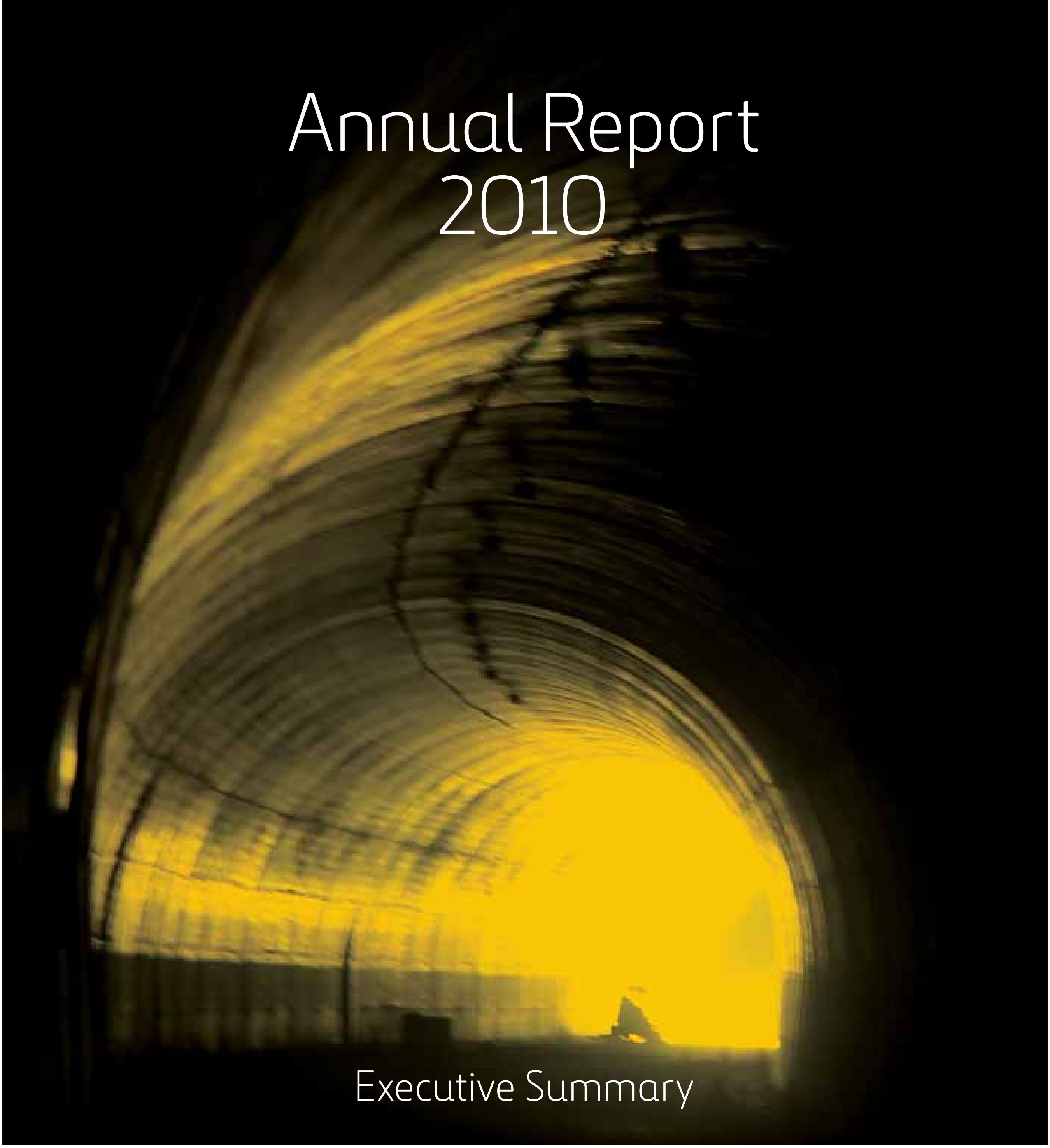
ferrovial

Annual Report 2010



Executive Summary

contents

A global infrastructure and services company

Prepared and produced by Ferrovial's Communications and Corporate Responsibility Department.
Design and layout: Minimalgraphics (Prieto&Partners Corporation, S.L. (ruth@minimalgraphics.es))

*** Photo de portada:** Barranco de la Batalla, Alicante, Spain

http://memoria2010.ferrovial.com/en

Letter from the Chairman

Fellow shareholder,

Ferrovial was very successful in adapting to the new economic situation in 2010. We needed to strengthen our financial position, manage cash flow, reduce our leverage and actively pursue new contracts. We amply fulfilled all those objectives. We needed to do this in order to return to the business's natural cycle and regain growth and profitability.

At the end of the year, I had the honor of signing, with Susan Hockfield, President of Massachusetts Institute of Technology (MIT), an agreement that is a true reflection of Ferrovial's DNA. The agreement symbolizes our quest for knowledge, our desire to improve, and our commitment to innovation. We know that the world is changing, that the future will not be like the present, and we want our infrastructure to be able to meet that challenge. Over the next five years, professors from MIT and technical staff from Ferrovial will work in close cooperation to map out the future of infrastructure.

Events in the year were a reflection of the changing, unpredictable nature of the world we live in. Our Chilean toll roads were hit by a devastating earthquake, our airports were closed by the eruption of a volcano in Iceland that paralyzed European air traffic, and a blizzard in the United Kingdom towards the end of the year posed serious problems for all transport infrastructure there. Crisis is now something that managers must deal with on a regular basis, and we are learning to live with it.

The world of finance has also experienced sweeping changes in recent years. Many companies were caught by surprise and were forced to adapt rapidly to a situation of scarce credit, higher interest rates and cuts in public expenditure.

In view of this situation, in 2009 we designed a plan of action which has been implemented step by step to lead us to where we are today, which we consider to be reasonably satisfactory.

Our diversification into different businesses and regions, under a policy of internationalization that commenced ten years ago, meant that we were in a better position than many of our rivals.

The strategy of monetizing and rotating assets enabled us to enhance earnings and make the company more agile, more adapted to current realities in the international markets, where profitability takes precedence over volume. The wisdom of this strategy was reflected in our share price, which gained 38% in the second half of the year, compared with a 5% gain by the Ibex-35 index. The market consensus, represented by the majority of research firms, is that the share has upside potential in the medium and long term.

As a result, net profit amounted to 2.16 billion euro in 2010. Revenues increased by 2.7% in like-for-like terms to 12.17 billion euro. This enabled us to improve our key financial figures and significantly reduce both parent company debt and project finance.

Performance in 2010 was also impacted by Ferrovial's increasing internationalization. Our international activities continue to gain in importance, enabling us to diversify country risk and add new sources of revenues and EBITDA as the economic recovery gains pace.

International business now accounts for nearly 70% of revenues and 85% of EBITDA. Our project backlog also reached an all-time high—over 22 billion euro—and 60% of that is outside Spain.

All our business divisions performed positively, especially in the international arena. In 2010, we saw an improvement at our main assets, which proved to be resilient despite difficult market conditions, and we look to 2011 with optimism as the international economic situation improves.

Our good performance in 2010 would not have been possible without the support of an extraordinary team of professionals, for whose dedication I am particularly grateful. I also reiterate my gratitude to our shareholders for their continuing support and trust. With those two sources of strength, Ferrovial will continue working to face the challenges that the future will inevitably bring. Companies are comprised of their shareholders and professionals. They are the source of ideas and proposals to serve society.

Rafael del Pino
Chairman of Ferrovial
March, 2011

ferrovial governing bodies

governing bodies

Board of Directors

CHAIRMAN

RAFAEL DEL PINO. EXECUTIVE AND PROPRIETARY

• Civil Engineer, Polytechnic University of Madrid. • MBA, MIT Sloan School of Management (1986). • Chairman of Ferrovial since 2000. Previously CEO since 1992. • Chairman of Cintra between 1998 and 2009. • Member of the Board of Directors of Banesto since 2003 and Member of the International Advisory Board of Blackstone. • Involved in the academic world as a member of the MIT Corporation, the MIT Energy Initiative External Advisory Board and the MIT Sloan European Advisory Board. • Also member of the International Advisory Board of IESE and the Harvard Business School European Advisory Board.

VICE CHAIRMEN

SANTIAGO BERGARECHE. INDEPENDENT

• Degree in Economics and Law from Deusto University. • Member of the Board of Directors of Ferrovial since 1999. • Non-executive Chairman of Cepsa and Dinamia Capital Privado and Director of Vocento • Joined Ferrovial in 1995 as Chairman of Agroman. Between February 1999 and January 2002 he was CEO of Ferrovial.

JOAQUÍN AYUSO. EXECUTIVE

• Civil Engineer, Polytechnic University of Madrid. • Member of the Board of Directors of Ferrovial since 2002.• Joined Ferrovial in 1982 and after holding several positions of responsibility was appointed General Manager of the Construction Division in 1992. That same year he became a member of the Management Committee of Ferrovial. • From 1999 through January 2002 he was CEO of Ferrovial Agroman. He was CEO of Ferrovial and Vice Chairman of Cintra between 2002 and 2009.

CEO

ÍÑIGO MEIRÁS. EXECUTIVE

• Holds a Bachelor's Degree in Law and an MBA from the Instituto de Empresa. • Joined Ferrovial in 1992, was Managing Director of Autopista del Sol and Director of Toll Roads for Cintra CEO till November 2000.• From 2000 to 2007 he led the expansion of Ferrocial Servicios as Managing Director, later as CEO, and in 2007 was appointed CEO of Ferrovial Aeropuertos. • He was Managing Director of Ferrovial from April to October 2009, when he was appointed CEO.

DIRECTORS

JAIME CARVAJAL. INDEPENDENT

• Bachelor's Degree in Law from Complutense University of Madrid and Master's Degree in Economics from Cambridge University. • Member of the Board of Directors of Ferrovial since 1999.• Chairman of Advent Internacional (España), Ericsson España and ABB; Director of Aviva and Solvay Ibérica. • Among other positions, he has been Chairman of Ford España and a Member of the Boards of Telefónica, Repsol YPF and Unión Fenosa.

PORTMAN BAELA, S.L. PROPRIETARY

• Member of the Board of Directors of Ferrovial since 2000. • Represented by Leopoldo del Pino.

JUAN ARENA. INDEPENDENT

• PhD in Engineering (ICAI), Bachelor's Degree in Business Studies, Degree in Psychology, Diploma in Fiscal Studies and AMP at Harvard Business School. • Member of the Board of Directors since 2000 • Member of the Audit Committee and the Nomination and Remuneration Committee of Dinamia, Member and Chairman of the Audit Committee of Laboratorios Almirall. Member of the Board of Directors and Chairman of the Nomination and Remuneration Committee of Everis. Board Member and Chairman of the Audit Committee of PRISA. • Former CEO and Chairman of Bankinter and former Board Director of TPI. • Senior Lecturer at the Harvard Business School in the 2009/10 academic year. • Chairman of the SERES Foundation, of the Advisory Board of Unience, of the Professional Council of ESADE.

GABRIELE BURGIO. INDEPENDENT

• Degree in Law and MBA from INSEAD at Fontainebleau. • Member of the Board of Directors of Ferrovial since 2002. • Executive Chairman of NH Hoteles between 1999 and 2011.• Before that he was CEO and Chairman of NH Italia S.r.l., CEO of Cofir and worked for Bankers Trust in New York and Italy.

MARÍA DEL PINO. PROPRIETARY

• Holds a degree in Economics and Advanced Management Program (AMP) from the Instituto de Estudios Superiores de la Empresa (IESE). • Member of the Board of Directors of Ferrovial since 2006. • Chairwoman of the Rafael del Pino Foundation. • Member of the Boards of Trustees of the Príncipe de Asturias Foundation, the Codespa Foundation and the Scientific Foundation of the Spanish Cancer Association.

SANTIAGO FERNÁNDEZ VALBUENA. INDEPENDENT

• Bachelor's Degree in Law from Complutense University of Madrid and Master's Degree and PhD in Economics from Northeastern University of Boston. • Member of the Board of Directors of Ferrovial since 2008. • Joined the Telefónica Group in 1997 as head of Fonditel. From 2002 to 2010 he was Managing Director of Finance and responsible for Purchasing, Systems and Human Resources (2003-2005) and for Corporate Development, Subsidiaries (Endemol, Atento and others) and Internal Audit (2007-2010). In 2010 he was appointed Managing Director for Strategy, Finance and Development. • Previously he was Managing Director of Société Générale Valores and Stock Market Director at Beta Capital in Madrid.

JOSÉ FERNANDO SÁNCHEZ-JUNCO. INDEPENDENT

• Graduate in Industrial Engineering from the Polytechnic University of Barcelona. ISMP Graduate at Harvard Business School. Belongs to the State Industrial Engineer Service. • Member of the Board of Directors of Ferrovial since 2009. From 2004 to 2009 he was Member of the Board of Directors of Cintra. Chairman and Managing Director of MAXAM. Non-executive Vice Chairman of Dinamia Capital Privado. • He has been Director General for Industry at the Spanish Ministry of Industry and Energy.

KARLOVY, S.L. PROPRIETARY

• Member of the Board of Directors of Ferrovial since 2010. • Represented by Joaquín del Pino.

SECRETARY

SANTIAGO ORTIZ

• Holds a PhD in Law from Complutense University of Madrid and is a Spanish State Attorney. • He was a partner in the Cuatrecasas law firm in charge of Trial Law and Public and Regulatory Law. He has also worked at the Ramón y Cajal law firm and has taught at the Diplomatic School and Carlos III University.

Management Committee

1. ALEJANDRO DE LA JOYA
CEO. FERROVIAL AGROMAN

2. JAIME AGUIRRE DE CÁRCER
MANAGING DIRECTOR. HUMAN RESOURCES

3. ÁLVARO ECHÁNIZ
CEO. REAL ESTATE

4. SANTIAGO OLIVARES
CEO. FERROVIAL SERVICIOS

5. ÍÑIGO MEIRÁS
CHIEF EXECUTIVE OFFICER

6. ENRIQUE DÍAZ-RATO
CEO. CINTRA

7. ERNESTO LÓPEZ
CHIEF FINANCIAL OFFICER

8. NICOLÁS VILLÉN
CEO. FERROVIAL AEROPUERTOS

9. SANTIAGO ORTIZ
GENERAL SECRETARY

10. FEDERICO FLÓREZ
CHIEF INFORMATION OFFICER

description of company

Ferrovial se consolida como el mayor gestor privado de infraestructuras de transporte del mundo.

Description of Company

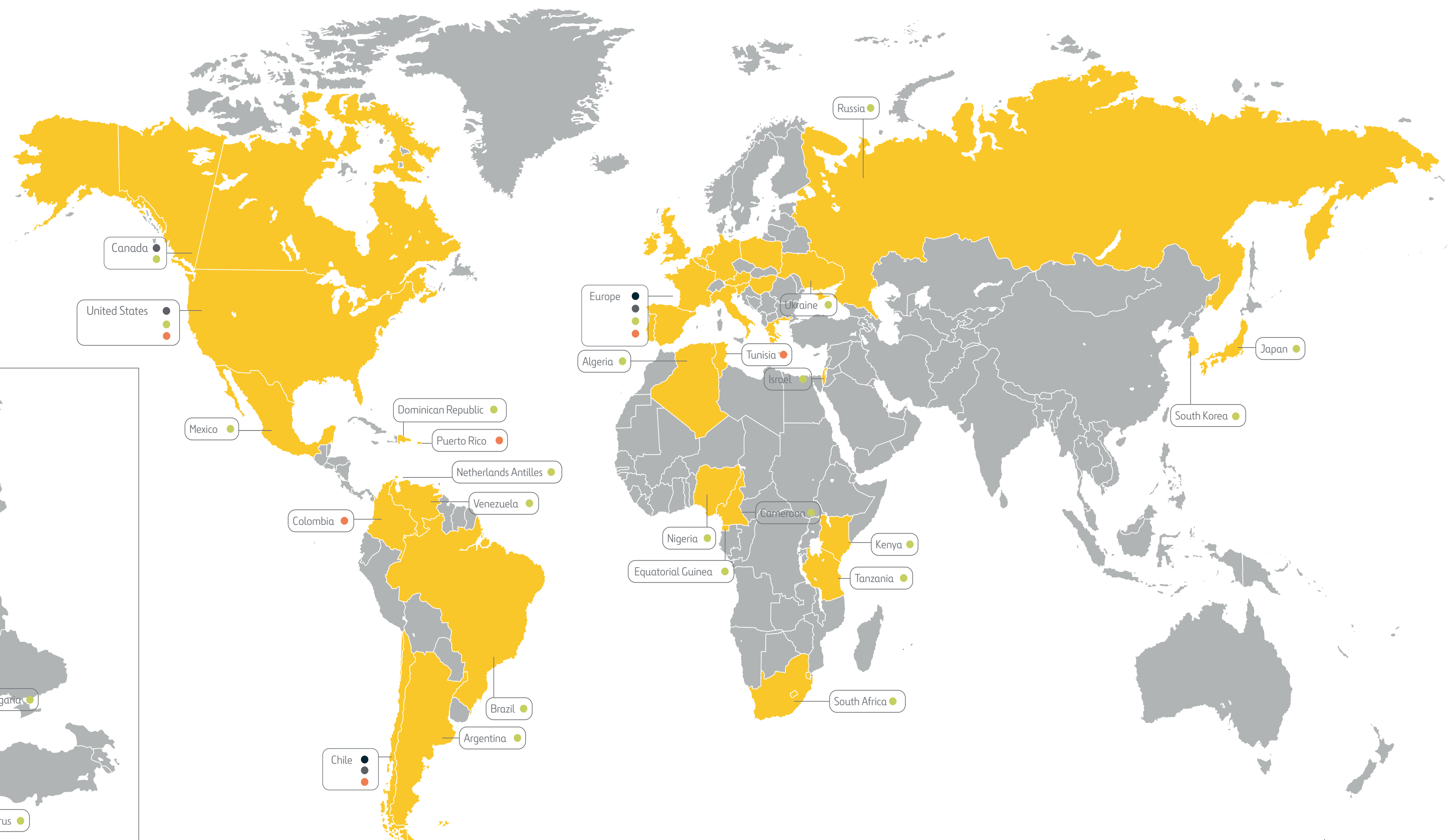
Photo: Birmingham, United Kingdom

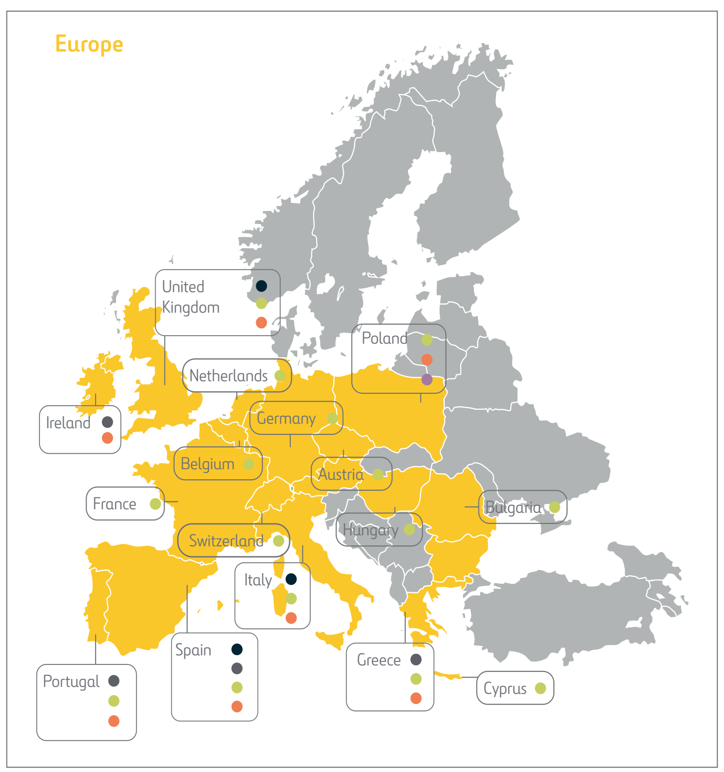
global presence

The world's leading private developers of transport infrastructure and services

100,995 employees

- Airports
- Toll Roads
- Services
- Construction
- Real Estate





financial data

Financial data		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	% 10/09
Net turnover	12,169	12,095	14,126	14,630	12.355	8,321	7,254	6,026	5,040	4,240	3,598	1%
EBIT	1,514[2]	1,531[2]	1,550	1,911	1,459	714	717	615	485	389	271	-1%
Net income	2,163	-92	-838	734	1,426	416	529	341	456	218	159	
Earnings per share	5.23	-0.16	-6.04	5.24	10.18	2.97	3,77	2,43	3,25	1,56	1,14	
Total assets	43,287	44,110	48,203	51,587	54,980	21,498	15,161	14,552	11,267	10,981	8,821	
Equity	6,628	4,557	3,692	6,848	6,662	2,968	2.518	1,754	1,495	1,198	1,050	
Gross capital expenditure	420	506	971	997	4,446	1,665	389	862	541	430	367	
Net debt/(cash)	-31	1,172	1,664	1,937	3,064	272	(139)	591	(303)	287	417	
Total gross dividend	308	293	277	161	140	126	115	84	92	56	39	
Operating data												
Average number of employees	100,995	108,117	107,399	102,447	88,902	57,247	49,892	34,347	28,454	23,522	24,208	
Construction backlog	10,186	8,800	8,756	9,130	8,023	7,500	6,721	6,106	5,922	5,599	5,283	
Services backlog	12,003	9,980[1]	9,714[1]	9,726[1]	8,629[1]	7,174 [1]	4,973	5,177	816	718	729	
Ratios												
EBIT margin	12.4%	12.7%	11.0%	13.1%	11.8%	8.6%	9,9%	10,2%	9,6%	9,2%	7,5%	
Net margin	17.8%	-0.8%	-5.9%	5.0%	11.5%	5.0%	7,3%	5,7%	9,0%	5,1%	4,4%	
Leverage	0%	26%	45%	28%	46%	9%	-	34%	-	24%	39%	
Pay-out	14%	N/A	N/A	22%	10%	30%	22%	25%	21%	26%	24%	
Per-share data												
Capitalization	5,457	6,037	2,746	6,750	10,373	8,205	5.515	3,897	3,387	2,762	1,908	
Year-end closing price	7.44	8.23 (*)	19.58	48.12	73.95	58.50	39,32	27,78	24,15	19,69	13,60	
Average daily trading volume	33.5	21.0	43.4	66.0	47.9	27.5	12,7	12,0	10,2	6,3	4,6	
Gross dividend per share	0.42	0.40	2.00	1.15	1.00	0.90	0,82	0,60	0,67	0,41	0,28	
Appreciation in the year	-10%	68%	-59%	-35%	26%	49%	42%	15%	23%	45%	-6%	
No. of shares at year-end	733,510,255	733,510,255	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	

Million euro

(1) Does not include the Tube Lines portfolio.

(2) EBIT before impairment losses and disposals of fixed assets.

Due to the sale of Ferrovial Inmobiliaria in December 2006 and in accordance with the IFRS, this activity is now considered as a "Discontinued operation." As a result, the income statements of Ferrovial 2006 include this business unit only in terms of its contribution to Net Profit. The figures for 2005 have been adjusted using the same criteria for comparison purposes.

* 2004, 2005, 2006, 2007, 2008 y 2009 data in accordance with the NIF. 2000, 2001, 2002 and 2003 figures following the Standard Chart of Accounts standard.

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description of company significant events

significant events

No agreement between the Polish Minister of Finance and Autostrada Poludnie, a company in which Cintra has a holding, for the construction and management of the A1 highway between Stryków and Pyrzowice (Jan-25, 2010).

The contract stipulated a prior period of a year for the concessionaire and the government to reach an agreement on the financial details of the concession. During this period

Autostrada Poludnie requested that the commercial conditions be amended to make the project economically and financially viable for its sponsors while remaining acceptable for the authority granting the concession. Cintra had the backing of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) for the financial closure. In the end, the two parties did not reach an agreement, so the contract will be rendered null and void.

The Dutch investment fund DIF (Dutch Infrastructure Fund II) acquires a holding in Amey Ventures Investments Limited, AVIL, a division of Amey plc.

DIF has bought 50% of the capital of AVIL. Amey retains the operational management of the projects and associated subcontracts. AVIL owns Amey's holdings in 10 concessions (PFIs) in the United Kingdom, to which it had contributed 16.8 million pounds in capital and subordinate debt as of November 2009. This transaction removes 105.9 million pounds of debt from Ferrovial's consolidation perimeter, corresponding to the amount as of November 2009 of the debt of the two projects consolidated by the global method (Norfolk Street Lighting and the Belfast Education and Library Board).

Amey also reduces its commitment to future provision of funds for the companies managing the ten projects by 15.3 million pounds. The deal does not alter Ferrovial's portfolio, as the portfolio associated with these projects is one of subcontracts, which are not affected by the deal.

Cintra begins the process for a future transfer of 10% of the capital of the concessionaire of the 407 ETR toll road in Toronto (Canada) (Mar-11, 2010).

Cintra indirectly owns 53.23% of the concessionaire 407 International Inc. The 407 ETR toll road is 108 kilometers long and skirts Toronto in parallel to the city's inner beltway, the 401 (one of the busiest highways in North America). It has a fully electronic barrier-free toll system capable of managing very high volumes of traffic without delays. It opened to traffic in 1997 and in 1999 the concession was granted to the consortium headed by Cintra for a period of 99 years. The process underway is part of Ferrovial's asset rotation policy, which aims to monetize part of the value created by the company. It is planned to use part of the money from the future deal for the early repayment of corporate debt, as well as investment in toll-road projects that are currently at the development stage.

BAA reports the impact on the operation of its British airports of the closure of air space due to the ash cloud from the eruption of the volcano Eyjafjallajökull in Iceland (May-20, 2010).

As a result of the closure of air space in the U.K. following the eruption of the volcano in Iceland, all BAA's British airports suffered closures from midday on Thursday, April 15 to April 20, 2010. As of March 31, 2010, Heathrow and Stansted, which from the group of BAA's regulated airports, called BAA (SP) Limited, had liquidity and debt facilities available for over 2.2 billion pounds and was in compliance with the financial commitments (covenants) of its credit. The maximum daily impact of the closure of the airports on the adjusted EBITDA and cash flow is between five and six million pounds. This amount could be recovered from revenue following the reopening of the airports and by reducing operating costs.

BAA announces an agreement to sell its holding in Airport Property Partnership (APP) to the British company Segro for £ 244 M (€ 280 M) (April-27, 2010).

APP was owned on a 50-50 basis by BAA and Aviva Fund Management. Preliminary estimates put the capital gains net of expenses obtained by Ferrovial at € 24.5 M.

The deal is part of BAA's strategy to sell non-strategic assets. APP sold 33 assets to Arora Family Trust for 309 million pounds in 2008. The deal was closed on June 22.

Amey Plc, the subsidiary of FERROVIAL S.A., and Bechtel sell 100% of the shares in Tube Lines Limited, the concessionaire of three of the London Underground lines. (07/05/ 2010).

Amey and Bechtel, the indirect owners of 66.7% and 33.3% respectively of the shares of Tube Lines Limited (TLL) have reached an agreement for the sale of 100% of these shares. TLL owns the PPP concession for the maintenance and refurbishment of three underground lines in London (Jubilee, Northern and Piccadilly). The shares were bought by Transport Trading Limited, which is controlled by the government-owned entity Transport for London. Amey will continue to provide support maintenance management services for TLL under the Opex Secondment Agreement, in very similar conditions to those before the sale. The price of 100% of the shares in TLL is 310.2 million pounds (€ 357.1 M), of which Amey will receive 206.8 million pounds (€ 238.1 M) for its holding, an amount equivalent to Amey's book value for them. The deal was closed on June 28.

Finance of 2.8 billion dollars (2.26 billion euro) for the LBJ highway in the metropolitan area of Dallas (Texas, U.S.). (17/06/2010)

The consortium headed by Cintra has successfully issued tax-exempt bonds (PABs) for the final part of the 2.8 billion dollars (2.26 billion euro) finance for the LBJ (IH-635) in Texas.

The highway, run on a managed-lanes toll scheme, is 21.2-kilometer long. It is located in the metropolitan area of Dallas, and has a concession period of 52 years. The project was financed from four sources. The first was the issue of private activity bonds (PABs), through which LBJ placed 615 million dollars on the US municipal bond market.

The Texas Department of Transport (TxDOT) made a contribution from public funds of some 496 million dollars to the project. The project also had a TIFIA loan from the US federal government for 850 million dollars. The three partners in the LBJ project, Cintra (51% of the capital), Meridiam (42.4%) and the Dallas Police and Fire Pension System (6.6%) put up capital of nearly 665 million dollars between them.

Cintra reaches an agreement to sell its holding in Autopista Trados 45, S.A. (50%) to the company FINAVIAS, an investment vehicle for AXA Private Equity's infrastructure funds. The remaining 50% is owned by Iberpistas SACE. (21/07/2010).

The amount of the transaction is 67 million euro, a pre-tax capital gain of 38 million euro, according to initial calculations.

Autopista Trados 45, S.A. manages the 14.5-kilometer section between O'Donnell and the NIV interchange with the M-45 highway in Madrid. The highway was opened in 2002 and the concession runs to 2029. The closure of the deal is subject to usual notifications and authorizations being granted.

BAA closes finance of 625 million pounds (€ 760 M) (Aug-20, 2010).

BAA has closed a 4-year junior Class B debt facility for 625 million pounds (760 million euro). This represents a great advance on the refinancing of the group's subordinate debt, which stands at 1,570 million pounds (1,912 million euro).

BAA communicates the placement of 400 million pounds of bonds (Sep-01, 2010).

BAA has announced the successful placement of Class B bonds worth 400 million pounds. The bonds mature in 2018 and pay a fixed annual coupon of 6.25%. The company generated an order book totalling more than 1 billion pounds and was able to set the price within the initial range of 375 basis points above gilts (UK government bonds).

Cintra closes the sale of 60% of its stake in the company Cintra Chile to the Colombian company ISA (Sep-16, 2010).

Following some adjustments resulting from the assessment and repair of the damage suffered by the infrastructures after the earthquake on February 27, the closing price of the transaction was 6.8 million Unidades de Fomento (approximately 228.9 million euro). The total amount of the deal, including the sale of 60% of Cintra's holding and the exercise of purchase and sale options for the remaining 40% for the buyer and seller respectively, is 381.5 million euros. The consolidated net income after tax attributable to the deal is estimated at around 270 million euro.

BAA reaches an agreement for the sale of its 65% share in Naples Airport to an entity controlled by the Italian fund F2i SGR for 150 million euro (Oct-1, 2010).

BAA holds 65% of GESAC, the company owning the concession for Naples International Airport until 2043. The closure of this deal successfully completes BAA's strategy to sell non-strategic and international assets and focus its interest on airports in the UK.

Cintra reaches an agreement with the Canada Pension Investment Board for the transfer of 10% of the 407 highway from a Canadian subsidiary for CAD 894.3 million (Oct-5, 2010).

The price of the transfer is CAD 894.3 million, to be paid at the close of the deal, which should take place within two months. The consolidated net income after tax attributable to the sale is estimated at about 2,470 million euro (the result includes the registration at fair value of the 43.23% retained by the company). The deal depends on compliance with certain conditions. Among them is the possible exercise by the current shareholders of 407 International Inc. (SNCLAVALIN and INTOLL) of their preferential purchase or sale right (the latter in proportion to their holding) at the price specified above.

BAA comunica la colocación de bonos por importe de 500 millones de euros (05/10/2010).

La compañía ha tenido una sobresubscripción de más de 2.000millones de euros por parte de más de 200 instituciones financieras y ha conseguido fijar el precio de la colocación dentro de su guía inicial, en 205 puntos básicos sobre los mid-swaps.

BAA issues a statement in relation to the Court of Appeal ruling (Oct-13, 2010).

"We are disappointed that the Court of Appeal two of the five grounds argued by the Competition Commission."

"We note the Court's view that apparent bias in relation one of the panel members existed during part of the commission's investigation and will study this judgment carefully." "We will be seeking permission to appeal to the Supreme Court."

Ferrovial starts the process of transferring a minority holding in BAA capital. It is initially considering the transfer of 10% of the capital (Oct-22, 2010).

Ferrovial is the indirect holder of 55.87% in BAA. The start of this process is part of Ferrovial's policy to make use of its assets by taking advantage of the financial strength of BAA's capital structure and the improvement in its operational parameters and financial results. The funds that can be obtained from the future transaction will be used to invest in Ferrovial's new growth projects, as well as to pay down corporate debt.

BAA makes public the start of the final phase of subordinate debt refinance (Oct-26, 2010).

BAA has confirmed plans to refinance the remaining 465.8 million pounds of subordinate debt in BAA (SH) Plc, the parent company of BAA (SP) Limited and its subsidiaries that own the London airports. BAA (SH) has arranged finance of 250 million pounds with a group of banks and institutional investors. The new finance includes a 1-year tranche of 75 million pounds and another 5-year of 175 million pounds, with margins of 4.25% and 5% respectively.

BAA (SH) aims to complete the refinancing of the subordinate debt through an issue on the capital markets in the near future.

Ferrovial agrees the sale of Swissport with PAI Partners. The price of the deal is CHF 900 M (€ 654.3 M) (Nov-02, 2010).

Ferrovial has reached an agreement with the private-equity firm PAI Partners for the sale of Swissport International AG for 900 million Swiss francs (654 million euro). The deal had an enterprise value of 1,210 million Swiss francs (880 million euro).

BAA announces the placement of 325 million pounds of bonds, thus successfully completing the refinancing of its subordinate debt. (03/11/2010).

BAA has announced the successful placement of 325 million pounds in bonds to complete the early repayment of its subordinate debt. The bonds are denominated in pounds sterling and will pay a fixed coupon of 7.125%, at the lower end of the initial guidance range, and mature in March 2017. BAA (SH)'s new debt facility announced on October 26, 2010 will be reduced from 250 million pounds to 175 million pounds, so the total funds will remain at 500 million pounds. The funds obtained will be used to refinance 465.8 million pounds remaining from BAA (SH)'s line of subordinate debt, which matures in 2011. The new finance extends the maturity profile of the Group's debt.

Ferrovial's subsidiary Cintra closes the sale of 10% of 407 ETR (Nov-18, 2010).

Cintra has closed the sale of 10% of the concessionaire 407 ETR Concession Company Ltd in Toronto (Canada) to the Canada Pension Plan Investment Board.

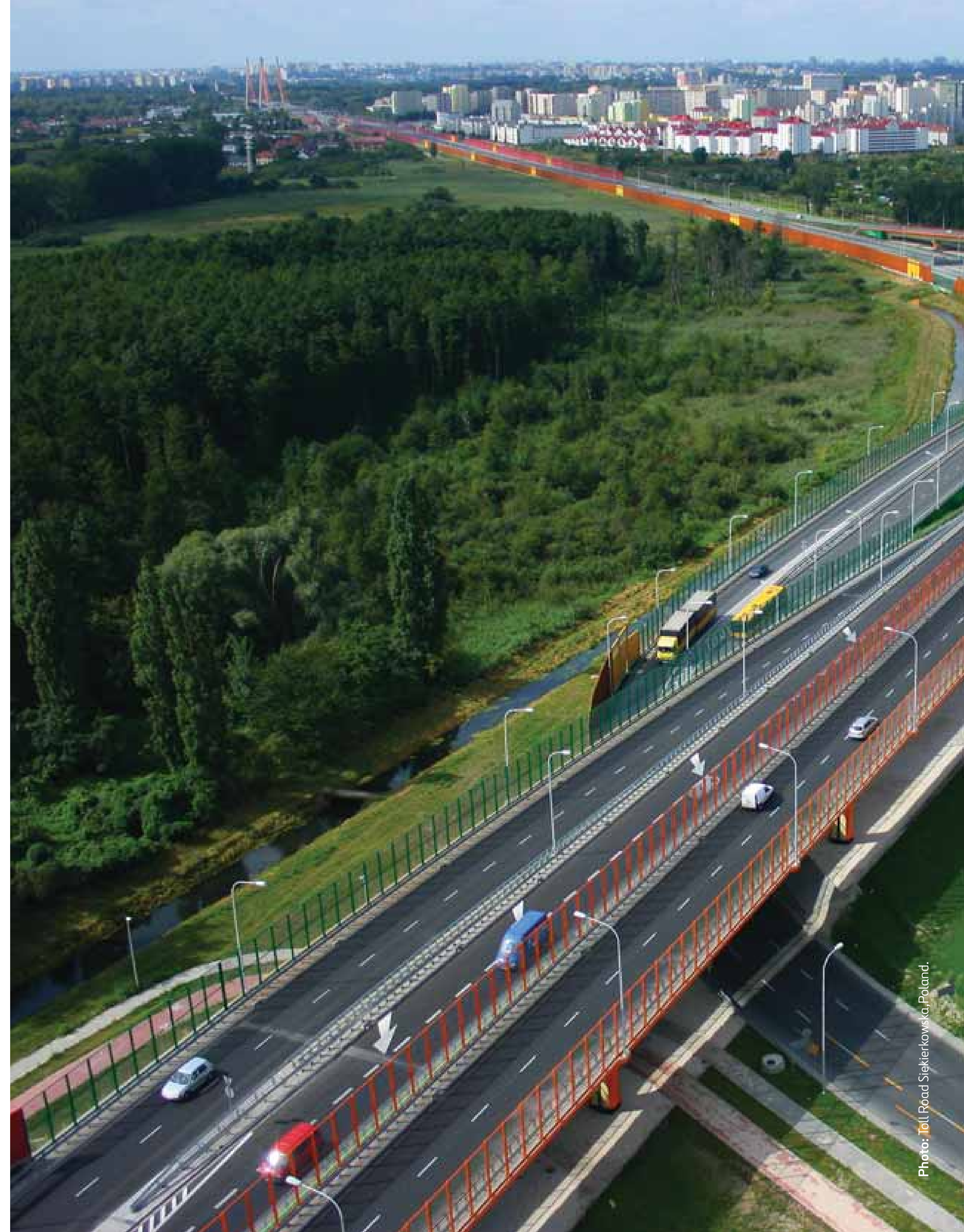


Photo: Toll Road Siekierkowska, Poland.

Photo: Street cleaning, Xavia, Alicante, Spain.

services

Ferrovial Servicios closed 2010 with an all-time high total order backlog of 12 billion euro.

Ferrovial Servicios is the subsidiary responsible for the maintenance and conservation of infrastructures and the management of urban and environmental services. It has a leading position in the provision of integrated services for cities, energy optimization and the use of waste.

The Services Division has a total order backlog of 12.003 billion euro, an all-time high. In 2010 it had revenue of 3.896 billion euro, 5.9% more than in 2009. EBITDA was up 12.1% to 409.8 million euro. Around 62% of revenue is from international markets.

AMEY

This British company is engaged in infrastructure maintenance (roads, railroads and facility management). It was bought by Ferrovial in May 2003. In 2010 it had sales of 1.099 billion pounds, up 6.8%. It also increased its order backlog by 29.7% to 6.5924 billion euro.

In 2010, it concluded a 25-year maintenance contract for roads and other infrastructures with the city of Birmingham. In September Amey and Cespa jointly acquired Donarbon, a company that will manage waste for the county of Cambridge over the next 28 years. Amey's holding in Tube Lines was also sold, but the operating contract is still in force.

CESPA

Cespa is a provider of urban and environmental services. It operates in Spain, Portugal and Andorra, with revenue from these markets in 2010 of 951.6 million euro.

The company provides services for 825 municipal areas with a total population of nearly six million.

FERROSER

Ferroser is a company specializing in the maintenance and conservation of infrastructures and buildings in Spain and Portugal. It has a total order backlog of 1.070 billion euro. In total, it manages over 7,500 kilometers of divided highways and roads and more than 28,000 urban and airport signs.

SWISSPORT

Swissport's revenue last year was 1.3016 billion euro. The Swiss-based company was bought by Ferrovial in 2005 and its sale to PAI Partners was completed in February 2011 for 695 million euro (equity value).

description of company **services**

PERFORMANCE OVER THE YEAR

Despite the difficult economic situation in 2010, Services activity was notable for growth in all its lines of business and the record backlog (12 billion euro). These results demonstrate the soundness and stability of the business.

Among the highlights are the start of the Birmingham contract (an example of the Smart Cities concept); the acquisition of Donarbon in the United Kingdom; the energy efficiency contract concluded with the sports facilities of the city of Bilbao; the award to Cespa of the services contract for the city of Murcia; the disinvestment in Swissport; and the change in the Tube Lines operating model. The strategy outlines for 2011 are continuous improvement, new services and entry into new markets.

Sales have grown 6%, mainly on the international front, although they have remained stable in Spain and earnings have improved substantially thanks to the effectiveness of the efficiency plans (including operating efficiency plans) introduced in late 2009 and early 2010. These results demonstrate yet another year of sound business by Ferrovial Servicios, which has been capable of maintaining stability and improving profits in what have been very difficult market situations.

Maintenance and conservation in the United Kingdom

Amey continues to register solid growth. Combined revenue for 2009 reached 1.099 billion pounds, 6.8% more than the previous year. Among the highlights of this revenue growth is the execution of contracts awarded to Amey since 2009 (road maintenance, inspection of civil rail works, maintenance of rail track and a number of facility management contracts in BAA).

A number of important milestones were achieved in 2010. Among them is the start of the Birmingham contract, under which we provide all the maintenance services for the city's infrastructure over the next 25 years. This contract implements a practical concept of smart cities that integrates all the services provided for a city, coordinates them and obtains economic and environmental advantages, as well as providing integrated and better quality services for citizens.

Maintenance and conservation in Spain

The current situation of maintenance and facility management activity is the result of stiff competition from a large number of non-expert and "traditional" companies operating this activity due to their move from their original activities (linked to construction or installation) toward other safe-haven activities with greater stability and longer portfolio life.

Possible developments in infrastructure conservation activity include supply moving toward sectors that offer security and continued activity. The infrastructure conservation business in Spain is and will be a sector where the rest of the business structures will converge (construction sector, technical assistance, asphalt companies, etc.) for budget and continuity reasons.

Municipal and waste treatment services

In municipal services, Cespa recorded revenue of 951.6 million euro, with EBITDA at 161.1 million euro. The short and medium-term economic objectives, which are key for the company's viability, are basically focused on trying to maintain the profitability of its activities. This involves three main strategic lines of action: improvement of operating efficiency, extreme selectivity in the decision on which new contracts to bid for, and continuation with the policy of geographical expansion.

Handling

The major growth in revenue and EBITDA has been determined by an increased contribution from freight, as the volume of managed tons has increased substantially, as has handling activity.

On November 2, Ferrovial reached an agreement with PAI Partners for the sale of Swissport International AG for 900 million Swiss francs. The deal had an enterprise value of 1.210 billion Swiss francs. It was concluded on February 17, 2011.

AMEY

In 2010 Amey recorded revenue of 1.099 billion pounds, with EBITDA of 111.9 million pounds. Although Amey completed the sale of 66.66% of its holding in Tube Lines, it was awarded new contracts during the year, leaving the order backlog at all-time record levels.

The company's milestones in 2010 included the following:

- Execution of the contracts awarded in 2009 (road maintenance, inspection of civil rail works, maintenance of rail track and a number of facility management contracts in BAA airports).
- Start of execution of the Private Finance Initiative (PFI) contract with the City Council of Birmingham for road construction, maintenance and restoration which was awarded the previous year. Valued at 2.7 billion euro, it is the biggest contract so far with a local council in the United Kingdom in the road sector. It includes the maintenance of almost 2,500 kilometers of road network and nearly 100,000 urban lighting fixtures.
- Sale of 66.66% of the holding in Tube Lines and continuation of the management contract for the maintenance services on the Jubilee, Northern and Piccadilly lines.
- Award of the Network Rail contract to extend the platforms of nine stations in the south-east of the country.
- Award of a Ministry of Defense contract in the United Kingdom for the maintenance of a fleet of special vehicles.
- New consultancy contracts with a number of local governments.
- Award of the North Lanarkshire Highways contract to develop roads in the area.
- Setting up of the Amey Apprenticeship Academy for the recruitment of engineers.
- In 2010 Amey received the ACE/NCE Major Consultant of the Year award (now in its seventh year) as the best provider of civil engineering consultancy services.

2,281 km of rail track maintained
877,000 street lights maintained
100 subway stations managed
1.7 million m of buildings managed
1.3 million meals served

Photo: Urban Maintenance, Amey Glasgow.

description of company **services**

CESPA

Despite the general economic crisis, Cespa managed to close the year with a turnover figure very similar to last year: Revenue was 951.6 million euro, and EBITDA 161.1 million euro.

Among the most significant events during the year were the following:

- Management of the new waste treatment plant Ecoparque 4, which has the biggest composting line in Spain, in Hostalets de Pierola (Barcelona).
- Opening in Barcelona of a container sorting plant designed by the Cespa technical team.
- Contract for the recovery of the green area by the Corvo River in Santiago de Compostela.
- Contracts in the Madrid region: Contract to improve the energy efficiency and selective collection of waste in Juan Carlos I Park in Madrid; contract for the comprehensive waste management service in Madrid-Barajas airport; forest treatment works in Cadalso de los Vidrios; and improvement in the mountain trails used by the public in the Regional Park of Cuenca Alta del Manzanares.
- Contracts in Catalonia: Contract for the collection, loading and transport of waste in Sant Sadurní D'anoia; contract for public space cleaning and waste collection in Cerdanyola del Vallés; and various gardening projects in El Prat de Llobregat, Mollet del Vallés, Barcelona and Vilanova i la Geltrú. Cespa was also awarded a contract for hospital waste management at the Valle Hebrón Hospital (Barcelona).
- Contracts in the Basque Country: Works contract for the creation of a woodland area of northern European trees in a park in Vitoria-Gasteiz; project for the recovery of the landscape along the Zugazarte path in Getxo; contract for cleaning services, waste collection and complementary services in Basauri; and a maintenance contract for green areas in Elgoibar. AENA also granted Cespa the contract to maintain the airfield and garden areas in the airport of Bilbao, as well as the necessary actions to deal with emergency winter ice and snow conditions on the airstrips.
- Contract for the management of the service to treat and eliminate solid urban waste in the province of Toledo for 10 years (240 million euro) and another for street cleaning in Inca (Majorca).
- Award of the contract to manage sold urban waste collection in the municipal area of Berja (Almeria) and for street cleaning and transport to the transfer plant in the same municipality. Cespa was also awarded a contract for the management of the waste collection and transport service in Monachil (Granada) and another for the collection, transport and treatment of solid urban waste stored at the municipal collection point in Lucena (Cordoba).
- Organization of the exhibitions 100% RRR. Propuestas domésticas para reducir, reutilizar y reciclar más (100% RRR: domestic proposals to reduce, reuse and recycle more) and Gestión de los residuos en el mundo (Waste management around the world).
- Distinctions: Cespa passed the audit to renew the Madrid Excelente certification it has held since 2001. The Microphilox project obtained one of the Life Environment Awards granted by the European Commission. At the same time, numerous municipal areas where the company provides its services obtained the Escoba (Broom) award granted by Ategrus in the platinum, gold and silver categories. Finally, Cespa won the Ecoplayas 2010 award for the beach in As Lapas (province of A Coruña), and renewed the flags awarded in other beaches in the province.

47 million m of green areas maintained
Urban services provided for 825 cities and towns in Spain and Portugal
+ 6.3 million inhabitants benefiting from rubbish collection services
+ 6.1 million inhabitants benefiting from street cleaning services

Photo: Urban Services, Cespa.

FERROSER

Ferroser recorded revenue of 547.3 million euro, with EBITDA of 41,4 million euro.

- New contract awards in facility management activity:
  - Energy services for Bilbao Kirolak, with an order backlog value of 25 million euro.
  - Maintenance of Airbus EADS facilities in Spain, with an order backlog value of 12 million euro.
  - Facility management for District Councils (municipal management, educational and cultural centers) in the City Council of Madrid, with an order backlog value of 40 million euro.
  - Management and operation of sports centers under the Inacua brand in Zaragoza and Alarcón.
- New contract awards in auxiliary services:
  - Healthcare transport of ER patients in the Madrid region under the SAFE brand, with an order backlog value of 72 million euro.
  - Management of passengers with reduced mobility (PRM) under the Airport Assistance brand in a variety of airports in Spain, with an order backlog value of 40 million euro.
  - Cleaning of the Virgen del Rocío Hospital, the biggest hospital complex in Spain, with an approximate order backlog value of 32 million euro.
  - Cleaning of the new Mar Menor Hospital, with an order backlog value of 15 million euro.
- New contract awards for infrastructure conservation:
  - AENA: Winter Action Plan in Madrid-Barajas airport, with an order backlog value of 17 million euro.
  - City Council of Torrejón: Street lighting maintenance and traffic management.
  - Ministry of Public Works: Award of comprehensive highway maintenance services for various sections of highway, such as in the province of Jaén, with an order backlog value of 7 million euro.
- OHSAS Certification of the Occupational Safety Systems of Ferroser, Grupisa and Eurolimp.

