.16).

In spite of the estimates having been made based on the best information available at the end of Financial Year 2010, it is possible that events that may take place in the future may oblige their amendment (upward or downward) in the coming financial years, which would be performed prospectively, if necessary.

d) Comparison of Information

On 24th September 2010, Royal Decree 1159/2010, dated 17th September, was published in the Official State Gazette, introducing some amendments in the General Accounting Plan approved by Royal Decree 1514/2007.

Pursuant to the transitional rules established, these amendments have been applied prospectively as of 1st January 2010, without them having had any significant impact. Likewise, according to those rules, the Company has opted to present the comparison with previous financial years without adapting these to the new criteria, so these annual accounts are considered initial ones for the purposes of uniformity and comparison.

e) Grouping of Items

The balance sheet, profit and loss statement, statement of changes in equity and cash flow statement are presented grouped together to make them easier to understand. The required analyses are included in the corresponding report notes.

f) Changes in accounting criteria

During Financial Year 2010, no changes have taken place compared with those applied during the preceding Financial Year.

3. PROFIT DISTRIBUTION

The Board of Directors proposes the following profit distribution:

- No provision is made to the legal reserve as this has reached 20% of the Share Capital.
- The Financial Year result shall be applied to dividends amounting to € 94,662 thousands (€ 0.38 per share) and the rest to voluntary reserves.

4. ACCOUNTING POLICIES

The main valuation standards used by the Company in the preparation of its Financial Statements are as follows:

4.1 Intangible Assets

The items included in the "intangible assets" heading of the attached balance sheet are recognised initially at their purchase price or production cost, including financial costs that may be capitalised, and later they are valued at cost minus the corresponding accumulated depreciation and impairment losses, if there are any. Intangible assets with a finite useful life are amortised using a straight-line method over their useful life with a maximum of 3 years. Intangible assets with an indefinite life are not amortised and they are subjected to a loss in value test every year.

4.2 Tangible assets

Tangible assets are recognised by their purchase price or production cost, minus the accumulated depreciation and the accumulated amount of the recognised impairment losses. That cost price is updated pursuant to Royal Decree Act 7/1996.

The expenses of conservation and maintenance of the tangible assets are recorded as expenses in the year when they take place. The work the Company performs on its own tangible assets show the real cost incurred. The costs of extension, modernisation or improvement involving increased productivity or lengthening of the useful life of the assets are capitalised as greater value thereof.

Costs of extension, modernisation or improvement of the tangible assets are incorporated to assets as the highest value of the property exclusively when they involve an increase in their capacity, productivity or extension of their useful life, and as long as it is possible to know or estimate the book value of the items that are deleted from the inventory as they have been replaced.

Financial expenses that are directly attributable to the purchase or construction of fixed asset elements that need longer than one year to be in a usable condition are incorporated at their cost until they are in a position to operate.

Important repair costs are capitalised and amortised over their estimated useful life, whilst recurrent maintenance costs are taken to the income statement in the Financial Year in which they occur.

Impairment Losses:

Assets with an indefinite useful life, such as goodwill, are not amortised, and they are tested for impairment losses annually. In the case of assets that are being depreciated, they are tested for impairment losses as long as an event or change in circumstance shows that the book value cannot be recovered. An impairment loss is recognised by the excess of the asset's book value on its recoverable amount, which is understood as the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment losses, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, different from goodwill, which may have suffered an impairment loss, are subject to reviews on each balance sheet date in case reversals of the loss may have occurred.

Amortisation of tangible assets:

The amortisation of tangible assets, except for land, which does not depreciate, is calculated by using the decreasing figures method and the straight-line method according to the estimated useful life, in line with effective depreciation, use and enjoyment.

The amortisation coefficients estimated by the Company are as follows:

	Years of useful life
Buildings and other constructions	33 -50
Machinery, installations and tools	5 - 8
Fittings and utensils	10 - 12
Transport elements	5 - 7
Other tangible assets	5

The machinery or other tangible assets purchased for a work and that in principle are only to be used in its execution, are depreciated over the life of the works, according to the works executed, a section that fundamentally includes minor machinery on site, utilities and tools, as well as fixed installations on site. In cases where repurchase of the asset at a fixed price is assured by contract, it is depreciated exclusively by the difference between the initial acquisition price and the buy-back one.

4.3 Leases

Leases are classified as finance leases provided their conditions substantially transfer the risks and rewards incident to the ownership to Ferrovial Agromán, which generally has the option of acquiring the asset at the end of the lease in accordance with the terms agreed when the contract is concluded. All other leases are classified as operating leases. The Company has no current financial leasing agreements in force.

Regarding operating leases, when Ferrovial Agromán, S.A. acts as a lessee in an operating lease, lease costs are taken to the income statement on a straight-line basis over the lease term, irrespective of the payment method stipulated in the lease. In the event that the lessor has established incentives in the lease consisting of payments corresponding to the lessee but made by the lessor, the income deriving from these incentives is taken to the income statement by reducing the cost of the lease on the same straight-line basis.

4.4 Financial Assets

a) Investments in the equity of group and associated companies

They are valued at their cost, less, if applicable, the accumulated amount of impairment adjustments. Nevertheless, when there is an investment prior to classification as group, multigroup or associated Company, the cost of the investment is considered as its book value before it had this classification. Prior valuation adjustments recorded directly in equity are held here until they are written off. If there is objective evidence that the book value is not recoverable, suitable valuation adjustments are performed for the difference between its book value and the recoverable amount, which is understood as the higher of its fair value less costs to sell and the current value of future cash flows derived from the investment. Unless there is better evidence of the recoverable amount, the equity of the associated Company is taken into consideration in the impairment estimate of these investments adjusted by the tacit capital gains existing on the valuation date (including the goodwill, if it exists) het of tax impact thereof. The valuation adjustment, and, if applicable, its reversal, is taken to the income statement for the Financial Year in which they occur.

Since 1st January 2010, in the case of investments in the assets of companies in the group that grant control over the subsidiary, fees paid to legal advisors or other professionals related to acquisition of the investment are recorded directly in the profit and loss statement.

b) Investments to maturity or accounts collectable

Both investments to maturity as well as the credits granted and accounts collectable are initially valued at their fair value minus the costs that may be assigned to them and, subsequently, at depreciated cost, reporting the interest accrued according to their effective interest rate. Such effective interest is the update rate that exactly equals the initial disbursement for the financial instrument with all its cash flows estimated up to its maturity. Notwithstanding the foregoing, credits for commercial operations with maturity not exceeding one year are valued, both at the moment of initial reporting as well as subsequently, at their face value, as long as the effect of not updating the flows is not significant. At least at the financial year-end, the necessary valuation corrections are made for impairment of value, if there is objective evidence that not all the amounts owed shall be collected. The amount of the loss due to impairment of value is the difference between the value of the asset on the books and the present value of the future cash flows estimated, discounting the effective interest rate at the moment of initial reporting. The value corrections, as well as their reversion when appropriate, are reported in the profit and loss statement. The financial assets are written off the balance sheet when the risks and advantages inherent to ownership of the financial asset are substantially transferred. In the specific case of accounts collectable, it is understood that this fact takes place, in general, if the risks of insolvency and default have been conveyed. These financial assets are included in the non- current assets, except for those with a maturity under 12 months from the date of the balance sheet, which are classified as current assets.

In particular, and with regard to the valuation corrections for trade debtors and other accounts collectable, evaluation is performed on each balance sheet closing date to ascertain whether there is objective evidence that an account collectable has suffered impairment. It is generally considered that a 100% loss in the value of an account collectable has taken place if there has been a case of temporary receivership, bankruptcy, judicial claims or non-payment of letters of exchange, promissory notes or cheques.

In the event that the above-mentioned conditions have not been complied with, but there has been a delay of over 6 months in the payment period, a detailed study will be conducted and the provision will be allocated based on the risk estimated in that analysis.

The criterion to record impairments in receivables consists of:

- Private clients: Provision of 100% of the debt in the event of suspension of payments, bankruptcy, legal claim or non-payment of bills, promissory notes or cheques. In the rest of the cases when the debt is older than 6 months, an individual analysis is made and the necessary provision is allocated to cover the estimated risk.
- Public clients: In the event of overdue debts of local corporations, the debt is depreciated by the amount obtained from applying a market interest rate to the debt for the period from its due date to the close of each Financial Year. In the case of the State and Autonomous Communities, the same rule is applied if there has been an agreement in the contract that there is no default interest.

c) <u>Financial assets at fair value with changes in the profit and loss statement</u>

These are all the assets that were acquired for the main purpose of generating a profit due to fluctuations in their value. They are valued at their fair value, both at the initial moment, as well as in the subsequent valuations, reporting the variations arising directly in the results accounts. The assets in this category are classified as current assets if their realisation is expected within the 12 months following the date of the balance sheet. There are no other assets at a fair value with changes in the profit and loss statement, except the derivatives described in Note 10.

d) <u>Available-for-sale financial assets and other non-current assets</u>

This heading includes the securities acquired that are not kept for the purposes of immediate trading and that do not have a fixed maturity date either, which are fundamentally those of financial stakes in companies not integrated in the consolidation perimeter of the group. They are valued at their fair value, recording the variations that arise directly in the net assets until the asset is disposed of or has suffered impairment of its (stable or permanent) value, at which moment those accumulated results previously reported in the net equity statement are transferred to the profit and loss statement. In this sense, the assumption is that there is an impairment (of a permanent nature) if there has been a decline of more than 40% in the listed value of the asset, or if there has been a prolonged decline in it over a period of a year and a half without it recovering the value.

Financial stakes in companies not integrated in the consolidation perimeter of the group, the fair value of which cannot reliably be determined, are valued at their cost minus, when appropriate, the accumulated amount of the valuation corrections due to impairment of value. Valuation corrections are made if there is objective evidence that their value has deteriorated due to a reduction or delay in the estimated future cash flows in the case of debt instruments acquired, or due to lack of recoverability of the value on the asset books, in the case of investments in equity instruments. The valuation correction is the difference between their cost or depreciated cost minus, as appropriate, any valuation correction previously recognised in the profit and loss statement and the fair value at the moment when the valuation is made. In the case of equity instruments that are valued at their cost due to not being able to determine their fair value, the value correction is determined in the same way as for investments in the equity of companies in the group, multi-group and associates.

At least at the financial year-end, the Company performs an impairment test for financial assets that are recorded at fair value. It is considered that there is objective evidence of impairment if the recoverable value of the financial asset is lower than its value on the books. When this takes place, reporting that impairment is recorded in the profit and loss statement.

The Company writes off financial assets when they expire, or when rights have been assigned to others to the cash flows of the relevant financial asset and the risks and benefits inherent to their ownership have substantially been transferred, such as final sales of assets, assignment of commercial credits in factoring operations in which the Company does not retain any credit or interest risk, sales of financial assets with a buy-back clause at their fair value, or securitisation of financial assets in which the Company assigning does not retain subordinate financing or grants any kind of guarantee, or takes on any other kind of risk. In the specific case of accounts collectable, it is understood that this takes place, in general, if the risks of insolvency and default have been conveyed.

On the contrary, the Company does not strike off financial assets, and reports a financial liability for an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent to ownership are substantially retained, such as discounting bills, factoring with recourse, sales of financial assets with buy-back clauses at a fixed price or sale price plus interest, and securitisation of financial assets in which the Company assigning retains subordinate financing or other types of guarantees that substantially absorb all the losses expected.

4.5 Derivative Financial Instruments

Derivatives are initially recognised by their fair value on the contract date. Subsequent changes to the fair value are also recognised at each balance sheet close. The recognition method of resulting gains or losses on derivatives depends on whether the instrument is or is not a designated hedge, and, if applicable, on the type of hedge. The different types are as follows:

i. Cash flow hedge: Its objective is to cover exposure to highly probable future transactions and changes in cash flows. The ineffective portion of the loss or gain on the hedging instrument is taken to the income statement and the effective portion is recognised directly in equity in the balance sheet. The amount deferred in equity is not recognised in the income statement until the gains or losses on the transactions hedged are taken to the income statement or until the maturity date of the transactions. The amount in question is recognised in the same results caption as the hedged item.

   Finally, should the hedge become ineffective, the amount recognised in equity to date is taken to the income statement on a proportionate basis during the term of the derivative contract.

ii. Fair value hedge: Its objective is to cover exposure to changes in the value of a recognised asset or liability, or a firm commitment relating to a future transaction. The loss or gain on the hedging instrument and on the hedged asset or liability is recognised in the profit and loss statement.

iii. Hedge of net investments in foreign operations: Its objective is to cover exposure to changes in the value of net investments in foreign operations attributable to foreign exchange fluctuations. Gains or losses are recognised in equity and taken to the income statement when the investment is sold or matures.

Gains or losses on derivatives not qualifying as hedges are recognised in the income statement. The Company does not currently have any derivative financial instruments that qualify as hedge accounting.

4.6 Cash and Cash Equivalents

Cash and cash equivalents include petty cash, demand deposits at credit institutions and other short-term highly liquid investments with an original maturity of three months or less, provided there is no significant risk of changes in value and they form part of the Company's normal cash management policy.

4.7 Inventories

Inventories are valued at their purchase price.

The Company makes suitable valuation adjustments, recognising them as expenditure in the profit and loss statement when the net realizable value of the inventories is less than its purchase price. If the circumstances causing the valuation adjustment cease to exist, the adjustment amount is reversed and it is taken to the profit and loss statement as income.

Inventories that need longer than a year to be in a saleable condition include financial expenses in their cost in the same terms provided for the tangible assets.

4.8 Non-Current Assets held for Sale

Non-current assets (or disposal groups of elements) are classified as held for sale when it is considered that their carrying amount will be recovered through a sale instead of through continuous use. This condition is only met when the sale is highly probably, the asset is available for immediate sale in its current condition and the sale is expected to be completed within one year after the classification date. These assets are measured at the lower of their carrying amount and their fair value less necessary disposal costs and they are not subject to depreciation.

4.9 Equity

Ordinary shares are classified as capital stock. The costs of the issue of new shares or options are presented directly under equity as a deduction, as fewer reserves. In the event of acquisitions of the Company's own shares, the amount paid, including any directly attributable incremental cost, is deducted in equity until it is cancelled, new issue or disposal. When these shares are sold or are reissued, any amount received is taken to equity net of any directly attributable incremental cost of the transaction.

4.10 Grants

Grants that are repayable are recorded as liabilities until the conditions are fulfilled that means they can be considered as non- repayable, whilst non-repayable grants are recorded as income directly attributable to equity and are recorded as income on the systematic and rational basis correlated with the expenses derived from the grant. Non-repayable grants received from members are recorded directly in capital and reserves.

For these purposes, a grant is considered non-repayable when there is an individualised concession agreement of the grant, all established conditions have been fulfilled for its concession and there is reasonable assurance that the grant will be received.

Monetary grants are valued by the fair value of the amount given and non-monetary grants by the fair value of the asset received. Both values refer to the moment of recognition.

Non-repayable grants related to the acquisition of intangible assets, tangible assets, and real estate investments, are recorded as income for the Financial Year in proportion to the depreciation of the corresponding assets, or, if applicable, when their disposal, valuation adjustment or deletion in the balance sheet occur. Non-repayable grants related to specific costs are taken to the profit and loss statement in the same year in which the corresponding expenses accrue, and those given to compensate operating deficit in the Financial Year in which they are granted, except when they are for compensating the operating deficit of future financial years, in which case they are recorded in those financial years.

4.11 Provisions and Contingent Liabilities

The Company recognises a provision for a commitment or obligation vis-à-vis a third party that meets the following requirements: it is a present obligation (legal or implicit) arising from past events or constructive obligations, whose settlement is expected to result in an outflow of funds and whose amount or timing are not known for certain, but can be reliably estimated. The main provisions the Company has are described in notes 16 and 17.

Provisions are valued by the current value of the payments expected to be required to settle the obligation using a pre-tax rate that shows the current market assessments of the temporary value of money and the obligation's specific risks. Adjustments in the provision due to discounting are recognised as a financial expense as they are accrued. Provisions expiring within or at one year, with a non-significant financial effect, are not discounted.

Contingent liabilities are potential obligations arising from past events whose materialisation is dependent on the occurrence or non-occurrence of one or more future events beyond the Company's control. These contingent liabilities are not recognised in the accounts, but are explained in the report (Note 21).

The following provisions are relevant:

- Provisions for deferred expenses: They cover payments that need to occur for various items, such as guarantee deposits of the main contract, removal of construction machinery, removal of installations, project completion settlement and preservation expenses in the guarantee period.

  Payments for these items generally occur after the project has been completed and the corresponding income is recognised. Consequently, provisions are made in accordance with best possible estimates and the project's characteristics on the basis of an initial estimated percentage of the work completed to be performed pursuant to its budgets, which, in general, cannot be changed until contract termination.

  Notwithstanding the above, the abovementioned initial percentage can vary if the initial estimate is deemed unsuitable as the contract unfolds. In this case, the provision is adjusted at origin as soon as this fact is realised and this entry is considered a change to the original estimate.

  When the project covered by the contract is delivered and as a result of the updated estimate, the excess provision, if any, is reverted using the corresponding income accounts. Afterwards, these provisions can only be used for the purpose planned and they remain in the liabilities whilst there is a risk in the corresponding project.

- Provisions for budgeted losses: When the likely final result of a project is going to involve the recognition of a loss, these losses must be recognised immediately in the financial statements. This likelihood is determined by using standardised criteria for client or project types, based on accumulated historic experience and on project budget management policies.

4.12 Provisions for Pensions and Similar Obligations

There are no pension plans and similar obligations in the Company.

Pursuant to current employment legislation, the Company is obliged to pay severance pay to those employees whose employment relationship it severs in certain conditions.

The Balance Sheet as of 31st December 2010 includes a provision for € 28,648 thousand (€ 28,442 thousand in 2009) under the heading "Remunerations pending payment" on the liabilities sides. According to legal provisions, part of this provision is to meet the cost of terminating the contracts of temporary construction personnel (Note 19).

4.13 Share-based Remuneration

Share Option Remuneration System though stock options of the Dominant Company of the Ferrovial Group, namely, Ferrovial, S.A.: They are measured when the options are initially granted at fair value using a financial method based on an improved binomial model that accounts for the strike price, volatility, exercise period, expected dividends, risk-free interest rate and the assumptions made to incorporate the effects of expected early exercise. The initial value is not subsequently reassessed. This value is recognised in staff costs in proportion to the stipulated period of time during which the employee must remain at the Company, with a balancing entry in equity.

4.14 Financial Liabilities

a) Debits and Payment Items

This category includes trade debits and non-trade debits. These accounts payable are classified as current liabilities, unless the Company has an unconditional right to defer their settlement for at least 12 months after the balance sheet date.

These debts are initially recognised at fair value net of transaction costs and subsequently remeasured at amortised cost using the effective interest method. This effective interest is the discount rate that brings the expected flow of future payments to the liability's maturity exactly into line with the initial amount received. In the event of the effective interest rate initially being considered different to the market interest, the liability shall be valued taking into account the actual value of the future flows at that market rate in the case of loans with an explicit interest rate. Should the interest rate specified not be found, their valuation is also performed at the said market interest rate.

In the event of the renegotiation of existing debts, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender, and the present value of cash flows, including origination and arrangement costs, applying the effective interest method, is not more than 10% higher or lower than the present value of future cash flows pending payment on the original liability, calculated using the same method.

The Company strikes off financial liabilities when the obligations that generated them are extinguished.

4.15 Corporation Tax and Deferred Taxes

The expense accrued for Corporation Tax recorded in the annual accounts of the Company is calculated on the basis of the accounting result of the Company, increased or decreased, as appropriate, by the impact of tax adjustments and by the timing differences that arise between the tax bases of the assets and liabilities and their amounts on the books in the annual accounts (liability method) and that give rise to reporting assets and liabilities for deferred taxes.

Deferred tax assets and liabilities are calculated at the tax rates in force on the balance sheet date and that are foreseen to be applicable in the period when the asset is realised or the liability liquidated. These are debited or credited to the income statements, except when they refer to items that are recorded directly in net equity, in which case they are accounted for and debited or credited to those accounts. The deferred tax assets and tax credits arising from negative tax bases are reported when it is probable that the Company may recover them in the future, regardless of the moment at which they are recovered and as long as the recovery is foreseen within the legal term granted to take advantage thereof. Deferred tax assets and liabilities are not discounted and are classified as a non- current asset (liability) on the balance sheet. Deferred taxes recorded are reviewed at each accounting closure.

Deferred taxes are reported on the timing differences that arise in investments in subsidiaries and associated companies and joint businesses, except in cases in which the Company may control the moment of reversion of the timing differences and it is also probable that these shall not revert in a foreseeable future.

Deferred taxes are not recognised when the transaction does not have an effect on the accounting and/or tax value of the assets or liabilities intervening therein.

The difference between the Corporation Tax expense accounted for at the end of the previous Financial Year and the Corporation Tax expense arising from the tax return finally submitted constitutes a change in the accounting estimates and is recorded as an expense / revenue in the current Financial Year.

The Company is integrated in the tax consolidation group headed by Ferrovial, S.A. (see Note 20).

4.16 Recording of Works Contracts

General Criterion of Revenue Recognition

The Company uses the method to recognise revenue, within the general percentage of completion criterion established in the adaptation of the PGC (Spanish General Accounting Plan) for the construction sector.

This method may be used since all contracts include:

- a definition of each and every project unit that must be executed to complete the whole project
- measurement of every one of the project units and
- the price at which each unit is certified.

For practical application of this method at the end of each month, measurement of the units produced is performed on each of the sites and the production in the month recorded as income.

Construction work costs are recognised for accounting purposes on an accrual basis, and costs actually incurred to execute project units completed, plus costs that may be incurred in the future and must be allocated to the project units completed, are recognised as expenses.

In exceptional cases, where it is not possible to estimate the margin for the entire contract, the total costs incurred are recognised and estimated sales in connection with the work completed are recognised as contract revenue.

The application of this revenue recognition method is combined with the preparation of a budget made for each construction contract by project unit. This budget is used as a key management tool for detailed monitoring of differences between actual and budgeted figures, project unit by project unit.

This budget also serves to anticipate possible future losses that may arise. In this case, the losses are provisioned when they are foreseen as certain.

Recognition of Changes to the Prime Contract

During performance of construction work, unforeseen events not envisaged in the prime contract may occur that increase the volume of the work to be performed.

These changes to the contract initially entered into require the client's technical approval and subsequent economic approval to make it possible to issue certificates and collect on these additional works.

The method adopted in this regard is not to recognise revenues arising from this additional work until approval thereof by the client are reasonably assured.

However, the costs associated with these project units are recognised when they arise irrespective of the degree of client approval of the work performed.

Late-Payment Interest

Late-payment interest arising from delays in the collection of certification is recognised when it is likely that this interest is actually going to be received and their amount can be reliably measured.

Late-payment interest arising from delays in the collection of certificates is recognised when it is likely that this interest will be collected and the amount can be reliably measured. Nevertheless, the procedure to recognise and collect interest is usually complicated, and it often occurs when the projects have been completed.

On the basis of the prudence concept, the Company recognises late-payment interest as revenues when there is absolute assurance as to its collection.

This interest is recognised in the Profit and loss statement as financial income.

4.17 Transactions denominated in Foreign Currency

Conversion of the transactions performed by the Company into a currency other than the functional one, that is the euro, is performed by applying the exchange rate in force at the moment of formalising each operation, or at the closing exchange rate in the case of live balances on the date of preparation of the annual accounts.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation to the closing exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the profit and loss statement, except if they differ in net equity, such as qualified cash flow hedgings and qualified net investment hedgings.

4.18 Transactions between Related Parties

In general, transactions between group companies are recorded at inception at their fair value. In this case, if the price agreed differs from its fair value, the difference is recorded taking the economic reality of the transaction into account. They are subsequently valued pursuant to the provisions in the corresponding standards.

4.19 Joint Ventures

Joint ventures have been incorporated into each of the headings on the balance sheet and the profit and loss statement using the proportional integration method on the basis of the ownership percentage in each of them, also eliminating mutual balances and transactions.

With regard to Joint Ventures, the Company uses the same criteria as indicated in the preceding sections.

The contribution by Joint Ventures to the turnover and result of Financial Years 2010 and 2009 is as follows:

FY 2010 Thousand Euros	FERROVIAL AGROMÁN		JOINT VENTURES %		Total
	Amount	%s/Total	Amount	%s/Total	Amount
NBT	1,618,857	71%	651,839	29%	2,270,696
Profit	93,092	87%	13,986	13%	107,078

FY 2009 Thousand Euros	FERROVIAL AGROMÁN		JOINT VENTURES %		Total
	Amount	%s/Total	Amount	%s/Total	Amount
NBT	2,027,675	76%	637,023	24%	2,664,698
Profit	74,269	61%	46,550	39%	120,819

Exhibit I of this report details the amounts contributed by the Joint Ventures in which Ferrovial Agromán, S.A. has an interest in the Financial Year 2010 in each heading of the Balance Sheet and the Profit and loss statement.

Exhibit II of this report shows a list of the domestic and industrial construction Joint Ventures in which Ferrovial Agromán S.A. has an interest, which contribute to the portfolio and/or business turnover in the Financial Year 2010.

Exhibit III of this report shows a list of the foreign construction Joint Ventures in which Ferrovial Agromán S.A. has an interest, which contribute to the portfolio and/or business turnover in the Financial Year 2010.

4.20 Environment

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity. The investments arising from environmental activities are valued at their acquisition cost as greater cost of the tangible assets in the Financial Year in which they take place and they are depreciated by the linear method based on their estimated useful life. Costs incurred to protect and improve the environment are taken to the income statement when incurred, irrespective of when the related monetary or financial flows take place.

5. Financial Risk Management

5.1. Financial Risk Factors

The Company's overall risk management programme is focused on the uncertainty of financial markets and tries to minimise potential adverse effects on their future profitability. The Company uses derivatives to hedge certain risks. Risk management is controlled by the Company's Finance Department, which identifies, assesses and hedges financial risks in accordance with the policies approved by the Board of Directors. The Board provides written policies for global risk management, as well as for specific areas, such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and investment of the excess liquidity.

Foreign Exchange Risk

Ferrovial Agromán has significant investments in currencies of non-euro countries, particularly US dollar and Polish zloty.

In general, foreign exchange risk management is centralised through the Economic and finance division on the basis of general criteria that limit exposure by means of hedging methods.

Globally, the Company applies a financial policy whereby debt is denominated in the same currency as the currency in which the revenues from the asset financed are obtained, so as to secure a natural hedge against foreign exchange fluctuations.

The impact of foreign exchange fluctuations on foreseeable cash flows is avoided by analysing and, in some cases, hedging the following transactions:

- Multi-currency projects (awarded or under tender);
- Profits obtained in foreign subsidiaries in the form of dividends or capital reimbursements expected from these subsidiaries;
- Intragroup loans to foreign subsidiaries;
- Cash surpluses in foreign subsidiaries;
- Trade receivables and payables denominated in foreign currency.

The Company seeks to apply the abovementioned policy to the financing of all its infrastructure projects. When it is not feasible to finance the projects in the same currency, the Company contracts derivatives to hedge potential changes in the value of the debt caused by foreign exchange fluctuations.

As regards capital investment in the projects, where the decision is taken to finance a part of the investment using specific debt contracted by the group companies that invest in project capital, the debt is usually obtained in the same project currency and acts as a natural hedge of foreign exchange risk.

The same criterion described in the previous paragraph is applied when companies are acquired in activities other than infrastructure projects.

In construction contracts in which the price is received in a currency other than the one in which related costs are paid, hedges are contracted to avoid changes in the profit obtained on the contract caused by foreign exchange fluctuations.

The following table shows the values of assets, liabilities, and shareholders' equity attributable to the Company by type of currency for FY 2010 and 2009:

2010	Thousand Euros		
Currency	**Assets**	**Liabilities**	**Equity**
Euro	3,915,392	3,294,129	621,263
US dollar	17,999	3,755	14,244
Polish zloty	50,171	86,525	(36,354)
Chilean Peso	2,737	952	1,785
Others	7,580	4,698	2,882
Group Total	**3,993,879**	**3,390,059**	**603,820**

2009	Thousand Euros		
Currency	**Assets**	**Liabilities**	**Equity**
Euro	3,914,886	3,376,172	538,714
US dollar	28,606	17,359	11,246
Polish zloty	75,587	109,290	(33,703)
Chilean Peso	1,537	9,248	(7,711)
Others	8,654	6,328	2,327
Group Total	**4,029,270**	**3,518,397**	**510,873**

An analysis of the table shows that the Company's equity is moderately exposed to the Polish zloty in particular, and, to a lesser extent, to the US dollar. This exposure originates from the branches in Poland and Puerto Rico.

In general, they are treated as long-term investments denominated in strong currencies that should not fluctuate significantly in the long term.

On the basis of table above, a 10% appreciation of the euro against the main currencies in which Ferrovial Agromán, S.A. has investments, would have had an impact of approximately € 1.6 million (€ 2.5 million in 2009) on the Company's equity, mainly generated by the Polish zloty, as detailed below:

2010	Thousand Euros		
Currency	**Net Equity Parent Company**	**Closing Exchange Rate**	**Impact +10%**
Euro	621,263	1.00	—
US dollar	14,244	1.34	(1,295)
Polish zloty	(36,354)	3.98	3,305
Chilean Peso	1,785	626.51	(162)
Others	2,882	1.00	(262)
Group Total	**603,820**		**1,586**

2009	Thousand Euros		
Currency	**Net Equity Parent Company**	**Closing Exchange Rate**	**Impact +10%**
Euro	538,714	1.00	0
US dollar	11,246	1.43	(1,022)
Polish zloty	(33,703)	4.10	3,064
Chilean Peso	(7,711)	727.63	701
Others	2,327	1.00	(212)
Group Total	**510,873**		**2,531**

If we apply a revaluation of 10%, that would amount to an impact on the assets exceeding -€ 7.1 million generated at 64% per Polish zloty in 2010, while in 2009, the impact was -€ 10.4 million, generated at 66% per Polish zloty:

2010	Thousand Euros		
Currency	Assets	Closing Exchange Rate	Impact +10%
Euro	3,915,392	1.00	—
US dollar	17,999	1.34	(1,636)
Polish zloty	50,171	3.98	(4,561)
Chilean Peso	2,737	626.51	(249)
Others	7,580	1.00	(689)
Group Total	**3,993,879**		**(7,135)**

2009	Thousand Euros		
Currency	Assets	Closing Exchange Rate	Impact +10%
Euro	3,914,886	1.00	—
US dollar	28,606	1.43	(2,601)
Polish zloty	75,587	4.10	(6,872)
Chilean Peso	1,537	727.63	(140)
Others	8,654	1.00	(787)
Group Total	**4,029,270**		**(10,400)**

In addition, the net profit obtained by currency type is shown in the following table:

2010	Thousand Euros		
Currency	Profit	Average Exchange Rate	Impact +10%
Euro	108,534	1.00	—
US dollar	2,231	1.33	(203)
Polish zloty	(3,040)	3.99	276
Chilean Peso	(9)	675.84	1
Others	(638)	1.00	58
Group Total	**107,078**		**132**

2009	Thousand Euros		
Currency	Profit	Average Exchange Rate	Impact +10%
Euro	115,322	1.00	—
US dollar	1,427	1.40	(130)
Polish zloty	4,483	4.34	(408)
Chilean Peso	(852)	771.80	77
Others	439	1.00	(40)
Group Total	**120,819**		**(501)**

The impact on the income statement of a 10% appreciation of the euro would have meant an impact of € 132 thousand in 2010 and -€ 500 thousand in 2009.

On the other hand, the effect of a revaluation of 10% in the euro would have the following impact on the liabilities in foreign currency as of 31st December 2010 and 2009:

2010	**Thousand of Euros**		
Currency	**Liabilities**	**Closing Exchange Rate**	**Impact +10%**
Euro	3,294,129	1.00	—
US dollar	3,755	1.34	(341)
Polish zloty	86,525	3.98	(7,866)
Chilean Peso	952	626.51	(87)
Others	4,698	1.00	(427)
Group Total	**3,390,059**		**(8,721)**

2009	**Thousand of Euros**		
Currency	**Liabilities**	**Closing Exchange Rate**	**Impact +10%**
Euro	3,376,172	1.00	—
US dollar	17,359	1.43	(1,578)
Polish zloty	109,290	4.10	(9,935)
Chilean Peso	9,248	727.63	(841)
Others	6,328	1.00	(575
Group Total	**3,518,397**		**(12,929)**

In all cases, the impact of a 10% devaluation would be similar in the opposite sense.

Interest Rate Risk:

The objective of Ferrovial Agromán, S.A. in its interest rate risk management is to obtain an adequate balance between its positions in fixed- and variable-rate debt in order to be able to adapt to different market circumstances and, in any event, guarantee the fulfilment of its business plans.

The Group to which the Company belongs has a cash-pooling policy established, the remuneration of which is based on fixed interest rates.

Credit Risk:

The Group's main financial assets exposed to credit risk are as follows:

a) Investments in financial assets included in cash and cash equivalents (short-term), (Note 14)

b) Long-term financial assets (notes 8 and 9)

c) Trade and other receivables (Note 13)

As regards the risk incurred by investing in financial products, Ferrovial Agromán S.A. has implemented internal policies to minimise credit risk, stipulating that counterparties must always be highly rated by prestigious international rating agencies. Ferrovial Agromán S.A. also imposes maximum limits on amounts invested or contracted, which are periodically reviewed.

In the case of transactions in countries whose economic and socio-political circumstances preclude high credit quality, the Company mainly selects branches that comply or almost comply with stipulated credit policy, as well as the largest local institutions.

With respect to risks related to trade receivables (included in section c) and non-current receivables (section b), there is a wide variety of clients, as a large part thereof being accounted by public bodies. Indeed, 64.1% (52.9% in 2009) of all the Company's non-current and current receivables, long-term and short-term, refer to the Public Administrations.

Liquidity Risk:

The present financial market environment has mainly been marked by a major international crisis that has led to widespread limitation on the granting of credit. Ferrovial Agromán, S.A. has maintained a proactive policy regarding management of the liquidity risk, fundamentally concentrating on preservation of the Company's liquidity and on dynamic management of financial assets.

This policy is focused on four main areas:

1.- Comprehensive working capital management to ensure timely fulfilment of collection commitments by clients.

2.- Monetization of financial assets, where feasible, based on reasonable market conditions, through factoring and discounting programmes of future debt claims.

3.- Integral cash flow management, in order to optimise the daily liquidity positions that exist at the different companies, establishing a global "cash management" system.

4.- Development of short-term financing lines that guarantee cash availability and payment of obligations in any scenario of normal behaviour or stress in collections and available balances.

The Company has also sought to always utilise available cash to settle payment obligations and debt commitments in advance.

Exposure to shares:

Ferrovial Agromán is also exposed to risk relating to the evolution of share prices of listed companies. This exposure specifically occurs in:

– Equity swaps linked to share-based remuneration systems:

As indicated in Note 10 of the annual report on derivatives, as well as in notes 27 and 30 on remuneration systems linked to the share price, Ferrovial, S.A. has signed equity swap agreements in order to cover possible disbursements the Company might have to make to liquidate the different remuneration systems linked to the evolution of the Ferrovial, S.A. shares granted to its executives.

These equity swaps eliminate uncertainty with respect to the strike price stipulated in the remuneration systems. However, as they are not deemed to be hedge derivatives, their market value has an impact on the Income Statement, which is positive if the market share price rises and negative if it falls.

Specifically in Financial Year 2010 Ferrovial, S.A., considering a listed closing price of 7.43 for Ferrovial, S.A. (8.23 at the end of Financial Year 2009), the Company has recorded an expense of € 7 million for that item within the line of financial results (see Note 25), with an impact on the net before tax result of € 5 million (revenue of € 31.9 and net result of € 22.3 million in Financial Year 2009).

5.2 Estimate of Fair Value

The fair value of financial instruments that are negotiated in active markets (such as securities held for trading and available for sale) is based on market prices as at the balance sheet date. The market share price used for financial assets is the current purchase price. The market share price used by the Company for financial assets is the current purchase price. The appropriate market price for financial liabilities is the current selling price.

The fair value of financial instruments that are not negotiated in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes hypothesis, which are mainly based on existing market conditions on the date of each balance sheet. Market prices for similar instruments are used for debt due after one year. Other techniques, such as estimated discounted cash flows, are used to determine the fair value of the other financial instruments. The fair value of interest-rate swaps is calculated as the current value of future estimated cash flows. The fair value of forward exchange contracts is determined using forward exchange rates in the market on the balance sheet date.

The nominal value less estimated credit adjustments of accounts receivable and payable is assumed to be close to fair values. The fair value of financial liabilities for the purposes of the presentation of financial information is estimated by discounting future contract cash flows at the current market interest rate available to the Company for similar financial instruments.

6. Intangible Assets

The breakdown of the balances in this Intangible Assets heading for the Financial Years 2010 and 2009 by nature is as follows:

	Thousand Euros		
MOVEMENTS IN 2010	**Computer software**	**Other intangible assets**	**TOTAL**
Investment:			
Balance as at 31.12.2009	641	245	886
Additions	100	—	100
Disposals	(65)	—	(65)
Scope changes and transfers	1	—	1
Impairment adjustments	—	—	—
Balance as at 31.12.2010	**677**	**245**	**922**
Accumulated amortisation:			
Balance as at 31.12.2009	(593)	(1)	(594)
Allowances	(24)	—	(24)
Disposals	14	—	14
Scope changes and transfers	—	—	—
Impairment adjustments	—	—	—
Balance as at 31.12.2010	**(603)**	**(1)**	**(604)**
Net book value 31.12.2010	**74**	**244**	**318**

	Thousand Euros		
MOVEMENTS IN 2009	**Computer software**	**Other intangible assets**	**TOTAL**
Investment:			
Balance as at 31/12/2008	627	19	646
Additions	31	226	257
Disposals	(17)	—	(17)
Scope changes and transfers	—	—	—
Impairment adjustments	—	—	—
Balance as at 31/12/2009	**641**	**245**	**886**
Accumulated amortisation:			
Balance as at 31/12/2008	(583)	(1)	(584)
Allowances	(15)	—	(15)
Disposals	5	—	5
Scope changes and transfers	—	—	—
Impairment adjustments	—	—	—
Balance as at 31/12/2009	**(593)**	**(1)**	**(594)**
Net book value 31/12/2009	**48**	**244**	**292**

During Financial Year 2009, goodwill has been generated on the operation by which the Company increased its stake of 50% to 54.95% in the Joint Venture “UTE Mérida III Milenio”.

Valuation corrections have not been reported for impairment of any individual intangible tangible assets during Financial Year 2010.

Likewise, there are no significant elements of the intangible tangible assets located abroad.

There are no elements of the intangible tangible assets that are fully depreciated on 31st December 2010 and 2009.

7. Tangible assets

The breakdown of the balances in the balance sheet heading of Tangible assets for Financial Years 2010 and 2009 is as follows:

	Thousand Euros					
MOVEMENTS IN 2010	**Land and constructions**	**Technical installations and other tangible assets**	**Assets under construction and prepayments**	**Tools and furniture**	**Other tangible assets**	**TOTAL**
Investment:						
Balance as at 31.12.2009	8,545	201,437	1,679	21,128	12,206	244,995
Additions	—	10,555	1,980	5,713	204	18,452
Disposals	—	(20,806)	—	(3,715)	(1,061)	(25,582)
Transfers	—	3,085	(3,085)	—	—	—
Balance as at 31.12.2010	**8,545**	**194,271**	**574**	**23,126**	**11,349**	**237,865**
Accumulated amortisation:						
Balance as at 31.12.2009	(381)	(173,361)	—	(14,566)	(10,612)	(198,920)
Allowances	(26)	(10,597)	—	(7,012)	(588)	(18,223)
Disposals	—	19,685	—	3,328	951	23,964
Transfers	—	—	—	—	—	—
Balance as at 31.12.2010	**(407)**	**(164,273)**	**—**	**(18,250)**	**(10,249)**	**(193,179)**
Impairment adjustments:						
Balance as at 31.12.2009	—	(12,619)	—	—	—	(12,619)
Allowances	—	(1,511)	—	—	—	(1,511)
Disposals	—	—	—	—	—	
Transfers	—	—	—	—	—	—
Balance as at 31.12.2010	**—**	**(14,130)**	**—**	**—**	**—**	**(14,130)**
Net book value 31.12.2010	**8,138**	**15,868**	**574**	**4,876**	**1,100**	**30,556**

	Thousand Euros					
MOVEMENTS IN 2009	**Land and constructions**	**Technical installations and other tangible assets**	**Assets under construction and prepayments**	**Tools and furniture**	**Other tangible assets**	**TOTAL**
Investment:						
Balance as at 31.12.2008	8,159	196,081	908	25,234	11,798	242,180
Additions	464	8,139	2,929	4,836	1,833	18,201
Disposals	(78)	(4,940)		(8,942)	(1,425)	(15,385)
Transfers	—	2,158	(2,158)	—	—	—
Balance as at 31.12.2009	**8,545**	**201,438**	**1,679**	**21,128**	**12,206**	**244,996**
Accumulated amortisation:						
Balance as at 31.12.2008	(391)	(163,504)	—	(18,783)	(10,841)	(193,519)
Allowances	(26)	(14,213)	—	(4,639)	(1,024)	(19,902)
Disposals	36	4,356	—	8,856	1,254	14,502
Transfers	—	—	—	—	—	—
Balance as at 31.12.2009	**(381)**	**(173,361)**	**—**	**(14,566)**	**(10,611)**	**-198,919**
Impairment adjustments:						
Balance as at 31.12.2008	—	(4,080)	—	—	—	(4,080)
Allowances	—	(8,538)	—	—	—	(8,538)
Disposals	—	—	—	—	—	
Transfers	—	—	—	—	—	—
Balance as at 31.12.2009	**—**	**(12,618)**	**—**	**—**	**—**	**(12,618)**
Net book value 31.12.2009	**8,164**	**15,459**	**1,679**	**6,562**	**1,595**	**33,459**

The additions in the Financial Year mainly correspond to the acquisition of specific construction machinery and other nom-recoverable construction installations (access roads, deckhouses and similar).

With regard to write-offs during Financial Year 2010, these are mainly those of technical installations and machinery at the Branch in Italy that have been disposed of during the Financial Year on conclusion of the railway works performed in that country. As those elements that are struck off have been depreciated to a great extent, and the sale price was similar to their net book value, so reporting a significant result in the profit and loss statement has not been required.

With regard to write-offs, among the elements assigned to the works that were removed during Financial Year 2009, the sale by Ferrovial Agromán to Compañía de Obras Castillejos, S.A.of diverse machinery amounting to € 1,367 thousand must be pointed out. As can be seen from the movement, most of the elements struck off are for items that had been fully depreciated, or their accumulated depreciation was near to the cost value.

During Financial Year 2009, depreciation amounting to € 8,538 thousand was reported, on a special feature tunnel-boring machine acquired by the Company to perform specific works, as a loss of value associated with it not being used in the production activity by the Company during that Financial Year was estimated. In Financial Year 2010, a provision was set aside for € 1,512 thousand to bring the book value of that tunnel-boring machine to zero, as it is estimated that it cannot be reused.

At 31st December 2009, the heading "Tangible assets" includes fully depreciated elements amounting to € 115,945 thousand (€ 108,987 thousand at 31st December 2009), fundamentally due to machinery and technical installations.

The Joint Ventures contribute approximately 39% of the net balance of Tangible assets (37% at 31st December 2009). The balances mainly correspond to Machinery (tunnel boring machines on the whole).

Lastly, Ferrovial Agromán S.A. does not have any asset as a financial lease.

Other Information

The net book value of the tangible assets located abroad at 31st December 2010 and 2009 amounts respectively to € 3,424 and € 6,147 thousand, being broken down as follows:

	Thousand Euros		
MOVEMENTS IN 2010	**Technical installations and other tangible assets**	**Other tangible assets**	**TOTAL**
Investment:			
Balance as at 31.12.2009	22,022	9,671	31,693
Additions	687	299	986
Disposals	(9,872)	(763)	(10,635)
Impact exchange rate	76	35	111
Balance as at 31.12.2009	**12,913**	**9,242**	**22,155**
Accumulated amortisation:			
Balance as at 31.12.2009	(18,589)	(6,957)	(25,546)
Allowances	(2,125)	(880)	(3,005)
Disposals	9,149	765	9,914
Impact exchange rate	(62)	(32)	(94)
Balance as at 31.12.2010	**(11,627)**	**(7,104)**	**(18,731)**
Net book value 31.12.2010	**1,286**	**2,138**	**3,424**

MOVEMENTS IN 2009	Thousand Euros		
	Technical installations and other tangible assets	Other tangible assets	TOTAL
Investment:			
Balance as at 31.12.2008	20,862	7,975	28,837
Additions	1,294	2,539	3,833
Disposals	(134)	(843)	(977)
Balance as at 31.12.2009	**22,022**	**9,671**	**31,693**
Accumulated amortisation:			
Balance as at 31.12.2008	(15,414)	(6,591)	(22,005)
Allowances	(3,279)	(848)	(4,127)
Disposals	104	482	586
Balance as at 31.12.2009	**(18,589)**	**(6,957)**	**(25,546)**
Net book value 31.12.2009	**3,433**	**2,714**	**6,147**

All the assets included in this heading are directly subject to the operation and they are suitably hedged by the corresponding insurance policies taken out.

There is not interest or exchange differences capitalised in tangible assets. Neither are there any assets subject to guarantees.

8. Long-term investments in Group companies and associated

The movements at 31st December 2010 and 2009 are detailed as follows:

MOVEMENTS IN 2010	Thousand Euros			
	Stakes in group companies	Loans to group companies	Depreciations	TOTAL
Investment:				
Balance as at 01.01.2010	**528,280**	**156,065**	**(7,430)**	**676,915**
Additions	51,028	12,814	(774)	63,068
Disposals	(2,241)	(10,845)	2,266	(10,820)
Balance as at 31.12.2010	**577,067**	**158,034**	**(5,938)**	**729,163**

MOVEMENTS IN 2009	Thousand Euros			
	Stakes in group companies	Loans to group companies	Depreciations	TOTAL
Investment:				
Balance as at 01.01.2009	**525,943**	**168,520**	**(5,383)**	**689,080**
Additions	3,937	888	(3,425)	1,400
Disposals	(1,600)	(13,343)	1,378	(13,565)
Balance as at 31.12.2009	**528,280**	**156,065**	**(7,430)**	**676,915**

a.- Stakes in group companies

The main operations performed in Financial Years 2010 and 2009 that justify the variation in the stakes, associated and securities portfolio are detailed as follows:

Financial Year 2010:

- The main movement in registrations is due to Ferrovial Agromán, S.A. having exercised all its preemptive subscription rights in the capital increase performed by the Company Cadagua, S.A. that is 99.95% owned, at a cost of € 39,980 thousand, fully paid up.
- The main movement in write-offs is due to having performed a capital reduction in the subsidiary Euroscut do Norte Litoral, S.A., amounting to € 2,128 thousand.

Financial Year 2009:

- The main movement of inclusions is due to Ferrovial Agromán, S.A. having underwritten in 2009 all the capital increase performed by Ferrovial Conservación, S.A., at a cost of € 1,239 thousand.
- The main movement in write-offs is due to having performed a capital reduction in the subsidiary Euroscut del Algarve, amounting to € 1,600 thousand.

The detail of the balance of this sub-heading at 31st December 2010 is as follows:

	Thousand Euros		
Companies	**Investment**	**Accumulated Depreciation**	**Depreciation / Reversion of the Financial Year**
Domestic Construction			
Ditecpesa, S.A.	1,201	—	—
Compañía de Obras Castillejos, S.A.	8,252	(3,855)	(764)
Encofrados Deslizantes y Técnicas Especiales, S.A.	1,796	—	—
Ferrovial Conservación, S.A.	4,215	(1,163)	289
Urbaoeste, S.A.	908	(122)	28
Discota XXI, S.L.U.	97,589	—	—
Urbs ludes Causidicus S.A.	8,558	(335)	—
Tecnológica Lena S.L.	453	(453)	—
Norvarem, S.A.U.	59	—	—
Industrial Construction			
Cadagua, S.A.	118,596	—	—
Aplicación de Recursos Naturales, S.A.	247	—	—
Ferrovial Medio Ambiente, S.A.	879	—	—
Foreign Construction			
Ferrovial Agromán Chile, S.A.	4,499	—	—
Ferrovial Agromán Empresa Constructora, Ltda.	419	—	—
Ferrovial Agromán UK, Ltd.	19,875	—	—
Ferrovial Agromán Airports (UK), Ltd,	—	—	—
Ferrovial Agromán Railways S.A.	247	(1)	(1)
Constructora Agromán Ferrovial, Ltda.	20	—	—
Ferrovial Agromán Cía, Ctra. Ltda.	30	—	—
Ferrovial Agromán Ireland, Ltd. (2)	—	—	—
Ferrovial Agromán US Corp.	3,174	—	1,947
Infrastructure Development			
Autoestrada Poludnie, S,A,	606	—	2
Euroscut-Sociedade Concessionaria da Escut do Algarve, S.A.	2,021	—	—
Euroscut do Norte Litoral, S.A.	6,448	—	—
Euroscut Azores, S.A. (3)	110	—	—
Concesionaria de Prisiones de Lledoners, S.A.	15,559	—	—
Autovía de Aragón Sociedad Concesionaria, S.A.	3,219	—	—
Sociedade Concesionaria Baio, S.A. (1)	2,206	(9)	(9)
Concesionaria de Prisiones de Figueras, S.A.	11,022	—	—
Ferrovial Financiera, AIE	264,859	—	—
Total	**577,067**	**(5,938)**	**1,492**

(1) Net investment of a pending disbursement amounting to € 6,619 thousand.
(2) Net investment of a pending disbursement amounting to € 100 thousand.
(3) Net investment of a pending disbursement amounting to € 12 thousand.