7,500 km of roads and divided highways managed
Nearly 28,000 municipal and airport signs managed
26,250 m of highway signs managed

Photo: Ciudad de la Justicia Maintenance, Ferroser.

Photo: Toll Road C-16, Barcelona, Spain.

toll roads

Cintra operates 25 concessions in seven countries, with a managed investment of 19.5 billion euro.

Cintra is one of the leading private developers of toll roads in the world, in terms of both number of projects and investment volume.

Cintra actively manages its projects to optimize their operating efficiency and improve the quality of the service it provides to users. It is also focusing its efforts on the sale of mature assets with reduced risk and limited growth potential in order to invest in projects with greater added value, such as greenfield projects.

With respect to its portfolio turnover, in 2010 Cintra closed the sale of 10% of the Canadian toll road 407 ETR, 60% of its share in Cintra Chile to ISA (with an option for the sale of the remaining 40%) and 50% of Autopista Trados 45, S.A.

In 2010, Cintra continued to actively manage its projects in order to optimize their operating efficiency while improving the quality of service provided to users. The highlights of the year included the opening of the M3 toll road in Ireland, the second Cintra concession in the country, and the increase of rates on the 407 ETR Indiana toll road.

Despite the instability and reduced liquidity in financial markets, the company has been able to refinance and obtain financing for new projects, thus demonstrating the market's interest in quality assets. It obtained 2.8 billion dollars of finance for the LBJ toll road in Texas (U.S.) and refinanced debt maturing in 2010 and 2011 (800 million and 700 million Canadian dollars respectively) for the 407 ETR toll road. It has also obtained an extension on the maturities of debt in the R-4 and Ausol toll roads.

Company profile

Cintra was set up in February 1998 as a spin-off from Ferrovial's infrastructure activities, thus continuing its long experience in the sector that began in 1968 with the award of the concession for the A-8 Bilbao-Behobia toll road, the first to be awarded in Spain with private funding and management.

Since its establishment, Cintra's clear growth strategy has been based on the search for the best investment opportunities and the efficient management of its holdings. It has become a world leader in the private development of transport infrastructures.

Cintra only invests in projects with a low risk profile, since they are public services provided under a system of limited competition, with recurring revenue and long concession periods that compensate for any uncertainties arising from changing economic cycles. Furthermore, it only bids in countries that are economically and politically stable and that have independent legal and judicial systems.

Financial risks are reduced by using local currency financing structures without recourse to shareholders, and construction risks by contracts with fixed prices and durations.

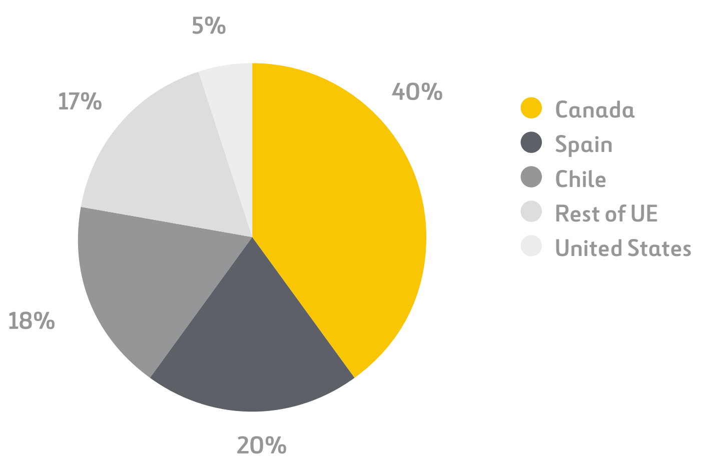
Once the projects have been incorporated into the portfolio, Cintra actively manages them throughout their lifecycle. Their value is increased by gradually reducing risks and introducing operating improvements that optimize efficiency while providing a quality service to users.

The results of this strategy can been seen in the continuous incorporation of new concessions since the founding of the company. At year-end 2010, Cintra had a portfolio of 25 concessions in Spain, Canada, the United States, Portugal, Ireland, Greece and Chile, managing over 2,900 km of toll roads with an approximate total investment of 19.5 billion euro.
The search for more attractive investment projects, irrespective of geographical location, has led Cintra to develop a strong presence outside Spain and turned the company into a truly multinational business. At year-end 2010, 80% of turnover and 84% of gross operating income came from projects outside Spain.

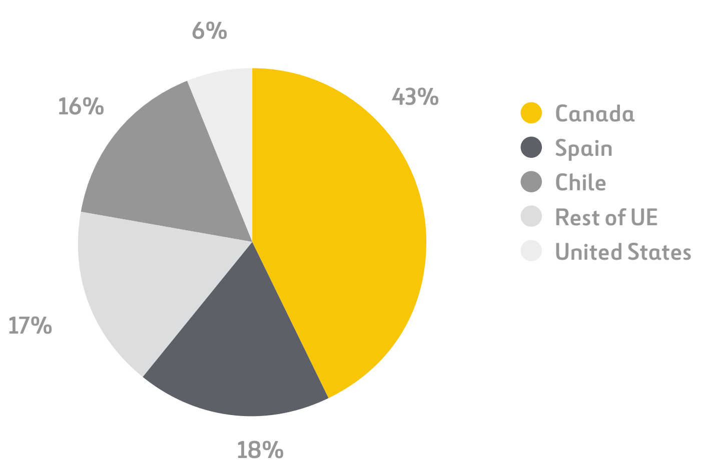
But Cintra is more than its portfolio of assets. With more than 2,240 employees, Cintra's human resources policy is designed to provide ongoing training to teams that can take charge of the management of the new concessions that the company wins every year. Thus, Cintra's success is based on acquired experience and the knowledge contributed by the human capital making up our team.

description of company toll roads

Infrastructure projects net revenues by country 2010



Infrastructure projects EBITDA by country 2010



Business performance

Cintra's performance in 2010 was influenced by the global economic situation. However, the company increased its sales by 7.2% in comparable terms to 868.4 million euro, thanks to increased traffic (+5.5%) on the Canadian 407ETR toll road. It also increased EBITDA by 7.6%, with an improvement of the margin on sales of 0.4%.

Cintra increased rates on its most important toll roads: 407 ETR, Indiana Toll Road and more recently Chicago Skyway. It also opened the M3 toll road in Ireland to traffic, its second concession in the country, and opened more than 18 kilometers of new lanes on the 407 ETR. Construction work began on the toll roads in Texas, North Tarrant Express and LBJ Express, while the SH130 is ahead of the contractual schedule.

Despite the situation of uncertainty and reduced liquidity, the company has been able to successfully access the markets to finance new projects and refinance the maturity of existing debt, thus demonstrating the markets' interest in quality assets.

It closed financing for 2.8 billion dollars for the LBJ toll road in Texas (U.S.) and refinanced debt maturing in 2010 and 2011 (800 million and 700 million Canadian dollars respectively) for the 407 ETR toll road.

With respect to its portfolio turnover, in 2010 Cintra closed the sale of 10% of the Canadian toll road 407 ETR, and 60% of its share in Cintra Chile to ISA with an option for the sale of the remaining 40%. In 2011 it closed the sale of 50% of Trados 45, S.A.

THE PROJECT PORTFOLIO:

Cintra's strategy is growth-oriented, through both winning new concessions and efficiently managing the existing project portfolio.

• New projects

The competitive environment in which the company operates has obviously undergone a substantial change in recent years as a result of the financial and economic crisis affecting most countries.

However, the current market situation also provides opportunities for developing our growth strategy. It is important to note that public finances have been affected as a result of lower tax revenue and increased spending. It would therefore be reasonable to think that governments will look for public-private partnerships to develop new projects, with an increase in tendering over the coming years.

Although uncertainty is still strong in financial markets and there is a great lack of liquidity, a slight upturn in public-sector projects can be seen in some of our target markets.

• USA and Canada:

One of the most outstanding events in the North American market over the year was not tendering for projects, but the financial closing of the LBJ toll road, making it the first project of the year in its category to achieve the necessary financing in the United States, despite the turbulence on the financial markets.

This innovative project involves rehabilitating an existing urban highway and adding new toll lanes operating a dynamic toll system that applies different rates depending on the time of day and the level of traffic on the toll-free lanes. The project will include a system of roadways on different levels, including some kilometers of underground lanes. Drivers will be given the option to avoid congestion in the general-purpose lanes.

Managed-lanes projects offer greater added value and, therefore, greater value creation potential due to the innovative technological component involved. They gives Cintra the opportunity to hold a leading position at the forefront of the industry again, with all of the competitive advantages that this implies.

With respect to tendering activity, we have been prequalified for three toll road projects on which we are working to submit bids. The first is the WxNW toll road in Atlanta, Georgia, a managed-lanes project in a state with considerable growth potential in the coming years. We hope to submit the bid after the summer.

The other two projects, for which prequalification was announced in early 2011, are the US 460 toll road in Virginia, a greenfield project for which we expect to be able to submit our bid mid-way through the year, and a new construction project in Cameron County, Texas, where we are assessing the project's viability.

We are also working on a bid for some of the remaining segments of the North Tarrant Express system. This has been carried out in parallel with the preparation of the Strategic Development Plan for the NTE system, which was part of the contract awarded to Cintra.

Finally, in Canada we were prequalified for the South Fraser Perimeter Road in Vancouver, but not selected. We are now waiting to see whether we have been prequalified for the eastern extension of the 407 in Toronto, a project in which we are obviously very interested.

• Europe:

Europe is the other traditional market for Cintra. We have been prequalified for two new projects in Ireland, both under availability payment schemes. They are the M-11 toll road between Gorey and Enniscorthy and a railroad project, the DART underground tunnel in Dublin. In both cases we are waiting for the Irish government to announce its financing capacity and priorities over the coming months.

In two other projects in Ireland for which we were prequalified, the N-11 and N-17, we did not make it to the final phase of the process.

In Spain we are continuing to analyze closely the Extraordinary Infrastructure Plan announced recently by the government, with a potential 3.2 billion euro of investment in highway concessions and a further 3 billion euro in railroad concessions (all under the availability payment scheme). A number of autonomous regions are also carefully studying the possibility of opening up various highway projects under availability payment schemes in the coming months, with a plan in Andalusia being the most imminent.

• Other markets:

Finally, in Chile we have been prequalified as bidders for the Vespucio Oriente toll road, a free-flow urban project that closes the interior beltway in the city of Santiago, for which the tendering process could take place in 2011.

Moreover, in Puerto Rico we are closely following the tendering processes for at least three highways operating under the real toll system that could be announced at the end of 2011.

Finally, as regards new markets, we are continuing to monitor countries such as India, Brazil and Mexico, although we have not taken part of any specific bidding process. The basic aim of this ongoing monitoring is to explore new investment opportunities and not to reject potentially interesting markets beforehand, although without sacrificing the basic investment principles that have been followed to date.

http://memoria2010.ferrovial.com/tollroads

description of company **toll roads**

PROJECT PORTFOLIO MANAGEMENT:
Throughout 2010, Cintra has continued to actively manage projects in its portfolio with the aim of optimizing operating efficiency while improving the quality of the service provided to users.

Activity this year has included the opening of the M3 toll road in Ireland, Cintra's second concession in the country.

The toll road offers a strategic link between the capital and the north-west. The concession has an explicit and open toll system, with two lanes each way, two mainline toll areas and six links. With a total of 50 kilometers between Clonee and North Kells, the project also includes the highway connecting Kells and Carnaross (10 km), the Kells by-pass (3.5 km) and the corresponding access highways, totaling more than 100 new kilometers of highways.

In addition, a new version of the concession contract was signed in Portugal that includes a change from the SCUT payment scheme to availability payments. Toll payments started on October 15.

In addition, the 407 ETR toll road opened more than 18 kilometers of new lanes to continue to guarantee a quick, safe and reliable journey for its users.

The new lanes, in both east and west direction, are located between the 404 toll road and Markham Road. Although officially one lane has been opened in each direction, two additional lanes have been constructed. Thanks to the investment made this year in its construction, the two additional lanes, one each way, can be put into service in the future without inconveniencing users to any significant extent.

The incorporation of new lanes in this major corridor of the highway is one of the many projects implemented in recent years on the 407 ETR toll road, which has given great service to users and improved traffic flow.

The increased traffic on this highway has been reflected in a new record for daily traffic on June 30, at 454,275 vehicles. This figure exceeds the previous record of 445,822 vehicles in October 2007.

• Asset Turnover
As part of the active management of the project portfolio, Cintra analyzes ways of generating additional resources to finance other investments with greater added value, by selling those low-risk assets that are more mature, and whose growth potential is limited as their management has been optimized.

As a result of this strategy, on October 5 Cintra reached an agreement with the Canada Pension Plan Investment Board (CPPIB) for the sale of 10% of the capital of the concessionaire of the 407 ETR toll road in Toronto (Canada) for 894.3 million Canadian dollars (around 640 million euro).

Cintra held a 53.23% stake in the company. The deal was carried out by the transfer of a Canadian subsidiary that held 10% of the concessionaire.

It generated consolidated net earnings of around 2.470 billion euro for Ferrovial from the 10% sale, as well as the valuation of the 43.23% stake it continues to hold in the company.

In addition, on September 16, Cintra reached an agreement with the Colombian company ISA for the sale of its 60% holding in Cintra Chile. The total price was approximately 229 million euro, as the deal was paid with 6.8 million Unidades de Fomento, an inflation-indexed unit of account used in Chile.

The two parties have been granted purchase and sale options, respectively, for the remaining 40% of the capital.

Finally, on July 21, Cintra concluded an agreement to sell its 50% holding in Autopista Trados 45, S.A. to the company FINAVIAS, an infrastructure fund investment vehicle owned by AXA Private Equity. The final amount of the transaction, which was closed in early 2011, was 68.3 million euro.

• Financing
Liquidity continued to be restricted in financial markets throughout 2010. Despite this, Cintra has been able to refinance and obtain financing for new projects, thus demonstrating the market's interest in quality assets, despite the instability of financial markets.

The financial operations carried out in 2010 include one by the LBJ Infrastructure Group, a consortium headed by Cintra, which successfully completed the 2.8 billion dollar (2.260 billion euro) financing of the LBJ toll road (IH-635) in Texas (U.S.).

The project was financed from four sources. The first was the issue of private activity bonds (PAB) on June 15, through which LBJ placed 615 million dollars on the US municipal bond market. Despite the difficult current conditions on the financial markets, this operation has been well received by investors. The Texas Department of Transport (TxDOT) made a contribution from public funds of some 496 million dollars to the project. The project also had a TIFIA loan from the federal government for 850 million dollars. Finally, the three partners in the LBJ project, Cintra (51% of the capital), Meridiam (42.4%) and the Dallas Police and Fire Pension System (6.6%) provided capital of nearly 665 million dollars between them, in proportion to their holdings.

The highway, run on a managed-lanes toll scheme, is 21.2-kilometer long. It is located in the metropolitan area of Dallas, with a concession period of 52 years. The new project covers the construction, upkeep, management and financing of the highway, and will come into service in stages between 2013 and late 2015.

The 407 ETR toll road made use of the financial market with great success to refinance debt maturing in 2010 (800 million Canadian dollars) and 2011 (700 million Canadian dollars).

STRATEGY IN 2011:
The consequences of the financial and economic crisis can be summed up as a tightening of liquidity coupled with more expensive own and third-party financing.

However, the current financial conditions also present opportunities, as they will be reflected in asset prices. Public authorities will limit their expectations and only put the most attractive assets up for tender.

As a result, the new projects will be sounder and more robust. They will be put up for tender with more attractive returns, including the aforementioned increases in the cost of financing. Additionally, financial leverage will be more limited. This will increase future upsides, once the financial markets return to normal.

To sum up, it could be said that the new economic situation will lead to an increase in competitive tendering, with new projects being attractive and offering greater returns.

In Europe, Cintra is working on the Extraordinary Infrastructure Plan in Spain and closely monitoring tender processes in Ireland, as well as planning projects in the United Kingdom.

In North America, after the successful financing of the North Tarrant Express and LBJ, the managed-lanes model is expected to predominate in future public tenders.
These kinds of projects present a number of advantages. First, they solve a real problem, as the biggest congestion points are near the major cities, where there is no room to build new infrastructures. Thus the most viable alternative is to extend the capacity of existing infrastructures. In addition, as work is carried out on an existing corridor, it is much easier to receive environmental approval, thus making the tender process simpler.

Cintra expects some future opportunities to materialize in states with the biggest potential for projects of this type, such as Georgia or California, as well as new opportunities in traditional states such as Texas, Virginia and Florida.

In Canada, Ontario and British Columbia are the most active provinces and Cintra expects to bid for at least one project in the country in 2010.

• 2011 Goals
Our goal for the next few years is to continue developing our profitable growth strategy through the efficient management of our project portfolio and the search for the best investment opportunities.

With regard to our current concession backlog, we will focus our activity on:

Making progress in the construction and entry into service of the seven toll roads we are developing: the North Tarrant Express and LBJ, as well as segments 5&6 of the SH-130, in the United States; the Central Greece and Ionian toll roads in Greece; the SCUT Azores in Portugal; and the M-203 in Spain.

Continuing to actively manage the remaining assets in operation to optimize efficiency and provide a quality service to users.
As for the incorporation of new assets, in spite of the changes caused in our competitive environment by the financial crisis, which has caused a reduction in liquidity and an increase in the cost of financing, current market conditions also offer opportunities to continue developing our growth strategy.

Currently, investment opportunities of greater added value are focused on greenfield projects, where we must use our competitive advantage to create leverage with both financial partners and government. This will allow us to reduce our own capital contributions and thus continue to bid for new projects.

Moreover, this growth strategy requires having the funds needed to make the most of new investment opportunities when they arise.

Traditionally, one of the main sources of financing has been the re-leveraging of our asset portfolio. However, the current conditions on the financial markets have made this option almost impossible, or at any rate severely limited it.

Accordingly, Cintra analyzes ways of generating additional resources from the sale of those low-risk assets that are more mature, and whose growth potential is limited as their management has been optimized.

To sum up, we continue to believe that the development of our profitable growth strategy, particularly focused on investment in greenfield projects of greater added value, combined with a policy of selective turnover of mature assets, represents a key to consolidating our position as a leading company in the infrastructure sector.

Canadá

407 ETR Toll road

- Alternative route for one of the busiest corridors in the whole of North America.
- All-electronic, barrier-free toll system (freeflow). Allows a very high volume of traffic flow without stopping or slowing.
- Toll rate freedom: ability to increase rates freely without making any payment to government, provided traffic is maintained above a certain minimum threshold. The system optimizes the concessionaire's revenue and adjusts toll rates to the time saving offered by the highway.

407-ETR figures

108 km
€ 3.367 billion investment managed
43.2% stake
2098 end of concession period


Photo: Toll Road 407-ETR, Toronto, Canada.

description of company **toll roads**

United Statesy

Segments 5&6 SH-130 :

- The SH-130 toll road is an alternative to the congested I-35 in the San Antonio to Austin corridor.
- Segments 5 (18.7 km) and 6 (45.3 km) run from south-east Austin (at the junction with the SH45) to the city of Seguin at the intersection with the IH10, which connects Houston and San Antonio.
- Segments 1 through 4 are run by the Tx-DOT. The first two segments entered into operation at the close of 2006, segment 3 in September 2007 and the last at the end of April 2008.
- Toll collection is 100% freeflow with no barriers.
- Tolls are updated annually in accordance with the nominal per capita GDP of the State of Texas.
- Revenue is shared with the state according to a system of traffic bands.
- Compensation for competing infrastructures along a 10 mile corridor.
- Compensation in the event of an increase in the speed limit on the I-35.

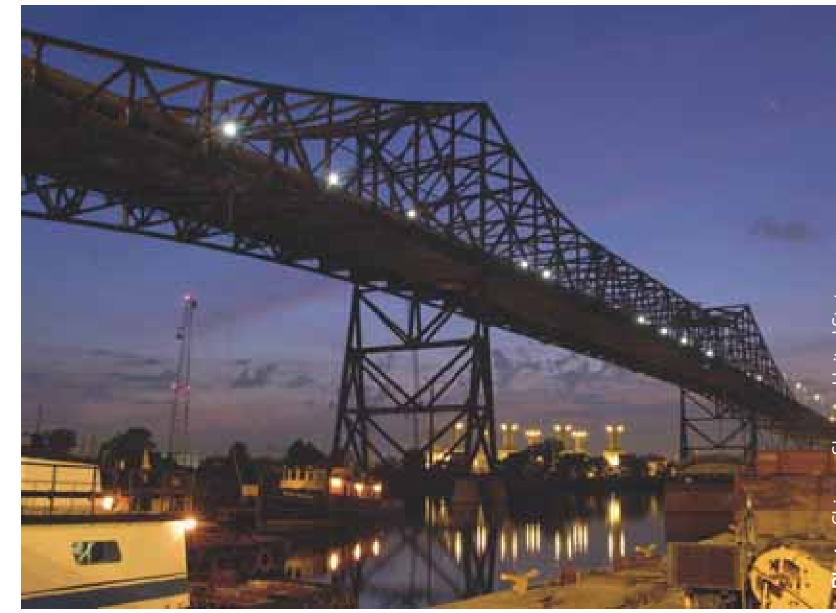


Photo: Chicago Skyway, United States.


Photo: Indiana Toll Road, United States.

Chicago Skyway

- Provides an alternative to a highly congested corridor connecting Chicago with a major residential and leisure area.
- Rate system that allows rate increases above the rate of inflation: rate increases under the contract in alternate years to 2017. Starting in 2018, an annual increase of 2%, the consumer price index or nominal per capita GDP, whichever is highest.

Indiana Toll Road

- Two different sections:
  - Western Section, 37 km long with open toll system which connects with the Chicago Skyway. It provides an alternative to a highly congested corridor.
  - Eastern section, 217 km of ticket system toll road to the Ohio state line. It is part of the main route linking Chicago and the Mid-West with New York and carries heavy freight traffic.
- Very attractive toll plan with increases above inflation:
  - In 2010, an increase amounting to 2%, the CPI or nominal per capita GDP over the previous four years, whichever is highest.
  - Starting in 2011, an annual review, amounting to 2%, the CPI or nominal per capita GDP, whichever is highest.

NTE highway

- The contract covers the refurbishment of the existing highway and the construction of managed toll lanes, as well as the maintenance and management of both.
- The length of the North Tarrant Express highway is 21.4 kilometers (13.3 miles). It is located at the major Dallas-Fort Worth hub, one of the most congested in the United States. The project is divided into two segments of 10.3 kilometers (6.4 miles) and 11.1 kilometers (6.9 miles).
- The NTE Mobility Partners consortium, led by Cintra, began to build the road at the end of 2010 and it is expected to enter into service in 2015. The concession period is 52 years.
- The NTE will include an electronic, barrier-free toll system to assure a high level of service and free-flowing traffic.
- Rates are dynamic and may be changed every 5 minutes to ensure a minimum speed of 50 miles per hour.

LBJ highway

- This contract covers the construction, maintenance and management of 27.4 kilometers (16.8 miles) of the Lyndon B. Johnson (LBJ) Expressway, specifically the section located between the interstates IH-35E and US-75, and the interstate IH-35E, between Loop 12 and LBJ, in the north of Dallas, Texas.
- Construction began at the end of 2010. The first section is planned to open in 2013, and the whole will be fully in operation in 2015.
- The LBJ will have 13 miles of dedicated toll lanes, up to 3 each way. They will have an advanced toll system that will automatically identify vehicles without the need to reduce speed (freeflow).
- Rates are dynamic and may be changed every 5 minutes to manage traffic volume and ensure a minimum speed of 50 miles per hour.

SH -130 Segments 5&6 figures

64 km
€ 1.022 billion investment managed
65.0% stake
2062 end of concession period

Chicago Skyway figures

12.5 km
€ 1.440.8 billion investment managed
55% stake
2104 end of concession period

Indiana Toll Road figures

252.6 km
€ 2.921 billion investment managed
50% stake
2081 end of concession period

NTE figures

21.4 km
€ 1.572 billion investment managed
56.67% stake
2061 end of concession period

LBJ figures

27.4 km
€ 1.981 billion investment managed
51.0% stake
2061 end of concession period

Spain

Alcalá-O'Donnell toll road (M203)

- Located in a highly congested area, above all in the area of Alcalá de Henares.
- The toll road will significantly improve access from the Henares corridor to the center and south of Madrid, by creating a new alternative to the A-2.
- Toll rates are inflation-indexed.
- The duration of the concession period may be extended by one year, depending on the accident rates.

Autema highway

- In 1999, the concessionaire reached an agreement with the regional government of Catalonia whereby, in exchange for substantial rate reductions (considered in the public interest), the government would pay the company the shortfall in the operating revenue under the Finance Plan approved by Decree 137/1999, of May 18, plus an adjustment for higher operating expenses due to increased traffic caused by rate reduction.
- Toll rates are inflation-indexed.

Photo: Toll Road M-45. Madrid. Spain.

http://memoria2010.ferrovial.com/tollroads

Ausol I highway

- A highway in one of the corridors with the biggest demographic growth rates in Spain.
- Rates vary according to the time of year, with high season being during the summer months and at Easter.
- Alternative route to a highly congested semi-urban corridor.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

Ausol II highway

- A highway in one of the corridors with the biggest demographic growth rates in Spain.
- Rates vary according to the time of year, with high season being during the summer months and at Easter.
- Alternative route to a highly congested semi-urban corridor.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

Madrid Sur (R4) toll road

- An alternative access route to Madrid in a highly congested corridor.
- Runs through a major urban development area.
- Connects with the Madrid-Levante toll road, thus completing a 190 km toll link between Madrid and the East coast of Spain.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

Madrid-Levante toll road

- Route between Madrid and the East coast that offers an alternative to the A-3 and N-301 in a corridor with high traffic levels and congestion problems. On its entry to Madrid, the toll road connects directly with the R-4, which is also operated by Cintra.
- The concession period may be extended for a further four years if certain service quality conditions are met.
- Toll rates are inflation-indexed, with an adjustment if traffic exceeds established thresholds.

Trados 45 (M45) toll road

- Traffic risk is limited due to the system of bands used in shadow tolls. At present, the toll road has traffic levels that are nearing the threshold at which the concessionaire obtains maximum revenue every year.
- Toll rates and the maximum payment are inflation-indexed.
- At the start of 2011, Cintra completed the sale of all its stake in Trados 45.

Alcalá-O'Donnell (M203) figures
12.3 km
€ 69.5 M investment managed
100% stake
2035 end of concession period

Autema figures
48.3 km
€ 233.1 M investment managed
76.3% stake
2036 end of concession period

Ausol I figures
82.7 km
€ 540.8 M investment managed
80% stake
2046 end of concession period

Ausol II figures
22.5 km
€ 220.6 M investment managed
80% stake
2054 end of concession period

Madrid Sur (R4) figures
97.2 km
€ 1.118.8 billion investment managed
55% stake
2065 end of concession period

Madrid-Levante figures
182.8 km
€ 540.8 M investment managed
51.84% stake
2040 end of concession period

Trados 45 (M45) figures
14.5 km
€ 221.3 M investment managed
50% stake
2029 end of concession period

Chile

In September 2010 the sale of 60% of our stake in Chile was sold to the Colombian company ISA.

The two parties have been granted purchase and sale options, respectively, for the remaining 40% of the capital.

Temuco - Río Bueno toll road

- Toll rates are inflation-indexed, plus a road safety premium of up to 5%.

Santiago – Talca toll road

- Toll road run under the revenue distribution system whereby the concessionaire is guaranteed the NPV of future revenue through an extension of the concession period until the guaranteed level is reached, in exchange for carrying out additional construction work.
- Toll rates are inflation-indexed, plus a road safety premium of up to 5%.

Talca – Chillán toll road

- Toll road run under the revenue distribution system whereby the concessionaire is guaranteed the NPV of future revenue through an extension of the concession period until the guaranteed level is reached, in exchange for carrying out additional construction work.
- Toll rates are inflation-indexed, plus a road safety premium of up to 5%.

Ruta del Bosque toll road

- Toll road run under the revenue distribution system by which the concessionaire is guaranteed the NPV of future revenue through an extension of the concession period until the guaranteed level is reached, in exchange for carrying out additional construction work.
- Toll rates are inflation-indexed, plus a road safety premium of up to 5%.

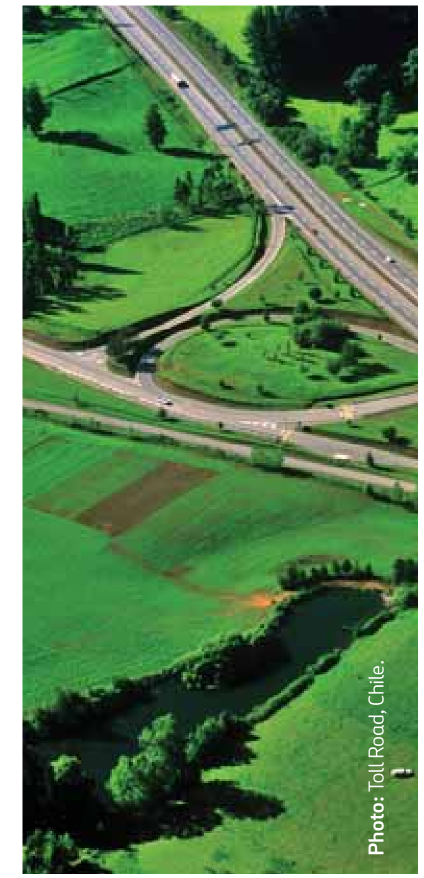
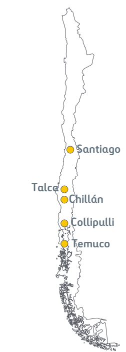


Photo: Toll Road, Chile.

- Bought using the concessionaire's own debt, without Cintra capital.

Collipulli – Temuco toll road·

- Toll road run under the revenue distribution system whereby the concessionaire is guaranteed the NPV of future revenue through an extension of the concession period until the guaranteed level is reached, in exchange for carrying out additional construction work.
- Toll rates are inflation-indexed, plus a road safety premium of up to 5%.



Temuco-Río Bueno figures
171.7 km
€ 162.2 M investment managed*
30% stake
2023 end of concession period

Santiago-Talca figures
265 km
€ 747.6 M investment managed*
40% stake
2024 end of concession period

Talca-Chillán figures
193 km
€ 200.1 M investment managed*
27.04% stake
2015 end of concession period

Ruta del Bosque figures
160 km
€ 267.6 M investment managed*
40% stake
2021 end of concession period

Collipulli-Temuco figures
144 km
€ 203.9 M investment managed*
40% stake
2024 end of concession period

(*) Valor a 31/12/2009. En 2010, Cintra no computa las autopistas chilenas en el total de su Inversión Gestionada debido al proceso de venta.

http://memoria2010.ferrovial.com/tollroads

description of company **toll roads**

Portugal

Euroscut Azores toll road

- Shadow toll road (in Portuguese, SCUT: Sem Cobrança ao Utilizador) under which payment is made not by the highway users, but by the authority granting the concession.
- High capacity road system which will significantly improve the road network in the central and eastern parts of the island of San Miguel.
- The concession is divided into three sections:
  - The South road of 35.4 km, connecting the airport and the largest city with the south of the island.
  - The North-South road of 33.7 km, which improves the connection between the two main towns on the island.
  - The North-East road of 24.6 km, which will improve connections between the less developed towns on the island.
- The toll rates are applied under a system of varying rates divided into traffic bands: the first most common band applies an intermediate toll rate (neither the highest nor the lowest); the second band applies the lowest toll rate; and the third band applies the highest. Most of the revenue comes from the first band. Traffic above a certain threshold does not pay tolls.
- Toll rates are linked to the consumer price index for the Azores.
- Collection of the toll rates starts on completion of construction, but not before four years following the signing the Concession Agreement.
- The contractual date for the highway's entry into service is December 15, 2011.

Photo: Toll Road Euroscut Azores, Portugal.

Euroscut Algarve toll road

- Shadow toll road (in Portuguese, SCUT: Sem Cobrança ao Utilizador).
- Traffic risk mitigated by a system of traffic bands and rates paid via shadow tolls: a decreasing toll rate is applied per vehicle in three traffic bands as the traffic increases, until it reaches a threshold above which the rate is zero. The system results in less risk for the concessionaire since, as the highest toll is the one applied in the first traffic band, this brings in the most revenue when traffic levels are low.
- Toll rates are indexed using the consumer price index for mainland Portugal.
- Negotiations are underway for the possible change of the concession model to a real toll system in 2011.

Auto-Estradas North Coast toll road

- Highway run on an availability payment system since June 2010. The payment is collected through a manager (Vialivre)
- Payment calculated by the number of days on which the highway is operating, with penalization for lane closures.
- Daily rates are indexed according to the consumer price index for mainland Portugal.

Vialivre

- A manager that runs a fully electronic payment system without the need for toll barriers (freeflow) on a section of the North Coast highway.
- Payment based on two components:

  (i) Two availability payments: one to offset investment in ITS equipment (CAPEX) and the other to compensate for indirect costs, including profit.

  (ii) An amount per transaction (depending on the number of transactions) to offset direct costs.
- Negotiations are underway with the government to extend the North Coast section subject to payment (currently the first 47 kilometers)
- This company will also manage the Euroscut Algarve toll road starting in 2011.

Euroscut Azores figures

93.7 km
€ 405.3 M investment managed
89.0% stake
2036 end of concession period

Euroscut Algarve figures

129.8 km
€ 274.2 M investment managed
77% stake
2030 end of concession period

Euroscut North Coast figures

119 km
€ 358.9 M investment managed
75.53% stake
2031 end of concession period

Vialivre figures

47.4 km
84.04% stake
2012 end of concession period
(extendible to 2031)

http://memoria2010.ferrovial.com/tollroads

Grecia

Ionian Roads highway

- Two separate sections of toll road:
  - Pathe Section: 172.5 km already in operation + 11.0 km to be built by the State. The section starts in Athens and runs north to Lamia.
  - Ionian Road section: 159 km of new construction by the consortium, plus 10.5 km already transferred, plus 26.9 km to be built by the State. The toll road will run along the coast of the Ionian Sea from Patras to Ioannina in the north.
- Toll rates are inflation-indexed.
- Government subsidy (European funds): 360 million euro.
- The Pathe section is a corridor with heavy traffic, especially on the existing section closest to Athens (ADT approx. 80,000 vehicles).
- Operation of the existing section will provide substantial revenue during the construction period, thus reducing the need for financing.
- Revenue-sharing with the government if certain traffic or IRR thresholds are exceeded.
- Cintra nominated the CEO of the concessionaire.
- Concession commencement date: December 19, 2007.

Central Greece toll road

- The toll road is divided into two sections:
  - The first, known as Central Greece, is 174 km long and has been built entirely by the consortium.
  - The second, running 57 km adjacent to the foregoing, has been or will be built by the Greek government and subsequently transferred to the concessionaire.
- Toll rates are inflation-indexed.
- Government subsidy (European funds): 518 million euro at the construction phase, as well as 1.5 billion euro operational subsidy.
- Cintra nominated the CEO of the concessionaire.
- Concession commencement date: March 31, 2008.

Ionian Roads figures
379.5 km
€ 1.100 billion investment managed
33.34% stake
2037 end of concession period

Central Greece figures
231 km
€ 1.450 billion investment managed
33.34% stake
2038 end of concession period

Foto: Toll Road in Greece.

description of company **toll roads**

Irlanda

M3 toll road

- The toll road runs 50 km between Clonee and North Kells, to the north-west of Dublin.
- Toll rates are inflation-indexed annually.
- Revenue-sharing with the government if certain traffic thresholds are exceeded.
- The concession agreement establishes guaranteed minimum traffic levels. The Irish government has to pay the concessionaire compensation if traffic falls below the established minimum levels.
- Opening: June 4, 2010.
- Electronic toll system that is interoperable with the rest of the toll roads in Ireland.

Eurolink (M4-M6) toll road

- This 36 km section is part of the East-West (Dublin-Galway) corridor, one of the busiest in Ireland. Currently the corridor has been refurbished to divided highway/toll road standard along its entire length (200 km).
- Toll rates are inflation-indexed annually.
- Revenue-sharing with the Government if certain traffic thresholds are exceeded.
- Electronic toll system that is interoperable with the rest of the toll roads in Ireland.

M3 figures
50 km
€ 544.1 M investment managed
95.0% stake
2052 end of concession period

Eurolink (M4-M6) figures
36 km
€ 336.4 M investment managed
66% stake
2033 end of concession period

Foto: Eurolink M4. Dublin. Ireland.

http://memoria2010.ferrovial.com/tollroads

Aparcamientos

Serranopark

- Serranopark is a company that manages three car parks in Serrano street, Madrid, on a concession basis.
- There are 3,297 parking spaces in all in the three car parks: 947 for the general public and 2,350 for residents.
- Although two of the car parks were opened early in December for the general public, the residents' parking spaces began to be granted starting in January 2011, and the three car parks will be fully operational on March 11, 2011.

Serranopark figures

3,297 parking spaces
€ 121.9 M investment managed
50% stake
2048 end of concession period

Photo: Parking Serrano Park. Madrid. Spain.

Photo: Construction of the Euroscut, Azores, Portugal.

construction

International business represents 53% of the construction company's sales.

The construction business had revenue of 4.5251 billion euro, with an order backlog of 10.1857 billion euro, an all-time high for the company, and equivalent to 27 months of guaranteed production at current levels.

In 2009 for the first time in history the international order backlog was larger than the national, and in 2010 this proportion has increased still further. The international order backlog is now 64% of the total, international revenue 53%, and operating earnings 52%, while 100% of pre-tax operating cash flow has been generated outside Spain. The current year has confirmed the trend for the proportion of international business to increase in the Construction division. This trend will be irreversible in the future.

In a year that was particularly difficult for Spain, this strategic international expansion has meant that there has been growth in sales and operating earnings, but above all in the order backlog (up 16%), which stood at an all-time high of 11.444 billion euro in June.

The internationalization process has also been key for achieving pre-tax operating cash flow of 373 million euro, far beyond the most optimistic expectations. The accumulated cash flow generated by the division over the last 3 years has been nearly 1.250 billion euro, an exceptional figure at a time of crisis such as the present.

FERROVIAL AGROMAN

This is the flagship company of the Group's Construction division. It is active in all areas of civil engineering, building and industrial projects.

In 2010, Ferrovial Agroman recorded revenue of 1.997 billion euro in Spain with an order backlog totaling 3.1808 billion. Revenue from international activities totaled 890.7 million euro, with an order backlog at the close of the year totaling 3.2227 billion.

CADAGUA

This Ferrovial subsidiary is active in the engineering and construction of water and waste treatment plants. It is the Spanish market leader in its industry and has prestige at an international level. Revenue in 2010 totaled 141.6 million euro with an order backlog at the close of the year totaling 509.8 million euro.

BUDIMEX

Budimex is Poland's largest construction company in terms of business volume and stock market capitalization. It has been a Ferrovial subsidiary since 2000. The company is involved in all types of civil work, building, industrial and real estate projects. Revenue in 2010 totaled 1.0145 billion euro with an order backlog at the close of the year totaling 1.7432 billion.

WEBBER

Webber is the largest contractor of transport infrastructures in Texas (United States). It specializes in civil work and is the leading producer and distributor of recycled aggregate. It was acquired by Ferrovial in 2005, and recorded total revenue in 2009 of 490.2 million euro, with an order backlog at the close of the year totaling 1.5293 billion.

BUSINESS DEVELOPMENT

Construction activity continues to be a strategic commitment for Ferrovial, not only because of its solid historical growth and profitability, but also for its ability to generate the cash flow needed to ensure the continuity of the diversification processes and the Group's international expansion.

Ferrovial's core objectives in the Construction division are:

- Consolidation of its position among the industry leaders and business growth based on:

• Using its international presence in markets selected for their stability and growth potential.
• Collaborating closely with the Group's investment-oriented companies that are global leaders in their activities. This collaboration has been successful for both parties for many years.
• Strengthening our presence in businesses in which Ferrovial Agroman still has potential for growth.
• Participating in projects linked to private funding formulas both nationally and internationally, provided they meet the risk-return requirements for investment in the current market environment.
• Meeting customer needs in quality, environmental management, sustainability.

- Maintenance of current levels of profitability, which are high given the competitive environment in Europe, by:

• Carefully selecting contracts, prioritizing profitability rather than volume.
• Closely controlling credit with private clients.
• Capitalizing on opportunities and synergies through greater coordination between the various construction business lines and the Group's other activities.
• Creating value and competitive advantage through technical solutions and capabilities.
• Improving productivity through the introduction of new management technologies.
• Ensuring a tight, flexible and value-added structure.

- Giving growth targets secondary importance to the generation of cash flow by targeting projects that are not investment intensive and maintaining strict oversight of the management of working capital from job to job.

Achievement of the above objectives is based on day-to-day business management as well as the implementation of the strategic guidelines by each of the business areas, specifically:

- Implementing very specific improvements to adapt to market developments in the successfully competitive Spanish construction business: public-private partnerships, increased competition and reduction of the market for traditional public work, recession in the real estate market, risks of default by private clients, etc.
- Increased activity in the industrial construction areas, particularly via internationalization and penetration into new industrial construction activities other than water treatment
- Growth in the international construction business without increasing risk by:

• Continuing the commitment to Eastern Europe through Budimex, strengthening its presence in all construction sectors and maintaining collaboration and exchange of know-how with other Group companies.
• Boosting what are already important activities in the American markets through collaboration with Cintra and entry into new markets of interest
• Focusing on the use of the growing presence of other divisions of the Group in the UK to boost construction activity in this market.
• Maintaining a stable structure in other low-risk countries where Ferrovial has significant experience: Portugal, Ireland, Chile, Puerto Rico...
• Entering new markets with growth potential with other investment-minded companies in the Group, mainly Cintra, and with a commitment to remain if market conditions permit.
• Participating in major international projects in countries offering legal security, without the participation of the Group's investment companies, following an in-depth analysis of the risks involved.

A.1. Construction in Spain

After a prolonged period of growth in the construction sector in Spain, 2010 was the third consecutive year of contraction in activity, with total output declining around 11% over 2009. However, construction investment in 2010 in Spain still accounted for 13% of GDP.

Until 2009, the main cause of declining investment in the sector was exhaustion of the growth cycle in housing investment, which since the early 1990s had been in an expansionary phase that was particularly intense during the 2002-07 period. Housing closed 2010 with a major fall in investment of around 15%, and hit a new low in the historical series since the 1980s in terms of housing permits, which at the close of 2010 numbered around 125,000 (147,000 in 2009).

However, unlike in previous years when public investment partly mitigated the fall in the private sector, in 2010 there was a contraction in government investment as well. Forecasts for the end of 2010 indicate that civil work has fallen over the year at a similar level to that of construction as a whole, around 10%. As a result of the plans to contain the central government deficit announced in January and May 2010, the biggest civil work investors in the country, the Ministry of Public Works and the Ministry of the Environment, have slowed the execution of a number of contracts, rescinded others that had already been awarded and planned major cuts in investment for 2011. Something similar has occurred in the autonomous regions and local authorities, and this process will intensify following the regional and local elections in 2011. The fall in public investment has occurred despite the non-recurring 5 billion euro allocated by the government to the Municipal Investment Fund, which continued in 2010 with the Plan-E of 2009, when investment amounted to 8 billion euro.

Forecasts for the sector in 2011, according to reliable sources such as the consensus estimates of the Savings Bank Foundation, the European Commission and the Bank of Spain, are for a reduction in activity of around 6-7%. For the first time in recent years, the fall in activity is expected to be greater in all the other types of works as a whole than in housing. These forecasts are backed by the fall in public tenders of around 32% in 2010 on the previous year, though this will be partly offset by the order backlog of construction companies, which are still at reasonable levels.

Given these tough forecasts, the sector is relying on a speedy implementation of appropriate actions in public-private collaboration. These include the central government's Strategic Infrastructure Plan (PEI) and various regional government plans, such as the Transport Infrastructure Sustainability Plan (PISTA) of the regional government of Andalusia. These projects will undoubtedly have a stabilizing influence on the sector in the short term, and have numerous advantages for the government, particularly at a time of budget pressures such as the present.

A.2. International Presence

The strong international component of Ferrovial Agroman's activities has fully offset the reduction in construction activity in Spain. Ferrovial's positioning is geared to carefully selected markets: with future expansion in mainly civil work, such as Poland; with less exponential but stable growth and a significant investment deficit in infrastructure, such as the state of Texas; and other countries, most notably the UK, Greece and Ireland, working with Ferrovial investment companies.

Other markets where the company has a stable position through Ferrovial Agroman, such as Puerto Rico and Portugal, will continue to be key markets for the future. In addition, ambitious organizational changes have been carried out recently in the international area. They aim to tackle new markets of interest in which the division is planning to work with Cintra, as well as major international projects without the participation of the Group's investment companies in markets such as the Middle East, Australia, Canada, etc., where a stable structure is already in place, or there are plans to create one. The plans in these markets will involve projects that compete against major international and local groups. They will be studied on a case-by-case basis, and a decision to proceed will only be taken if Ferrovial Agroman's know-how is considered to provide a competitive edge.

A.3. Poland

The Polish market, where Ferrovial operates through Budimex, the country's leading construction company, is the largest construction market in Eastern Europe. It is growing at present and has prospects for an even more attractive future. According to European Commission data, growth in 2010 was about 4% in real terms. This growth has been mainly the result of civil work, although it was undermined by bad weather, and there was also some slowdown in building investment. The forecasts for 2011 and 2012 are for real market growth of over 7%, significantly higher than the 3-4% GDP growth predicted for the future.

• The civil works market will be the main motor in Poland, with double digit medium-term growth driven by the availability of guaranteed structural and cohesion funds, of which Poland is the main beneficiary over the 2007-13 period (approximately 57 billion euro). The rate at which the funds allocated to infrastructure for this period have been used is positive, with around 50% already earmarked for contracts that have been awarded, particularly for road and environmental projects. The first clearly defined milestone for applying these funds has already been established, in the form of the infrastructures needed for the Euro 2012 soccer championship. With respect to industrial construction, the investments needed to secure the energy supplies that the country needs will also be very high, with forecasts to 2015 in both the power grid and energy production plants reaching nearly 30 billion euro.

• Commercial building construction should also perform well. In addition to transport infrastructures, Euro 2012 is also acting as a motor for the public sector and private investors to invest in buildings, hotels and sports facilities and all the other support structures needed to take full advantage of the economic and media impact that this event will have for Poland. These investments are estimated at over 2.5 billion euro.

• In 2007, Poland reached a peak in new housing permits, at nearly 250,000 units, more than double the figure just two years earlier. In 2010 the number of permits was around 175,000 homes, very similar to the figure of 179,000 in 2009, but the business was still suffering from the limited lending facilities available from banks and some over-supply. Based on market developments in 2010, projections for 2011 are for investment in housing construction to remain at similar levels, but with a rise in the number of new housing permits.

description of company **construction**

Nevertheless, the effects of the international economic crisis will result in a lower rate of growth in building construction, although this is expected to be less serious in Poland. The main reason for this is the slowdown in foreign investment in the country, although it is less marked than in other countries in the area, and a recovery is already expected in 2011. The organizations promoting foreign investment in Poland estimate that it will not return to pre-crisis levels at least until 2014.

A.4. United States

In the U.S. the current investment in land transport infrastructures is financed largely through federal spending. The national SAFETEA 2004-09 program invested an estimated 286 billion dollars, a 38% increase over its predecessor (TEA-21). The SAFETEA funds were extended over 2010-11, given that the new investment framework for land transport infrastructures does not have a clear date for approval, due to the budget difficulties in the country and the division of political power between different levels of government and legislative bodies. Although as of now there have only been proposals from various advisory committees to the government and associations involved, all of them agree that the budget of the previous plan should be considerably extended, and that this need must be tackled from the point of view of financing capacity and methods. One of the proposed sources of funding is the use of PPPs, in which Ferrovial has extensive experience with Cintra.

Ferrovial Agroman and Cintra have a strong focus on major concessions throughout the United States, in addition to having a leading role in the state of Texas (the second largest construction market in the US and the second largest recipient of SAFETEA funds) through Webber, which specializes in civil work and the production of recycled construction aggregate. The Obama administration endorsed the need to address the country's serious transport infrastructure deficit through the American Recovery and Reinvestment Act (ARRA), approved in 2009. It had a budget of 48 billion dollars of federal funds for transport and is acting as a bridging scheme and an incentive for the sector until the new TEA is finally approved. It is estimated that more than 50% of the investment allocated through the ARRA has been executed before the end of 2010. Other future opportunities for the construction sector are based on:

- A new infrastructure plan in addition to ARRA, announced in July 2010 by the Obama administration, which planned for a budget of 50 billion dollars, but is still under discussion by the US authorities due to its fiscal impact;
- The High-Speed Train program, for which President Obama has recently announced that he wants a six-year investment plan of 53 billion dollars, with 8 billion dollars of federal funds so far assigned from the ARRA; Despite the fact that some of the projects are at an advanced stage of development, such as the Tampa-Orlando line (pending a final decision) or the California HSR system, discussions are still underway between the different public authorities involved with respect to the capacity to finance such high levels of investment at the present time.

A.5. United Kingdom

Ferrovial Agroman created a new department in the United Kingdom in 2007 in order to serve the British market directly. The Ferrovial Group's strong orientation toward the UK market, with the acquisitions in recent years of Amey and particularly BAA, means that it makes sense for the Construction division to devote specific attention to these clients, as well as any other opportunities that may arise in this market, which is one of the largest in Europe.

Ferrovial's activity in the United Kingdom has continued to grow throughout 2010. Over the coming years this growth will be exponential, thanks to contracts already awarded in early 2010, including what is a key project for the future of BAA: the design of the new Heathrow East Terminal for approximately 900 million euro as part of a consortium with Laing O'Rourke, one of the leading construction companies in the country. At the start of 2011 two contracts were awarded for the CrossRail project to a consortium made up of Ferrovial Agroman, BAM Nuttall and Kier Construction for nearly 600 million euro.

CONSTRUCTION IN SPAIN

The Construction division in Spain operates in all areas of civil work and building construction. In civil engineering, the division designs and builds all kinds of infrastructures: roads, railroads, hydraulic, maritime, hydroelectric, industrial works, etc. The division also has wide-ranging experience in commercial and residential building construction.

Turnover reached 1.9970 billion euro, with an order backlog totaling 3.1808 billion euro, a fall of 18% and 14% respectively over the previous year, and in line with the performance of other major companies in the market. The reduction of the order backlog and sales basically reflect the difficult situation of the market for private construction and, since 2010, public works as well. Despite these falls, the adaptations made to the structure and the strict profit-geared contracting criteria have maintained net operating margin slightly above 4.0%, in a favorable environment that is increasingly similar to the European. Future expectations of maintaining similar levels of profitability in Spain are favorable, thanks to the large proportion of public works in the company's order backlog, its low default levels and the continued efforts made to align the sales structure with business reality.

A number of major contracts were won in 2010, despite strong competition. They include major works such as access to the new airport terminal in Barcelona (221 million euro in a 40% joint venture) for SEITT; access to Sagrera station (189 million euro in a 38% joint venture) for ADIF; and others such as the container terminal at the El Prat loading bay (90 million euro in a 60% joint venture) for the private client Tercat, which prove our competitiveness with this kind of customers. Other important works with budgets of over 50 million euro are the Andoain-Urnieta high-speed rail link for the Basque regional government (64 million euro in a 50% joint venture) and the Etxebarri flood reservoir for Consorcio de Aguas de Bilbao Bizkaia (53 million euro in a 60% joint venture).

There have also been numerous official openings, including: the new Malaga Airport Terminal inaugurated by the King and Queen of Spain; the Bens WWTP in La Coruña; the partial opening of the underground parking garage in Serrano street in Madrid; works forming part of the opening of the Madrid-Valencia AVE high-speed railroad line, such as the Villar-Fuentes and Cuenca-Gabaldón sections; and major non-residential buildings such as the penitentiary in Figueras, the Rafael del Pino sports complex in Toledo, and the restoration of the San Telmo palace in Seville.

The main projects that received awards in 2010 were the Montabliz viaduct, the highest in Spain and the sixth highest in Europe, at 145 meters in height and 721 meters in length, which provides a technical solution that respects the environment. It was completed in 2008 and received the Segovia Aqueduct Prize, as well as the Outstanding Concrete Structures award. Also receiving awards were the works in the Arte Sacro business park (Bauwelt Architecture Prize) and the Abroñigales collector, which received a special mention from the Madrid delegation of the Civil Engineers' Professional Association.

D. INTERNATIONAL CONSTRUCTION

Outside Spain, the international construction division also operates in all areas of civil works and building construction. The division operates with local presence through subsidiaries such as Budimex in Poland or Webber in the State of Texas in the US, as well as through stable local offices in countries that are considered of strategic interest such as the UK, Ireland, Italy, Portugal, Chile, Puerto Rico, Greece and the United States.

In 2010 revenue was 2.3954 billion euro, a 25% increase on the previous year, with growth of over 15% in all three business divisions. Of particular note is the good level of new contract awards, which brought the order backlog to 6.4952 billion euro (not including Cadagua's international order backlog). This figure now represents 64% of the total order backlog. The international backlog was up 42%, with a growth of over 35% in the three business divisions.

The net operating margin improved in 2010 to 4.1%, thanks to Budimex gradually reaching a level of profitability in line with expectations and the improved profitability of Webber. The trend for improvement is expected to continue in the future.

Major contracts include the LBJ highway in Texas, a collaborative effort between Ferrovial Agroman and its subsidiary Webber (1.675 billion euro, with 60% for Ferrovial Agroman and 40% for Webber); the 1st design and construction phase of the East Terminal of Heathrow Airport in London (900 million euro, in a 55% joint venture) and the A-8 Belfast-Larne divided highway in Ireland (124 million euro, with a 33% joint venture).

Also of note is the opening of other major toll roads built by Cintra, such as the M3 in Ireland and DBFO in Northern Ireland; the remodeling of the M-50 Dublin beltway for the National Roads Authority; and the T5 baggage tunnel in Heathrow Airport for BAA.

In 2010 Ferrovial received the Major Contractor of the Year award in Ireland for its outstanding financial soundness and extraordinary construction activity in the country. The award was part of the CMG Building and Design Awards 2010 organized by the communication group Commercial Media Group (CMG).

Budimex

Budimex recorded revenue of 1.0145 billion euro, 40% up on the 2009 figure, with a significant growth in its order backlog, which increased 36% to 1.7432 billion euro.

The strong growth in activity is the result of a steady increase in civil works, combined with a substantial improvement in building activity after a bad 2009. The civil work activity already accounts for 64% of total sales, and has led to an increase of what was already an excellent net profit margin in 2009 (5.6% compared with 5.1%), as well as a 55% growth in net operating profit.

Major contracts in 2010 included the A4 Debica-Rzeszow toll road for 348 million euro, various highway works of more than 50 million euro, such as the S17 Kurow-Lublin divided highway, the S-3 Miedzyrzecz-Sulechow highway, the Strykow link and the bridge over the Vistula in Kwidzyn. Also worth mentioning was the work on the renovation of Wroclaw's main railroad station, also for over 50 million euro.

Among the awards received by Budimex was one presented by the Minister for Infrastructure, Cezary Grabarczyk, for first place in the category of infrastructure investments at the 8th International Road Infrastructure and Municipality Fair for the Stryszek-Biale Blota section of the S-5 and S-10 toll roads in north-east Poland. Budimex also received an award for the best project applying reinforced concrete in the construction of the building of the County Court in Katowice, at the 14th edition of the "Polish Cement in Architecture" competition.

Budimex is one of the elite 16 companies on the RESPECT index of responsible companies listed on the Warsaw Stock Exchange. The next review of the index will take place during the last

Stock Exchange session in July 2011. Companies that want to form part of this elite group will be subject to a rigorous evaluation each half year. The RESPECT index may be consulted on: **www.odpowiedzialni.gpw.pl.**

Webber

Of the 650 million euro revenue for Ferrovial Agroman in the US, Webber sales were 490.2 million euro, 19% up on the previous year, with an order backlog of 1.5293 billion euro (up 47%). Webber improved its net operating margin from 2.0% in 2009 to 3.0% in 2010, although the quality of its backlog leads the company to expect that its margins will continue to improve in the future.

In addition to the aforementioned contract for the LBJ highway (the largest contract in the company's history), Webber has also been awarded other major contracts in Texas, such as the SH121 Southwest Parkway for 60 million euro and the I-45 widening for 40 million euro.

In 2010 Webber was named the best construction company in the state of Texas in the Transport Infrastructures category by the prestigious construction sector magazine ENR.

CADAGUA

The industrial construction division carries out water treatment and environmental projects and is currently seeking to expand in the field of energy. Cadagua has a long tradition in water-treatment plant engineering and construction and is the Spanish market leader with recognized international prestige in seawater desalination plants.

In 2010 Cadagua recorded revenue of 141.6 million euro with an order backlog at the close of the year totaling 509.8 million. The company has a high level of profitability, with a net operating margin of 6.0%.

It continued its major progress in international markets by boosting its local offices in the Middle East (Dubai), India and Poland, creating a new local office in Mexico and submitting bids in these markets, as well as in others such as Ireland, Oman, the United Kingdom, Portugal and Chile.

In 2010 most new Cadagua contracts were in international markets, given the fall in public sector tenders in Spain. New contracts abroad in 2010 included a desalination plant in Cyprus (28 million euro in a 50% joint venture), a country where Cadagua has been awarded contracts for 5 water treatment plants in all; and the first contract awarded to Cadagua in India for the construction and operation of a water treatment plant (36 million euro in a joint venture 40% held by Cadagua). It won two contracts in the difficult Middle East market: the water treatment plant in Darsait, Oman (49 million euro in a 50% joint venture for Cadagua), and the Al Zawra desalination plant (37 million euro in a 56% joint venture for Cadagua).

Photo: Rzeszow Philharmonic. Poland.

Photo: Heathrow Airport, London, United Kingdom.

airports

109 million passengers used Ferrovial airports in 2010.

Ferrovial is the number one private airport operator in the world, with six airports in the United Kingdom and one in Chile (Antofagasta). These airports are used by 111m passengers annually. They serve over around 212 airlines, traveling to approximately 604 destinations worldwide.

Ferrovial Aeropuertos

Ferrovial Aeropuertos is the division that manages all Ferrovial airport operations. This business has seven airports handling over 111m passengers at year end. The UK airports (Heathrow, Stansted, Southampton, Glasgow, Edinburgh and Aberdeen) form the core of the division, having handled 104m passengers in 2010.

The UK airports total eight runways, 10 terminals which in 2010 hosted over 208 airlines flying to around 605 destinations. The two London airports alone, Heathrow and Stansted, handle 84m passengers this year. In Chile, Ferrovial Aeropuertos owns Cerro Moreno Airport in Antofagasta, which was used by over 1m passengers in 2010.

B. Performance over the year

One of the milestones of the year was the sale of its stakes in Airport Property Partnership and Naples Airport. It has also initiated the process of transferring a minority holding in BAA of not more than 10%.

This activity grew strongly during the year despite the extraordinary impacts (volcanic ash, British Airways strike, adverse weather conditions). Despite these unexpected impacts, activity grew sharply over the year due to the combination of increased rates and traffic.

The London Heathrow Airport is the second largest in the world by passenger traffic, but the largest in the world if we take into account only the passengers of international routes.

In 2010 airport traffic was 65.7 million passengers. If we exclude these extraordinary events, traffic would have increased by about 3.4% on the previous year. The airport registered all-time highs in passenger traffic for five months in a row between July and November.

Revenue amounted to 1.9262 billion pounds and EBITDA was 880.7 million pounds, with the operating margin at 45.7%.

Construction continued on the satellite terminal T5C and the T2A and T2B terminals of Heathrow Airport. T2B will open in 2010. The target is for 70% of passengers to go through the new terminals in 2013, with the remaining 30% using completely renovated terminals.

Major investments were made in 2010 to improve the quality of service at the airports.

B.1. Improvements in service quality

Overall passenger experience at Heathrow has improved further with the latest Airport Service Quality results continuing to show a positive trend. ASQ is an international benchmark programme directed by Airports Council International (ACI). The programme measures passenger perception of the service provided at airports worldwide using a scale of 1 to 5, where 1=Poor and 5=Excellent. Heathrow has improved its competitive position in relation to other major volume hubs, achieving a further increase in the overall ASQ score from an average of 3.78 in 2009 to 3.80 in 2010.

In relation to departure punctuality, the proportion of aircraft departing within 15 minutes of schedule at Heathrow was 71% (2009: 77%) and at Stansted was 78% (2009: 82%).

Punctuality statistics were affected in 2010 across the European aviation industry by two periods of prolonged severe winter weather in January and December and extensive European air traffic control strikes. More specific to Heathrow, its punctuality was also affected by the British Airways industrial action in the first half of the year.

Heathrow's baggage misconnect rate improved to 18 per 1,000 passengers (2009: 19). The improvement on 2009 is notable given the challenges faced during two periods of prolonged severe winter weather in January and December and from the record levels of passenger traffic through the third quarter of 2010.

The key indicator for security queue measurement is 97.5% of 15 minute time periods measured under 5 minutes, in 2010 Heathrow achieved 98.2%, an decrease from 99.4% in 2009.

B.2. Investment in new facilities

BAA is carrying out a major investment plan to improve and modernise its larger airports. In the five years to 31 December 2011, over £4.43 billion will have been invested in improving Heathrow.

At Heathrow throughout 2010 work continued on Terminal 5's second satellite building - T5C. The £340 million addition to the development is set to open in the summer of 2011 and will provide passengers with 12 pier-served stands, making their journey more efficient. T5C features 51,000m2 of floor space and as with the main building and T5B, it has been extensively glazed so passengers benefit from great views and natural light.

Construction has been no small challenge. Unlike the first two buildings, T5C has been built

description of company **airport**

within an airside environment. As well as the additional security restrictions, extreme care had to be taken to ensure the airport's busy airfield was not affected.

On the other side of the airfield, work is progressing on the new £2.2bn Terminal 2. It includes a main terminal building called T2A, and a satellite called T2B Phase 1 which opened to passengers in early 2010. This mirrors the layout of Terminal 5 and means more aircraft stands can be directly linked to buildings.

More than 11,000m2 of check-in will feature the very latest technology, laid out clearly with self-service kiosks; followed by fast bag drops, and traditional check-in behind. It will be calm, spacious and uncluttered.

Unlike Terminal 5, this major piece of infrastructure is being constructed in the centre of the airport. Offsite manufacture will be used extensively, however the logistical challenge associated with bringing so much material and manpower through a single tunnel into a busy and very public area, is considerable. At peak there will be a site workforce of over 5,000 with an office-based staff of around 2,500; while 28,000 additional vehicles will be expected into the area a month.
The other airports within the Group continue to implement an investment programme to improve and expand the current facilities:

Glasgow

- Glasgow Airport will this year invest £12 million on capital projects designed to provide a better experience for passengers, upgrade essential infrastructure and improve operational efficiency.

- One of the largest will see £1.9 million invested in some of the oldest parts of the terminal building, opened in 1966 by Her Majesty the Queen, extensively refurbished with new flooring and lighting, more seating and new retail units.

Edinburgh

- Over the next five years, BAA will continue to invest £73m in remodelling the airport which will make it one of the best in Europe. The first phase of the plan, the enlargement of the existing terminal to increase the airport capacity will be completed in February 2011. 2010 saw the opening of the airport's £40m departure lounge extension and new security hall.

Southampton

- Southampton Airport will be investing £3.4m on improving facilities in 2011. Some of the projects include the refurbishment of World Duty Free, development of 'Priority' parking and lounge facilities, an IT network upgrade, and the replacement of check-in and departure gate system.

Stansted

- One million pounds has been invested refurbishing the flooring in Satellite Three (the Ryanair facility). This is the busiest airside area, with the most footfalls. Fits into improving the passenger experience category.

- Stansted completed the trial of the new Automatic Tray Return System (ATRS), and installed the first machine. These are new security machines for the central search area that will help improve security and improve staff efficiency and safety during operation. This is a £1.8m project.

B.3. Financial and regulatory matters

On the regulatory front, following the 21 December 2009 ruling of the Competition Appeal Tribunal (CAT) in favour of BAA's first argument (apparent bias that could have affected the report, due to the links between a member of the CC and one of the companies interested in the acquisition of one of the airports that BAA was obliged to sell), but rejection of its second argument (that the CC had not considered the adverse financial impact involved of requiring BAA to dispose of assets within two years in difficult financial and economic circumstances), the CAT urged the parties to reach an agreement.

In February 2010 the CC announced its decision to appeal against the CAT's findings. However, on 25 February the CAT refused requests from the CC and Ryanair for permission to appeal against its 21 December 2009 judgement. Furthermore the Tribunal made an Order quashing the decisions in the CC's Report that relate to the common ownership of airports and remitting these matters back to the CC for reconsideration.

Following the Competition Appeal Tribunal's decision to quash the decisions in the CC's report, the CC then applied to the UK's Court of Appeal for leave to appeal against the CAT's findings in relation to apparent bias on 11 March. This leave to appeal was granted later that month.

The CC's appeal against the CAT's findings on apparent bias was heard by the Court of Appeal in late June 2010. Following these hearings, the CC's appeal was upheld by the Court of Appeal on 13 October on the basis that the question of 'apparent bias' did not arise until December 2008 – approximately 3 months before the BAA investigation finished (the CAT's judgment had been based on the possibility of apparent bias arising much earlier – from October 2007).

The effect of the Court of Appeal's decision is to restore in full the CC's report including its remedies that require BAA to sell Stansted and either Edinburgh or Glasgow airports. In February 2011, BAA was refused permission to appeal to the Supreme Court. BAA is disappointed by this decision and continues to make the case to the CC that the circumstances in which they found reason to force the sale of certain of its airports have changed significantly since early 2009 and should certainly be reviewed given the policy of the new UK coalition government to rule out new runway capacity in the South East of England.

Separately, in December 2010 the CC received submissions to a consultation it launched seeking to establish whether, in relation to the Group's business, there have been material changes in circumstances that might lead to the CC amending the terms of the remedies requiring that BAA divest Stansted airport contained in its final decision in March 2009. The outcome of this consultation is awaited.

Airport Economic Regulation

Following the completion of the UK Government's review of the economic regulation of designated UK airports in 2009 (which BAA supported), the new UK Coalition Government, in May 2010, announced its intention to introduce an Airport Economic Regulation Bill which aims to reform the framework for the economic regulation of airports to benefit passengers and drive investment in airport facilities.

The Government says that the main elements of the Bill will be to replace the existing system for setting price caps at airports which are subject to economic regulation with a more flexible framework focused on the outcomes that matter to passengers.

CAA, extension of the regulatory period
In February 2011, the CAA launched a consultation on the potential extension of Heathrow's current regulatory period by one year to 31 March 2014. This reflects the fact that the Bill is unlikely to be introduced into parliament until the 2012 session and the CAA's desire that the new legislation is in place prior to determining the terms for the next regulatory period. The consultation is due to conclude in March 2011.

description of company **airport**

C. HEATHROW

In 2010 Heathrow Airport, with the highest passenger traffic in the United Kingdom and second worldwide, recorded traffic of around 65.7m passengers, a decline of 0.2%. Revenues reached £1,743.6m and EBITDA increased, by 12%, to £825.1m.

Operations

Overall passenger experience at Heathrow has improved further with the latest Airport Service Quality results continuing to show a positive trend. Heathrow has improved its competitive position in relation to other major volume hubs, achieving a further increase in the overall ASQ score from an average of 3.78 in 2009 to 3.85 in 2010. (5 = excellent; 1 = poor).

Improvement of facilities

In the five years to 31 December 2011, over £4.43 billion will have been invested in improving Heathrow.

New aviation policy review

On 25 October 2010 the UK Government announced that it would undertake a new aviation policy review. The review will begin in March 2011 when the Department for Transport is to issue a 'scoping document' setting out the questions to be answered in the study. This will be followed by discussion with the aviation industry, after which the Secretary of State for Transport, Philip Hammond MP, aims to publish a draft policy document for formal consultation in early 2012, with the final policy published in 2013. However, the Secretary of State has told the UK media that the new study will not lead to a change of policy over runways, suggesting that this was "the only clear restriction" on the scope of the review.

Separately, the Conservative Mayor of London, Boris Johnson, has launched (January 2011) a 'New Airport for London' study. The report, which will be in three parts, will consider a number of options for increasing capacity in the South East before recommending a particular location and possible funding models for it. The report, under the Mayor's instigation, has already expressly ruled out Heathrow as one of these options. Although the Mayor's report will not officially have any input into official Government aviation policy, it is nevertheless useful that he has sought to raise the issue of runway capacity in the South East and therefore ensure that the capacity debate is kept alive.

Third runway at Heathrow

In January 2009, the (then Labour) UK Government gave its support to the construction of a third runway at Heathrow. The unexpected outcome of the May 2010 UK General Election meant that the Conservatives had to agree to a formal coalition with the Liberal Democrats in order to form a government.

The coming together of these two parties, which were both opposed to any new runway capacity in London and the South East, led to the Coalition Agreement to replace their respective party manifestos. It included the following statement: 'We will cancel the third runway at Heathrow. We will refuse permission for additional runways at Gatwick and Stansted'.

The Coalition Agreement binds both parties to remain together in Government until May 2015 on the agreed policy platform. This means that the position on new capacity at Heathrow, Gatwick and Stansted can not be changed prior to that date, unless the Coalition ends prematurely and the Conservative Party attempts to govern alone or call a new general election.

The current Coalition Government has therefore made its position on the third runway at Heathrow clear. Whilst BAA respects the importance of Government policy and is keen to work within the Government's policy framework going forward, it continues to believe that the lack of runway capacity at Heathrow has a number of knock-on effects – not only on the airport's day-to-day operations but also, through a gradual decline in international connectivity, on the wider economy of both the South East and the UK. BAA continues to believe that extra runway capacity is therefore required at the UK's only hub airport.

High Speed Rail

The UK's new Coalition Government is a keen supporter of high speed rail and has published (in December 2010) detailed plans for the UK's second high speed rail line (HS2) between London and the north of England. The proposed new route will also be linked to the high-speed rail line linking London to Paris and Brussels through a tunnel in north London.

In its first phase the high-speed route will link London and Birmingham before running on in a "Y" shape to Manchester and Leeds in the second phase of its construction. A spur linking Heathrow to the proposed HS2 line will also be built as part of the second phase of the plan. The spur to the airport aims to fulfil pledges made when the Government blocked the construction of the airport's third runway.

Heathrow Express

Carrying more than five million passengers per year, this is one of the most successful air-rail links in the world, offering a fast, reliable and convenient service between Heathrow Airport and London's Paddington station.

In 2010, it achieved customer satisfaction levels of 93%, a repeat travel rating of 97% and reliability scores of over 99%.

Key achievements have been the launch of the free Wi-Fi network on board the train, implementation of self service check-in and flight information displays at Paddington station, and the launch of the improved rail service to Terminal 4 which reduced passenger journey and wait times by over 25%. In December 2010, Heathrow Express enhanced its seamless journey proposition by becoming the first UK train company to launch a mobile application, enabling customers to purchase and receive tickets direct to their iPhone, Blackberry or Android devices.

The total number of passengers in 2010 reached 5.9m, resulting in a 9.4% growth rate since 2009.

Heathrow Connect

In 2010 this service (created in 2005) achieved over 560,000 passengers and continues to provide better access to the airport for Thames Valley air passengers and over 4000 airport workers.

Opened in 1946
2 runways
4 terminals and one under construction.
86 airlines
70 destinations
65.7m passengers per year
449,162 flights per year
1,473,083,276 kg of cargo per year
1,227ha total surface area
54,362 sq m of retail space.


Photo: Heathrow Airport, London, UK.

D. STANSTED

In 2010 London Stansted Airport, the third largest in the United Kingdom, recorded traffic of around 18.6 million passengers, a decline of 7%. Revenues reached £229.6m and EBITDA totaled £86m. Air cargo transported through increased by 10.4% to 202,756 tonnes.

- Stansted obtained OHSAS18001 for Health & Safety Management in March and Carbon Trust Standard for reductions to carbon emissions from vehicles and buildings in October. Having held ISO14001 for environmental management since 2005, Stansted is the only BAA airport to hold all three environmental accreditations.
- New route launches included easyJet to Dalaman, Bodrum, Split, Dubrovnik, Grenoble; Ryanair to Figari, Fez, Fuerteventura, Ciudad Real, Plovdiv; airberlin to Salzburg and germanwings to Hannover.
- G2 planning applications were officially withdrawn on 24th May after the new coalition Government confirmed it did not support a second runway development.
- In July, the CAA awarded Stansted Code F status, allowing operations of aircraft such as the Airbus A380 and new Boeing 747-8. Emirates named Stansted as its diversionary airport for A380 operations and British Airways World Cargo announced three of its new 747-8 fleet would be based at Stansted.
- In February No 1 Traveller opened a new lounge - the first pay as you visit business lounge for Ryanair passengers on international flights at Stansted.
- Stansted published its five year waste strategy in November and has an ambitious target to send zero waste directly to landfill by 2015. At the end of 2010 over 50% of waste had been re-cycled, compared to 44% in 2009.

As a result of the new coalition governments position on new runways Stansted has stopped pursuing applications for their second runway.

Opened in 1991
1 runway
1 terminal
12 airlines
(Dec 2010)-OR 23 in Aug 2010
(peak month)*
132 destinations (Dec 2010)
OR 155 in Aug
2010 (peak month)*
18.6m passengers per year (Dec 2010)
143,335 flights per year (Dec 2010)
202.7 metric tonnes of cargo per year
(Dec 2010)
957ha total surface area
11,032m2 retail space

Photo: Stanted Airport, London, UK.

description of company **airport**

E. EDIMBURGO

Edinburgh Airport, the largest in Scotland, recorded traffic of 8.6m passengers, a 5% decrease on 2009. Although air cargo and mail transported through the airport decreased by 15% to 20,709 metric tons, Cargo and Mail ATMs decreased by 5% as Cargo and Mail continues to focus on smaller packages and letters. Revenues reached £98.9m and EBITDA totalled £43.5m.

- Over the next five years, BAA will continue to invest £90m in remodelling the airport which will make it one of the best in Europe. The first phase of the plan, the enlargement of the existing terminal to increase the airport capacity will be completed in February 2011. 2010 saw the opening of the airport's £40m departure lounge extension and new security hall.
- On 16 July, the airport experienced its busiest day ever with a volume of 36,149 passengers.

Opened in 1977
2 runways
1 terminal
40 airlines
115 destinations
8.6m passengers per year
101,337 flights per year
20,709 metric tons of freight per year
336ha total surface area
3,886m2 retail space

Photo: Edimburg Airport, UK.

description of company **airport**

GLASGOW

Glasgow airport recorded 6.5m passengers in 2010, down 9.6% from the previous year.

Revenues reached £81.5m and EBITDA totalled £30.0m.

- In 2010, Glasgow Airport invested £11.7m on maintaining and improving the existing infrastructure, this included refurbishing the airport's east pier, extending the popular WDF store, replacing high intensity approach lights and enabling works on the taxiways. £11.2 is planned for 2011.
- Glasgow Airport continues to be Scotland's leading long-haul gateway, offering more direct long haul flights than any other in Scotland. This includes flights to Toronto, New York, Dubai and Lahore, as well as one-stop flights to Hong Kong, Bangkok, Perth and Sydney.
- In 2010, Glasgow Airport was named Best Airport with over 6 Million Passengers (Airport Operators Association (AOA) Awards). The award was voted for by major UK airlines which are members of the British Air Transport Association (BATA).

Opened in 1966
1 runway
1 terminal
30 airlines
90 destinations
6.5m passengers per year
69,573 flights per year
2.7 metric tons of cargo per year
337ha total surface area
5,649m2 retail space
*subject to audit

Photo: Glasgow Airports, UK.

SOUTHAMPTON

- Southampton Airport recorded 1.7m passengers in 2010, 3.2% fewer than in 2009. Revenues reached £27,3m and EBITDA totalled £9.9m.
- In 2010, new routes from Southampton were announced to Beziers, Pau and Clermont-Ferrand (operated by Flybe) and Menorca (operated by Thomas Cook). Thomas Cook is a new operator to the airport starting routes to Majorca and Menorca in 2011.
- Over £5m was invested to improve passenger facilities in 2010. Improvements included; new restaurant facilities, energy efficient roof glazing and forecourt security improvement.
- 2010 marked 100 years of flight at Southampton Airport with organisations holding celebrations across the local region throughout the year.
- In 2011, the airport's largest shop World Duty Free is being refurbished and will be increasing by 25% to allow for a broader range of products.

Opened in 1910
1 runway
1 terminal
7 airlines
9 tour operators
48 destinations
1.7m passengers per year
40,371 flights per year
116 metric tons of cargo per year
114ha total surface area
1,210m2 retail space

Photo: Southampton Airport, United Kingdom.

ABERDEEN

Aberdeen Airport recorded a passenger total of 2.8 million for 2010, a drop of -7.4% on 2009. The heliport is currently the second busiest in the world. Revenues reached 49.1 million and EBITDA was £15.6m. Aberdeen plays an important role in North-East Scotland as a major hub for the North Sea oil and gas industry, as well as for tourism.

- 2010 about 124 metre runway extension was announced. Work is set to start in spring of 2011 and is due for completion in 2012.

- 2010 also saw a number of important routes announcements including extra rotations to Amsterdam, a brand new service to Dublin then on to New York, and added capacity on summer charters for 2011.

Opened in 1934
4 runway, 1 fixed wing and 3 helicopter
5 terminals, 1 main passenger terminal,
1 terminal for fixed wing oil charters, and 3 helicopter terminals.
20 airlines
42 destinations, 23 international and 19 domestic.
2.8 million passengers per year

Photo: Aberdeen Airport, United Kingdom.

management report

Ferrovial se consolida como el mayor gestor privado de infraestructuras de transporte del mundo.

Management Report

Photo: Birmingham, United Kingdom.

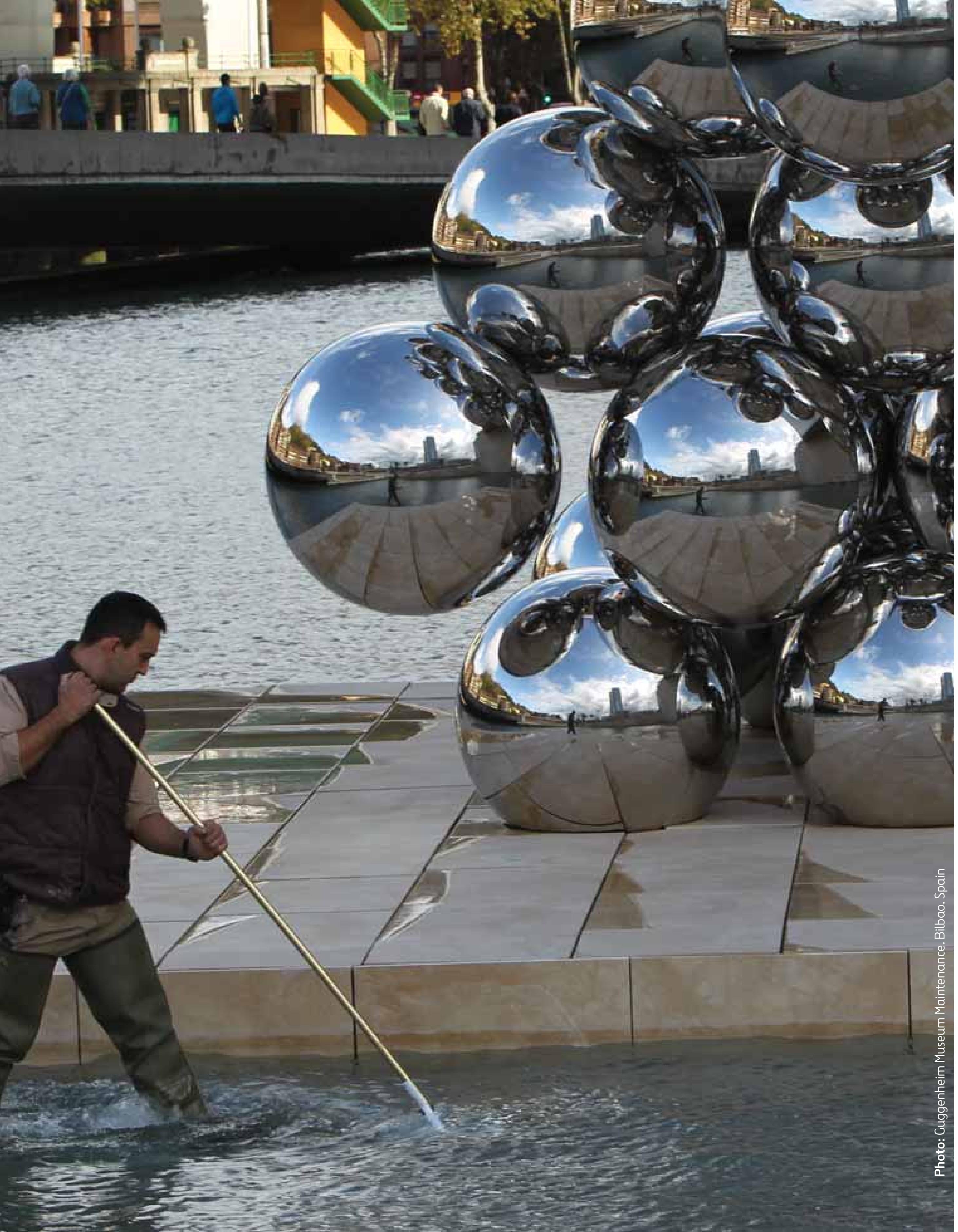


Photo: Guggenheim Museum Maintenance. Bilbao. Spain

businesses performance in 2010

Overview

Net profit of 2,163 million euro (-74 million euro in 2009) triggered by gains on the sale of assets, mainly from the sale of 10% of the Canadian 407ETR toll road.

Growth on a like-for-like basis across all the lines of operating results, determined by the favourable evolution of international businesses (EBITDA - BAA +7.4%, Construcción Internacional +14.8%, Amey +22.5%).

Airports: EBITDA was the highest since 2006. **Strong growth** in BAA's income statement on a like-for-like basis (sales +5.0%, EBITDA **+7.4%, EBIT +26.2%), despite extraordinary impacts** affecting traffic in 2010. This growth is the result of the combination of inflation-related tariff adjustment, traffic evolution and commercial revenue. Excluding extraordinary impacts, traffic at **Heathrow** increased by approximately **+3.4%**, following five consecutive record months between July and November.

	dec-10	dec-09	Ch.(%)	Pro-forma (%)
Sales	12,169.2	12,231.9	-0.5	2.7
EBITDA	**2,514.3**	**2,591.5**	**-3.0**	**6.5**
EBIT *	1,514.4	1,586.6	-4.6	13.6
Net profit	2,163.3	-73.5	n.s.	
Net investment	-895.5	196.8	n.s.	

	dec-10	dec-09	Ch.(%)
Consolidated net debt	-19,788.7	-22,271.4	11.1
Net debt ex-infrastructure projects	31.2	-1,172.2	102.7

*** In order to facilitate an analysis, all comments refer to EBIT before impairment and non-current asset disposal.**

Services: this **backlog stands at historic levels** (12,003 million euro). Major i**nternational business growth,** Amey being of particular note (sales +9%, EBITDA +23%) due mainly to contracts won in recent years.

Toll roads: Sales (+7.2%) and EBITDA (+7.6%) increased, on a pro forma basis, due to the ETR-407's positive performance. Strong traffic growth at the ETR-407 continues (+5.5% in 2010).

Construction: international business (52% of the Division's EBITDA) is still the **growth** engine, Sales +18%, EBITDA +15%, **Budimex being of particular note, Sales** +29%, EBITDA +38% and EBIT +43%.

	dec-10	dec-09	Ch.(%)
Construction backlog	10,186	8,800	15.7
Services backlog	12,003	9,967	20.4

Change in Toll Road Traffic (ADT)	dec-10	dec-09	Ch.(%)
ETR 407 (Km travelled 000)	2,336.551	2,214,773	5.5
Chicago Skyway	44,987	47,296	4.9
Indiana Toll Road	28,111	28,117	0.0
Autema	20,583	21,339	-3.5
Ausol I	15,623	16,984	-8.0
Ausol II	16,594	17,416	-4.7
BAA (passengers – in millions)	109.4	112.2	-2.5

management report **businesses in 2010**

Changes in financial debt:

Corporate debt, "excluding infrastructure projects", has a net cash position of 31 million euro due to **cash flow** generation in Construction and Services and period **divestments** (including collection on the sale of 10% of the share capital of **ETR407** and **Chilean toll roads**) compared with 1,172 million euro in December 2009. This net cash position includes 420 million euro **invested** during the year and the payment of **dividends**, though it does not yet reflect the collection on the sale of Swissport or the M-45 for a total of 760 million euro.

The **projects' debt fell** to 19,820 million euro. This significant reduction was due mainly to the exclusion from consolidation of the debt of the ETR toll road (3,150 million euro at September 2010), partly offset by the debt increase due to the **depreciation of the Euro against** the currencies in which the debts of the main projects are denominated (+670 million euro) and an increase of the scope of consolidation, including new toll roads in the US under construction (1,234 million euro).

BAA's positive performance with the refinancing of total subordinated debt (GBP 1,566 million) and the back stop facility below GBP 1,300 million (repaid in October); a level from which the restriction to pay dividends to the restricted group is eliminated, thanks to the close to GBP 2,000 million obtained by BAA since August.

Toll Roads

	dec-10	dec-09		Pro-forma (%)
Sales	868.7	989.6	-12.2	7.2
EBITDA	629.6	664.3	-5.2	7.6
EBITDA margin	72.5%	67.1%		
EBIT	517.1	557.9	-7.3	8.7
EBIT margin	59.5%	56.4%		

The changes in the period were marked by the performance of the economies in which the assets are located. In the case of Canada, the ETR407 toll road saw a 5.5% traffic increase (VKT), compared to the negative performance of the Spanish toll roads.
The income statement is affected by the exclusion from consolidation in the fourth quarter of 2010 of the ETR407 and the Chilean toll roads, following the conclusion of sale processes (10% of ETR and 60% of Chilean toll roads). These toll roads were fully consolidated until September, when the ETR407 began to be accounted for using the equity method. The Car Parks business is included in 2009 until June. The pro forma performance counterweighs these effects.
Sales (+7.2%) and EBITDA (+7.6%) increased on a like-for-like basis due to the positive development of the ETR407, combining the increased number of passengers, higher tariffs and cost control, resulting in higher profitability.

Sales

The breakdown by toll road includes ETR for the entire period, even though it has been accounted for using the equity method since Q4.

	dec-10	dec-09	Ch. (%)
407 ETR	456.1	354.2	28.8%
Chicago Skyway	46.0	46.6	-1.4%
Ausol	53.8	57.8	-7.0%
Autema	78.8	73.5	7.2%
Radial 4	19.9	21.5	-7.5%
Ocaña-La Roda	16.4	18.4	-10.9%
Chilean Toll roads	153.1	197.5	-22.4%
N4-N6	22.9	22.7	1.2%
M3	33.8	30.5	10.8%
Euroscut Algarve	35.5	36.7	-3.2%
Euroscut Norte Litoral	56.8	38.4	48.1%
Equity Accounted			
Indiana Toll Road	131.8	114.1	15.6%
Ionian Roads	74.6	66.6	12.0%
M-45	25.4	26.5	-4.4%

EBITDA

	dec-10	dec-09	Ch. (%)
407 ETR	364.6	276.4	31.9%
Chicago Skyway	38.3	38.7	-0.8%
Ausol	36.9	42.5	-13.1%
Autema	63.5	50.1	26.9%
Radial 4	10.9	9.9	9.8%
Ocaña-La Roda	8.3	9.7	-14.7%
Autopistas Chilenas	102.5	135.6	-24.5%
N4-N6	15.9	15.3	3.6%
M3	29.4	27.7	6.1%
Euroscut Algarve	30.9	32.4	-4.7%
Euroscut Norte Litoral	34.9	32.8	6.4%
PEE			
Indiana Toll Road	105.1	88.4	18.9%
Ionian Roads	47.6	45.6	4.4%
M-45	23.7	24.9	-4.8%

management report businesses in 2010

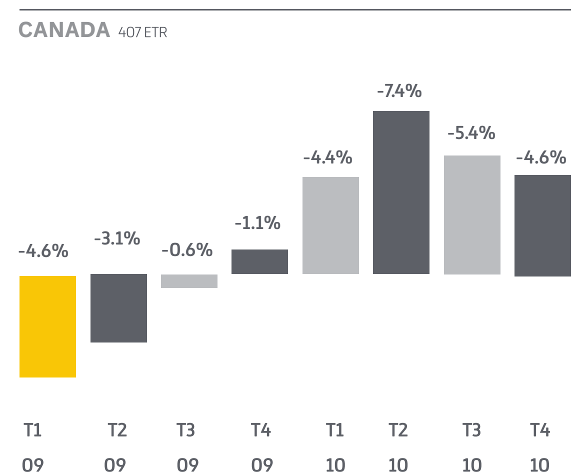
EBITDA Margin %

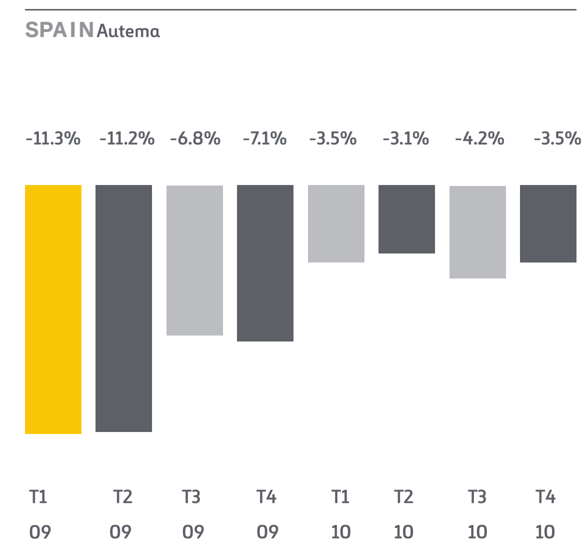
	dec-10	dec-09	Ch.(%)
407 ETR	79.9%	78.0%	191
Chicago Skyway	83.3%	82.9%	46
Ausol	68.6%	73.4%	-483
Autema	80.6%	68.1%	1.250
Radial 4	54.9%	46.2%	866
Ocaña-La Roda	50.5%	52.7%	-224
Autopistas Chilenas	66.9%	68.7%	-117
N4-N6	69.2%	67.7%	158
M3	86.9%	90.7%	-384
Euroscut Algarve	87.0%	88.3%	-132
Euroscut Norte Litoral	61.4%	85.5%	-2,403
Equity Method			
Indiana Toll Road	79.7%	77.5%	226
Ionian Roads	63.8%	68.5%	-468
M-45	93.3%	93.7%	-39

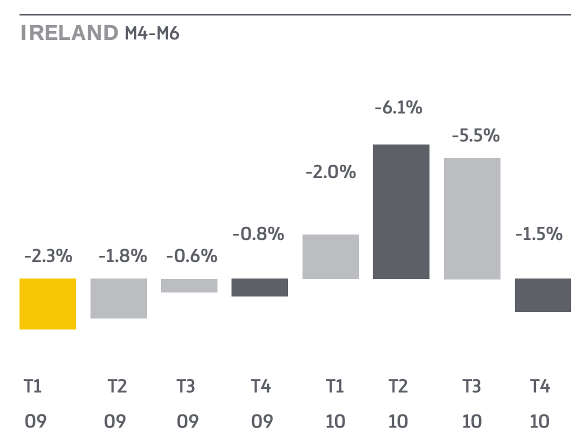
Traffic

	dec-10	dec-09	Ch. (%)
407 ETR (´000 VKT)	2,336,551	2,214,773	5.5%
Chicago Skyway	44,987	47,296	-4.9%
Ausol I	15,623	16,984	-8.0%
Ausol II	16,594	17,416	-4.7%
Autema	20,583	21,339	-3.5%
Radial 4	8,314	8,988	-7.5%
Ocaña-La Roda	4,128	4,612	-10.5%
Santiago-Talca	75,251	77,462	-2.9%
Talca-Chillán	42,917	46,103	-6.9%
Chillán-Collipulli	28,606	26,840	6.6%
Collipulli-Temuco	32,710	31,367	4.3%
Temuco-Río Bueno	20,680	20,120	2.8%
N4-N6	25,926	25,137	3.1%
M3	23,601		n.s.
Euroscut Algarve	18,817	19,615	-4.1%
Euroscut Norte Litoral	30,019	31,234	-3.9%
Equity Method			
Indiana Toll Road	28,111	28,117	0.0%
M-45	60,650	60,669	0.0%

Quarterly traffic performance







The **sound performance of 407-ETR traffic (YTD +5.5%)**, consolidating the trend witnessed in previous quarters. It should be highlighted that a new daily traffic record of 454,275 journeys was achieved on 30 June. The previous all-time-high had been reached on 5 October 2007 with a total of 445,882 journeys.

Both **Indiana Ticket (+2.7%) and ETR407 (+5.5%)** bear faithful witness to the positive performance of the economic indicators in this geographical area, with more than 100 km sections with very few quality alternatives. Even though traffic of light and heavy vehicles increases on both toll roads, the latter shows greater **growth (Indiana Ticket +3.5%, ETR +7.4%)**.

Negative changes in Chicago Skyway (-4.9%) and the Barrier section of the Indiana toll road (-6.5%). These changes were due to the abnormally heavy traffic recorded in 2009, as they benefited until November 2009 from road works and lane closure on alternative roads. The closure in November 2009 of a feeding road also had a negative impact (December was already comparable and fall-backs in Chicago were lower -3.4% vs. -5.3% and -6.9% in November and October). Indiana's traffic performance was not affected by July's **tariff increase.**

In Portugal, following the traffic upturn in the Algarve during the summer months given the recovery of the tourist industry in the region (with hotel occupancy rates even above those of 2009), a **new drop** was registered in the fourth quarter due to the fall of tourism in autumn. In Norte Litoral, **in the fourth quarter** traffic was restricted due to the implementation on 15 October of the availability-based payment system.

In **Ireland**, the recovery of the **N4** was confirmed throughout the year, with constantly positive growth rates and a permanent increase of the motorway's capture share. The **M3**, which was opened to traffic on 4 June, shows the typical development of a toll road in its initial growth phase.

Financing

Financing activities in the Toll Roads Division in 2010 amounted to approximately 3,000 million euro, mainly on the ETR-407 and in Spain, together with the financing arranged for a new toll road in Texas (LBJ).

AUSOL

On 12 April 2010, the Company signed with the syndicate of banks (18 entities) the extension of the maturity term for the previous syndicated loan until 19 March 2011 (491 million euro).

LBJ IH 635

Financing closed on 22 June 2010, the project amounts to **USD 2,800 million**.
The project receives a **25% equity** contribution.
Shareholders USD 672 million (25%). According to their shareholding, **Cintra (51%) will contribute USD 343 million.**
The remaining 75% is financed through:

- PAB (Private Activity Bonds) (23%) USD 615 million
- TxDOT (Texas Department of Transportation) (19%) USD 490 million
- TIFIA (US Federal Government credit) (33%) USD 850 million

Rating: Fitch rated the PAB and the TIFFIA debt BBB-. Moodys rated the PAB Baa3.

ETR 407

In 2010 the toll road issued bonds amounting to CAD 1,500 million, refinancing all of 2011 debt maturities in the last quarter.

June 2010: issue of two series of bonds for CAD 500 million and CAD 300 million with 5 and 10 year maturities, respectively. These funds were used to cancel bonds maturing in October 2010 (CAD 625 million).

The option to extend its maturities by bondholders was exercised in junior bonds (CAD 165 million, maturing in July 2010). The new maturity term is now July 2040.

November 2010: issue of two series of bonds for CAD 400 million (4.30% coupon rate) and CAD 300 million (3.87% coupon rate) maturing at 10 and 6 years. These issues were used for an early repayment of bonds maturing in January 2011 (CAD 550 million).

Following these transactions, the **407ETR's total debt amounts to CAD 5,256 million, with no maturity in 2011**. The coming maturities, all of which correspond to senior debt, are 2012 (CAD 300 million), 2014 (CAD 200 million) and 2015 (CAD 500 million).

R4

On 27 January 2011, the Company signed with the same syndicate of banks (28 entities) the **extension of the maturity term** of the previous syndicated loan. The total amount is 554 million euro maturing on 27 July 2011.

Divestments

Sale of 10% of the 407-ETR

On **5 October**, an agreement with Canada Pension Plan Investment Board (CPPIB) was entered into for the sale of **10% of the share capital** of the **407 ETR toll road** (Toronto, Canada) concession holder for **CAD 894.3 million**. The transfer **took place on 18 November.**

Up to that date, Cintra owned 53.23% of the company.

The transaction gave rise to a net gain of 2,471 million euro for Ferrovial, corresponding to the sale of 10% (467 million euro) and the "fair value adjusment " revaluation of the stake retainer (43.23%, EUR 2,005 million).

Sale of 60% of the shareholding in Chile

On **15 September**, the sale of 60% of the ownership interests in Cintra Chile to the Colombian company ISA was completed. On 28 December 2009, the two companies reached a heads of agreement that concluded with the completion of the transaction.

This transaction amounted to approximately **229 million euro**. The currency of reference for the transaction were 6.8 million Unidades de Fomento (UF) wich the inflation - indexed unit of account used in Chile. In addition, both parties grant each other call and put options, respectively, for 40% of Cintra Chile's remaining capital.

The transaction was recognised in full –given future call and put options– and amounted **to 381.5 million euro**, representing a **consolidated net gain after tax of 274 million euro**, of which a net amount of **158 million euro** corresponds to **60% of the investment sold** and **116 million euro**to the **increase in market value** of the ownership interest, the latter recognised as a **fair value adjustment** in the Group's consolidated income statement.

The aforementioned divestment was completed after months of work assessing and repairing defects in infrastructure caused by the earthquake that struck Chile on 27 February.