The revenue arising as a consequence of the variation in the impairment of stakes in group companies during 2010 is recorded under the heading “Impairment and result due to disposal of financial instruments” of the attached profit and loss statement.

The disbursements pending on 31st December 2010 are mainly those of the stake in the Company Concesionaria Baio, incorporated in 2008, and in which Ferrovial Agromán underwrote 50% of the stakes, initially paying up 25% of these, leaving the remaining 75% pending, equivalent to € 6,619 thousand. In addition to the foregoing, the balance recorded on 31st December 2009 mainly included 75% of the stakes underwritten in the Company Concesionaria de Prisiones Figueras, equivalent to € 8,267 thousand. It was incorporated in 2008 and the Company holds 100% of its stock capital.

The information on these subsidiaries at 31st December 2010 is as follows:

Companies	Reg. Office	Auditor	Stake	Capital and Premium	Reserves	2010 Result
Interior construction						
Ditecpesa, S.A.	Madrid	Deloitte	99.95%	1,184	1,890	702
Compañía de Obras Castillejos, S.A.	Madrid	Deloitte	99.95%	4,476	599	38
Encofrados Deslizantes y Técnicas Especiales, S.A.	Madrid	Deloitte	99.07%	661	4,515	944
Ferrovial Conservación, S.A.	Madrid	Deloitte	99.00%	4,243	(3,669)	24
Urbaoeste, S.A.	Cartagena	Non-audited	99.00%	210	556	20
Discota XXI, S.L.U.	Madrid	Deloitte	100.00%	97,589	8,492	25,157
Urbs ludex Caudidicus, S.A.	Barcelona	Deloitte	22.00%	38,902	(10,529)	—
Tecnológica Lena, S.L.	Asturias	Attest	50.00%	906	(1,246)	(201)
Norvarem, S.A.U.	Madrid	Non-audited	100.00%	60	7,043	(542)
Industrial construction						
Cadagua, S.A.	Bilbao	Deloitte	99.95%	46,011	6,847	5,167
Aplicación de Recursos Naturales, S.A.	Madrid	Non-audited	99.97%	240	952	(5)
Ferrovial Medio Ambiente y Energía, S.A.	Madrid	Deloitte	99.00%	607	1,677	211
Exterior construction						
Ferrovial Agromán Canadá, Inc.	Canadá	Non-audited	100.00%		543	(37)
Ferrovial Agromán Empresa Constructora, Ltda.	Chile	Ernst & Young	99.99%	—	(16,964)	22,628
Ferrovial Agromán Chile, S.A.	Chile	Ernst & Young	13.38%	13,757	14,855	6,842
Constructora Agromán Ferrovial Limitada	Chile	Ernst & Young	56.87%	35	(401)	(192)
Ferrovial Agromán Compañía Constructora, S.A.	Chile	Ernst & Young	99.95%	2,916	(1,575)	(465)
Ferrovial Agromán UK, Ltd.	UK	Deloitte	100.00%	19,874	(13,140)	(1,259)
Ferrovial Agromán Airports UK, Ltd.	UK	Deloitte	100.00%	4,379	—	5,111
Ferrovial Agromán Ireland, Ltd.	Irlanda	Deloitte	100.00%	—	51,834	(19,116)
Ferrovial Agromán US. Corp.	EEUU	BDO	100.00%	3,174	(5,504)	(4,352)
Infrastructures promotion						
Autoestrada Poludnie, S.A.	Polonia	Deloitte	1.27%	44,679	(1,946)	(2,703)
Euroscut-Sociedad Concesionaria da Escut do Algarve, S.A.	Portugal	Deloitte	8.00%			
Euroscut do Norte Litoral, S.A.	Portugal	Deloitte	8.51%	75,757	10,412	10,823
Euroscut Azores, S.A.	Portugal	Deloitte	0.20%	54,951	(14,542)	(4,920)
Concesionaria de Prisiones Lledoners, S.A.U.	España	Deloitte	100.00%	15,559	(2,927)	(1,524)
Concesionaria de Prisiones Figueras, S.A.U.	España	Deloitte	100.00%	11,022	(84)	—
Sociedad Concesionaria Baio, S.A.	España	Non-audited	50.00%	4,412	8	(24)
Autovía de Aragón Sociedad Concesionaria, S.A.	España	Deloitte	25.00%	12,874	(4,172)	(3,109)
Ferrovial Financiera, AIE	**España**	**Non-audited**	**19.53%**	**1,356,475**	**2,314**	**555**

The dividends received in the Financial Year come from the following companies:

Thousand Euros Companies (Group companies)	31.12.10	31.12.09
Ferrovial Financiera AIE	—	350
Euroscut-Sdad. Conc. Da Escut do Algarve, S.A.	—	869
FA Empresa Constructora, Ltd.	—	50
Discota XXI, S.L.U.	25,068	10,735
Edytesa, S.A.	1,365	216
Ditecpesa, S.A.	1,744	223
Cadagua, S.A.	7,606	—
Ferrovial Agromán Chile, S.A.	3,634	—
	39,417	**12,443**

None of the owned companies was listed on regulated markets on 31st December 2010 and 2009.

b. Loans to Group Companies

The main movement during the Financial Year is that amounting to € 8,182 thousand due to the partial amount advanced on the loan granted to W.W. Webber. Additions in this period correspond mainly to an equity loan with the Company Concesionaria de Prisiones Figueras, S.A.U. for a nominal amount of € 9,302 thousand. The detail of the balance of this sub-heading at 31st December 2010 is as follows:

Companies	Currency	Interest	Due Date	Thousand Euros
Participating Loans				
Norvarem, S.A.U.	EUR	(*)	30th December 2015	130,168
Ferrovial Conservación, S.A.	EUR	(**)	31st December 2012	15,000
Concesionaria de Prisiones Figueras, S.A.U.	EUR	(***)	06th July 2035	9,409
Long-term Loans				
Autovía de Aragón Sociedad Concesionaria, S.A.	EUR		04th December 2016	3,457
TOTAL				**158,034**

(*) Fixed interest rate of 2.75% per annum (that will be reviewed annually every 31st December, according to the fixed interest rate published by Ferrovial, S. A. for loans to its subsidiaries), and moreover, a variable interest that will consist of 25% per annum on the operating result, excluding the variations on provisions and depreciation (EBITDA), of the set of companies W.W.Webber, Webber Management Group, Southern Crushed Concrete and Norvarem, S. A. U. The total annual interest accrued by Norvarem, S. A. U. and that comprises the sum of the two interest rates agreed, may under no circumstance exceed the equivalent percentage amount of the annual rate of the LIBOR referenced to the US Dollar + 400 basic points.
(**) Fixed interest rate of 2.75% per annum (that will be reviewed annually every 31st December, according to the fixed interest rate published by Ferrovial, S. A. for loans to its subsidiaries), and moreover, a variable interest that will consist of 25% per annum on the profit before depreciations, interest and taxes (BAIT). The interest accrued will be paid in 30 days from 31st December each year in the case of fixed interest and since approval of the Annual Accounts takes place in the case of variable interest.
(***) Interest rate of ANNUAL EURIBOR (12M) + 1.5% reviewed according to the index published by the Bank of Spain, 2 working days prior to the end of each calendar year. The principal of the loan amounts to € 9,302 thousand, being increased by the interest accrued during the life of the loan, which may be liquidated on the maturity date.

The credits recorded under this heading have accrued revenue from financial interest amounting to € 7,338 and € 9,860 thousand during Financial Years 2010 and 2009, respectively, recorded in the attached profit and loss statement (see Note 25).

9. Long-term Financial Investments in Equity Instruments

The detail of this heading on 31st December 2010 and 2009, in thousand Euros, is as follows:

	2010		
Companies	**Provenance**	**Depreciation**	**Net**
Build2Edifica, S.A.	2,053	(1,933)	120
Terra Mítica Parque Temático de Benidorm, S.A.	1,352	(1,352)	—
Others	398	(394)	4
Total	**3,803**	**(3,679)**	**124**

	2009		
Companies	**Provenance**	**Depreciation**	**Net**
Build2Edifica, S.A.	2,053	(1,933)	120
Terra Mítica Parque Temático de Benidorm, S.A.	1,352	(1,352)	—
Others	398	(394)	4
Total	**3,803**	**(3,679)**	**124**

The above stakes do not have a reference market, so they are recorded at adjusted cost according to the impairments that may be identified.

10. Derivative Financial Instruments at Fair Value

The detail of the said coverage operations and their relevant fair values that exist on 31st December 2010 and 2009 is presented below, as well as the maturity of the notional amounts to which they are linked:

	Thousand Euros							
	Fair Value		Notional Maturities					
Instrument Type	**Balances as at 31/12/10**	**Balances as at 31/12/09**	**31/12/11**	**31/12/12**	**31/12/13**	**31/12/14**	**31/12/15 and more**	**TOTAL**
Cross Currency Swap	(104)	—	33,750	—	—	—	—	33,750
Equity swaps	(54,432)	(47,430)	36,003	29,817	13,566	—	45,785	125,171
Total	**(54,536)**	**(47,430)**	**69,753**	**29,817**	**13,566**	**—**	**45,785**	**158,921**

The notional amounts listed in this table include all these underwritten at 31st December 2010. Thus, their maturity dates are presented with a positive sign and the future increases already underwritten (if any) by their amount with negative sign.

a) Description of the main hedges:

	Thousand Euros					
	Fair Value		Other information			
	Balance as at 31/12/10	**Balance as at 31/12/09**	**Change**	**Fair value impact on results**	**Other impacts on results/balance sheet**	**Total**
Cross Currency Swap	(104)	—	(104)		(104)	(104)
Equity swaps	(54,432)	(47,430)	(7,002)	(7,002)	—	(7,002)
Total	**(54,536)**	**(47,430)**	**(7,106)**	**(7,002)**	**(104)**	**(7,106)**

Cross Currency Swap

These are derivatives taken by the Company to hedge the exchange risk associated with expected cash flows of subsidiaries and affiliates. The impact of the derivative on the profit and loss statement for Financial Year 2010 has amounted to € 104 thousand in expenses (zero in Financial Year 2009).

Equity Swaps

The derivatives heading includes the equity swap contracts the Company takes for the exclusive purpose of covering the equity impact of share option schemes, just as stated in Note 5.1 on market risks.

Those equity swap agreements mentioned are considered derivatives that do not fulfil the conditions to be identified as accounting hedging, the result thereof being recorded in the financial results heading, in which an expense of € 7,002 thousand was reported in Financial Year 2010 (€ 31,909 thousand in revenue in Financial Year 2009).

11. Non-current Assets classified as held for sale

Non-current assets held for sale are detailed below:

	Thousand Euros	
	2010	2009
Lands in Daganzo (Madrid)	—	8,000
TOTAL	**—**	**8,000**

Ferrovial Agromán, S.A. has received in preceding financial years two plots of land located in Madrid in payment of private customer debts, valued at € 8,000 thousand. This land was classified as non-current assets held for sale on 31st December 2009, as its sale was being negotiated actively and was considered highly probable. As the operation has finally not materialised during Financial Year 2010, and on 31st December 2010, the requisites to maintain the asset under that heading were not fulfilled, it has been reclassified to "Stock".

12. Inventories

The composition of stocks at 31st December 2010 and 2009 is as follows:

	Thousand Euros		
ITEMS	**Balance as at 31/12/10**	**Balance as at 31/12/09**	**Change**
Commercial inventories and buildings acquired	18,014	1,199	16,815
Raw materials and other supplies	44,402	52,849	(8,447)
Products in progress and semi-finished products	11,415	7,528	4,157
Built development & other finished products	1,294	1,264	30
Initial expenses and general facilities	22,703	27,491	(4,788)
Impairment adjustments	(1,424)	(1,423)	(1)
Total	**96,404**	**88,638**	**7,766**

There are no sale commitments, capitalised financial expenses or inventories subject to ownership restrictions or pledged to secure liabilities for 2010.

Nor are there embargoes on any of the stocks of the Company nor any limitation whatsoever on their availability at 31st December 2010.

Among commercial stocks and buildings acquired, mainly from assets given in payment and received by the Company, there is the land transferred from the heading "Non-current assets classified as held for sale" amounting to € 8,000 thousand, indicated in Note 11 above. This also includes the land located in Mojácar (Almeria), received for the same reason during the Financial Year, valued at € 8,815 thousand.

The Company has evaluated the existence of impairment associated with the assets included in stocks, not identifying significant loss in value that might become apparent at the time of their disposal that is not covered by the existing provisions at the end of Financial Year 2010.

13. Trade and Other Receivables

The composition of the customers and other receivables at 31st December 2010 and 2009 is as follows:

	Thousand Euros		
ITEMS	**Balance as at 31/12/10**	**Balance as at 31/12/09**	**Change**
Completed work pending certification	169,318	195,278	(25,960)
Certifications and invoices	522,412	412,206	110,206
Bills Receivable	31,910	42,569	(10,659)
Withholdings	74,611	104,218	(29,607)
Doubtful debts	82,656	97,295	(14,639)
Unpaid Items	21,550	10,596	10,954
Total trade receivables for sales and services	**902,457**	**862,162**	**40,295**
Receivable from group and associated companies	**288,025**	**265,089**	**22,936**
Other receivables	124,392	124,024	368
Receivables- Public Administrations	85,532	79,905	5,627
Total other receivables	**209,924**	**203,929**	**5,995**
Provisions for doubtful trade receivables	(112,647)	(119,580)	6,933
Other provisions for receivables	(15,763)	(6,949)	(8,814)
Total impairment adjustments	**(128,410)**	**(126,529)**	**(1,881)**
Total	**1,271,996**	**1,204,651**	**67,345**

The management considers that the carrying amounts of trade receivables approximate their fair values. The fair values of the items are considered receivable in the short-term and they are measured by their nominal, given that the discounting of the cash flows is not significant.

A deduction has been made from the total amount of Customers for sales and services rendered in Financial Year 2010 of € 202,170 thousand (€ 187,230 thousand in 2009) for collection documents assigned to financial institutions, as those assignments are performed without the possibility of recourse by these in the event of the customer default.

The percentage distribution of trade loans by relevant customer type at 31st December 2010 and 2009 is:

Item	**2010**	**2009**
Central Administration	26.02%	16.83%
Autonomous Communities	21.28%	20.44%
Local Corporations	16.80%	15.62%
Private Clients	22.72%	32.15%
Foreign Clients	13.18%	14.96%
	100.00%	**100.00%**

The average age at 31st December 2010 for certifications, invoices and bills is approximately:

- Central Administration: 2 months (4 months in 2009)
- Autonomous Communities: 4 months (4 months in 2009)
- Local Corporations: 4 months (4 months in 2009)
- Private Clients: 3 months (2 months in 2009)

Advances received from clients are also held on the balance sheet, amounting to € 429,864 thousand, which reflects records sums billed in advance for diverse items, whether collected or not, as well as deliveries made on account, normally in cash.

The recognition of impairment adjustments of trade receivables has been included in the "Impairment losses and change in trade provisions" in the profit and loss statement. The amounts charged to the value impairment account are normally deleted when recovering more cash is not expected.

The heading "Other debtors" mainly includes the balances arising from integration of Joint Ventures, held by their partners, amounting to € 104,516 and € 94,983 thousand on 31st December 2010 and 2009, respectively, as well as the balances to be collected for other services.

The heading "Receivable from Public Authorities" includes receivable balances from Public Authorities for items other than taxes on earnings.

Bad and doubtful debts are provided for pursuant to the accounting criterion established in Note 4.11 of the annual report. Change in the trade provision was as follows:

	Thousand Euros	
Movement in the provision	**2010**	**2009**
Initial Balance	126,529	102,952
Charges/ Allowances to the income statement	58,261	92,477
Reductions/ Applications	(56,380)	(68,900)
Closing Balance	**128,410**	**126,529**

Other debtor provisions are included under that heading that refer to public customer debts amounting to € 15,763 thousand (€ 6,949 thousand in 2009), that will be provisioned as detailed in Note 4.4.

Lastly, with regard to construction contracts, the ordinary income recognised as such in the period and contracts in progress at the closing date (including balances from transactions with related parties) are detailed below:

	Thousand Euros	
	31/12/2010	**31/12/2009**
Ordinary income recognised in the period	**2,326,825**	**2,726,602**
Contracts in progress at the closing date		
Accumulated amount of costs incurred	2,267,093	2,638,446
Accumulated amount of earnings recognised	59,732	88,156
Prepayments received	429,864	469,347
Withholdings	74,611	104,218
Completed work pending certification	169,318	195,278
Advance certifications	387,326	381,332

14. Cash and Cash Equivalents

The breakdown of short-term financial investments at 31st December 2010 and 2009 is as follows:

	Thousand Euros		
	Balance as at 31/12/2010	**Balance as at 31/12/2009**	**Change**
Cash	185,748	380,364	(194,616)
Securities representing debt	104,776	97,423	7,353
Other short-term loans	22,381	41,743	(19,362)
Deposits and sureties established short-term	102	92	10
TOTAL	**313,007**	**519,622**	**(206,615)**

The amount under the heading of securities representing debt is mostly that of the placement of treasury surpluses by the Company in corporate promissory notes, State Debt and euro-deposits, with a maturity date of less than 3 months, amounting to € 104,776 thousands (€ 97,423 as at 31st December 2009).

The yield generated by the investment portfolio in 2010 has been recorded in the "Other interest" heading in the attached Financial Year 2010 Profit and loss statement. The average interest generated by these operations during Financial Year 2010 has ranged from 0.60% to 4.27% (between 0.25% to 4.70% in 2009).

15. Net Equity

a) Share Capital

At 31st December 2010 and 2009, the Stock Capital was set at € 191,815,512.35, distributed in 249,111,055 nominative shares of € 0.77 face value each, all of the same class and series, fully underwritten and paid up and represented by nominative titles. The share premium account comes to € 241,904,100.18, and it is a distributable reserve.

On 29th December 2009, the Company Finecofer, S.L. carried out capital increase of € 100,000,000 (with a share premium of € 5,580,000,000) that was fully underwritten by its majority shareholder Ferrovial, S.A. That subscription was fully paid up, with a partial contribution to payment of 249,108,555 ordinary nominative shares (valued at € 2,986,000,000), representing 99.99% of the stock capital of Ferrovial Agromán, S.A.

Thus, at 31st December 2010 and 2009, the majority shareholder of the Company is Fincecofer, S.L. with a 99.99% stake.

b) Legal reserve

Pursuant to the Public Limited Companies Act, a public limited company must assign a figure equal to 10% of the profit in the Financial Year to the legal reserve until this reaches at least 20% of the share capital. The legal reserve may be used to increase the capital by the part of the balance that exceeds 10% of the capital already increased. Except for the purpose aforesaid, and while it does not exceed 20% of the stock capital, that reserve may only be used to compensate losses, and as long as there are no other sufficient reserves available for that purpose. At the end of Financial Year 2010, that reserve was fully endowed.

c) Translation differences

This item includes the heading of "Other reserves" and records the translation differences associated with integration of the branches located outside Spain nominated in foreign currency. The movement of the translation differences during Financial Years 2010 and 2009 was as follows:

Translation differences (Debtor) / Creditor	**Thousand Euros**
Balance as at 31.12.2008	(293)
Additions	—
Disposals	(1,574)
Transfer to the income statement	—
Balance as at 31.12.2009	**(1,867)**
Additions	329
Disposals	—
Transfer to the income statement	—
Balance as at 31.12.2009	**(1,538)**

d) Dividend distributed during the Financial Year

In addition to the interim dividend recorded on 31st December 2009, amounting to € 102,136 thousand, equivalent to a dividend per share of € 0.41, the distribution of which was resolved by the Extraordinary General Meeting of Shareholders held on 21st December 2009, during Financial Year 2010, a complementary dividend was paid out of € 17,438 thousand, against the result of Financial Year 2009.

16. Long-term provisions

The movements for Financial Years 2010 and 2009 were as follows:

	Thousand Euros		
	Provisions for taxes	Other provisions	Total
Balance as at 01/01/2010	**10,160**	**38,148**	**48,308**
Allowances	147	21,036	21,183
Applications	(252)	(4,056)	(4,308)
Exchange rate	—	(1)	(1)
Balance as at 31/12/2010	**10,055**	**55,127**	**65,182**

	Thousand Euros		
	Provisions for taxes	Other provisions	Total
Balance as at 01/01/2009	**7,557**	**41,079**	**48,636**
Allowances	2,605	11,290	13,895
Applications	(2)	(14,221)	(14,223)
Balance as at 31/12/2009	**10,160**	**38,148**	**48,308**

The provisions and reversions under this heading are made against the heading "Variation in trade provisions" of the attached profit and loss statement.

The balance of the provision for taxes is mainly for the certificates signed stating non-conformity and pending payment for taxes and for Financial Years inspected in previous years (see Note 20).

The heading of "Other provisions" is fully comprised of the provisions for liabilities that record the variation in provisions for claims and litigation commenced or concluded during the Financial Year, the total provisions for this item being € 21,036 thousand (€ 11,290 thousand in 2009) and the total applications € 4,056 thousand (€ 14,221 thousand in 2009). Provisions are registered under this heading for negative results of stakes amounting to € 270 thousand (€ 170 thousand in 2009) for negative results of Tecnológica Lena, S.L.

The aforesaid litigation may be significant in number but the amounts involved are not significant when considered individually, there being none that is especially noteworthy.

The Company Directors consider that the provisions recorded on 31st December 2010 significantly cover the liabilities that may arise from resolution of the claims and certificates with disconformity.

17. Short-term Provisions

The movements for Financial Years 2010 and 2009 were as follows:

	Thousand Euros		
	Provisions for construction completion and removal	Other provisions	Total
Balance as at 01/01/2010	**219,780**	**79,181**	**298,961**
Allowances	47,197	69,171	116,368
Applications	(52,582)	(63,143)	(115,725)
Exchange rate	3,786	870	4,656
Balance as at 31/12/2010	**218,181**	**86,079**	**304,260**

	Thousand Euros		
	Provisions for construction completion and removal	Other provisions	Total
Balance as at 01/01/2009	**213,705**	**40,664**	**254,369**
Allowances	180,024	56,402	236,426
Applications	(173,813)	(17,885)	(191,698)
Exchange rate	(136)	—	(136)
Balance as at 31/12/2009	**219,780**	**79,181**	**298,961**

The provisions for construction completion and removal are recorded to meet those expenses that are usually incurred and paid once construction work has been completed, such as removal of installations and machinery (Note 4.11).

The Other Provisions heading mainly records the provisions for losses in works amounting to € 23,010 thousand (€ 42,730 thousand as at 31st December 2009) and provisions in the Joint Ventures amounting to € 44,244 thousand (€ 35,175 thousand as at 31st December 2009) (Note 4.11).

The provisions recorded under this heading are provisioned against the relevant expense according to their nature, with the liabilities recorded reverting directly against the obligation to which they are assigned.

18. Short-term debts with credit institutions

Bank loans stated in the Balance Sheet for the amount used, accruing an interest between 0.50% and 2.00% (between 1.25% and 2.72% in 2009), and they are guaranteed personally by the Company.

At 31st December 2010 and 2009, Ferrovial Agromán S.A. had the following lines of credit:

	Thousand Euros		
FINANCIAL YEAR 2010	Limit	Used	Available
Debts with credit institutions	**84,852**	**3,610**	**81,242**
Short-term maturity	84,852	3,610	81,242
TOTAL	**84,852**	**3,610**	**81,242**

	Thousand Euros		
FINANCIAL YEAR 2009	Limit	Used	Available
Debts with credit institutions	**56,500**	**8,126**	**48,374**
Short-term maturity	56,500	8,126	48,374
TOTAL	**56,500**	**8,126**	**48,374**

19. Trade Creditors and Other Payables

a. Trade Creditors and Other Payables

The breakdown of the rest of the non-financial short-term debts is shown below:

	Thousand Euros		
ITEMS	Balance as at 31/12/10	Balance as at 31/12/09	Change
Trade payables for sales or provision of services	1,295,988	1,383,217	(87,229)
Debts represented by bills payable	180,269	200,256	(19,987)
Suppliers, group and associated companies	196,182	162,750	33,432
Other payables	63,546	58,500	5,046
Staff (remunerations pending payment)	28,648	28,442	206
Current tax liabilities	38,924	59,877	(20,953)
Other debts with Public Administrations	174,339	175,897	(1,558)
Payments received on account of orders	429,864	469,347	(39,483)
Total	**2,407,760**	**2,538,286**	**(130,526)**

b. Information on delayed payments to suppliers. Third Additional Provision, "Duty of information" of Act 15/2010, dated 5th July

Pursuant to Act 15/2010, that amends the Act on measures to combat delayed payments, the Group has amended the contract models with its suppliers in cases in which the new Act is applicable. On 31st December 2010, and considering the total balance pending payment to suppliers in Spain on that date, there is no amount of a significant nature in that item that accumulates delays exceeding the legal term for payment.

The maximum legal payment deadline applicable to the Company pursuant to Act 3/2004, dated 29th December, that establishes measures to combat delayed payment on trade operations and pursuant to the Transitional Provisions established in Act 15/2010, dated 5th July, is of 85 days, between the Act coming into force and until 31st December 2011.

20. Tax Status

a. Consolidated Tax Group

Ferrovial Agromán, S.A. has availed itself of the tax consolidation regime since Financial Year 2002, within the consolidated tax group of Ferrovial, S.A.

b. Reconciliation between Accounting Profit and Taxable income

The reconciliation between the accounting profit and the gross base of Corporation Tax is as follows:

	Thousand Euros		
2010	**Increase**	**Decrease**	**TOTAL**
Consolidated accounting profit before taxation			**143,870**
Permanent differences:			
Of the individual companies (Spain)	4,727	(838)	3,889
Of the individual companies (Abroad)	5,684	(16,833)	(11,149)
Temporary differences:			
Arising in the Financial Year	91,447	(21,983)	69,464
Arising in previous financial years	78,623	(117,867)	(39,244)
Offset of tax-loss carry forwards			
Gross Tax Base (taxable income)			**166,830**

	Thousand Euros		
2009	**Increase**	**Decrease**	**TOTAL**
Consolidated accounting profit before taxation			**180,678**
Permanent differences:			
Of the individual companies (Spain)	14,916	(13,463)	1,453
Of the individual companies (Abroad)	7,110	(790)	6,320
Temporary differences:			—
Arising in the Financial Year	159,080	(59,977)	99,103
Arising in previous financial years	72,733	(158,487)	(85,754)
Offset of tax-loss carry forwards			
Gross Tax Base (taxable income)			**201,802**

The breakdown of the tax expenditure during the Financial Year, in thousand Euros, is as follows:

Breakdown of expenditure on tax	2010 Total	2009 Total
FY current expense	38,224	60,495
FY deferred tax expense	(9,066)	(4,005)
Expenses carried over	6,092	1,185
Expense of inspection certificates	159	1,255
Expense of overseas taxes	1,383	929
FY expenditure on tax	**36,792**	**59,859**

Permanent differences

Permanent differences are mainly due to the existence of expenses that are considered non- tax deductible, as well as the use of negative tax bases not activated in previous financial years. Moreover, this item includes adjustment of the Corporation Tax expense arising from the difference in the tax rates for branches located abroad.

Temporary Differences

Temporary differences considered in the estimate of the Corporation Tax are mainly due to reporting Joint Venture advance certifications as revenue (according to the resolution by the Regional Economic Administrative Tribunal in 2001) and to provision changes deemed not deductible for tax purposes, as well as deferral of Joint Venture results for Financial Year 2010.

c. Tax Rates

Expenditure on Corporation Tax is calculated at the tax rates of each country: Spain 30%, Portugal 26.5%, Colombia 33% (this includes repatriation tax), Canada 29%, United States 40%, Chile 35% (this includes repatriation tax), Uruguay 25%, Dominican Republic 25%, Poland 19%, United Kingdom 28% and Ireland 12.5%. There have been no changes in the rates compared with those applied in Financial Year 2009.

Ferrovial Agromán, S.A. has recorded a Corporation Tax expense in Financial Year 2010 of € 36,792 thousand (€ 59,859 thousand in 2009), that amounts to a tax rate of 25.57% for Financial Year 2009 (33.13% in Financial Year 2009).

Thousand Euros	2010	2009
Country's tax rate	**30.00%**	**30.00%**
Pre-tax profit	**143,870**	**180,678**
Permanent differences	(7,260)	7,773
Adjusted tax base	**136,610**	**188,451**
Expenditure on tax (income)	**40,983**	**56,535**
Deductions:		
Inspection certificates	159	1,255
Deductions	(11,825)	(45)
Other adjustments:		
Expense of overseas taxes	1,383	929
Regularisation of tax of previous financial years	6,092	1,185
Total tax expense	**36,792**	**59,859**
Percentage of IS expenditure on accounting profit	**25.57%**	**33.13%**

d. Movement of deferred taxes

The detail of movement in Differed Taxes of assets and liabilities during Financial Years 2010 and 2009 is as follows:

FY 2010	Thousand Euros Assets	Liabilities
Balance as at 31.12.09	**90,375**	**19,912**
Regularisation tax 2009	1,799	8,388
Creation	27,434	6,595
Recovery	(35,360)	(23,587)
Equity Impact	—	—
Exchange Rate Effect	45	149
Balance as at 31.12.10	**84,293**	**11,457**

FY 2009	Thousand Euros Assets	Liabilities
Balance as at 31.12.08	**85,571**	**16,499**
Regularisation tax 2008	4,457	7,265
Creation	47,724	17,993
Recovery	(47,546)	(21,820)
Equity Impact	—	—
Exchange Rate Effect	169	(25)
Balance as at 31.12.09	**90,375**	**19,912**

Deferred tax assets mainly correspond to the tax impact on non-deductible tax provisions, to the recognition of the Joint Venture advance certifications as revenue, as well as deferral of results thereof.

Deferred taxes under Liabilities are fundamentally due to the results of operations performed between companies in the consolidated tax group that have undergone elimination, as well as deferral of the result of Joint Ventures.

In relation to the regularisations in the Financial Year, one must point out € 5,110 thousand for the re-evaluation of deductions taken in previous financial years, due to their future recovery by the Company being considered improbable.

On 16th July 2007, the Company Grupo Ferrovial, S.A. as controlling Company of the tax group, was notified of commencement of inspection actions for Corporation Tax from Financial Years 2002 – 2005, that amounts to paralysis of calculation of the expiry term with regard to Corporation Tax of the firms in the Ferrovial Agromán Group that are part of the tax Consolidation Group whose controlling Company was Grupo Ferrovial, S.A. Moreover, on that same date, the Company Ferrovial Agromán was notified of commencement of checking activities in relation to Corporation Tax for Financial Years 2002-2005, Value Added Tax (2003 – 2005) and Personal Income Tax (2003 – 2005). In June 2009, those actions concluded with the signing of certificates of conformity and certificates of disconformity.

On 10th September 2009, the definitive liquidation agreements were signed regarding Corporation Tax for the Financial Years 2002 to 2005, issued by the Tax Inspectorate to Tax Consolidation Group 23/93, the controlling Company of which was Grupo Ferrovial, S.A., as well as the result of the relevant penalisation proceedings. The debt attributable to Ferrovial Agromán, S.A., as a Company forming the tax consolidation group, amounts to € 10,313 thousand. The Company has filed an administrative economic appeal before the Central Economic Administrative Tribunal against the Liquidation Agreements and Penalty Imposed arising from those certifications, having recorded a provision of € 2,316 thousand.

Moreover, there are different contentious-administrative appeals before the Supreme Court against the liquidations arising from the Corporation Tax Inspection Certificates for Financial Years 1991 to 1995. The amount of those overall appeals amounts to € 7,592 thousand, which are pending discussion in chambers and handing down of judgement. The Company has recorded a provision for the total amount of the claims. Moreover, the contingent liability that would arise from a resolution contrary to the appeals by the Company is covered by the contractual guarantee recorded in the agreement of purchase of Agromán.

As established in the laws in force, taxes may not be considered definitively liquidated until the return submitted have been inspected by the tax authorities or the prescription period of four years has elapsed. At the end of Financial Year 2010, the Company has open for inspection Financial Year 2006 and following for Corporation Tax, and Financial Year 2007 and following for the other taxes applicable to it. The Company Directors consider that the liquidation of those taxes has been correctly performed, so that, even in the event of discrepancies arising over interpretation of the provisions in force applicable to the tax treatment granted to the operations, the eventual liabilities arising, should these materialise, would not have a significant effect on the attached annual accounts.

21. Contingent Liabilities, Contingent Assets and Commitments

Litigation

The Group has contingent liabilities in respect of litigation arising in the ordinary course of business from which no significant liabilities are envisaged other than the amounts already provisioned (see Note 16).

Tax Certificates

The tax certificates issued for the inspection actions for Corporation Tax in Financial Years 2002-2005 (see Note 20) include certificates signed stating disagreement therewith, for the expenses of personnel who provide services at the Branch in Portugal, amounting to € 7,997 thousand, which have not been provisioned.

Bank Guarantees

At 31st December 2010, the Company had presented bank guarantees for a global amount of € 2,646,849 thousand (€ 2,273,566 thousand in 2009), the majority of which were demanded on works being awarded.

At 31st December 2010, the amount to which the bank guarantees provided to Group companies came is € 97,611 thousand (€ 53,037 thousand in 2009).

(a) Commitments to Purchase Tangible assets and Investments in Associated Companies and Joint Ventures

There are no commitments to purchase tangible assets and investments in associated companies and joint ventures in Grupo Ferrovial Agromán.

(b) Operating Lease Commitments

The expense reported in the income statement for Financial Year 2010, for operating leases, amounted to € 121,225 thousand (€ 151,572 thousand in 2009).

Future total minimum payments on non-cancellable operating leases are shown below:

	Thousand Euros 31/12/2010
Less than one year	17,616
Between one and five years	10,317
More than five years	2,518
Total	**30,451**

They correspond mainly to short-term leases of real estate properties (€ 20,365 thousand).

(c) Environmental Commitments

Civil engineering and building construction are activities with a huge environmental impact, directly connected with socio-economic development, so they condition virtually every single action taken by Ferrovial Agromán, S.A. and its subsidiaries.

Definition of Environmental Activity and Assessment Standards

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

The majority of construction works are subject to environmental impact assessment and include tasks to preserve, maintain and restore the environment.

Those assets and expenses connected with the abovementioned activities will not be considered environmental assets and expenses since they are performed for and invoiced to third parties. However, environmental claims and obligations are included irrespective of whether they are the Company's own operations or operations performed for third parties.

Investments derived from environmental activities are measured at acquisition cost and capitalised as an increase in the cost of the asset in the Financial Year in which they incur. Depending on the estimate of the useful life of the environmental assets and works, the amounts incurred are incorporated as tangible assets or they are recognised as an expense in the Financial Year.

Costs incurred to protect and improve the environment are taken to the income statement when incurred, irrespective of when the related monetary or financial flows take place.

Provisions for probable or certain environmental liabilities, litigation in progress and indemnities or other outstanding obligations of an indeterminate amount, not covered by insurance policies, are recorded when the liability or obligation determining the compensation or payment arises.

Environmental Assets and Expenses

The tangible assets include elements for wastewater treatment at the machinery yard owned by Ferrovial Agromán, S.A. This equipment basically consists of the installation of elements for decanting and settling water used to clean machinery, grease and oil separators and a wastewater treatment plant with a biological reactor.

Furthermore, the painting facilities of the machines has been adapted at the machinery yard to prevent contamination of the soil.

Equipment or measure and control contamination of water and the atmosphere have also been added to the tangible assets.

Ordinary environmental expenses incurred in the Financial Year 2009 include the following:

- Installation maintenance expenses (spare parts for treatment systems of emissions to atmosphere at the machinery yard).
- Waste management expenses.
- Financial expenses (for environmental sureties and guarantees).
- Expenses for third party services (environmental studies and technical advisory services).
- Staff Costs.
- Training costs.
- Representation expenses (corporate image, conference sponsorship, advertisements in specialised journals).
- Research and development costs (financing research projects, CSIC [Spanish Scientific Research Council], University).

Extraordinary Environmental Expenses

In the last four years, proceedings with environmental penalties paid by Ferrovial Agromán, S.A. amounted to € 1,173 thousand in 2010 (€ 1,124 thousand in 2009).

(d) Other Commitments

The Company acts as guarantor for the banking debt of Ferrovial, S.A., the conditions of which are detailed in the consolidated annual report of the group that Company heads, and which includes, among others, honouring a series of financial obligations during the term of financing, that shall be measured each semester:

i. That the Net Financial Debt / EBITDA ratio of the group not exceed certain pre-set levels;

ii. That the EBITDA / Net Financial Expenses ratio of the group be lower than certain pre-set levels.

For the purposes of fulfilment of those ratios, the group is understood as the companies that form part of the consolidated group, excluding the infrastructure projects, as well as other companies, mainly Amey, Budimex, Webber, BAA and BNI.

On 31st December 2010, Grupo Ferrovial complied with both ratios.

22. Operating Income

The detail of the operating revenue by the Company is broken down as follows:

	Thousand Euros	
	2010	2009
Net Business Turnover	**2,270,696**	**2,664,698**
Sales	2,154,788	2,556,880
Provision of services	115,908	107,818
Other operating income	**56,129**	**61,904**
Total operating income	**2,326,825**	**2,726,602**

The majority of revenue in building work by the Company as principal contractor thereof.

The composition of the turnover in the different activities comprising the Company management by works type in Financial Years 2010 and 2009:

	Thousand Euros	
Branch of activity	2010	2009
Residential Building	247,116	297,894
Non-Residential Building	504,837	735,414
Roads	597,133	546,159
Rail	457,933	551,869
Urban Infrastructure	169,243	194,272
Hydraulic Works	137,784	187,160
Construction at sea	72,679	99,377
Industrial projects and environment	22,602	42,023
Maintenance and conservation	61,369	10,530
Total	**2,270,696**	**2,664,698**

The distribution by geographic location of the net turnover for Financial Years 2010 and 2009 is as follows:

	Thousand Euros	
Geographical market	**2010**	**2009**
Spain	**1,925,880**	**2,366,119**
Abroad		
Poland	7,659	11,058
Puerto Rico	34,459	63,936
Portugal	128,194	109,934
Italy	12,709	31,074
Ireland	12,846	8,977
Greece	148,949	73,600
Total	**2,270,696**	**2,664,698**

The breakdown by Autonomous Communities of net business turnover of sales in Spain is as follows:

	Thousand Euros	
Geographical market	**2010**	**2009**
Andalusia	379,121	415,810
Aragon	89,318	60,068
Asturias	18,728	64,765
Balearic Islands	67,673	60,542
Ceuta	3,128	1,315
Canary Islands	6,843	71,727
Cantabria	18,907	22,132
Catalonia	126,001	330,131
Castile Leon	107,822	133,324
Castile La Mancha	54,378	125,324
Extremadura	53,532	52,236
Galicia	7,347	109,963
La Rioja	5,426	2,969
Madrid	665,492	580,224
Melilla	88,506	10,002
Murcia	113,434	83,574
Navarre	—	1,668
Basque Country	80,376	75,599
Valencia	39,848	164,746
Total	**1,925,880**	**2,366,119**

The distribution of the forward order book by branch of activity, for Financial Years 2010 and 2009, is as follows:

	Thousand Euros	
Branch of activity	**2010**	**2009**
Civil engineering work	3,075,957	3,420,870
Residential Building	307,203	352,616
Non-Residential Building	530,318	775,532
Total	**3,913,478**	**4,549,018**

The distribution of the forward order book by customer type, for Financial Years 2010 and 2009, is as follows:

Type of client	Thousand Euros 2010	Thousand Euros 2009
Central Administration	1,463,890	1,904,504
Autonomous Communities	780,836	897,634
Local Corporations	229,080	262,085
Private Clients	493,084	546,876
Infrastructure Concessions	227,043	220,228
Group Companies	719,545	717,691
Total	**3,913,478**	**4,549,018**

The distribution of the forward order book by countries, for Financial Years 2010 and 2009, is as follows:

Geographical market	Thousand Euros 2010	Thousand Euros 2009
Spain	3,082,287	3,507,937
Abroad		
Portugal	87,249	215,600
Puerto Rico	53,210	49,201
Poland	—	11,409
Greece	670,506	709,946
Others	20,226	34,925
Total	**3,913,478**	**4,549,018**

The distribution of the forward order book in Spain by Autonomous Communities, for Financial Years 2010 and 2009, is as follows:

Autonomous Community	Thousand Euros 2010	Thousand Euros 2009
Andalusia	527,535	574,219
Aragon	186,814	182,313
Asturias	89,095	106,153
Balearic Islands	102,922	66,064
Ceuta	6,014	—
Canary Islands	122,915	123,937
Cantabria	15,317	12,397
Catalonia	464,297	431,902
Castile Leon	244,629	327,642
Castile La Mancha	197,899	195,273
Extremadura	69,273	97,696
Galicia	131,846	244,814
La Rioja	13,212	19,697
Madrid	555,136	731,325
Melilla	9,769	3,905
Murcia	66,016	66,409
Navarre	40,444	54,996
Basque Country	165,054	116,156
Valencia	74,100	153,039
Total	**3,082,287**	**3,507,937**

23. Consumables and Other External Costs

The distribution by items on 31st December 2010 and 2009 is as follows:

	Thousand Euros	
	2010	2009
Raw materials and other consumables	363,271	463,366
Change in stock	8,447	3,579
Other external costs	1,079,167	1,263,786
Total Supplies	**1,450,885**	**1,730,731**

The detail of the heading "Other external expenses" at 31st December 2010 and 2009 is as follows:

	Thousand Euros	
	2010	2009
Work performed by Group Companies	21,940	23,504
Hire of yard machinery to sites	170	8,840
Subcontracts	3,418	5,626
Work performed by other companies	1,051,312	1,223,057
Supplies	2,327	2,759
Total Supplies	**1,079,167**	**1,263,786**

24. Staff Costs

The breakdown of this heading of the attached Profit and loss statement is as follows:

	Thousand Euros	
	2010	2009
Salaries and wages	293,249	333,540
Social security charged to the Company	56,531	66,412
Total Supplies	**349,780**	**399,952**

The staff costs at Ferrovial Agromán, S.A. include € 2,954 thousand for remuneration schemes by delivery of options on shares in Ferrovial, S.A. (€ 10,236 thousand in Financial Year 2009) (see Note 30).

The evolution of the average number of employees during Financial Years 2010 and 2009, distributed by categories, is as follows:

	YEAR 2010			YEAR 2009			CHANGE
	M	F	Total	M	F	Total	
Directors	64	4	68	61	3	64	4
University Graduates	1,434	392	1,826	1,383	361	1,744	82
Office Workers	302	220	522	299	176	475	47
Operatives, foremen and non-qualified technicians	2,461	90	2,551	2,336	77	2,413	138
Total	**4,261**	**706**	**4,967**	**4,079**	**617**	**4,696**	**271**

The total number of employees on 31st December 2010 is 4,376 employees, with a distribution of 3,743 men and 633 women, and the total number of employees on 31st December 2009 was 4,696, with a distribution of 4,079 men and 617 women.

25. Financial Profit

The following table breaks down by item the variation between the income and expenditure forming the financial profit:

	Thousand Euros	
	2010	**2009**
Interest income on financial assets:		
Dividends of group and associated companies (Notes 8 and 28)	39,417	12,648
Dividends of other stakes	5	81
Interests of long-term credits with group companies (Note 28)	7,338	9,860
Talca-Chillán Compensation (Note 28)	6,371	—
Interests of current account with the group (Note 28)	40,507	44,172
Re-invoicing group financial costs (Note 28)	5,564	2
Other financial income	19,597	16,780
Interest expenses on financial liabilities		
Current account interests with group and associated companies (Note 28)	(11,427)	(7,169)
Guarantee expenses	(10,421)	(3,905)
Other financial expenses	(5,921)	(6,718)
Variation in fair value of financial assets	1,390	(2,048)
Variation in fair value of financial instruments (Note 5.1)	(7,002)	31,909
Exchange differences	(1,280)	(3,090)
Financial Profit	**84,138**	**92,522**

Revenue is recorded under the heading "Talca-Chillán Compensation", obtained by virtue of the agreement signed with Cintra Concesiones de Infraestructuras de Transporte, S.A. on 1st August 2001, in relation to the minority stake held by the Company in Talca-Chillán Sociedad Concesionaria, S.A., as it is a necessary requisite under the conditions of the tender for construction of the concession assets, through its subsidiary Ferrovial Agromán Latinoamérica, that is 100% owned. It stipulates that in the event of disposal of Talca-Chillán by Cintra at a lower price than its market value, it would be bound to financially compensate the Company. By agreement signed on 15th September 2010, the sale of Ferrovial Agromán, S.A.'s stake, through its subsidiaries, to the Cintra Group was effected, in order for the latter to be able to dispose of 100% thereof, thus giving rise to that compensation, due to having incurred the conditions foreseen in the relevant contract.

26. Remunerations for the Board of Directors

Remunerations for directors

The remunerations, in wages and per diems, accrued and paid during Financial Year 2010, to the set of members of the Board of Directors of the Controlling Company, amounted to € 217 thousand (€ 205 thousand in 2009).

Likewise, during Financial Year 2010, life insurance and health care premiums have been paid for members of the Board of Directors, amounting to an overall amount of € 0.9 thousand (€ 0.8 thousand in 2009).

On 31st December 2010, loans had been granted to members of the Board of Directors, pending reimbursement, amounting to € 120 thousand (€ 120 thousand in 2009).

Top Management remuneration

The members of the Company Top Management have jointly accrued the following remuneration during Financial Years 2010 and 2009, in thousand Euros:

	2010	**2009**
Remuneration	2,727	2,681
Insurance premiums	10.6	9.6
Share Option Plans	31	—

The remunerations stated are for the holders of the following offices:

- Economic Financial and Development Manager
- Human Resources Manager
- Spain Construction Manager
- International Construction Manager
- Cadagua Construction Manager
- Institutional Relations Manager
- Technical Manager
- Provisions Manager
- Quality, Prevention and Environment Manager

The remuneration of the members of the Top Management who have simultaneously been Managing Directors is not included, as this was previously indicated.

27. Share-based Remuneration System

Some Executives and Directors of the Ferrovial Agromán Group participate in remuneration schemes linked to the share value and in option schemes for shares in Ferrovial, S.A., under the terms reported by that Company.

The cost of these remunerations is recorded under the heading of Personnel Expenses, which is broken down in Note 24 and in Financial Year 2010, these amounted to € 2,954 thousands (€ 10,236 thousand in Financial Year 2009).

28. Information on Transactions with Related Parties

Approval of Transactions

In accordance with the Regulations of the Board of Directors of Ferrovial, S.A., all professional or commercial transactions involving 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 Agromán, S.A., the general approval of the Board of Directors will suffice. This authorisation is not required, however, for transactions that simultaneously fulfil the following three conditions:

1st Performed under contracts containing standard terms and applied en masse to many clients.

2nd Effect at prices or rates established on a general basis by the party acting as the supplier of the goods or service in question.

3rd Amount does not exceed 1% of the Company's annual income.

The following persons are subject to this system:

- Directors of Ferrovial, S.A. The person requesting authorisation must leave the meeting room whilst the Board deliberates and votes on the matter and the former may not vote or delegate his voting rights.
- Controlling shareholders.
- Natural persons representing Board Members who are legal entities.
- Senior managers.
- Other managers designated individually by the Board of Directors.
- And the persons related to the persons included in the aforementioned categories, as defined in the regulation itself.

Transactions with Related Parties

The most relevant transactions with related parties effected in 2010 and 2009 in the ordinary course of the Company's business and in market conditions are analysed below. The complete list of transactions can be consulted in the Company's Annual Management Report.

The Company provides the information on these transactions in this document in compliance with the definitions and criteria set forth in Order EHA/3050/2004, dated 15th September, from the Ministry of Economy and Finance and in Circular 1/2005, dated 1st April, from the CNMV (Spanish Securities Commission).

Where the profit or loss from a transaction cannot be stated, as it pertains to the providing entity or individual, the transaction has been marked with an asterisk (*).

a. Significant Shareholders

These state, individually, the most relevant transactions that have been performed during Financial Years 2010 and 2009 with the significant shareholders, with members of the "family control group" (except for natural persons forming it who are also Directors of the Company, with regard to whom the information is recorded in the following heading) or entities that have a shareholding relation with persons belonging to that "family control group" of Ferrovial, S.A. as majority shareholder of Ferrovial Agromán, S.A.

				2010		2009	
				Amount	Profit or Loss	Amount	Profit or Loss
Name / Company name	Entity of Grupo Ferrovial Agromán	Nature of transaction	Type of transaction	Thousand Euros		Thousand Euros	
Members of main shareholder of Grupo Ferrovial "controlling family group" / their related entities	Ferrovial Conservación S.A.	Commercial	Lease to Ferrovial of office premises owned by shareholders premises in Madrid	186	(*)	151	(*)
	Ferrovial Agromán S.A.	Commercial	Execution of reform works	28	6	54	—
	Ferrovial Agromán S.A.	Commercial	Execution of housing construction projects	1,998	167	7,656	665

(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

b. Transactions with Board Members and Senior Management.

Transactions were effected with the Company's Board Members and senior management in 2010. They are stated below. All of them were in normal market conditions and part of the ordinary course of the Company's business. In addition, the transactions concluded with Asea Brown Bovery and Cepsa are provided, pursuant to the provisions in the Second Section of Order EHA/3050/2004, given that certain board members of the Grupo Ferrovial, as the parent Company of Ferrovial Agromán, are or have been at some stage in 2010 and 2009 members of the Board of Directors or members of senior management of the companies stated:

				2010		2009	
Name / Company name	Entity of Grupo Ferrovial Agromán	Nature of transaction	Type of transaction	Amount (EUR thousand)	Profit or Loss (EUR thousand)	Amount (EUR thousand)	Profit or Loss (EUR thousand)
Rafael del Pino y Calvo Sotelo	Ferrovial Agromán S.A.	Commercial	Reform works	28	6	25	—
Cepsa	Ferrovial Agromán. S.A.	Commercial	Execution of construction projects	1,443	58	3,626	145
Maxam Europe	Ferrovial Agromán, S.A.	Commercial	Receipt of supplies of explosives and detonators	96	(*)	178	(*)
Bimarán	Ferrovial Agromán, S.A.	Commercial	Execution of construction projects	10,537	420	2,619	105
Empark	Ferrovial Agromán, S.A.	Commercial	Deductions and collection services received.	417	(*)	—	—
Asea Brown Bovery	Ferrovial Agromán, S.A.	Commercial	Equipment repair and maintenance services received.	127	(*)	87	(*)

(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

The information on remunerations and loan transactions with Board Members and Senior management can be consulted in the heading on "Remuneration of Board Members and Senior Management".

c. Balances and Transactions with Related Parties.

The detail of the balances with companies in Grupo Ferrovial and associates on 31st December 2010 and 2009 is as follows:

FINANCIAL YEAR 2010	Thousand Euros						
COMPANIES	Group and associated Companies Receivables	Short-term Credits	Short-term Payables	Operating income	Operating expenditure	Financial income	Financial expenditure
Ferrovial, S.A.	389	1,300,111	561	236,775	(30,123)	43,035	1,863
Boremer, S.A.	—	1,418	—	—	—	—	—
Técnológica Lena, S.L.	—	36	—	—	—	—	—
Sociedad Concesionaria BAIO	—	—	1,199	—	—	—	—
Encofrados Deslizantes y Técnicas Especiales, S.A.	15	—	7,170	68	(1,455)	1,365	(58)
Ferrovial Conservación, S.A.	—	932	22,796	235	(1,459)	413	(612)
Compañía de Obras Castillejos, S.A.	—	10,426	175	19,383	(1,515)	461	—
Discota XXI, S.L.U	—	—	8,385	—	—	25,080	(186)

FINANCIAL YEAR 2010	Thousand Euros						
COMPANIES	Group and associated Companies Receivables	Short-term Credits	Short-term Payables	Operating income	Operating expenditure	Financial income	Financial expenditure
Norvarem, S.A.U.	1,794	35,901	—	1,388	—	8,016	(61)
Urbaoeste, S.A.	—	—	637	—	(79)	—	(16)
Técnicas del Pretensado y Servicios Auxiliares, S.L.	—	—	6,972	61	—	—	(173)
Cadagua, S.A.	578	9,560	54	5,847	(2,273)	7,726	(340)
Eurolimp, S.A.	18	—	—	—	—	—	—
Grupisa Infraestructuras, S.A.	—	—	—	—	—	—	—
Ditecpesa, S.A.	1	—	4,840	185	(197)	1,746	(27)
Ferrovial Agromán Ireland Ltd.	1,675	—	49,168	4,625	(1,347)	18	(414)
Ferrovial Servicios, S.A.	374	—	2,009	821	(2,863)	—	—
Viales de Castilla y Leon	—	—	56	—	—	—	—
Andaluza de Señalizaciones, S.A.	—	—	33	—	—	—	—
Aplicación de Recursos Naturales, S.A.	—	—	599	—	—	—	(14)
Ferrovial Medio Ambiente y Energía, S.A.	—	—	1,041	—	—	—	(24)
Ferrovial Agromán Chile, S.A.	—	477	7,109	2,220	(335)	3,695	—
Ferrovial Agromán US Corporation	38	2,047	—	14,993	—	5,450	(800)
Ferrovial Agromán Texas	—	—	20,667	—	—	—	—
DBW Construction LLC.	—	—	13,778	—	—	—	—
Ferrovial Agromán UK Ltd.	—	1,410	128	6,236	(49)	22	—
Ferrovial Agromán Airports (UK) Ltd.	—	—	13,863	7,263	—	—	—
Grupo Budimex	50,416	1,107	5,237	2,630	—	—	—
Ferrovial Agromán Empresa Constructora, Ltda.	—	180	—	—	—	—	—
Constructora Agromán Ferrovial, Ltda.	—	597	—	—	—	—	—
Autopista del Sol, C.E.S.A.	185	—	636	—	—	—	—
Autostrada, S.A.	9,959	—	—	—	—	—	—
Euroscut Norte Litoral, S.A.	441	—	421	—	—	—	—
Euroscut Algarve, S.A.	—	—	—	—	—	—	—
Euroscut Azores	39	—	27,218	—	—	—	—
Autopista Madrid Levante, C.E.S.A.	42	—	—	—	—	—	—
Autopista R-4 Madrid Sur, S.A.	103,428	—	300	—	—	—	—
Autopista M-203 Alcalá-O`Donnell		—	5,768	—	—	—	—
Nea Odos, S.A.	25,866	—	44,112	—	—	—	—
Central Greece Motorway (E65)	49,117	—	53,781	—	—	—	—
Concesionaria de Prisiones Lledoners, S.A.U.	16	92	8,153	—	(34)	—	(116)
Grupo Cespa	11,086	—	11,458	53,107	(1,759)	—	(22)
Autovía de Aragón Sociedad Concesionaria, S.A.U.	—	85,703	19,048	121	—	1,617	—
Cocsa Puerto Rico	—	134	1,443	305	(9,248)	—	—
Cocsa sucursal Portugal	—	447	192	—	—	—	—
Concesionaria de Prisiones Figueras S.A.U.	31,747	192	5,551	479	—	397	—

FINANCIAL YEAR 2010	Thousand Euros						
COMPANIES	Group and associated Companies Receivables	Short-term Credits	Short-term Payables	Operating income	Operating expenditure	Financial income	Financial expenditure
Grupo Webber	—	—	—	—	—	133	(46)
Ferrovial Agromán Irlanda del Norte	—	—	6,755	1,692	—	—	—
Ditecpesa sucursal Portugal	—	—	234	—	—	—	—
Cadagua sucursal Portugal	—	—	—	14	—	—	—
Ferrovial Financiera AIE	—	—	369,029	—	—	20	(10,381)
Saldos con UTEs	798	—	1,911	75,182	—	—	—
Others	3	—	32	1	—	3	—
Total	**288,025**	**1,450,770**	**722,519**	**433,631**	**(52,736)**	**99,197**	**(11,427)**

FINANCIAL YEAR 2009	Thousand euros						
COMPANIES	Group and associated Companies Receivables	Short-term Credits	Short-term Payables	Operating income	Operating expenditure	Financial income	Financial expenditure
Ferrovial, S.A.	4	1,282,784	172	78	29,203	40,291	(1,419)
Boremer, S.A.	—	1,419	—	—	—	—	—
Técnológica Lena, S.L.	—	36	—	—	—	—	—
Encofrados Deslizantes y Técnicas Especiales, S.A.	—	—	1,284	69	262	235	16
Ferrovial Conservación, S.A.	58	932	26,003	682	3,136	1,345	533
Compañía de Obras Castillejos, S.A.	57	11,265	15	16,338	1,379	542	—
Discota XXI, S.L.U	—	—	8,903	—	—	10,735	222
Norvarem, S.A.U.	406	37,336	50	203	—	9,967	—
Urbaoeste, S.A.	—	—	605	—	79	—	15
Técnicas del Pretensado y Servicios Auxiliares, S.L.	—	—	8,094	582	287	—	227
Cadagua, S.A.	753	—	27,294	7,350	3,307	—	617
Eurolimp, S.A.	—	—	4	—	—	—	—
Grupisa Infraestructuras, S.A.	—	—	1,149	—	2,640	—	1
Ditecpesa, S.A.	—	—	4,073	201	164	250	40
Ferrovial Agromán Ireland Ltd.	—	40	53,775	6,512	89	—	282
Ferrovial Servicios, S.A.	4	—	43	6	77	2	1
Aplicación de Recursos Naturales, S.A.	—	—	562	—	—	—	48
Ferrovial Medio Ambiente y Energía, S.A.	—	—	762	—	—	—	17
Ferrovial Agromán Chile, S.A.	—	711	9,208	1,942	574	—	—
Ferrovial Agromán US Corporation	38	11,832	—	5,722	370	—	—
Ferrovial Agromán UK Ltd.	—	—	4,796	5,762	60	—	—
Ferrovial Agromán Airports (UK) Ltd.	—	—	2,823	7,273	2,353	—	—
Andaluza de Señalizaciones, S.A.	—	—	322	—	—	—	—
Grupo Budimex	52,238	1,066	28,687	929	1,192	3	—
Ferrovial Agromán Empresa Constructora, Ltda.	—	155	—	—	—	50	—

FINANCIAL YEAR 2009	Thousand euros						
COMPANIES	Group and associated Companies Receivables	Short-term Credits	Short-term Payables	Operating income	Operating expenditure	Financial income	Financial expenditure
Constructora Agromán Ferrovial, Ltda.	—	514	—	—	—	—	—
Autopista del Sol, C.E.S.A.	—	—	68	—	—	—	—
Autostrada, S.A.	10,597	—	—	—	—	—	—
Euroscut Norte Litoral, S.A.	200	—	25	—	—	—	—
Euroscut Algarve, S.A.	—	—	—	—	—	869	—
Euroscut Azores	10,224	—	27,425	—	—	—	—
Autopista Madrid Levante, C.E.S.A.	—	—	280	—	—	—	—
Autopista R-4 Madrid Sur, S.A.	103,428	—	447	—	—	—	—
Autopista M-203 Alcalá-O`Donnell	—	—	5,713	—	—	—	—
Nea Odos, S.A.	20,014	—	31,232	—	—	—	—
Central Greece Motorway (E65)	19,343	—	34,333	—	—	—	—
Concesionaria de Prisiones Lledoners, S.A.U.	21	175	626	182	—	16	9
Grupo Cespa	14,663	—	3,115	13,881	399	4	3
Autovía de Aragón Sociedad Concesionaria, S.A.U.	13,132	27,873	24,350	12,170	—	917	—
Cocsa Puerto Rico	68	—	1,543	—	8,444	—	—
Cocsa sucursal Portugal	—	433	16	395	—	—	—
Concesionaria de Prisiones Figueras S.A.U.	19,692	688	—	—	—	352	—
Grupo Webber	—	207	3,589	—	—	548	118
Ferrovial Agromán Irlanda del Norte	—	—	5,288	3,123	—	—	—
Ditecpesa sucursal Portugal	—	—	725	—	—	—	—
Cadagua sucursal Portugal	—	—	112	—	—	—	—
Ferrovial Financiera AIE	—	—	—	—	—	350	6,429
Serrano Park, S.A.	—	—	—	14,689	—	—	—
Cintra C. Inf. Tpte, S.A.	—	—	—	158,154	—	—	—
Saldos con UTEs	149	—	727	74,112	—	—	—
Others	—	12	205	52	—	204	10
Total	**265,089**	**1,377,478**	**318,443**	**330,407**	**54,015**	**66,680**	**7,169**

Short-term credits are current accounts. These current accounts are in a centralised cash system. The average interest rate generated by these operations during 2010 first quarter was around 3%, during the second quarter c. 2.25%, during the third quarter c. 2.75% and during the fourth quarter c. 3.03%. An increase of 50 basic points in the interest rate would have caused an increase of revenue of € 7,254 thousand in 2010 (€ 6,887 thousand in 2009).

In addition, at 31st December 2010 there are long-term credits with companies in the group amounting to € 158,034 thousand (€ 156,065 thousand at 31st December 2009), explained in Note 8.b of the annual report.

The balance maintained with Ferrovial Financiera AIE included under the heading "Short-term debts with group companies", amounting to € 369,029 thousand, is that of a loan formalised in the agreement signed on 20th December 2006, assigned to finance the ordinary activity of the Company, with maturity at 5 years and remunerated at a variable interest rate established by the Ferrovial Group, that has varied between 4.75% and 5% in Financial Year 2010 (4.90% in Financial Year 2009). The limit to the principal established in the initial agreement amounted to € 265 million, which was amended by the agreement dated 31st December 2009, being increased by € 145 million. The relevant balance of that loan on 31st December 2009 amounted to € 355,970 thousand, presented under the heading "Long-term debts with group companies".

Financial loans and debts with Grupo Ferrovial companies accrue an interest of between 2% and 6% and they do not have a defined maturity.

29. Participation by members of the Board of Directors in companies with the same, similar or complementary kind of activity to that comprising the corporate object of Ferrovial Agromán, S.A., offices or duties

Article 229 of the Public Limited Companies Act imposes the duty on the Directors to notify the Company of the following information:

- Situations of conflict that they may have with the interests of the Company;
- Stakes they may hold in the capital of a company with the same, similar or complementary type of activity to that forming the corporate object;
- Offices or duties they hold in such companies.

Pursuant to paragraph 3 of said Article 229, that information must be recorded in the Annual Report. On the other hand, Article 230 establishes that the Directors may not perform activities, on their own account or that of third parties, that are the same, similar or complementary to that constituting the corporate object, except with specific authorisation by the Company, by resolution by the General Meeting of Shareholders, to which end they must provide the notification foreseen in Article 229.

In that regard, it is appropriate to state the following information provided to the Company by the Directors who were members of the Board of Directors of Ferrovial Agromán, S.A. during 2010:

Situations of conflict of interest:

No situations of conflict of interest have been recorded.

Equity share:

	Ferrovial, S.A.	
	Number of shares	**% Stake**
D. Joaquín Ayuso García	90,213	0.0123%
D. Íñigo Meirás Amusco	7,906	0.0011%
D. Ernesto López Mozo	2,234	0.0003%
D. Santiago Ortíz Vaamonde	4,698	0.0006%
D. Carlos Garrido Lestache	9,883	0.0013%
D. Alejandro de la Joya Ruiz de Velasco	6,906	0.0009%

Offices or duties:

- Mr Joaquín Ayuso García: Vice-Chairman of Ferrovial, S.A., Chairman of Autopista del Sol, Chairman of Autopista Alcalá O´Donell, S.A., Chairman of Autopista Madrid Levante Concesionaria Española, S.A., Chairman of Inversora Autopistas Levante, S.L., Director of Autopista Madrid Sur Concesionaria Española, S.A. and Director of Inversora de Autopistas del Sur, S.L.
- Mr Íñigo Meirás Amusco: Managing Director of Ferrovial, S.A., Chairman of Ferrovial Aeropuertos, S.A., Chairman of Ferrovial Servicios, S.A., Chairman of Cintra Infraestructuras, S.A.U., Chairman of Ferrovial Fisa, S.L., Chairman and Managing Director of Finecofer, S.L., Vice-Chairman of BAA, Ltd. and Director of Ferrovial Qatar, LLC.

- Mr Ernesto López Mozo: Director of BAA Limited, Joint Administrator of BURETY, S.L., Director of Cintra Infraestructuras, S.A.U., Director of Ferrovial Aeropuertos, S.A., Joint Administrator of Ferrovial Emisiones, S. A., Joint Administrator of Ferrovial Inversiones, S.A., Director of Ferrovial Servicios, S.A., Director of Ferrovial Fisa, S.L. and Director of Finecofer, S.L.
- Mr José Carlos Garrido-Lestache: Joint Administrator of Aplicación de Regursos Naturales, S.A., Director of Budimex, S.A., Director of Cadagua Ferrovial Industrial Mexico S.A., Joint Administrator of Cadagua, S.A., Joint Administrator of Compañía de Obras Castillejos, S.A., Joint Administrator of Discota XXI Sociedad Unipersonal, Joint Administrator of Ditecpesa, S.A., Joint Administrator of Encofrados Deslizantes y Técnicas Especiales, S.A., Director of Ferrovial Agromán Airports (UK) Limited, Substitute Director of Ferrovial Agromán Chile, S.A., Joint Administrator of Ferrovial Conservación, S.A., Joint Administrator of Ferrovial Medio Ambiente y Energía, S.A., Joint Administrator of Norvarem, S.A., Joint Administrator of Técnicas del Pretensado y Servicios Auxiliares, S.A. and Director of Webber.
- Mr Santiago Ortíz Vaamonde: Director of Cintra Infraestructuras, S.A., Director of Ferrovial Fisa, S.L., Director of Ferrovial Aeropuertos, S.A., Director of Ferrovial Servicios, S.A., Joint Administrator of Ferrovial Inversiones, S.A. and Director of Finecofer, S.L.
- Mr Alejandro de la Joya Ruiz de Velasco: Director of Webber, Joint Administrator of Norvarem S.A.U. and Director of Finecofer, S.L.

30. Share Option Remuneration System

Some Directors and Executives of the Company participate in the following share option scheme of Ferrovial, S.A, under the following terms:

Share Option Plan (Participants / Grant Date)	No. of Options Granted	Strike Price (Euro)
Management Personnel / July 2003	1,843,360	6.058
Management Personnel / October 2005	2,607,880	15.885
Management Personnel / November 2007	3,482,080	14.99
Senior Management Personnel / April 2008	320,000	12.125
Extensions to Grupo Ferrovial Management Personnel Plans	101,600	7.24-18.383

All share option plans have a term for obtaining the right to exercise them of 3 years since the granting date thereof, and a term to effectively exercise them during a period of 3-5 years, provided some minimum profitability ratios on the consolidated shareholders' funds of Ferrovial S.A. set are attained.

The strike price is calculated as the arithmetic mean of weighted average changes in the previous twenty stock market sessions on the date it is granted.

The main hypotheses considered for valuation of the schemes granted in 2008 are as follows, there being no concession of new plans during Financial Years 2009 and 2010:

Participants	2008
Assumptions used and option values	
Valuation assumptions:	
Estimated exercise period	6.4 years
Leaving rate before and after exercise period	7%
Risk-free rate	4.28%
Dividend forecast	1.81%
Volatility forecast	28.24%

Swaps were contracted at the grant date in order to hedge against possible losses resulting from the exercise of these remuneration systems. These hedges ensure that the Group will collect an amount equal to the rise in the share price when the options are executed by employees.

Under the swap contract, the financial institution undertakes to pay cash amounts equal to the return on Ferrovial S.A.'s shares, in return for a payment by the Group. The main features of the swaps are as follows:

- The number of shares used to calculate both returns is equal to the number of options granted under each plan.
- The share price used to calculate both returns is the same as the strike price employed to calculate the increase in the share's value.
- Ferrovial, S.A. will pay a yield to the financial institution calculated by applying the EURIBOR rate plus a margin to the result of multiplying the number of shares by the strike price.
- The financial institution shall pay Ferrovial, S.A the equivalent to all the dividends generated by those shares.

Ferrovial, S.A. may opt to partially or totally terminate the contract, in which case:

a. If the share price is below the strike price at which the contract was concluded, Grupo Ferrovial must pay the difference to the financial institution.

b. If the share price is above the strike price, Grupo Ferrovial will receive the difference between the two amounts.

Those contracts are considered as derivatives to accounting effects, their treatment being that established in general for this type of financial products, Note 5.1. During Financial Year 2010, a loss has been reported attributable to Ferrovial Agromán according to its participation in the € 7 million scheme (€ 32 million profit in 2009) that amount to an impact on the net income of the Group of € 5 million in loss (€ 22 million of net profit in 2009) in relation to those contracts, as explained in Note 5.1 on the market risk and Note 25 on financial results.

The sums received, related to the dividends generated by those shares, and paid, for payment of the yield by the relevant financial institution, related to those financial exchange contracts, as previously remarked, amount to € 6 million (€ 4 million in 2009) and to € 2 million (€ 2 million in 2009) respectively.

The personnel expenses existing at Ferrovial Agromán related to these remuneration systems amount to € 3 million during the Financial Year (€ 10 million in 2009) (see Note 24).

31. Audit Fees

In fulfilment of the terms established in Additional Provision Fourteen of Act 44/2002 of 22nd November, on Measures to Reform the Financial System, a report is provided on the total auditing related fees of the financial statements in Financial Years 2010 and 2009 by the relevant auditors of Ferrovial Agromán, S.A. Moreover, a detail of the fees billed for services other than auditing is provided:

	Euros	
	Year 2010	**Year 2009**
Fees for audit services		
Principal Auditor	200,000	155,374
Other auditors	—	—
Fees for other services		
Principal Auditor	—	4,500
Other auditors	58,251	1,750

32. Events after the Balance Sheet Date

After 31st December 2010, there have been no relevant facts that affect the Annual Accounts of Ferrovial Agromán, S.A. on that date.

33. Commentaries to Exhibits

Exhibit I

Exhibit I details the amounts contributed by the Joint Ventures in which Ferrovial Agromán S.A. participates, in Financial Year 2010, under each heading of the Balance Sheet and the Profit and loss statement.

Exhibit II

Exhibit II presents the contribution by the INCN and the portfolio of each one of the Joint Ventures of interior and industrial on 31st December 2010.

Exhibit III

Exhibit III presents the contribution by INCN and portfolio of each one of the overseas Joint Ventures at 31st December 2010.

Exhibit I

Exhibit I details the amounts contributed by the Joint Ventures in which Ferrovial Agromán S.A. participates, in Financial Year 2010, under each heading of the Balance Sheet and the Profit and loss statement.

	Thousand Euros		
Assets	Centres	Joint Ventures	31.12.2010
Non-current assets	**836,548**	**14,060**	**850,608**
Intangible assets	313	5	318
Computer software	652	25	677
Other intangible assets	245	—	245
Accumulated amortisation	(584)	(20)	(604)
Tangible assets	18,696	11,860	30,556
Land and constructions	8,170	375	8,545
Technical installations and machinery	149,912	44,359	194,271
Assets under construction and prepayments	574	—	574
Tools and furniture	23,126	—	23,126
Other tangible assets	11,349	—	11,349
Accumulated amortisation	(160,305)	(32,874)	(193,179)
Tangible asset provisions	(14,130)	—	(14,130)
Long-term investments in Group companies and associated	729,557	(394)	729,163
Stakes in group and associated companies	577,461	(394)	577,067
Loans to group companies	158,034	—	158,034
Stakes provisions	(5,938)	—	(5,938)
Long-term financial investments	3,992	2,286	6,278
Long-term financial investments in equity instruments	124	—	124
Other loans	1,965	2,078	4,043
Deposits and sureties established long-term	1,903	208	2,111
Deferred tax assets	83,990	303	84,293
Current assets	**2,747,095**	**389,445**	**3,136,540**
Non-current assets classified as held for sale	—	—	—
Inventories	82,973	13,431	96,404
Trade and Other Receivables	921,407	350,589	1,271,996
Trade receivables for sales and services	532,668	369,789	902,457
Receivable from group and associated companies	357,775	(69,750)	288,025
Other tax receivables with the Public Administrations	31,464	47,605	79,069
Assets for taxes on current profit	4,612	1,851	6,463
Staff	297	134	431
Other receivables	116,000	7,961	123,961
Provisions	(121,409)	(7,001)	(128,410)
Short-term investments in group and associated companies	1,563,073	(112,303)	1,450,770
Short-term Loans to group companies	1,563,073	(112,303)	1,450,770
Short-term periodifications	(13,067)	17,430	4,363
Cash and cash equivalents	192,709	120,298	313,007
Total Assets	**3,583,643**	**403,505**	**3,987,148**

Exhibit I – Financial Statements with Joint Ventures

Ferrovial Agromán, S.A.

Liabilities and Equity	Centres	Joint Ventures	31.12.2010
	Thousand Euros		
Equity	**666,688**	**(62,868)**	**603,820**
Own funds	**666,688**	**(62,868)**	**603,820**
Capital	191,808	8	191,816
Share premium account	241,904	—	241,904
Reserves	142,733	(79,711)	63,022
Legal Reserve	118,122	(79,711)	38,411
Other Reserves	24,611	—	24,611
Profit for the year	93,092	13,986	107,078
Interim dividend distributed in the Financial Year	(2,849)	2,849	—
Non-current liabilities	**132,504**	**1,095**	**133,599**
Long-term provisions	65,182	—	65,182
Long-term debts	56,960	—	56,960
Debts with credit institutions	1,425	—	1,425
Derivative financial instruments at fair value	54,432	—	54,432
Other debts	1,103	—	1,103
Long-term debts with group and associated companies	—	—	—
Deferred tax liabilities	10,362	1,095	11,457
Current Liabilities	**2,784,451**	**465,278**	**3,249,729**
Short-term Provisions	243,461	60,799	304,260
Short-term Debts	3,370	344	3,714
Debts with credit institutions	3,266	344	3,610
Derivative financial instruments at fair value	104	—	104
Short-term debts with group and associated companies	710,772	(184,435)	526,337
Trade and Other Payables	1,836,957	570,803	2,407,760
Suppliers	1,067,724	408,533	1,476,257
Suppliers, group and associated companies	168,816	27,366	196,182
Other payables	80,744	(17,198)	63,546
Staff (remunerations pending payment)	25,442	3,206	28,648
Current tax liabilities (with Group Companies)	44,362	(5,438)	38,924
Other debts with the Public Administrations	116,581	57,758	174,339
Advances from clients	333,288	96,576	429,864
Periodifications	(10,109)	17,767	7,658
Total Liabilities and Equity	**3,583,643**	**403,505**	**3,987,148**

Exhibit I – Financial Statements with Joint Ventures.

Ferrovial Agromán, S.A.

	Thousand Euros		
Profit and loss statement	**Centres**	**Joint Ventures**	**31.12.2010**
Net Business Turnover	**1,618,857**	**651,839**	**2,270,696**
Sales	1,425,991	728,797	2,154,788
Provision of services	192,866	(76,958)	115,908
Other operating income	**56,129**	**—**	**56,129**
Total operating income	**1,674,986**	**651,839**	**2,326,825**
Change in stock	**(2,839)**	**—**	**(2,839)**
Consumables and other external costs	**987,808**	**463,077**	**1,450,885**
Consumption of raw materials and other consumables	248,662	123,056	371,718
Work performed by other companies	739,146	340,021	1,079,167
Staff Costs	**331,781**	**17,999**	**349,780**
Salaries, wages and similar	180,620	11,280	191,900
Social security contributions	52,660	3,871	56,531
Provisions	98,501	2,848	101,349
Allowances for fixed asset depreciation	**17,050**	**1,197**	**18,247**
Change in trade provisions	**29,544**	**1,092**	**30,636**
Other operating charges	**261,865**	**158,519**	**420,384**
External services	240,191	102,896	343,087
Taxes	22,477	34,694	57,171
Deterioration and change in tangible asset provisions	(13,213)	13,117	(96)
Other operating charges	12,410	7,812	20,222
Total operating expenditure	**1,625,209**	**641,884**	**2,267,093**
Trading profit	**49,777**	**9,955**	**59,732**
From stakes in equity instruments	**39,434**	**(12)**	**39,422**
In group companies	39,429	(12)	39,417
In non-group companies	5	—	5
From traded securities & other financial instruments	**72,233**	**7,144**	**79,377**
In group companies	59,780	—	59,780
In non-group companies	12,453	7,144	19,597
Total financial income	**111,667**	**7,132**	**118,799**
Due to debts with group and associated companies	10,858	569	11,427
Due to debts with third parties	14,142	2,200	16,342
Total financial expenditure	**25,000**	**2,769**	**27,769**
Deterioration and results due to disposal of financial instruments	**301**	**1,089**	**1,390**
Variation in fair value of financial instruments	**(7,002)**	**—**	**(7,002)**
Exchange differences	**(1,280)**	**—**	**(1,280)**
Financial Profit	**78,686**	**5,452**	**84,138**
Profit before taxation	**128,463**	**15,407**	**143,870**
Corporation Tax	(35,371)	(1,421)	(36,792)
Consolidated profit for the business year:	**93,092**	**13,986**	**107,078**

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Exhibit II

Exhibit II presents the contribution by the NBT and the portfolio of each one of Domestic and Industrial Joint Ventures as at 31st December 2010.

DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros NBT	Thousand Euros PORTFOLIO
AB. MONCALVILLO Y TORREMONTALBO	70.00%	—	—
ABASTECIMIENTO OURENSE	57.82%	—	8,202
TERMINAL ACCESS BARCELONA AIRPORT	40.00%	—	88,732
ACCESS TO LA SAGRERA STATION	37.50%	—	72,027
ACCESS HUCA	65.00%	5,016	6,510
ACCESS SAN MAMÉS	60.00%	3,586	5,786
ACEQUIA REAL DEL JUCAR	70.00%	3,481	781
ADEJE – SANTIAGO	64.70%	25,002	68,655
FUERTEVENTURA AIRPORT	85.00%	4,183	(1,723)
FERCONSA AIRPORT SERVICES	20.00%	—	—
AGGREGATE GETAFE 2003	20.00%	—	—
AGGREGATE GETAFE 2004	20.00%	—	—
AGGREGATE GETAFE 2005	20.00%	—	—
AGROMARTINEZ	50.00%	—	—
ALBUFERA	50.00%	—	—
ALCOY	65.00%	14,242	2,296
ALFRI	50.00%	—	—
AMERICA'S CUP DOCK MOORING	50.00%	—	—
EXTENSION WWTP ARENALES	40.81%	1,971	142
EXTENSION WWTP BENIDORM	55.14%	—	—
EXTENSION WWTP CIUDAD REAL	40.00%	1,517	6,098
EXTENSION WWTP LA GAVIA	26.08%	133	—
EXTENSION OFFICES TORRELAGUNA	20.00%	—	—
OLYMPIC RING	50.00%	—	3,849
FIGUERES PARKING AREA	70.00%	557	—
HOSPITALS PARKING AREA	60.00%	1,465	(1)
PLAZA DE LAS CORTES PARKING AREA	50.00%	2,522	1,477
GETAFE CAR PARKS	20.00%	—	—
UNSTAFFED STATION EL PORTILLO	100.00%	—	894
PARTICIPANTS AREA EXPO 2008	100.00%	193	—
ARLABAN	50.00%	2,243	4,050
ARRILUCE	18.87%	—	—
ARROYO ARGAMASILLA	50.00%	985	10,722
ATALAYA	50.00%	—	—
VITORIA AUDITORIUM	50.00%	—	—
RAMBUCHAR-CASTALLA HIGHWAY	33.84%	—	—
MAZARRON HIGHWAY	60.00%	—	—
AVDA. SALAMANCA 2nd PHASE	50.00%	2,705	1
AVE SUR	25.00%	2,239	7,155
AYORA	60.00%	246	—
BAIO	50.00%	665	—
BALLOU	63.00%	122	22,421
GRAVALOS SPA	60.00%	566	549
BALSA DE LA RESTINGA	20.00%	—	773
BARRANCO DE TRAMUSSER	60.00%	3,543	4,391
BARRANCO ENCISO LA RIOJA	60.00%	803	—
BARRANCO PERDIDO ENCISO	60.00%	704	43
BARRANCO PERDIDO ENCISO 2	60.00%	1,379	487
TORREJÓN AIR BASE	80.00%	3,848	2,272

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

		Thousand Euros	
DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	**%**	**NBT**	**PORTFOLIO**
ALBACETE BASE	50.00%	1,167	2,652
BRIHUEGA BASE	50.00%	—	178
GENERAL LIBRARY UNIV. SEVILLE	65.00%	—	—
BOROX AÑOVER	50.00%	13,725	26,728
BRION – MARTELO	50.00%	8,585	—
BULEVAR PINTO RESINA	50.00%	—	25
SOUTHERN BYPASS NORTH TUNNEL	50.00%	—	5,102
CALDEARENAS LANAVE	60.00%	—	29,237
CAMAS-SALTERAS	40.00%	2,260	4,221
CAMBIADORES ALCOLEA	25.00%	42	4
CAMPA DE LOS INGLESES	80.00%	347	2,540
MENORCA AIRFIELD	80.00%	—	—
ART CAMPUS	100.00%	—	—
RIAZA CHANNEL	50.00%	143	1
CANTAVIEJA	75.00%	—	—
PAMPLONA PRISON	75.00%	19,797	30,073
CARRANZA – ARANGUREN	50.00%	—	490
ROAD ICOD-EL TANQUE JOINT VENTURE	39.95%	6,924	33,335
CARTAYA	50.00%	—	—
CASA BRIONES	20.00%	—	—
SANTANDER CASINO	50.00%	47	1,175
CASTELLANO FERROVIAL FENDER	58.00%	503	—
CASTROFUERTE – TORAL	50.00%	—	2,537
BARRANCO SECO RIVER BED	34.50%	—	—
GARCÍA LORCA AIRPORT CENTRE	50.00%	2,592	1,725
SOUTHERN POWER STATION	60.00%	1,755	11,704
BUSINESS CENTRE	20.00%	—	—
RESEARCH CENTRE	70.00%	—	—
RISKS PREVENTION CENTRE	50.00%	152	4,353
PROCESSING CENTRE FERCONSA	20.00%	—	—
CERVANTES SPORTS CENTRE	50.00%	—	2,056
SANCTI-PETRI SPORTS CENTRE	75.00%	703	1,615
LEÓN 2 HOSPITAL COMPLEX	36.00%	4,871	2,427
VITORIA INTERNATIONAL CENTRE	50.00%	—	—
SANSOHETA CENTRE	60.00%	534	(1)
PINTO SUBURBAN TRAIN – JOINT VENTURE	60.00%	3,982	39,876
CERPA	20.00%	—	—
CERVANTES	50.00%	5,057	4,090
CHAMARTÍN T4	70.00%	7,652	28,549
ISLA VERDE ENCLOSURE	75.00%	9,009	9,711
MADRID RÍO CIRCUITS	80.00%	1,940	1,062
LAS PALMAS RING ROAD	34.50%	—	—
CITY OF JUSTICE	40.00%	—	—
CITY OF JUSTICE – BCN	22.00%	10	—
RÍA DE MUNDAKA SEWER	99.50%	2,654	2,357
V. DE NAVALAZARZA SCHOOL	20.00%	—	—
SCHOOL JOINT VENTURE	20.00%	—	—
VALENCIA SCHOOLS	60.00%	—	—
CONCHA	50.00%	—	295
PIPELINE TO GASSET 2	66.66%	28	—
CONSTRUCTION ALBACETE URBAN WASTE TREATMENT PLANT	50.00%	—	—
CORB	50.00%	5,559	10,882
CORDOBA – MALAGA 2007-2009	33.33%	19	109

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros NBT	PORTFOLIO
CORIGOS	80.00%	1,497	—
POST OFFICE	20.00%	—	—
COSTA BALLENA	20.00%	—	—
CREAA	50.00%	17,387	24,840
ALBERCHE RIVER BASSIN	64.80%	—	—
DALIAS	48.00%	13	871
PANIBERICA WASTEWATER TREATMENT PLANT	30.00%	1,752	—
DES SUR	25.00%	26	9
DES SUR – 2	25.00%	146	1
AGUILAS-GUADALENTIN DESALINATION PLANT	25.00%	6,131	—
CAMPO DE CARTAGENA DESALINATION PLANT	40.00%	2,076	1,632
GRANADILLA DESALINATION PLANT	40.60%	427	5,942
MELILLA DESALINATION PLANT	38.00%	1,467	—
DIAGONAL – BESOS	60.00%	5,095	595
DIAGONAL – BESOS FASE II	60.00%	1,152	413
EAST DOCK	25.00%	—	—
DRAINAGES 409	25.00%	—	21
DURANGO	50.00%	21	1
DYCAGRO	24.00%	—	—
ALMENDRALEJO WWTP	50.00%	1,871	3,211
ARENAS DE CABRALES WWTP	50.00%	7	1,283
AZUQUECA WWTP	58.80%	279	—
BENS WWTP	45.48%	8,900	(1,712)
CALAMOCHA WWTP	60.05%	48	—
CHIPIONA WWTP	33.33%	—	529
COMILLAS AND RUILOBA WWTP	36.30%	—	3,611
CULEBRO WWTP	32.50%	—	—
CULEBRO WWTP CIVIL WORKS	50.00%	—	—
GAVA – VILADECANS WWTP	25.00%	2,130	(220)
GUADALAJARA WWTP	44.50%	—	—
GUILLAREI WWTP	45.28%	—	—
MARISMAS DEL ODIEL WWTP	33.33%	1,591	1,674
MOLINA DE SEGURA WWTP	58.00%	2	—
RIBADESELLA WWTP	55.00%	216	—
RINCÓN DE LEÓN WWTP	30.57%	—	—
ROLDAN-LO FERRO MURCIA WWTP	59.21%	—	—
RONDA WWTP	56.00%	—	—
SAN FELIU DE LLOBREGAT WWTP	42.54%	351	420
SAN JAVIER WWTP	59.60%	—	—
SAN PEDRO WWTP	47.85%	133	—
BENIDORM SYSTEMS WWTP	61.70%	354	1,307
TAMARACEITE WWTP	32.00%	—	4,787
RESEARCH BUILDING	99.00%	—	4,969
TERMINAL BUILDING	40.00%	—	(3)
AUXILIARY BUILDINGS CPDS	50.00%	120	4,062
TERCAT BUILDINGS	60.00%	—	—
EL ARCILLAR	1.00%	9	17
EL BAÑUELO	70.00%	—	—
EL CELEMIN	20.00%	2	—
EL CUCADOR	60.00%	3,016	1,992
EL JUNQUILLO	50.00%	321	113
EL OLIVAR	50.00%	1,062	11,328
EL PLANTÍO	70.00%	—	—
EL SERRALLO	50.00%	—	—

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros NBT	PORTFOLIO
EL TARAJAL	40.00%	12	284
ARENOS RESERVOIR	60.00%	—	—
LEGANES FERCONSA SOLAR ENERGY	20.00%	—	—
EL PUERTO LINK ROAD	46.15%	—	—
ENTREVIAL	50.00%	—	—
FUERTEVENTURA EQUIPMENT	85.00%	914	—
LOCK 42	40.00%	87	43
CONTAINERS STAT. BILBAO PORT	50.00%	—	—
AVE STATION ZARAGOZA	50.00%	—	—
BAILEN STATION	70.00%	399	(1)
MATIKO STATION	50.00%	66	4,649
MARITIME STATION	80.00%	—	—
MARITIME STATION ALCUDIA	70.00%	143	463
LINE 9 STATIONS	20.00%	7,307	22,427
ESTEPONA – GUADIARO	50.00%	—	—
ANDEVALO DWTP	46.00%	—	484
LA RIBERA DWTP	52.36%	—	4,141
RÍO VERDE DWTP	33.33%	320	7,304
SANT JOAN DESPI DWTP	15.00%	758	—
SORBE DWTP	37.30%	—	—
VALMAYOR DWTP	32.50%	6,745	—
ETXABARRI – LUKO	50.00%	290	(53)
SAN JAVIER OPERATION	20.00%	87	—
SAN PEDRO OPERATION	20.00%	122	(1)
F.H.A.	48.73%	—	—
F.S.A. AND HORM.MART.S.A.	75.00%	1	—
F.S.A. AND SEIRT	50.00%	—	—
SEAFRONT 4	80.00%	1,512	2,586
FACULTIES	50.00%	119	—
FEGRE	99.90%	—	—
FERCON GETAFE	50.00%	—	—
FERCONSA BARRIOS GETAFE	20.00%	—	—
FERCONSA OBSERVATORY	20.00%	—	—
FERCONSA URBANIZATION CABANILLAS	20.00%	—	—
TRADE SHOW	45.00%	43	—
BADAJOZ EXHIBITION CENTRE	75.00%	—	75
FERRABE	65.00%	1,191	—
FERRERIES	90.00%	2,164	16,047
FERROHAR RIVAS	60.00%	—	—
FERRONGOA	65.00%	—	—
FERROTEP	100.00%	—	—
FERROVIAL FERRATUR	70.00%	—	—
FERROVIAL ORTIZ	50.00%	—	—
FERVIACOM 1	33.33%	—	—
FERVIACOM 2	33.33%	—	—
FERVIACOM 3	33.33%	—	—
FORMENTERA	50.00%	—	—
FRESNO	50.00%	—	—
GARGANTILLA	50.00%	—	971
GATIN	50.00%	—	—
GEOLIT	50.00%	343	—
GETAFE II	20.00%	—	1
GETXO – KAIA	50.00%	—	—
GOROSIBAI	70.00%	4	1

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

		Thousand Euros	
DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	**%**	**NBT**	**PORTFOLIO**
GUADARRAMA 3	33.00%	—	—
GUADARRAMA 4	33.00%	—	—
HENARES 163	64.67%	—	—
HERNAN CORTES	60.00%	—	—
HOGAR VIRGEN DE LOS REYES	20.00%	1	—
TOLEDO GENERAL HOSPITAL	40.00%	11,465	88,107
SAN MARTÍN HOSPITAL	60.00%	970	790
STA. CRISTINA HOSPITAL	50.00%	—	471
MURCIA UNIVERSITY HOSPITAL	50.00%	—	—
HUERTA DEL PEREJIL	20.00%	—	—
CEUTA SWDP	20.00%	986	—
PÁRAMO BAJO INFRASTRUCTURE	50.00%	2,069	1,653
LA CARPETANIA 1	50.00%	—	—
LA FONT	78.00%	—	—
LA LUZ	5.00%	—	—
LA PINADETA	20.00%	—	—
FERCONSA LABORATORY	20.00%	—	—
LADERAS DE ARENOS	60.00%	1,744	1,734
LAS ROSAS I-7	33.33%	—	—
LEBRIJA	60.00%	—	—
LEBRIJA 2	60.00%	—	1,657
LEGANÉS 106	65.00%	—	—
LEGUTIANO	65.00%	7,727	25,984
LIERES	36.00%	16	—
LINDIN – MONDOÑEDO	75.00%	1,385	—
LINE 9	20.00%	13,210	17,513
LINE 9 MADRID	50.00%	19,897	30,206
LOECHES	20.00%	1	—
LOT 2 EXPO 2008 PAVILIONS	100.00%	287	—
LUIS MONTOTO	65.00%	203	2,119
LUXEMBURGO	20.00%	—	—
M-7	50.00%	—	—
SAHECHORES MAINTENANCE	50.00%	—	—
VÍA SEVILLA MAINTENANCE	50.00%	926	334
MAR DE CRISTAL	30.00%	—	—
BUS-STOPS VALENCIA NORD	65.00%	—	—
MEDINACELI	32.80%	2,440	10,106
IMPROVEMENT PUBLIC ROAD GETAFE	20.00%	—	6
MELIAGUA	50.00%	—	—
MELONARES	60.00%	29	—
MELONARES 2	60.00%	—	—
SOUTHERN MARKET	70.00%	—	—
MÉRIDA III MILENIO	54.95%	9,808	14,492
URIBARRI SUBWAY	50.00%	2,133	12,245
METROGRANADA	70.00%	7,536	20,443
MOLINA OPERATION	59.21%	—	—
MONSALBA	100.00%	—	—
MONTAÑANA	100.00%	10	—
MONTE ORGEGIA	49.00%	—	—
MONTMELO	50.00%	432	33,543
AZ3 ZIERBENA QUAY	99.50%	5,449	(1,278)
LEVANTE QUAY	70.00%	7	—
NEW YORK QUAY	75.00%	314	—
PRAT QUAY	70.00%	—	—

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	%	Thousand Euros NBT	Thousand Euros PORTFOLIO
TRANSATLANTICS DOCK	65.00%	1,058	(10)
BOTAFOC DOCKS	54.00%	4,338	30,609
PUERTO ALCUDIA DOCKS	70.00%	—	4,475
PUERTO ENDESA DOCKS	70.00%	4,976	4,670
NET FINISHING WORKS	60.00%	5,567	(1)
NORIA FERCONSA	20.00%	—	—
CONDITIONING WORKS FERCONSA	20.00%	—	—
BARGAS CITY HALL WORKS	20.00%	—	—
OCHANDURI	70.00%	339	—
OCIFE	50.00%	—	—
OVIÑANA	80.00%	434	(15)
OYANCO	80.00%	—	4,539
CAGIGAL PAVILION	75.00%	596	979
PAJARES 3	50.00%	17,691	6,004
ALPERIZ PALACE	20.00%	—	—
PALMA – PALMANOVA	70.00%	5,323	—
INFORMATION PANELS	40.00%	—	—
STOPS TF-1	60.00%	—	306
PARC CENTRAL	80.00%	349	—
ARGANZUELA PARK	40.00%	4,946	5,494
CERRO PARK FERCONSA	20.00%	87	—
VALLADA PARC	53.50%	—	9,143
DELICIAS STATION RAMP	100.00%	—	282
TAMARGUILLO PROMENADE	65.00%	761	2,398
AMERICA'S CUP DOCK PAVEMENT	50.00%	—	—
PEDROSA – BASCONES	80.00%	52	26,153
CEUTA BORDER PERIMETER	40.00%	104	—
PFPV ANDOAIN-URNIETA	50.00%	—	32,064
TETUÁN FERCONSA SWIMMING POOL	20.00%	1	—
PLANA DEL VENT	42.50%	87	60
MÁLAGA WASTE PLANT	40.00%	—	—
MÁLAGA II WASTE PLANT	40.00%	—	—
BARCELONA BEACHES 2nd PHASE	70.00%	6,151	2,037
PLAZA CATALUÑA	50.00%	3,801	3,941
PLAZA DE LAS CORTES	50.00%	1,276	1
PLAZA TEMATICA SED	100.00%	91	—
PLAZAKOETXE	70.00%	30	—
POBLA DE TORNESA	65.00%	—	—
LA ESTACION POLYGON	75.00%	143	845
PRE-MAINTENANCE CUENCA	50.00%	201	—
ARTAJONA BARRAGE	60.00%	570	(2)
RULES BARRAGE	50.00%	—	—
PUENTE DEL RIO	85.00%	—	214
PUERTO CIUTADELLA	98.00%	16,657	7,128
QUINTANA DE LA SERENA	50.00%	—	3,730
QUIROGA – FOLGOSO	50.00%	107	44
SECONDARY RADAR	85.00%	—	1,964
ROBLE TUNNEL REINFORCEMENT	50.00%	465	1,190
PÁRAMO BAJO IRRIGATED AREA	100.00%	370	—
MUELLE PRAT REHABILITATION	70.00%	6,102	423
PUENTE DE SANTIAGO REPAIR WORKS	50.00%	1	—
REYES CATOLICOS	95.00%	27	—
RIALP	80.00%	—	—
RIBERAS DEL EBRO 1 (U-7)	100.00%	—	—

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

		Thousand Euros	
DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	**%**	**NBT**	**PORTFOLIO**
RIBERAS DEL EBRO 2 (U-8 Y U-10)	100.00%	—	—
RIBERAS DEL EBRO 3 (U-13 Y U-14)	100.00%	—	—
RINCONADA	20.00%	—	—
RÍO LOURO	45.28%	59	—
RIOMENTE	50.00%	—	—
SANTA PONSA ROUNDABOUT	80.00%	—	—
SAGRA	40.00%	—	—
SAHECHORES	38.00%	143	756
SAIH DUERO	40.00%	1,748	(170)
SAJA	50.00%	—	—
SAN AMARO	70.00%	—	—
SAN JULIÁN	75.00%	10,804	33,923
SAN ROQUE	50.00%	75	(1)
SAN SEBASTIÁN	5.00%	—	—
SAN TORCUATO	66.67%	—	—
SANCHINARRO	80.00%	—	—
SANTA CLARA	60.00%	—	—
SANTA Mª DE LA CABEZA	50.00%	—	—
SANTAS MARTAS – LEON	60.00%	6,510	45,254
TGSS HEADQUARTERS GRANADA	95.00%	—	—
DELICIAS ZARAGOZA SECOND PHASE	50.00%	—	—
SERIN	20.00%	—	—
SERRANO	50.00%	26,485	10,726
SERREJON	50.00%	1	—
SILO (HARO HOUSING)	50.00%	—	—
SIPERCOMPUTING CENTER	70.00%	—	—
SON CARRIO – SON SERVERA	60.00%	867	10,415
M-30 UNDERGROUND WORKS	75.00%	—	—
T4 SUPERSTRUCTURE	60.00%	12,549	18,573
T2 VALENCIA SUBWAY	65.00%	12,356	1,696
TANQUE DE TORMENTAS DE ETXEBARRI	60.00%	437	19,302
TERTIARY WWTP ALCANTARILLA	56.15%	—	—
TERTIARY RINCÓN DE LEÓN	25.00%	966	(37)
COMPLETION TOUS BARRAGE	50.00%	942	3,182
MÁLAGA AIRPORT TERMINAL	60.00%	1,857	1,660
MÁLAGA 2 AIRPORT TERMINAL	60.00%	11	262
BARAJAS AIRPORT TERMINAL	22.50%	—	—
CADIZ SEA TERMINAL	58.00%	—	—
QUAY TERMINAL	60.00%	—	52,416
TERRATEIG	60.00%	—	—
TORCAZ	85.00%	—	—
TORRE LLOBETA	20.00%	—	—
NORTH TOWER FERCONSA	20.00%	10	—
SOUTH TOWER FERCONSA	20.00%	—	6
TORREBLANCA	5.00%	—	—
TORRELAGUNA FERCONSA	20.00%	—	—
QUEVEDO TOWERS	55.00%	958	—
DIAGONAL TRAM	25.00%	—	—
TRES MARES	65.00%	751	5
TRIANGLE LINEA 9	20.00%	1,540	(59)
AIRPORT TUNNEL	20.00%	31,521	19,476
AIRPORT TUNNEL II	20.00%	7,103	5,015
LOS ALCORES TUNNEL	50.00%	—	48,171
RAÑADOIRO TUNNEL	60.00%	6,586	20

Exhibit II – Contribution by the NBT and portfolio of Domestic & Industrial Joint Ventures.

Ferrovial Agromán, S.A.