Sale of shareholding in Trados-45

On 21 July an **agreement** was entered into **for the sale** of the ownership interest in Autopista Trados 45, S.A. (50%) to FINAVIAS, AXA Private Equity infrastructure funds investment vehicle. The **transaction**, closed on 10 January 2011, **amounted to 68.3 million euro** and gave rise to a pre-tax gain of 38 million euro.

Project tendering

Despite uncertainty on the financial markets and the lack of liquidity, a slight recovery can be seen in the development activity of public authorities in certain international markets targeted by Ferrovial.

Various projects are being assessed in North America, both in the US and Canada. Greenfield projects with real tolls are being studied in the most developed Latin American markets (Chile or Puerto Rico).

As regards new markets, the countries such as India, Brazil and Mexico, continue to be monitored.

Other significant matters

2010 407-ETR tariff increase

The new tariffs together with the reorganisation of the toll zones, in force since 1 February 2010, were published on 31 December 2009.

The tariff for light vehicles during peak hours is 21.35 dollar cents in the Regular Zone and 20.10 dollar cents in the Light Zone. Off-peak and weekend tariff throughout the toll road is 18.35 dollar cents for light vehicles.

The change in tariffs also includes the increase of video-toll for light vehicles from USD 3.25 to USD 3.60 and the Trip Toll Charge (TTC) increase for light vehicles from USD 0.25 to USD 0.40.

The monthly rental of the transponder (USD 2.50) and the tariff to maintain the video-toll account (USD 2.50) remain the same as in 2009.

Opening of M3 in Ireland

The second toll road concession in Ireland, the M3, which will be managed during a **45-year term**, was opened on 4 June. The toll road offers a strategic connection between Dublin and the northwest of the country. It has required an investment in construction of 525 million euro.

This project was developed by Ferrovial Agromán and the Irish construction company SIAC Construction. The M3 is part of the National Development Plan designed by the Irish government through the National Roads Authority.
The concession of real and open system tolls includes two lanes in each direction with two mainline toll areas and six interchanges. The 50 km long project between Clonee and the north of Keels also includes the corresponding access roads.

management report **businesses in 2010**

Indiana Toll Road tariff increase

The new tariffs affecting **light vehicles not using a transponder** as a means of payment and all **heavy vehicles** came into force on **1 July** 2010.

The average tariff increase in the **Ticket section was 8.4% and 11% for light and heavy vehicles**, respectively. The average tariff increase for the Barrier section (closer to Chicago) was **20% for light vehicles and 3.8% for heavy ones.**

Opening of new lanes and ramps on the ETR

On **23 August 2010,** more than **18 km of new lanes** (9.3 km in each direction) were opened to the traffic. In addition, the new access ramps to interconnect the 407-ETR with the 403 and QEW were opened to the traffic on 9 September.

With the addition of the new lanes, the extension of individual lanes in the toll road has increased to more than 1,100 km (including access ramps). Investment in construction and infrastructure by the concession operator since 1999 already exceeds CAD 1,200.

Transition to real toll in Norte Litoral

The new version of the concession contract including the change from availability to shadow toll payment and the contracting of the toll collection service as Portuguese government income was signed in July 2010. **The toll collection started on 15 October.** The current Euroscut Norte **shadow toll** system **was replaced by availability payments** of the Portuguese government.

According to a **real toll service provision contract (Multi Lane Free Flow)**, Euroscut Norte will provide a toll collection service to users and deliver the takings to the Portuguese government.

Spanish Government aid plan for toll roads

An aid plan for specific toll roads, including the AP36 and R4, was published in the Official state Gazette of 31 December 2010. This aid consists of a **contribution by the Ministry** of an amount resulting from the **difference between the revenue that would have been obtained from 80% of the supply traffic and the amount actually obtained, provided the aid does not exceed actual annual revenue.**

2011 407-ETR tariff increase

The new tariffs together with the reorganisation of the toll zones, in force since 1 February 2011, were published on 31 December 2010. The tariff for light vehicles during peak hours is 22.95 dollar cents in the Regular Zone and 22.75 dollar cents in the peak period.

The tariff for light vehicles during peak hours is 21.45 dollar cents in the Light Zone and 21.25 dollar cents in the peak period.

Off-peak and weekend/bank holiday tariff throughout the toll road is 19.35 dollar cents for light vehicles.

Tariffs for simple and multiple heavy vehicles are two and three times the tariffs for light vehicles, respectively.

The change in tariffs also includes the rise of Video Toll Charge (VTC) for light vehicles from USD 3.60 to USD 3.65, of Trip Toll Charge (TTC) for light vehicles from USD 0.40 to USD 0.50 and of the fee to maintain the account of users without transponder (Video Account) from USD 2.50 to USD 2.75.

The monthly rental of the transponder has increased from USD 2.50 to USD 2.75.
The annual fee for the rental of the transponder (USD 21.50) and the Video Toll Charge for all types of heavy vehicles (USD 15.00) remain the same as in 2010.

2011 Chicago tariff increase

The new tariffs came into force on 1 January 2011. The **average tariff increase was 16.7% and 33.3% for light and heavy vehicles**, respectively.

Services

	dec-10	dec-09	Ch.(%)	Pro-forma (%)
Sales	3,896.0	3,680.3	5.9	3.1
EBITDA	409.8	365.6	12.1	8.6
EBITDA margin	10.5%	9.9%		
EBIT	280.6	241.1	16.4	11.7
EBIT margin	7.2%	6.6%		
Backlog	12,003.0	9,966.9	20.4	

Increase in all income statement line items, **significant increase in returns:**
The contribution of new contracts at Amey together with cost control and portfolio selection in Spanish businesses have led to this positive performance of the Services Division in such a complex economic scenario.

Backlog

The backlog reached an all-time-high of 12,003 million euro **(+20.4% vs. December 2009**: 9,967 million euro) following the inclusion of the contract for the maintenance of roads and other infrastructure in the city of **Birmingham** , as well as the **Donarbon** backlog **(548 million euro)**, the main contract of which is a 28-year waste management operation for Cambridgeshire. In Spain the extension of several 10-year waste collection and treatment contracts in the province of Toledo (244 million euro) and the 4-year emergency health transport contract in Madrid (75 million euro) should be highlighted.

Businesses in Spain

	dec-10	dec-09	Ch. (%)
Sales	1,495.3	1,527.2	-2.1
EBITDA	190.6	197.4	-3.5
EBITDA margin	12.7%	12.9%	
EBIT	110.9	123.3	-10.0
EBIT margin	7.4%	8.1%	
Backlog	5,410.6	4,885.1	10.8

The business in Spain manages to **offset the negative impact** of the current economic situation. The gross operating margin remains stable, despite **business restructuring** costs to adapt to a lower activity level, thanks to **cost control and the cancellation of low profit contracts.**
Recovery is observed within the **Waste Treatment** business regarding the number of tonnes managed during the quarter; in aggregate annual terms the drop is reduced by up to -3% compared with the -15% accumulated at June.
The decline in projects put out to tender had a negative impact on the road maintenance business.

Swissport

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	1,301.6	1,123.7	15.8	5.3
EBITDA	107.4	81.0	32.6	20.5
EBITDA margin	8.3%	7.2%		
EBIT	75.3	47.3	59.3	39.6
EBIT margin	5.8%	4.2%		

Growth came about as a result of the higher contribution of cargo due to the significant increase of the volume of managed tonnes and increased handling activity.

Swissport sale agreement

On 2 November Ferrovial entered into an agreement with PAI Partners to sell Swissport International AG for 900 million Swiss francs. The transaction amounts to a company value of CHF 1,210 million. The transaction was completed on 17 February 2011.

Amey

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	1,099.0	1,029.4	6.8	8.9
EBITDA	111.9	87.2	28.3	22.5
EBITDA margin	10.2%	8.5%		
EBIT	94.4	70.6	33.8	26.6
EBIT margin	8.6%	6.9%		
Backlog	6,592.4	5,081.8	29.7	

Revenue increased on a comparable basis (+9%) due to the start-up of various contracts awarded to Amey since 2009 (road maintenance, railway civil engineering work inspection, railway maintenance and several facility management contracts at BAA). In addition, the **Birmingham city maintenance contract** began to contribute earnings in the third quarter. The contribution from these **new contracts enabled the Company to offset the negative impact of budget cutbacks in the UK.**

Amey's earnings include certain extraordinary profits, arising mainly from the effects on pension funds and regularisation of work in progress, as well as the settlement of lawsuits and indemnities from restructuring. Excluding these effects, gross profit from operations would have increased by 10.8% and profit from operations by 12.4%.

Sale of Tube Lines

The sale of 66.66% of Amey's ownership interests in Tube Lines, a company accounted for using the equity method, was executed on 28 June. The sale totalled GBP 206 million. **Amey recovered the investment made in Tube Lines** (share capital, subordinated debt and acquisition cost in 2005 of 33% of Jarvis), **as well as the earnings generated since 2003.**

Amey continue to manage the Jubilee, Northern and Picadilly lines **maintenance services.**

Construction

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	4,525.1	4,475.5	1.1	-1.3
EBITDA	231.1	228.0	1.3	-1.9
EBITDA margin	5.1%	5.1%		
EBIT	191.2	183.1	4.4	1.0
EBIT margin	4.2%	4.1%		
Backlog	10,185.7	8,800.4	15.7	

Performance during the year was marked by **a positive evolution of the international business in contrast to** the downturn in Spain. Significant **increase** in backlog **(+16%)**, following the inclusion of new international awards (LBJ and Heathrow's T2). The international backlog amounts to 6,582 million euro, significantly above the backlog in Spain (3,604 million euro).

The **strong growth in the international business (Sales +19%, EBITDA +15%) offsets the lower level of activity in Spain (Sales -18%, EBITDA -14%)**. For the first time, **international operations contributed** more than the business in Spain in terms of both sales and EBITDA.

Spain

	dec-10	dec-09	Ch. (%)
Sales	2,138.6	2,596.2	-17.6
EBITDA	111.9	130.7	-14.4
EBITDA margin	5.2%	5.0%	
EBIT	92.3	111.1	-16.9
EBIT margin	4.3%	4.3%	
Backlog	3,603.6	4,183.6	-13.9

The poor performance during the year was triggered by the lower level of both residential and non-residential building construction projects and the lower volume of civil engineering work (fewer public tenders in 2009 and 2010). The backlog suffered a year-on-year fall of -14%.

management report **businesses in 2010**

International

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	2,395.4	1,912.8	25.2	18.5
EBITDA	119.2	97.3	22.5	14.8
EBITDA margin	5.0%	5.1%		
EBIT	98.9	72.1	37.3	28.0
EBIT margin	4.1%	3.8%		
Backlog	6,582.1	4,616.8	42.6	

Budimex

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	1,014.5	724.2	40.1	28.7
EBITDA	62.3	41.5	50.0	37.8
EBITDA margin	6.1%	5.7%		
EBIT	57.1	36.7	55.3	42.7
EBIT margin	5.6%	5.1%		
Backlog	1,743.2	1,283.2	35.8	30.9

Significant upturn in local currency-denominated sales (+29%), clearly rallying from the second quarter onwards, as a result of more favourable weather conditions. Euro sales improved by 40% due to its depreciation against the zloty (-9.2%). The **recovery in the business activity from the second quarter onwards** is, in addition to the aforementioned weather conditions, the result of the commencement of significant projects (A2 and A4) awarded in 2009. The **notable increase in the operating margin** (5.6% vs. 5.1%), raised **growth in EBIT to 43%**.

The **backlog** amounts to 1,743 million euro, **growing** in local currency **by 31% as a result of the performance of civil engineering work** (A1-Strykow Exit and A4 Debica-Rzeszow for 410 euro million) **and non-residential public building construction work**. The most important contract in this connection is the refurbishment of Wroclaw train station (69 million euro).

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Sales increased by 19%, gross profit from operations by +15% and profit from operations by +28%, eliminating the exchange rate effect.

The strong growth of the **international business already evident in previous quarters** continues, boosted by the commencement of large projects in the US and the record figures posted by Budimex and Webber.

The contribution of international sales in the fourth quarter accounted for 61% of EBITDA, thereby exceeding the contribution of the business in Spain. The figure for the year as a whole stands at 53% compared to 43% in 2009.

The international backlog is still growing (+43%) and **represents 65% of the Division's total**. In addition to the new Budimex contracts (+31%), other highlights include the contracts for LHR T2 (495 million euro) and the US LBJ toll road (1.7 billion euro).

Webber

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	490.2	412.6	18.8	12.5
EBITDA	25.4	21.4	18.6	12.3
EBITDA margin	5.2%	5.2%		
EBIT	14.7	8.3	77.3	67.9
EBIT margin	3.0%	2.0%		
Backlog	1,529.3	1,039.7	47.1	37.2

Significant increase in sales **(+13%)** resulting from the commencement of large projects and **more favourable weather conditions**. The improvement in the EBIT margin (+100 bp) is the result of the trend towards increased outsourcing as opposed to the use of proprietary resources to execute works. This change entailed transferring equipment depreciation and amortisation costs to direct costs, directly affecting the gross profit from operations. Therefore, the +67.9% in EBIT performed better than the +12.3% in the EBITDA.

The **significant increase in the backlog** was a result of the inclusion of the Toll Roads Division projects in Texas.

Detail of the backlog

	dec-10	dec-09	Ch. (%)
Civil engineering work	7,749.2	6,666.0	16.2
Residential building construction	417.2	430.5	-3.1
Non-residential building construction	1,381.5	1,099.2	25.7
Industrial	637.7	604.7	5.5
Total	**10,185.7**	**8,800.4**	**15.7**

The backlog increased by 16% with respect to December. Driven by **international growth (+43%)** and the all-time-high earnings posted by Budimex and Webber. The main projects added to the backlog include Heathrow's new T2 terminal (495 million euro), LBJ toll road (1,700 million euro) and the A 1-Strykow and A4 Debica-Rzeszow projects in Budimex (410 million euro).

Airports

Euros	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Sales	2,793.8	3,070.4	-9.0	5.0
EBITDA	1,271.8	1,337.1	-4.9	8.1
EBITDA margin	45.5%	43.5%		
EBIT	556.1	611.3	-9.0	29.3
EBIT margin	19.9%	19.9%		

BAA

	dec-10	dec-09	Ch. (%)	Pro-forma (%)
Euros	2,790.1	3,067.2	-9.0	5.0
Sales	1,282.2	1,354.5	-5.3	7.4
EBITDA	46.0%	44.2%		
EBITDA margin	567.0	630.0	-10.0	26.2
EBIT	20.3%	20.5%		
EBIT margin				

The detail of sales and gross profit from operations is as follows:

	Sales	Gross profit from operations	Margin %
Heathrow	1,743.6	825.1	47.3%
Heathrow Express	182.6	55.6	30.5%
Stansted	229.6	86.0	37.5%
Scotland	229.5	89.1	38.8%
Southampton	27.3	9.9	36.3%
United Kingdom	**2,412.6**	**1,065.8**	**44.2%**
Naples	61.4	24.3	39.5%
Adjustments and other	-85.4	-8.9	
Pro forma	**2,388.6**	**1,081.2**	**45.3%**

(Millions of pound sterling)

BAA's activity was conditioned in 2010 by **the distortions caused by the eruption of the volcano in Iceland**, causing the closure of the airspace over England between 15 and 20 April and early May, the **BA cabin crew strike** (34 days) and the closedown of runways caused **by extreme cold weather conditions and snow in December.**

As a result of the aforementioned events, UK traffic fell by -2.8% **(traffic would have grown by 1% excluding these events)**, with an estimated 3.6 million euro passengers lost and an estimated economic loss of GBP 67 million.
Pro forma BAA experienced growth in sales (+5.0%) and EBITDA (+7.4%).

Retail income per passenger increased by **12.1% in regulated airports** (14.4% LHR), supported by the increase in origin-destination traffic, reaching 65% (63% in 2009).

Traffic

Q4 traffic **(-1.9%)** was clearly hampered by the closure of runways during the **cold spell and snowstorms in December**. Even so, **LHR continued to perform well during the quarter (+0.7%)**, thanks to the strong growth recorded in October and November, consolidating the trend observed in Q3. During the first half of the year, traffic was affected by **British Airways strikes** and the impact of the **volcanic eruption** in April.

In 2010, passenger numbers in the UK fell by -2.8%. The **change of trend** observed since the third quarter enabled **Heathrow to achieve five consecutive all-time-highs** in the volume of passengers (July-November). In **Stansted**, the fall in traffic (-7.0%) results from reduced holiday traffic, which is very important at this airport. Long-haul low cost flights are increasing, a trend that is expected to continue.

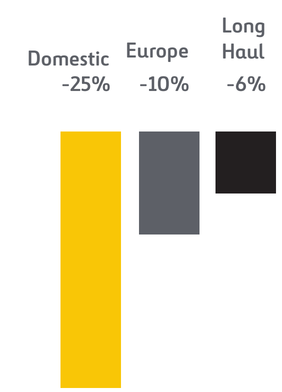
Passengers per Airport – in millions	dec-10	Ch. (%)
Heathrow	65.7	-0.2
Stansted	18.6	-7.0
Glasgow	6.5	-9.6
Edinburgh	8.6	-5.0
Aberdeen	2.8	-7.4
Southampton	1.7	-3.2
United Kingdom - Total	103.9	-2.8
Naples	5.5	2.5
Total BAA	**109.4**	**-2.5**

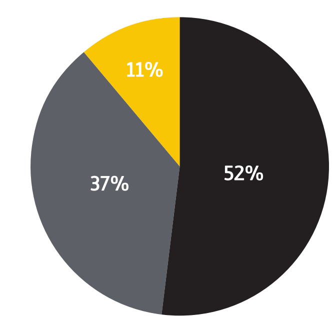
Excluding the impact of exceptional factors, BA strike, volcanic eruption and extreme cold weather, the growth in traffic would stand at approximately **+3.4% at Heathrow.**

LHR.- Performance by destination in December

The **impact** of the closure of runways due to the **cold weather and snow** was much **lower in the most important and profitable market for Heathrow (long-haul flights),** affecting domestic traffic more.

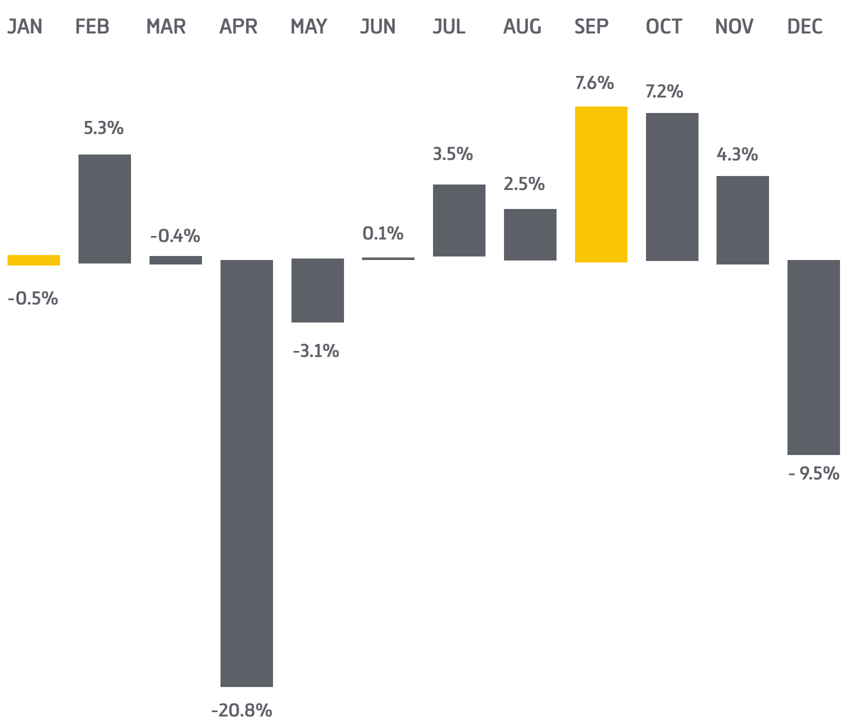
LHT





LHR.- Monthly traffic performance

Despite the impact of the closure of runways due to the extreme cold weather and snowstorms in December, **at LHR the quarter continued to perform well (+0.7%)**, thanks to the strong growth recorded in previous months. .



F inancing

BAA continued to make significant progress in extending its debt maturities. BAA **arranged close to GBP 2,000 million, allowing for the settlement of most of its short-term maturities. BAA does not have any significant maturities until 2012.**

2010 refinancing includes:

- Subordinated debt refinancing (GBP 1,570 million).
- A and B class bond issues for GBP 1,025 million and 500 million euro, which, together with cash flow generation, made it possible to reduce the **back stop facility** to below GBP 1,300 million, which is the level the restriction to pay dividends is eliminated.

Concept	Date	Amount	Spread	Maturity
Class B loan	20/08/10	GBP 625	325	2014
Class B bonds	01/09/10	GBP 400	375	2018
Class A bonds	05/10/10	EUR 500	205	2016
High Yield loan	26/10/10	GBP 175	500	2015
High Yield bonds	03/11/10	GBP 325	7.125% fixed coupon	2017

On 13 November 2009, BAA shareholders approved a financial optimisation plan to enable recurring access to fixed income markets.

New funds contributed by shareholders to FGP Top Co. amounted to EUR 148 million, EUR 81 million of which correspond to Ferrovial.

FGP Top Co. contributed GBP 500 million to the regulated airport structure (BAA SP). The aim of this transaction was to strengthen this company's financial ratios. A total of GPB 331 million was used to repay or cancel derivatives and slightly reduce the overall debt. The remaining GBP 169 million increased the company's cash.

Divestments

On 22 October, **Ferrovial initiated the process for the possible sale of a non-controlling ownership interest in BAA**. Initially, 10% of the share capital will foreseeably be sold.

The process was initiated in the framework of Ferrovial's policy to maximise the value of its assets, taking advantage of the financial soundness attained in BAA's capital structure and the improvement in its operating parameters and financial results.

On 1 October BAA announced the sale of its ownership interests in the **Naples international airport** to the Italian company F2i SGR for 150 million euro. The transaction entailed an EV/EBITDA multiple of 13.3.

On 27 April BAA announced the agreement for the sale of its interest in **Airport Property Partnership ("APP")** to the British firm Segro for GBP 244 million (approximately 280 million euro). APP was owned on an equal-footing basis by BAA and Aviva Fund Management. The gain for Ferrovial amounted to 18 million euro. The transaction was completed on 22 June.

Service quality

The effort made to enhance Heathrow's service quality in the recent years is shown by the improved passenger satisfaction ratings contained in the **survey conducted by the Airport Council International**, in which LHR obtained a 3.80 rating in Q4 (3.78 in 2009), retaining the **second place among the main European hubs.**

The main quality indicators have been affected by weather conditions and the BA strike.

Punctuality: 71% of LHR flights took off with less than a 15-minute delay (77% in 2009), 78% at STN (82% in 2009), affected by poor weather conditions and strikes.

At Heathrow, the percentage of lost luggage decreased to 18‰ (19‰ in 2009), despite the difficulties caused by extraordinary events such as BA strikes or runway closures owing to the volcanic eruption or extreme cold weather conditions.

Security checks: 97.5% of LHR passengers passed through security checks within the periods established for this process. At Stansted, 98.2% of the passengers observed these procedures. These figures are above required quality parameters (95%).

Regulatory Matters

Competition Commission
In March 2009 the **Competition Commission** issued its final report ordering the sale of Gatwick and Stansted airports to another buyer, as well as the sale of Glasgow or Edinburgh airports, granting a two-year period to complete all the divestments.

In May 2009 BAA filed an appeal against the decision of the Commission at the CAT (Competition Appeal Tribunal).

On 21 December the CAT handed down a decision in favour of BAA, thereby opening a period in which the parties, BAA and the CC, could come to a solution on the matter.

On 10 February 2010 the CC announced its decision to file an appeal at the CAT, which was rejected on 25 February, overruling the obligation to sell. On 26 March the Court of Appeal (CoA) accepted the appeal lodged by the CC, which took place in June.

On 13 October 2010 the CoA ruled in favour of the CC, sustaining the conclusions reached by the CC in its initial report (obligations to sell).
In November 2010 BAA sought permission to file an appeal against the CoA decision at the Supreme Court.

On 18 November 2010 the CC opened the period to refer evidence on the possible changes of circumstances that could lead to the reconsideration of the solutions proposed in its initial report.

On 17 February 2011 the Supreme Court denied BAA permission to file an appeal against the CoA decision.

Capacity development
The **new British government** announced its intention **not to authorise the development of new runways** in the south of England. Consequently, BAA announced that Heathrow will stop the procedures to obtain the development permit for the third runway and Stansted will withdraw its authorisation request for a second runway.

("DfT"), review of economic regulation of UK airports
The government confirmed its decision announced in December 2009 n**ot to authorise a special administration scheme,** and **not to introduce changes to the bases supporting Heathrow and Stansted current maximum tariffs.** The new British government has created a package of measures to be developed in the new legislation, including:

• Civil Aviation Authority (CAA) fundamental duty to promote the interests of passengers. In addition, the CAA will have the additional duty to ensure license holders are able to finance their activities.

• A minimum credit worthiness requirement for licensed airports.

• Ring fencing provisions similar to those in place in other regulated sectors with initial derogations from some of these provisions where the costs of introducing these provisions would exceed their benefits.

• A requirement on the CAA to apply considering the removal of an airport's derogations and an appeals process that is aligned with the wider license modification process.

• An obligation on the airport to prepare a Continuity of Service Plan and to keep the plan in serviceable state.

CAA, extension of regulatory period
On 7 February, the CAA initiated a consultancy period on the potential extension of Q5 regulatory period for a further year, until March 2014. The consultancy period will last over a month and a decision will be taken in March 2011.

income statement

	Before fair value adjustments	Fair value adjustments	Dec-10	Before fair value adjustments	Fair value adjustments	Dec-09
Revenue	**12,169**		**12,169**	**12,232**		**12,232**
Other operating income	17		17	30		30
Total operating income	**12,186**		**12,186**	**12,262**		**12,262**
Operating expenses	9,671	1	9,672	9,667	3	9,670
EBITDA	**2,516**	**-1**	**2,514**	**2,595**	**-3**	**2,591**
Margin %			**20.7%**			**21.2%**
Depreciation and amortisation charge	1,000		1,000	1,005		1,005
Profit from operations before impairment and non-current asset disposals	**1,516**	**-1**	**1,514**	**1,590**	**-3**	**1,587**
Margin %			**12.4%**			**13.0%**
Impairment and disposals of non-current assets	740	1,139	1,879	-620	-90	-710
Profit from operations	2,256	1,138	3,393	969	-93	876
Financial results	**-1,646**	**-79**	**-1,725**	**-1,505**	**-50**	**-1,555**
Financial loss of infrastructure projects(financing)	-1,524		-1,524	-1,402		-1,402
Gains and losses on derivative financial instruments and other fair value adjustments		-48	-48		-148	-148
Financial loss of other companies (financing)	-122		-122	-103		-103
Gains and losses on derivative financial instruments and other fair value adjustments		-31	-31		98	98
Share of profits of companies accounted for using the equity method	**53**	**8**	**62**	**69**	**16**	**85**
Consolidated profit or loss before tax	**663**	**1,067**	**1,730**	**-467**	**-127**	**-594**
Income tax	-44	129	85	84	41	125
Consolidated profit or loss for the year	**619**	**1,196**	**1,815**	**-383**	**-86**	**-469**
Loss for the year attributable to non-controlling Interests	38	310	348	334	61	395
Profit or loss for the year attributable To the parent	**657**	**1,506**	**2,163**	**-48**	**-25**	**-74**

The sale of the Chilean toll roads was executed in September and, therefore, they have been excluded from consolidation since August. The ETR 407 business was fully-consolidated until September and accounted for using the equity method thereafter, following the formalisation of the sale of 10% in November. The pro forma information includes these impacts in 2010 and in 2009.
IFRIC 12 Note: effective from 1 January 2010, the Company has adopted the IFRIC 12 "Service concession arrangements", which is mandatory from that date. Pursuant to this standard, contracts may be classified into two types: intangible assets and financial assets (a mixed contract could also exist). In Ferrovial's case, the majority relate to intangible assets. Ferrovial has estimated the impact of adopting this standard for the Group, which was recognised on 1 January 2010 and is therefore included in the 2010 financial statements.
The impact of transition will not be significant in the case of intangible assets. As regards financial assets, the most significant corresponds to the case of Terrasa Manresa Toll Road, since the other main projects being carried out in the UK were already applying the model.

management report **businesses in 2010**

Main accounting impact

Earnings were affected by various factors: (I) Exchange rate, due to the depreciation of the Euro against the Canadian dollar (14%), the Polish zloty (9%) and the pound sterling (3%); (II) Smaller scope of consolidation in 2010 due to sales made in 2009 (Car Parks Division and Gatwick Airport) and 2010 (10% ETR and Chilean Toll roads); (III) Fair value adjustment to the financial loss (with no effect on cash), mainly caused by the evolution of the Ferrovial share price and hedges against future inflation; (IV) Impairment and disposal of non-current assets, with effect before fair value adjustment due to the gains on the sale of assets and on fair value adjustment for adjustments of assets to market value; (V) In 2010 the IFRIC12 (accounting model for concession arrangements) is applied for the first time.

Sales

	Dec-10	Dec-09	Ch.(%)	Pro forma (%)
Construction	4,525.1	4,475.5	1.1	-1.3
Airports	2,793.8	3,070.4	-9.0	5.0
Toll roads	868.7	989.6	-12.2	7.2
Services	3,896.0	3,680.3	5.9	3.1
Other	85.5	16.0	n.s.	
Total	**12,169.2**	**12,231.9**	**-0.5**	**2.7**

	Dec-10	%	Dec-09	%	Ch.(%)
Spain	3,765.0	31%	4,349.9	36%	-13.4
United Kingdom	4,202.6	35%	4,432.2	36%	-5.2
Canada & USA	1,407.8	12%	1,187.8	10%	18.5
Poland	1,169.7	10%	779.1	6%	50.1
Chile	202.4	2%	238.3	2%	-15.1
Rest of Europe	1,140.8	9%	1,007.3	8%	13.3
Rest of the world	280.8	2%	237.2	2%	18.4
International total	8,404.2	69%	7,882.0	64%	6.6
TOTAL	12,169.2	100%	12,231.9	100%	-0.5

EBITDA

	Dec-10	Dec-09	Ch. (%)	Pro forma (%)
Construction	231.1	228.0	1.3	-1.9
Airports	1,271.8	1,337.1	-4.9	8.1
Toll roads	629.6	664.3	-5.2	7.6
Services	409.8	365.6	12.1	8.6
Other	-27.9	-3.6	n.s.	
Total	**2,514.3**	**2,591.5**	**-3.0**	**6.5**

	Dec-10	%	Dec-09	%	Ch. (%)
Spain	369.7	15%	415.4	16%	-11.0
United Kingdom	1,400.2	56%	1,450.3	56%	-3.5
Canada & USA	372.3	15%	348.7	13%	6.8
Poland	69.9	3%	55.3	2%	26.3
Chile	108.7	4%	139.8	5%	-22.3
Rest of Europe	157.4	6%	156.8	6%	0.4
Rest of the world	36.2	1%	25.1	1%	44.4
International total	2,144.6	85%	2,176.1	84%	-1.4
TOTAL	2,514.3	100%	2,591.5	100%	-3.0

EBIT

	Dec-10	Dec-09	Ch. (%)	Pro forma (%)
Construction	191.2	183.1	4.4	1.0
Airports	556.1	611.3	-9.0	29.3
Toll roads	517.1	557.9	-7.3	8.7
Services	280.6	241.1	16.4	11.7
Other	-30.6	-6.8	n.s.	
Total	**1,514.4**	**1,586.6**	**-4.6**	**13.6**

	Dec-10	%	Dec-09	%	Ch. (%)
Spain	223.6	15%	287.0	18%	-22.1
United Kingdom	669.2	44%	707.2	45%	-5.4
Canada & USA	292.8	19%	265.5	17%	10.3
Poland	64.5	4%	50.3	3%	28.1
Chile	108.3	7%	138.5	9%	-21.8
Rest of Europe	152.0	10%	134.5	8%	13.0
Rest of the world	3.9	0%	3.5	0%	11.3
International total	1,290.7	85%	1,299.6	82%	-0.7
TOTAL	1,514.4	100%	1,586.6	100%	-4.6

Financial results

	Dec-10	Dec-09	Ch. (%)
Net finance cost of infrast. projects	-1,523.8	-1,401.7	-8.7
Net finance cost of other companies	-122.4	-103.4	-18.4
Financial result on financing	**-1,646.2**	**-1,505.1**	**-9.4**
Financial result on infrast. projects	-48.1	-148.1	67.5
Financial result on other companies	-30.6	98.1	-131.2
Financial result on hedges	**-78.6**	**-50.0**	**-57.2**
Financial result	**-1,724.8**	**-1,555.1**	**-10.9**

Net profit

	Dec-10	Dec-09
Net reported result (profit/loss)	2,163	-74

Depreciation and amortisation charge

In line with the same period in 2009, (-2.1% on a like-for-like basis) to stand at 1,000 million euro, the depreciation and amortisation taken for the airports business was the most significant (716 million euro).

EBIT (before impairment and non-current asset disposals)

Excluding the impact of exchange rates and changes in the scope of consolidation, there would be an increase of +13.6%.

Impairment and disposals of non-current assets

This heading includes gains and losses on disposals, with impact on cash, and the effect of recognising at fair value certain assets and liabilities with no impact on cash. The latter group includes three aspects with significant impact on 2010: the impact of recognising at fair value ownership interests in certain assets a portion of which were sold in 2010 and that changed from being fully-consolidated to being accounted for using the equity method; the impairment due to valuation adjustment of certain assets, and the impact caused by the measurement of derivatives not considered to be effective, the changes in value of which are recognised in the profit or loss.

The following effects are included, namely:

Sale of 10% of the ETR: 2,489 million euro, corresponding to the sale of 10% (474 million euro) and the increase in the market price of the 43.23% interest retained (2,015 million euro), which were recognised as a fair value adjustment.

Sale of **Chilean toll roads:** 354 million euro, **206 million euro of which correspond to 60%** of the investment sold and **148 million euro** to the increase in the market price of the remaining 40%, which were recognised as a fair value adjustment.

Impairment losses at Airports: impairment losses of 734 million euro were recognised, 173 million euro of which correspond to the decision made by the new UK government regarding the development of the third runway at Heathrow and the second runway at Stansted (SG2), all of which are included as fair value adjustments.

Impairment losses at Toll Roads: impairment losses of 277 million euro were recognised, mainly in relation to European toll roads, due to the negative traffic performance during 2010 and the updating of long-term assumptions for these toll roads.

Financial results

The financial loss increased by 10.9%, combining increased borrowing costs on financial liabilities (9.4%) with further finance costs arising from fair value adjustments to derivatives (without cash outflow).

	dec-10	dec-09	Ch. (%)
Net finance costs of infrastr.	-1,523.8	-1,401.7	-8.7
Net finance costs of other	-122.4	-103.4	-18.4
Financila result on	**-1,646.2**	**-1,505.1**	**-9.4**
Financial result on other infrastr. project	-48.1	-148.1	67.5
Financial result on other companies.	-30.6	98.1	-131.2
Financial result on	**-78.6**	**-50.0**	**-57.2**
Financial	**-1,724.8**	**-1,555.1**	**-10.9**

Losses on financing increased mainly as a result of higher inflation projections in the UK and 2009 refinancing costs.

The financial losses hedging instruments increased by 57%. This increased accounting expense was mainly due to stock option plans, resulting from the changes in the share price in 2010, closing at 7.44 euro (compared with 8.23 euro in 2009) and inflation hedges.

Hedging instruments	Dec-10	Dec-09
Stock option plans	-38.7	159.2
Inflation hedges	-41.5	-141.6
Interest rate hedges	**-12.9**	**26.4**
Other hedges	14.5	-94.0
Total	**-78.6**	**-50.0**

Results of companies accounted for using the equity method

The companies accounted for using the equity method contributed 61.7 million euro (84.5 million euro in 2009), with Amey's PPP projects being the most significant item with a 21.1 million euro contribution. The Airports Division contributed 12.4 million euro and Toll Roads 20.0 million euro, the latter contributing more in the last quarter following the change of method used to consolidate ETR.

Taxes

Income tax gave rise to tax assets amounting to 85 million euro. The tax asset arose from the tax losses recognised in the income statement of the Airports Division.

Non-controlling interests

This heading amounts to 348.2 million euro, due mainly to the losses attributable to non-controlling shareholders and incurred mainly at BAA, a company in which the non-controlling interests represent approximately 45%.

Net results

Profit amounted to 2,163 million euro; due mainly to the divestment at ETR.

management report businesses in 2010

Balance sheet and other magnitudes

	Dec-10	Dec-09
Non current assets	**35,465**	**36,048**
Goodwill	5,032	6,952
Intangible assets	97	45
Concession infrastructure	21,512	23,621
Property, plant and equipment	552	669
Investment property	64	77
Investments in associates	3,110	262
Non-current financial assets	2,184	1,935
Pension surplus		22
Deferred tax assets	2,068	1,604
Derivative financial instruments at fair value	847	861
Assets classified as held for sale and discontinued operations	**1,515**	**1,802**
Current assets	**6,306**	**6,150**
Inventories	445	489
Trade and other receivables	3,161	3,181
Cash and cash equivalents	2,701	2,480
Total assets	**43,287**	**43,999**
Equity	**6,628**	**4,719**
Equity attributable to the equity holders	5,194	3,102
Equity attributable to non-controlling interests	**1,434**	**1,617**
Deferred income	**196**	**232**
Non-current liabilities	28,596	29,751
Provisions for pensions	153	503
Other long-term provisions	860	954
Bank borrowings	21,511	23,368
Other payables	154	136
Deferred tax liabilities	3,951	3,454
Derivative financial instruments at fair value	**1,968**	**1,336**
Liabilities classified as held for sale and discontinued operations	**891**	**1,647**
Current liabilities	6,975	7,650
Bank borrowings	1,530	1,937
Trade payables	4,889	5,194
Operating provisions	**556**	**519**
Total equity and liabilities	**43,287**	**43,999**

Net consolidated debt

The net debt excluding infrastructure projects decreased by 1,203 million euro, with a **net cash position of 31 million** euro**.** This significant change is derived from the cash flows generated by Construction and Services together with the period divestments (mainly the proceeds from the sale of 10% of Toll road ETR407 capital, the Chilean toll roads and the sale of Tube Lines). This net cash position includes: 420 million euro invested in 2010 (mainly in the new infrastructure projects in the US and investments by the Services division in the UK), plus the dividends paid of 320 million euro and, it does not yet reflect the proceeds from the Swissport and M-45 sale transactions, totalling over 760 million euro.

The project debt is therefore reduced to 19,820 million euro. This significant reduction is due mainly to the exclusion from consolidation of the ETR toll road debt (3,150 million euro), partly offset by the depreciation of the euro against the currencies in which the main project debts are denominated (670 million euro) and the widening of the scope of consolidation to include the new toll roads in the US.

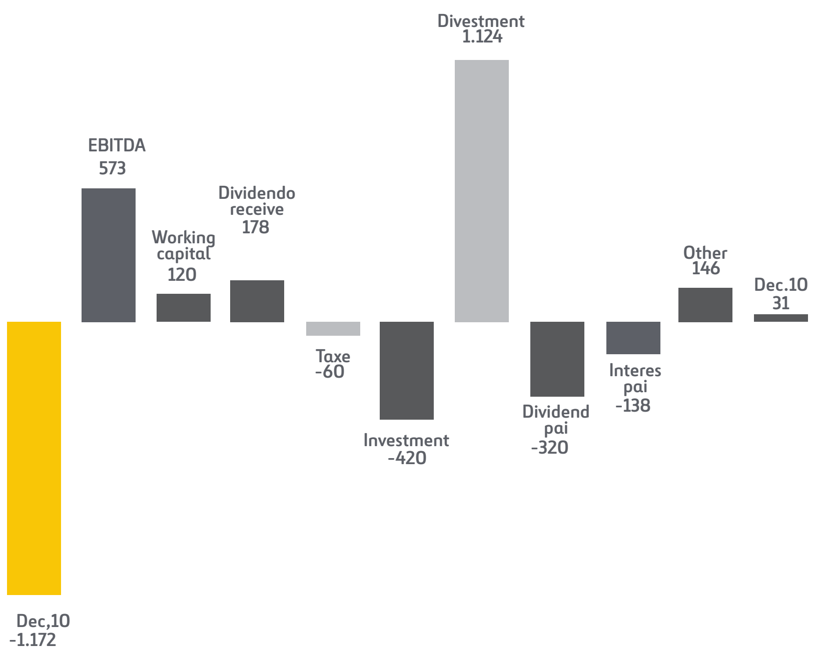
The Group's net debt amounted to 19,789 million euro, representing a reduction of 2,482 million euro compared with December 2009.

	dec-10	dec-09
Net debt excluding infrastructure projects	**31**	**-1,172**
BAA	-14,529	-13,856
Toll roads	-5,026	-7,104
Other	-265	-140
Net debt infrastructure projects	**-19,820**	**-21,099**
Total net debt	**-19,789**	**-22,271**

The level of cash flow generation, together with the asset turnover policy have led to a significant decrease in debt, excluding infrastructure projects.

management report **businesses in 2010**

Changes in net debt position, excluding projects.



Consolidated cash flow

EBITDA	**573**	**1,941**		**2,514**
Dividends received	178		-134	44
Working capital	120	-92		28
Cash flows from operating activities excluding income tax	871	1,850	-134	2,586
Taxes paid	**-60**	**-22**		**-81**
Cash flows from operating activities	811	1,828	-134	2,505
Investment	**-420**	**-1,972**	**224**	**-2,168**
Divestment	1,124	148		1,272
Cash flows from investing activities	704	-1,824	224	-895
Cash flows from activities	**1,515**	**4**	**90**	**1,609**
Interest cash flows	-138	-1,161		-1,299
Share capital and non-controlling interest cash flows	0	355	-221	134
Dividend cash flows	-320	-211	134	-397
Changes in exchange rate	**-6**	**-670**		**-676**
Companies accounted for using the equity method / held for sale	**180**	**3,125**		**3,305**
Other changes (not cash flows)	**-27**	**-168**	**2**	**-193**
Change in Net debt	**1,203**	**1,275**	**5**	**2,483**
2010 opening net position	**-1,172**	**-21,110**	**11**	**-22,271**
2010 closing net position	**31**	**-19,836**	**16**	**-19,789**

Cash flow excluding infrastructure projects

A. Operating cash flow

The 2010 changes in the cash flows from operating activities excluding infrastructure projects by business segment with respect to 2009 are as follows:

Cash flows from operating activities	2010	2009
Construction	373	406
Services	282	343
Toll roads	178	134
Airports	-12	-18
Other	50	14
Cash flows from operating activities excluding taxes	**871**	**879**
Income taxes paid	-60	-38
Total	**811**	**841**

The detail of the cash flows from Construction and Services, by business segment, is as follows:

	Construction	Services	Total
EBITDA	225	402	627
Dividends received		6	6
Working capital	148	-126	22
Cash flows from operating activities excluding income tax	373	282	655

In the **Toll Roads division**, the cash flows from operating activities include 170 million euro arising in relation to dividends and reimbursements of equity from the companies that own the toll roads infrastructure projects, the detail of which is reflected in the accompanying table.

Dividends and capital reimbursements	2010	2009
ETR 407	**100**	**63**
Autema		5
M-45	4	
Ausol	12	9
Spanish toll roads	**16**	**14**
Algarve		6
Norte Litoral		3
Portuguese toll roads		**8**
Other toll roads	**8**	**13**
Total dividends	**123**	**99**
Autoestrade Poludnie	22	
Euroscut Algarve		15
Norte Litoral	**21**	
Portuguese toll roads	**21**	**15**
Spanish toll roads	**1**	
Chicago	**3**	**4**
Total equity reimbursed	**47**	**20**
Total	**170**	**119**

B. Cash flows from investing activities

The breakdown, by business segment, of the cash flows from investing activities **excluding Infrastructure projects**, making a distinction between the outlays for investments made and the collections on divestments, is as follows:

	Investment	Divestment	Net investment
Construction	-46	8	**-38**
Services	-148	241	**94**
Toll roads	-139	867	**728**
Airports	-83		**-83**
Other	-4	8	**3**
Total	**-420**	**1.124**	**704**

"Cash Flows from Investing Activities" includes, on the one hand, capital increases at the Toll Roads division, and on the other, capital investments in the infrastructure projects (mainly in the American and Spanish toll roads), as well as in BAA, at which the capital increase took place in January and was directly related to the financial structure optimisation plan. "Services" includes the investment made for the acquisition of a waste treatment company in the UK (Donarbon).

As regards divestments, notable under "Toll roads" was the sale of the 10% percent of the ETR Toll road (658 million euro) and the sale of the Chilean Toll roads (209 million euro); while "Services" most notably includes the sale of Tubelines from Amey (217 million euro) and the sale of the Cespa offices in Madrid (14 million euro).

Toll-road concession infraestructure	2010
Intangible assets/Property,plant and equipament	0
NTE	-37
0,0	-29
Spanish toll roads	-26
Greek toll roads	-22
Azores	**-12**
SH-130	-10
M-3	-3
Concession infraestructure	**-139**
Total	**-139**

C. Cash flows from financing activities
This item includes payments on dividends both to Ferrovial S.A.'s shareholders, which amounted to 315 million euro in 2010, and those corresponding to non-controlling shareholders at consolidated level (mainly Budimex and Swissport).

Lastly, it should be noted that the positive effect of the reclassification of Swissport's assets and liabilities in 2010 to assets and liabilities classified as held for sale, which anticipates the cancellation of the debt due to the sale planned for 2011.

Infrastructure project cash flows

A. Cash flows from operating activities
The cash flows from operating activities of the **infrastructure concession operators** includes mainly the inflow of resources from those companies which are under operation, although it also includes the refunds and payments of VAT corresponding to those still under construction. The breakdown of the cash flows from operating activities of infrastructure projects is as follows:

	Airports	Toll Roads	Other (*)	Total
EBITDA	1,282	643	16	1,941
Taxes paid	2	-24	1	-22
Changes in working capital	-24	-69	1	-92
Cash flow from operations	**1,260**	**550**	**18**	**1,828**

(*) Cash flow from companies owning "Other" projects is basically made up of cash flow from Services and Construction infrastructure projects.

B. Cash flow from investing activities
The breakdown of the cash flows from **investing activities of infrastructure projects**, making a distinction between outlays, mostly related to capex investments, and the collection on divestments, is as follows:

	Investment	Divestment	Net investment
North Tarrant Express	-185		-185
SH-130	-275		-275
Azores	-104		-104
ETR 407	-44		-44
LBJ	-96		-96
Other toll roads	-68		-68
Total toll roads	**-772**		**-772**
BAA	**-1,057**	**148**	**-909**
Other	-144		-144
Total	**-1,973**	**148**	**-1,825**

As regards cash flows from investing activities, the investment in concession assets for BAA and Toll Roads 2010 should be noted, most significantly, Portugal (Azores toll road) and US toll roads (North Tarrant Express, SH-130 and LBJ).
"Divestments" includes primarily proceeds from the sale of APP in June and the Naples Airport in December.

C. Cash flows from financing activities Cash flows from financing activities includes dividends paid and equity reimbursed by the concession operators to their shareholders, as well as amounts received by these companies for capital increases. For the fully-consolidated concession operators these amounts correspond to all of the quantities paid and received by the concession operators, irrespective of the percentage of participation that the Group holds therein. There are no dividends or equity reimbursement included for the companies that are accounted for using the equity method.
Interest flows are related to interest paid by the concession operators, plus other fees and commissions and costs closely related to the obtainment of financing. Cash flows under these items correspond to the interest expenses for the period, as well as any other item entailing a direct change in net borrowings for the period. This amount does not coincide with the financial loss included in the income statement, mainly as a result of the differences between the amount of interest accrual and payment.
Worthy of note at BAA is the prepayment of interest (-129 million euro) corresponding to subsequent years associated with the inflation indexed derivatives (Index Linked Swaps) and interest rate swaps as a result of the issue of bonds in 2010.

Interest cash flow	2010
ETR 407	-151
US toll roads	-117
Spanish toll roads	-91
Portuguese toll roads	-40
Chilean toll roads	-39
Other toll roads	-18
Total toll roads	**-456**
BAA (fees and commissions and prepaid interest)	-129
BAA (other interest)	-562
Total BAA	**-691**
Other	**-13**
Total	**-1,160**

Cash flows from financing activities also includes the impact of interest rate fluctuations on debt denominated in foreign currency, which in 2010 gave rise to a loss of 670 million euro, as a consequence of the appreciation of the pound and Canadian dollar against the euro, which had a significant effect on the net debt of BAA and the Canadian 407-ETR, as well as the positive effect caused by the change in the method of consolidating the Canadian ETR toll road in 2010 after the sale of ten per cent of the shares thereof (+3,149.7 million euro).
Lastly, "Other" includes items that represent a fluctuation in reported borrowings but do not affect the actual cash flow, such as unpaid accrued interest, etc.

management report **businesses outlook**

businesses outlook

Macro economic variables

The main uncertainty concerning the world economic situation in 2011 is centred on the confirmation of the recovery that began in some countries in 2010. A slow recovery is expected from the second half of the year onwards, endangered by the instability of the financial markets caused by the European systemic crisis regarding sovereign debt.