		Thousand Euros	
DOMESTIC & INDUSTRIAL CONSTRUCTION JOINT VENTURES	**%**	**NBT**	**PORTFOLIO**
EL PORTILLO TUNNEL	100.00%	647	—
FIRA TUNNEL	20.00%	5,675	636
Mª DE MOLINA TUNNEL	50.00%	2	—
METRO TUNNEL BORING MACHINE	20.00%	—	—
A-5 TUNNELS	60.00%	2,210	736
GUADARRAMA TUNNELS	33.33%	—	5,319
BARRES HOUSING DEVELOPMENT	80.00%	403	3,344
BELORADO FERCONSA HOUSING DEVELOPMENT	20.00%	—	—
C/OCÉANO ÍNDICO COSLADA FERCONSA HOUSING DEVELOPMENT	20.00%	21	—
VALDEPEÑAS FERCONSA HOUSING DEVELOPMENT	20.00%	—	—
FERCONSA HOUSING DEVELOPMENT AND ENCLOSURE	20.00%	—	—
CERVELLO BYPASS	35.00%	—	—
POSADAS BYPASS	50.00%	—	1,405
VEGAS BAJAS	65.00%	—	2,809
VILLAPEDRE	80.00%	6,503	32,737
VILLAPEREZ	40.00%	—	—
VILLAVICIOSA	50.00%	—	—
VIRGEN DEL CAMINO	60.00%	1,209	2,307
VIRGEN DEL CAMINO 2	60.00%	223	8,066
VILASECA C. P BYPASS	70.00%	174	(174)
YESA	33.33%	1,446	33,524
ZAFRA	50.00%	—	—
ZARAGOZA-LLEIDA SUB. II-A	85.00%	—	—
ZIERBENA	80.00%	—	—

Exhibit III

Exhibit III presents the contribution by NBT and portfolio of each one of the foreign Joint Ventures at 31st December 2010.

		Thousand Euros	
FOREIGN CONSTRUCTION JOINT VENTURES	%	NBT	PORTFOLIO
FONTIBON LOS ALPES	50.00%	—	—
BUGA TULUA PAILA	50.00%	—	—
CALI CANDELARIA	60.00%	—	—
F-A IMBERT DOMINGUEZ JOINT VENTURE	100.00%	—	—
ROAD REHABILITATION JOINT VENTURE	100.00%	—	—
CONTRAEMBALSE UTE	100.00%	—	—
DUARTE NEW BRIDGE	50.00%	—	—
LA ESPAÑOLA HOSPITAL	60.00%	—	—
ABAPO-CAMIRI ROAD	65.00%	—	—
CRUCE EL ESPINO JOINT VENTURE	65.00%	—	—
WARSAW AIRPORT EXTENSION	100.00%	—	—
M50 HIGHWAY JOINT VENTURE	50.00%	11,006	(15,751)
FERROBETON	80.00%	—	—
ROMA 99	80.00%	6	—
MODULAR GRIDS EXPO 98	60.00%	—	—
EXPO PLAZA JOSE QUEIROS	60.00%	—	—
FOZCOA BARRAGE	20.00%	—	—
FERROVENDAS	33.30%	—	—
SCUT ALGARVE JOINT VENTURE	85.00%	5	—
SCUT NORTE LITORAL JOINT VENTURE	84.05%	3,169	157
METRO LINHA AMARELA	36.36%	—	—
METRO LINHA AZUL	36.36%	—	—
FERRALQUEVA JOINT VENTURE	75.00%	32	—
AGUAS TRAS-OS-MONTES JOINT VENTURE	65.00%	—	—
CANAL ALVITO-PISAO JOINT VENTURE	50.00%	1	—
VIAL AÇORES JOINT VENTURE	85.00%	82,421	79,247
F-A CADAGUA ACE JOINT VENTURE	100.00%	2,387	548
F-A/CASTILLEJOS PORT. JOINT VENTURE	50.00%	429	—
EURO IONIA JOINT VENTURE	33.34%	49,563	269,339
MOTORWAY CENTRAL GREECE	33.34%	48,297	401,167
A1 HIGHWAY DESIGN JOINT VENTURE	50.00%	7,301	—
CAD/HOGENAKKAL INDIA CONST. JOINT VENTURE	40.00%	1,689	—
CADAGUA/HOGENAKKAL INDIA O&M JOINT VENTURE	40.00%	—	—

STATEMENT FOR THE RECORD

The Board of Directors of Ferrovial Agromán, S.A., at the meeting held on 30th March 2011, and for the purposes set out in Article 171.2 of the Consolidated Text of the Public Limited Companies Act has prepared, unanimously, the Financial Statements as of 31st December 2010, which shall be submitted to the discussion and approval, if appropriate, of the Shareholders at the Annual General Meeting.

The aforesaid documents, which form a single set, have been transcribed on the preceding consecutively numbered pages, written only on the obverse and all signed by the Company Secretary, and bearing the Company's Seal.

Pursuant to the provisions contained in Article 171 of the Consolidated Text of the Public Limited Companies Act, the Directors, who on today's date form the Company's Board of Directors, have signed the last page of this document, to all of which I attest as the Company Secretary, in Madrid on 30th March 2011.

Chairman: Mr Joaquín Ayuso García	**Board Member: Mr Íñigo Meirás Amusco**
[Illegible signature].	*[Illegible signature].*
Board Member: Mr Ernesto López Mozo	**Board Member: Mr Alejandro de la Joya Ruiz de Velasco**
[Illegible signature].	*[Illegible signature].*
Board Member: Mr Santiago Ortíz Vaamonde	**Board Member-Secretary:** **Mr José Carlos Garrido-Lestache Rodríguez**
[Illegible signature].	*[Illegible signature].*

Ferrovial Agromán, S.A.

Annual Report
for Financial Year 2010

BUSINESS PERFORMANCE & SIGNIFICANT EVENTS

The production during the Financial Year was € 2,271 million. Ferrovial Agromán's construction portfolio stood at € 3,913 million. This portfolio guarantees 21 months of activity.

Domestic Construction

In 2009, the turnover came to € 1,926 million, with a portfolio of € 3,082 million, with drops of 18% and 12% respectively compared with the preceding year, in line with what took place in other major companies on the market. The reduction in portfolio and sales basically reflect the complicated situation of the market with regard to private works and, since 2010, also to public works.

Notwithstanding these declines, the adaptation of the structure and the strict contracting criteria under profitable conditions have made it possible to maintain the profitability of the Net Operating Profit slightly above 4.0%, in a favourable environment, that is increasingly more similar to the European one. The expectations for the future with regard to maintenance of similar profitability levels in Spain are favourable thanks to the increased weight of public works on the Company forward order books, to its healthy status and to the ongoing effort to adapt the structure to the reality of the business.

Relevant awards have been obtained during 2010, in spite of strong competition, with major works such as the access to the New Airport Terminal of Barcelona (221 ME in Joint Venture at 40%) for the SEITT, the accesses to Sagrera station (189 ME in Joint Venture at 38%) for ADIF, and others such the Container Terminal at the Prat Dock (90 ME in Joint Venture at 60%), for the private client Tercat, proving our competitiveness with that kind of clients. There are also other noteworthy works that exceed 50 ME in award budget, such as the AVE Andoain – Urnieta for the Basque Government (64 ME in Joint Venture at 50%), or the Storm Tank of Etxebarri for the Water Board of Bilbao Bizkaia (53 ME in Joint Venture at 60%).

Moreover, numerous inaugurations have been made, with emphasis on the New Terminal at Malaga Airport, inaugurated by the Their Majesties the King and Queen of Spain, the Bens Sewage Plant in Corunna, the partial opening of the Underground Parking facility at Calle Serrano in Madrid, works that form part of the inauguration of the AVE Madrid-Valencia line, as well as the Villar-Fuentes and Cuenca-Gabaldón stretches, and major non-residential building works, such as the Penitentiary Centre of Figueras, the Rafael del Pino Sports Complex in Toledo, or restoration of the San Telmo Palace in Seville.

The main prize winning works during the Financial Year were the Montabliz Viaduct, the highest in Spain and sixth in Europe, with a height of 145 metres and a length of 721 metres, which has an environmentally respectful technical solution and was concluded in 2008, receiving the "Acueducto de Segovia" Prize, as well as the Outstanding Concrete Structures Prize. Awards have also been made for the works on the Sacred Art Corporate Park (Bauwelt Architectural Prize), or the Abroñigales Collector, that received a Special Mention in the Territory of Madrid by the Professional Association of Civil Engineers.

International Construction

Outside Spain, the international construction division is also performing activity in all the fields of civil engineering and building works. The activity by the division is developed through stable delegations in countries that are considered of strategic interest, such as the United Kingdom, Ireland, Italy, Portugal, Chile, Puerto Rico, Greece or the United States.

In 2010, the turnover amounted to € 345 millions which amounts to a +15% growth compared with the previous Financial Year. One must emphasise the good performance of contracting, with a portfolio of € 831 million (29 months turnover). The international portfolio has decreased by 20%.

Among the main awards, there is the LBJ Motorway in Texas due to collaboration between Ferrovial Agromán and the subsidiary Webber (€ 1,675 million, where 60% was for Ferrovial Agromán and 40% for Webber), the 1st Phase of Design and Construction of the East Terminal building of Heathrow Airport in London (€ 900 million, in a Joint Venture at 55%).

One must also mention the inauguration of other emblematic motorway works executed for Cintra, such as the remodelling of the M-50 Dublin Ring road for the National Roads Authority, as well as the Post T5 Baggage Tunnel at Heathrow Airport, executed for BAA.

Ferrovial received the "Major Contractor of the year 2010 Award" in Ireland for its great solidity and extraordinary construction activity in the country. The prize known as "CMG Building and Design Awards 2010", was granted by the communication group Commercial Media Group (CMG).

EXPECTED BUSINESS DEVELOPMENT

Activity in Spain

After a long period of growth in the construction sector in Spain, 2010 has been the third consecutive year of contraction of activity, with a drop in production of about 11% compared with 2009. Notwithstanding this, investment in construction in 2010 still amounts to 13% of the Spanish GDP.

Until 2009, the main cause of this fall lies in exhaustion of the growth cycle of investment in housing, which had undergone an expansion phase since the early 90s, which became more intense in the 2002-2007 period. Housing ended Financial Year 2010 with a drop in investment of about 15%, setting a new minimum for the historic trend from the beginning of the 1980s, with regard to homes approved, compared with the end of 2010, with about 125,000 approved (147,000 in 2009).

However, 2010, on the contrary to previous years in which public investment had partially acted as a factor to mitigate the drop in private sector investment, there was a contraction in Public Administration investment. Thus, the forecasts for the end of 2010 indicate that civil works have suffered a similar fall this year to building overall, of about 10%. The greatest investors in civil works in the country, the Ministry of Development and Ministry for the Environment, have slowed down execution of diverse works due to the public deficit containment plans by the Central Government, announced in January and May 2010, have cancelled contracts that had already been awarded, and have foreseen sharp cutbacks in their investment in 2011. Something similar has happened and shall happen to a greater extent in the future after the Regional and Local elections of 2011, in the case of the Autonomous Communities and Local Corporations. The drop in public investment has taken place in spite of the nearly € 5,000 million of extraordinary funds assigned by the Government to the State Local Investment Fund, that continues on from the 2009 Plan-E into 2010, having invested about € 8,000 million during the previous year.

The forecasts for the sector in 2011, according to indicators deemed to be consensus based, produced by the Savings Banks Foundation, the European Commission or the Bank of Spain, are of a reduction in activity of approximately 6-7%. For the first time in recent years, the drop in activity is expected to be more acute overall in the rest of construction types than in residential homes.

These forecasts are backed by the drop in public tenders, of about -32% during Financial Year 2010, compared with the previous Financial Year, which shall be partially compensated by the portfolios of the construction companies, still at reasonable levels.

Faced with these harsh forecasts, the sector trusts in swiftly implementing the relevant actions within the scope of public – private collaboration, as well as in the implementation of the Strategic Infrastructure Plan (PEI) by the Central Government, or of diverse regional plans such as the Infrastructure Plan for Transport Sustainability in Andalusia (PISTA) of the Government of Andalusia. Undoubtedly, such projects shall be a stabilising element in the short-term for the sector, and they have numerous advantages for the administration *per se*, more so at a moment such as the present one of budgetary stress.

International presence

The strong component of international activity by Ferrovial Agromán allows the Company to fully compensate the reduction of construction activity in Spain. Ferrovial Agromán's position is aimed at carefully selected markets: with future expansion potencial, mainly in civil engineering works, such as Poland; or of less exponential, although more stable growth, and with a major deficit in investment in infrastructures, such as that of Texas; and in other countries among which the United Kingdom, Greece or Ireland may be pointed out, where it accompanies the Ferrovial investment companies.

Other markets where the Company has taken a stable position, through Ferrovial Agromán, such as Puerto Rico or Portugal, will continue to be reference markets in the future.

Moreover, there have been recent organisational changes in the international area to be able to deal with ventures more ambitiously, both in interesting new markets on which the division is considering working hand-in-hand with CINTRA, as well as in major international projects without participation of the investment companies of the Group in markets such as the Middle East, Australia, Canada, etc. where a stable structure has been established, or there is the intention to create one. With regard to the latter, these shall be projects, in competition with the largest international and local groups, that we shall study in detail on a case-by-case basis, and we shall decide whether it is worth dealing with these only in the event of the know-how of Ferrovial Agromán being a differentiating factor.

Poland

Poland, where Ferrovial performs its activities through Budimex, the leading construction Company in the country, is the largest construction market in Eastern Europe, and it also has most attractive present and future growth levels. The main indicators point to growth in the sector in 2010 having been, according to European Commission data, approximately 4% in real terms. This growth has mainly been due to civil works, although affected negatively by the bad weather to a certain extent, and in spite of a certain standstill in investment in building. In Financial Years 2011 and 2012, market growth exceeding 7% in real terms is foreseen, amply above the 3-4% growth in GDP foreseen for the future:

- The civil engineering works market will be the main driving force in Poland, with a middle term growth in double figures boosted by the availability of assured structural and cohesion funds, of which Poland is the prime beneficiary at European level in 2007-13 (approximately € 57,000 million). The rate of use of the funds in the period is being positive, with nearly 50% of the funds already having been assigned to contracts awarded, especially in road projects. Application of these funds also has a clearly defined milestone, the availability of funds for the 2012 European Football Championship. With regard to industrial work, the necessary investment to guarantee the energy supply the country needs will be very high, with forecasts up to 2015, covering both the electric network as well as energy production plants, aggregating amounting to nearly € 30,000 million.
- Non-residential building is expected to perform well. In addition to the investments in transport infrastructures, holding the 2012 European Football Championship will also encourage the public administrations and private investors to execute the building infrastructures, mainly hotels and sports facilities, required to take advantage of the economic and media effect that event will provide Poland. These investments amount to more than € 2,500 million.
- In 2007, Poland reached its ceiling in new home approvals at nearly 250,000 homes, more than double those approved two years before. In 2010, the number of approvals was about 175,000 homes, quite similar to the 179,000 in 2009, although without suffering the consequences of the lower credit facilities provided by the banks and of the slight excess offer that exists. On the basis of that evolution of the market in 2010, the forecasts for 2011 are that home construction investment shall be maintained, but with an improvement in the number of approvals for new homes.

However, the effects of the international economic crisis, in spite of it being foreseen for this to be less severe in Poland, have less growth in building as a consequence. The main reason is the slow-down in foreign investment in the country that, although less marked than in other countries in the area and with recovery expected in 2011. The bodies promoting foreign investment in Poland estimate that the pre-crisis levels of foreign investment shall not be recovered until at least 2014.

United States

In the United States, the present investment in land transport infrastructures is mainly financed by Federal funds.

The national programme SAFETEA 2004-2009, invested a budget of approximately $ 286,000 million, this amounting to a 38% increase on its predecessor (TEA-21). The SAFETEA funds have been extended during 2010-2011, as the new framework for investment in land transport infrastructures does not have a clear date of approval due to the budget difficulties in the country and the division of the political control among the different powers and legislative bodies.

Although to date there are only proposals by diverse advisory committees on public administration and associations involved, they all agree in concluding that the assignment of the previous plan will be notably extended, a need that must be approached from the point of view of financing capacity and formulas. Among the financing sources proposed, there is encouragement of public-private collaboration projects, in which Ferrovial has ample experience along with CINTRA.

Ferrovial Agromán, together with CINTRA, is highly focused in large concession projects all over the country, and has a leading position in the State of Texas (the second greatest construction market of the country and the second beneficiary of SAFETEA funds) via Webber, specialised in civil works and recycled aggregates in the State.

The Obama Administration backs this need to address the severe deficit in transport infrastructures in the country through the American Recovery and Reinvestment Act ("ARRA") approved in 2009, assigned approximately 48,000 million dollars of Federal funds for transport that is acting as a bridge and incentive for the sector until the new TEA is finally approved, it being foreseen that more than 50% of the investment awarded by the ARRA will have been executed before the end of 2010. Likewise, other opportunities for the future in the construction sector are based on:

- A new Infrastructure Plan additional to the ARRA, announced in July 2010 by the Obama Administration that foresaw that it would be allocated funds amounting to $ 50,000 million, and that is still under discussion by the authorities of the United States due to its tax impact.
- The High Speed Train programme, for which President Obama has recently announced that he wishes to propose a six-year investment plan of $ 53,000 million, and that already has financing assigned of $ 8,000 million of federal funds from the ARRA.

United Kingdom

In 2007, Ferrovial Agromán established a new management unit in the United Kingdom to attend to that market directly. The strong orientation of the Ferrovial Group on the United Kingdom market, with acquisitions in recent years of Amey and especially of the BAA, makes it appropriate for the Construction Division to pay particular attention to these clients; as well as to other opportunities that may arise on that market, one of the largest in Europe.

The activity by Ferrovial in the United Kingdom has continued to grow during 2010, a growth that shall be exponential over the coming years thanks to awards among which a project as emblematic for BAA's future as the East Terminal Building at Heathrow Airport, for about € 900 million, in Joint Venture with Laing O'Rourke, one of the largest construction companies in the country, stands out.

Likewise, at the beginning of 2011, there was the award of 2 railway project contracts to CrossRail, a Joint Venture formed by Ferrovial Agromán, BAM Nuttall and Kier Construction, for an approximate value of nearly € 600 million.

Strategic positioning

The construction activity continues to be a strategic bet for Ferrovial, not only due to the solid historic evolution of growth and profitability, but also due to its major capacity to generate cash flow, that is necessary for continuity of the diversification process and the international expansion of the group.

The fundamental objectives of Ferrovial in the area of construction are:

– Reinforcement of the position among the leaders of the sector, as well as growth in activity based on:

- Taking advantage of the international presence on markets selected by stability and growth capacity;
- Close collaboration with companies in the group with investment vocation that are world leaders in their activities, that has been successful for both parties for many years;
- Promoting presence in businesses in which Ferrovial Agromán still has a capacity to grow;

- Participation in projects linked to private financing formulas, both at national as well as international level, as long as these fulfil the requisites of profitability / risk / investment need to suit the present market situation;
- Meeting client's needs: Quality, environmental management, sustainability.

– Maintenance of present profitability levels, which are high considering the profitability of the competition environment at European level, through:

- A careful selection of contracts, prioritising profitability over volume;
- Exhaustive credit control with private clients;
- Taking advantage of opportunities and synergies by means of more coordination between the various construction business lines, as well as other Group activities;
- Creating value and competitive advantages via technical solutions and capacities;
- Improvement in productivity via the incorporation of the use of new management technologies;
- A tight, flexible, added -value generating structure.

- Prioritising cash flow generation over growth objectives, concentrating on non- intensive investment projects and with special monitoring of site- to- site management of operating funds.

Achieving the preceding objectives is based on management of the day-to-day management of the business, as well as implementation of the strategic patterns by each one of the business managements, consisting of:

- Implementation in the construction business in Spain, which has a successful competitive situation, of very specific improvements that adapt their positioning to market development: Public-private collaboration formulas, greater competition on the public works market, recession on the real estate market, risks of defaulting by private customers, etc.

- Boosting activity in the fields of industrial construction, especially internationalisation of the activity and penetration of new industrial construction activities other than water treatment.

- Growth in the international construction business, although not if attaining this involves more risks or a decrease in profitability:

- Continuing the commitment to Eastern Countries, strengthening presence in all the construction sectors and maintaining collaboration and know-how exchange with the rest of the companies in the Group.
- Consolidating the already important activity of the North American markets, both by collaboration with Cintra and penetration in new markets of interest
- Special emphasis on taking advantage of the growing presence of other divisions of the group in the United Kingdom to encourage construction activity on that market
- Maintenance of a stable structure in other low risk countries in which the Company has major experience: Portugal, Ireland, Chile, Puerto Rico, etc.
- Entry to new markets with growth potential, in an initial phase along with other companies with investment vocation in the group, mainly CINTRA, and a vocation to remain if the market conditions allow.

EVENTS AFTER THE YEAR END

There have been no relevant events after 31st December 2010 that affect the Consolidated Annual Accounts of the Ferrovial Agromán Group on that date.

RISKS AND HAZARDS

The construction activity is not risk free. That is why it is the Company's policy to do anything within their power to prevent risks and hazards from occurring and to diminish the negative effects that could be derived from them.

These risks and hazards include:

- Risks concerning construction quality: damage to the construction or third parties
- Environmental hazards: Incidents derived from actions that can have an impact on the environment
- Occupational hazards: derived from the activity itself or as a result of joint and several liabilities or contingent liabilities derived from subcontractor personnel
- Financial risks: losses derived from clients' non-payments, insolvencies or late payment.

Furthermore, the Company has continued to implement an active strategy to protect its equity interests against exchange rate and interest risks originating in the ordinary course of business.

Consequently, Ferrovial Agromán, S.A. usually performs hedging transactions to ensure that both the equity elements and the foreseeable cash flows are not affected by variations in exchange and/or interest rates, as detailed in Note 3 in its annual report.

TECHNOLOGICAL ACTIVITIES

Ferrovial Agromán remains in the avant-garde in application of spearhead technology in the construction sector, for which it participates in the research and development activities that contribute to that aim.

Ferrovial Agromán, maintaining its commitment to quality and the environment, has continued to apply, in its activities, the production and management processes that were the object of the AENOR certification due to fulfilling the requisites of Standards ISO 9.001 and 14.001.

OWN SHARES

The Company held no own shares at 31st December 2010 and during that Financial Year it has not performed any operations with these.

Chairman: Mr Joaquín Ayuso García

[Illegible signature].

Board Member: Mr Íñigo Meirás Amusco

[Illegible signature].

Board Member: Mr Ernesto López Mozo

[Illegible signature].

Board Member: Mr Alejandro de la Joya Ruiz de Velasco

[Illegible signature].

Board Member: Mr Santiago Ortíz Vaamonde

[Illegible signature].

Board Member-Secretary:
Mr José Carlos Garrido-Lestache Rodríguez

[Illegible signature].

Certificación / Certificate

(Ley Orgánica de 27 de abril de 1900)
(Ley 1/2000, de 7 de enero, art. 144)
(Reales Decretos 2555/1977, de 27 de agosto,
889/1987, de 26 de junio, 752/1992, de 27 de junio,
79/1996, de 26 de enero, y 2002/2009, de 23 de diciembre)
(Orden Ministerial de 8 de febrero de 1996)

Nº de orden de protocolo: 0843-11

Don Hernando – Alfredo Barrios y Prieto, Traductor-Intérprete Jurado de francés, inglés e italiano, certifica que la que antecede es una traducción fiel y completa al inglés de un documento redactado en lengua española.

En Madrid, a veinte de mayo de dos mil once.

Hernando – Alfredo Barrios y Prieto, Sworn Translator – Interpreter of English, French and Italian, does hereby certify: That the preceding translation is a complete and faithful rendering in English of the original in Spanish.

At Madrid, this twentieth day of May of the year Two thousand and eleven.

Deloitte

Deloitte S.L.
Plaza Pablo Ruiz Picasso, 1 Torre Picasso
28020 Madrid
Spain
Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

FINANCIAL STATEMENTS AUDIT REPORT

To the Shareholders of Ferrovial Servicios, S.A.:

1. We have audited the financial statements of Ferrovial Servicios, S.A., comprising the balance sheet as at 31 December 2011, the income statement, the statement of changes in equity, the statement of cash flows and the annual report for the reporting period ended on said date. Directors are responsible for the preparation of the Company's financial statements, under the financial reporting regulatory framework applicable to the Company (identified in Note 2.a of the accompanying annual report) and, especially, subject to the accounting principles and methods contained therein. Our responsibility is to express an opinion on all of the abovementioned financial statements, based on the work carried pursuant to the auditing process applicable in Spain, which requires the examination, through sampling, of the evidentiary support of the financial statements and the assessment of compliance with the financial reporting regulatory framework upon filing thereof as well as with the applicable accounting principles and estimations.

2. In our opinion, the accompanying financial statements for 2011 present fairly, in all material respects, the financial position and equity of Ferrovial Servicios, S.A. as at 31 December 2011, as well as of the results from operations and cash flows for the relevant reporting period ended on such date, all of this pursuant to the regulatory framework resulting from applying the accounting principles and methods contained therein.

3. The directors' report attached hereto for the reporting period 2011 contains the explanations that the Directors consider appropriate, concerning the situation of the Company, its business development and other matters and does not form an integral part of the financial statements. We have verified that the accounting information contained in the directors' report agrees with the financial statements for 2011. Our work as auditors is limited to verifying the directors' report in the scope referred to in this paragraph and does not include the examination of any information other than that derived from the Company's accounting records.

DELOITTE, S.L.
Registered at R.O.A.C. Nº S0692 (Official Accounting Auditors Registry Number).

Rafael Abella
30 March 2012

Deloitte S.L. registered with the Commercial Registry of Madrid, volume 13.650, section 8th, folio 188, page M-54414, 96th entry, Tax Identification Code [C.I.F.]: B-79104469. Registered office: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Member of Deloitte Touche Tohmatsu

FERROVIAL SERVICIOS, S.A.

Financial Statements and Directors' Report for fiscal year 2011

FERROVIAL SERVICIOS, S.A.

BALANCE SHEET AT 31 DECEMBER 2011
(Thousands of Euros)

ASSETS	Notes to financial statements	31.12.11	31.12.10
NON-CURRENT ASSETS		**1,044,005**	**1,043,341**
Intangible assets	**Note 6**	**1,567**	**991**
Concessions		1,556	991
Computer software		11	—
Property, plant and equipment	**Note 7**	**11,680**	**7,604**
Land and buildings		4,155	3,620
Plant and other items of property, plant and equipment		7,341	3,774
Property, plant and equipment in the course of construction and advances		184	210
Non-current investments in Group companies and associates		**1,022,635**	**1,017,890**
Equity instruments	**Note 9.3**	974,580	952,193
Loans to companies	**Note 9.2**	48,055	65,697
Non-current investments	**Note 9**	**491**	**532**
Loans to third parties		59	83
Other financial assets		432	449
Deferred tax assets	**Note 14**	**7,632**	**16,324**
CURRENT ASSETS		**363,598**	**937,193**
Non-current assets classified as held for sale	**Note 11**	**—**	**610,412**
Inventories		**30**	**9**
Goods held for resale		30	9
Trade and other receivables		**131,042**	**122,569**
Trade receivables for sales and services	**Note 9**	118,022	94,680
Receivable from Group companies and associates	**Notes 9 & 20**	7,498	6,322
Sundry accounts receivable	**Note 9**	3,982	4,886
Staff	**Note 9**	266	254
Current tax assets	**Note 14**	523	15,884
Other accounts receivable from public authorities	**Note 14**	751	543
Current investments in Group companies and associates		**203,296**	**174,001**
Loans to companies	**Note 9**	—	1,982
Other financial assets	**Note 9**	203,296	172,019
Current financial assets	**Note 9**	**457**	**925**
Loans to companies		406	297
Debt securities		—	410
Derivatives		—	176
Other financial assets		51	42
Current accruals and deferred income		**3,335**	**1,916**
Cash and cash equivalents	**Note 9**	**25,438**	**27,361**
Cash		25,438	27,361
TOTAL ASSETS		**1,407,603**	**1,980,534**

The accompanying Notes 1 to 22 in the Financial Statements are an integral part of the balance sheet as at 31 December 2011.

FERROVIAL SERVICIOS, S.A.

BALANCE SHEET AT 31 DECEMBER 2011
(Thousands of Euros)

EQUITY AND LIABILITIES	Notes to financial statements	31.12.11	31.12.10
EQUITY	**Note 12**	**859,469**	**691,414**
SHAREHOLDERS' EQUITY	**Note 12.1**	**859,469**	**702,161**
Share Capital		**573,043**	**573,043**
Registered share capital		573,043	573,043
Share premium	**Note 12.2**	**3,291**	**3,291**
Reserves	**Note 12.3**	**44,822**	**16,223**
Legal reserves		33,353	16,193
Other reserves		11,469	30
Other contributions from shareholders	**Note 12.4**	**6,915**	**6,006**
Profit/(loss) for the year		**231,398**	**171,598**
(Interim dividend)	**Note 12.5**	**—**	**(68,000)**
Adjustments for changes in value	**Note 12.6**	**—**	**(10,747)**
NON-CURRENT LIABILITIES		**424,711**	**1,061,321**
Long-term provisions	**Note 17**	**8,909**	**7,755**
Other provisions		8,909	7,755
Non-current payables	**Note 10**	**11,227**	**23,711**
Obligations under finance leases		1,213	—
Derivatives		9,911	23,379
Other financial liabilities		103	332
Long-term payables to Group companies and associates	**Notes 10 & 20**	**357,152**	**983,036**
Liabilities for deferred tax	**Note 14**	**47,423**	**46,819**
CURRENT LIABILITIES		**123,423**	**227,799**
Liabilities linked to Non-current assets classified as held for sale	**Note 11**	**—**	**125,248**
Short-term provisions	**Note 17**	**11,820**	**9,460**
Current payables	**Note 10**	**9,627**	**17,325**
Bank borrowings and other financial liabilities		633	1,468
Obligations under finance leases		217	—
Derivatives		—	15,529
Other financial liabilities		8,777	328
Current payables to Group companies and associates	**Notes 10 & 20**	**27,222**	**12,352**
Trade and other payables		**72,146**	**62,671**
Payable to suppliers	**Note 10**	39,775	40,790
Suppliers – Group companies and associates	**Notes 10 & 20**	3,925	758
Sundry accounts payable	**Note 10**	705	1,777
Staff (Remuneration payable)	**Note 10**	13,040	6,226
Other accounts payable to public authorities	**Note 14**	12,498	10,065
Customer advances	**Note 10**	2,203	3,055
Current accruals and deferred income		**2,608**	**743**
TOTAL EQUITY AND LIABILITIES		**1,407,603**	**1,980,534**

The accompanying Notes 1 to 22 in the Financial Statements are an integral part of the balance sheet as at 31 December 2011.

FERROVIAL SERVICIOS, S.A.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
Revenue		**312,809**	**275,782**
Revenue		3,660	2,026
Provision of services		309,149	273,756
Procurements	**Note 15.a**	**(41,363)**	**(45,802)**
Cost of goods held for resale sold		(259)	(207)
Cost of raw materials and other consumables used		(15,591)	(17,624)
Work performed by other companies		(25,513)	(27,971)
Other operating income		**1,689**	**1,687**
Non-core and other current operating income		108	—
Operating grants transferred to profit or loss		1,581	1,687
Staff costs		**(179,398)**	**(155,055)**
Wages, salaries and similar expenses		(117,716)	(101,444)
Employee benefit costs	**Note 15.b**	(40,931)	(35,558)
Provisions		(20,751)	(18,053)
Other operating expenses		**(78,940)**	**(72,075)**
Outside services		(47,669)	(43,026)
Taxes other than income tax		(362)	(413)
Losses on, impairment of and change in allowances for trade receivables		(5,347)	(8,416)
Other current operating expenses		(25,562)	(20,220)
Depreciation and amortisation charge	**Notes 6 & 7**	**(2,116)**	**(1,457)**
Impairment and gains and losses on disposals of non-current assets		**6**	**24**
Gains or losses on disposals and other	**Note 7**	6	24
PROFIT FROM OPERATIONS		**12,687**	**3,104**
Finance income	**Note 15.e**	**232,668**	**220,032**
Finance costs	**Note 15.e**	**(24,469)**	**(49,023)**
Exchange differences	**Note 13**	**3,220**	**(13,372)**
Impairment and gains or losses on disposals of financial instruments	**Note 15.f**	**15,123**	**(3,184)**
FINANCIAL PROFIT		**226,542**	**154,453**
LOSS BEFORE TAX		**239,229**	**157,557**
Income tax	**Note 14**	(7,831)	6,345
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**231,398**	**163,902**
DISCONTINUED OPERATIONS		—	9,727
Profit for the year net of tax from discontinued operations		**—**	**7,696**
PROFIT/(LOSS) FOR THE YEAR		**231,398**	**171,598**

The accompanying Notes 1 to 22 in the Financial Statements are an integral part of the income statement for 2011.

FERROVIAL SERVICIOS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2011
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE
(Thousands of Euros)

	Notes to financial statements	Fiscal year 2011	Fiscal year 2010
PROFIT (LOSS) PER INCOME STATEMENT (I)		**231,398**	**171,598**
Income and expenses recognised directly in equity		**—**	**(10,747)**
- Hedging instruments		—	(15,353)
- Tax effect		—	4,606
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		**—**	**(10,747)**
TOTAL TRANSFERS TO PROFIT OR LOSS (III)		**—**	**—**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**231,398**	**160,851**

The accompanying Notes 1 to 22 are an integral part of the statements of recognised income and expense for 2011

FERROVIAL SERVICIOS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2011
B) STATEMENTS OF CHANGES IN EQUITY
(Thousands of Euros)

	Share Capital	Share Premium	Reserves	Profit or loss for the Year	Interim dividends	Adjustments for of changes of Value	TOTAL
BALANCE AT BEGINNING OF 2010	**573,043**	**3,291**	**13,601**	**73,145**	**(65,000)**	**—**	**598,080**
Total income and expense recognised	—	—	—	171,598	—	(10,747)	160,851
Transactions with shareholders	—	—	1,314	—	—	—	1,314
Dividends	—	—	—	(65,831)	(3,000)	—	(68,831)
Distribution of profit	—	—	7,314	(7,314)	—	—	—
2010 ENDING BALANCE	**573,043**	**3,291**	**22,229**	**171,598**	**(68,000)**	**(10,747)**	**691,414**
Total income and expense recognised	—	—	—	231,398	—	10,747	242,145
Transactions with shareholders	—	—	910	—	—	—	910
Dividends	—	—	(75,000)	—	—	—	(75,000)
Appropriation of profit	—	—	103,598	(171,598)	68,000	—	—
2011 ENDING BALANCE	**573,043**	**3,291**	**51,737**	**231,398**	**—**	**—**	**859,469**

The accompanying Notes 1 to 22 in the Financial Statements are an integral part of the statement of changes in total equity for 2011.

FERROVIAL SERVICIOS, S.A.

STATEMENTS OF CASH FLOWS FOR 2011
(Thousands of Euros)

	Ejercicio 2011	Ejercicio 2010
CASH FLOWS FROM OPERATING ACTIVITIES (I)	**225,241**	**195,463**
1. Profit/Loss for the year before tax	239,229	157,557
2. Adjustments for:	(218,176)	32,332
3. Changes in working capital	(18,721)	(178,282)
4. Other cash flows from operating activities	222,909	183,856
CASH FLOWS FROM INVESTING ACTIVITIES (II)	**483,872**	**117,852**
5. Payments due to investment	(13,862)	(2,949)
6. Proceeds from disposal	497,734	120,801
CASH FLOWS FROM FINANCING ACTIVITIES (III)	**(714,256)**	**(346,679)**
7. Proceeds and payments relating to equity instruments	1	—
8. Proceeds and payments relating to financial liability instruments	(639,257)	(277,848)
9. Dividends and returns on other equity instruments paid	(75,000)	(68,831)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	**3,220**	**—**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)	**(1,923)**	**(33,364)**
Cash and cash equivalents at beginning of year	27,361	60,725
Cash and cash equivalents at end of year	25,438	27,361

The accompanying Notes 1 to 22 in the Financial Statements are an integral part of the statement of cash flows for 2011.

FERROVIAL SERVICIOS, S.A.

NOTES TO THE 2011 FINANCIAL STATEMENT

NOTE 1. COMPANY'S INCORPORATION, ACTIVITY AND LEGAL REGULATIONS

a) Incorporation and registered office

Ferrovial Servicios, S.A. (hereinafter "the Company") was incorporated in Madrid on 6 February 1992 with the corporate name of Servicio de Recogida de Residuos, S.A. The current registered office is on calle Príncipe de Vergara, 135, Madrid.

b) Activity

The main activity is the provision of all types of urban services, namely those related to the environment, contracting and construction, building maintenance and cleaning, infrastructure maintenance, and any other activity related to the aforementioned corporate purpose.

The Company has branches in the main cities in Spain, through which its activity is developed.

The Company is part of the Ferrovial Group operating in the construction, airports, highways and parking industries and other services (the latter developed via the subgroup Ferrovial Servicios, S.A. of which the Company is the Parent Company).

Ferrovial, S.A., the Group's Parent Company, owns 99.99% of the Company, which prepares consolidated financial statements. Those corresponding to the reporting period 2010 are registered with the Commercial Registry of Madrid.

Ferrovial, S.A.'s registered office is on Príncipe de Vergara, 135 (Madrid).

Ferroser Servicios, S.A.'s fiscal year starts on 1 January and concludes on 31 December every year. In order to simplify, "reporting period 2011" will be used in all the other Notes to this Financial Statement whenever the fiscal year ended on 31 December 2011 is mentioned.

c) Consolidated Financial Statements

Pursuant to the current commercial legislation, the Company is not compelled to present consolidated financial statements and directors' report as it belongs to the Ferrovial Group, the Parent Company of which is Ferrovial, S.A.

The 2011 consolidated financial statements of Ferrovial Group, to which the Company belongs, prepared by the Directors will be submitted for approval to the Annual General Meeting and will be registered with the Commercial Registry of Madrid.

Even though the Company's minority shareholders have not requested the subgroup Ferrovial Servicios, S.A. to prepare consolidated financial statements, the Directors have decided to do so, pursuant to the legal possibility of preparing them in accordance to International financial reporting standards (IFRSs) implemented in the European Union. The attached financial statements only correspond to Ferrovial Servicios, S.A.

Said consolidated financial statements show an increase of Company's total assets and equity at 31 December 2011 of EUR 2,251,906 thousand (EUR 2,252,833 thousand in the previous reporting period) and EUR 377,010 thousand (420,051 thousand in the previous reporting period), respectively, and higher profits for the reporting period 2011of EUR 98,320 thousand (y-o-y reduction of EUR 25,917 thousand).

d) Legal regulations

The Company is governed by its Bylaws and by the Spanish Companies Law.

NOTE 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Regulatory financial reporting framework applicable to the Company

These financial statements were prepared by the Directors in accordance with the financial reporting regulatory framework applicable to the Group, which is set forth in:

1) The Commercial Code and other commercial legislation.
2) The Spanish Chart of Accounts approved by Royal Decree 1514/2007 and its sector-related adjustments.
3) The mandatory standards approved by the Institute of Spanish Accounting and Audit Institute whereby the Spanish Chart of Accounts and its supplementary standards are implemented.
4) Other applicable Spanish commercial and accounting regulations.

b) Fair presentation

The accompanying financial statements were prepared from the accounting records of the Company and are presented in accordance with the applicable financial reporting regulatory framework and, specifically, with the accounting principles and methods contained therein, so as to present fairly the Company's equity, financial position, results and cash flows for the relevant financial year. These financial statements, prepared by Company Directors, will be submitted for approval by shareholders at the Universal Annual General Meeting, estimating its approval with no amendments. Similarly, the financial statements for 2010 were approved by the Annual General Meeting held on 23 May 2011.

c) Accounting principles applied

The directors prepared these financial statements by taking into account all the mandatory accounting principles and standards with a significant effect thereon. All obligatory accounting principles have been applied.

d) Presentation currency

Pursuant to current accounting regulations, financial statements should be presented in thousands of euros, since the Euro is the functional and presentation currency of the Company.

e) Key issues in relation to the measurement and estimation of uncertainty

The accompanying financial statements were prepared using estimations by the Company Directors to value certain assets, liabilities, income, expenses and commitments recorded therein. These estimates relate basically to the following:

-Useful life of property, plant and equipment and assessment of possible impairment losses on certain assets (see Note 4.b).

-Assessment of possible impairment losses on trade and other accounts receivable (see Note 4.d).

-Risk management and specifically liquidity risk (see Note 5).

-Market value of some financial instruments (see Note 9).

Although these estimates were made on the basis of the best information available at 2011 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

g) Grouping of items

Certain captions in the summarised balance sheet, the income statement and the statement of changes in equity are grouped for better understanding, even though such information, when significant, has been itemised in the corresponding notes to the financial statement.

h) Grouping of changes to accounting principles

No significant changes were introduced to accounting principles during 2011 compared to those applied in the 2010 reporting period.

i) Correction of errors

No significant errors were detected in the preparation of the accompanying financial statements requiring a restatement of amounts included in the 2010 financial statement.

j) Comparative information

Pursuant to commercial legislation and for comparative purposes, the Directors present each item of the balance sheet, income statement, statement of changes in equity and statement of cash flows, including the figures for the reporting period 2011, those corresponding to the previous year. The items of both years are comparable and consistent.

j) Responsibility for the information and use of estimates

Preparing financial statements calls for judgements, estimates and assumptions affecting the implementation of accounting policies as well as assets, liabilities, income and expenditure balances. Related estimates and assumptions are based on historic experience and other different factors understood as reasonable according to the circumstances. Corresponding estimates and assumptions are permanently reviewed. The effects of accounting estimates reviews are recognised in the period when they are made, if they only affect said period, or the period reviewed and future periods if they are affected thereby.

Even though these estimates were made according to the best available information when these financial statements were prepared based on analysed facts, events that take place in the future might make it necessary to change these estimates in coming reporting years. Changes in accounting estimates would be applied prospectively recognising the effects of the change in estimates in the future consolidated income statements.

NOTE 3. DISTRIBUTION OF PROFIT

The proposals for distribution of 2011 and 2010 profit, prepared by the Directors are shown below in euros:

	2011	2010
Distribution base		
Profit for each year	231,397,777,60	171,598,392,29
	231,397,777,60	**171,598,392,29**
Distribution to:		
Legal reserve	23,139,777,76	17,159,839,23
Interim dividend	—	68,000,000,00
Voluntary Reserves	208,257,999,84	86,438,553,06
	231,397,777,60	**171,598,392,29**

NOTE 4. ACCOUNTING POLICIES AND MEASUREMENT BASES

The main recording and valuation standards used by the Company when preparing its 2011 financial statements, pursuant to provisions of the Spanish Chart of Accounts, were the following:

a) Intangible assets

Assets herein included are recognised at acquisition or production cost, subsequently reduced by the related accumulated depreciation (calculated according to their useful life) and by any impairment losses recognised, as applicable.

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. The depreciation charge for each period shall be recognised in profit or loss.

The Company has no intangible assets with an indefinite useful life.

Administrative concessions

Administrative concessions are posted under assets for the total amount of expenses incurred to obtain them. They have a definite useful life and the cost is registered under profit/loss, through a straight-line amortisation during the concession.

Computer software

Software licences acquired from third parties or internally-developed computer software are capitalised according to acquisition or development costs and those related to preparing the asset for its intended use.

Computer software is amortised on a straight-line basis at a rate of 33.33% per year.

In case of reasonable doubts about the technical success or economic-commercial profitability of a software development, amounts registered in the corresponding item as assets are directly posted as losses of the reporting period.

Software maintenance expenses incurred during the reporting period are registered in the income statement.

b) Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost, net of the related accumulated amortisation and, as the case may be, the amount accumulated from the recorded impairment losses.

Upkeep and maintenance expenses incurred throughout the reporting period are posted to the income statement. The costs of renewal, expansion or improvement of property, plant and equipment leading to increased capacity, productivity or to a lengthening of the useful lives are capitalised as higher costs of the relevant assets, once the carrying amounts of the replaced elements have been derecognised.

Property, plant and equipment, net, as applicable, of its residual value, are depreciated following the straight line method distributing the cost of assets over the years of estimated useful life that conform the period in which the Company expects to use them, pursuant to the following:

	Annual Depreciation	Years of estimated useful life
Buildings	4	25
Plant	20	5
Machinery	20	5
Tools	25	4
Other facilities	20	5
Furniture	10 - 20	10 - 5
Computer hardware	33	3
Transport equipment	20	5
Other items of property, plant and equipment	20	5

The carrying amount of an item of property, plant and equipment is written off due to disposal, or when no future economic benefits are expected from its use or disposal. The loss or profit derived from writing off an item of property, plant and equipment is established as the difference between the net amounts, as applicable, of sales costs from disposal, if any, and the item's carrying amount, and posted to the income statement of the year in which it occurs.

Impairment of intangible assets and property, plant and equipment

The Company assesses at the end of the reporting period whether there is any evidence of value impairment of an element of property, plant and equipment or of any cash-generating unit, in which case the recoverable amounts are estimated and the necessary value adjustments are made. There is an impairment loss of an element of property, plant and equipment when its carrying amount exceeds its recoverable amount, understood as the higher of the fair value less costs to sell and its value in use.

Impairment losses or their reversal, when the circumstances for their recognition may cease to exist, are recognised as an expense or income, respectively, in the income statement. The limit of the reversal of impairment will be the carrying amount of the assets being recognised on the reversal date if the impairment would not have been booked.

c) Leases

Leases are classified as financial leases whenever the terms of the lease substantially transfer all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The Company has financial and operating leases acting as lessee in both.

Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

Operating lease

Lease expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

d) Financial instruments

The Company only recognises one financial instrument in its balance sheet when it becomes a party to the contract or legal transaction giving rise to it, pursuant to its provisions.

The Company defines the classification of its financial assets upon initial recognition and, when possible and appropriate, said classification is reviewed at each balance sheet date.

In the reporting periods 2011 and 2010. the Company has its classified financial instruments into the following categories:

Loans and accounts receivable and debits and accounts payable

Loans and receivables

This category includes:

a) Trade receivables: Financial assets from the sale of goods or service provision through trade operations, and

b) Non-trade receivables: Financial assets which, though non-commercial, cannot be considered as equity or derivative instruments representing a fixed amount, or one yet to be established, and which are not traded in an active market. Financial assets for which the Company may not substantially recover the entire initial investment, due to circumstances other than credit impairment, are not included.

Accounts payable

This category includes:

a) Debits from trade receivables: Financial liabilities from the purchase of goods and services through trade operations, and

b) Debits from non-trade receivables: Financial liabilities which, not coming from trade operations, cannot be considered as derivative financial instruments.

Measurement

Initially, financial assets and liabilities included in this category are carried for valuation purposes at their fair value, which is the transaction price, and which is the fair value of the consideration given plus directly-attributable transaction costs.

Notwithstanding the above, credits and debits from trade receivables with a due date not exceeding one year and not having a contractual interest rate, as well as advanced payments and credits to staff, dividends receivable and capital calls on equity instruments whose payment is expected to be received in the short term, and payments demanded by third parties on equity interests, whose amount is expected to be paid in the short term, are assessed at their face value, when the consequence of not updating cash flows is not significant.

After initial recognition, both assets and liabilities are registered at their amortised cost. Interest accrued is entered in the income statement, applying the cash interest rate method. However, credits and debits with a due date not exceeding one year and initially carried for valuation purposes at their nominal value, will continue being so, except in the case of impaired credits.

If at the end of the reporting period, there is objective evidence that there is a credit impairment, i.e., if there is evidence of a reduction or delay in estimated future cash flows for said asset, the necessary value adjustments are made.

Particularly, and as to the impairment regarding trade and other accounts receivable, the Company's method for calculation consists in depreciating receivables from public agencies due but not yet collected at year-end for which there is no impairment provision following a financial criterion and charged or credited, as applicable, to "Financial expenses" in the income statement. This criterion is not significantly different from having made the adjustments when the transaction originating the receivables estimated to be collected in the long term occurred.

In addition, the Company follows the criterion of setting a provision, charged or credited, as applicable, to "Losses on, impairment of and change in allowances for trade receivables" for fifty per cent of the amount corresponding to invoices due and not yet collected with a due date exceeding six months, and setting a provision for the entire balance of invoices due and not yet collected with a due date exceeding one year, except for receivables from public agencies, for which a specific analysis is performed. This criterion is not significantly different from applying an analysis of the specific impairment according to information available at year-end for all receivables.

Equity investments in Group companies, associates and jointly controlled entities:

Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

Initially carried for valuation purposes at cost, which is the fair value of the consideration given plus directly-attributable transaction costs.

Subsequent valuation will be at cost less the accumulated impairment losses, as applicable.

If there is objective evidence at the end of the reporting period that the carrying amount of the investment will not be recoverable, the necessary valuation changes are performed.

These adjustments are calculated as the difference between their carrying amount and their recoverable amount, which is the higher of fair value less sales costs and the present value of the future cash flows from the investment.

Except where there is better evidence of the recoverable value, the impairment of these investments is estimated considering the investee's equity corrected for any unrealised capital gains existing at the valuation date, corresponding to elements identifiable in the investee's balance sheet.

In determining investee's equity for the purposes of the aforementioned, in the cases where the investee is in turn owned by another company, the equity stated in the consolidated financial statements prepared using principles included in the Commercial Code and its implementing rules has been considered.

In determining an investee's equity whose functional currency is other than euro, the closing exchange rate in cash is applied both to equity and the unrealised gains existing at that date.

Valuation adjustments due to impairment and, as the case may be, their reversal, are registered as an expense or income, respectively, in the income statement. The limit of the reversal of impairment will be the book value of the receivable being recognised on the reversal date if the impairment would not have been registered.

Derivative financial instruments and accounting hedging

The Company uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed. These risks include mainly exchange rate and interest rate variation risks. Within the context of such transactions, the Company trades hedging financial instruments.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The Group applies the following types of hedges, which are entered as described below:

i. Cash flow hedge: a cash flow hedge hedges exposure to highly probable future transactions and changes in cash flows. The gain or loss on the ineffective portion of the hedging instrument is taken to the income statement and the gain or loss on the effective portion is recognised directly in equity in the statement of financial position. The amount deferred in equity is not recognised in the income statement until the gains or losses on the hedged transactions are recognised in profit or loss or until the transactions mature. That amount is recognised in the same line item as the gain or loss on the hedged item.

   Lastly, should the hedge become ineffective, the amount recognised in equity until then is taken to profit or loss proportionately over the term of the derivative arranged.

ii. Fair value hedge: A fair value hedge hedges exposure to changes in the value of a recognised asset or liability in the balance sheet , or a firm commitment relating to a future transaction. The gain or loss on the hedging instrument and the gain or loss on the hedged asset or liability are recognised in the consolidated income statement.

iii. Hedge of net investments in foreign operations: Their purpose is to hedge exposure to changes in the value of said investments, flows or dividends in foreign operations attributable to foreign exchange fluctuations. Gains or losses are recognised in equity and taken to the income statement when the investment is sold or matures.

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

Derecognition of financial assets

The Company eliminates financial assets when they expire or when the rights to the cash flows from the asset concerned have been assigned and the risks and benefits inherent to its ownership have been substantially transferred such as the firm sales of assets, the assignment of receivables in "factoring" transactions in which the company does not retain any credit or interest risk, sales of financial assets under repurchase agreements at fair value and securitisation of financial assets in which the assigning company does not retain any subordinated financing or grant any type of guarantee or assume any other type of risk.

However, the Company does not write off financial assets, and records a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring, sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

When a financial asset is written off, the difference between the consideration received net of directly-attributed transaction costs, considering any new asset obtained less any assumed liability, and the carrying amount of the financial asset, plus any accumulated amount directly recognised under equity, determines the profit or loss resulting from writing off said asset, and is part of the profit/loss of the year in which it occurs.

Derecognition of financial liabilities

A financial liability is written off when the corresponding obligation is extinguished.

The difference between the carrying amount of the financial liability or the part thereof written off and the consideration paid, including directly-attributed transaction costs and any type of transferred asset other than the assumed cash or liability, is recognised on the income statement of the year in which it takes place.

Interest and dividends corresponding to financial assets

Additionally, interest and dividends corresponding to financial assets accrued after the acquisition are recognised as income on the income statement.

On the contrary, when dividends distributed are unequivocally from profits generated before the acquisition date, they are recognised reducing the investment's carrying amount.

Interests are recognised using the effective interest rate method, and dividends, when shareholders are to receive them. Therefore, they are independently registered upon initial valuation of financial assets, considering maturity, explicit interest accrued and outstanding at the moment and dividends agreed by the competent body upon acquisition.

Guarantees delivered and received

Short-term guarantees delivered and received are registered for the amount disbursed or received, respectively.

e) Inventories

Goods and services included under inventories are registered at acquisition or production cost, following the weighted average cost formula.

The advance payments to suppliers for future supplies of inventories are valued at their cost.

The corresponding valuation changes recognising them as an expense under the profit and loss account are performed when inventories' net realisable value is below their acquisition price or production cost. In the case of raw material and other consumables used during production, no valuation change is made provided finished products to which they are incorporated are sold above cost. When raw material and other consumables used require valuation change, their replacement price is taken as net realisable value.

When the circumstances triggering the valuation change of inventory no longer exist, the amount changed is reversed, recognised as income on the income statement.

f) Foreign currency transactions

The functional currency used by the Company is the Euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign Currency Transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

g) Income tax

Income tax is registered in the income statement or directly under shareholders' equity, according to where profit or losses giving rise to it are registered. Each reporting period's income tax includes both current tax and deferred taxes, if applicable.

The current tax is the amount to be paid by the Company for income tax for a specific fiscal year.

The difference between the accounting value of assets and liabilities and their tax base generate the balances for deferred taxes for assets or liabilities, which are calculated using the tax rates that are expected to be in force upon reversal, and according to the manner in which said asset or liability is reasonably expected to be recovered or paid.

Changes to deferred taxes for assets or liabilities during the reporting period are registered in the income statement or directly under shareholders' equity, as applicable.

Deferred tax assets are only recognised to the extent that it is considered probable that the Company will have sufficient taxable earnings in the future against which such assets can be utilised.

At the end of each reporting period, the accounting value of registered deferred tax assets is analysed, introducing the relevant adjustments provided that doubt exists about their future tax recovery. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

The Company pays taxes under the tax consolidation system, with Ferrovial, S.A. as the Parent Company of the Tax Group. According to the tax consolidation system, the individual income tax payable and receivable of each company forming part of the Tax Group are integrated into the Parent Company.

Pursuant to Article 51.2 of the revised text of the Consolidated Corporate Tax Law, the Company allocates for tax purposes profit/loss of the joint ventures in which the Company has interests in the reporting year following its recognition.

h) Income and expenses

Income and expenses are recognised on an accrual basis for accounting purposes, i.e., upon the real flow of goods and services they represent, regardless of the time when the monetary or financial flow thereby derived occurs.

Income earned from the sale of goods or services is recognised at the fair value of the balancing item received or about to be received, resulting from it, which, except otherwise stated, is the price agreed for said goods or services net of any discount, price reduction or similar that may be granted by the Company, as well as interests added to the nominal value of the loans.

Income from service provision is recognised provided:

- Said income can be reliably valued, considering for said purposes the percentage of completion of the service at the end of the reporting period, and the Company probably receiving the economic benefits derived from the transaction;
- The level of completion of the transaction, at the end of the fiscal year, may be reliably assessed.

- Costs already incurred in the supply, as well as those to be incurred in until completion, may be reliably assessed.

The Company reviews and, when necessary, revises the estimates of revenue as the service is performed. When the outcome of the transaction involving the rendering of services cannot be reliably estimated, income shall be recognised only to the extent of the expenses recognised that are recoverable.

i) Provisions and contingencies

Existing obligations at the end of the reporting period resulting from past events that could give rise to a loss for the Company, whose amount and time of cancellation has not yet been established, are registered in the balance sheet as provisions and are recognised at the present value of the best possible estimate of the necessary amount to cancel or transfer the obligation to a third party.

Changes from adjusting said provision are registered as financial expense as they are accrued. In case of provisions with maturity of one year or less, and provided the financial effect is not significant, no discount is made.

The Company also discloses, as applicable, contingencies for which no provisions are established.

j) Stock option plans and shares

Ferrovial, S.A. (the Company's main shareholder) has a variable remuneration system for part of the employees of the Group consisting of Ferrovial, S.A. and subsidiaries, among them, employees working for Ferrovial Servicios Group. These remuneration systems are based on the delivery of Ferrovial, S.A. stock options and shares paid in cash upon plan conclusion.

When said stock options and shares are exercised, Ferrovial, S.A. will not demand any compensation to its subsidiaries and neither will Ferrovial Servicios, S.A. with respect to its subsidiaries.

Stock option plans are measured at fair value when the options are initially granted using a financial method, based on an improved binomial model, taking into account the exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and the assumptions made to incorporate the effects of expected early exercise. The initial fair value is not subsequently revised. In the case of employees from Ferrovial Servicios, S.A. and its subsidiaries, this fair value is recognised under "Staff costs" in proportion to the stipulated period during which the employee must remain at the company, with a balancing entry in equity.

These transactions are measured at the grant date at the market price of the shares at that time, deducting therefrom the present value of expected dividends during the established vesting period. This fair value is recognised under "Staff Costs" in proportion to the stipulated period of time during which the employee must remain at the company, with a balancing entry in equity.

k) Environmental assets and liabilities

Given its activity, the Company has no assets allocated or has incurred in expenses to minimise the environmental impact and to protect and improve the environment. There are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

l) Grants, donations or gifts and legacies received

The Company accounts for grants, donations or gifts and legacies received from third parties, other than the owners, using the following methods:

1. Non-refundable grants, donations or gifts and legacies related to assets: These are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss.

2. Refundable grants: They are recorded as liabilities as long as they maintain their refundable nature.
3. Grants related to income: They are posted to results when they are granted, unless they are allotted to financing the operating deficit of future fiscal years, in which case they will be recorded in such fiscal years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

On the other hand, grants, donations or gifts and legacies received from shareholders or owners, which are recognised directly in equity and do not give rise to the recognition of any income, regardless of the type of grant, provided it is not refundable.

m) Joint ventures

The Group is involved in several joint ventures.

The Company registers in its balance sheet the corresponding proportional part, according to its shareholding, of jointly-controlled assets and jointly-incurred liabilities, as well as jointly allocated assets under its control and liabilities incurred by the joint business.

It also recognises in its income statement the corresponding part of income generated and expenses incurred by joint ventures, as well as expenses incurred in connection to its ownership interest.

Likewise, the proportional part of the amounts of the joint venture items related to the Company is booked in the statement of changes in equity and the statement of cash flows to the extent of the Company's interest.

Profits or losses not realised from transactions between the Company and joint ventures are eliminated to the extent of the Company's interest. Reciprocal assets, liabilities, income, expenses and cash flows are also eliminated.

The main figures contributed by joint ventures to the balance sheet and income statement are as follows:

	Thousands of euros	
	2011	**2010**
Assets:		
Non-current assets	6,390	3,120
Current assets	10,399	—
Liabilities:		
Non-current liabilities	1,302	305
Current liabilities	11,147	668
Net Revenue	38,449	20,468
Net loss	4,339	2,148

n) Transactions with related parties

In general, elements involved in a transaction with related parties are initially registered at fair value. As applicable, in case the price agreed upon for a transaction differs from its fair value, the difference will be posted taking into account the financial situation of the transaction. Subsequent valuation is conducted pursuant to the corresponding regulations.

n) Non-current assets and disposable groups of elements held for sale and discontinued operations

- Non-current assets classified as held for sale:

The Company classifies a non-current asset or disposable group as held for sale when its sale has already been decided, estimating it to be made within the next twelve months.

These assets or disposable groups are carried at the lower of the accounting cost or the fair value, net of necessary costs for sale.

Non-current assets classified as held for sale are not amortised, but the corresponding valuation changes are carried at the date of each balance sheet so the accounting value does not exceed the fair value net of sale costs.

Income and expenses generated by non-current assets and disposable groups of elements classified as held for sale, that do not qualify as interrupted transactions are charged in the relevant caption of the corresponding income statement, according to their nature.

- Discontinued operations:

Discontinued operations are those that have been sold, disposed of by another means or classified as held for sale, and represent a complete segment or operations territory, or form part of a one-off plan or constitute a subsidiary acquired solely for resale. Discontinued operations are registered at fair value less sale costs. Gains and losses on discontinued operations are presented in a single specific line item in the income statement, net of taxes.

o) Termination benefits

Under current legislation, the Company is required to pay terminations benefits to employees dismissed under certain conditions. Termination benefits that can be reasonably quantified are, therefore, registered as expenses during the period in which the dismissal decision is made. The Company has no significant provision registered under this concept as no provisions are established for said situations.

p) Cash flow statements

In these statements of cash flow the following expressions are used in the sense described below:

Cash or cash equivalents: Cash comprises cash on hand and demand deposits. Cash equivalents are financial instruments included in the Company's regular cash management, they can be converted to cash, have initial maturities of less than three months and are subject to very little risk with regard to changes in value.

Cash flows: Input and output of cash or its equivalents, understood as current investments maturing within less than three months and with low value fluctuation risk.

Operating activities: They represent the Company's main source of regular income, in addition to other activities that cannot be classified as investment or financing transactions.

Investment activities: The acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Activities that result in changes in the size and composition of the shareholders' equity and financial liabilities.

NOTE 5. RISK POLICY AND MANAGEMENT

Credit risk

The Company's main financial assets are cash and bank balances, trade and other receivable balances and investments, which represent the Company's maximum credit risk exposure in relation to financial assets.

As to Company's credit risk attributable to trade receivables, the amounts are recorded in the balance sheet, net of bad debt provisions, which are estimated by Company management on the basis of prior year experience and an assessment of the current economic environment. The Company does not have a significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company will also follow up periodically customers' debt situation through collection committees.

The credit risk of investments in financial products is mainly concentrated in current financial investments (sovereign debt repos and/or deposits, highly liquid in both cases). The counterparties are always credit entities with which a strict diversification policy is followed, taking into account their credit rating (from prestigious international agencies), consisting in establishing maximum limits periodically reviewed.

Liquidity risk

The Company has maintained a policy of company liquidity preservation based on a thorough management of working capital, aiming at a timely compliance with payment obligations by customers. The Company is also permanently assessing the possibility of choosing financing methods such as factoring or future collection rights discount programs.

In addition, the Company makes systematic forecasts on estimated cash generation and needs to establish and continuously follow the liquidity position.

Exchange rate risk

The Company's strategy in connection to foreign currency risk is focused on hedging two types of transactions:

- Hedging of Company's assets and liabilities risks: Financing of non-current assets denominated in currencies other than the euro is carried out in the same currency as the one in which the asset is denominated. Especially in the case of the acquisition of companies with assets denominated in currencies other than the euro.
- Hedging of future cash flow risks resulting from future transactions based on firm commitment or highly probable forecast.

Existing foreign currency risk in contracts where collection and/or payment is in a currency other than the functional one is hedged through foreign exchange hedging derivatives.

In these cases, the hedged risk is the exposure to changes in the value of future transactions based on firm commitment or highly probable forecast so that there is fair evidence on the future fulfilment with respect to a concrete risk.

Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities bearing fixed interest rates and the future flows from assets and liabilities tied to floating interest rates.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise borrowing costs over several years whilst maintaining reduced income statement volatility.

The financial risk at 31 December 2011 tied to variable interest rates amounts to a net credit of EUR 135 thousand (y-o-y EUR 639 thousand net credit). The change is mainly triggered by the cancellation of Company non-current loans with its Parent Company Ferrovial, S.A.

Company loans' reference interest rates are mainly Euribor and GBP Libor.

Equity risk

Equity swaps linked to share-based payment

Pursuant to valuation standard 4 j), there are stock option plans. Therefore, Ferrovial, S.A., Parent Company of Ferrovial Servicios, S.A. has arranged equity swaps to hedge possible disbursements that may be required from Ferrovial, S.A. in relation to Ferrovial Servicios, S.A. executive remuneration systems linked to the price of Ferrovial shares.

These equity swaps eliminate uncertainty with respect to the exercise price of the remuneration systems. However, as they are not deemed to be hedging derivatives under accounting standards, their market value has an impact on the income statement, which is positive if the share price rises and negative if the share price falls.

In the reporting period 2008, Ferrovial, S.A. and Ferrovial Servicios, S.A. signed an agreement through which the latter will assume the costs derived from holding the aforementioned equity swaps from origin according to the number of options delivered to the Management of Ferrovial Servicios, S.A. and its subsidiaries. Namely, Ferrovial Servicios, S.A. will compensate Ferrovial, S.A. for the payments the latter may have to incur into as manager of the Plans and which may derive from costs generated by arranging those derivative instruments, as well as the corresponding payments when the share price is below the exercise price upon expiration of said system compared to any of the plans in force at any given time.

Specifically, in 2011 and 2010 Ferrovial's closing share price was EUR 9.33 and EUR 7.44 each, respectively, and Ferrovial, S.A. recognised a profit in 2011 of EUR 13,468 thousand and an expense in 2010 of EUR 3,114 thousand (see Note 15 f) which had an impact of EUR 9,428 thousand on the net profit in the reporting period 2011 and EUR 2,179 thousand on the net loss in the reporting period 2010.

NOTE 6. INTANGIBLE ASSETS

The breakdown and changes to intangible assets during the reporting period 2011 and 2010 is as follows:

	01/01/2010	Additions	Derecognitions	31/12/2010	Additions	Derecognitions	31/12/2011
Cost:							
Administrative concessions	1,038	—	—	1,038	579	(38)	1,579
Computer software	165	6	(121)	50	11	—	61
	1,203	**6**	**(121)**	**1,088**	**590**	**(38)**	**1,640**
Accumulated depreciation:							
Administrative concessions	(46)	(1)	—	(47)	(14)	38	(23)
Computer software	(89)	(24)	63	(50)	—	—	(50)
	(135)	**(25)**	**63**	**(97)**	**(14)**	**38**	**(73)**
Net intangible assets	**1,068**	**(19)**	**(58)**	**991**	**576**	**—**	**1,567**

Fully amortised intangible assets in use

The cost value of fully amortised items at 31 December 2011 amounts to EUR 50 thousand in computer software at the end of the reporting period 2011 and 2010, with no fully amortised administrative concessions at the end of the reporting period 2011 and 2010 (EUR 20 thousand at 31 December 2010).

Other information

The Company's total intangible assets are used in the operation, are duly insured and are not subject to any type of encumbrance or guarantee.

The Company has taken out insurance policies to cover the possible risks to which its intangible assets are subject. The Company considers that the insurance policies provide adequate coverage for such risks.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

The breakdown and changes to property, plant and equipment during the reporting period 2011 and 2010 is as follows:

	01/01/2010	Additions	Derecognitions	31/12/2010	Additions	Derecognitions	31/12/2011
Cost:							
Buildings	5,034	—	—	5,034	798	—	5,832
Plant and machinery	12,339	467	(9,772)	3,034	925	(1,380)	2,579
Other fixtures, tools and furniture	3,728	750	(300)	4,178	3,020	(128)	7,070
Computer hardware	1,886	102	(97)	1,891	216	(57)	2,050
Transport equipment	458	188	(33)	613	1,157	—	1,770
Other items of property, plant and equipment	830	82	(6)	906	124	—	1,030
Advances and property, plant and equipment in the course of construction	275	54	(119)	210	—	(26)	184
	24,550	**1,643**	**(10,327)**	**15,866**	**6,240**	**(1,591)**	**20,515**

	01/01/2010	Additions	Derecognitions	31/12/2010	Additions	Derecognitions	31/12/2011
Accumulated depreciation:							
Buildings	(1,151)	(263)	—	(1,414)	(263)	—	(1,677)
Plant and machinery	(5,714)	(289)	4,199	(1,804)	(646)	1,372	(1,078)
Other fixtures, tools and furniture	(2,389)	(496)	134	(2,751)	(749)	104	(3,396)
Computer hardware	(1,515)	(168)	57	(1,626)	(149)	53	(1,722)
Transport equipment	(133)	(83)	13	(203)	(188)	—	(391)
Other items of property, plant and equipment	(335)	(133)	4	(464)	(107)	—	(571)
	(11,237)	**(1,432)**	**4,407**	**(8,262)**	**(2,102)**	**1,529**	**(8,835)**
Net property, plant and equipment	**13,313**	**211**	**(5,920)**	**7,604**	**4,138**	**(62)**	**11,680**

Fully amortised intangible assets in use

The breakdown, by item, of the most significant assets that are fully amortised and in use is shown below, indicating cost value:

	31/12/2011	31/12/2010
Plant	86	1,341
Machinery	116	84
Tools	1,249	1,216
Other facilities	730	122
Furniture	198	172
Computer hardware	1,322	1,445
Transport equipment	7	7
Other items of property, plant and equipment	284	424
	3,992	**4,811**

Other information

Additions of property, plant and equipment in the reporting period 2011 mainly correspond to Company investments following the signature of service provision contracts, namely the management of public sports and hydrotherapy services in La Canaleja y Los Cantos centres, as well as the Barajas airport winter road maintenance contract (SCE joint venture).

As stated in Note 8, at the end of the reporting period 2011, the Company had undertaken several financial lease transactions with respect to its property, plant and equipment.

The Company's total property, plant and equipment is used in the operation, duly insured and not subject to any type of encumbrance or guarantee.

The Company has taken out insurance policies to cover the possible risks to which its property, plant and equipment is subject. The Company considers that the insurance policies provide adequate coverage for such risks.

Profits registered in the reporting period 2011 and 2010 from derecognising assets, whether by disposal or any other cause, amounted to EUR 6 thousand in 2011 (EUR 24 thousand in 2010).

NOTE 8. LEASES AND SIMILAR TRANSACTIONS

Financial leases (the Company as lessee)

At 31 December 2011, the Company, as financial lessee, had recognised the leased assets broken down below (in thousands of euros):

	Assets measured with the current value of minimum payments	Total
Property, plant and equipment	1,609	1,609
Total	**1,609**	**1,609**

At 31 December 2011, the Company had agreed with the lessors on the following minimum lease payments (including, if applicable, purchase options) as per the current agreements in force, without considering their effect on common expenses, future increases due to CPI or future updates of leases agreed upon under contract (in thousands of euros):

Financial Leases Minimum Payments	2011 Face value	 Current Value
Less than one year	217	217
Between one and five years	950	950
More than five years	263	263
Total	**1,430**	**1,430**

The Company's most significant financial lease contracts at the end of the reporting period 2011 resulted from the integration of the SCE joint venture for the acquisition of specific means of transport through financial lease contracts with banks, started on 8 March 2011 and with a seven-year maturity.

Operating leases (the Company as lessee)

Operating leases charged to income (loss) for the reporting period 2011 amount to EUR 10,383 thousand (against EUR 7,974 thousand y-o-y).

The total amount of future minimum payments for non-cancellable operating leases is shown below:

	2011	2010
Up to 1 year	9,146	5,989
Between one and five years	14,037	9,979
More than five years	1,437	979
	24,620	**16,947**

The increase of future payments in the reporting period 2011 respond to the Company's decision to arrange new renting contracts instead of acquiring property, plant and equipment in the development of its activity.

NOTE 9. FINANCIAL ASSETS

The breakdown at 31 December 2011 and 2010 is the following (in thousands of euros):

	Balance at 31.12.11		Balance at 31.12.10	
	Non-current	Current	Non-current	Current
Loans and receivables:				
Trade receivables				
Clients, Group companies (Note 20)	—	7,435	—	5,967
Clients, associated companies (Note 20)	—	63	—	355
Third party clients (Note 9.1)	—	118,022	—	94,680
Third party debtors	—	3,982	—	4,886
Non-trade receivables				
To Group companies (Notes 9.2 and 20)	48,055	—	65,697	159
To associates (Note 20)	—	—	—	1,823
To other companies	—	406	—	297
To employees	59	266	83	254
Current account with Group companies (Note 20)	—	203,296	—	172,019
Guarantees and Deposits	432	51	449	42
Total loans and receivables	**48,546**	**333,521**	**66,229**	**280,482**

	Balance at 31.12.11 Non-current	Balance at 31.12.11 Current	Balance at 31.12.10 Non-current	Balance at 31.12.10 Current
Financial investments in Group and associates	**974,580**	**—**	**952,193**	**—**
Equity instruments (Note 9.3)	974,580	—	952,193	—
Investments held until maturity (Note 9.4)	**—**	**—**	**—**	**410**
Derivatives (Note 10.3)	**—**	**—**	**—**	**176**
Cash and cash equivalents (Note 9.5)	**—**	**25,438**	**—**	**27,361**
Total	**1,023,126**	**358,959**	**1,018,422**	**308,429**

9.1) Impairment of trade and other receivables balances

According to Directors, the carrying amount approximates the fair value.

The balance of trade and other receivables include impairments pursuant to Note 4.b, as shown in the attached breakdown (in thousands of euros):

Impairment	Balance at 01.01.10	Impairment losses	Reversal of impairments	Balance at 31.12.10	Impairment losses	Reversal of impairments	Balance at 31.12.11
Third party clients	(4,432)	(2,568)	2,184	(4,816)	(4,990)	2,399	(7,407)
Total	**(4,432)**	**(2,568)**	**2,184**	**(4,816)**	**(4,990)**	**2,399**	**(7,407)**

9.2) Loans to Group companies

The breakdown of non-current loans to Group companies at 31 December 2011 and 2010 is as follows:

			31/12/2011		31/12/2010	
Group Company	Maturity	Currency	Amount in foreign currency (thousands)	Amount (thousand euros)	Amount in foreign currency (thousands)	Amount (thousand euros)
Empresa de Mantenimiento y Explotación M 30, S.A	30/06/2015	EUR	—	20,805	—	22,750
Empresa de Mantenimiento y Explotación M 30, S.A	30/06/2015	EUR	—	27,250	—	27,250
Cespa UK.	26/08/2015	EUR	—	—	—	15,697
			—	**48,055**	**—**	**65,697**

- Empresa de Mantenimiento y Explotación M 30, S.A:

Ferrovial Servicios, as shareholder with a 50% ownership interest in Empresa de Mantenimiento y Explotación M30, S.A. together with the remaining company shareholders, signed a participating loan dated 12 September 2005 for EUR 45,500 thousand (EUR 22,750 thousand to Ferrovial Servicios percentage), novated on 1 March 2007 to change the applicable interest rate and on 17 June 2010 to extend the loan maturity to 30 June 2015. The only purpose of said participating loan was the subscription of 20% of the share capital of Madrid Calle 30.

On 28 December 2011 and due to the reduction of Madrid Calle 30's share capital resolved in the Extraordinary Annual General Meeting of 27 October 2011, shareholders of Empresa de Mantenimiento y Explotación M30 resolved the early partial amortisation of the participating loan granted for the reduction of Madrid Calle 30's share capital, of which EUR 1,945 thousand corresponded to Ferrovial Servicios.

- Cespa UK:

On 26 August 2010, a loan with Cespa UK was agreed for EUR 15,430 thousand. At 31 December 2010, the loan has accrued interest payable for EUR 267 thousand, capitalised as higher value of the loan.

On 1 March 2011, Ferrovial Servicios contributed to its subsidiary Landmille Ltd. the aforementioned loan together with capitalised and accrued interest to said date for a total of EUR 15,826 thousand as non-monetary contribution under capital contribution representing available reserves under specific circumstances (see Note 9.3).

9.3) Equity instruments

The breakdown of ownership interests at 31 December 2011 and 2010 in Group companies, associates and jointly-controlled entities, as well as impairment provisions allocated thereto is shown below in thousands of euros:

Company	Balance at 01.01.10	Additions / Charges	Removals / Uses	Transfers	Balance at 01.01.11	Additions / Charges	Balance at 31.12.11
Interests in Group companies:							
Cespa, S.A.	553,124	—	—	—	553,124	—	553,124
Swissport International A.G.	491,542	—	—	(491,542)	—	—	—
Amey UK PLC.	308,983	—	—	—	308,983	—	308,983
Landmille Ltd.	167,087	—	(120,544)	—	46,543	22,663	69,206
Ferroser Infraestructuras, S.A.	18,497	—	—	—	18,497	—	18,497
Eurolimp, S.A.	9,778	—	—	—	9,778	—	9,778
Ferrovial, Gestao e M. Ltda.	362	—	—	—	362	—	362
Swissport Handling, S.A.	—	13,748	(13,748)	—	—	—	—
Ferronats Air Traffic Services, S.A.	—	—	—	—	—	500	500
Interests in associates:							
EMESA, S.A.	30	—	—	—	30	—	30
Ferrovial Financiera, A.I.E.	15,001	—	—	—	15,001	—	15,001
Ferrovial Qatar LLC	—	1,981	—	—	1,981	—	1,981
Disbursements yet to be paid:	**(225)**	**(1,811)**	**—**	**—**	**(2,036)**	**(434)**	**(2,470)**
Eurolimp, S.A.	(225)	—	—	—	(225)	—	(225)
Ferrovial Qatar LLC	—	(1,811)	—	—	(1,811)	(59)	(1,870)
Ferronats Air Traffic Services, S.A.	—	—	—	—	—	(375)	(375)
Impairment losses:	**—**	**(70)**	**—**	**—**	**(70)**	**(342)**	**(412)**
Total equity instruments	**1,564,179**	**13,848**	**(134,292)**	**(491,542)**	**952,193**	**22,387**	**974,580**

None of these investees are listed companies.

The summary of equity according to the latest individual balance sheets available dated 31 December 2011 is shown below, in thousands of euros:

	% Direct ownership interest	Share capital	Reserves	Disbursements yet to be paid	Other items	Period profit/loss	Total net equity
Cespa, S.A.	99.998	560,957	80,214	—	(29)	22,893	644,549
Amey UK PLC.	100	4,400	269,473	—	—	29,586	303,459
Landmille Ltd.	100	1	68,352	—	—	2,271	70,624
Ferroser Infraestructuras, S.A.	99.98	10,064	8,678	—	—	865	19,607
Eurolimp, S.A.	99.5	376	5,111	—	—	3,524	9,011
Ferrovial, Gestao e M., Ltda.	97.5	100	2,189	—	—	221	2,510
EMESA, S.A.	50	60	18	—	(2,093)	8,615	6,600
Ferrovial Financiera, A.I.E.	1.1	1,333,159	25,897	—	—	52,535	1,411,591
Ferrovial Qatar LLC	49	4,100	(209)	(3,690)	(60)	(822)	(681)

The summary of equity according to the latest individual balance sheets available dated 31 December 2010 is shown below, in thousands of euros:

	% Direct ownership interest	Share capital	Reserves	Disbursements yet to be paid	Other items	Period profit/loss	Total net equity
Cespa, S.A.	99.998	560,957	85,926	—	11,332	40,687	698,902
Amey UK PLC.	100	4,289	326,884	—	—	96,624	427,797
Landmille Ltd.	100	—	44,025	—	—	3,204	47,229
Ferroser Infraestructuras, S.A.	99.98	10,064	7,394	—	—	1,257	18,715
Eurolimp, S.A.	99.50	376	1,317	—	—	3,794	5,487
Ferrovial, Gestao e M., Ltda.	97.50	100	1,641	—	—	548	2,289
EMESA, S.A.	50	60	4,584	—	—	1,004	5,468
Ferrovial Financiera, A.I.E.	1.10	1,333,159	25,630	—	—	555	1,359,344
Ferrovial Qatar LLC	49	4,100	—	(3,690)		(209)	201

Below are the investees' corporate purpose and registered offices:

- The corporate purpose of Cespa Compañía Española de Servicios Públicos Auxiliares, S.A., with registered office on Avenida de la Catedral nº 6-8, Barcelona, is construction and other services, management and purchase and sell of securities.
- The corporate purpose of Amey UK Plc., with registered office in Madrid, calle Príncipe de Vergara, 135, is the procurement of all types of services.
- The corporate purpose of Landmille Ltd., with registered office in Eurolink Motorway Toll Plaza, Cappagh, Nicholastown, Kilcock, Co. Kildare (Ireland), is the provision of international financial services to the Ferrovial Servicios Group.
- The corporate purpose of Ferroser Infraestructuras, S.A., with registered office on calle Príncipe de Vergara, 135 in Madrid, is the production and implementation of signalling elements on urban roads and motorways, as well as infrastructure upkeep.
- The corporate purpose of Eurolimp, S.A., with registered office on calle Príncipe de Vergara, 135 in Madrid, is the provision of cleaning services.
- The corporate purpose of Ferrovial, Gestao e Manutençao de Empreendimentos, Ltda., with registered office on Avda. Liberdade, 245 in Lisbon, Portugal, is the provision of services.
- The corporate purpose of Empresa de Mantenimiento y Explotación M 30, S.A., with registered office on Príncipe de Vergara, 135 in Madrid, is the management of the urban road M 30 refurbishment, upkeep and operation's public service.
- The corporate purpose of Ferrovial Financiera, A.I.E., with registered office on Príncipe de Vergara, 135 in Madrid, is the performance of shareholders' ancillary financial activities.
- Ferrovial Qatar LLC, with registered office in Doha- Qatar, is the upkeep of infrastructure and the construction of civil work, roads and bridges.
- The corporate purpose of Ferronats Air Traffic Services, S.A., with registered office on calle Príncipe de Vergara 135 in Madrid, is the provision of air traffic services and the provision, equipment and maintenance of air traffic communication, navigation, surveillance and management systems.

The breakdown of dividend income received from Group companies and associates during the reporting periods 2011 and 2010 is as follows (see Note 15.e):

	Thousands of euros 2011	2010
Ferrovial Financiera A.I.E. dividends	4	—
Landmille Ltd. dividends	1,540	5,976
Amey UK Plc. dividends	22,760	116,830
EMESA, S.A. dividends	6,700	—
Swissport International AG dividends	188,930	71,910
	219,934	**194,716**

9.3.1) Additions of investments in Group companies

Landmille Ltd. additions correspond to:

- The contribution of a receivable from Cespa UK with capitalised and accrued interests to said date for EUR 15,826 thousand as non-monetary contribution, pursuant to Note 9.2.
- The monetary contribution made by the Company in August 2011 as capital distribution for a counter-value in euros of GBP 6,032 thousand (EUR 6,837 thousand) for Landmille to increase the aforementioned loan granted to Cespa UK.

Ferronats Air Traffic Services, S.A. was incorporated together with Nats (Services) on 7 March 2011 to provide air traffic services with a capital established in EUR 1,000 thousand of registered shares of EUR 1 par value each. Ferrovial Servicios, S.A. has subscribed 50% of the share capital with a total cost of EUR 500 thousand, with 25% already paid at 31 December 2011.

In turn, the reporting period 2010 additions correspond to:

- Swissport Handling capital increase subscription through non-monetary contribution from ground handling services under the ramp category developed by Ferrovial Servicios, S.A. through 40% investment in six joint ventures.
- The incorporation of Ferrovial Qatar LLC together with a local partner.

9.3.1) Derecognition of investments in Group companies

There has been no derecognition during the reporting period 2011.

In turn, the reporting period 2010 derecognitions correspond to:

- The sale of Swissport Handling, S.A. subscribed shares in said reporting period to its other shareholder, for the same subscription price, generating no profit/loss from said transaction.
- Reduction of the investment in Landmille Ltd resulting from dividends distributed by said company when the recoverable value of Ferrovial Servicios' investment fell below the carrying value.

9.3.3) Transfers of investments in Group companies

A purchase contract for all the shares of the investee Swissport Internacional AG was signed on 1 November 2010 and became effective on 17 February 2011.

The investment value was thus reclassified at 31 December 2010 as Non-current assets classified as held for sale (see Note 11).

9.3.4) Impairment provisions

In order to establish that there is no impairment of investment in Group companies and associates, the Company has calculated the recoverable value of interest in Cespa, S.A and Amey Uk Plc., based on the present value of estimated future cash flows, using thus discount rates between 8.24% and 8.07% (vs. 6.6% and 7.6% used in the previous reporting period).

For the purpose of estimating the impairment of the remaining investment, the investee's equity corrected for any unrealised capital gains existing at the valuation date is considered as best evidence of the recoverable amount.

9.4) Investments held until maturity

At 31 December 2010, there was a fixed-term deposit registered at 1.2% maturing in January 2011.

9.5) Cash and cash equivalents

The balance of this item in the balance sheet corresponds to current accounts in euros held by the Company, with no restrictions to availability.

The return of these assets is based on daily or short-term variable interest rates.

9.6) Other information regarding financial assets

Classification by maturity

Maturity by years and type of financial assets at the end of the reporting period 2011 is as follows, in thousands of euros:

	Maturity years					
	2012	**2013**	**2014**	**2015**	**More than 5**	**Total**
Group companies and associates	**203,2960**	**—**	**—**	**48,055**	**—**	**251,351**
Loans to companies	—	—	—	48,055	—	48,055
Current accounts	203,296	—	—	—	—	203,296
Financial Investments	**457**	**432**	**—**	**—**	**—**	**889**
Loans to third parties	406	—	—	—	—	406
Other financial assets	51	432	—	—	—	483
Trade and other receivables	**129,768**	**59**	**—**	**—**	**—**	**129,827**
Trade receivables for sales and services	118,022	—	—	—	—	118,022
Receivables from Group companies and associates	7,498	—	—	—	—	7,498
Sundry accounts receivable	3,982	—	—	—	—	3,982
Employees	266	59	—	—	—	325
Total	**333,521**	**491**	**—**	**48,055**	**—**	**382,067**

Maturity by years and type of financial assets at the end of the previous reporting period is as follows, in thousands of euros:

	Maturity years						
	2011	**2012**	**2013**	**2014**	**2015**	**More than 5**	**Total**
Group companies and associates	**174,001**	—	—	—	**65,697**	—	**239,698**
Loans to companies	1,982	—	—	—	65,697	—	67,679
Current accounts	172,019	—	—	—	—	—	172,019
Financial Investments	**925**	**532**	**—**	**—**	**—**	**—**	**1,457**
Loans to third parties	297	83	—	—	—	—	380
Debt securities	410	—	—	—	—	—	410
Derivatives	176	—	—	—	—	—	176
Other financial assets	42	449	—	—	—	—	491
Trade and other receivables	**106,142**	**—**	**—**	**—**	**—**	**—**	**106,142**
Trade receivables for sales and services	94,680	—	—	—	—	—	94,680
Receivables from Group companies and associates	6,322	—	—	—	—	—	6,322
Sundry accounts receivable	4,886	—	—	—	—	—	4,886
Employees	254	—	—	—	—	—	254
Total	**281,068**	**532**	**—**	**—**	**65,697**	**—**	**347,297**

NOTE 10. FINANCIAL LIABILITIES

The breakdown of financial liabilities at 31 December 2011 and 2010 is the following (in thousands of euros):

	Balance at 31.12.11		Balance at 31.12.10	
	Non-current	Current	Non-current	Current
Debits and accounts payable:				
For trade receivables				
Suppliers	—	39,775	—	40,790
Suppliers related parties (Note 20)	—	3,925	—	758
Accounts payable	—	705	—	1,777
Customer advances	—	2,203	—	3,055
For non-trade receivables				
Bank borrowings and financial leases (Note 10.1)	1,213	850	—	1,468
Borrowings from related parties (Note 20 and 10.2)	357,152	27,222	983,036	12,352
Other liabilities	90	8,777	306	294
Staff (Remuneration payable)	—	13,040	—	6,226
Guarantees received	13	—	26	34
Total accounts payable	**358,468**	**96,497**	**983,368**	**66,754**
Derivatives (Note 10.3)	**9,911**	**—**	**23,379**	**15,529**
Total financial liabilities	**368,379**	**96,497**	**1,006,747**	**82,283**

10.1) Bank borrowings and other financial liabilities

The summary of bank borrowings at 31 December 2011 and 2010 is shown below (in thousands of euros):

	Non-current		Current		Total	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Loan agreements (1)	—	—	—	—	—	—
Debts from leasing (2)	1,213	—	217	—	1,430	—
Other bank borrowings	—	—	633	1,468	633	1,468
	1,213	**—**	**850**	**1,468**	**2,063**	**1,468**

(1) Loan agreements

The Company holds the following agreements:

			Amount drawn down	
Company	**Maturity**	**Limit**	**2011**	**2010**
La Caixa	29/10/2012	15,000	—	—
Banesto	15/12/2012	8,000	—	—
BBVA	04/12/2012	2,000	—	—
Total		**25,000**	**—**	**—**

(2) Financial lease payables

Financial lease payables correspond to amounts yet to be paid by the SCE joint venture following the acquisition of specific fixed assets through financial lease agreements (see Note 8).

The Company holds factoring lines with banks at 31 December 2011. The amount drawn down at 31 December 2011 amounts to EUR 8,291 thousand (EUR 10,553 thousand in the previous reporting period). Company Directors have written off said financial assets in the attached balance sheet at the end of the reporting period 2011 as they consider that in transferring the contractual rights of said financial assets' cash flows, risks and benefits inherent thereto have been substantially transferred.

10.2) Payables with Group companies

The breakdown of long-term loans with Group companies at 31 December 2011 and 2010 is as follows:

Group Company	Maturity	Currency	31/12/2011 Amount in foreign currency (thousands)	31/12/2011 Thousands of euros	31/12/2010 Amount in foreign currency (thousands)	31/12/2010 Thousands of euros
Amey Uk Plc.	30/11/2012	EUR	—	—	—	42,714
Amey Uk Plc.	30/11/2012	EUR	—	—	—	86,963
Amey Uk Plc.	31/12/2014	EUR	—	46,227	—	—
Amey Uk Plc.	31/12/2014	GBP	65,468	78,339	—	—
Ferrovial , S.A.	07/10/2025	EUR	—	—	—	339,048
Ferrovial , S.A.	29/11/2012	EUR	—	—	—	1,354
Ferrovial , S.A.	17/11/2012	CHF	—	—	10,011	7,973
Ferrovial Financiera A.I.E.	17/11/2013	EUR	—	232,586	—	504,984
			65,468	**357,152**	**10,011**	**983,036**

As a consequence of the sale of Swissport International, AG,'s entire shareholding (see Note 16), Ferrovial, S.A. has declared the early maturity of a participating loan granted by Ferrovial, S.A. to the Company in the reporting period 2005 for EUR 339,048 thousand. On 15 March 2011, the Company has amortised said participating loan with the funds received from the sale of the Swissport group.

Furthermore, with the remaining cash from the sale of the Swissport group, the Company performed the following cash movements during March 2011:

- Full amortisation of the loan with Ferrovial, S.A. denominated in Swiss francs for EUR 7,973 thousand plus accrued interests to said date.
- Partial amortisation for EUR 125,000 thousand of the loan held with Ferrovial Financiera, A.I.E.
- Transfer to Ferrovial, S.A. EUR 143,914 thousand generating a receivable for said amount.

Following these movements, Ferrovial Servicios, S.A. sold and transferred the aforementioned receivable for EUR 143,914 thousand to Ferrovial Financiera A.I.E. Said amount was paid through the reduction of the loan owed by Ferrovial Financiera A.I.E.

Finally, in November 2011, the Company paid Ferrovial Financiera, A.I.E. outstanding accrued interests at 31 December 2010 for EUR 3,484 thousand.

On 31 December 2011, the current account granted by Ferrovial Servicios to Amey Plc. For EUR 17,520 thousand was transferred from Amey Plc to Amey UK Plc.

Likewise, effective as 31 December 2011, Amey UK Plc and Ferrovial Servicios, S.A. agreed to net all the existing positions held between them, namely:

- The aforementioned current account granted by Ferrovial Servicios to Amey Plc and transferred to Amey UK Plc.
- A long-term line of credit granted by Amey UK Plc. To Ferrovial Servicios, S.A. on 16 February 2010 maturing on 30 November 2012 with a balance at 31 December 2011 before netting amounting to EUR 52,979 thousand (EUR 42,714 thousand at 31 December 2010).
- A long-term loan granted by Amey UK Plc. to Ferrovial Servicios, S.A., with a balance at 31 December 2011 before netting amounting to EUR 89,107 thousand (EUR 86,963 thousand at 31 December 2010).

With the amount resulting from netting the three positions (EUR 124,566 thousand in favour of Amey UK Plc), the parties agree to grant two separate lines of credit, one denominated in euros and the other one in pounds sterling, both maturing on 31 December 2014 as follows:

- Euro-denominated line of credit: EUR 65,000 thousand limit with a first drawdown of EUR 46,227 thousand.
- Sterling-denominated line of credit: GBP 75,000 thousand limit with a first drawdown equivalent in pounds sterling of the amount resulting from the total owed by Ferrovial Servicios as a consequence of the netting less the part allocated to the euro-denominated line of credit, i.e., GBP 65,468 thousand (EUR 78,339 thousand).

Long-term loans and lines of credit accrue a market interest rate.

10.3) Derivatives

The Derivatives caption under liabilities in the non-current balance includes those corresponding to equity swaps, and current derivatives include foreign currency hedges.

Ferrovial, S.A. share option plan hedges

These are hedges related to equity swaps signed by Ferrovial, S.A., the Company's Parent Company, and subsequently transferred to Ferrovial Servicios, S.A. (described in Note 5), aimed at hedging the equity impact of share option plans granted by Ferrovial, S.A. to Ferrovial Servicios Group employees.

The breakdown at 31 December 2011 of the fair value and maturities of the notional amount is as follows, in thousands of euros:

	Fair value	**Notional maturities**					
		2012	**2013**	**2014**	**2015**	**2016**	**Total**
Equity swaps	9,911	7,432	20,044	—	100	2,763	30,339

The breakdown of the fair value and maturities of the notional amount at the end of the previous reporting period is as follows, in thousands of euros

	Fair value	**Notional maturities**					
		2011	**2012**	**2013**	**2014**	**2015**	**Total**
Equity swaps	23,379	14,361	11,894	5,411	—	18,263	49,929

Equity swaps are considered ineffective derivatives, recognising their profit/loss under financial profit/loss with a positive impact at 31 December 2011 of EUR 13,468 thousand in 2011 and a negative impact at 31 December 2010 of EUR 3,114 thousand in 2010 (see Note 15.f).

Foreign currency hedge

At 31 December 2011, the Company held short-term Swiss franc / euro foreign currency hedges (forwards and puts) to hedge the exchange rate fluctuations from the sale of Swissport Internacional AG shares that may occur between the signature of the agreement and the effective sale date.

The fair value of these derivatives at 31 December 2010 is as follows:

	Thousands of euros			
	Notional	**Profit**	**Loss**	**Net**
Foreign currency hedge	605,000	176	(15,529)	(15,353)

The net loss of EUR 15,353 (EUR 10,747 thousand net of tax effect) was registered in equity as an adjustment for changes in value as these derivatives were to hedge a firm sale commitment of Swissport Group for a purchase made in Swiss francs (see Note 12.6).

Options

In November 2010, the Company arranged two foreign currency hedge transactions with options for a total of CHF 60,000 thousand maturing in February 2011. The cost of the premium paid upon signature of the contracts for EUR 922 thousand was directly registered in the income statement. The Company did not exercise these options upon maturity.

Forwards

During November and December 2010 and early days in 2011, the Company arranged several forwards for a total of CHF 692,400 thousand (CHF 545,000 thousand at 31 December 2010). These derivatives matured in February and March 2011 and were exercised following the sale of Swissport International AG shares, resulting in EUR 536,338 thousand.

10.4) Other information regarding financial liabilities

Classification by maturity

The breakdown of maturities corresponding to financial instruments under liabilities at the end of the reporting period 2011 is as follows:

	Maturity years						
	2012	**2013**	**2014**	**2015**	**2016**	**More than 5**	**Total**
Other financial liabilities	**850**	**225**	**233**	**242**	**250**	**262**	**2,062**
Bank borrowings:	850	225	233	242	250	262	2,062
Other liabilities	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Debts with Group Companies and Associates	**27,222**	**124,566**	**232,586**	**—**	**—**	**—**	**384,374**
Trade and Other Payables	**68,425**	**103**	**—**	**—**	**—**	**—**	**68,528**
Suppliers	39,775	—	—	—	—	—	39,775
Payables to suppliers – Group companies and associates	3,925	—	—	—	—	—	3,925
Sundry accounts payable	705	—	—	—	—	—	705
Employees	13,040	—	—	—	—	—	13,040
Customer advances	2,203	—	—	—	—	—	2,203
Other liabilities	8,777	103	—	—	—	—	8,880
Total	**96,497**	**125,881**	**232,586**	**—**	**—**	**—**	**454,964**

The classification of financial instruments at the end of the previous reporting period was as follows:

	Maturity years						
	2011	**2012**	**2013**	**2014**	**2015**	**More than 5**	**Total**
Other financial liabilities	**1,502**	**332**	**—**	**—**	**—**	**—**	**1,834**
Bank borrowings:	1,468	239	—	—	—	—	1,707
Other liabilities	**34**	**93**	**—**	**—**	**—**	**—**	**127**
Debts with Group Companies and Associates	**12,352**	**139,004**	**504,984**	**—**	**—**	**339,048**	**995,388**
Trade and Other Payables	**52,900**						**52,900**
Suppliers	40,790	—	—	—	—	—	40,790
Payables to suppliers – Group companies and associates	758	—	—	—	—	—	758
Sundry accounts payable	1,777	—	—	—	—	—	1,777
Employees	6,226	—	—	—	—	—	6,226
Customer advances	3,055	—	—	—	—	—	3,055
Other liabilities	**294**	**—**	**—**	**—**	**—**	**—**	**294**
Total	**66,754**	**139,336**	**504,984**	**—**	**—**	**339,048**	**1,050,122**

Breach of contractual obligations

There has been no impact on the compliance with obligations regarding loans received from third parties.

10.5) Disclosures on the payment periods to suppliers Third Additional Provision. "Disclosure obligation" provided for in Law 15/2010, of 5 July.

The table below contains information relating to deferrals of payments to suppliers pursuant to the resolution passed by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010, which regulates the information disclosure obligation set forth in the third additional provision of Law 15/2010 of 5 July on the measures to counteract delinquency in business transactions.

	Thousands of euros	
	2011	
	Amount	%
Maximum legal payment term	70,999	81%
Other	16,229	19%
Total legal payment	87,228	100%
Payments' weighted average days past due (PMPE, in Spanish)	99	
Outstanding amounts at 31/12/11 under legal payment terms	1,101	

PMPE stands for "Payments' weighted average days past due", in other words, the amount resulting from the coefficient formed in the numerator by the addition of the proceeds from each of the payments to suppliers made during the reporting period past due the corresponding legal payment term and the number of days past due exceeding the corresponding term, and in the denominator by the total amount of payments made during the reporting period past due the legal payment term.

"Other" includes those payments exceeding the maximum legal term.

The item "Past due payables" includes the outstanding amount due to suppliers with a cumulative deferral term at year end exceeding the term established by law.

The information shown in the above table only includes the payments and payables to business suppliers that do not belong to Ferrovial Group which the Company belongs to, therefore, not including the payments or payables to other Ferrovial Group companies, and which in any case comply with Law 15/2010 of 5 July.

NOTE 11. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES LINKED

At 31 December 2010, non-current assets and liabilities classified as held for sale are as follows (in thousands of euros):

	Balance at 31.12.10
Non-current assets classified as held for sale:	
Investment in Group company equity	491,542
Long-term loans to Group companies	108,824
Current account with Group companies	10,046
	610,412
Liabilities linked to non-current assets classified as held for sale:	
Long-term loans to Group companies	**(125,248)**

On 1 November 2010, the Company reached a sale agreement with Swissport Group (Ferrovial Servicios Group's airport handling), through the disposal of the entire shareholding of Swissport Internacional AG, Parent Company of Swissport Group. As a result, the Company transferred to non-current assets and liabilities classified as held for sale the ownership interest in Swissport International AG, and the assets and liabilities held with the Swissport Group.