The concerns regarding the sovereign risk of the eurozone might contribute to tighter credit and higher borrowing costs.

Spain is expecting to overcome the recession, but facing growth rates much lower than the average of developed economies, due to the high unemployment rate, the collapse of construction, the high level of indebtedness and the tax and trade deficit.

Main challenges for Ferrovial in 2011

In 2011 Ferrovial's main strategies will be based upon:

· Continue the cost control policy and working capital management to maximise cash generation at operating level.

· Continue the selective divestment policy in mature assets aiming at investing in new projects with high potential to create added value and synergies for the Group.

It is important to highlight two processes relating to BAA. Firstly, the process initiated by Ferrovial concerning the process to sale of a 10% stake, and secondly, the process initiated by the UK Competition Commission that might represent divestment at certain BAA airports.

Ferrovial´s performance by business area

As regards the **Airport** business, according to the International Air Transport Association (IATA) the recovery that began in 2010 is expected to be interrupted in 2011, showing a slower growth, mainly due to the increase in the price of oil and the tax measures adopted by certain European governments, which will have a negative effect on the industry. In the UK, Germany and Austria, such measures are expected to cause an approximate 3%-5% increase in flight prices, although the emerging countries will continue to experience a significant growth in the volume of passengers.

Passenger numbers are expected to grow 5.3% worldwide compared with 2010. The breakdown of this growth per region is as follows: North America 3.7%, Europe 3.5%, Asia-Pacific 6.9%, Middle East 10.5%, Latin America 6.3% and Africa 5.5%. UK Airports are expected to experience a higher increase than the European average rate due to the impact caused by the Iceland volcano in 2010.

In the UK, an index commonly used to measure inflation in regulated sectors is RPI ("Retail Price Index"), which ended in 2010 at around 4.0%. The RPI to be applied by BAA in order to update prices for 2011 was 4.7% (year-on-year rate for August).

Of note was the privatisation process of the 49% of AENA that took place in Spain as a consequence of the new decree on economic measures approved by the Spanish Government.

For 2011, BAA´s strategy will be focused on the improving, both the services offered and its competitive position, and on strengthening its financial position through new bond issues and cash flow generation through growth in gross profit from operations.

As regards **Toll Roads**, since the inflation rates and GDP are expected to be slightly positive, prices will grow slightly (update of prices normally linked to inflation or GDP per capita). It is also expected that the improvement in traffic performance during the second half of 2010 will be consolidated in 2011, as a result of the expected growth in the economies of various countries. Heavy vehicle traffic is expected to perform especially well, taking into consideration the falls recorded in 2009-2010. Positive increases in GDP might bring about a recovery in production levels and, as a result, also in heavy traffic.

In Spain, Greece and Portugal, the heavy and light vehicle traffic decreased in the second half of 2010, being strongly related to the crisis specially affecting long-distance journeys. A recovery in traffic is expected for the second half of 2011.

In the US and Canada there was an upturn in the economic growth indexes (GDP, employment, industrial production, etc.) which are expected to bring about a slight increase in traffic in 2011.

In 2011 Cintra will continue to adapt its strategy to the current situation by participating in tender offers for the greenfield projects with stakes below 50% and applying the mature asset selective rotation policy.

As regards urban and waste treatment **Services** in Spain, the liquidity problems of many Spanish City Councils (along with the restrictive measures on public borrowing) caused delays in payment of contracts in 2010. A slight recovery and the reactivation of the Spanish economy are expected for 2011; while the volume of tonnes is likely to recover slowly after the significant drop in industrial and construction activities.

In the UK, the reduction in public expenditure announced by the Government is expected to take effect in 2011, including budget cutbacks at local authorities and lower investments in new infrastructures. Projects expected to be tendered in 2010 or 2011 (mainly maintenance services contracts for railway infrastructure, roads and street lightning) will foreseeably be put back a number of years. As a consequence of the lower number of tenders due to tighter spending and the foreseeable increase in competition, margins are likely to be squeezed.

In 2011 the **Services** division's strategy will be based mainly on the balanced diversification of the business, taking advantage of its growth and its capacity to generate cash.

As regards **Construction**, after ending 2010 with a downturn in the activity, Euroconstruct expects a change of tendency in 2011 production (1.2%) for its 19 member countries, including Spain, and solid growth in 2012 (2.4%).

Spain, as opposed to other European countries, will continue to experience a reduction in the activity for at least one more year, without ruling out the possibility of a second similar year. Spanish civil engineering projects, after facing a particularly bleak scenario in 2010 due to the public expenditure reduction plans brought about by the high deficits of the local authorities and the central government, will be relieved in part in 2011 if the announced package of public-private financing projects comes about.

Poland, the market in which Budimex operates, continues to be one of the EU economies with the highest forecast growth for 2011 (3.7%). With respect to the construction industry, the opportunities are related to the UEFA EURO 2012 and the allocation of EU Structural and Cohesion Funds for 2007-2013.

In Texas –the market in which Webber operates– the economy is expected to show greater growth in 2011 compared with the rest of the country. In general, US companies expect that the Infrastructure Renewal Plan announced by Obama will actually be carried out.

In the UK, worthy of mention is the growth opportunity arising from the Crossrail project (approx. GBP 16,000 million), the biggest infrastructure project of the decade. High speed train projects are expected to be carried out in other countries as well (the US and Spain).

Expectations for the Construction business include the growth in the international segment together with other activities or business groups, mainly toll roads and BAA, thereby converting Construction into a competitive tool in high complexity infrastructure projects. It is expected that in the coming years, growth abroad will offset the negative performance foreseen for the business in Spain.

main risks and uncertainties and financial risk management

• Within Ferrovial s commitments in the area of corporate responsibility, environmental policy holds a prominent place and focuses on the use of environmental management systems and the setting of indicators and follow-up on environmental performance objectives.

• The annual Corporate Responsibility Report published by the Company includes a detailed breakdown of the evolution of all these indicators in 2010.

• Human Resources policies are a key element in Ferrovial s commitments in the area of corporate responsibility. Human Resources activities are oriented towards guaranteeing sustainable growth of the organisation and developing the potential of its employees in order to increase the competitive level of the Company in the market. The annual report published by the Company monitors in detail the Human Resources activities undertaken in 2010, along with the main indicators related thereto.

• The information on the treasury share portfolio and events after the reporting period are included in Notes 15 and 37 respectively to the consolidated financial statements for 2010, bearing in mind that they are prepared in parallel with this management report.

• The information on risks and uncertainties is included in the Corporate Governance Report which is part of this report.

• The Group's activities are exposed to various types of financial risks, of particular note being primarily interest rate risks, foreign currency risks and market risks. The principal hedging polices are described in Note 3 to the consolidated financial statements.

audit and control committee report

Members

Pursuant to the Board of Directors Regulations of FERROVIAL S.A., all the members of the Audit and Control Committee are non-executive directors, and shall be presided over by an independent director.

The members of the Committee, who were the same throughout 2010, are as follows:

• Santiago Fernández Valbuena, Chairman
• Gabriele Burgio.
• PORTMAN BAELA S.L., represented by Eduardo Trueba Cortés until 25 March 2010, and Mr. Leopoldo del Pino thereafter.
• Juan Arena de la Mora

Powers

The Board of Directors Regulations have vested the Audit and Control Committee with the powers summarised below:

In relation to the external auditors:
• Propose the appointment of the auditor, including the conditions of engagement; and their dismissal or non-renewal.
• Enable communication between the Board of Directors and the auditors. Ensure compliance with their recommendations by the Senior Management. Secure the auditor's independence.
• Control advisory and consultancy services provided by the external auditor.

In relation to the internal auditors:
• Propose the appointment, re-election or replacement of the Director as well as the budget for such services.
• Oversee and check the internal audit plan.

In relation to the financial information:
• Knowledge of the financial reporting process and the internal control systems.
• Supervise the annual and periodic public information prior to the approval thereof by the Board.

In relation to risk control:
• Regular analysis and evaluation.

In relation to other matters:
• Supervise compliance with the corporate governance rules.
• Set-up and supervise a "complaint box".
• Prior report on transactions for the organisation and acquisition of companies located in tax havens and special-purpose companies referred to in the Board Regulations.

management report **audit and control commitee report**

These powers are detailed in the Company's Annual Report on Corporate Governance.

The Board of Directors shall recommend to the shareholders at the Annual General Meeting that the bylaws be amended to adapt the powers of the Audit and Control Committee to the amendments introduced by Law 12/2010, of 30 June, to the Additional Provision Eighteen of the Spanish Securities Market Law.

Activities performed

During 2010, the Committee held six (6) meetings.

The Committee annually approves a work plan addressing the subjects to be discussed in each of the meetings.

Economic & financial reporting

Among the functions of the Audit and Control Committee is to assist the Board of Directors in its endeavours to ensure the accuracy and reliability of the financial information to be regularly reported by the Company.

During the year, the Committee analysed this information before making it available to the Board of Directors and its being sent to the authorities or the markets, taking advantage in this analysis of the cooperation of the Economic & Financial General Management.

Relations with the external auditor

Appointment of the external auditor

In 2010, the Board of Directors resolved to replace the firm that, over the last seven years, had provided financial audit services, despite its good performance.

The Audit and Control Committee undertook a selection process in which some of the most important firms operating in Spain took part. This process came to an end with the proposal made by the Board of Directors to the shareholders at the Annual General Meeting held on 30 June 2010, which approved the appointment of DELOITTE as the external auditor of Parent and its Group for the years 2010, 2011 and 2012.

Review of the Financial Statements

As is customary practice at the Company, the external auditors appeared before the Committee during the authorisation for issue of the financial statements for 2009 and they intend to do so again during the authorisation for issue of the financial statements for 2010.

The account auditors of other companies of the Group also appeared before the Committee in order to explain their working methods and the most relevant aspects in reviewing financial statements.

Independence of the auditor

The abovementioned Law 12/2010 vests the Audit and Control Committee with the power to secure the external auditor s independence. For such purpose, the auditor shall confirm its independence in writing and shall provide information about the additional services rendered, including its opinion in both respects.

In 2011, and prior to the issuance of the auditors' report, the Committee intends to fulfil both obligations.

Other actions related to the external audit.

• As in 2009, the external auditor explained its limited review of the quarterly financial statements at 30 June 2010.

• The external auditor also appeared before the Committee in order to report on its activities planned for the closing of the year 2010.

Internal Control Procedures

The Committee examined a report on the main internal control recommendations made as a consequence of the audit of FERROVIAL and on the follow-up of those made during the review of the financial statements for 2009.

The Committee was informed about the document prepared by the Working Team promoted by the Spanish National Securities Market Commission (CNMV) with regard to the "Internal Control on Financial Reporting of listed entities", and future disclosure requirements in this field. The internal control system being implemented at FERROVIAL was also examined, which follows the structure proposed by the CNMV.

Internal Audit

The Committee oversaw the actions taken by the Company's Audit Department and, specifically, examined the following:

• The activity report for 2009, which gives evidence that the plans approved on that day by the Committee itself have been fulfilled.

• The audit plan projected for 2010.

• The stage of completion of the work scheduled at the closing of the first six-month period, checking once again that the approved plans have been fulfilled.

Risk analysis and control systems

In 2010 the Committee pursued its function of examining the principal risks of the Company and its Group along with the systems established for their control.

The Risk Management of Ferrovial appeared regularly before the Committee to report on these matters.

Actions in the area of Corporate Governance and compliance

The Committee took the following actions in this matter, in line with the Board Regulations:

• Examination of the Annual Report on Corporate Governance for 2009, prior to the presentation thereof to the Board of Directors.

In 2011, the Committee will review, for reporting purposes prior approval by the Board of Directors, the Annual Report on Corporate Governance for the year 2010.

• Report on transactions between the directors or senior executives and the Company or entities of the Group, along with the broad lines of operation, for later approval by the Board of Directors. As per the Board Regulations, discussion and approval thereof took place without the interested parties being present.

• Prior authorisation to hire advisory and consultancy services from external audit firms. In addition, the Committee receives a quarterly report on the development of the authorisations already granted.

Other work performed by the Audit and Control Committee.

The Company has developed a system managed by the Internal Audit Department, the "Claims box", through which all employees can confidentially and, if so wished, anonymously, report inefficient situations, inappropriate behaviour or potential situations of breach. The Commission has received two reports in 2010 about its performance: one related to the prior year, and another related to the first half of this year.

In 2010 the Claims Box was made available to external agents over the Internet, on the Company's website.

Also, the Committee examined reports on pension plans of various international subsidiaries of the Group.

Evaluation of the Audit and Control Committee

In accordance with its Regulations, the Board of Directors will assess every two years the operation of the Committees based upon the report furnished by the latter to it.

In 2010 the Audit and Control Committee examined its composition, powers and performance during 2009, submitting the relevant report to the Board of Directors, which ratified it.

management report **report from the board of directors in relation to the aditional information to include in the management**

report by the board of directors related to the additional disclosures to be included in the directors' report in accordance with article 116 bis of the securities market law

Purpose of the Report

Article 116 bis of the Securities Market Law requires that once a year listed companies submit to the shareholders at the Annual General Meeting an explanatory report on the additional disclosures that must be included in the Directors' Report.

For this reason and at the time of authorisation for issue of 2010 consolidated financial statements, the Board of Directors issued this report.

Additional content of the directors' report in line with Article 116 bis of the Securities Market Law

a. The capital structure, including the securities that are not negotiated on a regulated community market, indicating, where appropriate, the various classes of shares and, for each class of share, the rights and obligations conferred and the percentage of the capital that they represent.
The share capital of FERROVIAL, S.A. ("Ferrovial" or the "Company") amounts to 146,702,051 euro divided into 733,510,255 shares, of twenty eurocents (€0.20) par value each, belonging to a single class. All the shares are fully subscribed and paid. Each share carries the right to one vote.

b. Any restriction on the transferability of the shares.
There are no restrictions in the Company's bylaws of any type on the acquisition or transfer of shares representing the share capital, other than those generally established in the corporate law.

c. Significant direct or indirect ownership interests in the share capital

At 31 December 2010, according to the information available to the Company, the owners of significant ownership interests in the share capital of Ferrovial S.A., were those shown in the table below:

	No. Shares	% share capital
Portman Baela, S.L.	327,193,828	44.607%

According to the notification sent to the Spanish National Securities Market Commission and to the Company itself on 10 December 2009, the family group formed by María del Pino y Calvo-Sotelo, Rafael del Pino y Calvo-Sotelo, Joaquín del Pino y Calvo-Sotelo, Leopoldo del Pino y Calvo-Sotelo and Fernando del Pino y Calvo-Sotelo, controls, through Karlovy, S.L., the majority of the share capital of Portman Baela, S.L. In turn, Portman Baela S.L. owned 44.607% of the share capital of Ferrovial S.A. Consequently, the family group formed by the aforementioned persons, controlled through said company, 44.607% of the share capital of Ferrovial, S.A. at 31 December 2010.

After the reporting period, through a notification dated 21 January 2011 sent to the Spanish National Securities Market Commission and the Company, Portman Baela, S.L. updated the information relating to the percentage of voting power held by the above-mentioned "family group" as a result of the sale of shares of Ferrovial, S.A. by Portman Baela, S.L., which took place between 17 and 20 January 2011. The "family group" holds, through said company, 44.268% of the share capital of Ferrovial, S.A.

Also,(i) at the end of 2010 Banco Santander, S.A. held, directly or indirectly, 28,370,766 shares, which represent 3.868% of the share capital of Ferrovial, S.A.

(ii) Norges Bank announced on 2 December 2010 that it held a direct 3.010% ownership interest in Ferrovial, S.A. After the reporting period, on 24 January 2011, the former reported to the Spanish National Securities Market Commission and the Company that the aforementioned interest in Ferrovial, S.A. had fallen to 2.965%.

d. Any restrictions on the right to vote.
There are no legal or bylaw-stipulated restrictions on the exercise of voting rights except those established in Article 83.1 of the Spanish Limited Liabilities Companies Law and Article 12.2 of the Company's bylaws, which establish that a shareholder who has disbursements outstanding not exercise his voting rights.

e. Shareholder agreements.
On 28 December 2009, Portman Baela, S.L., which held a 44.607% ownership interest in Ferrovial, S.A. at 31 December 2010, notified the Company the agreements entered into by its shareholders. According to these agreements, both the ownership of the share capital and the voting rights of the shareholders of Portman Baela S.L. that are legal persons must at all times be attributed to Rafael del Pino y Moreno and/or his direct heirs. Moreover, the representatives of the aforementioned legal persons undertake that, on behalf of the latter, the ownership of the share capital and voting rights of each of them will be attributed to Rafael del Pino y Moreno and/or his direct heirs.

On that same date, 28 December 2009, Karlovy, S.L. (a company exercises control over Portman Baela, S.L. as defined in Article 4 of Securities Market Law 24/1988, of 28 July) notified Ferrovial, S.A. of the agreements entered into by the shareholders of that company. These agreements restrict transfers of shares of Karlovy, S.L. as follows: the shareholders of Karlovy, S.L. undertake to offer their shares of Karlovy, S.L. to Karlovy, S.L. itself and the other shareholders, should any legal or natural person acquire a direct or indirect ownership interest in the share capital or voting rights of any legal person holding shares in Karlovy, S.L., other than certain persons (as established in the agreement), heirs or belonging to the family of Rafael del Pino y Moreno.

f. Rules governing the appointment and replacement of the members of the managing body and the amendment of the Company's bylaws.

f.1. Appointment and replacement of the members of the managing body. The appointment and replacement of the members of the Board of Directors is governed by the Company's bylaws and by the Board of Directors Regulations.

1. Quantitative composition
In accordance with the Company's bylaws, the Board of Directors shall consist of a minimum of five (5) and a maximum of fifteen (15) members elected by the Shareholders at the Annual General Meeting, or by the Board of Directors itself, in the terms legally established.

2. Qualitative composition
The bylaws and the Board of Directors Regulations require that the aforementioned body ensures that: (i) the non-executive directors comprise a broad majority; and that (ii) the majority group of non-executive directors be made up of proprietary or independent directors in a number reasonably proportional to the latter. In any event, the independent directors shall represent at least one third of the total number of directors.

3. Selection of directors
The Board of Directors Regulations establishes a selection procedure prior to the appointment or re-appointment of directors. When this procedure was applied to the selection of new directors, external firms were involved.

One of the powers of the Nomination and Remuneration Committee is to prepare and review the criteria that should be applied to constitute the Board of Directors and the selection of candidates, as well as to ensure that the selection process of candidates does not contain underlying bias that could hinder the selection of directors because of personal circumstances. The appointments (or the re-appointments) of directors must be preceded by:

• A proposal by the Nomination and Remuneration Committee, as regards independent directors.

• A prior report by the aforementioned Committee, as regards the remaining directors.

Persons of recognised solvency, competence and experience should be appointed, with more stringent requirements in relation to those persons called upon to cover positions as independent directors, who must comply with the Regulations in this respect.

As regards proprietary directors, the Board Regulations establish that they may not have personal, direct or indirect, commercial, economic, labour or regular professional relationships and of a significant nature, with Ferrovial, except those of a professional nature inherent to the positions of Chairman or CEO of the Company.

The Board members affected by appointment, re-election or dismissal proposals shall obtain from participating in discussions or votes relating thereto. Moreover, the voting will be secret.

4. Term of office
The directors shall hold office for three years and may be re-appointed once or several times for the same term.

management report report from the board of directors in relation to the aditional information to include in the management

The independent directors should place their position at the disposal of the Board, and formalise, if deemed convenient, their corresponding resignation, when they reach twelve (12) years as members of the Board, without prejudice to their possible continuation as directors of another type.

5. Removal of Directors
In addition to removal due to expiry of the period of office for which they were appointed or to the decision of the shareholders at the Annual General Meeting, in addition to the aforementioned limitation for independent directors, Article 30.3 of the Board of Directors Regulations requires that the directors must place their position at the disposal of the Board of Directors and formalise, if deemed convenient, their resignation in the following cases:

• Executive directors, whenever the Board deems it appropriate.

• Proprietary directors, when the ownership interest in the Company in consideration of which they were appointed is transferred in full. They shall also be removed, in a proportional number, when the aforementioned ownership interest falls to a level that requires a reduction in the number of proprietary directors.

• When they become subject to any incompatibility or prohibition provided for by law or internal regulations.

• When so requested by the Board of Directors for having failed to fulfil their obligations as directors.

• When their remaining on the Board could put the interests of Ferrovial at risk.

• When they reach the age of 70. The Chairman, the Deputy-Chairman when acting as an executive officer, the CEO and the Secretary of the Board of Directors shall be removed at 65 years of age, but may continue as directors and act as Chairman and Deputy-Chairman when the positions are not executive.

• When significant changes occur in their professional circumstances or in the conditions for which they were appointed as directors.

• When due to events attributable to the Board their presence on the Board causes grave damage to the property or social reputation in the opinion of the Board. Especially, if a legal process or an order is issued to initiate a trial against them for any of the offences specified under Article 213 of the Spanish Limited Liability Companies Law, the Board shall analyse at its earlier convenience the circumstances of the case and the appropriateness or not of their continuation in the position, providing reasoned disclosure thereon in the Annual Corporate Governance Report.

As regards independent directors, the Board Regulations establish that the Board may not propose their removal prior to completion of their mandate, unless there is just cause as perceived by the Board, following a report by the Nomination and Remuneration Committee. Just cause will be deemed to exist, in particular, if the independent director infringes his/her duties, is in a situation of incompatibility or is involved in the foregoing circumstances.

The removal of independent directors may also be proposed when a takeover bid, merger or other similar corporate operation gives rise to a change in the capital structure of the Company which makes it advisable to review the proportionality criteria established in the applicable good governance guidelines.

f.2. Amendment of the Company's bylaws

Any amendment of the company's bylaws must comply with the provisions of Articles 194 and 290 of the Spanish Limited Liability Companies Law.

g. The powers of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or repurchasing shares.

The Company's powers of attorney correspond to the Board of Directors acting as a collective body and on a majority-decision basis. The Board of Directors has been vested with the Company's powers of attorney, and has powers, in the broadest respect, to conclude agreements in general, to carry out all manner of acts and transactions, of contractual liability or disposition, ordinary or exceptional management and of absolute title, with respect to all manner of movable and immovable properties, money, securities and commercial bills, with no exceptions other than those matters that are the authority of other bodies.

Notwithstanding the foregoing, Rafael del Pino y Calvo-Sotelo, Company Chairman, and Íñigo Meirás Amusco, Managing Director, are permanently vested, individually or jointly and severally, with all the powers of the Board of Directors, except those that cannot be delegated pursuant to the law or the bylaws.
The shareholders at the Annual General Meeting held on 22 October 2009 delegated to the Board of Directors the power to issue fixed-income securities, both non-convertible and convertible and/or exchangeable, as well as warrants on newly-issued shares or outstanding shares of the Company. The duration of this delegation is for five (5) years.

Also, the shareholders' at the aforementioned Annual General Meeting vested the Board of Directors with the power to increase capital, in one or various steps and at any time, within five years as of the date of resolution by the General Meeting, up to a maximum of seventy three million (73,000,000 euro).

Lastly, at the same Annual General Meeting, the shareholders authorised the Board of Directors to deliberately acquire treasury shares, directly or through an investee of the Company, subject to the limits and requirements provided for in the resolution of the Annual General Meeting. The duration of the authorisation is five (5) years from the date of the resolution.

h. Significant agreements entered into by the Company which will come into force, be modified or terminate in the event of a change in control over the Company resulting from a takeover bid, and their effects, except when disclosure thereof may be seriously detrimental to the Company. This exception shall not apply when the Company is required by law to publish this information.

There is a corporate financing agreement in force with certain banks, which includes, among the reasons for early repayment, a change in control at Ferrovial, S.A. This agreement amounts to 2,714.5 million euro, of which 1,830 million euro have been drawn down at 31 December 2010.

There are other less significant agreements relating to the Company and the Group, primarily of a financial nature, which require certain authorisations or conditions prior to a change in control or a corporate transaction such as a merger or spin-off.

In 2010 certain agreements were entered into with IT and telecommunication suppliers, which include, inter alia, a change in control at Ferrovial, S.A. as one of the reasons for earlier termination.

i. The agreements between the Company and its directors and executives or employees that provide for benefits when the latter resign or are terminated without just cause or if the employment relationship comes to an end as a result of a takeover bid.

At 31 December 2010, the agreements between the Company and the senior executives, including two executive directors, envisage express entitlement to receive the termination benefits provided for in Article 56 of the Workers Statute in the event of unjustified dismissal.

Ferrovial s Group companies occasionally hire individuals to hold positions at various levels of management, mainly abroad, for which certain clauses have been used that provide for termination or notice requirements on the Company in case of unjustified dismissal.

In addition, in order to encourage loyalty and long-service, a type of deferred remuneration item was recognised for eleven senior executives, including two executive directors. This item consists of an extraordinary remuneration that will only become effective when certain of the following circumstances occur:

• Removal of the senior executive by mutual agreement or upon reaching a certain age.

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

• The death or disability of the member of the senior executive.

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

corporate governace report

De conformidad con lo establecido en la legislación mercantil, se adjunta como anexo al presente Informe de Gestión, el Informe Anual de

El informe de Gobierno Corporativo 2010 comunicado a la CNMV está disponible en la web corporativa de Ferrovial.

information on the stock exchange, treasury shares and principal share holders

Ferrovial ended the year 2010 at EUR 7.44 per share, with a fall of -9.6%.

Ferrovial s share-price performance in 2010 showed two markedly different profiles. During the first half of the year, the share price performed negatively, as a result of the sovereign debt crisis in peripheral European countries, which, in the case of Ferrovial, was worsened by the volcanic ash cloud that forced European air space to be closed between 15 and 20 April.

Conversely, during the second half of the year performance was positive, since various events occurred that were welcomed by the market. Along with the partial refinancing of BAA s debt, and the sale of the 10% ownership interest in the ETR407 toll road during this period, the financing of the new Lyndon B. Johnson toll road in Texas was completed.

In 2010, Ferrovial outperformed its benchmark index, the IBEX35, which closed the year down with a fall of -17.4% and the Spanish building index, which closed the year with a fall of -14.9%.
The IBEX index closed 2010 at 9,859 points. The select Spanish index lagged behind the main world indexes, which, broadly speaking, ended the year on the up.

The biggest falls in the Spanish stock market occurred in the financial sector, which amounted to -31.7%. The best performing sector in 2010 was that of non-cyclical consumption, which rose +17.0%, led by Iberia.

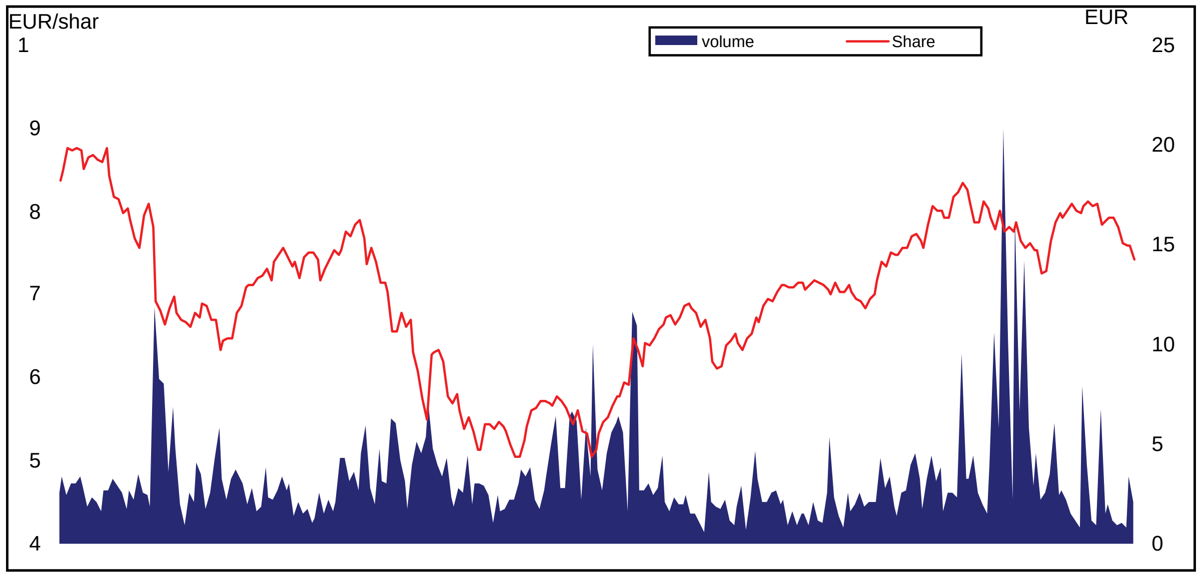
At the macroeconomic level, the credit risk of peripheral European countries increased noticeably in 2010, which resulted in the Greek financial crisis and subsequently in the Irish financial crisis in November.

Ferrovial historical performance, Ibex-35 and Sector Index -

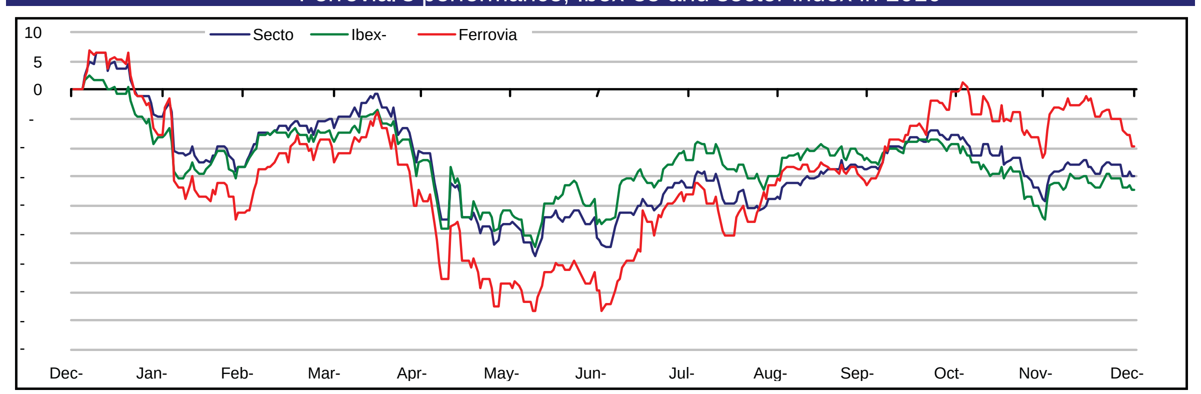
	1999	2000 social	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1999-2010
FER	-37%	-6%	45%	23%	15%	42%	49%	26%	-35%	-59%	68%	-10%	30%
IBEX	18%	-22%	-8%	-28%	28%	-17%	18%	32%	7%	-39%	30%	-17%	-2%
Sector	-26%	-7%	26%	4%	25%	27%	54%	61%	-10%	-48%	18%	-15%	67%

* 99-09 historical data corresponding to a historical pro forma series of the Ferrovial Group, adjusted to the merger share exchange rate of 4x1 in December 2009.

Share-price performance and effective volume traded in

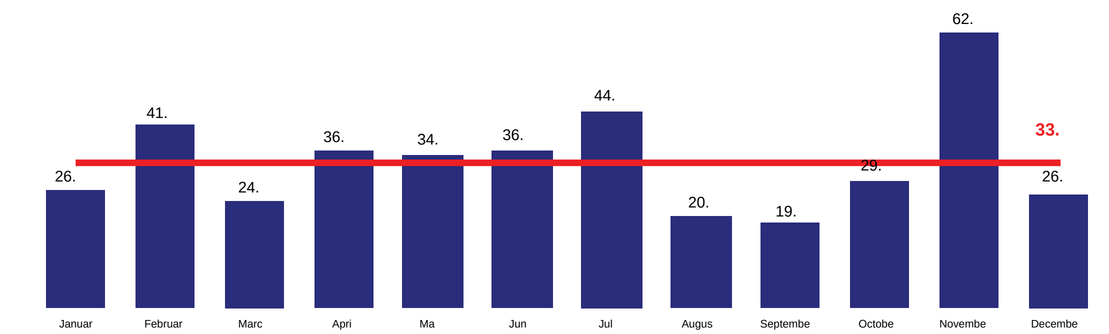


Ferrovial's performance, Ibex-35 and sector index in 2010

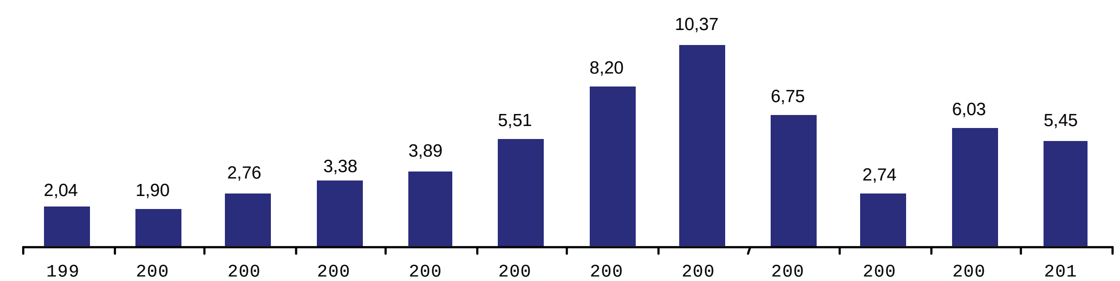


management report **information on the stock market, treasury stock and main shareholders**

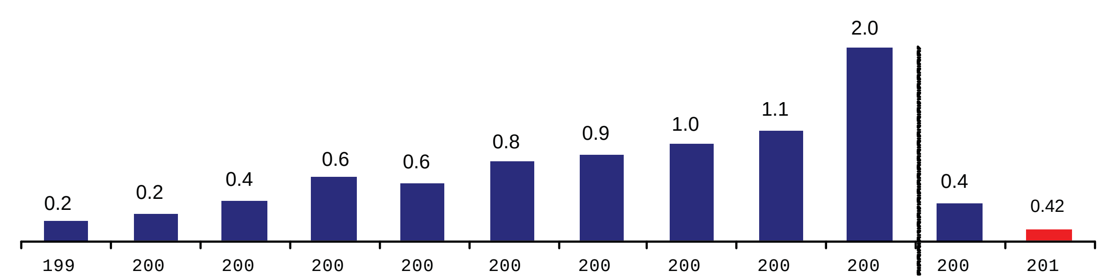
Volume traded - daily average – Millions Euros



Market capital ratio Million euros



Dividend per



Up to 2008 dividends cannot be compared with those paid in 2009 and 2010, upon the merger with Cintra.

Stock market data (in euros)

Ferrovial History	2010	2009	2008	2007	2006	2005	2004 IFRS	2004	2003	2002	2001	2000	1999
Closing price	7.44	8.23	19.58	48.12	73.95	58.50	39.32	39.32	27.78	24.15	19.69	13.6	14.4
High	8.95	8.78	57.45	82.95	78.35	71.45	39.8	39.8	28.29	28.95	22	18.35	23.55
Low	4.88	3.82	17.65	47.90	51.20	39.07	27.6	27.6	21.91	19.7	13.53	11.75	14.2
Weighted average	7.02		37.41	68.35	64.00	52.15	34.02	34.02	24.62	24.7	18.58	14.23	20.17
Effective volume traded cash in the year (millions of euros)	8,582.7	5,331.8	11,245.8	16,695.9	12,177.1	7,038.6	4,307.48	4,307.48	3,007.60	2,539.49	1,587.50	1,144.80	1,143.90
No. Shares traded (year)	1,251,990,216	841,837,841	290,632,495	248,787,946	190,274,573	134,968,415	126,599,317	126,599,317	122,158,971	102,641,026	85,425,146	80,475,919	56,710,300
Daily average volume (millions of euros)	33.5	21.0	44.3	66.0	47.9	27.5	17.2	17.2	12	10.2	6.3	4.6	6.8
Capital turnover	171%	147%	207%	177%	136%	96%	90%	90%	87%	73%	61%	57%	40%
Capitalisation (millions of euros)	5,454	6,033	2,746	6,750	10,373	8,205	5,515	5,515	3,897	3,387	2,762	1,908	2,047
No. Shares. comprising share capital	733,510,255	733,510,255	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	140,264,743	142,132,147
Par value	0.20 euros	0.20 euros	1 euro	1 euro	1 euro	1 euro	1 euro	1 euro	1 euro	1 euro	1 euro	1 euro	1 euro
Gross dividend per share*	0.42	0.40	2.00	1.15	1.00	0.90	0.82	0.82	0.60	0.67	0.41	0.28	0.20
Stock market ratios													
Earnings per share (EPS)*	5.23	-0.16	-6.04	5.23	10.16	2.96	3.78	3.97	2.43	3.25	1.56	1.14	0.78
Book value per share	9.04	6.21	26.32	48.82	47.50	21.57	17.95	16.06	12.5	10.66	8.54	7.48	6.53
Price/ book value per share	0.82	1.32	0.74	0.99	1.56	2.71	2.19	2.45	2.22	2.27	2.31	1.82	2.21
PER (share price/EPS)	1.42			9.20	7.28	19.73	10.40	9.90	11.44	7.43	12.62	11.93	18.41
Total shareholder return (%)	-8.20%	76.30%	-55.15%	-33.37%	28.12%	51.07%	44.50%	44.50%	17.50%	26.10%	47.80%	-3.60%	-36.40%

management report **information on the stock market, treasury stock and main shareholders**

Treasury shares

The detail of treasury sales at 31 December is as follows:

	2010	2009	2008
No. of shares	0	0	1,527,374
% share capital	0.00%	0.00%	1.09%
Carrying amount			72,735*
Cost per share			47.62

*** (thousands of euros)**

The historical treasury share data for the Ferrovial Group.
Shareholder structure (*)

	Country	% share capital
Directors		
Portman baela, s.L.	Spain	44.268
Del pino calvo-sotelo, rafael	Spain	1.251
Bergareche busquet, santiago	Spain	0.334
Sanchez-junco mans, jose fernando	Spain	0.022
Ayuso garcia, joaquin	Spain	0.012
Arena de la mora, juan	Spain	0.011
Carvajal urquijo, jaime	Spain	0.009
Burgio , gabriele	Spain	0.005
Del pino calvo-sotelo, maria	Spain	0.002
Fernandez valbuena, santiago	Spain	0.001
Karlovy, s.L.	Spain	0.001
Meiras amusco, iñigo	Spain	0.001
Shareholders		
Banco Santander	Spain	3.868

(*) Source: CNMV

Indexes on which Ferrovial is listed (Source: Bloomberg):
IBEX 35 INDEX
SPAIN MA MADRID INDEX
SPAIN MA BSC MAT IND IX
BLOOMBERG EUROPEAN 500
BE500 CONST & ENGIN INDX
ESTX € Pr
ESTX Cn&Mt € Pr
STXE 600 € Pr
STXE 600 Cn&Mt € Pr
BBG EUROPE 500 SECTORS
BBG EUROPE INDUSTRIALS
S&P EURO PLUS INDEX
S&P EURO INDEX
S&P EURO INDUSTRIALS IDX
FTSEUROFIRST 300 SCTR
STXE Mid 200 € Pr
ESTX Mid € Pr
BBG WORLD INDEX
BBG WORLD ENGIN & CON IX
BBG EMEA WORLD INDEX
BBG EMEA ENGIN & CONSTRU
S&P EUR 350 CAP GOODS IX
S&P EUROPE 350 INDEX
S&P EU 350 INDUST INDEX
BBG WORLD LEVEL1 INDEX
BBG WRLD INDUSTRIAL IX
BBG EMEA WORLD LVL 1 IX
BBG EMEA INDUSTRIAL IX
S&P GLOBAL 1200 INDEX
GLOBAL 1200 INDUSTRL INX
FTSEUROFIRST 300 SECTOR
WT INTL MIDCAP DVD IOPV
WT Global Equity IOPV
WT DEFA FUND IOPV
S&P Developed Ex-US BMI
S&P Dev ex US SC
BBG NAKED SHRT-WORLD
BBG NAKED SHRT-Spain
DJ SPAIN TITANS 30 €
STXE 600 Opt Cns&Mt € Pr
Bloomberg ESG Coverage
Bloomberg ESG Processed

Corporate Responsibility indexes
DJSI – Dow Jones Sustainability World Index
DJSI – Dow Jones Sustainability Stoxx Index
FTSE4Good Europe Index
FTSE4Good Global Index
FTSE 4 Good IBEX - Spain - Sustainability
Ethibel

analysis of financial instrument risks

Note 3 to the consolidated financial statements includes a detailed analysis of the financial instruments arranged by the Company and their performance in 2010.

events after the reporting period

On 21 January 2011, Cintra Infraestructuras, a subsidiary of Ferrovial, completed the sale of its 50% in Autopista Trados 45, S.A. to Finavías, an investment vehicle of the infrastructure funds of AXA Private Equity. The transaction amounted to 68 million euro and gave rise to a net gain of 27 million euro net profit.

In addition, on 17 February 2011 Ferrovial Servicios, a subsidiary of Ferrovial, executed the sale of all the shares representing the share capital of Swissport International AG, Parent of the Swissport Group, to PAI Partners. The transaction amounted to CHF 900 million (705 million euro) and the net gain is expected to be 192 million euro.

Also on 17 February 2011, the judgment of the United Kingdom Supreme Court was made public, whereby BAA was denied the right to appeal against the judgment handed down by the Court of Appeal, which had partially upheld the appeal filed by the Competition Commission with regard to the obligation to sell certain airports as discussed in Note 23 on "Contingent Assets and Liabilities".

The Radial 4 toll road has arranged a syndicated loan of 557 million euro outstanding at 31 December 2010: consisting of Tranche A, totalling 97 million euro and maturing in 2011; Tranche B, totalling 100 million euro and maturing in 2011; and EIB Tranche, totalling 360 million euro and maturing in 2033, although the guarantees expire in 2011. The syndicated loan of this toll road was originally scheduled to mature in January 2011, but was extended for six additional months until July 2011, and is currently under a long-term refinancing process

consolidated financial statements

Ferrovial se consolida como el mayor gestor privado de infraestructuras de transporte del mundo.

Consolidated Financial Statements

Photo: Birmingham, United Kingdom.