The aforementioned sale became effective on 17 February 2011 for a total of CHF 900 million, CHF 654,428 thousand of which corresponded to the sale of the entire shareholding of Swissport International AG, and the rest to the sale of other receivables from Swissport Group subsidiaries.

The Company received CHF 892,439 thousand in cash from the CHF 900 million sale, the difference of which (CHF 7,561 thousand) corresponded to the net total receivable at 17 February 2011 between Ferrovial Servicios, S.A. and Swissport International AG, where the buyer was subrogated.

Pursuant to Note 10.3, the Company held CHF/EUR foreign exchange forwards for CHF 692,400 thousand.

The sale of Swissport International AG shares has implied a EUR 1,997 thousand gain before taxes, registered under "Impairment and gains or losses on disposals of financial instruments" (see Note 15.f). Said gain includes the estimate of possible liabilities with the purchaser pursuant to the agreement reached between the parties.

There are no as assets or liabilities classified as held for sale at 31 December 2011.

NOTE 12. SHAREHOLDERS' EQUITY

12.1) Share capital

At 31 December 2011 and 2010, the Company's share capital was represented by 95,348,249 fully subscribed and paid bearer shares of EUR 6.01 par value each. These ownership interests have the same political and economic rights.

Companies with direct or indirect ownership interest equal or above 10% of the share capital are the following:

	No. of shares	Equity interest %
Ferrovial , S.A.	95,345,731	**99.99**
	95,345,731	**99.99**

12.2) Share Premium

This reserves is subject to the same restrictions and may be used for the same purposes as the Company's voluntary reserve, including conversion to share capital.

12.3) Reserves

The breakdown of Reserves is as follows:

	2011	2010
Legal reserve	33,353	16,193
Voluntary Reserves	11,439	—
Revaluation reserve	30	30
Total	**44,822**	**16,223**

a) Legal reserve

The use of the legal reserve is restricted and determined by different legal provisions. Pursuant to the Companies Law, companies incorporated under whichever legal form are obliged, if they make profits, to transfer 10% of those profits to a reserve until said reserve reaches one fifth of the subscribed share capital. The purposes for which the legal reserve may be used are to offset losses or to increase capital, in respect of the proportion of the reserve that exceeds 10% of the increased capital, and to be distributed to shareholders in case of wind-up.

At 31 December 2011, the legal reserve was not fully provided.

b) Voluntary reserves

The Annual General Meeting of 23 May 2011 approved Ferrovial Servicios S.A. profit distribution from the reporting period 2010, according to which EUR 86,439 thousand were destined to voluntary reserves.

The Company's Annual General Meeting held on 30 December 2011 approved the distribution of extraordinary dividends for EUR 75,000 thousand to Company shareholders, posted to voluntary reserves.

12.4) Other shareholders' contributions

This item includes the fair value of the remuneration through the delivery of Ferrovial, S.A. share options to employees from Ferrovial Servicios, S.A. and its subsidiaries, amounting to EUR 6,915 thousand (EUR 6,006 thousand in the previous reporting period).

During the reporting period, EUR 570 thousand were posted to the income statement (see Note 15.b) (EUR 1,313 thousand in the previous reporting year), even though it should be noted that as a result of the Swissport Group sale, an additional charge of EUR 339 thousand was made as lower value of the sale.

12.5) Dividends

This item included at 31 December 2010 a dividend distribution out of 2010 profit for EUR 68,000 thousand agreed by the Annual General Meeting at 30 June 2010.

12.6) Adjustments for changes in value

At 31 December 2010, this item included the loss registered from foreign currency hedge derivatives to hedge the sale cost of Swissport International AG shares established with the buyer in Swiss francs.

NOTE 13. FOREIGN CURRENCY

a) Balances in foreign currency

Balances in foreign currency at the end of the reporting period are shown below, in thousands:

	31/12/2011		31/12/2010	
	Total in thousands of euros	**Amount in thousands of Swiss francs**	**Total in thousands of euros**	**Amount in thousands of Swiss francs**
CURRENT ASSETS	**85**	**103**	**108,824**	**135,834**
Non-current assets classified as held for sale (Note 11)	—	—	108,824	135,834
Cash	85	103	—	—
NON-CURRENT LIABILITIES	**—**	**—**	**7,973**	**10,011**
Debts with Group companies (Note 10.2)	—	—	7,973	10,011
CURRENT LIABILITIES	**—**	**—**	**125,248**	**156,334**
Liabilities linked to non-current assets held for sale (Note 11)	—	—	125,248	156,334

b) Foreign currency transactions

Foreign currency transactions during the reporting period 2011 and 2010 are shown below, in thousands:

	2011			2010		
	Total in thousands of euros	**Amount in thousands of Swiss francs**	**Amount in thousands of pounds sterling**	**Total in thousands of euros**	**Amount in thousands of Swiss francs**	**Amount in thousands of pounds sterling**
Interests from receivables to Group companies	581	752	—	3,690	4,606	—
Interests on debts with Group companies	315	407	—	2,300	2,871	—
Dividends received from Group companies	211,690	245,552	20,000	188,740	95,000	100,000
Total	**212,586**	**246,711**	**20,000**	**194,730**	**102,477**	**100,000**

Foreign currency differences recognised in the reporting period 2011 profit/loss mainly respond to fluctuations in the CHF / EUR exchange rate due to the positions held with Swissport Group before the sale, and the movements in Swiss francs with the portion of the sale price not hedged with hedge derivatives.

NOTE 14. TAX MATTERS

The breakdown of the balances with Public Authorities at 31 December 2011 and 2010 is as follows, in thousands of euros:

	31/12/2011 Receivable	31/12/2011 Payable	31/12/2010 Receivable	31/12/2010 Payable
Non-current:				
Deferred tax assets	7,632	—	16,324	—
Deferred tax liabilities	—	47,423	—	46,819
	7,632	**47,423**	**16,324**	**46,819**
Current:				
Value Added Tax	751	3,806	543	3,809
Tax refund / Tax payable (*)	—	1,856	15,233	—
Corporate Tax withholdings and pre-payments	523	—	651	—
Personal Income Tax withholdings	—	3,019	—	2,749
Accrued social security taxes payable	—	3,817	—	3,507
	1,274	**12,498**	**16,427**	**10,065**

(*) Balance to be paid to the Tax Group Parent Company, Ferrovial, S.A.

Tax matters

The Company pays taxes under the consolidation tax system since 1996, as part of the consolidated Tax Group whose Parent Company is Ferrovial, S.A.

Reconciliation of the accounting profit for the year to the taxable profit for Corporate Tax

	2011			2010		
Profit for the year after tax			**231,398**			**171,598**
	Increase	*Decrease*	*Net effect*	*Increase*	*Decrease*	*Net effect*
Corporate tax			**7,831**			**(4,314)**
Permanent differences	**1,269**	**(213,230)**	**(211,961)**	**197**	**(197,806)**	**(197,609)**
Timing differences	**3,528**	**(17,813)**	**(14,285)**	**10,024**	**(28,690)**	**(18,666)**
Arising during the year	1,380	(4,339)	(2,959)	6,593	(28,623)	(22,030)
Arising in previous years	2,148	(13,474)	(11,326)	3,431	(67)	3,364
Taxable profit			**12,983**			**(48,991)**

Reconciliation of the accounting profit for the year and the expense for Corporate Tax

	2011	2010
Accounting profit for the year before tax	**239,229**	**167,284**
Calculated tax national rates (30%)	71,769	50,185
Permanent differences (a)	(63,588)	(59,283)
Tax credits	(2,250)	
Tax expense	5,931	(9,098)
Withholdings abroad	16	(627)
Regularisation of previous fiscal year taxes	1,884	5,411
Total income/ (expense)	**7,831**	**(4,314)**

(a) Permanent differences mainly correspond to the tax effect resulting from the elimination of internal dividends in the tax consolidation, which are permanent (dividends) and the exemption to avoid international double taxation.

Description of the income tax expense

Breakdown of income tax expense	2011	2010
Current expense	3,895	(14,698)
Deferred expense	4,286	5,600
Tax credits	(2,250)	
Withholdings abroad	16	(627)
Expense from previous reporting year	1,884	5,411
Total	**7,831**	**(4,314)**

Deferred tax liabilities

The changes to deferred taxes are as follows (in thousands of euros):

	Balance at 01.01.10	Creation	Recov.	Adjust. Corporate Tax prev. rep. year	Balance at 31.12.10	Creation	Recov.	Adjust. Corporate Tax prev. rep. year	Balance at 31.12.11
Non-deductible provisions	9,792	1,990	(97)	(20)	11,665	412	(4,040)	(646)	7,391
Tax assets	442	—	—	(442)	—	241	—	—	241
Derivatives	—	4,659	—	—	4,659	—	—	(4,659)	—
Deferred tax assets	**10,234**	**6,649**	**(97)**	**(462)**	**16,324**	**412**	**(4,040)**	**(5,064)**	**7,632**
Profit of joint ventures (a)	(1,031)	(644)	1,031	—	(644)	(1,301)	644	—	(1,301)
Amortisation of intangible assets									
SPI. AG goodwill (b)	(33,368)	(7,943)	—	(4,811)	(46,122)	—	—	—	(46,122)
Derivatives	—	(53)	—	—	(53)	—	—	53	—
Deferred tax liabilities	**(34,399)**	**(8,640)**	**1,031**	**(4,811)**	**(46,819)**	**(1,301)**	**644**	**53**	**(47,423)**

(a) Joint Ventures are taxed under the special tax transparency system.

(b) Including amortisation of goodwill from the purchase of the investee Swissport Iternational, AG. The deferred tax corresponding to that resulting from the acquisition of the investee Amey UK Plc. was registered in the reporting period 2010.

Tax audit results

Ferrovial, S.A., as the tax group's Parent Company, was notified on 16 July 2007 about the beginning of inspections for Corporate Tax for 2002, 2003, 2004 and 2005, which concluded in 2010.

As a result of the tax inspection, a tax liability of EUR 12,015 thousand arose for Ferrovial Servicios, S.A., as part of the tax consolidated group. A tax assessment for only EUR 0.9 million out of said total was accepted.

The concept of the disputed tax assessment corresponds to the recognition of expenses related to the acquisition of the subsidiaries Amey, Swissport and Cespa; the amortisation of Amey and Swissport financial goodwill; and specific accounting provisions considered non-tax deductible.

In connection to the latter, the Company registered in 2010 a provision to cover the risk derived from the procedures that began in connection to the regularisation proposed by tax authorities for EUR 2.4 million (see Note 17), as Company tax advisors consider there are legal grounds to expect a favourable resolution for said assessments.

On the other hand, the Company underwent a general inspection for Value Added Tax for which an assessment for EUR 1,012 thousand was disputed. The Company made submissions to the settlement agreement, registering in this reporting period a provision for the aforementioned amount (see Note 17).

According to Company tax advisors, there are sufficient legal grounds to expect a favourable resolution.

In 2011, the Company is being audited for 2006 Corporate Tax. The procedure is in the stage of document provision.

Years open to tax audit

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. Upon closing fiscal year 2011, the Company had opened for inspection fiscal years for all applicable taxes. The Company's Directors believe the above mentioned taxes have been fully paid; therefore, even in the case of discrepancies regarding the interpretation of the current regulation applied to the tax assessment of operations, the possible liabilities, if any, would not significantly affect the accompanying financial statements.

NOTE 15. INCOME AND EXPENSES

a) Supplies

Set out below is an analysis of this caption at the end of the reporting period 2011 and 2010:

	2011	2010
Cost of goods held for resale sold	280	210
Change in inventories	(21)	(3)
Use of raw materials and other supplies	15,591	17,624
Work performed by other companies	25,513	27,971
Total supplies	**41,363**	**45,802**

Procurements during the reporting period 2011 and 2010 by origin were made in the national territory. Intra-community procurements and imports are not significant.

b) Staff costs

The breakdown of this item in the accompanying income statement is as follows, in thousands of euros:

	2011	2010
Wages and salaries	137,897	118,183
Employer social security costs	40,890	35,420
Ferrovial, S.A. share option plan (Note 12.4)	570	1,313
Other social security costs	41	139
Staff costs	**179,398**	**155,055**

a) Share option plans

Pursuant to Ferrovial, S.A. financial statements, the characteristics of Ferrovial Servicios Group share option plans are described below:

Share options plan (granting date)	Number of granted options	Exercise price (euros)
Executive Staff / June 2004	130,000	8.51
Executive Staff / March – October 2005	718,600	11.40-15.88
Executive Staff / August 2006	223,200	15.42-16.6
Executive Staff / November 2007	975,480	14.99
Senior Executives / April 2008	540,000	12.125
Executive Staff Plan Increase	180,000	18.38

All share option plans have a three-year vesting period as from the grant date followed by a three to five-year exercise period, provided certain minimum returns on consolidated equity are obtained by the Ferrovial Group. The exercise price was calculated as the arithmetic mean of the weighted average changes during the previous twenty stock market trading sessions.

No new plans were granted in 2011.

As explained in Note 5 on Equity risk, equity swaps were arranged by Ferrovial, S.A. at the grant date in order to hedge against possible losses resulting from the exercise of share options. These swaps ensure that Ferrovial, S.A. will collect an amount equal to the rise in the share price when the options are executed by employees.

As mentioned in said note, the Company signed in the reporting period 2008 an agreement with Ferrovial, S.A. through which the first will assume the costs derived from holding the aforementioned equity swaps from origin according to the number of options delivered to the Management of Ferrovial Servicios, S.A. and its subsidiaries. Namely, Ferrovial Servicios, S.A. will compensate Ferrovial, S.A. for the payments the latter may have to incur into as manager of the Plans and which may derive from costs generated by arranging those derivative instruments, as well as the corresponding payments when the share price is below the exercise price upon expiration of said system compared to any of the plans in force at any given time.

Under the equity swap contract, the financial institution undertakes to pay to Ferrovial, S.A. cash amounts equal to the return on Ferrovial S.A.'s shares, in return for a payment by Ferrovial, S.A The main features of equity swaps are as follows:

- The number of shares used to calculate returns is equal to the number of options granted under each plan.
- The share price used to calculate returns coincides with those exercise price employed to calculate the increase in the share's value.
- Ferrovial, S.A. will pay a return to the financial institution calculated by applying the EURIBOR rate plus a margin to the result of multiplying the number of shares by the exercise price.
- The financial institution will pay Ferrovial, S.A. an amount equal to all the dividends generated by those shares.

Ferrovial S.A. may opt to partially or totally terminate the contract, in which case:

a) If the share price is below the exercise price at which the contract was granted, Ferrovial S.A. must pay the difference to the financial institution.

b) If the share price is above the exercise price, Ferrovial S.A. will receive the difference between the two amounts.

For accounting purposes, these contracts are treated as derivative financial instruments, this being the general treatment afforded to financial products of this type (see Note 10.3).

d) Employee share delivery plan

Pursuant to the consolidated financial statements of Ferrovial, S.A. Group, to which Ferrovial Servicios belongs, the Board of Directors approved on 17 December 2009 a Ferrovial, S.A. share delivery plan. This plan has a three-year term with annual unit allocations in 2010, 2011 and 2012. The shares shall be delivered, as the case may be, in the year of the third anniversary of the allocation of the corresponding units.

The breakdown of movements in the aforementioned remuneration systems during the reporting period 2011 and 2010 is as follows:

	2011	2010
No. of shares at beginning of year	541,000	—
Plans granted	444,050	541.000
Waivers and exercised	(168,700)	—
No. of shares at year-end	816,350	541,000

This plan has a duration of three years and grants will be made on an annual basis under this plan. The main requirements establish for delivery of shares to the employees under the plan include the following:

Service at the Company during a vesting period of three years as from the date of execution barring certain exceptional causes.

Achievement of ratios based on cash flows from operating activities and the ratio between EBITDA and net productive assets during the aforementioned vesting period.

Every year a calculation is made of the levels that those ratios must reach during the grant period for beneficiaries to be entitled to delivery of all of the shares or a proportional amount thereof.

Staff costs registered in Ferrovial Servicios corresponding to these remunerations systems through the delivery of Ferrovial, S.A. shares and share options during the reporting period 2011 amounted to EUR 570 thousand (see Note 15.b)

e) Finance income and costs

The breakdown of finance income and costs by interests on payables and receivables is as follows, in thousands of euros:

	2011	2010
Finance income:	**232,668**	**220,032**
From investments in equity instruments:	**219,934**	**194,716**
- From Group companies and associates:	**219,934**	**194,716**
- Dividend and others (Note 9,3)	219,934	194,716
From marketable securities and other financial instruments:	**12,734**	**25,316**
- From Group companies and associates (Note 20):	**12,008**	**25,158**
- Income from loans to Group companies	2,976	6,208
- Income from current account receivables	9,032	18,950
- Third parties	**726**	**158**
Finance costs:	**(24,469)**	**(49,023)**
On debts to Group companies and associates (Note 20):	**(22,784)**	**(47,122)**
- Interests from Group companies borrowings	(22,007)	(12,504)
- Interests from current account payables	(777)	(34,618)
On debts to third parties:	**(1,685)**	**(1,901)**
- Other finance costs	(1,685)	(1,901)
Net	**208,199**	**171,009**

f) Impairment and profits or losses on disposals of financial instruments

The breakdown is the following (in thousands of euros):

	31/12/2011	**31/12/2010**
Profit (or loss) in the fair value of financial derivatives (Note 10.3)	13,468	(3,114)
Profit on disposal of financial instruments (Note 11)	1,997	—
Impairment from investments in equity instruments (Note 9.3)	(342)	(70)
	15,123	**(3,184)**

NOTE 16. DISCONTINUED OPERATIONS

As mentioned in Note 9.3.1, during the reporting period 2010, the Company subscribed a capital increase of Swissport Handling through non-monetary contribution from ground handling services under the ramp category developed by Ferrovial Servicios, S.A. through 40% investment in six joint ventures.

As a result of the aforementioned transaction, the Company registered as Discontinued operation the result generated in said contribution for EUR 6,770 thousand before taxes (EUR 4,739 thousand after taxes).

The profit/loss generated in the reporting period by said joint ventures until the contribution was made for EUR 2,957 thousand was reclassified to this item.

The effect of Discontinued operations corresponding to the reporting period 2010 in the main items of the income statement is as follows, in thousands of euros:

	2010
Profit or loss from operations	(3,423)
Financial loss	(6,304)
Profit/(Loss) before tax	(9,727)
Profit/loss continued operations	(7,696)
Profit/loss discontinued operations	7,696

Note: The impact on the financial profit/loss amounts to a EUR 6,770 thousand profit recognised in the reporting period in the transfer of the investment to the joint ventures.

NOTE 17. PROVISIONS AND CONTINGENCIES

The breakdown and changes to provisions during the reporting period is as follows (in thousands of euros):

Type of provision	Balance at 01.01.10	Period provisions	Derecognitions	Balance at 31.12.10	Period provisions	Derecognitions	Balance at 31.12.11
Long-term:							
Provision for taxes and charges	**2,436**	5,319	—	**7,755**	1,190	(36)	**8,909**
Short-term:							
Other trade receivables	**6,800**	16,343	(13,683)	**9,460**	29,383	(27,023)	**11,820**

Provisions for taxes and charges

At 31 December 2010, this item included a provision for EUR 2.4 million to cover the risk of the audit started by the Tax Authority on Corporate Tax. During the reporting period 2011, an additional amount of EUR 1 million was allotted to cover the audit for Value Added Tax (see Note 14).

In addition, a provision allotted in the reporting period 2010 for EUR 5.3 million to cover possible tax risks from probable liabilities resulting in the future from the implementation by Tax Authorities of criteria different to that applied by the Company in the reporting periods open to inspection.

Provisions for other trade receivables

This provision is set by the Company to cover costs upon conclusion of specific contracts, to cover occupational risks from Company staff disputes or claims or to cover infraction reports issued by the labour authority and other risks derived from the regular operation of the business. The provision is set when the responsibility or obligation establishing the compensation or payment originates.

Sureties and guarantees

At 31 December 2011 and 2010, the Company has been secured by financial entities before public organisations for an overall amount of EUR 54,303 thousand and EUR 56,029 thousand, respectively.

The Company acts as guarantor for Ferrovial, S.A. bank borrowings, the conditions of which are described in the consolidated financial statement of the group in which the above is Parent Company, including, among others, the achievement during the term of the financing of a number of ratios related to financial figures measured every six months. At 31 December 2011, Ferrovial Group achieved the established ratios.

In addition, Ferrovial Servicios is guarantor of financing facilities with banks such as guarantee facilities, invoice discount and reverse factoring from suppliers of some of its subsidiaries. At 31 December 2011, none of its subsidiaries has breached its obligations.

NOTE 18. INFORMATION ON THE ENVIRONMENT

The Company has no significant assets allocated or has incurred in relevant expenses to minimise the environmental impact and to protect and improve the environment. There are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

NOTE 19. EVENTS AFTER THE REPORTING PERIOD

There were no significant events since 31 December 2011 until the date these financial statements were prepared that had not been included therein or whose knowledge could be useful to somebody.

NOTE 20. RELATED PARTY TRANSACTIONS

20.1) Related party balances

	31/12/2011				31/12/2010			
	Controlling company	**Other Group Companies**	**Jointly controlled and associated companies**	**Total**	**Controlling company**	**Other Group Companies**	**Jointly controlled and associated companies**	**Total**
NON-CURRENT ASSETS	**—**	**—**	**48,055**	**48,055**	**—**	**15,697**	**50,000**	**65,697**
Non- current financial assets	**—**	**—**	**48,055**	**48,055**	**—**	**15,697**	**50,000**	**65,697**
Loans to Group companies (Note 9.2)	—		48,055	48,055	—	15,697	50,000	65,697
CURRENT ASSETS	**143,788**	**66,943**	**63**	**210,794**	**32,264**	**254,705**	**2,178**	**289,147**
Non-current assets classified as held for sale (Note 11)	**—**	**—**	**—**	**—**	**—**	**108,824**	**—**	**108,824**
Trade and other receivables	**693**	**6,742**	**63**	**7,498**	**75**	**5,892**	**355**	**6,322**
Trade receivables for sales and services (Note 9)	693	6,742	63	7,498	75	5,892	355	6,322
Current financial assets	**143,095**	**60,201**	**—**	**203,296**	**32,189**	**139,989**	**1,823**	**174,001**
Loans to Group companies (Note 9)	—	—	—	—	—	159	1,823	1,982
Other financial assets (current accounts) (Note 9)	143,095	60,201	—	203,296	32,189	139,830	—	172,019
NON-CURRENT LIABILITIES	**—**	**(357,152)**	**—**	**(357,152)**	**(348,375)**	**(634,661)**	**—**	**(983,036)**
Non-current payables	**—**	**(357,152)**	**—**	**(357,152)**	**(348,375)**	**(634,661)**	**—**	**(983,036)**
Loans to Group companies (Note 10.2)		(357,152)	—	(357,152)	(348,375)	(634,661)	—	(983,036)
CURRENT LIABILITIES	**(25)**	**(31,121)**	**(1)**	**(31,147)**	**(90)**	**(138,222)**	**(46)**	**(138,358)**
Liabilities linked to non-current assets classified as held for sale (Note 11)	**—**	**—**	**—**	**—**	**—**	**(125,248)**	**—**	**(125,248)**
Current payables	**—**	**(27,222)**	**—**	**(27,222)**	**—**	**(12,352)**	**—**	**(12,352)**
Other financial liabilities (current accounts) (Note 10)	—	(27,222)	—	(27,222)	—	(12,352)	—	(12,352)
Trade and Other Payables	**(25)**	**(3,899)**	**(1)**	**(3,925)**	**(90)**	**(622)**	**(46)**	**(758)**
Current supplier payables (Note 10)	(25)	(3,899)	(1)	(3,925)	(90)	(622)	(46)	(758)

The different subsidiaries that make up Ferrovial Group have a centralised cash management system. Therefore, they all register current account reciprocal positions so that Ferrovial, S.A. can manage surplus and channel cash needs among its Group companies. Ferrovial Servicios, S.A. acts as Parent Company of its subsidiaries before Ferrovial, S.A.

The cash surplus from the sale of the Swissport Group that has not been used to amortise loans described in Note 10.2, or by Ferrovial Servicios group companies, pursuant to the paragraph above, has been transferred to Ferrovial, S.A.

At 31 December 2011, the receivable balance from Ferrovial, S.A. resulting from the centralised cash management system amounts to EUR 143,095 thousand.

Said current accounts accrue a market interest rate and they are all short-term receivables.

At 31 December 2009, the Company had a line of credit with its Parent Company Ferrovial, S.A. with a maximum limit of EUR 1,300 million. In November 2010, EUR 800 million drawn down from this line of credit were registered as a long-term loan, with an agreement on the reduction of the maximum limit of the line of credit to EUR 50 million, with all the other conditions remaining unaltered. Said line of credit has not been drawn down at 31 December 2011 and 2010.

20.2) Transactions with related parties

Transactions with related parties in the reporting period 2011 and 20101 are shown below:

	2011				2010			
	Controlling company	Other Group Companies	Other jointly controlled and associated companies	Total	Controlling company	Other Group Companies	Other jointly controlled and associated companies	Total
Services received	3,572	37,011	2	40,585	33,511	3,425	703	37,639
Services rendered	1,371	61,548	2,281	65,200	984	49,442	2,718	53,144
Interests paid (Note 15-e)	4,232	18,527	25	22,784	38,691	8,423	9	47,123
Interests charged (Note 15-e)	2,915	6,818	2,275	12,008	—	22,228	2,929	25,157
Income from equity investments (Note 15-e)	—	213,234	6,700	219,934	—	194,716	—	194,716
Payment of dividends (Note 12)	75,000	—	—	75,000	68,831	—	—	68,831
	87,090	**337,138**	**11,283**	**435,511**	**142,017**	**278,234**	**6,359**	**426,610**

20.3) Balances and transactions with directors and senior management

Directors' remuneration

During the reporting periods 2011 and 2010, Company Directors have not accrued any remuneration and no loan or advance was granted to them by the Company No loans or sureties or any other commitment regarding pensions or life insurance were granted to Directors.

Other information regarding the Board of Directors

Article 229 of the Spanish Companies Law requires the directors to notify the Company of the following information:

- Conflicts that they may have with the Company's interest.
- Any ownership interests they may have in the share capital of a company engaging in any activity that is identical, similar or complementary to the Company's purpose:
- Positions held or functions discharged at such companies.

In accordance with paragraph 3 of the aforementioned Article 229, this information is to be included in the notes to the financial statements. Furthermore, Article 230 establishes that directors may not engage, as independent professionals or as employees, in activities that are identical, similar or complementary to the activity that constitutes the Company's object, except in the event of receiving express authorisation to do so from the Company, through a resolution by the Annual General Meeting, which shall require notice to be given as required under Article 229.

On this regard, below is the information submitted to the Company by Directors with the breakdown of ownership interests and functions or positions in companies engaging in an activity that is similar or complementary to that of the Company:

Director	Ferrovial S.A. shares	Positions
Mr. Íñigo Meirás Amusco	12,426 0.002%	Executive Director of Ferrovial S.A. Non-executive Vice-president of Ferrovial Qatar LLC Member of the Executive Committee of Ferrovial, S.A. Member of the Managing Committee of Ferrovial, S.A.
Mr. Santiago Ortiz Vaamonde	6,036 (0.001%)	General Secretary and Board Secretary of Ferrovial, S.A. Member of the Managing Committee of Ferrovial, S.A.
Mr. Ernesto López Mozo	3,572 0.0005%	Economic and Financial General Manager and member of the Managing Committee of Ferrovial , S.A.
Mr. Santiago Olivares Blázquez	9,420 (0.001%)	Vice-president of Amey plc. Non-executive Vice-president of Amey UK plc. Chairman of Cespa Cía Española de Servicios Auxiliares, S.A. Joint Administrator of Cespa Conten, S.A Joint Administrator of Cespa Gestión de Residuos, S.A. Joint Administrator of Cespa G. T. R., S.A. Joint Administrator of Cespa Inversiones Ambientales, S.A. Joint Administrator of Cespa Jardinería, S.L. Joint Administrator of Eurolimp, S.A. Joint Administrator of Ferroser Infraestructuras, S.A. Chairman Executive Director of Ingeniería Ambiental Granadina, S.A. (Inagra). Director of Madrid Calle 30, S.A. Director of Ferrovial Qatar LLC.

Remuneration to senior management personnel

Senior management personnel from the subgroup of companies of which Ferrovial Servicios, S.A. is the Parent Company has received in the reporting period 2011 a total remuneration of EUR 1,574 thousand and EUR 1,543 thousand in the reporting period 2010.

NOTE 21. OTHER INFORMATION

Average number of employees

The average number of employees, by category, is as follows:

	2011	2010
Managers	18	17
Technicians and workers	5,012	4,226
Administrative staff	1,033	1,092
University graduates	400	412
Total	**6,463**	**5,747**

The number of employees at 31 December 2011 and 2010, by category and sex, is as follows:

	2011			2010		
	Men	Women	Total	Men	Women	Total
Managers	15	3	18	17	2	19
Technicians and workers	3,279	2,143	5,422	2,648	1,503	4,151
Administrative staff	255	894	1,149	254	844	1,098
University graduates	290	138	428	271	137	408
Total	**3,839**	**3,178**	**7,017**	**3,190**	**2,486**	**5,676**

Fees paid to auditors

Fees for audit services provided to the Company during the reporting period 2011 and 2010 were the following, in euros:

Description	**2011**	**2010**
Fees for audit services	47,950	47,950
Other services	6,804	6,804
Total	**54,754**	**54,754**

NOTA 22. SEGMENT REPORTING

As regards to Company ordinary activities, 70% of the net revenue corresponds to building maintenance, 13% to industrial maintenance services (74% and 9.5% in 2010, respectively) and the reminder to other activities.

The activity is developed within the national territory.

FERROVIAL SERVICIOS, S.A.

DIRECTORS' REPORT FOR FISCAL YEAR 2011

FINANCIAL INFORMATION

In a complex environment due to Public Administrations' budgetary restrictions, Ferrovial Servicios has increased year-on-year the volume of sales, maintaining the profit from operations in figures similar to those of the reporting period 2010. This evolution responds to cost control and the entry into service of new contracts.

In February 2011, Ferrovial Servicios sold the Swissport Group, already announced in November 2010, to the investment fund PAI Partners Ltd. for CHF 900 million (EUR 695 million).

Accumulated revenues in the reporting period amount to EUR 308 million (12% y-o-y increase). 276 (millions of euros)

The contracts that have made the largest contribution to the Company's revenues are: Gestión Integral Iberia, Madrid City Council Districts SIG (municipal building maintenance contracts in several districts of Madrid) and Safe Urgencias joint venture.

The main awards during the reporting period 2011 have been Inacua Sólo Ellas Castellana and the management of public sports and hydrotherapy services in La Canaleja y Los Cantos centres.

The facility management gross operating margin dropped by 4.5% from 8.7% in 2010 to 4.2% in 2011.

In Spain, the Services business still shows uncertainties with regards to Public Administrations. They mainly respond to additional service reductions, delays in some bids and term of payment. Average terms of payment are expected to remain in 2012 at levels similar to 2011, although there could be an improvement according to the success of the measures announces by the national government to improve Public Administrations' liquidity. In turn, the need to improve public accounts will speed up the services integration process, resulting in significant savings through operating synergies, where service provision will be based on quality (measured by indicators) rather than making available the tendered services.

In 2012, the Services strategy will be focused on achieving operating improvements, offering an integrated package of services to Public Administrations and balanced geographic diversification of the business.

The Company continues studying its possibilities to enter new geographic markets to expand and develop its activities.

The improvement of the financial profit responds to the repatriation of profit from subsidiaries abroad as well as the lower financial cost paid due to the repayment of Group loans through cash surplus obtained from the sale of the Swissport Group.

RESEARCH AND DEVELOPMENT EXPENSES

The Company has not incurred in research and development expenses during the reporting period 2011.

TREASURY SHARES

During the reporting period 2011, Ferrovial Servicios, S.A. does not hold and did not perform any transaction involving treasury shares.

EVENTS AFTER THE REPORTING PERIOD

There are no relevant events after the reporting period.

PREPARATION OF FINANCIAL STATEMENTS AND DIRECTORS' REPORT

Pursuant to current trade regulations, **Ferrovial Servicios, S.A.** Directors prepare the Annual Accounts and the Directors' Report for the reporting period ended on 31 December 2011, consisting of the attached pages 1 to 50.

Madrid, 26 May 2011.
Board of Directors

Mr. Íñigo Meirás Amusco Chairman	Mr. Santiago Olivares Blázquez Chief Executive Officer
Mr. Ernesto López Mozo Director	Mr. Santiago Ortiz Vaamonde Director
Mr. Alfredo Javier García López Secretary Non-director	

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

BDO

Tel: +34 914364190
Fax: +34 914364191/92
http://www.bdo.es

Rafael Calvo 18
28010 Madrid
(Spain)

Auditors' report on financial statements

To the Shareholders of **Ferrovial Servicios, S.A.:**

1. We have audited the financial statements of **Ferrovial Servicious , S.A.,** Which comprise the balance sheet at 31 December 2010 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial positions of **Ferrovial Servicios, S.A.** at 31 December 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

3. The accompanying directors' report for 2010 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

BDO Auditores, S.L.

Carmen Ruiz Álvarez
Partner - Auditor

Madrid, 31 March 2011

[Stamp affixed:]
Spanish Institute of Certified Public Accountants
Exercising member: BDO AUDITORES, S.L.
Year: 2011 No.: 01/11/01491
ASSOCIATION FEE: EUR 90.00

BDO Auditores S.L., registered in the Spanish Official Auditors' Register under no. 51.273, is a Spanish limited liability company and a member of BDO International Limited, a UK company limited by guarantee that forms part of the BDO international network of associated independent enterprises.

Madrid Mercantile Register, volume 14.413, section 8, sheet 201, page number M-238188 (entry 1), EIN: B-82387572.

FERROVIAL SERVICIOS, S.A.

Financial Statements and Directors' Report for fiscal year 2010 together with the
Auditors' Report on Financial Statements

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

Financial Statements and Directors' Report for fiscal year 2010 together with the Auditors' Report on Financial Statements

FINANCIAL STATEMENTS FOR THE YEAR 2010:

- Balance Sheet as at 31 December 2010 and 2009
- Income statement for the years 2010 and 2009
- Statements of changes in equity for the years 2010 and 2009
- Statements of Cash Flows for the years 2010 and 2009
- Annual Report for Fiscal Year 2010

DIRECTORS' REPORT FOR FISCAL YEAR 2010

Appendix I:
Liquidity statement report for approval of interim dividend

FERROVIAL SERVICIOS, S.A.

FINANCIAL STATEMENTS FOR THE YEAR 2010

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009
(In thousands of euros)

	Notes to the Financial Statements	31/12/2010	31/12/2009
ASSETS			
NON-CURRENT ASSETS		**1,043,341**	**2,099,181**
Intangible assets	**Note 6**	**991**	**1,068**
Concessions		991	992
Computer software		—	76
Property, plant and equipment	**Note 7**	**7,604**	**13,313**
Land and buildings		3,620	3,883
Plant and other items of property, plant and equipment		3,774	9,155
Assets under construction and advances		210	275
Non-current investments in Group companies and associates		**1,017,890**	**2,073,785**
Equity instruments	**Note 9.3**	952,193	1,564,179
Loans to companies	**Note 9.2**	65,697	203,738
Other financial assets	**Note 9**	**—**	**305,868**
Non-current financial assets	**Note 9**	**532**	**781**
Loans to third parties		83	157
Other financial assets		449	624
Deferred tax assets	**Note 14**	**16,324**	**10,234**
CURRENT ASSETS		**937,193**	**332,100**
Non-current assets classified as held for sale	**Note 11**	**610,412**	**—**
Inventories		**9**	**6**
Sales representatives		9	6
Trade and other receivables		**122,569**	**125,206**
Trade receivables for sales and services	**Note 9**	94,680	96,530
Receivables from Group companies and associates	**Notes 9 and 20**	6,322	8,443
Sundry accounts receivable	**Note 9**	4,886	3,606
Staff	**Note 9**	254	187
Current tax assets	**Note 14**	15,884	13,483
Other accounts receivable from public authorities	**Note 14**	543	2,957
Current investments in Group companies and associates		**174,001**	**143,475**
Loans to companies	**Note 9**	1,982	2,112
Other financial assets	**Note 9**	172,019	141,363
Current financial assets	**Note 9**	**925**	**1,397**
Loans to companies		297	1,345
Debt securities		410	—
Derivatives		176	—
Other financial assets		42	52
Current accruals and deferred income		**1,916**	**1,291**
Cash and cash equivalents	**Note 9**	**27,361**	**60,725**
Cash		27,361	60,725
TOTAL ASSETS		**1,980,534**	**2,431,281**

The Company Financial Statements, which constitute a single document, include this Balance Sheet, the attached Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows and the Annual Report bearing 23 Notes.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009

(In thousands of euros)

	Notes to the Financial Statements	31/12/2010	31/12/2009
EQUITY AND LIABILITIES			
EQUITY		**691,414**	**598,080**
Shareholders' equity	**Note 12**	**702,162**	**598,080**
Share Capital	**Note 12.1**	**573,043**	**573,043**
Registered share capital		573,043	573,043
Share premium	**Note 12.2**	**3,291**	**3,291**
Reserves	**Note 12.3**	**16,223**	**8,909**
Legal reserves		16,193	8,879
Other reserves		30	30
Other shareholders' contributions	**Note 12.4**	**6,006**	**4,692**
Profit for the year		**171,598**	**73,145**
(Interim dividend)	**Note 12.5**	**(68,000)**	**(65,000)**
Adjustments for changes in value	**Note 12.6**	**(10,747)**	**—**
NON-CURRENT LIABILITIES		**1,061,321**	**634,848**
Long-term provisions	**Note 17**	**7,755**	**2,436**
Other provisions		7,755	2,436
Non-current payables		**23,711**	**23,396**
Obligations under finance leases	**Note 10.1**	—	2,330
Derivatives	**Note 10.3**	23,379	20,266
Other financial liabilities	**Note 10**	332	800
Non-current payables with Group companies and associates	**Notes 10 and 20**	**983,036**	**574,617**
Deferred tax liabilities	**Note 14**	**46,819**	**34,399**
CURRENT LIABILITIES		**227,799**	**1,198,353**
Liabilities linked to non-current assets classified as held for sale	**Note 11**	**125,248**	**—**
Short-term provisions	**Note 17**	**9,460**	**6,800**
Current payables	**Note 10**	**17,325**	**5,598**
Bank borrowings:		1,468	1,987
Obligations under finance leases		—	1,962
Derivatives		15,529	—
Other financial liabilities		328	1,649
Current debts to group companies and associates	**Notes 10 and 20**	**12,352**	**1,121,239**
Trade and Other Payables		**62,671**	**64,107**
Payable to Suppliers	**Note 10**	40,790	41,219
Payables to suppliers – Group companies and associates	**Notes 10 and 20**	758	2,776
Sundry accounts payable	**Note 10**	1,777	1,444
Staff (Remuneration payable)	**Note 10**	6,226	8,164
Other accounts payable to public authorities	**Note 14**	10,065	8,908
Customer advances	**Note 10**	3,055	1,596
Current accruals and deferred income		**743**	**609**
TOTAL EQUITY AND LIABILITIES		**1,980,534**	**2,431,281**

The Company Financial Statements, which constitute a single document, include this Balance Sheet, the attached Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows and the Annual Report bearing 23 Notes.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

INCOME STATEMENTS FOR 2010 AND 2009

(In thousands of euros)

	Notes to the Financial Statements	2010	2009
INCOME STATEMENT			
Revenue		**275,782**	**278,883**
Net sales		2,026	1,565
Services		273,756	277,318
Procurements		**(45,802)**	**(54,963)**
Cost of goods held for resale sold		(207)	4
Cost of raw materials and other materials used		(17,624)	(19,402)
Work performed by other companies		(27,971)	(35,565)
Other operating income		**1,687**	**1,629**
Subsidies to operations included in the fiscal year profit		1,687	1,629
Staff costs	**Note 15.a**	**(155,055)**	**(153,840)**
Wages, salaries and similar expenses		(101,444)	(101,344)
Employee benefit costs		(35,558)	(34,572)
Provisions		(18,053)	(17,924)
Other operating expenses		**(72,075)**	**(61,917)**
Outside services		(43,026)	(34,094)
Taxes		(413)	(450)
Losses on, impairment of and change in allowances for trade receivables		(8,416)	(7,254)
Other current operating expenses		(20,220)	(20,119)
Depreciation and amortisation charge	**Notes 6 and 7**	**(1,457)**	**(1,330)**
Impairment and gains or losses on disposals of non-current assets		**24**	**5**
Gains or losses on disposals and others	**Note 7**	24	5
PROFIT FROM OPERATIONS		**3,104**	**8,467**
Finance income	**Note 15.d**	**220,032**	**102,475**
Finance costs	**Note 15.d**	**(49,023)**	**(54,777)**
Exchange differences		**(13,372)**	**(454)**
Impairment and gains or losses on disposals of financial instruments	**Note 15.e**	**(3,184)**	**14,710**
FINANCIAL PROFIT (LOSS)		**154,453**	**61,954**
PROFIT BEFORE TAX		**157,557**	**70,421**
Income tax	**Note 14**	**6,345**	**1,114**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**163,902**	**71,535**
DISCONTINUED OPERATIONS		9,727	2,300
Profit/Loss from operations for the period – discontinued and net of taxes	**Note 16**	**7,696**	**1,610**
PROFIT FOR THE YEAR		**171,598**	**73,145**

The Company Financial Statements, which constitute a single document, include this Income Statement, the attached Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the Annual Report bearing 23 Notes.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

STATEMENT OF CHANGES IN EQUITY

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS 2010 AND 2009

(In thousands of euros)

	2010	2009
PROFIT/LOSS PER INCOME STATEMENT	**171,598**	**73,145**
Income and expense recognised directly in equity	**(10,747)**	**—**
- For hedging instruments	**(15,353)**	**—**
- Tax effect	**4,606**	**—**
Transfers to profit or loss	**—**	**—**
TOTAL RECOGNISED INCOME AND EXPENSE	**160,851**	**73,145**

B) STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS 2010 AND 2009

(In thousands of euros)

	Authorised capital	Share premium	Reserves	Profit for the year	Interim dividend	Adjustments for changes in value	Total
CLOSING BALANCE FOR THE YEAR 2008	**573,043**	**3,291**	**20,978**	**62,227**	**(25,000)**	**—**	**634,539**
Total recognised income and expense	**—**	**—**	**—**	**73,145**	**—**	**—**	**73,145**
Transactions with members or owners	**—**	**—**	**(44,604)**	**(25,000)**	**(40,000)**	**—**	**(109,604)**
Dividends paid charged to profit/loss of the reporting period	—	—	(49,296)	—	(65,000)	—	(114,296)
Dividends paid charged to profit/loss of the previous reporting period	—	—	—	(25,000)	25,000	—	—
Other shareholders' contributions	—	—	4,692	—	—	—	4,692
Other changes in equity	**—**	**—**	**37,227**	**(37,227)**	**—**	**—**	**—**
Distribution of profits from the previous year	—	—	37,227	(37,227)	—	—	—
CLOSING BALANCE FOR THE YEAR 2009	**573,043**	**3,291**	**13,601**	**73,145**	**(65,000)**	**—**	**598,080**
Total recognised income and expense	**—**	**—**	**—**	**171,598**	**—**	**(10,747)**	**160,851**
Transactions with members or owners	**—**	**—**	**1,314**	**(65,831)**	**(3,000)**	**—**	**(67,517)**
Dividends paid charged to profit/loss of the reporting period	—	—	—	—	(68,000)	—	(68,000)
Dividends paid charged to profit/loss of the previous reporting period	—	—	—	(65,831)	65,000	—	(831)
Other shareholders' contributions	—	—	1,314	—	—	—	1,314
Other changes in equity	**—**	**—**	**7,314**	**(7,314)**	**—**	**—**	**—**
Distribution of profits from the previous year	—	—	7,314	(7,314)	—	—	—
CLOSING BALANCE FOR THE YEAR 2010	**573,043**	**3,291**	**22,229**	**171,598**	**(68,000)**	**(10,747)**	**691,414**

The Company Financial Statements, which constitute a single document, include this Statement of Changes in Equity, the attached Balance Sheet, the Income Statement, the Statement of Cash Flows and the Annual Report bearing 23 Notes.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS 2010 AND 2009

(In thousands of euros)

	2010	2009
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Profit/Loss for the year before tax	157,557	72,721
2. Adjustments for-	32,332	35,472
3. Changes in working capital	(178,282)	(81,389)
4. Other cash flows from operating activities	183,856	62,035
5. Other cash flows from operating activities	**195,463**	**88,839**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		
6. Payments due to investment	(2,949)	(2,446)
7. Proceeds from disposal	120,801	12,387
8. Cash flows from investment activities	**117,852**	**9,941**
C) CASH FLOWS FROM FINANCING ACTIVITIES		
9. Proceeds and payments relating to equity instruments	—	—
10. Proceeds and payments relating to financial liability instruments	(277,848)	64,606
11. Dividends and returns on other equity instruments paid	(68,831)	(114,296)
12. Cash flows from financing activities	**(346,679)**	**(49,690)**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**(33,364)**	**49,090**
Cash and cash equivalents at beginning of year	60,725	11,635
Cash and cash equivalents at end of year	27,631	60,725

The Company Financial Statements, which constitute a single document, include this Statement of Cash Flows, the attached Balance Sheet, the Income Statement, the Statement of Changes in Equity and the Annual Report bearing 23 Notes.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

NOTES TO THE 2010 FINANCIAL STATEMENTS

NOTE 1. COMPANY'S INCORPORATION, ACTIVITY AND LEGAL REGULATIONS

a) Incorporation and registered office

Ferrovial Servicios, S.A. (hereinafter "the Company") was incorporated in Madrid on 6 February 1992 under the name of Servicio de Recogida de Residuos, S.A. The current registered office is on calle Príncipe de Vergara, 135, Madrid.

b) Activity

The main activity is the provision of all types of urban services, namely those related to the environment, contracting and construction, building maintenance and cleaning, airport services (handling), infrastructure maintenance, and any other activity related to the aforementioned corporate purpose.

The Company has branches in the main cities in Spain, through which its activity is developed.

The Company is part of the Ferrovial Group operating in the construction, airports, highways and parking industries and other services (the latter developed via the subgroup Ferrovial Servicios, S.A. of which the Company is the Parent Company).

Ferrovial, S.A., the Group's Parent Company, owns 99.99% of the Company, which prepares consolidated financial statements. Those corresponding to the reporting period 2009 are registered with the Commercial Registry of Madrid.

Ferrovial, S.A.'s registered office is on Príncipe de Vergara, 135 (Madrid).

The fiscal year starts on 1 January and concludes on 31 December every year. In order to simplify, "reporting period 2010" will be used in all the other Notes to this Financial Statement whenever the fiscal year ended on 31.12.10 is mentioned.

c) Consolidated Financial Statements

Pursuant to the current commercial legislation, the Company is not compelled to present consolidated financial statements and directors' report as it belongs to the Ferrovial Group, the Parent Company of which is Ferrovial, S.A.

The 2010 consolidated financial statements of Ferrovial Group, to which the Company belongs, prepared by the Directors will be submitted for approval to the Annual General Meeting and will be registered with the Commercial Registry of Madrid.

Even though the Company's minority shareholders have not requested the subgroup Ferrovial Servicios, S.A. to prepare consolidated financial statements, the Directors have decided to do so, pursuant to the legal possibility of preparing them in accordance to International financial reporting standards (IFRSs) implemented in the European Union. The attached financial statements only correspond to Ferrovial Servicios, S.A.

Said consolidated financial statements show an increase of Company's total assets and equity at 31 December 2010 of EUR 2,721,812 thousand (EUR 1,903,422 thousand in the previous reporting period) and EUR 420,051 thousand (430,369 thousand in the previous reporting period), respectively, and a drop in profits for the reporting period 2010 of EUR 25,917 thousand (y-o-y increase of EUR 156,324 thousand).

d) Legal regulations

The Company is governed by its Bylaws and by the Spanish Companies Law.

NOTE 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The financial statements for 2010 are based on the accounting records of the Company and have been prepared in view of the applicable commercial law and the rules laid down in the Spanish Chart of Accounts approved by Royal Decree 1514/2007 of 16 November, so as to fairly present the equity, financial situation, profit and loss account and cash flow, as registered in the statement of cash flows.

Financial statements are presented with the consolidation of joint ventures where the Company participates through the proportionate consolidation method, i.e. through the inclusion of the Company share in said ventures, both in the profits and loss account and the balance sheet, including the pertaining balance write-offs in assets and liabilities, as well as the operations of the reporting period.

b) Accounting principles applied

The accompanying financial statements have been prepared pursuant to the accounting principles set out by the Commercial Code and the Spanish Chart of Accounts.

c) Presentation currency

Pursuant to current accounting regulations, financial statements should be presented in thousands of euros, since the Euro is the functional and presentation currency of the Company.

d) Key issues in relation to the measurement and estimation of uncertainty

There are no significant uncertainties or signs about the future that may indicate any important risk that may derive in material changes in the value of the assets and liabilities for the following reporting period.

There were no changes in the accounting estimates that have affected this reporting period or that may significantly affect future reporting periods.

e) Comparative Information

Pursuant to commercial legislation and for comparative purposes, the Directors present each item of the balance sheet, income statement, statement of changes in equity and statement of cash flows, including the figures for the reporting period 2010, those corresponding to the previous year. The items of both years are comparable and consistent.

The Company has transferred its ownership share in the Joint Ventures engaged in airport handling.

As a consequence, the profits derived from these Joint Ventures until the share transfer were reclassified to "Discontinued operations", likewise restating the comparative figures for the 2009 reporting period. The item "Discontinued operations" as at 2010 year-end additionally includes the income from said transfer.

As a result of the foregoing, said Joint Ventures do not represent a contribution to assets and liabilities for the balance sheet as at 31 December 2010.

The main effects of the abovementioned restatements are broken down below, in thousands of euros:

	Fiscal Year 2009	Restatement	Restated reporting period 2009
Profit/loss from operations	11,096	(2,629)	8,467
Financial loss	61,625	329	61,954
Profit/loss before tax	72,721	(2,300)	70,421
Profit/loss continued operations	73,145	(1,610)	71,535
Profit/loss from discontinued operations	—	1,610	1,610

g) Grouping of items

In order to better understand the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows, these financial statements are grouped together, including the analyses required in the notes in the annual report.

g) Responsibility for the information and use of estimates

Preparing financial statements calls for judgements, estimates and assumptions affecting the implementation of accounting policies as well as assets, liabilities, income and expenditure balances. Related estimates and assumptions are based on historic experience and other different factors understood as reasonable according to the circumstances.

Corresponding estimates and assumptions are permanently reviewed. The effects of accounting estimates reviews are recognised in the period when they are made, if they only affect said period, or the period reviewed and future periods if they are affected thereby.

Apart from the systematic estimate process and its regular review, specific judgments of value are carried out, where it is worth mentioning those related to eventual impairment of goodwill or other assets, to provisions and contingent liabilities.

Even though these estimates were made according to the best available information when these financial statements were prepared based on analysed facts, events that take place in the future might make it necessary to change these estimates in coming reporting years. Changes in accounting estimates would be applied prospectively recognising the effects of the change in estimates in the future consolidated income statements.

h) Working capital

As at 31 December, the Company working capital balance was positive, totalling EUR 224,230 thousand, against the negative balance in 2009 totalling EUR 866,253 thousand. This situation must be analysed within the context of the Group to which the Company belongs, where financing for the investments currently made in Ferrovial Servicios, S.A. and its subsidiaries are channelled through the Group, therefore, the working capital varies according to the financing needs by the Company and its subsidiaries.

The y-o-y changes in the working capital result mainly from the transfer of assets and liabilities to the items of 'assets classified as held for sale', and 'liabilities related to non-current assets held for sale' (see Note 11), as well as the different financial transactions with the Group companies (see Note 10.2)

NOTE 3. DISTRIBUTION OF PROFIT

The proposals for distribution of 2010 and 2009 profit, prepared by the Directors are shown below in euros:

	2010	2009
Distribution base		
Profit for each year	171,598,392,29	73,145,000,95
	171,598,392,29	**73,145,000,95**
Distribution to:		
Legal reserve	17,159,839,23	7,314,500,09
Interim dividend	68,000,000,00	65,000,000
Complementary dividend	—	830,500,86
Voluntary Reserves	86,438,553,06	—
	171,598,392,29	**73,145,000,95**

On 30 June 2010, the Annual General Meeting of Shareholders approved the payment of dividends totalling EUR 68,000 thousand chargeable to profits/losses for the reporting period 2010 (Note 12.5). Likewise, pursuant to section 277 a) of the Capital Companies Law, the accompanying liquidity statement shows the existence of sufficient liquidity for the payment of interim dividends (Annex I).

NOTE 4. ACCOUNTING POLICIES AND MEASUREMENT BASES

The main accounting policies and measurement bases used by the Company when preparing its 2010 financial statements, pursuant to provisions of the Spanish Chart of Accounts, were the following:

a) Intangible assets

Assets herein included are recognised at acquisition or production cost, subsequently reduced by the related accumulated depreciation (calculated according to their useful life) and by any impairment losses recognised, as applicable.

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. The depreciation charge for each period shall be recognised in profit or loss.

The Company has no intangible assets with an indefinite useful life.

Administrative concessions

Administrative concessions are posted under assets for the total amount of expenses incurred to obtain them. They have a definite useful life and the cost is registered under profit/loss, through a straight-line amortisation during the concession.

Computer software

Software licences acquired from third parties or internally-developed computer software are capitalised according to acquisition or development costs and those related to preparing the asset for its intended use.

Computer software is amortised on a straight-line basis at a rate of 33.33% per year.

In case of reasonable doubts about the technical success or economic-commercial profitability of a software development, amounts registered in the corresponding item as assets are directly posted as losses of the reporting period.

Software maintenance expenses incurred during the reporting period are registered in the income statement.

b) Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost, net of the related accumulated amortisation and, as the case may be, the amount accumulated from the recorded impairment losses.

Upkeep and maintenance expenses incurred throughout the reporting period are posted to the income statement. The costs of renewal, expansion or improvement of property, plant and equipment leading to increased capacity, productivity or to a lengthening of the useful lives are capitalised as higher costs of the relevant assets, once the carrying amounts of the replaced elements have been derecognised.

Property, plant and equipment, net, as applicable, of its residual value, are depreciated following the straight line method distributing the cost of assets over the years of estimated useful life that conform the period in which the Company expects to use them, pursuant to the following:

	Annual Depreciation	Years of estimated useful life
Buildings	4	25
Plant	20	5
Machinery	20	5
Tools	25	4
Other facilities	20	5
Furniture	10 - 20	10 - 5
Computer hardware	33	3
Transport equipment	20	5
Other items of property, plant and equipment	20	5

The carrying amount of an item of property, plant and equipment is written off due to disposal, or when no future economic benefits are expected from its use or disposal. The loss or profit derived from writing off an item of property, plant and equipment is established as the difference between the net amounts, as applicable, of sales costs from disposal, if any, and the item's carrying amount, and posted to the income statement of the year in which it occurs.

The Company assesses at the end of the reporting period whether there is any evidence of value impairment of an element of property, plant and equipment or of any cash-generating unit, in which case the recoverable amounts are estimated and the necessary value adjustments are made. There is an impairment loss of an element of property, plant and equipment when its carrying amount exceeds its recoverable amount, understood as the higher of the fair value less costs to sell and its value in use.

Impairment losses or their reversal, when the circumstances for their recognition may cease to exist, are recognised as an expense or income, respectively, in the income statement. The limit of the reversal of impairment will be the carrying amount of the assets being recognised on the reversal date if the impairment would not have been booked.

c) Leases and similar operations

The Company classifies a lease as a financial lease when the economic conditions of the lease agreement indicate that all the property risks and benefits of the assets subject-matter of the agreement have been substantially transferred to the Company. In case the conditions to consider it a financial lease are not met, it will be considered an operating lease.

The expenses of operating leases incurred throughout the reporting period are posted to the income statement.

d) Financial instruments

The Company only recognises one financial instrument in its balance sheet when it becomes a party to the contract or legal transaction giving rise to it, pursuant to its provisions.

The Company defines the classification of its financial assets upon initial recognition and, when possible and appropriate, said classification is reviewed at each balance sheet date.

In the reporting periods 2010 and 2009 the Company has classified its financial instruments into the following categories:

Loans and accounts receivable and debits and accounts payable

Loans and receivables

This category includes:

a) Trade receivables: Financial assets from the sale of goods or the rendering of services through trade operations, and

b) Non-trade receivables: Financial assets which, though non-commercial, cannot be considered as equity or derivative instruments representing a fixed amount, or one yet to be established, and which are not traded in an active market. Financial assets for which the Company may not substantially recover the entire initial investment, due to circumstances other than credit impairment, are not included.

Accounts payable

This category includes:

a) Debits from trade receivables: Financial liabilities from the purchase of goods and services through trade operations, and

b) Debits from non-trade receivables: Financial liabilities which, not coming from trade operations, cannot be considered as derivative financial instruments.

Valuation

Initially, financial assets and liabilities included in this category are carried for valuation purposes at their fair value, which is the transaction price, and which is the fair value of the consideration given plus directly-attributable transaction costs.

Notwithstanding the above, credits and debits from trade receivables with a due date not exceeding one year and not having a contractual interest rate, as well as advanced payments and credits to staff, dividends receivable and capital calls on equity instruments whose payment is expected to be received in the short term, and payments demanded by third parties on equity interests, whose amount is expected to be paid in the short term, are assessed at their face value, when the consequence of not updating cash flows is not significant.

After initial recognition, both assets and liabilities are registered at their amortised cost. Interest accrued is entered in the income statement, applying the cash interest rate method. However, credits and debits with a due date not exceeding one year and initially carried for valuation purposes at their nominal value, will continue being so, except in the case of impaired credits.

If at the end of the reporting period, there is objective evidence that there is a credit impairment, i.e., if there is evidence of a reduction or delay in estimated future cash flows for said asset, the necessary value adjustments are made.

The valuation adjustment due to debts impairment as at 31 December 2010 and 2009 has been estimated according to the analysis of each receivable individual balance outstanding as of that date.

Equity investments in Group companies, associates and jointly controlled entities:

Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly-controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control together with one or more investors.

Initially carried for valuation purposes at cost, which is the fair value of the consideration given plus directly-attributable transaction costs.

Subsequent valuation will be at cost less the accumulated impairment losses, as applicable.

If there is objective evidence at the end of the reporting period that the carrying amount of the investment will not be recoverable, the necessary valuation changes are performed.

These adjustments are calculated as the difference between their carrying amount and their recoverable amount, which is the higher of fair value less sales costs and the present value of the future cash flows from the investment.

Except where there is better evidence of the recoverable value, the impairment of these investments is estimated considering the investee's equity corrected for any unrealised capital gains existing at the valuation date, corresponding to elements identifiable in the investee's balance sheet.

In determining investee's equity for the purposes of the aforementioned, in the cases where the investee is in turn owned by another company, the equity stated in the consolidated financial statements prepared using principles included in the Code of Commerce and its implementing rules has been considered.

In determining an investee's equity whose functional currency is other than Euro, the closing exchange rate in cash is applied both to equity and the unrealised gains existing at that date.

Valuation adjustments due to impairment and, as the case may be, their reversal, are registered as an expense or income, respectively, in the income statement. The limit of the reversal of impairment will be the book value of the receivable being recognised on the reversal date if the impairment would not have been registered.

Derivative financial instruments and accounting hedging

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. These risks include mainly exchange rate and interest rate variation risks. Within the context of such transactions, the Company trades hedging financial instruments.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The Group applies the following types of hedges, which are entered as described below:

i. Cash flow hedge: a cash flow hedge hedges exposure to highly probable future transactions and changes in cash flows. The gain or loss on the ineffective portion of the hedging instrument is taken to the income statement and the gain or loss on the effective portion is recognised directly in equity in the statement of financial position. The amount deferred in equity is not recognised in the income statement until the gains or losses on the hedged transactions are recognised in profit or loss or until the transactions mature. That amount is recognised in the same line item as the gain or loss on the hedged item.

   Lastly, should the hedge become ineffective, the amount recognised in equity until then is taken to profit or loss proportionately over the term of the derivative arranged.

ii. Fair value hedge: A fair value hedge hedges exposure to changes in the value of a recognised asset or liability in the balance sheet, or a firm commitment relating to a future transaction. The gain or loss on the hedging instrument and the gain or loss on the hedged asset or liability are recognised in the consolidated income statement.

iii. Hedge of net investments in foreign operations: Their purpose is to hedge exposure to changes in the value of said investments, flows or dividends in foreign operations attributable to foreign exchange fluctuations. Gains or losses are recognised in equity and taken to the income statement when the investment is sold or matures.

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

Derecognition of financial assets

A financial asset, or part of it, is derecognised when the contractual rights on the cash flow of the financial asset have expired or have been assigned, and its ownership risks and benefits have been substantially transferred.

Derecognition of financial liabilities

A financial liability is written off when the corresponding obligation is extinguished.

Interest and dividends corresponding to financial assets

Additionally, interest and dividends corresponding to financial assets accrued after the acquisition are recognised as income on profit and loss account.

On the contrary, when dividends distributed are unequivocally from profits generated before the acquisition date, they are recognised reducing the investment's carrying amount.

Interests are recognised using the effective interest rate method, and dividends, when shareholders are to receive them. Therefore, they are independently registered upon initial valuation of financial assets, considering maturity, explicit interest accrued and outstanding at the moment and dividends agreed by the competent body upon acquisition.

Guarantees delivered and received

Short-term guarantees delivered and received are registered for the amount disbursed or received, respectively.

e) Foreign currency transactions

Foreign currency transactions are translated into the functional currency applying the exchange rate valid upon transaction date. Profits and losses resulting from the settlement of foreign currency denominated transactions and from the translation into the exchange rate valid at closing date of foreign currency denominated monetary assets and liabilities are recognised in the income statement for the year.

f) Income tax

Income tax is registered in the income statement or directly under shareholders' equity, according to where profit or losses giving rise to it are registered. Each reporting period's income tax includes both current tax and deferred taxes, if applicable.

The current tax is the amount to be paid by the Company for income tax for a specific fiscal year.

The difference between the accounting value of assets and liabilities and their tax base generate the balances for deferred taxes for assets or liabilities, which are calculated using the tax rates that are expected to be in force upon reversal, and according to the manner in which said asset or liability is reasonably expected to be recovered or paid.

Changes to deferred taxes for assets or liabilities during the reporting period are registered in the income statement or directly under shareholders' equity, as applicable.

Deferred tax assets are only recognised to the extent that it is considered probable that the Company will have sufficient taxable earnings in the future against which such assets can be utilised.

At the end of each reporting period, the accounting value of registered deferred tax assets is analysed, introducing the relevant adjustments provided that doubt exists about their future tax recovery. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

g) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis for accounting purposes, i.e., upon the real flow of goods and services they represent, regardless of the time when the monetary or financial flow thereby derived occurs.

Revenue from the sale of goods or services is recognised at the fair value of the balancing item received or about to be received, resulting from it, which, except otherwise stated, is the price agreed for said goods or services net of any discount, price reduction or similar that may be granted by the Company, as well as interests added to the nominal value of the loans.

Revenue from service provision is recognised provided:

- Said income can be reliably valued, considering for said purposes the percentage of completion of the service at the end of the reporting period, and the Company probably receiving the economic benefits derived from the transaction;
- The level of completion of the transaction, at the end of the fiscal year, may be reliably assessed.
- Costs already incurred in the supply, as well as those to be incurred in until completion, may be reliably assessed.

The Company reviews and, when necessary, revises the estimates of revenue as the service is performed. When the outcome of the transaction involving the rendering of services cannot be reliably estimated, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

h) Provisions and contingencies

Existing obligations at the end of the reporting period resulting from past events that could give rise to a loss for the Company, whose amount and time of cancellation has not yet been established, are registered in the balance sheet as provisions and are recognised at the present value of the best possible estimate of the necessary amount to cancel or transfer the obligation to a third party.

Changes from adjusting said provision are registered as financial expense as they are accrued. In case of provisions with maturity of one year or less, and provided the financial effect is not significant, no discount is made.

The Company also discloses, as applicable, contingencies for which no provisions are established.

i) Stock option plans and shares

Ferrovial, S.A. (the Company's main shareholder) has a variable remuneration system for part of the employees of the Group consisting of Ferrovial, S.A. and subsidiaries, among them, employees working for Ferrovial Servicios Group. These remuneration systems are based on the delivery of Ferrovial, S.A. stock options and shares paid in cash upon plan conclusion.

When said stock options and shares are exercised, Ferrovial, S.A. will not demand any compensation to its subsidiaries and neither will Ferrovial Servicios, S.A. with respect to its subsidiaries.

Stock option plans are measured at fair value when the options are initially granted using a financial method, based on an improved binomial model, taking into account the exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and the assumptions made to incorporate the effects of expected early exercise. The initial fair value is not subsequently revised. In the case of employees from Ferrovial Servicios, S.A. and its subsidiaries, this fair value is recognised under "Staff costs" in proportion to the stipulated period during which the employee must remain at the company, with a balancing entry in equity.

These transactions are measured at the grant date at the market price of the shares at that time, deducting therefrom the present value of expected dividends during the established vesting period. This fair value is recognised under "Staff Costs" in proportion to the stipulated period of time during which the employee must remain at the company, with a balancing entry in equity.

j) Environmental assets and liabilities

Given its activity, the Company has no assets allocated or has incurred in expenses to minimise the environmental impact and to protect and improve the environment. There are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

k) Grants, donations or gifts and legacies received

Grants related to operations are charged to profits/loss from the reporting period upon accrual.

l) Joint ventures

The Group is involved in several joint ventures.

The Company registers in its balance sheet the corresponding proportional part, according to its shareholding, of jointly-controlled assets and jointly-incurred liabilities, as well as jointly allocated operating assets under its control and liabilities incurred by the joint business.

It also recognises in its income statement the corresponding part of income generated and expenses incurred by joint ventures, as well as expenses incurred in connection to its ownership interest.

Likewise, the proportional part of the amounts of the joint venture items related to the Company is booked in the statement of changes in equity and the statement of cash flows to the extent of the Company's interest.

Profits or losses not realised from transactions between the Company and joint ventures are eliminated to the extent of the Company's interest. Reciprocal assets, liabilities, income, expenses and cash flows are also eliminated.

The main figures contributed by joint ventures to the balance sheet and income statement are as follows:

	Thousands of euros 31/12/2010	31/12/2009
Assets:		
Non-current assets	3,120	8,902
Current assets	—	9,299
Liabilities:		
Non-current liabilities	305	2,794
Current liabilities	668	11,975
Net Revenue	20,468	36,772
Net loss	2,148	3,431

m) Related party transactions

In general, elements involved in a transaction with related parties are initially registered at fair value. As applicable, in case the price agreed upon for a transaction differs from its fair value, the difference will be posted taking into account the financial situation of the transaction. Subsequent valuation is conducted pursuant to the corresponding regulations.

n) Non-current assets and disposable groups of elements held for sale and discontinued operations

- Non-current assets classified as held for sale:

The Company classifies a non-current asset or disposable group as held for sale when its sale has already been decided, estimating it to be made within the next twelve months.

These assets or disposable groups are carried at the lower of the accounting cost or the fair value, net of necessary costs for sale.

Non-current assets classified as held for sale are not amortised, but the corresponding valuation changes are carried at the date of each balance sheet so the accounting value does not exceed the fair value net of sale costs.

Income and expenses generated by non-current assets and disposable groups of elements classified as held for sale, that do not qualify as interrupted transactions are charged in the relevant caption of the corresponding income statement, according to their nature.

- Discontinued operations:

Discontinued operations are those that have been sold, disposed of by another means or classified as held for sale, and represent a complete segment or operations territory, or form part of a one-off plan or constitute a subsidiary acquired solely for resale. Discontinued operations are registered at fair value less sale costs. Gains and losses on discontinued operations are presented in a single specific line item in the income statement, net of taxes.

ñ) Cash flow statements

In these statements of cash flow the following expressions are used in the sense described below:

Cash or cash equivalents: Cash comprises cash on hand and demand deposits. Cash equivalents are financial instruments included in the Company's regular cash management, they can be converted to cash, have initial maturities of less than three months and are subject to very little risk with regard to changes in value.

Cash flows: Input and output of cash or its equivalents, understood as current investments maturing within less than three months and with low value fluctuation risk.

Operating activities: They represent the Company's main source of regular income, in addition to other activities that cannot be classified as investment or financing transactions.

Investment activities: The acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Activities that result in changes in the size and composition of the shareholders' equity and financial liabilities.

NOTE 5. RISK POLICY AND MANAGEMENT

Credit risk

The Company's main financial assets are cash and bank balances, trade and other receivable balances and investments, which represent the Company's maximum credit risk exposure in relation to financial assets.

As to Company's credit risk attributable to trade receivables, the amounts are recorded in the balance sheet, net of bad debt provisions, which are estimated by Company management on the basis of prior year experience and an assessment of the current economic environment. The Company does not have a significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company will also follow up periodically customers' debt situation through collection committees.

The credit risk of investments in financial products is mainly concentrated in current financial investments (sovereign debt repos and/or deposits, highly liquid in both cases). The counterparties are always credit entities with which a strict diversification policy is followed, taking into account their credit rating (from prestigious international agencies), consisting in establishing maximum limits periodically reviewed.

Liquidity risk

The Company has maintained a policy of company liquidity preservation based on a thorough management of working capital, aiming at a timely compliance with payment obligations by customers. The Company is also permanently assessing the possibility of choosing financing methods such as factoring or future collection rights discount programs.

In addition, the Company makes systematic forecasts on estimated cash generation and needs to establish and continuously follow the liquidity position.

Exchange rate risk

The Company's strategy in connection to foreign currency risk is focused on hedging two types of transactions:

- Hedging of Company's assets and liabilities risks: Financing of non-current assets denominated in currencies other than the euro is carried out in the same currency as the one in which the asset is denominated. Especially in the case of the acquisition of companies with assets denominated in currencies other than the euro.
- Hedging of future cash flow risks resulting from future transactions based on firm commitment or highly probable forecast.

  Existing foreign currency risk in contracts where collection and/or payment is in a currency other than the functional one is hedged through foreign exchange hedging derivatives.

  In these cases, the hedged risk is the exposure to changes in the value of future transactions based on firm commitment or highly probable forecast so that there is fair evidence on the future fulfilment with respect to a concrete risk.

Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities bearing fixed interest rates and the future flows from assets and liabilities tied to floating interest rates.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise borrowing costs over several years whilst maintaining reduced income statement volatility.

The financial risk at 31 December 2010 tied to variable interest rates amounts to a net credit of EUR 639 thousand, including the net position with Swissport International AG, (at 31 December 2009 reached a net credit of EUR 1,049,054 thousand). The change is mainly triggered by the decrease in the current account balance held with its parent company Ferrovial, S.A.

Company loans' reference interest rates are mainly Euribor and CHF Libor.

Equity risk

Equity swaps linked to share-based payment

Pursuant to valuation standard 4 j), there are stock option plans. Therefore, Ferrovial, S.A., Parent Company of Ferrovial Servicios, S.A. has arranged equity swaps to hedge possible disbursements that may be required from Ferrovial, S.A. in relation to Ferrovial Servicios, S.A. executive remuneration systems linked to the price of Ferrovial shares.

These equity swaps eliminate uncertainty with respect to the exercise price of the remuneration systems. However, as they are not deemed to be hedging derivatives under accounting standards, their market value has an impact on the income statement, which is positive if the share price rises and negative if the share price falls. In the reporting period 2008, Ferrovial, S.A. and Ferrovial Servicios, S.A. signed an agreement through which the latter will assume the costs derived from holding the aforementioned equity swaps from origin according to the number of options delivered to the Management of Ferrovial Servicios, S.A. and its subsidiaries. Namely, Ferrovial Servicios, S.A. will compensate Ferrovial, S.A. for the payments the latter may have to incur into as manager of the Plans and which may derive from costs generated by arranging those derivative instruments, as well as the corresponding payments when the share price is below the exercise price upon expiration of said system compared to any of the plans in force at any given time.

Specifically, in 2010 and 2009 Ferrovial's closing share price was EUR 7.44 and EUR 8.23 each, respectively, and Ferrovial Servicios, S.A. recognised a loss in 2010 of EUR 3,114 thousand and a profit in 2009 of EUR 14,709 thousand (see Note 15 e), which had an impact of EUR 2,179 thousand on the net loss in the reporting period 2010 and EUR 10,296 thousand on the net profit in the reporting period 2009.

NOTE 6. INTANGIBLE ASSETS

The breakdown and changes to intangible assets during the reporting period 2010 and 2009 is as follows:

	01/01/2009	Additions	31/12/2009	Additions	Derecognitions	31/12/2010
Cost:						
Administrative concessions	1,038	—	1,038	—	—	1,038
Computer software	134	31	165	6	(121)	50
	1,172	**31**	**1,203**	**6**	**(121)**	**1,088**
Accumulated depreciation:						
Administrative concessions	(41)	(5)	(46)	(1)	—	(47)
Computer software	(67)	(22)	(89)	(24)	63	(50)
	(108)	**(27)**	**(135)**	**(25)**	**63**	**(97)**
Net intangible assets	**1,064**	**4**	**1,068**	**(19)**	**(58)**	**991**

Fully amortised intangible assets in use

The acquisition value of fully amortised items at 31 December 2010, of administrative concessions, amounts to EUR 20 thousand (at 31 December 2009 was EUR 77 thousand), and the computer software was EUR 50 thousand.

Other information

The Company's total intangible assets are used in the operation, are duly insured and are not subject to any type of encumbrance or guarantee.

The Company has taken out insurance policies to cover the possible risks to which its intangible assets are subject. The Company considers that the insurance policies provide adequate coverage for such risks.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

The breakdown and changes to property, plant and equipment during the reporting period 2010 and 2009 is as follows:

	01/01/2009	Additions	Derecognitions	31/12/2009	Additions	Derecognitions	31/12/2010
Cost:							
Buildings	4,435	599	—	5,034	—	—	5,034
Plant and machinery	12,114	289	(64)	12,339	467	(9,772)	3,034
Other fixtures, tools and furniture	3,292	505	(69)	3,728	750	(300)	4,178
Computer hardware	1,729	206	(49)	1,886	102	(97)	1,891
Transport equipment	288	170	—	458	188	(33)	613
Other items of property, plant and equipment	370	460	—	830	82	(6)	906
Advances and property, plant and equipment in the course of construction	96	394	(215)	275	54	(119)	210
	22,324	**2,623**	**(397)**	**24,550**	**1,643**	**(10,327)**	**15,866**
Accumulated depreciation:							
Buildings	(850)	(301)	—	(1,151)	(263)	—	(1,414)
Plant and machinery	(4,015)	(1,779)	80	(5,714)	(289)	4,199	(1,804)
Other fixtures, tools and furniture	(2,021)	(421)	53	(2,389)	(496)	134	(2,751)
Computer hardware	(1,410)	(141)	36	(1,515)	(168)	57	(1,626)
Transport equipment	(62)	(68)	(3)	(133)	(83)	13	(203)
Other items of property, plant and equipment	(172)	(163)	—	(335)	(133)	4	(464)
	(8,530)	**(2,873)**	**166**	**(11,237)**	**(1,432)**	**4,407**	**(8,262)**
Net property, plant and equipment	**13,794**	**(250)**	**(231)**	**13,313**	**211**	**(5,920)**	**7,604**

Fully amortised intangible assets in use

The breakdown, by item, of the most significant assets that are fully amortised and in use is shown below, indicating cost value:

	31/12/2010	31/12/2009
Plant	1,341	1,447
Machinery	1,156	214
Tools	1,090	1,035
Other facilities	235	606
Furniture	173	168
Computer hardware	1,446	1,336
Transport equipment	12	16
Other items of property, plant and equipment	424	493
	5,877	**5,315**

Other information

The Company's total property, plant and equipment is used in the operation, duly insured and not subject to any type of encumbrance or guarantee.

The Company has taken out insurance policies to cover the possible risks to which its property, plant and equipment is subject. The Company considers that the insurance policies provide adequate coverage for such risks.

Derecognitions of property, plant and equipment are mainly derived from the transfer by the Company of its ownership share in the joint ventures rendering airport handling services, as described in Note 16, which resulted in the removal of the proportional part of the assets previously included in the Company.

Profits registered in the reporting period 2010 and 2009 from derecognising assets, other than those derived from the abovementioned contribution, either by disposal or any other cause, amounted to EUR 24 thousand in 2010 (EUR 5 thousand in 2009).

NOTE 8. LEASES AND SIMILAR TRANSACTIONS

Operating leases (the Company as lessee)

Operating leases charged to income (loss) for the reporting period 2010 amount to EUR 7,974 thousand (against EUR 7,960 thousand y-o-y).

The total amount of future minimum payments for non-cancellable operating leases is shown below:

	2010	**2009**
Up to 1 year	5,989	4,592
Between one and five years	9,979	3,298
More than five years	979	—
	16,947	**7,890**

NOTE 9. FINANCIAL ASSETS

The breakdown at 31.12.10 and 2009 is the following (in thousands of euros):

	Balance at 31.12.10		**Balance at 31.12.09**	
	Non-current	**Current**	**Non-current**	**Current**
Loans and receivables:				
Trade receivables				
Clients, Group companies (Note 20)	—	5,967	—	8,329
Clients, associated companies (Note 20)	—	355	—	114
Third party clients (Note 9.1)	—	94,680	—	96,530
Third party debtors	—	4,886	—	3,606
Non-trade receivables				
To Group companies (Note 9.2)	65,697	159	203,738	—
To associates (Note 20)	—	1,823	—	2,112
To other companies	—	297	—	1,345
To employees	83	254	157	187
Current account with Group companies (Note 20)	—	172,019	305,868	141,363
Guarantees and deposits	449	42	624	52
Total loans and receivables	**66,229**	**280,482**	**510,387**	**253,638**
Financial investments in Group and associates	**952,193**	**—**	**1,564,179**	**—**
Equity instruments (Note 9.3)	**952,193**	**—**	**1,564,179**	**—**
Investments held until maturity (Note 9.4)	**—**	**410**	**—**	**—**
Derivatives (Note 10.3)	**—**	**176**	**—**	**—**
Cash and cash equivalents (Note 9.5)	**—**	**27,361**	**—**	**60,725**
Total	**1,018,422**	**308,429**	**2,074,566**	**314,363**

9.1) Impairment of trade and other receivables balances

Trade receivable balances and other accounts receivable include impairment derived from insolvency risks, as per the following breakdown, in thousands of euros:

Impairment	Balance at 01.01.09	Impairment losses	Reversal of impairments	Balance at 31.12.09	Impairment losses	Reversal of impairments	Balance at 31.12.10
Third party clients	(3,677)	(3,111)	2,356	(4,432)	(2,568)	2,184	(4,816)
Total	**(3,677)**	**(3,111)**	**2,356**	**(4,432)**	**(2,568)**	**2,184**	**(4,816)**

9.2) Loans to Group companies

The breakdown of non-current loans to Group companies at 31 December 2010 and 2009 is as follows:

			31/12/2010		31/12/2009	
Group Company	Maturity	Currency	Amount in foreign currency (thousands)	Amount (thousand euros)	Amount in foreign currency (thousands)	Amount (thousand euros)
Empresa de Mantenimiento y Explotación M 30, S.A	30/06/2015	EUR	—	22,750	—	22,750
Empresa de Mantenimiento y Explotación M 30, S.A	30/06/2015	EUR	—	27,250	—	27,250
Swissport International AG	31/12/2012	CHF	—	—	228,008	153,738
Cespa UK.	26/08/2015	EUR	—	15,697	—	—
			—	**65,697**	**228,008**	**203,738**

- Cespa UK:

On 26 August 2010, a loan with Cespa UK was agreed for EUR 15,430 thousand. At 31 December 2010, the loan has accrued interest payable for EUR 267 thousand, capitalised as higher value of the loan.

- Swissport International AG dividends

In June and July 2010 this Company early amortised CHF 74,889 thousand (EUR 56,687 thousand) and CHF 20,222 thousand (EUR 14,894 thousand) respectively.

As at 2010 year-end the amount pending amortisation, including interests of the second semester of 2010, were transferred to "Non-current assets held for sale", totalling CHF 135,834 thousand (EUR 108,824 thousand) as a consequence from the sales agreement of Swissport Internacional AG shares of stock (Note 11).

Non-current loans accrue a market interest rate.

9.3) Equity instruments

The breakdown of ownership interests at 31 December 2010 and 2009 in Group companies, associates and jointly-controlled entities, as well as impairment provisions allocated thereto is shown below in thousands of euros:

Company	Balance at 01.01.09	Disposals / Uses	Balance at 01.01.10	Additions / Charges	Disposals / Allocations	Transfers	Balance at 31.12.10
Interests in Group companies:							
Cespa, S.A.	553,124	—	553,124	—	—	—	553,124
Swissport International A.G.	491,542	—	491,542	—	—	(491,542)	—
Amey UK PLC.	308,983	—	308,983	—	—	—	308,983
Landmille Ltd.	179,632	(12,545)	167,087	—	(120,544)	—	46,543
Ferroser Infraestructuras, S.A.	18,497	—	18,497	—	—	—	18,497
Eurolimp, S.A.	9,778	—	9,778	—	—	—	9,778
Ferrovial, Gestao e M. Ltda.	362	—	362	—	—	—	362
Swissport Handling, S.A.	**—**	**—**	**—**	**13,748**	**(13,748)**	**—**	**—**

Company	Balance at 01.01.09	Disposals / Uses	Balance at 01.01.10	Additions / Charges	Disposals / Allocations	Transfers	Balance at 31.12.10
Interests in associates:							
EMESA, S.A.	30	—	30	—	—	—	30
Ferrovial Financiera, A.I.E.	15,001	—	15,001	—	—	—	15,001
Ferrovial Qatar LLC	—	—	—	1,981	—	—	1,981
Disbursements yet to be paid:	**(225)**	**—**	**(225)**	**(1,811)**	**—**	**—**	**(2,036)**
Eurolimp, S.A.	**(225)**	**—**	**(225)**	**—**	**—**	**—**	**(225)**
Ferrovial Qatar LLC	**—**	**—**	**—**	**(1,811)**	**—**	**—**	**(1,811)**
Impairment losses:	**—**	**—**	**—**	**(70)**	**—**	**—**	**(70)**
Total equity instruments	**1,576,724**	**(12,545)**	**1,564,179**	**13,848**	**(134,292)**	**(491,542)**	**952,193**

None of these investees are listed companies.

The summary of equity according to the latest individual balance sheets available dated 31.12.10 is shown below, in thousands of euros:

	% Direct ownership interest	Share capital	Reserves	Disbursements yet to be paid	Other items	Period profit/loss	Total equity
Cespa, S.A.	99.998	560,957	85,926	—	11,332	40,687	698,902
Amey UK PLC.	100	4,289	326,884	—	—	96,624	427,797
Landmille Ltd.	100	—	44,025	—	—	3,204	47,229
Ferroser Infraestructuras, S.A.	99.98	10,064	7,394	—	—	1,257	18,715
Eurolimp, S.A.	99.50	376	1,317	—	—	3,794	5,487
Ferrovial, Gestao e M., Ltda.	97.50	100	1,641	—	—	548	2,289
EMESA, S.A.	50	60	4,584	—	—	1,004	5,468
Ferrovial Financiera, A.I.E.	1.10	1,333,159	25,630	—	—	555	1,359,344
Ferrovial Qatar LLC	49	4,100	—	(3,690)		(209)	201

The summary of equity according to the latest individual balance sheets available dated 31.12.09 is shown below, in thousands of euros:

	% Direct ownership interest	Share capital	Reserves	Interim dividend	Other items	Period profit/loss	Total equity
Cespa, S.A.	99.998	560,957	55,096	(24,738)	13,567	57,340	662,222
Swissport International A.G.	100	111,557	(103,127)	—	—	48,257	56,687
Amey UK PLC.	100	4,142	350,284	—	—	106,574	461,000
Landmille Ltd.	100	—	162,997	—	—	7,548	170,545
Ferroser Infraestructuras, S.A.	99.98	10,064	6,725	(3,000)	—	3,696	17,485
Eurolimp, S.A.	99.50	376	120	(3,500)	—	4,697	1,693
Ferrovial, Gestao e M., Ltda.	97.50	100	1,265	—	—	466	1,831
EMESA, S.A.	50	60	3,552	—	—	1,032	4,644
Ferrovial Financiera, A.I.E.	5	473,760	2,549	—	—	(234)	476,075

Below are the investees' corporate purpose and registered offices:

- The corporate purpose of Cespa Compañía Española de Servicios Públicos Auxiliares, S.A., with registered office on Avenida de la Catedral nº 6-8, Barcelona, is construction and other services, management and purchase and sell of securities.
- The corporate purpose of Amey UK Plc., with registered office in Madrid, calle Príncipe de Vergara, 135, is the procurement of all types of services.
- The corporate purpose of Landmille Ltd., with registered office in Eurolink Motorway Toll Plaza, Cappagh, Nicholastown, Kilcock, Co. Kildare (Ireland), is the provision of international financial services to the Ferrovial Servicios Group.

- The corporate purpose of Ferroser Infraestructuras, S.A., with registered office on calle Príncipe de Vergara, 135 in Madrid, is the production and implementation of signalling elements on urban roads and motorways, as well as infrastructure upkeep.
- The corporate purpose of Eurolimp, S.A., with registered office on calle Príncipe de Vergara, 135 in Madrid, is the provision of cleaning services.
- The corporate purpose of Ferrovial, Gestao e Manutençao de Empreendimentos, Ltda., with registered office on Avda. Liberdade, 245 in Lisbon, Portugal, is the provision of services.
- The corporate purpose of Empresa de Mantenimiento y Explotación M 30, S.A., with registered office on Príncipe de Vergara, 135 in Madrid, is the management of the urban road M 30 refurbishment, upkeep and operation's public service.
- The corporate purpose of Ferrovial Financiera, A.I.E., with registered office on Príncipe de Vergara, 135 in Madrid, is the performance of shareholders' ancillary financial activities.
- Ferrovial Qatar LLC, with registered office in Doha- Qatar, is the upkeep of infrastructure and the construction of civil work, roads and bridges.

The breakdown of dividend income received from Group companies and associates during the reporting periods 2010 and 2009 is as follows (see Note 15.b):

	Thousands of euros	
	2010	**2009**
Cespa, S.A. dividends	—	28,777
Ferrovial Financiera A.I.E. dividends	—	20
SWT Lux, S.A. liquidation	—	(35)
Landmille Ltd. dividends	5,976	4,089
Amey UK Plc. dividends	116,830	22,157
Ferroser Infraestructuras, S.A. dividends	—	9,652
Eurolimp, S.A. dividends	—	10,154
Swissport International AG dividends	71,910	—
	194,716	**74,814**

9.3.1) Additions of investments in Group companies

The additions for Swissport Handling, S.A. result from the subscription to the capital increase referred to in Note 16.

On 13 April 2010 the Company Ferrovial Qatar LLC was jointly incorporated with a local partner for the development of the infrastructure construction and upkeep in that country.

9.3.1) Derecognition of investments in Group companies

Swissport Handling, S.A.

The write-offs recorded for Swissport Handling, S.A. were produced as a consequence of the purchase agreement of said company shares to another shareholder thereof – Swissport International AG.

These shares, previously subscribed by the Company as described before, were transferred on 31 December 2010 at a price similar to the subscription price, therefore there were no gains therefrom.

The sale proceeds were collected through the offset of the Company debt with Swissport International AG (Note 10.2)

Landmille Ltd.

Write-offs for Landmille Ltd. result from the payment of dividends charged to reserves ("capital contribution"), totalling EUR 126,520 thousand. Given that the distribution of reserves made the recoverable amount of Ferrovial Servicios, S.A. investment remain at a value below the carrying amount, part of the dividend was registered as a lower investment, EUR 120,544 thousand, until the carrying amount reached the recoverable value and the remainder, EUR 5,976 thousand, was registered as financial income from equity in Group companies.

9.3.3) Transfers of investments in Group companies

A purchase contract for all the shares of the investee Swissport Internacional AG was signed on 1 November 2010 and became effective on 17 February 2011, as described in Note 19.

The investment value was thus reclassified at 31 December 2010 as "Non-current assets held for sale" (see Note 11).

9.3.4) Impairment provisions

In order to establish that there is no impairment of investment in Group companies and associates, the Company has calculated the recoverable value of interest in Cespa, S.A, Eurolimp, S.A. and Amey Uk Plc., based on the present value of estimated future cash flows, using thus discount rates between 6.6% and 7.6% (vs. 6.5% and 8% used in the previous reporting period).

For the purpose of estimating the impairment of the remaining investment, the investee's equity corrected for any unrealised capital gains existing at the valuation date is considered as best evidence of the recoverable amount.

9.4) Investments held until maturity

At 31 December 2010, there was a fixed-term deposit registered at 1.2% maturing in January 2011.

9.5) Cash and cash equivalents

The item of cash and cash equivalents mainly includes the balance in bank current accounts as at the closing of the reporting period.

The return of these assets is based on daily or short-term variable interest rates.

9.6) Other information regarding financial assets

Classification by maturity

Maturity by years and type of financial assets at the end of the reporting period 2010 is as follows, in thousands of euros:

	Maturity years						
	2011	**2012**	**2013**	**2014**	**2015**	**More than 5**	**Total**
Group companies and associates	**174,001**	**—**	**—**	**—**	**65,697**	**—**	**239,698**
Loans to companies	1,982	—	—	—	65,697	—	67,679
Current accounts	172,019	—	—	—	—	—	172,019
Financial Investments	**925**	**532**	**—**	**—**	**—**	**—**	**1,457**
Loans to third parties	297	83	—	—	—	—	380
Debt securities	410	—	—	—	—	—	410
Derivatives	176	—	—	—	—	—	176
Other financial assets	42	449	—	—	—	—	491
Trade and other receivables	**106,142**	**—**	**—**	**—**	**—**	**—**	**106,142**
Trade receivables for sales and services	94,680	—	—	—	—	—	94,680
Receivables from Group companies and associates	6,322	—	—	—	—	—	6,322
Sundry accounts receivable	4,886	—	—	—	—	—	4,886
Staff	254	—	—	—	—	—	254
Total	**281,068**	**532**	**—**	**—**	**65,697**	**—**	**347,297**

Maturity by years and type of financial assets at the end of the previous reporting period is as follows, in thousands of euros:

	Maturity years						
	2010	**2011**	**2012**	**2013**	**2014**	**More than 5**	**Total**
Group companies and associates	**143,475**	**305,868**	**153,738**	**—**	**—**	**50,000**	**653,081**
Loans to companies	2,112	—	153,738	—	—	50,000	205,850
Current accounts	141,363	305,868	—	—	—	—	447,231
Financial Investments	**1,397**	**—**	**—**	**—**	**—**	**624**	**2,021**
Loans to third parties	1,345	—	—	—	—	—	1,345
Held-to-maturity investments	—	—	—	—	—	—	—
Other financial assets	52	—	—	—	—	624	676
Trade and other receivables	**108,766**	**157**	**—**	**—**	**—**	**—**	**108,923**
Trade receivables for sales and services	96,530	—	—	—	—	—	96,530
Receivables from Group companies and associates	8,443	—	—	—	—	—	8,443
Sundry accounts receivable	3,606	—	—	—	—	—	3,606
Staff	187	157	—	—	—	—	344
Total	**253,638**	**306,025**	**153,738**	**—**	**—**	**50,624**	**764,025**

NOTE 10. FINANCIAL LIABILITIES

The breakdown of financial liabilities at 31.12.10 and 2009 is the following (in thousands of euros):

	Balance at 31.12.10		Balance at 31.12.09	
	Non-current	**Current**	**Non-current**	**Current**
Debits and accounts payable:				
For trade receivables				
Suppliers	—	40,790	—	41,219
Suppliers related parties (Note 20)	—	758	—	2,776
Accounts payable	—	1,777	—	1,444
Customer advances	—	3,055	—	1,596
For non-trade receivables				
Bank borrowings (Note 10.1)	—	1,468	2,330	3,949
Borrowings from related parties (Note 20 and 10.2)	983,036	12,352	574,617	1,121,239
Other liabilities	306	294	776	1,522
Staff (Remuneration payable)	—	6,226	—	8,164
Guarantees received	26	34	24	127
Total accounts payable	**983,368**	**66,754**	**577,747**	**1,182,036**
Derivatives (Note 10.3)	**23,379**	**15,529**	**20,266**	**—**
Total financial liabilities	**1,006,747**	**82,283**	**598,013**	**1,182,036**

10.1) Bank borrowings and other financial liabilities

The summary of bank borrowings at 31.12.10 and 2009 is shown below (in thousands of euros):

	Non-current		Current		Total	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Loan agreements (1)	—	—	—	—	—	—
Debts from leasing (2)	—	2,330	—	1,962	—	4,292
Other bank borrowings	—	—	1,468	1,987	1,707	1,987
	—	**2,330**	**1,468**	**3,949**	**1,707**	**6,279**

(1) Facilities

Company	Maturity	Limit	Amount drawn down 2010	2009
Banco Sabadell	04/12/2012	1,000	—	—
Bancaja	04/12/2011	250	—	—
La Caixa	29/10/2011	1,000	—	—
Banesto	15/12/2011	4,000	—	—
BBVA	04/12/2011	500	—	—
Total		**6,750**	**—**	**—**

Lease payables result from amounts payable by the six joint ventures Swissport Menzies Handling in which Ferrovial Servicios, S.A. had ownership interests until 3 December 2010. Those amounts derived from the debts acquired by said joint ventures for the purchase of certain fixed assets through financial lease contracts.

The Company holds factoring lines with banks at 31 December 2010. The amount allocated at 31 December 2010 amounted to EUR 10,553 thousand (EUR 6,956 thousand in the previous reporting period). Company Directors have written off said financial assets in the attached balance sheet at the end of the reporting period 2010 as they consider that in transferring the contractual rights of said financial assets' cash flows, risks and benefits inherent thereto have been substantially transferred.

10.2) Payables with Group companies

The breakdown of long-term loans with Group companies at 31.12.10 and 2009 is as follows:

Group Company	Maturity	Currency	31/12/2010 Amount in foreign currency (thousands)	31/12/2010 Thousands of euros	31/12/2009 Amount in foreign currency (thousands)	31/12/2009 Thousands of euros
Amey Uk Plc.	30/11/2012	EUR	—	42,714	—	85,237
Amey Uk Plc.	30/11/2012	EUR	—	86,963	—	34,905
Swissport International AG	31/12/2012	CHF	—	—	171,037	115,427
Ferrovial , S.A.	07/10/2025	EUR	—	339,048	—	339,048
Ferrovial , S.A.	29/11/2012	EUR	—	**1,354**	—	—
Ferrovial , S.A.	17/11/2012	CHF	10,011	**7,973**		
Ferrovial Financiera A.I.E.	17/11/2013	EUR	—	**504,984**	—	—
			10,011	**983,036**	**171,037**	**574,617**

The outstanding amount payable to the company Swissport International, AG. after the offset mentioned in Note 9.3.2. has been transferred to the item "Assets held for sale" (Note 11).

On 17 November 2010, EUR 800 million owed to Ferrovial, S.A. on account of credit lines were registered as non-current loans.

On 29 November Ferrovial, S.A. contributed this loan to the Group company Ferrovial Financiera, AIE as a consequence of a capital increase by the latter, this transferring the existing balance to that company on that date.

On 30 November 2010, Ferrovial Servicios, S.A. assigned and sold to Ferrovial Financiera AIE a credit against Cespa, S.A. amounting to EUR 298,500 thousand. This price was paid through the reduction of the foregoing loan payable by the Company, where the principal was reduced to EUR 501,500 thousand.

On 17 November 2010, the Company signed a loan agreement with its parent company for CHF 9,951 thousand.

Non-current loans accrue a market interest rate.

10.3) Derivatives

The Derivatives caption under liabilities in the non-current balance includes those corresponding to equity swaps, and current derivatives include foreign currency hedges.

Ferrovial, S.A. share option plan hedges

These are hedges related to equity swaps signed by Ferrovial, S.A., the Company's Parent Company, and subsequently transferred to Ferrovial Servicios, S.A. (described in Note 5), aimed at hedging the equity impact of share option plans granted by Ferrovial, S.A. to Ferrovial Servicios Group employees.

The breakdown at 31.12.10 of the fair value and maturities of the notional amount is as follows, in thousands of euros:

	Fair value	Notional maturities					
		2011	2012	2013	2014	2015	Total
Equity swaps	23,379	14,361	11,894	5,411	—	18,263	49,929

The breakdown of the fair value and maturities of the notional amount at the end of the previous reporting period is as follows, in thousands of euros

	Fair value	Notional maturities					
		2009	2010	2011	2012	2013	Total
Equity swaps	20,266	8,728	12,661	8,747	6,138	20,714	56,988

Equity swaps contracts are considered non-efficient derivatives. Their profits/loss are recognised in the profit and loss accounts, which climbed to EUR (3,114) thousand in 2010 and EUR 14,709 thousand in 2009 (Note 15 e).

Foreign currency hedge

The Company held short-term Swiss franc / euro foreign currency hedges (forwards and puts) to hedge the exchange rate fluctuations from the sale of Swissport Internacional AG shares that may occur between the signature of the agreement and the effective sale date (Note 19).

The fair value of these derivatives at 31 December 2010 is as follows:

	Thousands of euros			
	Outstanding	Profit	Loss	Net
Foreign currency hedge	605,000	176	(15,529)	(15,353)

The net loss of EUR 15,353 (EUR 10,747 thousand net of tax effect) was registered in equity as an adjustment for changes in value as these derivatives were to hedge a firm sale commitment of Swissport Group for a purchase made in Swiss francs (see Note 12.6).

Forwards

In November and December 2010, the Company hired 23 forwards with different renown financial institutions for a total amount of CHF 545,000 thousand, with a hedged exchange rate between 1.2435 and 1.3366, with a hedged average of 1.2944. Maturity of these derivatives is in February and March 2011.

Options

In November 2010, the Company contracted two exchange rate hedges with options with different financial institutions for an amount totalling CHF 60,000 thousand, with a hedged exchange rate in both cases of 1.3355 and maturity in February 2011.

The cost of the premium paid upon signature of the contracts for EUR 922 thousand was directly registered in the income statement.