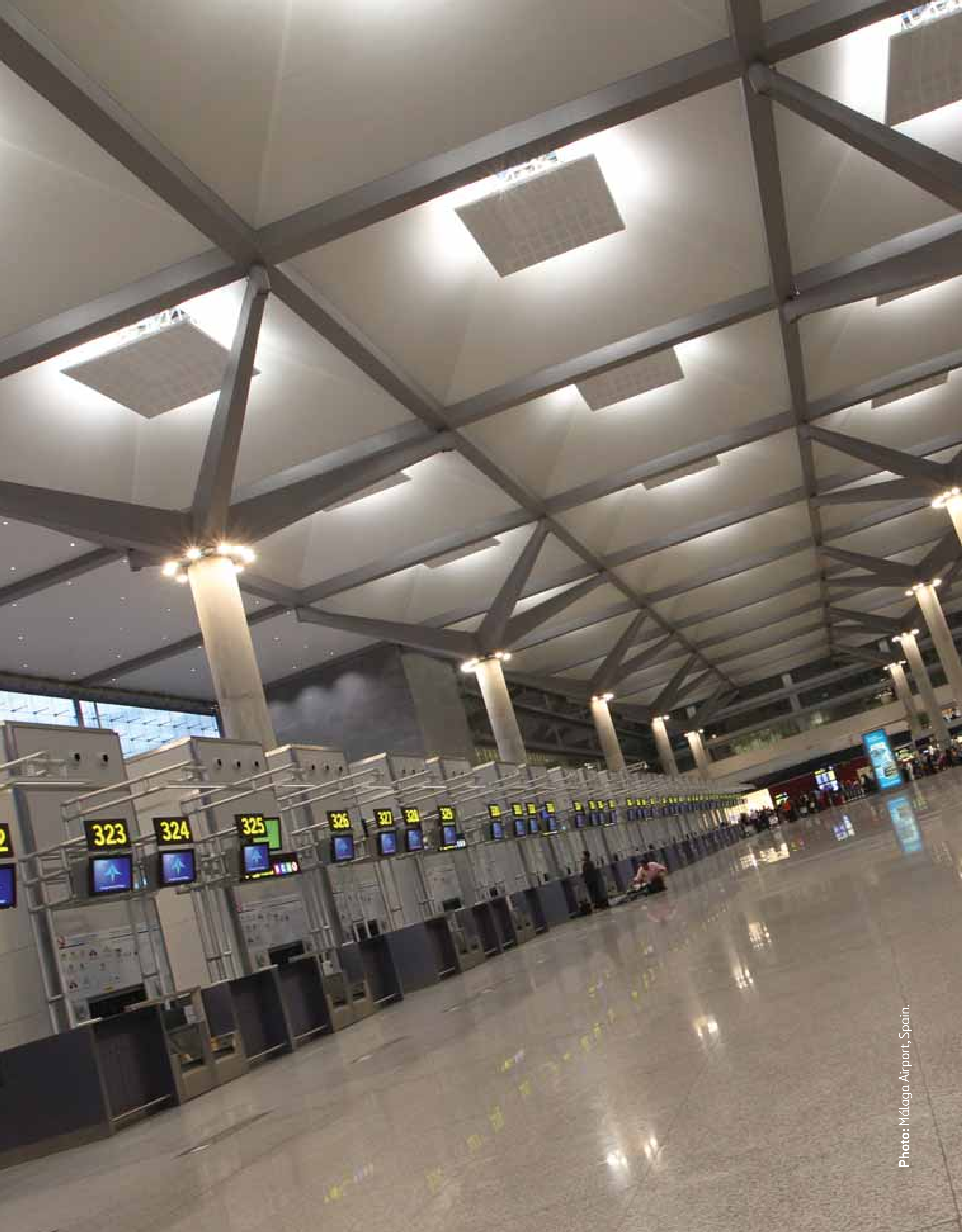


Photo: Málaga Airport, Spain.

consolidated statements of financial position for 2010, 2009 and 2008

Millions of euros

Assets	Note	2010	2009	2008
Non-current assets		**35,465**	**36,048**	**32,900**
Goodwill	5	**5,032**	**6,952**	**5,400**
Intangible assets (1)	6	97	45	63
Concession infrastructure	7	21,512	23,621	21,839
Investment property (1)		64	77	92
Property, plant and equipment (1)	8	552	669	620
Investments in companies accounted for using the equity method	9	3,110	262	286
Non-current financial assets	10	2,184	1,935	1,524
Infrastructure project receivables		1,344	874	827
Available-for-sale financial assets		34	33	4
Restricted cash and other non-current financial assets		551	554	290
Other receivables		255	474	402
Pension surplus	17	0	22	76
Deferred tax assets	22	2,068	1,604	1,859
Derivative financial instruments at fair value	11	847	861	1,139
Assets classified as held for sale	12	**1,515**	**1,802**	**4,278**
Current assets		**6,306**	**6,150**	**6,626**
Inventories	13	445	489	498
Trade and other receivables	14	3,161	3,181	3,626
Trade receivables for sales and services		2,558	2,844	3,226
Other receivables		755	604	617
Current tax assets		58	22	25
Provisions		-210	-290	-242
Cash and cash equivalents	19	2,701	2,480	2,502
Infrastructure project companies		694	1,050	892
Restricted cash		44	351	204
Other cash and cash equivalents		649	699	689
Other companies		2,007	1,430	1,610
Total Assets		**43,287**	**43,999**	**43,804**
Equity and Liabilities	**Note**			

Equity and Liabilities	Note			Millions of euros
Equity	15	**6,628**	**4,719**	**4,098**
Equity attributable to the equity holders		**5,194**	**3,102**	**1,801**
Equity attributable to non-controlling interests		1,434	1,617	2,296
Deferred income	16	**196**	**232**	**250**
Non-current liabilities		**28,596**	**29,751**	**29,146**
Provisions for pensions	17	153	503	131
Other long-term provisions	18	860	954	708
Bank borrowings	19	21,511	23,368	22,413
Debt securities and borrowings of infrastructure projects		19,566	21,115	19,741
Bank borrowings of other companies		1,944	2,253	2,672
Other payables	20	154	136	118
Deferred tax liabilities	22	3,951	3,454	3,458
Derivative financial instruments at fair value	11	1,968	1,336	2,319
Liabilities classified as held for sale	12	**891**	**1,647**	**3,163**
Current liabilities		**6,975**	**7,650**	**7,147**
Bank borrowings	19	1,530	1,937	1,552
Debt securities and borrowings of infrastructure projects		1,415	1,540	845
Bank borrowings of other companies		116	397	708
Trade and other payables	21	4,889	5,194	5,142
Trade payables		3,906	4,121	4,183
Current tax liabilities		264	216	167
Other non-trade payables		720	858	792
Operating provisions	18	556	519	452
Total Equity and Liabilities		**43,287**	**43,999**	**43,804**

(*)The intangible assets, property, plant and equipment and investment property used in infrastructure projects are included under "Concession Infrastructure".
The accompanying Notes 1 to 39 are an integral part of the consolidated financial statements at 31 December 2010.

consolidated income statements for 2010 and 2009

				2010			2009
	Note	Before fair value adjustments	Fair value adjustments (*)	Total 2010	Before fair value adjustments	Fair value adjustments (*)	Total 2009
Revenue		12,169	0	12,169	12,232	0	12,232
Other operating income		17	0	17	30	0	30
Total operating income	**26**	**12,186**	**0**	**12,186**	**12,262**	**0**	**12,262**
Materials consumed		1,486	0	1,486	1,487	0	1,487
Other external expenses		1,596	0	1,596	1,645	0	1,645
Staff costs	27	3,422	0	3,422	3,423	0	3,423
Change in operating provisions		174	1	175	172	1	174
Other operating expenses		2,992	0	2,992	2,939	2	2,941
Total operating expenses		**9,671**	**1**	**9,672**	**9,667**	**3**	**9,670**
GROSS PROFIT FROM OPERATIONS		**2,516**	**-1**	**2,514**	**2,595**	**-3**	**2,591**
Depreciation and amortisation charge		1,000	0	1,000	1,005	0	1,005
Profit from operations before impairment and non-current asset disposals		**1,516**	**-1**	**1,514**	**1,590**	**-3**	**1,587**
Impairment and disposals of non-current assets	25	740	1,139	1,879	-620	-90	-710
Profit from operations		**2,256**	**1,138**	**3,393**	**969**	**-93**	**876**
Finance income of infrastructure projects		19	0	19	45	0	45
Finance costs of infrastructure projects		-1,543	0	-1,543	-1,446	0	-1,446
Gains and losses on derivative financial instruments and other fair value adjustments		0	-48	-48	0	-148	-148
Financial loss of infrastructure projects		**-1,524**	**-48**	**-1,572**	**-1,402**	**-148**	**-1,550**
Finance income of other companies		153	0	153	122	0	122
Finance costs of other companies		-275	0	-275	-226	0	-226
Gains and losses on derivative financial instruments and other fair value adjustments		0	-31	-31	0	98	98
Financial loss of other companies		**-122**	**-31**	**-153**	**-103**	**98**	**-5**
Financial loss	**28**	**-1,646**	**-79**	**-1,725**	**-1,505**	**-50**	**-1,555**

	Note	2010 Before fair value adjustments	2010 Fair value adjustments (*)	Total 2010	2009 Before fair value adjustments	2009 Fair value adjustments (*)	Total 2009
Share of profits of companies accounted for using the equity method		53	8	62	69	16	85
Consolidated profit or loss before tax		663	1,067	1,730	-467	-127	-594
Income tax	22	-44	129	85	84	41	125
Consolidated profit or loss from continuing operations		619	1,196	1,815	-383	-86	-469
Net profit or loss from discontinued operations	29	0	0	0	0	0	0
Consolidated profit or loss for the year		619	1,196	1,815	-383	-86	-469
Loss for the year attributable to non-controlling interests		38	310	348	334	61	395
Profit or loss for the year attributable to the Parent		657	1,506	2,163	-48	-25	-74

	Note	2010	2009
Net earnings per share attributable to the Parent	30		
Basic		3.67	-0.12
Diluted		3.67	-0.12

(*) Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities, and asset and liability impairment (see Note 24).
The accompanying Notes 1 to 39 are an integral part of the consolidated financial statements at 31 December 2010.

consolidated statements of comprehensive income for 2010 and 2009

	Notew	2010	2009
		Millons of euros	
Attributable to the Parent	15	2,163	-74
Attributable to non-controlling interests	15	-348	-395
Consolidated comprehensive income for the year		**1,815**	**-469**
Income and expense recognised directly in equity before tax:		**234**	**350**
Hedges		-218	690
Other companies		-199	698
Held for sale		4	-67
Companies accounted for using the equity method		-23	59
Defined benefit plans		63	-544
Translation differences		389	204
Taxes		**17**	**-348**
Attributable to the Parent		240	135
Attributable to non-controlling interests		11	-132
Income and expense recognised directly in equity		**250**	**2**
Attributable to the Parent		2,403	61
Attributable to non-controlling interests		-338	-528
Total income and expense recognised in the year		**2,066**	**-466**

consolidated statements of changes in equity for 2010 and 2009

2010

(millions of euros)	Share capital	Share premium	Treasury shares	Other reserves	Accumula-ted profit/ loss	Attribu-table to equity holders	Attributable to non-controlling interests	Total equity
Balance at 01/01/10	147	3,022		-1,028	845	**2,986**	1,570	**4,556**
Changes in accounting policies				-4	119	**116**	48	**164**
Restated balance at 01/01/10	**147**	**3,022**		**-1,032**	**965**	**3,102**	**1,617**	**4,719**
Consolidated profit or loss for the year					2,163	**2,163**	-348	**1,815**
Income and expense recognised in equity				240		**240**	11	250
Income and expense recognised in the year				**240**	**2,163**	**2,403**	**-338**	**2,066**
Dividends paid					-308	**-308**	-76	-385
Capital increases/reductions							130	130
Transactions with owners					**-308**	**-308**	**53**	**-255**
Changes in the scope of consolida-tion and other changes				**113**	**-115**	**-2**	**101**	**99**
Balance at 31/12/10	**147**	**3,022**		**-679**	**2,705**	**5,195**	**1,434**	**6,629**

consolidated financial statements **consolidated statement of changes in net equity**

2009

(millions of euros)	Share capital	Share premium	Treasury shares	Other reserves	Accumula-ted profit/ loss	Attribu-table to equity holders	Attributable to non-controlling interests	Total equity
Balance at 01/01/09	140	193	-72	-1,190	2,684	1,756	2,206	**3,962**
Changes in accounting policies					47	47	90	**137**
Restated balance at 01/01/09	**140**	**193**	**-72**	**-1,190**	**2,731**	**1,803**	**2,296**	**4,099**
Consolidated profit or loss for the year					-74	-74	-395	**-469**
Income and expense recognised in equity				135		135	-132	2
Income and expense recognised in the year				**135**	**-74**	**61**	**-528**	**-466**
Dividends paid					-281	-281	-103	-384
Capital increases/reductions							166	166
Impact of merger	7	2,829	72		-1,464	1,443	-160	1,283
Transactions with owners	**7**	**2,829**	**72**		**-1,746**	**1,162**	**-96**	**1,065**
Changes in the scope of consolida-tion and other changes	**0**			**23**	**53**	**76**	**-55**	**21**
Balance at 31.12.09	**147**	**3,022**		**-1,032**	**965**	**3,102**	**1,618**	**4,719**

*** The accompanying Notes 1 to 39 are an integral part of the consolidated financial statements at 31 December 2010.**

consolidated cash flow statements for 2010 and 2009

	Note	2010	2009
Profit or loss for the year attributable to the Parent		**2,163**	**-74**
Adjustments for:		495	2,790
Non-controlling interests		-348	-395
Depreciation and amortisation charge and provisions		1,175	1,179
Results of companies accounted for using the equity method		-62	-85
Results on financing		1,711	1,536
Tax		-85	-125
Work on non-current assets		-17	-30
Fair value adjustment less costs to sell		-1,879	710
Other losses and gains			
Income taxes paid		-81	-49
Change in receivables, payables and other		-116	-145
Dividends from infrastructure project companies received		44	10
Cash flows from operating activities	**31**	**2,505**	**2,534**
Investments in property, plant and equipment and intangible assets		-127	-205
Investments in infrastructure projects		**-1,972**	**-1,626**
Investments in non-current financial assets		-69	-6
Divestment of infrastructure projects		148	1,561
Divestment of non-current financial assets		1,124	473
Cash flows from investing activities	**31**	**-895**	**197**

	Note	2010	2009
Cash flows before financing activities		**1,609**	**2,730**
Proceeds from capital and non-controlling interests		134	178
Payment of dividends to shareholders of the Parent		-315	-284
Payment of dividends to non-controlling interests of investees		-82	-105
Other changes in shareholders' equity		0	
Cash flows from shareholders and non-controlling interests		**-263**	**-211**
Interest paid		-1,344	-1,398
Interest received		45	55
Increase in bank borrowings		4,435	5,426
Decrease in bank borrowings		-4,100	-6,720
Change in borrowings held for sale		189	-16
Cash flows from financing activities	**31**	**-1,038**	**-2,864**
Change in cash and cash equivalents	**19**	**571**	**-133**
Cash and cash equivalents at beginning of year		2,480	2,502
Cash and cash equivalents at end of year		2,699	2,480
Effect of foreign exchange rate changes on cash and cash equivalents		-170	-112
Change in cash and cash equivalents held for sale		522	1

(*)The changes in restricted cash at long term, which in prior years was included as a cash flow from investments in non-current assets, was netted of from "Increase in bank borrowings", as it is cash that is restricted to secure a debt, and not an investing activity in the true sense.

(*)The accompanying Notes 1 to 39 are an integral part of the consolidated financial statements at 31 December 2010.

consolidated financial statements **notes to the consolidated financial statements**

notes to the consolidated financial statements for 2010

1. Company activities and scope of consolidation

1.1 Company activities

The consolidated Ferrovial Group ("Ferrovial") comprises the Parent Ferrovial, S.A. and its subsidiaries, which are detailed in Appendix I. Its registered office is at calle Príncipe de Vergara 135, Madrid.

Through these companies, Ferrovial engages in the following lines of business, which are its primary reporting segments pursuant to IAS 14.

A. Construction and execution of all types of public and private works in Spain and abroad, operating basically through Ferrovial Agromán, S.A., the company that heads this business division. Notable are the international business carried on in Poland through Budimex, S.A. and its investees, the leading construction group in that market, which is listed on the Warsaw stock market and in which the Group holds a 59.06% ownership interest and the business carried on in the United States (Texas) through the Webber Group, which is wholly owned by Ferrovial.

B. Toll roads. This activity consists of the development, financing, construction and operation of toll road projects through Cintra Infraestructuras, S.A., in which Ferrovial, S.A. holds a 100% ownership interest.

C. Airports. This activity consists of the development, financing and operation of airports, basically through BAA plc, a UK company that operates –through its investees– six airports in the United Kingdom and other airport assets; Ferrovial, S.A. has an ownership interest of 55.87% in BAA plc.

D. Services. This division is headed by Ferrovial Servicios, S.A. and is divided into the following activities: a) Upkeep and maintenance of infrastructure, buildings and facilities (through Amey, Plc in the UK and Ferroser Infraestructuras, S.A. and Ferrovial Servicios, S.A. in Spain); b) Urban services and waste treatment (basically through Cespa, S.A.).

In addition to the description of Ferrovial's activities and for the purposes of understanding these financial statements, it should be noted that a significant part of the business carried on by the Toll roads, Airports and Services Divisions consists of the development of infrastructure projects.

These projects are conducted mainly in the Toll roads and Services areas under long-term contracts where the concession holder, in which the Group generally has interest together with other partners, finances the construction or upgrade of public infrastructure and which fall within the scope of application of IFRIC 12 "Service Concession Arrangements".

Unlike the above, in most cases involving airports, licenses are of an indefinite nature which is why, although IFRIC 12 is not applicable, the arrangements are very similar to concession arrangements.

Accordingly, and in order to aid understanding of the Group's financial performance, these financial statements present separately the impact of projects of this nature on both non-financial non-current assets ("Concession Infrastructure" includes the property, plant and equipment, intangible assets and investment property assigned to these projects) and non-current financial assets, borrowings and cash flows.

1.2 Other changes in the scope of consolidation

The main changes in the scope of consolidation in 2010 were as follows:

Toll road business: on 5 October Cintra Infraestructuras reached an agreement to sell 10% of its interest in the share capital of the toll road concession holder 407 ETR in Toronto, Canada, for CAD 894 million (approximately EUR 640 million). The retained ownership interest, 43.23% of that company's share capital, is initially measured at fair value as stipulated in IAS 27 in relation to the loss of control of a subsidiary and was subsequently accounted for using the equity method.

Additionally, on 15 September 2010 Cintra Infraestructuras completed the sale of 60% of its equity interest in Cintra Chile, a company that operates five stretches of Chilean toll roads, for EUR 229 million. The ownership interest retained, 40% of the shares of Cintra Chile, is accounted for using the equity method and is initially measured at fair value as set forth in IAS 27 in relation to the loss of control of a subsidiary. Furthermore, the buyer and seller established cross call and put option on that percentage of ownership retained.

Services business: on 28 June Amey plc, a Ferrovial subsidiary, completed the sale of its 66.6% holding in Tube Lines Limited, the concession holder in the concession for the maintenance and renovation of certain London underground lines. The transaction price was GBP 207 million.

Amey continues to provide support services for the management of the maintenance of the above-mentioned lines to Tube Lines Limited, under terms that are very similar those existing previously.

In order to operate in the United Kingdom, Ferrovial Servicios, through the joint venture formed by its subsidiaries Cespa and Amey –namely AmeyCespa– completed the purchase of Dickerson Group and its investee Donarbon, specialising in waste treatment and management. The transaction totalled GBP 49 million (EUR 59 million).

Airports business: during the year, BAA sold certain non-strategic assets, specifically, its interest in Naples airport, the retail business in the United States and the 50% ownership interest in APP, which manages various investment properties in the United Kingdom. Ferrovial has also initiated the process to sell 10% of its ownership interest in its subsidiary, BAA. This process is at the initial stage, and at the date of preparation of these financial statements there was no significant information in this connection.

2. Summary of the main accounting policies

2.1 Basis of 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 provided for in International Financial Reporting Standards (IFRSs) approved by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

2.1.A Restatement and changes in accounting policies

Ferrovial has started to apply IFRIC 12 "Service Concession Arrangements", which came into force in 2009 and which is mandatory for years beginning on or after 1 January 2010.

Under IFRIC 12, concessions may be accounted for using either the intangible asset model or the financial asset model (or a combination of the two). In Ferrovial's case, the majority of the concessions relate to intangible assets. The impact of the transition to IFRIC 12 for these assets is not significant.

The most significant financial assets concession is the Autopista Terrasa Manresa toll road, as the rest of the main projects to which that model applied (in the UK) had already been applying it previously.

Given the application of IFRIC 12 and in compliance with IAS 1, financial information restated at the beginning of the comparative period is presented, in addition to the statement of financial position at the end of the current year and at the end comparative period (i.e. three statements of financial position are presented).

consolidated financial statements **notes to the consolidated financial statements**

The main effects of the restatement at December 2008 are analysed below:

Assets	
Concession infrastructure	-388
Property, plant and equipment	-29
Investments in associates	-50
Infrastructure project receivables	717
Trade and other receivables	-23
Total assets	**227**

Equity	**137**
Equity attributable to the equity holders	**47**
Non-controlling interests	90
Deferred income	**-3**
Deferred tax liabilities	79
Trade and other payables	14
Total equity and liabilities	**227**

Differential impact on the income statement for 2009:

Income statement	
Revenue	54
Other operating revenue	0
Depreciation and amortisation charge	-4
Profit from operations	**56**
Financial loss	**-14**
Consolidated profit before tax	**40**
Share of results of companies accounted for using the equity method	-1
Income tax	-10
Consolidated profit for the year	**30**
Profit or loss for the year attributable to non-controlling interests	**-12**
Income or loss for the year attributable to the parent	**19**

Changes in accounting regulations, new standards, amendments and interpretations mandatorily applicable

New standards and amendments		Mandatory application in annual reporting periods beginning on or after
Revision of IFRS 3	Business Combination	1 July 2009
Amendments to IAS 27	Consolidated and Separate Financial Statements	1 July 2009
Amendment to IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1 July 2009
Amendments to IFRS 2	**Group Cash-settled Share-based Payment**	**1 January 2010**

New wwinter-pretations		Mandatory application in the EU for annual reporting periods beginning on or after:
IFRIC 12	Service Concession Arrangements	1 April 2009
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2010
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 July 2009
IFRIC 17	Distributions of Non-cash Assets to Owners	1 November 2009
IFRIC 18	Transfers of Assets from Customers	1 November 2009

New standards and amendments		Mandatory application in annual reporting periods beginning on or after
Approved for use in the EU		
Amendment to IAS 32	Financial Instruments: Presentation - Classification of Rights Issues	1 February 2010
Revision of IAS 24	Related Party Disclosures	1 January 2011
Amendment to IFRIC 14	Prepayments of a Minimum Funding Requirement	1 January 2011
Not yet approved for use in the EU		
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2013
Amendment to IFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets	1 July 2011
Amendment to IAS 12	Income tax – Deferred Taxes on Investment Property	1 January 2012

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Set out below is a brief reference to the contents of the standards and interpretations that have had an impact on the preparation of these financial statements:

• **IFRS 3 (Revision)** "Business Combinations": it substantially changes the accounting for business combinations; it changes the scope, the calculation of goodwill and the treatment of contingent consideration and introduces the option of measuring non-controlling interests at fair value.

• **NIC 27 (Amendments)** "Consolidated and Separate Financial Statements": it substantially modifies the recognition of changes in interests in group companies and also in non-controlling interests with a deficit balance.

• **IFRS 2 (Amendments)** "Share-based Payment": it provides clarification on how to treat group cash-settled share-based payments.

• **IFRIC 12** "Service Concession Arrangements": IFRIC 12 identifies two types of service concession arrangements: a) those in which the operator has an unconditional contractual right to receive cash or another financial asset from the grantor. In this case, where the operator does not bear the demand risk, a financial asset will be recognised for the total amount receivable from the grantor; and b) those in which the operator obtains a right to charge users of the public service it provides. In this case, the operator bears the demand risk and recognises an intangible asset for the amount of the investment in the infrastructure it uses to provide the service.

New standards, amendments and interpretations mandatory applicable for years subsequent to 2010:

Set out below is a brief reference to the contents of the standard that may have an impact on the preparation of the Group's financial statements:

• **IAS 24 (Revision)** "Related Party Disclosures": It amends the definition of "related party" and provides a partial exemption from the disclosure requirements for entities that are related parties only because they are under the control, joint control or significant influence of the same government.

2.2 Basis of consolidation

In 2010 and 2009 all the separate financial statements of all the companies included in the scope of consolidation either referred to the same reporting date or were temporarily brought into line with those of the Parent. Moreover, in order to present uniformly the items included in these consolidated financial statements, uniformity adjustments were made on the basis of the Parent's accounting policies. The consolidated financial statements were prepared using the following methods:

A. Full consolidation method: all the subsidiaries are fully consolidated. Subsidiaries are companies over whose management Ferrovial, S.A. exercises effective control because it holds more than 50% of the voting power, directly or indirectly through agreements with other shareholders. When assessing whether Ferrovial controls a company, the existence and effects of potential voting rights which may be currently exercised or converted are taken into account. A subsidiary is included in the scope of consolidation when the Group formally obtains effective control.

B. Equity method: the equity method is used to account for all the companies over which Ferrovial S.A. has a significant influence. Also accounted for using this method, pursuant to the alternative provided for in IAS 31, are the other companies over which Ferrovial, S.A. exercises joint control. In the latter case, the Company considers that the equity method is the method that best ensures fair presentation, since in these cases of joint control, the Company does not control the assets or have any present obligation with respect to the liabilities of the investee, but rather only effectively controls the ownership interest in the entity. The new standard that will shortly be published by the IASB will be along these same lines.

C. Proportionate consolidation method: The projects that are undertaken through unincorporated temporary joint ventures (UTEs) or similar entities are proportionately consolidated. Unlike the previous case, it is considered that in these cases of joint control, the venturers have a direct involvement in the assets, liabilities, income, expenses and joint and several liability in these entities. This type of business contributed to the consolidated Group assets, profits and sales of EUR 917 million; EUR 60 million and EUR 1,280 million in 2010 (2009: EUR 903 million; EUR 90 million and EUR 1,273 million).

D. Balances and transactions with Group companies: balances and transactions between Group companies are eliminated on consolidation. Nonetheless, the transactions registered in the income statement relating to construction projects performed by the Construction division for infrastructure project concession holders are not eliminated on consolidation, since contracts of this kind are treated as construction contracts under which the Group performs work for the concession grantor or regulator in exchange for the right to operate the infrastructure under the terms pre-established by the grantor or regulator. The grantor or regulator thus has control over the asset from inception and grants the above-mentioned right in exchange for the work performed, such that the conclusion may be reached that at Group level the work is performed for third parties.

E. Translation of financial statements in currencies other than the euro: the financial statements of consolidated subsidiaries and joint ventures whose accounting records are denominated in a currency other than the euro are translated to euros by applying the year-end exchange rates to all assets and liabilities, except for equity and investments in Group companies, which are translated at the exchange rates prevailing when they joined the Group. Income and expenses are translated at the average exchange rates for the year. Differences arising during the aforementioned translation process are recognised in equity under "Translation Differences".

Appendix I contains a list of subsidiaries, associates and joint ventures.

2.3 Accounting policies applied to each item in the consolidated statement of financial position and consolidated income statement

2.3.1 Intangible assets

"Intangible assets" in the accompanying consolidated statement of financial position are initially carried at acquisition price or production cost, including capitalisable borrowing costs, and are subsequently measured at cost less accumulated amortisation and any impairment losses. Intangible assets with a finite useful life are amortised on a straight-line basis, or based on estimated traffic in the case of administrative concessions, during the concession term, and over their useful lives (between 5 and 50 years) in all other cases.

Intangible assets with an indefinite useful life are not amortised and are tested annually for impairment.

2.3.2 Concession infrastructure

This caption includes the investments made by infrastructure concession operators in the scope of IFRIC 12 (mainly toll roads), as well as those which, while not subject to the aforementioned standard as the licences are indefinite, have characteristics that are very similar to a concession arrangement (mainly airports), as indicated in Note 1.1 above.

It also includes intangible assets and investment property used in projects of this nature.

The assets acquired by the concession operator to provide the concession services but which do not form part of the infrastructure (vehicles, furniture, computer hardware, etc.) are not included under this caption. Assets of this nature are classified on the basis of their nature and are depreciated over their useful life, using a method that reflects their economic use.

Amortisation and depreciation methods:

IFRIC 12 – Intangible asset model

All initial investments relating to the infrastructure that is subsequently returned to the government, including compulsory purchase costs and borrowing costs capitalised during construction are amortised on the basis of the pattern of consumption applicable in each case (e.g., forecast traffic in the case of toll roads) throughout the term of the concession.

The investments contractually agreed on the star of the concession on a final and irrevocable basis for being made at a later date during the term of the concession, and provided they are not investments made to upgrade infrastructure, are considered to be the initial investment. For this type of investment, an asset and an initial provision are recognised for the present value of the future investment, applying a discount rate to calculate the foregoing present value that is equal to the cost of the debt related to the project. The asset is amortised based on the pattern of consumption during the whole term of the concession and the provision is increased by the related interest cost during the period until the investment is made.

Where a payment is made to the government to obtain the right to operate the concession, this amount is also amortised based on the pattern of consumption over the concession term.

A provision is recognised for replacement investments, which must have been set up in full by the time the investment becomes operational. The provision is recognised on the basis of the pattern of consumption over the period in which the obligation accrues, on a time proportion basis.

Infrastructure upgrade investments which are recovered over the concession term are amortised as from the date on which they come into service based on the difference in the pattern of consumption arising from the increase in capacity. However, if these investments will not be offset by the possibility of obtaining increased revenue from the date on which they are made, a provision will be recognised for the best estimate of the present value of the cash outflow required to settle the obligations related to the investment that will not be offset. The balancing item is a higher acquisition cost of the intangible asset.

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Other concession infrastructure

Assets used in infrastructure projects under indefinite licences (relating basically to airports) are depreciated on a straight-line basis over the useful lives of the related assets, as follows:

	Years of estimated useful life
Terminal assets	
Terminal buildings	20-60
Terminal plant	5-20
Tunnels, bridges and underground railway	50-100
Runways	
Structures	100
Surfacing	10-15
Other related assets	50
Conveyor belts and moving staircases	
Transit systems	20-50
Other related assets	8-100
Equipment and machinery	3-10
Other leased land and buildings	Lease term

As indicated previously, this caption also includes intangible assets used in infrastructure projects as a result of the business combination arising from the acquisition of the BAA Group, described in Note 5, specifically:

- The BAA Group's right to operate in non-regulated airports (this right is not amortised due to the aforementioned unlimited duration of these licenses).
- Rights to operate commercial spaces (average useful life of seven years).

Internally generated intangible assets, relating mainly to BAA, consisting of computer software developed in-house and websites, are amortised on a straight-line basis over useful lives of between three and seven years.

Set out below are details of the main toll road concessions in force, showing their duration, together with a list of regulated and non-regulated airports:

Toll road concessions:

Concession Operator	Country	Concession term	First year of concession
Skyway Concession Co.	USA	99	2005
SH 130 Concession Co.	USA	50 (1)	2008
North Tarrant Express	USA	52 (2)	2010
LBJ Express	USA	52 (2)	2010
Spanish toll roads	Spain	30-65(3)	1986-2005
Portuguese toll roads	Portugal	30	2000-2006
407 ETR Internacional Inc.	Canada	99	1999
Indiana Toll Roads	USA	75	2006-2081
Other toll roads	Ireland/ Greece	30-45	2003-2008

(1) Concession term of 50 years as from completion of the construction work, estimated at five years.
(2) Concession term of the shorter of 50 years of operation and 52 years as from the contract execution date.
(3) The main Spanish toll road concessions are Autopista del Sol, Autopista Terrasa-Manresa, Autopista Madrid Sur and Autopista Madrid-Levante.

Aiports

Airport	Regulated/ Non-regulated	Licence duration
Heathrow	Regulated	Indefinite
Stansted	Regulated	Indefinite
Edinburgh	Non-regulated	Indefinite
Glasgow	Non-regulated	Indefinite
Aberdeen	Non-regulated	Indefinite
Southampton	Non-regulated	Indefinite
Antofagasta	Non-regulated	2000-2011

2.3.3 Property, plant and equipment

The assets included in "Plant, Property and Equipment" in the accompanying consolidated statement of financial position are carried at acquisition or production cost, less the related accumulated depreciation and any accumulated impairment losses.

In-house work on property, plant and equipment is valued, for each investment, by adding the direct or indirect costs allocable to the investment to the cost of the materials used.

Borrowing costs incurred during the construction or production period, before the assets are ready to come into operation, are capitalised, whether they derive from borrowings arranged specifically to acquire the assets or from general-purpose financing sources subject to the provisions for qualifying assets contained in IAS 23.

The Group companies calculate the impairment losses on property, plant and equipment using the method that best approximates the effective technical decline in value and the estimated years of useful life of each asset. The straight-line method is generally employed, with the exception of certain construction business machinery that is depreciated using the declining balance method. The useful lives and residual values of these assets are reviewed annually. The consolidated companies depreciate their property, plant and equipment basically over the following years of useful life:

	Years of estimated useful life
Buildings and other structures	10-50
Machinery, fixtures and tools	2-25
Furniture	2-15
Transport equipment	3-20
Other items of property, plant and equipment	2-20

2.3.4 Investment property

"Investment Property" includes the net values of land, buildings and other structures that fulfil the requirements of IAS 40. Investment property is carried at acquisition cost less accumulated depreciation and any impairment losses. The Group does not apply the fair value model permitted by IAS 40. The Group companies depreciate investment property on a straight-line basis over the estimated useful life of the property (between 5 and 50 years).

The subgroup that owns the most investment properties is BAA. As all this subgroup's non-current assets are recognised in "Concession Infrastructure", the relevant Note contains a breakdown of the assets classified as investment property.

2.3.5 Impairment losse

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).

consolidated financial statements **notes to the consolidated financial statements**

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is calculated on the basis of estimated future cash flows discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased up to the limit of the original amount at which the asset had been carried before the impairment loss was recognised. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

2.3.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group, which generally has the option of acquiring the asset at the end of the lease term under the terms agreed on when the lease was arranged. All other leases are classified as operating leases.

The Group recognises finance leases as assets and liabilities in the statement of financial position at the commencement of the lease term, at the lower of the market value of the leased asset and the present value of the minimum lease payments. The interest rate implicit in the lease agreement is used to calculate the present value of the lease payments. The cost of the assets held under finance leases is presented in the consolidated statement of financial position on the basis of the nature of the leased asset.

When the Group acts as the 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 periods 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.

2.3.7 Financial assets

A. Financial assets at fair value through profit or loss:

These are assets acquired mainly to generate a profit as a result of fluctuations in their value. They are stated at their fair value on acquisition and at subsequent measurement dates, and any changes are recognised directly in the consolidated income statement. The assets in this category are classified as current assets if they are expected to be realised within 12 months from the reporting date. There are no assets at fair value through profit or loss other than the derivative financial instruments described in Note 2.3.8.

B. Available-for-sale financial assets:

This caption includes securities acquired that are not held for immediate trading and have no fixed maturity and relate mainly to investments in companies not included in the Group's scope of consolidation. They are carried at their underlying carrying amount, unless there is better evidence to the contrary, in which case they are carried at their fair value.

C. Held-to-maturity investments and accounts receivable: Financial asset model provided for in IFRIC 12

This line item includes the service concession arrangements related to infrastructure in which the consideration consists of an unconditional contractual right to receive cash or another financial asset, either because the grantor guarantees to pay the operators specified or determinable amounts or because it guarantees to pay the operator the shortfall between amounts received from users of the public service and specified or determinable amounts. Therefore, these are concession arrangements in which demand risk is borne in full by the grantor. In these cases, the amount payable by the grantor is recognised in assets in the statements of financial position as a loan or a receivable.

To calculate the amount payable by the grantor, the value of the construction, operation and/or maintenance services provided and the interest implicit in arrangements of this nature are taken into consideration.

Revenue from the services provided in each period increase the amount of the related accounts receivable with a balancing item in sales. The interests on the services provided increase the amount of accounts receivable with a balancing item in other operating income. Amounts received from the grantor reduce the total receivable with a balancing item in cash.

Other receivables

Held-to-maturity investments, loans granted and receivables are initially recognised at fair value and are subsequently measured at amortised cost, and any accrued interest is recognised on the basis of the 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. If at year-end there is objective evidence that not all amounts receivable will be collected, the necessary impairment losses are recognised. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate.

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.

2.3.8 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 Group uses the following types of hedge:

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 consolidated income statement and the gain or loss on the effective portion is recognised directly in equity in the consolidated 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 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: 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 for hedge accounting are recognised in the consolidated income statement.

2.3.9 Business combinations and goodwill

Business combinations are accounted for using the acquisition cost method, whereby the identifiable assets and liabilities of the business acquired are recognised at fair value. Goodwill is the positive difference between the cost of the investment and the fair value of the above-mentioned assets and liabilities. In acquisitions of associates, goodwill generated is treated as an addition to the value of the investment. Goodwill on consolidation is not amortised and is tested for impairment (see Note 2.3.5).

2.3.10 Inventories

Inventories are initially recognised at acquisition or production cost. Borrowing costs relating to inventories are capitalised during the construction or production period. Inventories are subsequently measured at the lower of weighted average cost and net realisable value.

The Group determines the net realisable value of inventories and recognises all the necessary write-downs where cost exceeds net realisable value.

2.3.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks and other short-term, highly liquid investments with an initial maturity of three months or less.

"Cash and Cash Equivalents" includes investments of the same nature and with the same maturity assigned to the financing of certain infrastructure projects, where the availability of the cash is restricted by the financing contracts as security for certain payment obligations relating to interest or principal repayments as well as infrastructure maintenance and operation.

2.3.12 Non-current assets classified as held for sale and discontinued operations

A. Non-current assets classified as held for sale: non-current assets are classified as held for sale when it is considered that their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification. The total figure for these assets is presented in a single line item and is measured at the lower of the carrying amount of the assets and their fair value less costs to sell. The assets are no longer depreciated once they have been classified as held for sale. Gains and losses on these assets are recognised in the income statement based on the basis of the nature of the related items.

B. 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 for the consolidated Group, or form part of a one-off plan or constitute a subsidiary acquired solely for resale. Gains and losses on discontinued operations are presented in a single specific line item in the income statement, net of taxes.

2.3.13 Equity

Ordinary shares are classified as equity. 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.

2.3.14 Grants

Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group fulfils all the conditions attaching to them. Grants related to assets are recognised as non-current liabilities under "Deferred Income", and are credited to the consolidated income statement on a straight-line basis over the estimated useful lives of the related assets.

2.3.15 Provisions and contingent liabilities

The Group recognises a provision for a commitment or obligation vis-à-vis a third party that meets the following requirements: It is a present obligation arising from past events, the settlement of which is expected to result in an outflow of funds and the amount or timing of which are not known for certain but can be estimated sufficiently reliably. The provisions include most notably the following:

• Provisions for budgeted losses in the Construction business covering a probable loss identified before completion of the project.

• Provisions for the closure and post-closure of landfills in the Services business, since the Company is required to close the landfill when it reaches maximum capacity due to environmental risks. These provisions cover estimated closure costs and waste treatment costs during the post-closure period, in accordance with technical estimates based on the landfill's capacity, average density and other parameters.

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 23).

2.3.16 Pension obligations

A. Defined contribution plans: contributions are recognised each year as an expense.

B. Defined benefit plans: the liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period, minus the fair value of plan assets and any past service cost not yet recognised. The defined benefit obligation is measured annually by independent actuaries using the projected unit credit method. The defined benefit obligation is measured by discounting estimated future cash outflows on the basis of market yields on high quality corporate bonds of a currency and term consistent with the currency and term of the defined benefit obligations.

Actuarial gains and losses comprise experience adjustments (measuring the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effect of changes in actuarial assumptions. As a result of the amendments to IAS 19, in 2006 the Group availed itself of the alternative contained in the new wording of IAS 19 whereby the entire actuarial gain or loss may be recognised directly in equity in the period in which it arises.

In the event of changes in the characteristics of the plan, if as a result of changes in the obligations the rights arising therefrom vest automatically, the past service cost is recognised immediately in the consolidated income statement. Where, however the rights may be cancelled or do not vest, the cost is recognised on a straight-line basis over the average period until the benefits become vested.

In the event of a reduction in or the settlement of the plan, any gains or losses arising from changes in the value of the defined benefit obligation, changes in the value of the plan assets and past service costs not yet recognised are recognised immediately.

2.3.17 Share-based payment

A. Stock option plans: 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.

B. Equity-settled share-based payment: 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.

C. Swaps arranged on share-based payments: Ferrovial arranges swaps exclusively to hedge the impact on equity of settlement of the stock option plans. Changes in the fair value of the swaps are taken to the income statement as they do not qualify for hedge accounting, as mentioned in Note 24 on fair value adjustments.

2.3.18 Financial liabilities

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.

2.3.19 Income tax and deferred taxes

The term "consolidated income tax" covers all domestic and foreign taxes applicable to taxable income. Income tax also includes other taxes, such as taxes on repatriated profits, and any other tax calculated on the basis of the accounting profit.

The income tax expense recognised in the consolidated financial statements is calculated by aggregating the expense recognised by each of the consolidated companies, increased or decreased, as appropriate, by the tax effect of accounting consolidation adjustments and by temporary differences between the tax bases of the assets and liabilities and their carrying amounts in the consolidated financial statements (balance sheet liability method).

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. In the case of business combinations, deferred tax is recognised as a result of the allocation of the price and the amortisation for tax purposes of any goodwill generated.

Deferred tax assets and liabilities are calculated using the tax rates in force at the reporting date and that are expected to apply in the period in which the asset is realised or the liability is settled. 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. A deferred tax liability is not recognised for undistributed profits of subsidiaries when the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets and tax loss carryforwards 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.

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.

2.3.20 Translation of foreign currency transactions

Foreign currency transactions performed by Group companies are translated into the functional currency using the year-end exchange rates for assets and liabilities and the average exchange rates for income statement items.

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2.3.21 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. Set out below are details of the methods applied to recognise revenue in each segment in which Ferrovial operates.

2.3.21.1 Construction business

Construction business revenue is recognised in accordance with IAS 11, whereby revenue and associated costs are recognised in the income statement by reference to the stage of completion of the contract activity at the end of the reporting period, provided that the outcome of the construction contract can be estimated reliably. An expected loss on the construction contract is recognised as an expense immediately. The Company habitually examines the work performed, which is made possible in practice by the existence in all the contracts of a definition of all the units of output and the price at which each unit is to be billed. There are budgeting tools for monitoring variances. At the end of each month, the units executed in each contract are measured and the output for the month is recognised as revenue. Contract costs are recognised on an accrual basis, and the costs actually incurred in completing of the units of output are recognised as an expenses 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 sales that are reasonably assured with respect to the completed work are recognised as contract revenue, subject to the limit of the total contract costs.

Changes to the initial contract require the customer's technical and financial approval prior to the issue of billings and collection of the amounts relating to additional work. The Group does not recognise revenue from such additional work until approval is reasonably assured and the revenue can be measured reliably. The costs associated with these additional assets are recognised when incurred.

Initial contract costs incurred in the formalisation of the principal contract, costs of moving plant to the contract site, costs incurred in design, assistance and studies, building insurance costs, perimeter financing costs and other initial contract costs are recognised as prepaid expenses. These costs are initially recognised as assets provided that it is probable that they will be recovered in the future and they are recognised in profit or loss based on actual production with respect to estimated production under each contract. Otherwise, the costs are taken directly to the income statement.

Late-payment interest arising from delays in the collection of billings is recognised when it is probable that the interest will be collected and the amount may be measured reliably.

2.3.21.2 Toll road business

The contracts included in this line of business are accounted for in accordance with IFRIC 12, used as a basis for classifying the assets used in such contracts on the basis of the intangible asset model and the financial asset model (mixed models can also exist).

2.3.21.3 Airport business

Revenue may be divided into:

1) airport revenue, which accrues in different ways and includes most notably revenue that accrues on the basis of the number of passengers, landing charges based on the tonnage of the aircraft that land at the airport, and aircraft parking charges, which are calculated on the basis of a combination of the number of parking hours and aircraft tonnage, and 2) retail-related revenue from the assignment of commercial space to third parties, which is recognised as a percentage of the sales generated by the third party.

2.3.21.4 Service businesses

In general, revenue from services of this nature is recognised in the income statement on a straight-line basis over the term of the contract. In the case of contracts for a number of different services and prices, revenue and costs are recognised with reference to the stage of completion, applying the same methods and conditions as those described for the Construction business. Where this is not possible, the percentage of completion method is used, based on the costs incurred as a percentage of total estimated costs.

Lastly, it should be noted that certain contracts performed by Amey in the United Kingdom are accounted for using the financial asset model provided for in IFRIC 12.

2.3.21.5 Operating results

The operating results in the income statement include the results of the Group companies' ordinary activities, excluding financial results (see Note 28) and the share in the results of companies accounted for using the equity method, presented under "Profit from Operations" a specific line item which includes sales revenue and gains and losses on disposals of non-current assets.

2.4 Accounting estimates and judgements

In the consolidated financial statements for 2010 estimates were made to measure certain assets, liabilities, income, expenses and obligations. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets.
- The assumptions used in the actuarial calculation of pension liabilities and other obligations to employees.
- The useful life of the property, plant and equipment and intangible assets.
- The measurement of stock options.
- The budget-related estimates taken into consideration when recognising the results of contracts with a reference to the stage of completion in the Construction and Services segments.
- Estimates relating to the fair value of assets acquired in business combinations and goodwill.
- The assessment of possible legal and tax contingencies.
- Estimates relating to the valuation of derivatives and the related expected flows in cash flow hedges.

Although, these estimates were made using the best information available at 31 December 2010 and 2009 on the events analysed, events that take place in the future might make it necessary to change this estimates. Changes in accounting estimates would be applied in accordance with IAS 8.

3. Management of financial risks and capital

The Group's activities are exposed to a variety of financial risks, particularly interest rate risk, foreign currency risk, credit risk, liquidity risk and equity risk.

3.1 Interest rate risk

The Ferrovial Group's business requires financing that can be borrowings indexed to fixed or floating interest rates. Interest rate risk management optimises the cost of financing to guarantee fulfilment of the business plans.

Accordingly, in managing interest rates, the Ferrovial Group tends to keep a percentage of the debt tied to fixed rates, either arranged at inception or hedged by means of derivative financial instruments.

Ferrovial applies a proactive management approach to the portion of 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.

As regards infrastructure project financing, each project is analysed and criteria are identified to minimise exposure to interest rate fluctuations, resulting in the establishment of ceilings on the volume of debt tied to floating rates, which is usually between 15% and 35% of the total project financing.
This avoids potential changes in expected project returns due to changes in market interest rate curves.

This objective of establishing pre-set rates for projects is often achieved by arranging hedging derivatives, an analysis of which is provided in Note 11 on derivative financial instruments at fair value.

Occasionally, in certain infrastructure projects the revenue from which is tied to inflation through a contractual formula, an attempt is made to structure their financing through borrowings, the cost of which is indexed to the changes in inflation observed in the period, obtaining a natural hedge between income and expenses. This structuring and hedge can be set up directly with the debt or through derivative financial instruments.

In the case of long-term borrowings not linked to specific projects, there are no predetermined formulae with respect to the distribution of fixed rates and floating rates, although the decisions in this connection are taken from perspective of the management of the Group as a whole; however, it is usually attempted to hold between 50% and 80% of the borrowings at a pre-set rate for the Group as a whole.

The accompanying table shows a breakdown of the Group's debt, indicating the percentage of the debt that is considered to be hedged (either by a fixed rate or by derivatives). Not all the assets are hedged (the case of cash and cash equivalents, and long-term restricted cash associated with the debt.

Borrowings	Total gross debt	% of debt hedged	Net debt exposed to interest rate risk	Impact on results of + 100 basis points
2010				
Construction	50	36%	32	0
Services	170	20%	136	1
Airports	0	0%	0	0
Toll roads	0	0%	0	0
Corporate and other	1,844	44%	1,024	10
Other companies	**2,064**	**42%**	**1,192**	**12**
BAA	15,017	73%	4,028	40
Other airports	0	0%	0	0
Toll roads	5,769	74%	1,527	15
Construction	142	96%	6	0
Services	54	87%	7	0
Infrastructure projects	**20,981**	**73%**	**5,568**	**56**
TOTAL FINANCIAL DEBT	**23,045**	**71%**	**6,760**	**68**

Borrowings	Total gross debt	% of debt hedged	Net debt exposed to interest rate risk	Impact on results of + 100 basis points
2009				
Construction	50	46%	27	0
Services	355	15%	301	3
Airports	0	0%	0	0
Toll roads	0	0%	0	0
Corporate and other	2,245	53%	1,058	11
Other companies	**2,650**	**48%**	**1,386**	**14**
BAA	14,472	74%	3,707	37
Other airports	0	0%	0	0
Toll roads	8,079	83%	1,352	14
Construction	86	0%	86	1
Services	20	98%	0	0
Infrastructure projects	**22,656**	**77%**	**5,146**	**51**
TOTAL FINANCIAL DEBT	**25,306**	**74%**	**6,532**	**65**

Analysis of the foregoing table shows that 70% of the Group's debt is insured against the risk of changes in interest rates, a percentage that is similar to that of 2009 if, for comparison purposes, the fixed-rate debt relating to 407 ETR's bonds is excluded from the 2009 data. As regards project borrowings, 73% of which is hedged, approximately 16% is indexed to inflation.

Thus, a linear variation of 100 basis points in the interest rate curves existing on the market at 31 December 2010 would increase the finance costs in the income statement by an estimated EUR 69 million, of which EUR 56 million relate to infrastructure projects and EUR 13 million to the other companies.
Note 19 provides a more detailed analysis by type of debt, based on the extent to which the interest rate risks are hedged.

In addition to the impact of interest rate fluctuations on the assets and liabilities making up the net cash position, changes may arise in the values of the derivative financial instruments arranged by the Company, which are indicated in Note 11. Revaluation gains and losses are mainly recognised in reserves in the case of derivatives that are effective hedges, as required by International Accounting Standards.

3.2 Foreign currency risk

Foreign currency risk management is generally centralised through the Group's General Economic and Financial Division, on the basis of its global policies that seek to minimise the impact caused by fluctuations in the exchange rates of the currencies in which Ferrovial operates, by means of hedging mechanisms.

Ferrovial has significant investments in developed countries with a currency other than the euro, including most notably, pound sterling, US dollars, Canadian dollars and Polish zlotys. Ferrovial sets up hedging strategies for these long-term investments by issuing debt in the same currency as that in which the investment is denominated.

With regard to management of foreseeable cash flow risks, the following transactions are analysed:

- Investments or divestments in projects.
- Income obtained from foreign subsidiaries in the form of dividends or capital reimbursements expected to be received from those subsidiaries.
- Intra-Group loans to foreign subsidiaries. Cash surpluses at foreign subsidiaries.
- Foreign currency collections from customers and payments to suppliers.

The hedging strategy is analysed on a case-by-case basis, avoiding significant effects that might hinder the fulfilment of the business plan and impair Ferrovial's capital. The factors considered are: (1) size of the investment/transaction versus the level of capitalisation required; (2) financing sources to be used (debt, cash flows received, etc.); (3) Risk of currency appreciation/depreciation; and (4) financial cost of the possible hedge.

In general, the Group attempts to finance all the infrastructure projects that it invests in using the currencies in which each project's income is denominated. Where this is not feasible, the Group arranges derivatives to hedge potential changes in the value of the debt caused by exchange rate fluctuations.

In construction or services contracts in which the price is received in a currency other than that in which the related costs are paid, hedges are arranged to avoid changes in the profit margin caused by exchange rate fluctuations.

The following table shows the values of assets, liabilities, non-controlling interests and equity attributable to the Parent by type of currency at December 2010 and 2009:

				2010
Currency	**Assets**	**Liabilities**	**Equity of**	**Socios Externos**
Euro	11,101	10,831	37	233
Pound sterling	22,942	20,372	1,442	1,128
US dollar	3,894	3,467	438	-11
Canadian dollar	2,938	8	2,929	0
Polish zloty	1,186	961	159	66
Chilean peso	39	-117	157	0
Swiss franc	1,026	1,031	-23	18
Other	162	107	55	0
Total Group	**43,287**	**36,659**	**5,194**	**1,434**

				2010
Currency	**Assets**	**Liabilities**	**Equity of**	**Socios Externos**
the Parent	Non-controlling interests	12.091	-1.130	193
Euro	11,154	12,091	-1,130	193
Pound sterling	23,458	19,701	2,318	1,438
US dollar	2,608	2,192	390	26
Canadian dollar	3,263	2,571	808	-116
Polish zloty	982	784	120	78
Chilean peso	1,663	1,610	66	-13
Swiss franc	**710**	**220**	**479**	**10**
Other	**161**	**111**	**50**	**0**
Total Group	**43,999**	**39,280**	**3,102**	**1,617**

An analysis of the table above shows that the Group's equity is particularly exposed to the Canadian dollar and to the pound sterling.

Exposure to the Canadian dollar has increased considerably compared to 2009 due to the adjustment to fair value of the interest in 407 ETR in Canada after selling 10% of the ownership interest.

For investments of this type (in which no specific debt is associates with the financing of the investment), the Group specific hedges for the amounts to be recovered, in the form or dividends or capital reimbursements, with a time horizon of up to three years.

In general, they are treated as long-term investments denominated in strong currencies that historically have not fluctuated significantly.

On the basis of all the data provided above, a 10% appreciation of the euro at year-end, against the main currencies in which the Group has investments would have an impact on the Parent's equity of EUR -510 million, of which 57% would relate to the impact of the Canadian dollar. This fluctuation in the value of the euro would have an impact on total assets of EUR -3,202 million, of which 72% would relate to the investments in pounds sterling.

The detail of the net profit attributable to the Parent by type of currency for 2010 and 2009 is as follows:

	2010
Currency	**Profit or loss**
Euro	-265
Pound sterling	-403
US dollar	-15
Canadian dollar	2,499
Polish zloty	28
Chilean peso	278
Swiss franc	39
Other	2
Total Group	**2,163**

In this regard, the impact of a 10% appreciation of the euro on the income statement would have amounted to EUR -169 million.

	2009
Currency	**Profit or loss**
Euro	289
Pound sterling	-436
US dollar	-14
Canadian dollar	16
Polish zloty	27
Chilean peso	14
Swiss franc	27
Other	3
Total Group	**-74**

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Changes in the main exchange rates vis-à-vis the euro are shown in the following table; in general the main currencies appreciated against the euro, particularly the Chilean peso +14% and the Canadian dollar +11.3%:

	Exchange rate at year-end		
	2010	**2009**	**CHANGE 10/09**
Pound sterling	0.8574	0.8876	-3.40%
US dollar	1.3366	1.4331	-6.73%
Canadian dollar	1.3291	1.4989	-11.33%
Polish zloty	3.9557	4.1048	-3.63%
Chilean peso	625.6500	727.6300	-14.02%

	Average exchange rate		
	2010	**2009**	**CHANGE 10/09**
Pound sterling	0.8561	0.8888	-3.68%
US dollar	1.3211	1.3952	-5.31%
Canadian dollar	1.3674	1.5810	-13.51%
Polish zloty	3.9915	4.3448	-8.13%
Chilean peso	673.8300	771.7983	-12.69%

3.3 Credit and counterparty risk

The Group's main financial assets exposed to credit risk or counterparty risk are as follows:

a) Investments in financial assets included in cash and cash equivalents (short term) (Note 19)

b) Non-current financial assets (Note 10)

c) Derivative financial instruments (Note 11)

d) Trade and other receivables (Note 14)

The Group's overall exposure to credit risk is equal to the balance of the above-mentioned items, as the Group has not granted any credit lines to third parties.

As regards the risk incurred by investing in financial products or arranging derivative financial instruments (included in letters a, b and c), Ferrovial has established internal criteria to minimise credit risk, stipulating that counterparties must always have high credit ratings received from prestigious international rating agencies. Ferrovial also imposes maximum limits on amounts invested or arranged, which are periodically reviewed.

In the case of transactions in countries whose economic and socio-political circumstances preclude high credit quality, the Group mainly selects branches and subsidiaries of foreign entities that met or nearly meet the stipulated credit requirements, or the largest local entities.

In the specific case of restricted cash linked to infrastructure project financing, the financing contracts that provide for the amounts that must be set aside as restricted cash usually also stipulate the conditions that must be fulfilled by the financial products in which these obligations must be instrumented.

With respect to risks related to trade receivables (included in letter d) and non-current receivables (letter b), there are a wide variety of customers, a large proportion of which are public-sector entities. 72% of all the Group's non-current and current receivables relate to public-sector agencies.

3.4 Liquidity risk

In the current market environment, in which a major financial crisis caused a widespread credit crunch in 2010 (as in 2009), Ferrovial adopted a proactive approach to liquidity risk management, focusing basically on the preservation of the Company's liquidity and on settling financial transactions before they mature.

This policy is based on four main pillars:

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 management, in order to optimise daily liquidity positions at the various companies by setting up a global cash management system.

4. Setting up short-term credit lines 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 Group has also sought to always utilise available cash to settle payment obligations and liabilities in advance.

Infrastructure projects:

Liquidity risk must be analysed separately for each individual infrastructure project since there is specific financing for each project and the projects are independent units for liquidity purposes.

In general, debt maturities are monitored carefully for each project. Note 19 contains a breakdown showing that 56% of the project financing falls due after more than five years.

The fact that these are long-term projects with foreseeable flows generally allows for the arrangement of financing structures linked to estimated project flows.

Also, during the performance of the projects, the Group seeks to apply an active refinancing policy to maximise cash generation.

The refinancing processes include most notably the subordinated debt and part of BAA's refinancing facility, which are addressed in more detail in Note 19.

As indicated above, certain infrastructure project financing contracts stipulate the need to hold accounts (restricted cash) the availability of which is restricted under the financing contracts as security for certain short-term obligations, related to interest or principal repayments, as well as infrastructure maintenance and operation.
These accounts are an additional guarantee with respect to liquidity risk (see breakdown in Note 19).

The borrowings falling due in 2011 relating to infrastructure projects total EUR 1,147 million, relating mainly to the Ausol and Inversora Autopista del Sur toll road projects. A breakdown of these maturities is provided in Note 19.

The Group seeks to cover all obligations to make new investments by means of specific-purpose financing before the investment is made. Note 19 contains a breakdown of the balances available to fulfil these requirements.

To conclude on all the preceding sections, the liquidity position of the infrastructure projects in 2010 is explained below:

· At 31 December 2010, cash and cash equivalents (including short-term restricted cash) amounted to EUR 700 million.

· Also, at that date, undrawn credit lines amounted to EUR 4,453 million, which were arranged mainly to cover committed investment needs.

· The projects have the capacity to generate significant and recurring cash flows from operating activities (cash flows obtained from these projects in 2010 totalled EUR 1,828 million; see Note 31 on cash flows).

· The capacity to increase the volume of debt in certain projects, based on growth in operating variables.

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Other Group activities

Unlike in the case of infrastructure projects, liquidity risk is managed on an overall basis for the rest of the Group's activities, particularly for activities carried on in Spain.

Liquidity risk management also focuses on closely monitoring debt maturities (also explained in Note 19) and on proactive management and maintenance of credit lines to cover forecast cash needs.

The borrowings for other activities falling due in 2011 total EUR 59 million. A breakdown of these maturities is provided in Note 19.

The liquidity position of the Group's other activities in 2010 is based on the following factors:

- At 31 December 2010, cash and cash equivalents (including short-term restricted cash) amounted to EUR 2,005 million.
- Also, at that date, undrawn credit lines totalled EUR 919 million.
- The Group's business areas have the capacity to generate significant and recurring cash flows from operating activities (cash flows from operating activities obtained in 2010 totalled EUR 811 million; see Note 31 on cash flows).
- The capacity to increase debt volumes based on the current moderate level of debt and on the Group's capacity to generate recurring cash flows.

Lastly, as regards liquidity risk management, at both Group level and in each business area and project, systematic forecasts are prepared on cash generation and needs in order to determine and monitor the Group's liquidity position on an ongoing basis.

3.5 Equity risk

Ferrovial is also exposed to risk relating to the evolution of the share prices of listed companies. This exposure arises specifically in equity swaps linked to share-based payment:

As indicated in Note 11 on derivative financial instruments and Note 33 on share-based payment, Ferrovial has arranged equity swaps to hedge possible disbursements that may be required in relation to executive remuneration systems linked to the price of Ferrovial shares.

The 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 International 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.

Specifically, in 2010 Ferrovial's closing share price was EUR 7.44, and Ferrovial recognised an expense of EUR 39 million (see Note 11) which had an impact of EUR 24 million on the net profit.

3.6 Inflation risk

The Company has contracted derivative financial instruments linked to the evolution of the CPI, as explained in Note on fair value adjustments, in relation to the measurement of index-linked swaps.

These instruments have mainly been arranged by BAA and are measured based on the inflation rate forecast for the periods covered by the derivatives (see Note 11 on derivative financial instruments for more details).

A 1% rise in the inflation rate during the term of the derivative, without any change in the interest rate, would have an impact of EUR -478 million on the fair value of these derivatives and of EUR -277 million on the net profit.

3.7 Management of capital

The Group's objective in equity management is to safeguard its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects, by optimising the debt-equity ratio to create shareholder value.

Since the Group was listed on the stock exchange in 1999, capitalisation has remained steady, except for the effect generated in the merger with Cintra in 2009, and there have been no new equity issues. Growth has been financed in three ways:

- Internal cash flows generated from the Group's recurring businesses.
- Capacity to grow through investments in new infrastructure projects financed largely by borrowings secured by project flows, thereby feeding back funds to boost the Group's capacity for growth in its recurring activities.
- Asset turnover policy focused on the sale of mature projects in order to continue financing investments in new projects. The Group's optimum leverage ratio is not determined on the basis of its overall debt-equity ratio but it is based rather on the different levels on which the debt is structured, as follows:

  - In the case of infrastructure projects, each project is assigned a leverage ratio linked to its operating variables or forecast future cash flows. A high leverage ratio is justified by the existence of long-term projects with recurring and predictable flows. In the case of regulated airports, the leverage ratio is based on the debt-to-RAB ratio (as indicated earlier, the RAB is used to calculate prices and is therefore a key element when determining future flows).
  - For the Group's other companies (excluding infrastructure projects, which mainly involve corporate debt), the aim is to maintain a moderate leverage ratio based on the general reference levels determined by rating agencies for "investment grade" companies; in Ferrovial's case, this is usually determined based on a ratio combining the gross profit from operations (indicator linked to recurring cash flows) and net borrowings in those areas.

4. Segment reporting

The "Other" column in the balance sheet and income statement by segment includes the assets and/or liabilities and income and/or expenses of the companies not assigned to any of the business segments, including most notably the Parent Ferrovial, S.A. and its smaller subsidiaries, the Polish real estate business, and inter-segment adjustments. Set out below are the segment balance sheets for 2010, 2009, 2008 and the segment income statements for 2010 and 2009:

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Segment balance sheet: 2010 (millions of euros)

Assets	Construction	Toll roads	Airports	Services	Other	Total
Non-current assets	**722**	**11,411**	**20,871**	**1,913**	**549**	**35,465**
Goodwill	178	390	3,575	889	0	5,032
Intangible assets	7	0	0	90	1	97
Concession infrastructure	0	5,021	16,561	145	-215	21,512
Investment property	0	0	0	0	64	64
Property, plant and equipment	109	2	0	384	57	552
Investments in associates	15	3,054	0	41	0	3,110
Non-current financial assets	208	1,680	81	219	-4	2,184
Receivable from Group companies	0	0	31	0	-31	0
Other	208	1,680	50	219	27	2,184
Pension surplus	0	0	0	0	0	0
Deferred tax assets	203	1,075	0	146	643	2,068
Derivative financial instruments at fair value	1	190	653	0	3	847
Assets classified as held for sale and discontinued operations	**1**	**28**	**0**	**1,486**	**0**	**1,515**
Current assets	**4,536**	**1,212**	**906**	**1,292**	**-1,639**	**6,306**
Inventories	204	14	8	16	204	445
Trade and other receivables	1,631	406	406	1,110	-392	3,161
Cash and cash equivalents	2,702	792	492	167	-1,451	2,701
Receivable from Group companies	1,637	398	0	33	-2,067	0
Other	1,065	394	492	134	616	2,701
TOTAL ASSETS	**5,259**	**12,650**	**21,777**	**4,691**	**-1,091**	**43,287**

Equity and Liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	**362**	**4,227**	**2,557**	**1,142**	**-1,659**	**6,628**
Equity attributable to the equity holders	**292**	**4,024**	**1,430**	**1,120**	**-1,672**	**5,194**
Non-controlling interests	69	203	1,127	22	12	1,434
Deferred income	**9**	**170**	**4**	**14**	**0**	**196**
Non-current liabilities	**699**	**6,891**	**18,148**	**1,467**	**1,391**	**28,596**
Provisions for pensions	1	0	77	74	0	153
Other long-term provisions	74	595	9	122	60	860
Bank borrowings	539	4,633	14,737	1,009	591	21,511
Payable to Group companies	369	0	0	855	-1,224	0
Other	170	4,633	14,737	154	1,815	21,511
Other payables	11	114	0	17	13	154
Deferred tax liabilities	71	801	2,418	213	448	3,951
Derivative financial instruments at fair value	2	747	908	32	278	1,968
Liabilities classified as held for sale and discontinued operations	**0**	**0**	**0**	**891**	**0**	**891**
Current liabilities	**4,190**	**1,362**	**1,068**	**1,177**	**-822**	**6,975**
Bank borrowings	15	1,169	292	466	-412	1,530
Payable to Group companies	0	33	12	395	-441	0
Other	15	1,136	280	71	29	1,530
Trade and other payables	3,679	193	731	696	-411	4,889
Operating provisions	495	0	46	14	1	556
TOTAL EQUITY AND LIABILITIES	**5,259**	**12,650**	**21,777**	**4,691**	**-1,091**	**43,287**

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Segment balance sheet: 2009 (millions of euros)

	Construcción	Autopistas	Aeropuertos	Servicios	Resto	Total
Assets	**Construction**	**Toll roads**	**Airports**	**Services**	**Other**	**Total**
Non-current assets	638	10,975	21,429	2,758	249	36,048
Goodwill	169	1,559	3,813	1,411	0	6,952
Intangible assets	7	0	0	38	0	45
Concession infrastructure	0	7,269	16,253	166	-68	23,621
Investment property	0	0	0	0	77	77
Property, plant and equipment	119	1	0	510	39	669
Investments in associates	16	62	0	183	0	262
Non-current financial assets	147	1,319	182	214	72	1,935
Receivable from Group companies	0	0	0	0	0	0
Other	147	1,319	182	214	72	1,935
Pension surplus	0	0	0	22	0	22
Deferred tax assets	178	708	398	213	108	1,604
Derivative financial instruments at fair value	**2**	**56**	**781**	**0**	**22**	**861**
Assets classified as held for sale and discontinued operations	**1**	**1,641**	**116**	**44**	**0**	**1,802**
Current assets	4,048	823	957	1,519	-1,197	6,150
Inventories	185	11	7	21	265	489
Trade and other receivables	1,505	355	312	1,244	-236	3,181
Cash and cash equivalents	2,357	458	638	254	-1,227	2,480
Receivable from Group companies	1,368	6	2	0	-1,375	0
Other	**990**	**452**	**636**	**253**	**149**	**2,480**
TOTAL ASSETS	**4,686**	**13,439**	**22,502**	**4,321**	**-949**	**43,999**

Equity and Liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	**215**	**1,647**	**3,207**	**1,050**	**-1,399**	**4,719**
Equity attributable to the equity holders	**152**	**1,552**	**1,769**	**1,036**	**-1,409**	**3,102**
Non-controlling interests	63	95	1,437	14	9	1,617
Deferred income	**10**	**194**	**5**	**24**	**-1**	**232**
Non-current liabilities	**596**	**8,512**	**17,909**	**1,119**	**1,615**	**29,751**
Provisions for pensions	1	-1	313	190	0	503
Other long-term provisions	50	697	29	148	30	954
Bank borrowings	459	6,981	14,028	626	1,274	23,368
Payable to Group companies	356	0	0	339	-695	0
Other	103	6,981	14,028	287	1,969	23,368
Other payables	9	113	0	10	3	136
Deferred tax liabilities	71	226	2,882	132	142	3,454
Derivative financial instruments at fair value	5	496	656	13	166	1,336
Liabilities classified as held for sale and discontinued operations	**0**	**1,608**	**5**	**34**	**0**	**1,647**
Current liabilities	**3,865**	**1,478**	**1,377**	**2,094**	**-1,164**	**7,650**
Bank borrowings	38	1,101	538	1,225	-966	1,937
Payable to Group companies	5	4	94	1,137	-1,240	0
Other	33	1,097	444	88	274	1,937
Trade and other payables	3,401	376	775	840	-198	5,194
Operating provisions	426	0	63	29	1	519
TOTAL EQUITY AND LIABILITIES	**4,686**	**13,439**	**22,502**	**4,321**	**-949**	**43,999**

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Segment balance sheet: 2008 (millions of euros)

Assets	Construction	Toll roads	Airports	Services	Other	Total
Non-current assets	**662**	**8,988**	**20,430**	**2,667**	**153**	**32,900**
Goodwill	171	321	3,527	1,382	0	5,400
Intangible assets	7	0	0	56	0	63
Concession infrastructure	1	6,817	14,966	133	-77	21,839
Investment property	0	0	0	0	92	92
Property, plant and equipment	138	0	0	465	17	620
Investments in associates	16	40	65	166	0	286
Non-current financial assets	156	974	142	258	-6	1,524
Receivable from Group companies	39	0	0	0	-39	0
Other	117	974	142	258	32	1,524
Pension surplus	0	0	76	0	0	76
Deferred tax assets	175	738	640	206	100	1,859
Derivative financial instruments at fair value	0	98	1,013	0	28	1,139
Assets classified as held for sale and discontinued operations	**5**	**1,708**	**2,563**	**2**	**0**	**4,278**
Current assets	**4,390**	**1,034**	**1,025**	**1,469**	**-1,292**	**6,626**
Inventories	203	4	6	17	268	498
Trade and other receivables	1,929	283	366	1,252	-203	3,626
Cash and cash equivalents	2,259	748	653	200	-1,357	2,502
Receivable from Group companies	1,329	0	69	2	-1,400	0
Other	930	747	584	198	43	2,502
TOTAL ASSETS	**5,058**	**11,730**	**24,017**	**4,138**	**-1,139**	**43,804**

Equity and Liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	**373**	**954**	**1,182**	**914**	**675**	**4,098**
Equity attributable to the equity holders	**307**	**679**	**-747**	**897**	**664**	**1,801**
Non-controlling interests	66	274	1,929	16	11	2,296
Deferred income	**13**	**201**	**8**	**28**	**0**	**250**
Non-current liabilities	**542**	**8,575**	**19,683**	**1,083**	**-737**	**29,146**
Provisions for pensions	1	0	0	131	0	132
Other long-term provisions	45	371	115	151	27	708
Bank borrowings	331	6,765	15,708	598	-990	22,413
Payable to Group companies	220	0	1,300	339	-1,858	0
Other	112	6,765	14,408	259	868	22,413
Other payables	9	96	0	13	1	119
Deferred tax liabilities	57	328	2,850	126	97	3,458
Derivative financial instruments at fair value	98	1,016	1,011	64	129	2,319
Liabilities classified as held for sale and discontinued operations	**1**	**1,484**	**1,679**	**0**	**0**	**3,163**
Current liabilities	**4,130**	**517**	**1,465**	**2,112**	**-1,077**	**7,147**
Bank borrowings	66	422	626	1,237	-799	1,552
Payable to Group companies	0	6	198	1,035	-1,239	0
Other	66	416	428	201	441	1,552
Trade and other payables	3,745	94	772	810	-279	5,142
Operating provisions	319	0	67	66	0	452
TOTAL EQUITY AND LIABILITIES	**5,058**	**11,730**	**24,017**	**4,138**	**-1,139**	**43,804**

The detail, by segment, of the acquisitions made, as required by IFRS 8, is as follows:

Millions of euros	Additions to infrastructure projects		Additions to property, plant and equipment		Additions to intangible assets and goodwill		Additions of associates	
	2010	2009	2010	2009	2010	2009	2010	2009
Construction	0	0	31	30	1	0	1	0
Airports	1,085	983	0	0	0	10	0	0
Toll roads	788	333	0	0	6	0	3,082	7
Services	69	32	74	144	21	7	5	0
Other	0	0	4	6	0	0	0	0
Total	**1,942**	**1,348**	**108**	**180**	**28**	**17**	**3,088**	**7**

The additions to infrastructure projects are broken down by business segment in Note 7.

Segment income statement: 2010

(Millions of euros)	Construction			Toll roads		
	Before fair value adj.	Fair value adj.	Total	Before fair value adj.	Fair value adj.	Total
Revenue	4,525	0	4,525	869	0	869
Other operating income	**6**	**0**	**6**	**0**	**0**	**0**
Total operating income	4,531	0	4,531	869	0	869
Materials consumed	940	0	940	3	0	3
Other external expenses	1,477	0	1,477	9	0	9
Staff costs	642	0	642	73	0	73
Change in operating provisions	111	0	111	14	0	14
Other operating expenses	**1,129**	**0**	**1,129**	**140**	**0**	**140**
Total operating expenses	**4,300**	**0**	**4,300**	**239**	**0**	**239**
GROSS PROFIT OR LOSS FROM OPERATIONS	231	0	231	630	0	630
Depreciation and amortisation charge	**40**	**0**	**40**	**113**	**0**	**113**
Profit or loss from operations before impairment and non-current asset disposals	191	0	191	517	0	517
Impairment and disposals of non-current assets	**0**	**0**	**0**	**680**	**1,886**	**2,567**
Profit or loss from operations	191	0	191	1,197	1,886	3,084
Finance income of infrastructure projects	0	0	0	18	0	18
Finance costs of infrastructure projects	**-4**	**0**	**-4**	**-544**	**0**	**-544**
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**5**	**5**
Financial profit or loss of infrastructure projects	-4	0	-4	-526	5	-521
Finance income of other companies	96	0	96	17	0	17
Finance costs of other companies	**-56**	**0**	**-56**	**-20**	**0**	**-20**
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**0**	**0**
Financial profit or loss of other companies	**40**	**0**	**40**	**-4**	**0**	**-4**
Financial profit or loss	36	0	36	-530	5	-525
Share of profits of companies accounted for using the equity method	**-1**	**0**	**-1**	**17**	**3**	**20**
Consolidated profit or loss before tax	226	0	226	685	1,894	2,579
Income tax	**-71**	**0**	**-71**	**-136**	**27**	**-108**
Consolidated profit or loss from continuing operations	156	0	156	549	1,921	2,470
Net profit or loss from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**
Consolidated profit or loss for the year	156	0	156	549	1,921	2,470
Profit or loss for the year attributable to non-controlling interest	**-21**	**0**	**-21**	**6**	**4**	**10**
Profit or loss for the year attributable to the Parent	**135**	**0**	**135**	**555**	**1,925**	**2,480**

(*) Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and assets and liability impairment (see Note 24).

(Millions of euros)		Airports			Services	
	Before fair value adj.	Fair value adj.	Total	Before fair value adj.	Fair value adj.	Total
Revenue	2,799	0	2,799	3,896	0	3,896
Other operating income	**0**	**0**	**0**	**11**	**0**	**11**
Total operating income	2,799	0	2,799	3,907	0	3,907
Materials consumed	54	0	54	419	0	419
Other external expenses	1	0	1	124	0	124
Staff costs	611	0	611	2,036	0	2,036
Change in operating provisions	0	0	0	25	0	25
Other operating expenses	**861**	**0**	**861**	**894**	**0**	**894**
Total operating expenses	**1,527**	**0**	**1,527**	**3,498**	**0**	**3,498**
GROSS PROFIT OR LOSS FROM OPERATIONS	1,272	0	1,272	410	0	410
Depreciation and amortisation charge	**716**	**0**	**716**	**129**	**0**	**129**
Profit or loss from operations before impairment and non-current asset disposals	556	0	556	281	0	281
Impairment and disposals of non-current assets	**56**	**-734**	**-678**	**4**	**0**	**4**
Profit or loss from operations	612	-734	-122	284	0	284
Finance income of infrastructure projects	0	0	0	1	0	1
Finance costs of infrastructure projects	**-984**	**0**	**-984**	**-12**	**0**	**-12**
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**-51**	**-51**	**0**	**-2**	**-2**
Financial profit or loss of infrastructure projects	-984	-51	-1,035	-11	-2	-13
Finance income of other companies	1	0	1	64	0	64
Finance costs of other companies	**0**	**0**	**0**	**-113**	**0**	**-113**
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**0**	**0**
Financial profit or loss of other companies	**1**	**0**	**1**	**-49**	**0**	**-49**
Financial profit or loss	-983	-51	-1,034	-61	-2	-62
Share of profits of companies accounted for using the equity method	**6**	**6**	**12**	**31**	**0**	**31**
Consolidated profit or loss before tax	-364	-780	-1,144	255	-2	253
Income tax	215	88	303	-105	1	-104
Consolidated profit or loss from continuing operations	-149	-692	-841	150	-2	149
Net profit or loss from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**
Consolidated profit or loss for the year	-149	-692	-841	150	-2	149
Profit or loss for the year attributable to non-controlling interest	**62**	**305**	**367**	**-5**	**0**	**-5**
Profit or loss for the year attributable to the Parent	**-87**	**-387**	**-474**	**146**	**-2**	**144**

(*) Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and assets and liability impairment (see Note 24).

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(Millions of euros)		Other			Total	
	Before fair value adj.	Fair value adj.	Total	Before fair value adj.	Fair value adj.	Total
Revenue	80	0	80	12,169	0	12,169
Other operating income	0	0	0	17	0	17
Total operating income	**80**	**0**	**80**	**12,186**	**0**	**12,186**
Materials consumed	70	0	70	1,486	0	1,486
Other external expenses	-15	0	-15	1,596	0	1,596
Staff costs	60	0	60	3,422	0	3,422
Change in operating provisions	24	1	25	174	1	175
Other operating expenses	-32	0	-32	2,992	0	2,992
Total operating expenses	**107**	**1**	**108**	**9,671**	**1**	**9,672**
GROSS PROFIT OR LOSS FROM OPERATIONS	**-27**	**-1**	**-28**	**2,516**	**-1**	**2,514**
Depreciation and amortisation charge	3	0	3	1,000	0	1,000
Profit or loss from operations before impairment and non-current asset disposals	**-29**	**-1**	**-31**	**1,516**	**-1**	**1,514**
Impairment and disposals of non-current assets	0	-13	-13	740	1,139	1,879
Profit or loss from operations	**-30**	**-14**	**-44**	**2,256**	**1,138**	**3,393**
Finance income of infrastructure projects	0	0	0	19	0	19
Finance costs of infrastructure projects	2	0	2	-1,543	0	-1,543
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**-48**	**-48**
Financial profit or loss of infrastructure projects	**1**	**0**	**1**	**-1,524**	**-48**	**-1,572**
Finance income of other companies	-25	0	-25	153	0	153
Finance costs of other companies	-86	0	-86	-275	0	-275
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**-30**	**-30**	**0**	**-31**	**-31**
Financial profit or loss of other companies	**-111**	**-30**	**-141**	**-122**	**-31**	**-153**
Financial profit or loss	**-109**	**-30**	**-140**	**-1,646**	**-79**	**-1,725**
Share of profits of companies accounted for using the equity method	0	0	0	53	8	62
Consolidated profit or loss before tax	**-139**	**-45**	**-184**	**663**	**1,067**	**1,730**
Income tax	52	13	66	-44	129	85
Consolidated profit or loss from continuing operations	-87	-31	-118	619	1,196	1,815
Net profit or loss from discontinued operations	0	0	0	0	0	0
Consolidated profit or loss for the year	**-87**	**-31**	**-118**	**619**	**1,196**	**1,815**
Profit or loss for the year attributable to non-controlling interest	-4	0	-4	38	310	348
Profit or loss for the year attributable to the Parent	**-91**	**-31**	**-122**	**657**	**1,506**	**2,163**

(*) Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and assets and liability impairment (see Note 24).

Segment income statement: 2009

(Millions of euros)	Construction			Toll roads		
	Before fair value adj.	Fair value adj.	Total	Before fair value adj.	Fair value adj.	Total
Revenue	4,475	0	4,475	990	0	990
Other operating income	19	0	19	0	0	0
Total operating income	**4,494**	**0**	**4,494**	**990**	**0**	**990**
Materials consumed	936	0	936	6	0	6
Other external expenses	1,606	0	1,606	-8	0	-8
Staff costs	655	0	655	106	0	106
Change in operating provisions	127	0	127	24	0	24
Other operating expenses	942	0	942	197	0	197
Total operating expenses	**4,266**	**0**	**4,266**	**326**	**0**	**326**
GROSS PROFIT OR LOSS FROM OPERATIONS	**228**	**0**	**228**	**664**	**0**	**664**
Depreciation and amortisation charge	45	0	45	106	0	106
Profit or loss from operations before impairment and non-current asset disposals	**183**	**0**	**183**	**558**	**0**	**558**
Impairment and disposals of non-current assets	0	0	0	95	0	95
Profit or loss from operations	**183**	**0**	**183**	**653**	**0**	**653**
Finance income of infrastructure projects	0	0	0	36	0	36
Finance costs of infrastructure projects	-4	0	-4	-539	0	-539
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**-47**	**-47**
Financial profit or loss of infrastructure projects	**-4**	**0**	**-4**	**-503**	**-47**	**-550**
Finance income of other companies	78	0	78	7	0	7
Finance costs of other companies	-34	0	-34	-25	0	-25
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**9**	**9**
Financial profit or loss of other companies	**44**	**0**	**44**	**-18**	**9**	**-9**
Financial profit or loss	**41**	**0**	**41**	**-521**	**-38**	**-559**
Share of profits of companies accounted for using the equity method	0	0	0	16	0	16
Consolidated profit or loss before tax	**224**	**0**	**224**	**148**	**-38**	**111**
Income tax	-66	0	-66	25	13	38
Consolidated profit or loss from continuing operations	158	0	158	174	-25	149
Net profit or loss from discontinued operations	0	0	0	0	0	0
Consolidated profit or loss for the year	**158**	**0**	**158**	**174**	**-25**	**149**
Profit or loss for the year attributable to non-controlling interest	-13	0	-13	-46	18	-28
Profit or loss for the year attributable to the Parent	**144**	**0**	**144**	**128**	**-7**	**121**

(*) R Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and assets and liability impairment (see Note 24).

(Millions of euros)	Airports			Services		
	Before fair value adj.	Fair value adj.	Total	Before fair value adj.	Fair value adj.	Total
Revenue	3,070	0	3,070	3,763	0	3,763
Other operating income	0	0	0	11	0	11
Total operating income	**3,070**	**0**	**3,070**	**3,774**	**0**	**3,774**
Materials consumed	73	0	73	464	0	464
Other external expenses	6	0	6	149	0	149
Staff costs	652	0	652	1,947	0	1,947
Change in operating provisions	0	0	0	19	0	19
Other operating expenses	1,000	2	1,002	828	0	828
Total operating expenses	**1,732**	**2**	**1,733**	**3,408**	**0**	**3,408**
GROSS PROFIT OR LOSS FROM OPERATIONS	**1,339**	**-2**	**1,337**	**366**	**0**	**366**
Depreciation and amortisation charge	726	0	726	124	0	124
Profit or loss from operations before impairment and non-current asset disposals	**613**	**-2**	**611**	**241**	**0**	**241**
Impairment and disposals of non-current assets	-747	-53	-800	1	0	1
Profit or loss from operations	**-134**	**-55**	**-189**	**242**	**0**	**242**
Finance income of infrastructure projects	0	0	0	9	0	9
Finance costs of infrastructure projects	-894	0	-894	-10	0	-10
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**-100**	**-100**	**0**	**-1**	**-1**
Financial profit or loss of infrastructure projects	**-894**	**-100**	**-994**	**-2**	**-1**	**-3**
Finance income of other companies	-2	0	-2	51	0	51
Finance costs of other companies	0	0	0	-103	0	-103
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**0**	**0**
Financial profit or loss of other companies	**-2**	**0**	**-2**	**-52**	**0**	**-52**
Financial profit or loss	**-896**	**-100**	**-996**	**-54**	**-1**	**-55**
Share of profits of companies accounted for using the equity method	14	14	27	39	2	41
Consolidated profit or loss before tax	**-1,016**	**-141**	**-1,157**	**227**	**1**	**227**
Income tax	92	43	135	0	0	0
Consolidated profit or loss from continuing operations	-924	-98	-1,022	226	1	227
Net profit or loss from discontinued operations	0	0	0	0	0	0
Consolidated profit or loss for the year	**-924**	**-98**	**-1,022**	**226**	**1**	**227**
Profit or loss for the year attributable to non-controlling interest	402	43	445	-6	0	-6
Profit or loss for the year attributable to the Parent	**-522**	**-55**	**-577**	**220**	**1**	**221**

(*) R Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and assets and liability impairment (see Note 24).

(Millions of euros)		Other				Total
	Before fair value adj.	Fair value adj.	Total	Before fair value adj.	Fair value adj.	Total
Revenue	-66	0	-66	12,232	0	12,232
Other operating income	0	0	0	30	0	30
Total operating income	**-66**	**0**	**-66**	**12,262**	**0**	**12,262**
Materials consumed	8	0	8	1,487	0	1,487
Other external expenses	-107	0	-107	1,645	0	1,645
Staff costs	62	0	62	3,423	0	3,423
Change in operating provisions	1	1	3	172	1	174
Other operating expenses	-28	0	-28	2,939	2	2,941
Total operating expenses	**-64**	**1**	**-63**	**9,667**	**3**	**9,670**
GROSS PROFIT OR LOSS FROM OPERATIONS	**-2**	**-1**	**-4**	**2,595**	**-3**	**2,591**
Depreciation and amortisation charge	3	0	3	1,005	0	1,005
Profit or loss from operations before impairment and non-current asset disposals	**-5**	**-1**	**-7**	**1,590**	**-3**	**1,587**
Impairment and disposals of non-current assets	31	-37	-6	-620	-90	-710
Profit or loss from operations	**26**	**-39**	**-13**	**969**	**-93**	**876**
Finance income of infrastructure projects	0	0	0	45	0	45
Finance costs of infrastructure projects	1	0	1	-1,446	0	-1,446
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**0**	**0**	**0**	**-148**	**-148**
Financial profit or loss of infrastructure projects	**1**	**0**	**1**	**-1,402**	**-148**	**-1,550**
Finance income of other companies	-12	0	-12	122	0	122
Finance costs of other companies	-64	0	-64	-226	0	-226
Gains and losses on derivative financial instruments and other fair value adjustments	**0**	**89**	**89**	**0**	**98**	**98**
Financial profit or loss of other companies	**-76**	**89**	**13**	**-103**	**98**	**-5**
Financial profit or loss	**-75**	**89**	**14**	**-1,505**	**-50**	**-1,555**
Share of profits of companies accounted for using the equity method	0	0	0	69	16	85
Consolidated profit or loss before tax	**-50**	**51**	**1**	**-467**	**-127**	**-594**
Income tax	33	-15	18	84	41	125
Consolidated profit or loss from continuing operations	-16	35	19	-383	-86	-469
Net profit or loss from discontinued operations	0	0	0	0	0	0
Consolidated profit or loss for the year	**-16**	**35**	**19**	**-383**	**-86**	**-469**
Profit or loss for the year attributable to non-controlling interest	-2	0	-2	334	61	395
Profit or loss for the year attributable to the Parent	**-19**	**36**	**17**	**-48**	**-25**	**-74**

(*) R Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and assets and liability impairment (see Note 24).

The detail, by segment, of revenue in 2010 and 2009 is as follows:

						Millions of euros
			2010			2009
	External sales	Inter-segment sales	Total	External sales	Inter-segment sales	Total
Construction	**4,310**	**215**	**4,525**	**4,357**	**119**	**4,476**
Airports	**2,794**	**5**	**2,799**	**3,070**	**0**	**3,070**
BAA	2,790	0	2,790	3,067	0	3,067
Other airports	4	5	9	3	0	3
Toll roads	**815**	**54**	**869**	**989**	**1**	**990**
Services	**3,823**	**73**	**3,896**	**3,754**	**9**	**3,763**
Other and adjustments	**-11**	**91**	**80**	**-153**	**86**	**-67**
Total	**11,731**	**438**	**12,169**	**12,017**	**215**	**12,232**

Geographical areas

The breakdown of assets, additions and revenue by geographical area is as follows:

							Millions of euros
			Total assets	Additions to infrastructure projects, property, plant and equipment, intangible assets, goodwill and companies accounted for using the equity method			Revenue
	2010	2009	2008	2010	2009	2010	2009
Spain	9,116	9,035	9,187	206	185	3,765	4,350
United Kingdom	22,942	23,458	24,269	1,126	1,018	4,203	4,432
USA	3,894	2,608	2,300	633	164	1,024	797
Canada	2,938	3,263	2,817	2,923	49	384	391
Poland	1,186	982	953	10	5	1,170	779
Chile	39	1,663	1,282	159	0	202	238
Portugal	1,042	1,006	931	89	102	253	222
Rest of Europe	1,969	1,823	1,876	9	19	888	785
Other	162	161	188	13	11	281	237
Total	**43,287**	**43,999**	**43,804**	**5,167**	**1,552**	**12,169**	**12,232**

In addition to the information by geographical area included in this Note, further information is provided in the following notes:

- Note 7 contains an detail of infrastructure projects by business segment and, for the main groups of separate projects, by geographical segment.
- Note 19 contains a detail of the net cash position, distinguishing between infrastructure projects and other companies, including a breakdown by segment for the two areas.
- Note 31 contains a detail of cash flows, distinguishing between infrastructure projects and other companies, including a breakdown by segment for the two areas.

5. Goodwill and acquisitions

The changes in "Goodwill", by segment, in 2010 were as follows: sido el siguiente:

Millions of euros					
Movements during 2010	**Balances at 01/01/10**	**Exchange rate**	**Investment Disposal / Other**	**Impairment**	**Balance at 31/12/10**
Airports	3,813	131	-75	-294	3,575
Heathrow	3,102	109	0	0	3,211
Other airports	**711**	**21**	**-75**	**-293**	**364**
Services	1,411	116	-638	0	889
Amey	426	15	0	0	441
Cespa	421	0	0	0	421
Swissport	545	101	-646	0	0
Other services	**19**	**0**	**8**	**0**	**27**
Construction	169	10	0	0	179
Webber	97	7	0	0	104
Budimex	**72**	**3**	**0**	**0**	**75**
Toll roads	**1,559**	**6**	**-1,176**	**0**	**389**
Total	**6,952**	**263**	**-1,889**	**-294**	**5,032**

The most significant change is in the Airports Division (BAA) due to the impairment of "other airports" amounting to EUR 293 million (impact on Ferrovial's net profit of EUR -162 million) and to the sale of Naples airport, as a result of which goodwill amounting EUR 75 million was derecognised.

In the Services Division the main change related to the transfer of Swissport to "held for sale", as a result of which goodwill totalling EUR 646 million was derecognised.

In the Toll Roads Division, the main changes were due to the reclassification of the goodwill of Trados 45 (EUR 6 million) to "assets held for sale" and to the derecognition of the goodwill associated with the 407-ETR toll road, (EUR 1,081 million), a company that started to be accounted for using the equity method, as described in Notes 2, Changes in the scope of consolidation, and 9, Investments in associates.

The following section describes the methodology and assumptions used in the impairment tests.

A. Goodwill of BAA:

The goodwill is the excess amount paid to acquire BAA over the value of the assets at the acquisition date (June 2006), representing the long-term growth potential of the business, based on expectations of significant additional investments that will allow considerable traffic growth in the coming years.

The recoverable amount of the airports was calculated as the higher of fair value less estimated costs to sell and value in use. Value in use was calculated by discounting projected cash flows, based on the business plan for each airport until 2056, using the Adjusted Present Value (APV) method. The Company considers that this is the minimum period necessary for a discounted cash flow model to reflect the huge growth potential of this infrastructure, involving major investments, and that this is the methodology that best reflects the value in use of this business. The cash flows were discounted to the middle of the period and the residual value applied in the final year modelled was calculated using the Gordon Shapiro formula and a perpetuity growth rate of 1.5%.

The business plan calculations for Heathrow airport were obtained by applying the Building Blocks methodology used by the UK airport regulator CAA (Civil Aviation Authority) and the UK's Competition Commission. Under this methodology, the profitability of these regulated assets is determined by the Regulated Asset Base (RAB), the future Capital Investment Programme and the return on assets. The regulator stipulated in its decision of March 2008 (Heathrow) the aeronautical charges for the following five-year period, based on a return on assets (before taxes and inflation) of 6.2% for Heathrow. Return on assets increases from the sixth five-year period onwards, in line with the latest decisions in regulated sectors in the United Kingdom.

As a result of the position of the new government in the United Kingdom with regard to development of the third runway at Heathrow, the business plans were updated, assuming a five year delay in the construction of Heathrow's third runway, with respect to the assumptions used in the December 2009 impairment tests. The Company considers this to be reasonable for Heathrow because, in its opinion, long-term demand projections for the south east of England support the need for new runways or making significant alternative investments, and there are currently no feasible alternatives at Heathrow for satisfying the above-mentioned increased demand. At any rate, if a scenario were chosen in which the third runway were not built, the goodwill relating to Heathrow would not become impaired. In the Company's opinion, there are no reasonable changes in the main assumptions that would eliminate the excess recoverable amount of Heathrow or the need to recognise an additional impairment loss for the other airports.

The deleveraged discount rates (Ku) used to value Heathrow airport are consistent with the return on RAB used to project the cash flows, and was adjusted on the basis of recent short-term inflation estimates. From 2015 onwards, the deleveraged discount rate is 8.14%, with an inflation of 2.75%. The tax shield of the debt was discounted using the cost of the debt.

The projections for the other airports reflect the best estimates in terms of the evolution of passenger traffic and charges, taking into account the negative evolution of passengers witnessed in 2010, and in terms of investments, where the investment volume was considerably reduced with respect to 2009, including most notably the discontinuation of investments in Stansted's second runway, based on the position announced by the British government.

The deleveraged discount rates (Ku) used to value the other airports range from 8.6% to 9.6%.

After calculating various different sensitivities and scenarios, an impairment loss of EUR 293 million was recognised for the other airports (EUR 162 million reduction in the net profit).

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B. Services Division goodwill (Amey and Cespa):
Goodwill is tested for impairment in these two business areas 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 (WACC) for this type of assets. Ferrovial used a market premium of 5.5%, based on recent studies of long-term premiums. Additionally, in order to reflect each company's exposure, backlogs of comparable companies were selected to carry out regression analyses and obtain deleveraged betas. The betas obtained were compared with other sources habitually used by analysts and investment banks (Barra Beta, Bloomberg, etc.).

The projected flows are based on the latest estimates approved by the Company, which take into account recent historical data.

The discount rates (WACC) used to test for impairment range from 6.7% to 7.6% (compared with the rates of the prior year that ranged from 6.8% to 7.2%) and perpetuity growth rates (g) ranged from 2.0% to 3.0%

Sensitivity analyses are performed on this goodwill, particularly in relation to the gross profit from operations, the discount rate and the perpetuity growth rate, so as to ensure that possible changes in the estimate do not have an impact on the possible recovery of the goodwill recognised.

The Company's consider that there are no reasonable changes in the main assumptions that would eliminate the excess recoverable amount.

C. Construction Division goodwill (Budimex and Webber):
As Budimex is listed on the Warsaw Stock Exchange, its possible impairment was analysed by verifying that the closing share price was higher than the carrying amount plus the goodwill allocated to it. At 2010 year-end there was a considerable excess. The market value of Ferrovial's interest in Budimex (59.1%) was EUR 379 million at 31 December 2010.

In the case of Webber, the method used was similar to the method applied for the services companies, consisting of a discount rate (WACC) of 8.5% (compared with 8.6% for December 2009) and a perpetuity growth rate of 2.0%.

The projected cash flows are based on the latest estimates approved by the Company, which take into account recent historical data. Growth in sales and the other operating variables were projected on the basis of the backlog.

Sensitivity analyses are performed on Webber's goodwill, particularly in relation to the gross profit from operations, the discount rate and the perpetuity growth rate, so as to ensure that possible changes in the estimate do not have an impact on the possible recovery of the goodwill recognised.

The Company considers that there are no reasonable changes to the main assumptions that would eliminate the excess recoverable value.

D. Toll Roads Division goodwill:
The recoverable amount of the toll roads was calculated as the higher of fair value less estimated costs to sell and value in use. The value in use of concession operators with an independent financial structure and limited duration was calculated by discounting projected cash flows for the shareholder to the end of the concession term. The Company considers that value in use must be obtained using models that cover the entire concession term, as the assets are in different phases of investment and growth and there is sufficient visibility to use a specific economic and financial plan for each phase during the concession term. No residual value is considered to exist in these valuations. The projections were updated based on the historical evolution and specific features of each asset, using sophisticated, long-term modelling tools to estimate traffic, extraordinary maintenance, etc. These models or tools for traffic estimation use variables obtained largely from public sources (evolution of GDP, inflation, population, car ownership, status of alternative roads, etc.), and there are also specific models for estimating extraordinary maintenance based on various different variables (road surface condition, expected traffic, etc.).

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%.

For toll roads where there is goodwill, mainly Autema, Chicago, the possible impairment was calculated by comparing the company's carrying amount (equity plus net goodwill) with its value in use obtained by discounting cash flows, as described above.

No evidence of the impairment of this goodwill was identified. The Company considers that are no reasonable changes in the main assumptions that would eliminate the excess recoverable amount.

6. Intangible assets

It should be noted that "Intangible Assets" does not include the intangible assets assigned to infrastructure projects, which are included under "Concession Infrastructure" (see Note 7). The rights on concessions included under this caption are not assigned to any specific debt relating to these projects.

The changes in "Intangible Assets" in the consolidated balance sheet in 2010 were as follows:

Millions of euros

CHANGES IN 2010	Rights on Conces-sion	Other intangible assets	TOTAL
Investment:			
Balance at 01/01/10	98	39	137
Additions	12	2	14
Disposals	-8	0	-8
Changes in the scope of consolidation and transfers	117	0	117
Reclassification to "held for sale"	-90	-10	-100
Exchange rate effect	**15**	**2**	**17**
Balance at 31/12/10	**144**	**33**	**177**
Accumulated amortisation:			
Balance at 01/01/10	-67	-25	-92
Charge for the year	-12	-2	-14
Disposals	0	0	0
Changes in the scope of consolidation and transfers	-31	0	-31
Reclassification to "held for sale"	61	9	70
Exchange rate effect	**-11**	**-2**	**-13**
Balance at 31/12/10	**-60**	**-20**	**-80**
Carrying amount at 31/12/10	**84**	**13**	**97**

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The main change in this caption relates to the “Changes in the Scope of Consolidation”. The additions include the intangible assets of Amey-Cespa amounting to EUR 27 million arising from the acquisition of Donarbon (see Note 1.2) and the disposals include the assets of Tube Lines, which had a net carrying amount of EUR 30 million due to the sale of this Company. In the framework of the sale of Tube Lines, Amey will continue to provide Tube Lines with support services for maintenance management under the Opex Secondment Agreement, under very similar terms to the current terms. Noteworthy, in this regard, is the reclassification to this heading of intangible assets associated with these services for a net amount of EUR 83 million, which had previously been recognised under “Concession Infrastructure”.

Also the intangible assets of Swissport amounting to EUR 31 million were transferred to “Assets Classified as Held for Sale” (see Note 12).

The changes in “Intangible Assets” in the consolidated balance sheet in 2009 were as follows:

- The only significant intangible asset with an indefinite useful life is the BAA Group’s right to operate certain non-regulated airports, which arose in the business combination relating to the acquisition of that Group. As indicated in Note 7, this asset is not recognised under “Intangible Assets” but rather under “Concession Infrastructure”.
- At 31 December 2010, there were no significant intangible assets subject to ownership restrictions or pledged to secure liabilities.
- No. impairment losses on intangible assets were recognised or reversed in 2010.

The internally generated intangible assets of BAA are disclosed separtely in Note 7.

	Millions of euros		
Changes in 2009	**Rights on Concession**	**Other intangible assets**	**TOTAL**
Balance at 01/01/09	**101**	**39**	**140**
Additions	4	4	8
Disposals	0	-5	-5
Changes in the scope of consolidation and transfers			
Reclassification to “held for sale”	-7	0	-7
Exchange rate effect	0	1	1
Balance at 31/12/09	**98**	**39**	**137**
Accumulated amortisation:			
Balance at 01/01/09	-53	-24	-77
Charge for the year	-15	-3	-18
Disposals	0	3	3
Changes in the scope of consolidation and transfers		0	0
Reclassification to “held for sale”	1	0	1
Exchange rate effect	0	-1	-1
Balance at 31/12/09	**-67**	**-25**	**-92**
Carrying amount at 31/12/09	**31**	**14**	**45**

7. Concession in infrastructure

7.1 Overall information on concession infrastructure

The detail, by project, of “Concession Infrastructure” and of the changes therein in 2010 and 2009 is as follows:

	Millions of euros					
Changes in 2010	**Balance at 01/01/10**	**Changes in the scope of consolidation**	**Additions**	**Disposals and transfers**	**Exchange rate effect**	**Balance at 31/12/10**
Intangible asset model IFRIC 12						
TOLL ROADS						
407 ETR International	**2,936**	-3,311			375	**0**
Spanish toll roads	**2,408**		74	-1	0	**2,481**
US toll roads	1,606		626	-177	108	2,163
Other toll roads	**1,181**		87	-383	0	**885**
Investment in toll roads	**8,131**	**-3,311**	**787**	**-561**	**483**	**5,529**
Amortisation/Impairment	-914	71	-245	478	-59	-669
Net investment in toll roads	**7,217**	**-3,240**	**542**	**-83**	**424**	**4,860**
SERVICES						
Amey	**117**			-122	4	**-1**
Autovía de Aragón	**40**		46	-14	0	**72**
Other services	**35**		23	1	0	**59**
Investment in services	**192**		**69**	**-135**	**4**	**130**
Amortisation/Impairment	-37		0	39	-1	1

	Millions of euros					
Changes in 2010	**Balance at 01/01/10**	**Changes in the scope of consolidation**	**Additions**	**Disposals and transfers**	**Exchange rate effect**	**Balance at 31/12/10**
Net investment in services	155		69	- 96	3	131
Total investment	8,323	-3,311	856	-696	487	5,659
Total amortisation/impairment	-951	71	-245	517	-60	-668
Total net investment	7,372	-3,240	611	-179	427	4,991
Other infrastructure projects						
Airpots						
BAA	21,079		1,085	-232	738	22,670
Other airports	8		0	0	1	9
Total investment	21,087		1,085	-232	739	22,679
Amortisation/Impairment – BAA	-4,830		-1,262	109	-166	-6,149
Amortisation/Impairment – Other airports	-8				-1	-9
Total amortisation/impairment	-4,838		-1,262	109	-167	-6,158
Total net investment	16,249		-177	-123	572	16,521
Total investment	29,410	-3,311	1,941	-928	1,226	28,338
Total amortisation/ impairment	-5,789	71	-1,507	626	-227	-6,826
Total investment	23,621	-3,240	434	-302	999	21,512

The evolution of the euro exchange rate against the currencies of the countries in which there are significant investments in concession infrastructure (mainly the pound sterling) in 2010 gave rise to a net increase of EUR 999 million in these balances (EUR 1,366 million at 31 December 2009).

The most significant changes in 2010 were as follows:

• Toll Roads Division: the main change relates to the derecognition from this heading of the assets in the Canadian 407 ETR toll road, as a result of the sale of 10% of that company, as described in Note 1.2, which started to be accounted for using the equity method.

As regards the toll roads in the United States, there were significant increases in the assets of the SH 130 (EUR 298 million), North Tarrant Express (EUR 173 million) and LBJ (EUR 126 million) toll roads, currently under construction.