10.4) Other information regarding financial liabilities

Classification by maturity

The breakdown of maturities corresponding to financial instruments under liabilities at the end of the reporting period 2010 is as follows:

	Maturity years						
	2011	**2012**	**2013**	**2014**	**2015**	**More than 5**	**Total**
Other financial liabilities	**1,502**	**332**	**—**	**—**	**—**	**—**	**1,834**
Bank borrowings:	1,468	239	—	—	—	—	1,707
Other liabilities	34	93	—	—	—	—	127
Debts with Group Companies and Associates	**12,352**	**139,004**	**504,984**	**—**	**—**	**339,048**	**995,388**
Trade and Other Payables	**52,900**						**52,900**
Suppliers	40,790	—	—	—	—	—	40,790
Payables to suppliers – Group companies and associates	758	—	—	—	—	—	758
Sundry accounts payable	1,777	—	—	—	—	—	1,777
Staff	6,226	—	—	—	—	—	6,226
Customer advances	3,055	—	—	—	—	—	3,055
Other liabilities	294	—	—	—	—	—	294
Total	**66,754**	**139,336**	**504,984**	**—**	**—**	**339,048**	**1,050,122**

The classification of financial instruments at the end of the previous reporting period was as follows:

	Maturity years						
	2010	**2011**	**2012**	**2013**	**2014**	**More than 5**	**Total**
Other financial liabilities	**5,598**	**2,735**	**217**	**178**	**—**	**—**	**8,728**
Bank borrowings:	3,949	1,935	217	178	—	—	6,279
Other liabilities	1,649	800	—	—	—	—	2,449
Debts with Group Companies and Associates	**1,121,239**	**—**	**235,569**	**—**	**—**	**339,048**	**1,695,856**
Trade and Other Payables	**55,199**	**—**	**—**	**—**	**—**	**—**	**55,199**
Suppliers	41,219	—	—	—	—	—	41,219
Payables to suppliers – Group companies and associates	2,776	—	—	—	—	—	2,776
Sundry accounts payable	1,444	—	—	—	—	—	1,444
Staff	8,164	—	—	—	—	—	8,164
Customer advances	1,596	—	—	—	—	—	1,596
Total	**1,182,036**	**2,735**	**235,786**	**178**	**—**	**339,048**	**1,759,783**

Breach of contractual obligations

There has been no impact on the compliance with obligations regarding loans received from third parties.

10.5) Disclosures on the payment periods to suppliers Third Additional Provision. "Disclosure obligation" provided for in Law 15/2010, of 5 July.

In compliance with the third additional provision. Disclosure obligation" provided for in Law 15/2010, of 5 July modifying the Law 3/2004 of 29 December. At 31 December 2010 and, considering the outstanding payable balance of suppliers in Spain as of that date, there is no significant amount within that balance with a cumulative deferral exceeding the statutory term for payment.

NOTE 11. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES LINKED

Assets and liabilities classified as non-current held with the following:

	Balance at 31.12.10
Non-current assets classified as held for sale:	
Investment in Group company equity	491,542
Long-term loans to Group companies	108,824
Current account with Group companies	10,046
	610,412
Liabilities linked to non-current assets classified as held for sale:	
Long-term loans to Group companies	**(125,248)**

On 1 November 2010, the Company reached a sale agreement with Swissport Group (Ferrovial Servicios Group's airport handling), through the disposal of the entire shareholding of Swissport Internacional AG, Parent Company of Swissport Group.

Given that the sale price was stated in Swiss francs, the Company entered exchange rate hedging contracts ("forwards" and "puts" options). Note 10.3 of this Annual Report explains the specific conditions of those contracts as well as their validity term.

NOTE 12. SHAREHOLDERS' EQUITY

12.1) Share capital

At 31 December 2010 and 2009, the Company's share capital was represented by 95,348,249 fully subscribed and paid bearer shares of EUR 6.01 par value each. These ownership interests have the same political and economic rights.

Companies with direct or indirect ownership interest equal or above 10% of the share capital are the following:

	No. of shares	Equity interest %
Ferrovial , S.A.	95,345,731	**99,99**
	95,345,731	**99,99**

12.2) Share Premium

This reserve is subject to the same restrictions and may be used for the same purposes as the Company's voluntary reserve, including conversion to share capital.

12.3) Reserves

The breakdown of Reserves is as follows:

	2010	2009
Legal reserve	16,193	8,879
Voluntary Reserves	—	—
Revaluation reserve	30	30
Total	**16,223**	**8,909**

a) Legal reserve

The use of the legal reserve is restricted and determined by different legal provisions. Pursuant to the Companies Law, companies incorporated under whichever legal form are obliged, if they make profits, to transfer 10% of those profits to a reserve until said reserve reaches one fifth of the subscribed share capital. The purposes for which the legal reserve may be used are to offset losses or to increase capital, in respect of the proportion of the reserve that exceeds 10% of the increased capital, and to be distributed to shareholders in case of wind-up.

At 31.12.10, the legal reserve was not fully provided.

12.4) Other shareholders' contributions

This item includes the fair value of the remuneration through the delivery of Ferrovial, S.A. share options to employees from Ferrovial Servicios, S.A. and its subsidiaries, amounting to EUR 6,006 thousand (EUR 4,692 thousand in the previous reporting period).

An amount totalling EUR 1,313 thousand was posted on this account to the profits and loss account (Note 15.a).

12.5) Dividends

On 5 April 2010 the Annual General Meeting agreed the payment of additional dividends for 2010, amounting to EUR 831 thousand.

Likewise, the Annual General Meeting of Shareholders agreed to distribute interim dividends for the period 2010 amounting to EUR 68,000 thousand in the resolution dated 30 June 2010. Pursuant to the Capital Companies Law, the accompanying liquidity statement shows sufficient liquidity for the distribution of interim dividends (Annex I).

12.6) Adjustments for changes in value

As stated in Note 10.3, this item included the loss registered from foreign currency hedge derivatives to hedge the sale cost of Swissport International AG shares established with the buyer in Swiss francs.

NOTE 13. FOREIGN CURRENCY

a) Balances in foreign currency

Balances in foreign currency at the end of the reporting period are shown below, in thousands:

	31/12/2010		31/12/2009	
	Total amount in euros	Currency Amount in Swiss francs	Total amount in euros	Currency Amount in Swiss francs
NON-CURRENT ASSETS	**—**	**—**	**153,738**	**228,008**
Loans to Group companies (Note 9.2)	—	—	153,738	228,008
CURRENT ASSETS	**108,824**	**135,834**	**—**	**—**
Non-current assets classified as held for sale (Note 11)	108,824	135,834	—	—
NON-CURRENT LIABILITIES	**7,973**	**10,011**	**115,427**	**171,037**
Debts with Group companies (Note 10.2)	7,973	10,011	115,427	171,037
CURRENT LIABILITIES	**125,248**	**156,334**	**—**	**—**
Liabilities linked to non-current assets held for sale (Note 11)	125,248	156,334	—	—

b) Foreign currency transactions

Foreign currency transactions during the reporting period 2010 and 2009 are shown below, in thousands:

	2010			2009		
	Total in thousands of euros	Amount in Swiss francs	Amount in Stirling pounds	Total in thousands of euros	Amount in Swiss francs	Amount in Stirling pounds
Interests from receivables to Group companies	3,690	4,606	—	3,347	4,964	—
Interests on debts with Group companies	2,300	2,871	—	2,465	3,656	—
Dividends received from Group companies	188,740	95,000	100,000	22,157	—	20,000
Total	**194,730**	**102,477**	**100,000**	**27,969**	**8,620**	**20,000**

Foreign currency differences recognised in profits/losses for the period mainly respond to fluctuations in the exchange rate of credits and loans held in foreign currency with Group companies.

NOTE 14. TAX MATTERS

The breakdown of the balances with Public Authorities at 31.12.10 and 2009 is as follows, in thousands of euros:

	31/12/2010 Receivable	31/12/2010 Payable	31/12/2009 Receivable	31/12/2009 Payable
Non-current:				
Deferred tax assets	16,324	—	10,234	—
Deferred tax liabilities	—	46,819	—	34,399
	16,324	**46,819**	**10,234**	**34,399**
Current:				
Value Added Tax	543	3,809	2,957	2,841
Tax refund	15,233	—	12,923	—
Corporate Tax withholdings and pre-payments	651	—	560	—
Personal Income Tax withholdings	—	2,749	—	2,664
Accrued social security taxes payable	—	3,507	—	3,403
	16,427	**10,065**	**16,440**	**8,908**

Tax matters

The Company pays taxes under the consolidation tax system since 1996, as part of the consolidated Tax Group whose Parent Company is Ferrovial, S.A.

Reconciliation of the accounting profit for the year to the taxable profit for Corporate Tax

	2010			2009		
Profit for the year after tax			**171.598**			**73.145**
	Increase	*Decrease*	*Net effect*	*Increase*	*Decrease*	*Net effect*
Corporate tax			**(4,314)**	**—**	**(424)**	**(424)**
Permanent differences	**197**	**(197,806)**	**(197,609)**	**1,378**	**(74,813)**	**(73,435)**
Timing differences	**10,024**	**(28,690)**	**(18,666)**	**7,901**	**(49,935)**	**(42,034)**
Arising during the year	6,593	(28,623)	(22,030)	6,115	(35,062)	(28,947)
Arising in previous years	3,431	(67)	3,364	1,786	(14,873)	(13,087)
Taxable profit			**(48,991)**			**(42,748)**

Reconciliation of the accounting profit for the year and the expense for Corporate Tax

	2010	2009
Accounting profit for the year before tax	**167,284**	**72,721**
Calculated tax national rates (30%)	50,185	21,816
Permanent differences (a)	(59,283)	(22,030)
Tax expense	(9,098)	(214)
Withholdings abroad	(627)	690
Regularisation of previous fiscal year taxes	5,411	(900)
Total income/(expense)	**(4,314)**	**(424)**

(a) Permanent differences mainly correspond to the tax effect resulting from the elimination of internal dividends in the tax consolidation, which are permanent (dividends) and the exemption to avoid international double taxation.

Description of the income tax expense

Breakdown of income tax expense	2010	2009
Current expense	**(14,698)**	(12,824)
Deferred expense	**5,600**	12,610
Withholdings abroad	**(627)**	690
Expense from previous reporting year	**5,411**	(900)
Total	**(4,314)**	**(424)**

Deferred tax liabilities

The changes to deferred taxes are as follows (in thousands of euros):

	Balance at 01.01.09	Creation	Recov.	Adjust. Corporate Tax prev. rep. year	Balance at 31.12.09	Creation	Recov.	Adjust. Corporate Tax prev. rep. year	Balance at 31.12.10
Non-deductible provisions	11,074	1,834	(4,462)	1,346	9,792	1,990	(97)	(20)	11,665
Tax assets	4,416	—	—	(3,974)	442	—	—	(442)	—
Derivatives	—	—	—	—	—	4,659	—	—	4,659
Deferred tax assets	**15,490**	**1,834**	**(4,462)**	**(2,628)**	**10,234**	**6,649**	**(97)**	**(462)**	**16,324**
Profit of joint ventures (a)	(523)	(1,031)	523	—	(1,031)	(644)	1,031	—	(644)
Amortisation of intangible assets SPI. AG goodwill (b)	(27,577)	(9,487)	—	3,696	(33,368)	(7,943)	—	(4,811)	(46,122)
Derivatives	(13)	—	13	—	—	(53)	—	—	(53)
Deferred tax liabilities	**(28,113)**	**(10,518)**	**536**	**3,696**	**(34,399)**	**(8,640)**	**1,031**	**(4,811)**	**(46,819)**

(a) Joint Ventures are taxed under the special tax transparency system.
(b) Including amortisation of goodwill from the purchase of the investee Swissport International, AG. The deferred tax corresponding to that resulting from the acquisition of the investee Amey UK Plc. was registered in this reporting period.

Tax audit results

Ferrovial, S.A., as the tax group's Parent Company, was notified on 16 July 2007 about the beginning of inspections for Corporate Tax for 2002, 2003, 2004 and 2005, which concluded in this period.

As a result of the tax inspection, a tax liability of EUR 12,015 thousand arose for Ferrovial Servicios, S.A., as part of the tax consolidated group. A tax assessment for only EUR 0.9 million out of said total was accepted.

The concept of the disputed tax assessment corresponds to the recognition of expenses related to the acquisition of the subsidiaries Amey, Swissport and Cespa; the amortisation of Amey and Swissport financial goodwill; and specific accounting provisions considered non-tax deductible.

In connection to the latter, the Company registered in the previous year provisions to cover the risk derived from the procedures that began in connection to the regularisation proposed by tax authorities for EUR 2.4 million (see Note 16), as Company tax advisors consider there are legal grounds to expect a favourable resolution for said assessments.

On the other hand, the Company underwent a general inspection for Value Added Tax for which an assessment for EUR 1,012 thousand was disputed. The Company has presented submissions to the settlement agreement.

According to Company tax advisors, there are sufficient legal grounds to expect a favourable resolution.

Years open to tax audit

The last four years are open for review by the tax authorities for all the taxes applicable to the Group. Contingent tax liabilities may arise from the criteria that tax authorities may adopt in relation to the years open for review which cannot be objectively quantified. Nevertheless, the parent Company Directors believe that no significant liabilities will stem from this situation.

NOTE 15. INCOME AND EXPENSES

a) Staff costs

The breakdown of this item in the accompanying income statement is as follows, in thousands of euros:

	2010	2009
Wages and salaries	118,183	114,576
Employer social security costs	35,420	34,370
Remuneration through stock options of Ferrovial, S.A.	1,313	4,692
Other social security costs	139	202
Staff costs	**155,055**	**153,840**

b) Share option plans

Pursuant to Ferrovial, S.A. financial statements, the characteristics of Ferrovial Servicios Group share option plans are described below:

Share options plan (granting date)	Number of granted options	Reporting period price (euros)
Executive Staff / July 2003	360,872	6,058
Executive Staff / June 2004	160,000	8,51
Executive Staff / March – October 2005	737,400	11,40 - 15,88
Executive Staff / August 2006	223,200	15,42
Executive Staff / November 2007	1,202,280	14,99
Senior Executives / April 2008	540,000	12,125
Executive Staff Plan Increase	218,000	7,240 - 18,383
	3,441,752	

All share option plans have a three-year vesting period as from the grant date followed by a three to five-year exercise period, provided certain minimum returns on consolidated equity are obtained by the Ferrovial Group. The exercise price was calculated as the arithmetic mean of the weighted average changes during the previous twenty stock market trading sessions.

No new plans were granted in 2010.

As explained in Note 5 on Equity risk, equity swaps were arranged by Ferrovial, S.A. at the grant date in order to hedge against possible losses resulting from the exercise of share options. These swaps ensure that Ferrovial, S.A. will collect an amount equal to the rise in the share price when the options are executed by employees.

As mentioned in said note, the Company signed in the reporting period 2008 an agreement with Ferrovial, S.A. through which the first will assume the costs derived from holding the aforementioned equity swaps from origin according to the number of options delivered to the Management of Ferrovial Servicios, S.A. and its subsidiaries. Namely, Ferrovial Servicios, S.A. will compensate Ferrovial, S.A. for the payments the latter may have to incur into as manager of the Plans and which may derive from costs generated by arranging those derivative instruments, as well as the corresponding payments when the share price is below the exercise price upon expiration of said system compared to any of the plans in force at any given time.

Under the equity swap contract, the financial institution undertakes to pay to Ferrovial, S.A. cash amounts equal to the return on Ferrovial S.A.'s shares, in return for a payment by Ferrovial, S.A The main features of equity swaps are as follows:

- The number of shares used to calculate returns is equal to the number of options granted under each plan.
- The share price used to calculate returns coincides with those exercise price employed to calculate the increase in the share's value.
- Ferrovial, S.A. will pay a return to the financial institution calculated by applying the EURIBOR rate plus a margin to the result of multiplying the number of shares by the exercise price.
- The financial institution will pay Ferrovial, S.A. an amount equal to all the dividends generated by those shares.

Ferrovial S.A. may opt to partially or totally terminate the contract, in which case:

a) If the share price is below the exercise price at which the contract was granted, Ferrovial S.A. must pay the difference to the financial institution.

b) If the share price is above the exercise price, Ferrovial S.A. will receive the difference between the two amounts.

For accounting purposes, these contracts are treated as derivative financial instruments, this being the general treatment afforded to financial products of this type (see Note 10.3).

c) Employee share delivery plan

During the period the Board of Directors approved and was granted a remuneration programme consisting in the delivery of Ferrovial, S.A. shares of stock. This programme was directed at managers and senior executives, including employees of Ferrovial Servicios Group, who will receive 541,000 shares.

This plan has a duration of three years and grants will be made on an annual basis under this plan. The main requirements establish for delivery of shares to the employees under the plan include the following:

Service at the Company during a vesting period of three years as from the date of execution barring certain exceptional causes.

Achievement of ratios based on cash flows from operating activities and the ratio between EBITDA and net productive assets during the aforementioned vesting period.

Every year a calculation is made of the levels that those ratios must reach during the grant period for beneficiaries to be entitled to delivery of all of the shares or a proportional amount thereof.

d) Finance income and finance costs

The breakdown of finance income and costs by interests on payables and receivables is as follows, in thousands of euros:

	2010	**2009**
Finance income:	**220,032**	**102,475**
From investments in equity instruments:	**194,716**	**74,818**
- From Group companies and associates:	**194,716**	**74,818**
- Dividends and others	194,716	74,818
From marketable securities and other financial instruments:	**25,316**	**27,657**
- From Group companies and associates:	**25,158**	**27,523**
- Income from loans to Group companies	6,208	3,347
- Income from current account receivables	18,950	24,176
- Third parties	**158**	**134**

	2010	2009
Finance costs:	**(49,023)**	**(54,777)**
On debts to Group companies and associates:	**(47,122)**	**(53,354)**
- Interests from Group companies borrowings	(12,504)	(5,110)
- Interests from related companies borrowings	—	(4)
- Interests from current account payables	(34,618)	(48,240)
- Other financial expenses from Group companies	—	—
On debts to third parties:	**(1,901)**	**(1,423)**
- Other finance costs	(1,901)	(1,423)
Net	**171,009**	**47,698**

e) Impairment and profits or losses on disposals of financial instruments

The breakdown is the following (in thousands of euros):

	31/12/2010	31/12/2009
Profit (or loss) in the fair value of financial derivatives (Note 10.3)	**(3,114)**	**14,709**
Impairment from investments in equity instruments (Note 9.3)	(70)	—
	3,184	**14,709**

NOTE 16. DISCONTINUED OPERATIONS

During this reporting period, the Company has decided to restructure one of its activity branches comprising assistance services on land (airport handling) under the ramp categories. This activity is developed by six joint ventures operating at six Spanish airports, rendering services to certain airlines.

Initially, the consortium formed by Swissport Handling, S.A. (21%), Menzies Aviation (39%) and Ferrovial Servicios, S.A. (40%) held ownership shares in these joint ventures.

On 3 December 2010 the Annual General Meeting of Swissport Handling, S.A. (100% owned by Swissport International AG) agrees to increase capital, where Ferrovial Servicios, S.A. subscribed 100% of the new shares by way of non-monetary contribution of the activity comprising all of the assets, liabilities, contracts, material, non-material and personal items affected to 40% of the ownership interest of the Company in these joint ventures.

As a result of the aforementioned transaction, the Company registered as Discontinued operation the result generated in said contribution for EUR 6,770 thousand before taxes (EUR 4,739 thousand after taxes).

The profit/loss generated in the reporting period by said joint ventures until the contribution was made for EUR 2,957 thousand was reclassified to this item.

The effect of Discontinued operations corresponding to the reporting periods 2010 and 2009 in the main items of the income statement is as follows, in thousands of euros:

	2010	2009
Profit/loss from operations	(3,423)	(2,629)
Financial loss	(6,304)	329
Profit/loss before tax	(9,727)	(2,300)
Profit/loss continued operations	(7,696)	(1,610)
Profit/loss from discontinued operations	7,696	1,610

Note: The impact on the financial profit/loss amounts to a EUR 6,770 thousand profits recognised in the reporting period in the transfer of the investment to the joint ventures.

NOTE 17. PROVISIONS AND CONTINGENCIES

The breakdown and changes to provisions during the reporting period is as follows (in thousands of euros):

Type of provision	Balance at 01.01.09	Period provisions	Derecognitions	Balance at 31.12.09	Period provisions	Derecognitions	Balance at 31.12.10
Long-term:							
Provision for taxes and charges	**137**	2,436	(137)	**2,436**	5,319	—	**7,755**
Short-term:							
Other trade receivables	**546**	7,962	(1,708)	**6,800**	16,343	(13,683)	**9,460**

Provisions for taxes and charges

At 31 December 2010, this item included a provision for EUR 2.4 million to cover the risk of the audit started by the Tax Authority on Corporate Tax.

In addition, a provision allotted in this reporting period for EUR 5.3 million to cover possible tax risks from probable liabilities resulting in the future from the implementation by Tax Authorities of criteria different to that applied by the Company in the reporting periods open to inspection.

Provisions for other trade receivables

This provision is set by the Company to cover costs upon conclusion of specific contracts, to cover occupational risks from Company staff disputes or claims or to cover infraction reports issued by the labour authority and other risks derived from the regular operation of the business. The provision is set when the responsibility or obligation establishing the compensation or payment originates.

At 31 December 2010 and 2009, the Company has been secured by financial institutions before public entities for an overall amount of EUR 56,029 thousand and EUR 53,488 thousand, respectively.

NOTE 18. INFORMATION ON THE ENVIRONMENT

The Company has no significant assets allocated or has incurred in relevant expenses to minimise the environmental impact and to protect and improve the environment. There are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

NOTE 19. EVENTS AFTER THE REPORTING PERIOD

On 4 February 2011, Swissport International AG paid dividends in kind totalling CHF 245,552 thousand (EUR 188,930 thousand).

The aforementioned sale became effective on 17 February 2011 for a total of CHF 900 million (EUR 695 million), CHF 654,428 thousand of which correspond to the sale of the entire shareholding of Swissport International AG, and the rest to the sale of other receivables from Swissport Group subsidiaries.

The Company received CHF 892,439 thousand in cash from the CHF 900 million sale, the difference of which (CHF 7,561 thousand) correspond to the net total receivable between Ferrovial Servicios, S.A. and Swissport International AG, where the buyer was subrogated.

As a consequence of the sale of Swissport International, AG,'s entire shareholding (see Note 10), Ferrovial, S.A. has declared the early maturity of a participating loan granted by Ferrovial, S.A. to the Company in the reporting period 2005 for EUR 339,048 thousand. On 15 March 2011, the Company has amortised said participating loan with the funds received from the sale of the Swissport group.

Furthermore, with the remaining cash from the sale of the Swissport group, the Company performed the following cash movements during March 2010:

- Full amortisation of the loan with Ferrovial, S.A. denominated in Swiss francs (see Note 10) for EUR 7,973 thousand plus accrued interests to said date.

- Partial amortisation for EUR 125,000 thousand of the loan held with Ferrovial Financiera, A.I.E. (see Note 10).
- Transfer to Ferrovial, S.A. EUR 143,914 thousand generating a receivable for said amount.

After these movements, Ferrovial Servicios, S.A. has sold and transferred the foregoing receivable for an amount of EUR 143,914 thousand to Ferrovial Financiera A.I.E This amount was paid through the reduction of the loan payable by the Company to Ferrovial Financiera A.I.E.

As a consequence of these movements, the situation of principal of loans with Group companies upon preparation of these financial statements is the following:

Group Company	Maturity	Currency	31/03/2011 Thousands of euros	31/12/2010 Thousands of euros
Ferrovial, S.A.	07/10/2025	EUR	—	339,048
Ferrovial, S.A.	17/11/2012	CHF	—	7,973
Ferrovial Financiera A.I.E.	17/11/2013	EUR	232,586	501,500
			232,586	**848,521**

There were no other significant events since 31 December 2010 until the date these financial statements were prepared that had not been included therein or whose knowledge could be useful to somebody.

NOTE 20. RELATED PARTY TRANSACTIONS

20.1) Related party balances

	31/12/2010				31/12/2009			
	Controlling company	Other Group Companies	Jointly controlled and associated companies	Total	Controlling company	Other Group Companies	Jointly controlled and associated companies	Total
NON-CURRENT ASSETS	**—**	**15,697**	**50,000**	**65,697**	**—**	**459,606**	**50,000**	**509,606**
Non-current financial assets	**—**	**15,697**	**50,000**	**65,697**	**—**	**459,606**	**50,000**	**509,606**
Loans to Group companies (Note 9.2)	—	15,697	50,000	65,697	—	153,738	50,000	203,738
Other financial assets (Note 10.2)	—	—	—	—	—	305,868	—	305,868
CURRENT ASSETS	**32,264**	**254,705**	**2,178**	**289,147**	**123**	**147,665**	**4,130**	**151,918**
Non-current assets classified as held for sale (Note 11)	**—**	**108,824**	**—**	**108,824**	**—**	**—**	**—**	**—**
Trade and other receivables	**75**	**5,892**	**355**	**6,322**	**123**	**6,302**	**2,018**	**8,443**
Trade receivables for sales and services	75	5,892	355	6,322	123	6,302	2,018	8,443
Current financial assets	**32,189**	**139,989**	**1,823**	**174,001**	**—**	**141,363**	**2,112**	**143,475**
Loans to Group companies (Note 9.2)	—	159	1,823	1,982	—	—	2,112	2,112
Other financial assets (current accounts)	32,189	139,830	—	172,019	—	141,363	—	143,363
NON-CURRENT LIABILITIES	**(348,375)**	**(634,661)**	**—**	**(983,036)**	**(339,048)**	**(235,569)**	**—**	**(574,617)**
Non-current payables	**(348,375)**	**(634,661)**	**—**	**(983,036)**	**(339,048)**	**(235,569)**	**—**	**(574,617)**
Loans to Group companies (Note 10.2)	(348,375)	(634,661)	—	(983,036)	(339,048)	(200,664)	—	(539,712)
Other financial liabilities (current accounts)	—	—	—	—	—	(34,905)	—	(34,905)

	31/12/2010				31/12/2009			
	Controlling company	**Other Group Companies**	**Jointly controlled and associated companies**	**Total**	**Controlling company**	**Other Group Companies**	**Jointly controlled and associated companies**	**Total**
CURRENT LIABILITIES	**(90)**	**(138,222)**	**(46)**	**(138,358)**	**(1,105,530)**	**(17,974)**	**(511)**	**(1,124,015)**
Liabilities linked to non-current assets classified as held for sale (Note 11)	**—**	**(125,248)**	**—**	**(125,248)**	**—**	**—**	**—**	**—**
Current payables	**—**	**(12,352)**	**—**	**(12,352)**	**(1,103,552)**	**(17,176)**	**(511)**	**(1,121,239)**
Other financial liabilities (current accounts)	—	(12,352)	—	(12,352)	(1,103,552)	(17,176)	(511)	(1,121,239)
Trade and Other Payables	**(90)**	**(622)**	**(46)**	**(758)**	**(1,978)**	**(798)**	**—**	**(2,776)**
Current payables to suppliers	(90)	(622)	(46)	(758)	(1,978)	(798)	—	(2,776)

The different subsidiaries that make up Ferrovial Group have a centralised cash management system. Therefore, they all register current account reciprocal positions so that Ferrovial, S.A. can manage surplus and channel cash needs among its Group companies. Ferrovial Servicios, S.A. acts as Parent Company of its subsidiaries before Ferrovial, S.A.

Said current accounts accrue a market interest rate and they are all short-term receivables.

At 31 December 2009, the Company had a line of credit with its Parent Company Ferrovial, S.A. with a maximum limit of EUR 1,300 million. Due to the transfer of the non-current loan carried out on 17 November 2010 referred to in Note 10.2, it was agreed to reduce the maximum limit of the credit line to EUR 50 million, with all the other conditions remaining unaltered. As at 31 December 2010 said credit line had not been withdrawn (the balance at 31 December 2009 reached EUR 1,103 million).

In February 2010 Amey UK Plc. granted Ferrovial Servicios, S.A. a long-term credit line with the maximum withdrawal limit of EUR 50,000 thousand, with a 3-year term expiring on 30 November 2012. It accrues a market interest rate.

20.2) Related party transactions

Related party transactions in the reporting period 2010 and 2009 are shown below:

	2010				2009			
	Controlling company	**Other Group Companies**	**Other jointly controlled and associated companies**	**Total**	**Controlling company**	**Other Group Companies**	**Other jointly controlled and associated companies**	**Total**
Services received	33,511	3,425	703	37,639	29,370	4,046	256	33.672
Services rendered	984	49,442	2,718	53,144	1,399	47,352	3.615	52.366
Payment of interest	38,691	8,423	9	47,123	47,164	6,187	135	53.486
Interests charged	—	22,228	2,929	25,157	1	25,272	2.251	27.524
Income from equity investments	—	194,716	—	194,716	—	74,814	4	74.818
Dividends paid	68,831	—	—	68,831	65,000	—	—	65.000
	142,017	**278,234**	**6,359**	**426,610**	**142,934**	**157,671**	**6.261**	**306.866**

20.3) Balances and transactions with directors and senior management

Directors' remuneration

During the reporting periods 2010 and 2009, Company Directors have not accrued any remuneration and no loan or advance was granted to them by the Company No loans or sureties or any other commitment regarding pensions or life insurance were granted to Directors.

Other information regarding the Board of Directors

At the end of the reporting period 2010, neither Company Directors nor persons related to them as defined in the Companies Law held any ownership interests in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's object.« The breakdown of positions and functions performed in other companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's object is as follows:

Director	Ferrovial, S,A, shares	Positions
Mr. Íñigo Meirás Amusco	7,906 (0.001%)	Executive Director of Ferrovial S.A. Director of Ferrovial Qatar LLC.
Mr. Ernesto López Mozo	2,234 (0.001%)	Economic and Financial General Manager and Member of the Managing Committee of Ferrovial, S.A.
Mr. Santiago Ortiz Vaamonde	4,698 (0.001%)	General Secretary and Board Secretary of Ferrovial, S.A. and Member of the Managing Committee of Ferrovial, S.A.
Mr. Santiago Olivares Blázquez	7,902 (0.001%)	Executive Director of Ferrovial Servicios, S.A. Vice-president of Amey plc. Non-executive Vice-president of Amey UK plc. Chairman of Cespa Cía Española de Servicios Auxiliares, S.A. Joint Administrator of Cespa Conten, S.A Joint Administrator of Cespa Gestión de Residuos, S.A. Joint Administrator of Cespa G. T. R., S.A. Joint Administrator of Cespa Inversiones Ambientales, S.A. Joint Administrator of Cespa Jardinería, S.L. Joint Administrator of Eurolimp, S.A. Joint Administrator of Ferroser Infraestructuras, S.A. Chairman Executive Director of Ingeniería Ambiental Granadina, S.A. (Inagra). Director of Madrid Calle 30, S.A. Vicepresident of Swissport International AG Director of Ferrovial Qatar LLC. Member of the Managing Committee of Ferrovial, S.A.

Remuneration to senior management

Senior management personnel from the subgroup of companies of which Ferrovial Servicios, S.A. is the Parent Company has received in the reporting period 2010 a total remuneration of EUR 1,543 thousand and EUR 1,863 thousand in the reporting period 2009.

NOTE 21. OTHER INFORMATION

Average number of employees

The average number of employees, by category, is as follows:

	2010	2009
Managers	17	20
Technicians and workers	4,226	4,613
Administrative staff	1,092	1,121
University graduates	412	419
Total	**5,747**	**6,173**

The number of employees at 31.12.10 and 2009, by category and sex, is as follows:

	2010			2009		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Managers	17	2	19	18	2	20
Technicians and workers	2,648	1,503	4,151	2,791	1,771	4,562
Administrative staff	254	844	1,098	252	838	1,090
University graduates	271	137	408	276	141	417
Total	**3,190**	**2,486**	**5,676**	**3,337**	**2,752**	**6,089**

Fees paid to auditors

Fees for audit services provided to the Company during the reporting period 2010 and 2009 were the following, in euros:

Description	**2010**	**2009**
Fees for audit services	47,950	30,486
Other services	6,804	5,503
Total	**54,754**	**35,989**

NOTE 22. SEGMENT REPORTING

As regards to Company ordinary activities, 74% of the net revenue corresponds to building maintenance, 9,5% to industrial maintenance services (77% and 6% in 2009, respectively) and the remainder to other activities.

The activity is developed within the national territory.

NOTE 23. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL SERVICIOS, S.A.

DIRECTORS' REPORT FOR FISCAL YEAR 2010

FINANCIAL INFORMATION

Out of the accumulated revenues in the reporting period, EUR 245 million (against EUR 251 million in 2009) result from the facility management activity.

The drop in the sale volume was triggered by the portfolio selection and the termination of lower return contracts.

The contracts with a better impact on revenue were Gestión Integral Iberia, Gis Distritos Ayuntamiento Madrid, Renfe customer service, Factoría Vitoria Michelín and Factoría Delphi.

In turn, the gross margin of this activity increased by 1%, from 7% (2009) to 8%.

The revenue drop with improvement in the gross margin resulted from a better business policy for the selection of contracts, where the expected margin was prioritised over revenue, as well as a structure expense adjustment to the same extent as the revenue adjustment.

In the case of Spain, in 2011 there may be budget restrictions in public administrations, together with the difficulties in the access to information, especially in the case of local entities. In this context, Ferrovial Servicios priorities for profitability improvement were kept through enhanced efficiency in operations and costs control, the continued portfolio selection and clients with solid finances, apart from the capacity to offer top-notch solutions to these customers, which contribute value.

The Company is promoting its business expansion to new territorial markets with the creation of a joint venture for the development of the upkeep and conservation activity in Qatar.

Regarding the other company activities, it is worth mentioning the discontinuation of the airport handling branch.

The improvement of the financial profit responds to the repatriation of profit from subsidiaries abroad. This has enabled the reimbursement of part of the balances owed to the parent company, allowing to reduce the net debt amount against the previous year and thus increase the operating capital.

The improvement in the financial profit was penalised by the negative evolution of equity swaps, which have triggered EUR 3,1 million in losses against an income of EUR 14.7 million in the previous year.

RESEARCH AND DEVELOPMENT EXPENSES

The Company has not incurred in research and development expenses during the reporting period 2009.

TREASURY SHARES

During the reporting period 2010, Ferrovial Servicios, S.A. does not hold and did not perform any transaction involving treasury shares.

EVENTS AFTER THE REPORTING PERIOD

On 17 February 2011 the sale of Swissport Group was effected for a sale price of CHF 900 million (EUR 695 million).

PREPARATION OF FINANCIAL STATEMENTS AND DIRECTORS' REPORT

Pursuant to current trade regulations, Ferrovial Servicios, S.A. Directors prepare the Financial Statements and the Directors' Report for the reporting period ended 31.12.10, consisting of the attached pages 1 to 50.

Madrid, 30 March 2011
Board of Directors

Mr. Íñigo Meirás Amusco Chairman	Mr. Santiago Olivares Blázquez Chief Executive Officer
Mr. Ernesto López Mozo Director	Mr. Santiago Ortiz Vaamonde Director
Mr. Alfredo Javier García López Secretary Non-director	

FERROVIAL SERVICIOS, S.A.

APPENDIX I: LIQUIDITY STATEMENT REPORT FOR THE APPROVAL OF INTERIM DIVIDENDS

	Thousands of euros
Estimated profit as at 30 June 2010 (*):	
Profit/loss from operations	6,501
Estimated financial profit/loss (excluding dividends)	(37,981)
Estimated income from dividends	101,930
Earnings before Taxes	**70,450**
Corporate tax provision	9,444
Legal reserve provision (10%)	(7,989)
Maximum distribution possible	**71,905**
Proposed and distribute amount	68,000
Total liquidity available for distribution (**)	**295,536**
Gross interim dividend	68,000
Liquidity available after payment	**227,536**

(*) Interim individual financial statements of the Company as of this date.

(**) The Company has stated there was sufficient liquidity upon distribution of dividends, considering the available financing for the current account credit agreement executed with its parent company Ferrovial, S.A.

HUBCO NETHERLANDS B.V.

Amsterdam, the Netherlands

FINANCIAL REPORT
December 31, 2011

HUBCO NETHERLANDS B.V.

Contents	Page

Annual Accounts

HUBCO NETHERLANDS B.V.

Balance sheet as at December 31, 2011
(in EUR, after appropriation of results)

	Notes	December 31, 2011	December 31, 2010
ASSETS			
Non-current assets			
Financial fixed assets	4	2,365,185,438	—
Current assets			
Receivables	5	19,387,507	18,000
Cash and cash equivalents	6	60,002	—
TOTAL ASSETS		2,384,632,947	18,000
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued and paid-up capital	7	18,000	18,000
Share premium		2,366,565,099	—
Other reserve		471,345	—
		2,367,054,444	18,000
Current Liabilities	8	17,578,503	—
TOTAL EQUITY AND LIABILITIES		2,384,632,947	18,000

HUBCO NETHERLANDS B.V.

Income statement for the year ended December 31, 2011

(in EUR)

	Notes	December 31, 2011	(unaudited) from inception to December 31, 2010
General and administrative expenses	10	(43,457)	—
Operating expenses		(43,457)	—
OPERATING RESULT		(43,457)	—
Result on sale investments	11	28,653,689	—
Interest income on loans to shareholder		1,663,587	—
Interest income on guarantee fee		788,249	—
Exchange differences		1,828	—
Financial income and expenses		31,107,353	—
RESULT BEFORE TAXATION		31,063,896	—
Income tax expense		(592,551)	—
NET RESULT AFTER TAXATION		30,471,345	—

HUBCO NETHERLANDS B.V.

Notes to the balance sheet and income statement as at December 31, 2011
(in EUR)

1 GENERAL

Hubco Netherlands B.V. is a Dutch private company with limited liability, incorporated in Apeldoorn on February 18, 2010 (under the name THI Buhne II B.V). The Company mainly acts as a holding company and currently has its office address at Naritaweg 165, 1043 BW Amsterdam, the Netherlands.

(a) Group structure

The Company is a member of the Ferrovial group. The ultimate parent company of this group is Ferrovial S.A. The financial statements of the Company are included in the consolidated financial statements of Ferrovial S.A. of Madrid. The Company holds 49.99% of the shares in FGP Topco Ltd. as per December 31, 2011. FGP Topco is the ultimate parent company of BAA Limited group in the United Kingdom. Full information about BAA Limited is included in the notes of the consolidated financials statements of Ferrovial S.A. which are filed at Dutch Chamber of Commerce in Amsterdam.

(b) Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

(c) Use of estimates

In applying the accounting policies and guidelines for preparing the financial statements, management makes a range of estimates and judgments that might be essential for the amounts disclosed in the financial statements. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the Financial Statement items in question. Actual amounts may differ from these estimates.

2 ACCOUNTING POLICIES FOR THE BALANCE SHEET

The accompanying Financial Statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Dutch as issued by the Dutch Accounting Standards Board, taking into account the exemptions offered by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were incurred or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

(a) Comparison with previous year

The accounting policies have been consistently applied to all the years presented.

(b) Financial fixed assets

With reference to Title 9, Book 2, Article 389.9 of the Dutch Civil Code a company can account for its participating interest with significant influence at acquisition cost rather than net asset value if a legitimate reason is provided. The financial statements of the Company are included in the consolidated financial statements of Ferrovial S.A., Madrid. The investment with significant influence held is the topholding of the main investment, which is carried at equity method in these consolidated financials statements and full information about this investment is provided. Based on this the Company chose to state its participating interests, including investments where significant influence can be exercised, at acquisition cost in accordance with Article 214.325 of the Guideline for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board or in case of a permanent impairment of the value of the shares, it is measured at impaired value; any write-offs are disclosed in the income statement (refer to note c Impairment).

(c) Impairment

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the income statement.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised. A reversal of an impairment loss is recognised immediately in the income statement.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

(d) Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

(f) Equity

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal reserves.

3 ACCOUNTING POLICIES FOR THE INCOME STATEMENT

(a) General

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

(b) Exchange rate differences

Exchange rate differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

		December 31, 2011
Exchange rate used at period-end:	EUR/GBP	0.83330651

(c) Selling expenses, and general and administrative expenses

Selling expenses, and general and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods sold.

(d) Financial income and expenses

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Dividends receivable from associates not carried at net asset value and securities are recognised as soon as the Company acquires the right to them.

(e) Taxation

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

NON-CURRENT ASSETS

4 FINANCIAL FIXED ASSETS

Movements in financial fixed assets can be broken down as follows:

	Investments in group companies	Total
Opening balance	—	—
Movements 2011		
Additions	2,643,365,099	2,643,365,099
Disposals	(278,179,661)	(278,179,661)
Closing balance	2,365,185,438	2,365,185,438

The company's investments in group companies comprise the following:

Name	Registered office	Ownership	Book value
FGP Topco Ltd.	Middlesex, United Kingdom	49.99%	2,365,185,438

CURRENT ASSETS

5 RECEIVABLES

As at December 31, 2011, this item can be detailed as follows:

	2011	From inception to December 31, 2010
Amounts due from shareholder	18,599,258	18,000
Amounts due from group companies	788,249	—
Total receivables	19,387,507	18,000

Amounts due from shareholder and holder of bearer shares are specified as follows:

Name	Registered office	Ownership	2011	From inception to December 31, 2010
Finecofer S.L.	Madrid, Spain	100.00%	18,599,258	18,000

5 RECEIVABLES (continued)

The Company granted a credit facility to Finecofer S.L. for a total of EUR 325,712,623. The facility matures on October 27, 2012 and shall automatically be renewed annually with a maximum of 5 years. The applicable interest rate during the year was 3.04%.

Amounts due from group companies are specified as follows:

Name	2011	From inception to December 31, 2010
Ferrovial S.A.	788,249	—

6 CASH AND CASH EQUIVALENTS

Description	CCY	Amount in CCY	2011	From inception to December 31, 2010
Current account Societe Generale	EUR	—	—	—
Current account ING Bank N.V.	GBP	50,000	60,002	—
			60,002	—

All cash and cash equivalents are at the company's free disposal.

7 SHAREHOLDER'S EQUITY

The Company's authorised share capital amounts to EUR 90,000 and consists of 900 ordinary shares with a nominal value of EUR 100 each.

As at December 31, 2011, 180 shares were issued and fully paid-up. The movements in the year under review can be summarised as follows:

	paid-up capital	Share premium	Other Reserve	Total
Opening balance 2010	—	—	—	—
Additions	18,000	—	—	18,000
Opening balance 2011	18,000	—	—	18,000
Additions	—	2,643,365,099	—	2,643,365,099
Repayment	—	(276,800,000)	—	(276,800,000)
Result for the period	—	—	30,471,345	30,471,345
Interim dividend distribution	—	—	(30,000,000)	(30,000,000)
Closing balance	18,000	2,366,565,099	471,345	2,367,054,444

On July 12, 2011, the shareholder contributed 3,050,641,017 ordinary shares with a nominal value of GBP 0,0024 each and 860 deferred ordinary shares with a nominal value of GBP 0,10 in FGP Topco Limited to the Company as share premium.

On December 29, 2011, the Company decided to distribute a dividend of EUR 30,000,000 and to repay share premium in the amount of EUR 276,800,000 to Finecofer S.L. being the sole shareholder. This repayment has resulted in a partial settlement of the intercompany loan with Finecofer S.L. (reference is made to note 5).

8 CURRENT LIABILITIES

	2011	From inception to December 31, 2010
Bank overdraft	130	—
Payables to group companies	1,743,046	—
Trade payables	39,327	—
Corporate income tax	592,551	—
Other debts, accruals and deferred income	15,203,449	—
Total	17,578,503	—

The bank overdraft relates to the EUR current account with ING Bank.

The remaining term of the current liabilities is less than one year.

The payables to group companies are specified as follows:

Name	2011	From inception to December 31, 2010
Ferrovial Corporación S.L.	1,743,046	—

9 COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET

Contingent liabilities

At year-end, the Company and other Ferrovial subsidiaries, have issued guarantees for several financial transactions issued by Ferrovial S.A., amounting to an aggregate principal amount of EUR 1,019,571,365.

10 GENERAL AND ADMINISTRATIVE EXPENSES

	2011	(unaudited) From inception to December 31, 2010
Bank expenses	130	—
Legal expenses	5,798	—
Accounting expenses	3,677	—
Tax advisory expenses	4,000	—
Notary expenses	153	—
Management expenses	16,816	—
Audit expenses	11,900	—
General expenses	983	—
	43,457	—

11 RESULT ON INVESTMENTS

The result on investments can be broken down as follows:

	2011	(unaudited) From inception to December 31, 2010
Gains/ (losses) on sale of investments	47,591,136	—
Transaction costs	(18,937,447)	—
	28,653,689	—

The Company has sold to Alinda Airports L.P., an independent third party, 68,794,317 ordinary shares and 17 deferred ordinary shares in the amount of GBP 59,609,928, which represents 1.26% of the issued share capital of FGP Topco Limited.

The Company has sold to Alinda Airports UK L.P., an independent third party, 252,245,828 ordinary shares and 62 deferred ordinary shares in the amount of GBP 218,569,734, which represents 4.62% of the issued share capital of FGP Topco Limited.

12 NUMBER OF EMPLOYEES AND EMPLOYEES COSTS

Neither during the year under review nor in the previous year did the Company have any employees. Hence, it did not pay any wages and related social security.

13 DIRECTORS

During the year under review, the Company had two Managing Directors, who received no remuneration during the current financial year or the previous financial year. The Company has no Board of Supervisory Directors.

The Board of Managing Directors.

L.I. de Felipe Fernández

Trust International Management (T.I.M.) B.V.

Amsterdam, October 22, 2012

HUBCO NETHERLANDS B.V.

Other Information

Appropriation of result

1. The general meeting shall determine the allocation of accrued profits.
2. Dividends may be paid only up to an amount which does not exceed the amount of the distributable part of the net assets.
3. Dividends shall be paid after adoption of the annual accounts from which it appears that payment of dividends is permissable.
4. The managing body, may be subject to due observance of paragraph 2, resolve to pay an interim dividend.
5. The general meeting may, subject to due observance of paragraph 2, resolve to make payments to the charge of any reserve which need not be maintained by virtue of the law.
6. A claim of a shareholder for payment of dividend shall be barred after five years have elapsed.

On December 29, 2011, the Board of Managing Directors have declared an interim dividend in the amount of EUR 30,000,000 and proposes this to be the final dividend for the year and to add the remainder of the net profit of the year to the other reserve. This allocation of result has been reflected in the Financial Statements.

Post balance sheet events

On March 15, 2012, the Company has received dividends in the amount GBP 30,000,000 from FGP Topco Limited. On June 29, 2012, the Company has received dividends in the amount GBP 29,996,347.91 from FGP Topco Limited. On September 19, 2012, the Company has received dividends in the amount of GBP 29.996.347,91 from FGP TopCo Limited.

On August 17, 2012, the Company has announced its intent to sell 580,025,684 ordinary shares and 195 deferred ordinary shares of FGP Topco Limited to Qatar Holding, LLC. for a selling price of approximately EUR 597 million (approx. GBP 478 million).

Independent Auditor's report

Reference is made to the independent auditors' report hereinafter.

Deloitte.

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (0)88 288 2888
Fax: +31 (0)88 288 9739
www.deloitte.nl

Independent auditor's report

To: the shareholder of Hubco Netherlands B.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of Hubco Netherlands B.V., Amsterdam, which comprise the balance sheet as per December 31, 2011, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Hubco Netherlands B.V. as per December 31, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Unaudited corresponding figures

The financial statements 2010 have not been audited. Consequently, the corresponding figures included in the profit and loss account have not been audited.

Report on other legal and regulatory requirements

Pursuant to our engagement to audit the financial statements 2011 we have no deficiencies to report as a result of our examination whether the information as required under Section 2:392 sub 1 at b-h has been annexed.

Amsterdam, October 22, 2012

Deloitte Accountants B.V.

J. Penon

THE JOINT LEAD MANAGERS AND BOOKRUNNERS

Banco Bilbao Vizcaya Argentaria, S.A.
Via de los Poblados s/n
2ª Planta
28033 Madrid
Spain

Banco Santander, S.A.
Ciudad Grupo Santander
Edificio Encinar
Avenida de Cantabria s/n
28660, Boadilla del Monte, Madrid
Spain

Bankia, S.A.
Paseo Castellana, 189
28046 Madrid
Spain

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

ING Bank N.V., London Branch
60 London Wall
London EC2M 5TQ
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

THE ISSUER

Ferrovial Emisiones, S.A.
Principe de Vergara, 135
28002 Madrid
Spain

THE ORIGINAL GUARANTORS

Ferrovial, S.A.
Principe de Vergara, 135
28002 Madrid
Spain

Ferrovial Agromán, S.A.
Ribera del Loira 42
Edificio 3
Campo de las Naciones
28042 Madrid
Spain

4352238 Canadá, Inc.
100 King Street West
Suite 6600
1 First Canadian Place
Toronto
Ontario Canada

Ferrovial Servicios, S.A.
Calle Príncipe de Vergara, 135
28002 Madrid
Spain

Cespa, Compañía Española de Servicios Públicos Auxiliares, S.A.
Avenida de la Catedral 6-8
08002 Barcelona
Spain

Cintra Infraestructuras, S.A.
Plaza Manuel Gómez Moreno 2
Edificio Alfredo Mahou
28020 Madrid
Spain

Cespa Gestión de Residuos, S.A.
Avenida de la Catedral 6-8
08002 Barcelona
Spain

Hubco Netherlands B.V.
Naritaweg 165
1043 BW Amsterdam
The Netherlands

AGENTS
FISCAL AGENT AND PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch
33, Rue de Gasperich,
Howald – Hesperange
L-5826 Luxembourg

LEGAL ADVISERS

To the Issuer as to English and Spanish law

Linklaters, S.L.P.
Calle Zurbaran, 28
28010 Madrid
Spain

To the Joint Lead Managers and Bookrunners as to English and Spanish law

Allen & Overy
Pedro de Valdivia, 10
28006 Madrid
Spain

AUDITORS OF THE PARENT

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
Spain

COMMISSIONER

BNP Paribas Securities Services, Sucursal en España
Calle Ribera del Loira, 28, 3rd floor
28042 Madrid
Spain

Printed by RR Donnelley 462805