The main changes in relation to the other toll roads arose in Portugal, with additional investments totalling EUR 80 million in Euroscut Azores, a toll road under construction. Auto-Estradas Norte was reclassified to "Other Non-current Financial Assets" for a net amount of EUR 325 million, after the renegotiation of its concession contract with the Portuguese government in July 2010. Under the new agreement, the concession is now a payment for an availability model and the financial asset model provided for in IFRIC 12 is applied.

Additionally, applying the method described in Note 5.D, an impairment loss was recognised on for investments in toll roads amounting to EUR 186 million (with an impact of EUR -137 million on the net profit,) relating essentially to the portfolio of Spanish toll roads and other European toll roads, due to the negative evolution of traffic in 2010 and the updating of the long-term assumptions for these toll roads.

• Airports Division: the most significant additions relate to the BAA Group, amounting to EUR 1,085 million, of which EUR 958 million relate to additions of non-current assets in the course of construction, as analysed later.

The changes in these assets in 2009 were as follows:

						Millions of Euros
Movements during 2009	**Balance at 01/01/09**	**Changes in the scope of consolidation**	**Additions**	**Disposals and transfers**	**Exchange rate effect**	**Balance at 31/12/09**
Intangible asset model IFRIC 12						
TOLL ROADS						
407 ETR International	2,545		48		343	2,936
Spanish toll roads	2,377		34	-3		2,408
US toll roads	1,495		155		-44	1,606
Other toll roads	1,096		93	-8		1,181
Investment in toll roads	7,513	0	330	-11	299	8,131
Amortisation/Impairment	-761		-106	43	-90	-914
Net investment in toll roads	6,752	0	224	32	209	7.217
SERVICES						0
Amey	109		8			117
Autovía de Aragón	0		28	12		40
Other services	39		-4			35
Investment in services	148		32	12		192
Amortisation/Impairment	-28		-9			-37
Net investment in services	120		23	12		155

Movements during 2009	Balance at 01/01/09	Changes in the scope of consolidation	Additions	Disposals and transfers	Exchange rate effect	Balance at 31/12/09
						Millions of Euros
Total investment	7,661	0	362	1	299	8,323
Total amortisation/impairment	-789	0	-115	43	-90	-951
Total net investment	6,872	0	247	44	209	7,372
Other infrastructure projects						
Airports						
BAA	18,842	7	984	-209	1,455	21,079
Other airports	6	1			1	8
Total investment	18,848	8	984	-209	1,456	21,087
Amortisation/Impairment – BAA	-3,875		-724	67	-298	-4,830
Amortisation/Impairment – Other airports	-6	-1			-1	-8
Total amortisation/impairment	-3,881	-1	-724	67	-299	-4,838
Total net investment	14,967	7	260	-141	1,157	16,249
Total investment	26,509	8	1,346	-208	1,755	29,410
Total amortisation/ impairment	-4,670	-1	-839	110	-389	-5,789
Total investment	21,839	7	507	-98	1,366	23,621

With the exception of BAA, which is owned, the other assets are held under concessions. The changes relating to BAA are explained in more detail below.

- In the case of the infrastructure projects, all the assets secure the company's debt, as explained in Note 19.
- The interest capitalised during the year is detailed in Note 28.

7.2 Detail of investments in BAA infrastructure projects
The detail of the BAA Group's project assets by nature is as follows:

A.Property, plant and equipment
The changes in these assets in 2010 were as follows:

Changes in 2010 Millions of Euros	Terminals	Runways and related land	Plant and equipment	Other land and structures	Railway assets	Property, plant and equipment in the course of construction	Total
Cost							
Balance at 01/01/10	11,571	1,923	361	139	1,572	1,516	17,082
Additions	13	0	15	0	0	958	986
Transfers to investment property	-1	0	0	6	0	-125	-120
Transfers to completed assets	239	149	44	2	7	-442	-1
Capitalised refinancing costs	0	0	0	0	0	27	27
Disposals	-22	-1	-21	-1	0	0	-45
Other transfers	-119	-9	-30	-8	0	-53	-219
Exchange differences	402	68	10	4	55	52	591
Balance at 31/12/10	12,083	2,130	379	142	1,634	1,933	18,301
Depreciation/impairment							0
Balance at 01/01/10	-3,482	-563	-115	-62	-305	34	-4,493
Additions	-447	-69	-64	-9	-47	0	-636
Impairment						-174	-174
Disposals and transfers	41	5	30	2	0	0	78
Exchange differences	-120	-20	-3	-2	-11	1	-155
Balance at 31/12/10	-4,008	-647	-152	-71	-363	-139	-5,380
Carrying amount at 31/12/10	8,075	1,483	227	71	1,271	1,794	12,921

During 2010 significant investments amounting to EUR 986 million were recognised, mainly under "Property, Plant and Equipment in the Course of Construction". These additions include most notably the investment made in Heathrow airport amounting to EUR 954 million (GBP 818 million) and in Stansted airport for EUR 26 million (GBP 22 million). The investment made in Heathrow involves mainly work performed on Terminal 2 and its satellite building, as well as Terminal 5C. Other investments made relate to the baggage transport tunnel between Terminals 3 and 5, the renovation of the Terminal 3 furnishings and access improvements for the Airbus 380.

Also, property, plant and equipment in the course of construction were transferred to their respective completed asset captions (EUR 442 million) relating mainly to balances pertaining to Heathrow airport totalling EUR 327 million (GBP 280 million), Stansted airport totalling EUR 28 million (GBP 24 million) and Edinburgh airport totalling EUR 27 million (GBP 23 million). In 2010, EUR 125 million (GBP 107 million) relating to investments made to develop runways were also transferred to "Investment Properties", as it was considered that this investment will be recovered by leasing out or selling the related assets.

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Additionally, as a result of the stance of the new British Government in relation to the development of the third runway at Heathrow and the second runway at Stansted (SG2), the company recognised an impairment loss of GBP 149 million (EUR 174 million with an impact of EUR -97 million on the net profit of Ferrovial) under "Concession Infrastructure" in relation to development expenditure on projects that had hitherto been capitalised. Most of this expenditure continues to form part of the RAB (Regulatory Asset Base), which is the basis used to calculate charges and, therefore, its recoverability is not affected by this value adjustment.

This impairment loss was recognised because the applicable accounting regulations restrict the possible registration of regulatory assets of this nature.

The exchange rate effect gave rise to a significant increase in this caption, for a net amount of EUR 436 million (882 million at 31 December 2009), due to the change in the EUR/GBP exchange rate during the year, as indicated in Note 3.2.

The changes in these assets in 2009 were as follows:

Changes in 2009	Terminals	Runways and related land	Plant and equipment	Other land and structures	Railway assets	Property, plant and equipment in the course of construction	Total
Cost							
Balance at 01/01/09	**9,903**	**1,751**	**248**	**115**	**1,453**	**1,653**	**15,123**
Changes in the scope of consolidation	0	0	0	0	0	1	1
Additions	8	0	11	0	0	902	921
Transfers to investment property	3	0	0	21	0	-24	0
Transfers to completed assets	988	38	113	7	6	-1,151	1
Capitalised refinancing costs	0	0	0	0	0	25	25
Disposals	-101	-3	-5	-12	0	-1	-122
Exchange differences	770	137	14	8	113	121	1,163
Transfers to "assets held for sale"	0	0	-20	0	0	-10	-30
Balance at 31/12/09	**11,571**	**1,923**	**361**	**139**	**1,572**	**1,516**	**17,082**
Depreciation/impairment							
Balance at 01/01/09	**-2,900**	**-467**	**-65**	**-56**	**-240**	**28**	**-3,700**
Additions	-455	-63	-59	-7	-46	0	-630
Disposals and transfers	98	3	4	5	0	3	113
Exchange differences	-225	-36	-3	-4	-19	3	-284
Transfers to "assets held for sale"	**0**	**0**	**8**	**0**	**0**	**0**	**8**
Balance at 31/12/09	**-3,482**	**-563**	**-115**	**-62**	**-305**	**34**	**-4,493**
Carrying amount at 31/12/09	**8,089**	**1,360**	**246**	**77**	**1,267**	**1,550**	**12,589**

B. Investment property

The changes in these assets in 2010 were as follows:

Changes in 2010	Airports	Assets in progress	Total
COST			
Balance at 1 January 2010	**2,981**	**10**	**2,991**
Additions	86	0	86
Transfers of completed assets	3	-3	0
Other transfers	121		121
Exchange differences	112		112
Balance at 31 December 2010	**3,303**	**7**	**3,310**
DEPRECIATION/ IMPAIRMENT			**0**
Balance at 1 January 2010	**-190**	**0**	**-190**
Additions	-120		-120
Exchange differences	-7		-7
Impairment	22		22
Balance at 31 December 2010	-295		-295
Carrying amount at 31 December 2010	**3,008**	**7**	**3,015**

The main changes in 2010 arose from exchange differences, amounting to a net total of EUR 105 million. Additionally, as described in Note 5, the impairment loss of EUR 22 million recognised for investment property was reversed under "Impairment and disposals of Non-Current Assets" (see Notes 24 and 25) (with an effect of EUR 8 million on the net profit).

These assets, though classified as investment property, form part of the Regulated Asset Base (RAB) of the regulated airports and, therefore, their fair value is in line with their carrying amount, which is in turn in the basis used to calculate the RAB.

The changes in these assets in 2009 were as follows:

Changes in 2009	Airports	Assets in progress	Total
Cost			
Balance at 1 january 2009	**2,781**	**16**	**2,797**
Additions	0	20	20
Transfers of completed assets	27	-27	0
Disposals	-43	0	-43
Other transfers	-1	1	0
Exchange differences	217	0	217
Balance at 31 december 2009	**2,981**	**10**	**2,991**
Depreciation/impairment			**0**
Balance at 1 january 2009	**-82**	**0**	**-82**
Additions	-50	0	-50
Exchange differences	-6	0	-6
Impairment	-53	0	-53
Balance at 31 december 2009	**-191**	**0**	**-191**
Carrying amount at 31 december 2009	**2,790**	**10**	**2,800**

C. Intangible assets

Changes in 2010	Operating rights	Computer software	Concessions	Contracts to operate commercial space	Other	Total
Balance at 1 January 2010						
Additions	**703**	**149**	**0**	**149**	**6**	**1,007**
Disposals		22				22
Exchange differences		-6				-6
Balance at 31 December 2010	25	5	0	5	0	35
AMORTISATION/IMPAIRMENT	**728**	**170**	**0**	**154**	**6**	**1,058**
Balance at 1 January 2010						**0**
Additions	**0**	**-87**	**0**	**-57**	**0**	**-144**
Disposals	0	-27		-16		-43
Exchange differences		6	0	0	0	6
Impairment		-2	0	-2	0	-4
Balance at 31 December 2010	-289					-289
Carrying amount at 31 December 2010	**-289**	**-110**	**0**	**-75**	**0**	**-474**
Valor Neto al 31 de Diciembre de 2010	**439**	**60**	**0**	**79**	**6**	**584**

The two main intangible assets recognised at December 2010 are the BAA Group's right to operate certain non-regulated airports (indefinite right) and rights to operate commercial space, which are amortised on a straight-line basis over the term of the concession up to a maximum of 15 years.

The Company recognised an impairment loss of GBP 248 million in relation to the intangible asset consisting of the right to operate the other airports (EUR 289 million, with a negative impact on Ferrovial's net profit of EUR 118 million). This impairment loss was determined using the measurement basis described in Note 5.

The changes in these assets in 2009 were as follows:

Changes in 2009	Operating rights	Computer software	Concessions	Contracts to operate commercial space	Other	Total
Balance at 1 January 2009						
Additions	**653**	**123**	**0**	**138**	**8**	**922**
Disposals	0	20	0	0	0	20
Changes in the scope	0	-5	0	0	-2	-7
Exchange differences	0	0	0	0	6	6
Transfers to "assets held for sale"	50	11	0	11	0	72
Balance at 31 December 2009	0	0	0	0	-6	-6
AMORTISATION/IMPAIRMENT	**703**	**149**	**0**	**149**	**6**	**1,007**
Balance at 1 January 2009						**0**
Additions	**0**	**-55**	**0**	**-38**	**0**	**-93**
Disposals	0	-30	0	-16	0	-46
Exchange differences	0	3	0	0	0	3
Transfers to "assets held for sale"	0	-4	0	-3	0	-7
Balance at 31 December 2009	0	0	0	0	0	0
Carrying amount at 31 December 2009	**0**	**-86**	**0**	**-57**	**0**	**-143**
Valor Neto al 31 de Diciembre de 2009	**703**	**63**	**0**	**92**	**6**	**864**

8. Property, plant and equipment

"Property, Plant and Equipment" does not include tangible fixed assets assigned to infrastructure projects, which are classified under "Concession Infrastructure".

Movements in Property, plant and equipment in the consolidated balance sheet are as follows:

				Millions of Euros
Changes in 2010	**Land and buildings**	**Plant and machinery**	**Other fixtures, tools and furniture**	**TOTAL**
Investment:				
Balance at 01/01/10	**137**	**805**	**801**	**1,743**
Additions	4	36	99	139
Disposals	-19	-67	-79	-165
Changes in the scope of consolidation and transfers	12	2	-298	-284
Exchange rate effect	5	7	50	62
Balance at 31/12/10	**139**	**783**	**573**	**1.495**
Accumulated depreciation:				
Balance at 01/01/10	**-27**	**-496**	**-551**	**-1,074**
Charge for the year	-2	-55	-71	-128
Disposals	2	58	54	114
Changes in the scope of consolidation and transfers	10	-59	230	181
Exchange rate effect	-1	-5	-30	-36
Balance at 31/12/10	**-18**	**-557**	**-368**	**-943**
Carrying amount at 31/12/10	**121**	**226**	**205**	**552**

Changes in the scope of consolidation and transfers
In 2010 the main change arose from the transfer of Swissport to assets held for sale (EUR 123 million) and the inclusion in the scope of consolidation of AmeyCespa (EUR 26 million).

Additions

- The additions in the Construction Division related mainly, as in the prior year, to the acquisition of specific site machinery by Ferrovial Agromán.

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Disposals
The disposals related basically to the Services segment, amounting to EUR 14 million, due to the write-off of fully depreciated assets. Additionally, Cespa disposed of a building valued at EUR 15 million.

				Millions of Euros
Changes in 2009	**Land and buildings**	**Plant and machinery**	**Other fixtures, tools and furniture**	**TOTAL**
Investment:				
Balance at 01/01/09	**131**	**747**	**707**	**1,585**
Additions	4	82	122	208
Disposals	-9	-46	-18	-73
Changes in the scope of consolidation and transfers	9	1	-15	-5
Exchange rate effect	3	21	5	29
Balance at 31/12/09	**138**	**805**	**801**	**1.744**
Accumulated depreciation:				
Balance at 01/01/09	**-24**	**-439**	**-501**	**-964**
Charge for the year	-2	-47	-77	-126
Disposals	5	30	7	42
Changes in the scope of consolidation and transfers	-2	-10	19	7
Exchange rate effect	-4	-31	1	-34
Balance at 31/12/09	**-27**	**-497**	**-551**	**-1,075**
Carrying amount at 31/12/09	**111**	**308**	**250**	**669**

- The property, plant and equipment not used in operations are not material with respect to the ending consolidated balances.
- No impairment losses were recognised or reversed during the year.
- The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and possible claims that could be brought against it in the ordinary course of its business. The Group considers that the insurance poli cies provide adequate coverage for such risks.
- The property, plant and equipment in the course of construction amounts to EUR 55.2 million (EUR 58.8 million in 2009). This is due mainly to the increase of property, plant and equipment in the course of construction of Budimex.
- At 31 December 2010, no significant property, plant and equip ment were subject to ownership restrictions or pledged to se cure liabilities.

9. Investments in companies accounted for using the equity method

The breakdown of the main investments in companies accounted for using the equity method at 31 December 2010 and 2009 is as follows:

	2010	2009
Saldo inicial	**262**	**285**
Variaciones de perímetro	2,776	-3
Participación en el resultado	62	85
Dividendos cobrados y devoluciones de fondos propios	-23	-32
Traspasos a mantenidos para la venta	-32	-81
Deterioros	-80	0
Otros	3	-10
Diferencias de cambio	142	18
Saldo final	**3,110**	**262**

Following is a description of the main changes in the scope of consolidation in the year:

- In the Toll Road Division, the main inclusion relates to the shareholding in the 407 ETR toll road, which after a 10% divestment carried out during the year and described in Note 1.2, stands at 43.23% of this company's share capital and is accounted for using the equity method. Its carrying amount totals EUR 2,919 million at 31 December 2010, an amount which includes the fair value of the remaining interest held by the parent, Cintra Infraestructuras, in the toll road. As a result of this revaluation and solely for the purpose of calculating the results of future years, the difference between the prior carrying amount of its assets and its fair value was added to the carrying amount of the administrative concession and is being amortised over the concession term based on toll road traffic. The main figures of this company at 31 December 2010, based on the percentage of ownership, are as follows:

	2010
Millions of euros / % of ownership	**43.23%**
Total assets	2,050
Equity	810
Borrowings	1,733
Revenue	197
EBITDA	158
Net profit	24

Also included under this heading is the remaining 40% shareholding in Cintra Chile, after the sale of 60% of that company, as described in Note 1.2, which continues to be held by the Group and which is accounted for using the equity method. The value of this shareholding at 2010 year-end was EUR 159 million.

- Additionally, in the Services Division Tube Lines was excluded from the scope of consolidation, giving rise to a reduction of EUR 131 mi llion.

The transfers to assets held for sale reflects the reclassification to that heading of Trados 45 and Swissport for EUR 21 million and EUR 11 million, respectively, as described in Note 12.

Lastly, using the methodology described in Note 5d, an impairment loss was recognised, with a negative impact of EUR 56 million on the profit for the year, relating mainly to the portfolio of Spanish toll roads and other European toll roads, due to the negative evolution of traffic during 2010 and to the update of long-term assumptions for these toll roads.

Following is a description of the other most significant shareholdings included under this heading:

- The 10% indirect shareholding acquired in Madrid Calle 30, S.A., which holds a 35-year concession to refurbish and maintain the M30 urban ring road in Madrid, entailing an investment of EUR 54 million at 31 December 2010 (EUR 72 million at 31 December 2009).

- Also noteworthy is the 50% shareholding in Indiana Toll Road. In diana Toll Road's main figures at 31 December 2010 and the per centage of ownership are as follows:

	2010
Millions of euros / % of ownership	**50%**
Total assets	1,559
Equity	-244
Bank borrowings	1,347
Revenue	66
EBITDA	53
Net loss	-72

- Lastly, the Group exercises significant influence over certain companies in which it has an ownership interests of less than 20% and does not exercise significant influence over certain companies in which its ownership interest exceeds 20%.

There are no significant restrictions on the capacity of associates to transfer funds to the Parent in the form of dividends, debt repayments or advances other than such restrictions as might arise from this financing agreements of those associates or from their own financial situation, and there are no contingent liabilities relating to associates that might ultimately be assumed by the Group.

Appendix I shows a list of the main investments of companies accounted for using the equity method, indicating their name, the country in which they were incorporated, the business segment to which they belong, the Group's percentage of ownership and their most significant financial information, such as aggregate assets and liabilities, revenue and profit or loss for the year.

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10. Non-current financial assets

The detail of the changes in and maturities of the non-current financial assets at 31 December 2010 and 2009 is as follows:

					Millions of Euros
Changes in 2010	**Available-for-sale financial assets**	**Infrastructure project receivables**	**Restricted cash and other non-current financial assets**	**Other receivables**	**TOTAL**
Investment:					
Balance at 1 January 2010	**33**	**874**	**554**	**474**	**1,935**
Additions		534	331	96	**961**
Disposals	0		-147	-227	**-374**
Scope changes and transfers	-1	-62	-205	-88	**-356**
Provision					**0**
Effect of exchange rate	2	-2	18		**18**
Balance at 31 December 2010	**34**	**1,344**	**551**	**255**	**2,184**

Note: balances presented net of allowances.

"Infrastructure Project Receivables"
includes financial assets arising from the application of IFRIC 12 and relates mainly to amounts receivable from the government in return for services rendered or investments made under a concession agreement. The existing financial assets relate to the concession operators Autopista Terrasa Manresa, Auto-Estradas Norte and Eurolink M3, amounting to EUR 479 million, EUR 325 million and EUR 307 million, respectively, (EUR 451 million, EUR 0 and EUR 307 million in 2009). Also included are the accounts receivable relating to Concesionaria de Prisiones Lledoners, EUR 76 million (EUR 85 million in 2009), Concesionaria de Prisiones Figueras, EUR 111 million (EUR 40 million in 2009), and Cespa, EUR 46 million (32 million in 2009).

The increase in 2010 was due mainly to Auto-Estradas Norte (EUR 325 million), which started to renegotiate its concession arrangement with the Portuguese government on 1 July, which became a payment for availability arrangement, giving rise to the application of the financial asset model provided for in IFRIC 12. The remaining increase related to the accrual of the remaining accounts receivable in the year.
The changes in the scope of consolidation and transfers were due mainly to the settlement of the subordinated debt between Amey and Tube Lines totalling EUR 70 million, after its sale in June 2010, which was considered a cost to sell.

"Restricted Cash and Other Non-Current Financial Assets"
includes guarantee deposits for bond issues, relating mainly to NTE Mobility Partners LLC (EUR 130 million -EUR 264 million in 2009-) and Chicago Skyway (EUR 44 million -EUR 36 million in 2009-). The main increase in this line item relates to the inclusion in the scope of consolidation of the amounts relating to LBJ Infrastructure Group, the concession operator for the construction, maintenance and management of 21.2 kilometres (13.3 miles) of the LBJ toll road, for EUR 326 million. Also noteworthy was the decrease of EUR 205 million due to a change in the scope of consolidation relating to 407 ETR, which was accounted for using the equity method in 2010 after the divestment of 10% of the shares of that company, as described in Note 1.2.

The decreases in this line item were due mainly to the concession operator North Tarrant Express (EUR 133 million) due to the start-up of the toll road construction work.

Lastly **"Other Receivables"** includes the following items:

1. Noteworthy in relation to the loans to associates is the long-term loan of EUR 50 million (EUR 50 million at December 2009) granted by Ferrovial Servicios to its subsidiary Emesa.

2. Long-term receivables from various municipal councils renegotiated by Cespa amounting to EUR 97 million.

Fair values of the assets

It is considered that the discounted cash flows of the assets using a market discount rate approximate the carrying amount of the assets. The difference between the carrying amount and fair value of the assets is therefore not significant.

The changes in these items in 2009, for information purposes, were as follows:

					Millions of Euros
Changes in 2009	**Available-for-sale financial assets**	**Infrastructure project receivables**	**Restricted cash and other non-current financial assets**	**Other receivables**	**TOTAL**
Investment:					
Balance at 01/01/09	**4**	**828**	**290**	**402**	**1,524**
Additions	17	104	71	0	192
Disposals	0	0	-65	-9	-74
Changes in the scope and transfers	0	-58	271	91	304
Provision	12	0	0	1	13
Effect of exchange rate	0	0	-13	-11	-24
Balance at 31/12/09	**33**	**874**	**554**	**474**	**1,935**

11. Derivative financial instruments at fair value

A. Description of the main derivative financial instruments

The detail of the derivatives arranged and fair value thereof at 31 December 2010 and 2009, as well as the maturities of the notional amounts to which the derivatives relate (notional maturities are shown as positive figures and future increases already arranged as negative figures) are as follows:

								Millions of Euros
	Fair value		Notional maturities					
Type of instrument	**Balances at 31/12/10**	**Balances at 31/12/09**	**31/12/11**	**31/12/12**	**31/12/13**	**31/12/14**	**and subsequent years 31/12/15**	**Total notional amounts**
ASSET BALANCES	**847**	**861**	**20**	**999**	**-3**	**760**	**1,317**	**3,093**
Index-linked swaps BAA (*)	2	32	0	0	0	0	518	518
Interest rate swaps BAA	0	4	0	0	0	0	0	0
Cross currency swaps BAA	641	734	0	1,000	0	750	750	2,500
Index-linked swaps Cintra	190	56	-1	-1	-3	-2	49	42
Equity swaps (*)	13	19	21	0	0	12	0	33
Other derivatives	1	16	0	0	0	0	0	0
Cintra forwards	0	0	0	0	0	0	0	0
Other derivatives	1	16	0	0	0	0	0	0
LIABILITY BALANCES	**1,968**	**1,336**	**1,354**	**320**	**508**	**1,933**	**11,066**	**15,181**
Index-linked swaps BAA (*)	345	194	0	0	0	462	3,818	4,280
Interest rate swaps BAA	443	284	0	0	0	1,385	3,120	4,505
Cross currency swaps BAA	22	0	0	0	0	0	500	500
Equity swaps (*)	294	261	111	103	211	0	172	597
Interest rate swaps Cintra	736	486	-87	-5	-7	14	3,229	3,144
Other derivatives	128	111	1,330	222	304	72	227	2,155
Cintra forwards	11	3	187	0	0	0	0	187
Other derivatives	117	108	1,143	222	304	72	227	1,968
NET AND NOTIONAL BALANCES	**-1,121**	**-475**	**1,374**	**1,319**	**505**	**2,693**	**12,382**	**18,274**

(*) The items indicated are the main derivatives arranged by the Group that are not considered hedges for accounting purposes, as explained in this note.

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B. Main effects on profit or loss and equity

The changes for accounting purposes in the main derivatives arranged by fully-consolidated companies, detailing the fair values thereof at 31 December 2010 and 2009, and the impact on reserves, profit or loss and other balance sheet items are as follows:

	Fair value			Breakdown of movements						
Instrument type	**Balance at 31/12/10**	**Balance at 31/12/09**	**Variation**	**Impact on reserves (I)**	**Impact on profit or loss, fair value (II)**	**Impact on financial profit/loss (III)**	**Cash (IV)**	**Exchange rate (V)**	**Other impacts on the balance sheet or income statement (VI)**	**TOTAL**
Index linked Swaps BAA	-343	-162	-181	0	-42	-63	-71	-5	0	-181
Interest Rate Swaps BAA	-443	-280	-163	-146	-7	-184	183	-9	0	-163
Cross Currency Swaps BAA	619	734	-115	6	-16	32	-69	26	-94	-115
Index linked Swaps Cintra	190	56	134	133	1	1	-1	0	0	134
Interest rate swaps Cintra	-736	-486	-250	-214	0	-94	100	-22	-20	-250
Equity swaps	-281	-242	-39	12	-39	-9	9	0	-12	-39
Other derivatives	-127	-95	-32	-16	19	-25	32	-19	-23	-32
Cintra forwards	-11	-3	-8	-7	0	0	0	0	-1	-8
Other derivatives	-116	-92	-24	-9	19	-25	32	-19	-22	-24
Total	**-1,121**	**-475**	**-646**	**-225**	**-84**	**-342**	**183**	**-29**	**-149**	**-646**

As discussed in Note 2.3.8, derivatives are recognised at market value at the arrangement date and at fair value at subsequent dates. Changes in the value of these derivatives are recognised for accounting purposes as follows:

- The changes in fair value of the derivatives that qualify for hedge accounting during the year are recognised with a balancing item in reserves (column I).
- The changes in fair value of the derivatives that do not qualify for hedge accounting or that are considered to be held for speculative purposes are recognised as a fair value adjustment in the Group's income statement (column II) and are separately reflected in the income statement (see detail in Note 25).
- "Impacts on Financial Profit/(Loss)" (column III) reflects the impact of financing on financial profit or loss in respect of interest accrued during the year.
- "Cash" (column IV) indicates net payments and collections during the year.
  The impact of the difference between closing exchange rates at December 2010 and 2009 is also presented separately (column V).
- Lastly, the "Other Impacts" shows the impacts on profit or loss from operations or, in the case of Cross Currency Swaps, the changes in the debt with regard to the hedged exchange rate (column VI)

BAA derivatives

Index Linked Swaps BAA

BAA has arranged index linked swaps tied to fixed-rate bonds and, therefore, the Company has debt synthetically indexed to inflation for a total notional amount of GBP 4,114 million (EUR 4,978 million), of which GBP 1,908 million were arranged in 2010. These derivatives do not qualify for hedge accounting. The fair value thereof decreased from EUR -162 million in December 2009 to EUR -343 million in December 2010, which had an impact of EUR -42 million on Ferrovial's financial loss, as a fair value adjustment.

Additionally, there were net collections amounting to EUR of 71 million, which included advances on payment flows amounting to EUR 43 million and EUR 114 million of ordinary settlements. Lastly, period finance costs amounted to EUR 63 million.

Interest Rate Swaps BAA

In order to hedge interest rate risk, BAA contracted interest rate swaps for a total notional amount of GBP 3,863 million (EUR 4,505 million). These derivatives are mostly considered to be of cash flow hedges/of from bank borrowings, as explained in Note 24. Only the ineffective portions of the hedges or fair value changes in derivatives that do not qualify for hedge accounting are recognised as fair value adjustments in financial profit or loss.

The fair value of these derivatives decreased from EUR -280 million at December 2009 to EUR -443 million at December 2010, having an impact on reserves of EUR -146 million due to the decrease in UK long-term interest rates during the year. The expected increase in liabilities arising solely from the evolution in interest rate curves was partly offset by the decrease in liabilities resulting from advance payments made during the year amounting to GBP 74 million (EUR 86 million). Also, ordinary settlements were made totalling GBP 83 million (EUR 98 million), which entailed an impact on total cash of EUR -184 million and finance costs on financing of EUR -184 million (EUR -75 million on the net gain or loss attributed to the Parent) due to the allocation of closed rates for swaps, higher than market rates, to results. Lastly, the portion of these derivatives not qualifying for hedge accounting had an impact of EUR -7 million recognised as a fair value adjustment in Ferrovial's financial profit or loss.

Cross Currency Swaps BAA

BAA has arranged a number of cross currency swaps to hedge the pound sterling/euro foreign exchange risk on euro bonds issued (see Note 19), for a total notional amount of GBP 2,137 million, (EUR 3,000 million), with maturities between 2012 and 2018. The fluctuations in the exchange rates between December 2009 and December 2010 on the total notional amount gave rise to an impact on the balance sheet of EUR -94 million ("Other Impacts"), which offsets the change in value of the eurobonds that constitute the underlying. The inclusion of these CCS denominated in pound sterling in Ferrovial's consolidated balance sheet gave rise to an impact as a result of the exchange rate of EUR +26 million. Furthermore, net collections amounting to EUR 69 million were recognised ("Cash"), and there was an impact on financial profit or loss from financing totalling EUR 32 million, due mainly to the foreign currency hedges on the interest accrued from the bonds.

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Other hedges arranged by BAA

BAA has equity swaps relating to Ferrovial's share-based payment (see Note 34). These swaps do not qualify for hedge accounting and, therefore, the fair value thereof is recognised as a fair value adjustment in Ferrovial's finance income (see Note 24). The measurement of the equity swaps held by BAA at fair value gave rise to finance costs of EUR 9 million (EUR -4 million in the net profit or loss), recognised as a fair value adjustment.

Toll Road division derivatives

Index Linked Swaps Cintra

In 2009 Autema arranged an index linked swap to hedge income variability, for which an annual CPI of 2.50% was established. This hedge is deemed to be effective and had a gross impact on reserves of EUR 133 million.

Interest rate swaps Cintra

In order to hedge the interest rate risk in its infrastructure projects, Cintra arranged interest rate hedges on the projects' debt, establishing a fixed or increasing interest rate for a total notional amount of EUR 3,143 million at 31 December 2010.

Taken as a whole, measurement at fair value of these hedges fell from EUR -486 million in December 2009 to EUR -736 million, due to the overall drop in long-term interest rates. This effect is clearly evident in the derivative instruments arranged to hedge the project debt in the US (mainly Chicago and SH130), where derivative instrument valuations have decreased from EUR -334 million in December 2009 to EUR -531 million in December 2010. The other derivative instruments of this kind (mainly to hedge the interest rate risk in Spanish toll roads) arranged by Cintra suffered change in fair value of EUR -151 million in December 2009 to EUR -205 million in December 2010.

Since these derivatives are considered to be totally effective, the changes in fair value had negative impact on reserves of EUR 214 million, while the changes in settlements and accruals had an impact of EUR -94 million on the financial profit or loss and a net outflow of cash totalling EUR 100 million.

ITR Concession Company -a company accounted for using the equity method- has an interest rate hedge for a notional amount of EUR 1,368 million maturing in 2026, in relation to which an increasing interest rate between 3.4% at 31 December 2010 and 11.29% at maturity was established. The changes in long-term interest rates in the US gave rise to changes in the fair value of this derivative from EUR -313 million at 31 December 2009 to EUR -454 million at 31 December 2010.

Cintra forwards

Of particular note in this section are the hedges based on forward contracts –in relation to the Canadian dollar– of a portion of the amount of the dividends expected to be received in 2011, and the amount of the sale of 10% of Cintra's ownership interest in the ETR-407 amounting to CAD 114 million.

Equity Swaps

The derivatives include equity swaps arranged by the Group solely to hedge the impact on equity of its stock option plans, as described in Note 3.5 on market risk.

These equity swaps do not qualify for hedge accounting. Related gains or losses are recognised as a fair value adjustment (see Note 24) in financial profit or loss, which at 31 December 2010 represented an expense of EUR 39 million for the consolidated Group, of which EUR 9 million relate to BAA. Note 33 on "Share-Based Payment" contains a breakdown and description of these equity swaps.

Other derivatives

"Other derivatives" primarily relates to the following instruments:

- Ferrovial interest rate swaps, with a fair value of EUR -76 million at 31 December 2010 (EUR -88 million at 31 December 2009) and a notional amount of EUR 787 million and a fixed interest rate of 5.2525%. These derivatives were arranged to hedge possible fluctuations in interest rates on the syndicated loan obtained by Ferrovial Infraestructuras to finance the acquisition of the BAA shares. With the merger transactions of Ferrovial Infraestructuras and Grupo Ferrovial S.A. and the refinancing transaction to refinance the corporate debt in 2009 one of the three derivative instruments around which this hedge is structured in, for a total notional amount of GBP 225 million, no longer qualifies for accounting, and al changes in the fair value thereof are recognised in the consolidated Group income statement as a fair value adjustment. In order to hedge this impact, during the first quarter of 2010 the Group arranged a derivative instrument to "mirror" the previous one for the same notional amount and with the same maturities, also considered to be for speculative purposes. Both derivative instruments gave rise to a loss of EUR -6 million in the consolidated Group income statement as a fair value adjustment. Additionally, the accrual of ordinary settlements of the portion of this hedge qualifying for hedge accounting gave rise to a finance cost on financing totalling EUR 36 million, and a cash outflow of EUR 47 million.

- Services Division Interest rate swaps, consisting mainly of the contract relating to the Nacional II (Autovía de Aragón) road. This hedge was arranged in 2009 in relation to interest rates on debt, representing a notional amount of EUR 102 million and with a fixed interest rate of 4.7640%.

- Services Division Currency forwards, the Group arranged Euro / Swiss franc currency forwards at fair value of EUR 15 million, and a notional amount of EUR 466 million, to hedge the foreign currency risk relating to the sale price of Swissport. This transaction that was completed in early 2011, as described in Note 37.

C. Hedge measurement methods

On 1 July 2009, Ferrovial S.A. decided to adopt the amendments to IFRS 7 pursuant to which the significance of each of the Company's derivatives must be described in accordance with a fair value measurement hierarchy.

This hierarchy establishes three categories, based on the items used to calculate fair value:

- LEVEL 1.Quoted prices (unadjusted) in active markets for identi cal assets or liabilities.

- LEVEL 2.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.Inputs for the asset or liability that are not based on ob servable market data (unobservable inputs).

All Ferrovial S.A.'s derivative financial instruments and other financial instruments carried at fair value are included in LEVEL 2 of the fair value measurement hierarchy.

The valuations performed by the company are in any event compared against the valuations received from the counterparty banks, on a monthly basis.

Equity swaps are measured as the sum of the difference between the market price thereof on the calculation date and the unit settlement price agreed at inception, multiplied by the number of swaps, and the present value of the finance cost agreed upon in the contract.

The other instruments were measured by quantifying the net future payment and collection flows, discounted to the present value, with the following specific features:

· Interest rate swaps: these future cash flows with floating reference rates are estimated by using current market assessments of the time value of money; and each flow is updated using the market zero-coupon rate in accordance with the settlement period and currency in question at the measurement date.

· Cross currency swaps: discount curves existing on the market at the measurement date for each period, currency and credit profile are used to project cash flows. Those flows with a floating reference rate are estimated by using implicit curves that reflect the future behaviour as perceived by the market at the measurement date; and the present value of flows from collections and payments is calculated using the discount exchange rate existing at the measurement date based on the period and currency.

· Index linked swaps: these future cash flows are estimated by projecting the future implicit behaviour of the curves as perceived by the market on the measurement date, for both reference interest rate and for reference inflation rates. As in the cases described

D. Net investment in foreign operations

As indicated in Note 3.2, where the decision is taken to finance a portion of an investment in the share capital of foreign operation using specific debt arranged by the Group companies that invest in the share capital of projects, the debt is usually obtained in the same currency as the project and acts as a natural hedge of foreign currency.

Net investments in foreign operations include exchange differences arising from the monetary item that forms part of the investment and are recognised in equity as translation differences.

In order to achieve a natural hedge of its investment in BAA, in the first quarter of 2010 the Parent Ferrovial S.A. redenominated a portion of its new euro borrowings into pound sterling. At 31 December 2010 this portion amounted to GBP 699 million (EUR 815 million) (see Note 19).

above, discount rates are used for each settlement period of the flows and currencies, obtained at the measurement date.

12. Non-current assets and liabilities classified as held for sale

The changes in the assets and liabilities classified as held for sale in the year ended 31 December 2010 were as follows:

	Assets					Liabilities				
Changes in 2010	**Balance 31/12/09**	**Reductions due to sale**	**Transfers of non-current assets**	**Exchange rate effect**	**Balance 31/12/10**	**Balance 31/12/09**	**Reductions due to sale**	**Transfers of non-current assets**	**Exchange rate effect**	**Balance 31/12/10**
Airports	**116**	**-121**	**0**	**5**	**0**	**5**	**-5**	**0**	**0**	**0**
APP	81	-84		3	0	0				0
BAA USA	35	-37		2	0	5	-5		0	0
Toll Roads	**1,640**	**-1,641**	**28**	**1**	**28**	**1,608**	**-1,608**	**0**	**0**	**0**
Trados 45	0		28		28	0				0
Chilean toll roads	1,640	-1,641		1	0	1,607	-1,608		0	0
Services	**44**	**-3**	**1,444**	**0**	**1,485**	**34**	**0**	**857**	**0**	**891**
Cespa Portugal	41		-41		0	34		-34		0
Swissport	0		1,378		1,378			797		797
Donarbon PFI			107		107	0		94		94
Other	3	-3			0	0				0
Other	**2**			**0**	**2**					**0**
Held for sale	**1,802**	**-1,765**	**1,472**	**6**	**1,515**	**1,647**	**-1,613**	**857**	**0**	**891**

12. Non-current assets and liabilities classified as held for sale

The changes in the assets and liabilities classified as held for sale in the year ended 31 December 2010 were as follows:

Assets and liabilities classified as held for sale include assets or liabilities that will foreseeably be sold within one year, as described in Note 2.3.12.

At 31 December 2010, assets and liabilities classified as held for sale relate mainly to the Services Division, specifically to Swissport. Also included is the ownership interest held in the concession operator Trados 45 in the Toll Roads Division.

Following is a description of the main changes in assets and liabilities classified as held for sale.

Airports Division:

- On 22 June a sale transaction was completed in which BBA's ownership interest in Airport Property Partnership (APP) was sold for GBP 244 million (EUR 298 million), giving rise to a net gain of GBP 11 million (EUR 12 million).
- On 30 July BAA USA was sold for a USD 50 million (EUR 38 million), giving rise to a gross gain of EUR 7 million (net gain of EUR 1 million).

Toll Roads Division:

- At 31 December 2010, this heading include the 50% interest that Cintra Infraestructuras held in Trados 45, a concession holder operating the shadow toll on a stretch of the Madrid M-45 toll ring road; this sale was completed on 21 January 2011. The transaction totalled EUR 68 million and gave rise to a net gain of EUR 27 million.
- Lastly, on 15 September 2010 Cintra Infraestructuras entered into an agreement to sell a 60% ownership interest in Cintra Concesiones de Infraestructuras de Transporte de Chile Limitada (Cintra Chile). The transaction totalled approximately CLF 7 million development units (EUR 220 million).

Services Division:

- In November 2010 Ferrovial Servicios, S.A. entered into an agreement to sell all of the shares held in the share capital of Swissport International AG, the Parent of the Swissport Group. The transaction totalled CHF 900 million (EUR 695 million). As stated in Note 37 "Events after the Reporting Period", the transaction was completed in February 2011.
- Also of note was the reclassification of the assets and liabilities associated with Cespa Portugal to the corresponding headings, as the Company interrupted the sale process involving this company.
- Amey-Cespa classified its ownership interest in Donarbon Waste Management Ltd., amounting to EUR 13 million net, as held for sale. This company is a non-strategic part of Donarbon Group's total assets that were acquired in 2010.

13. Inventories

La composición de existencias al 31 de diciembre de 2010 es la siguiente:

					Millions of Euros
Balance at 31/12/10	**Balance at 31/12/09**	**Balance at 31/12/08**	**Change 2010-2009**	**Change 2009-2008**	**Variación 2009-2008**
Land and building plots	149	145	159	4	-14
Raw materials and other supplies	150	136	148	14	-12
Property developments in progress and other	148	210	192	-62	18
Write-downs	-2	-2	-1	0	-1
Total	**445**	**489**	**498**	**-44**	**-9**

Out of total inventories, EUR 204 million relates to the Real Estate Division. Of the EUR 131 million, a total of EUR 5 million are subject to ownership restrictions or pledged to secure liabilities.

14. Trade and other receivables

A. Trade receivablesL

The detail of the balance of "Trade Receivables" at 31 December 2010, 2009 and 2008 is as follows:

					Millions of Euros
Concepts	**Balance at 31/12/10**	**Balance at 31/12/09**	**Balance at 31/12/08**	**Change**	**Change 2009-2008**
Trade receivables	2010-2009	Change	2.556	-174	-286
Retentions for guarantees	2009-2008	148	170	-28	-22
Amounts to be billed for work performed	342	426	500	-84	-74
Total trade receivables for sales and services	**2,558**	**2,844**	**3,226**	**-286**	**-382**
Advances	-154	-189	-181	35	-8
Amounts billed in advance for construction work	-602	-592	-399	-10	-193
Total net trade receivables	**1,802**	**2,063**	**2,646**	**-260**	**-584**

For a fuller understanding of trade receivables, the above table shows the amounts net of advances and amounts billed in advance for construction work, in which they are registered under liabilities, under "Trade Payables" (see Note 21). This balance includes:

- Contract-stipulated advances which will be discounted from future billings for work performed;
- Amounts billed in advance for construction work, which occurs when the billings are issued prior to the work being completed, without giving rise to cash flows.

At 31 December 2010, a total of EUR 300 million (EUR 280 million at 31 December 2009) had been deducted from "Trade Receivables" relating to receivables factored without recourse prior to their due date. These assets were removed from the balance sheet since it was considered that they met the conditions stipulated in paragraph 20 of IAS 39 regarding the derecognition of financial assets.

The detail of trade receivables for sales and services, by business segment, distinguishing between public authorities and private customers is as follows:

					Millions of Euros
Balances 2010		**Public authorities**		**Private customers**	**TOTAL**
Construction	969	76.75%	293	23.25%	1,262
Services	865	81.45%	197	18.55%	1,062
Airports	6	2.94%	198	97.06%	204
Toll Roads and Car Parks	13	65.00%	7	35.00%	20
Other and adjustments	0	0.00%	10	100.00%	10
Closing balance	**1,853**	**72.44%**	**705**	**27.56%**	**2,558**

As it can be seen from the foregoing table, 72.44% of the Group's customers are public authorities. The most significant balances receivable from private customers relate to the Construction Division. In order to manage credit risk relating to private customers, the Construction division has implemented pre- and post-contracting measures. Pre-contracting measures include the consultation of debtor registers, ratings and solvency studies, while post-contracting measures during the execution of construction work include the follow-up of contractual incidents and non-payment events.

B. Other accounts receivable

The detail of "Other Accounts Receivable" at 31 December 2010, 2009 and 2008 is as follows:

					Millions of Euros
Concepts	**Balance at 31/12/10**	**Balance at 31/12/09**	**Balance at 31/12/08**	**Change**	**Change 2009-2008**
Other receivables	2010-2009	Change	424	186	-6
Receivable from public authorities	2009-2008	186	192	-35	-6
Total other non-trade receivables	**755**	**604**	**616**	**151**	**-12**

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"Other Receivables" includes balances receivable arising outside the ordinary course of business carried on by each segment and advances to suppliers amounting to EUR 50 million (EUR 69 million at 31 December 2009, EUR 72 million at 31 December 2008).

"Receivable from Public Authorities" includes balances receivable from public authorities other than income tax.

EUR 131 million were deducted from "Other Current Receivables" corresponding to 50% of the sale price of TubeLines, since that amount was factored without recourse to a bank. These assets were removed from the balance sheet since it was considered that they met the conditions stipulated in paragraph 20 of IAS 39 regarding the derecognition of financial assets.

C. Provisions

Operating provisions are recognised as described in Note 2.3.7-c. The change in operating provisions is as follows:

					Millions of Euros
Changes in provision	**2010**	**2009**	**2008**	**Change 2010-2009**	**Change 2009-2008**
Opening balance	-290	-242	-173	-48	-69
Amounts charged to the income statement	-15	-137	-60	122	-77
Reductions/Amounts used	1	100	-24	-99	124
Effect of exchange rate	-3	-11	14	8	-25
Changes in the scope of consolidation and transfers	97	0	1	97	-1
Closing balance	**-210**	**-290**	**-242**	**80**	**-48**

Group management considers that the carrying amount of trade receivables approximates their fair values.

15. Equity

The detail of the main impacts net of taxes that affected the changes in equity in 2010 is as follows:

			2010
	Attributable to equity holders	**Attributable to non-controlling interests**	**Total equity**
Equity at 1 January	**2,986**	**1,570**	**4,556**
Changes in accounting policies	116	48	164
Equity at 1 January restated	**3,102**	**1,617**	**4,719**
Consolidated profit for the year	2,163	-348	1,815
Impact on reserves of hedging instruments	-96	-61	-157
Impact on reserves of defined benefit plans	20	23	42
Translation differences	316	49	365
Net income/expense recognised directly in equity	240	11	250
Total income and expense recognised directly in equity	**2,403**	**-338**	**2,066**
Dividends paid	-308	-76	-385
Capital increases/reductions		130	130
Transactions with owners	**-308**	**53**	**-255**
Changes in the scope of consolidation and other changes	**-2**	**101**	**99**
Equity at 31 December	**5,195**	**1,434**	**6,629**

Following is a description of the main changes in shareholders' equity in 2010, the positive evolution of which gave rise to an increase of EUR 1,910 million.

Consolidated profit for the year totalled EUR 2,163 million for the Parent.

Hedging instruments: recognition of the revaluation of the effective portion of derivatives qualifying for hedge accounting (see Note 11), the negative impact of which was EUR 96 million net of taxes for the Parent. The main changes in the fair value of hedges relate to interest rate swaps, caused by fluctuating market reference rates. The main changes involved BAA, with a negative impact of EUR 51 million, the Toll Roads division EUR 29 million, especially at Chicago Skyway and SH-130 Concession Company and the Services Division with an impact of EUR -34 million.

Defined benefit plans: these include the impact on equity of actuarial gains and losses arising from adjustments and changes to the Group's defined benefit plan assumptions, as described in Note 17, which have an impact for the Parent of EUR 20 million net of taxes.

Translation differences: most of the currencies in which Ferrovial has investments (see Note 3) have increased in value against the euro, particularly the Canadian dollar and the pound sterling, currencies to which the Group is most exposed in terms of equity. This had a positive impact of EUR 316 million for the Parent.

Dividends: dividend payments reduced the Group's total equity by EUR 308 million, of which EUR 220 million relates to the dividend approved by the shareholders at the Annual General Meeting and EUR 88 milliorelate to the interim dividend approved by the Board of Directors on 28 October 2010.

Changes in the scope of consolidation: the impact of changes in the scope of consolidation and other changes related to non-controlling interest is significant due mainly to the sale of 10% of 407 ETR toll road and the accounting of the remaining 43.23% using the equity method discussed in Note 1.2.
For information purposes, the detail of the main changes in equity in 2009 is as follows:

			2009
	Attributable to equity holders	Attributable non-controlling interests	Total equity
Equity at 1 January	1,756	2,206	**3,962**
Changes in accounting policies	45	90	136
Equity at 1 January restated	**1,802**	**2,296**	**4,098**
Consolidated profit for the year	-74	-395	-469
Impact on reserves of hedging instruments	260	194	453
Impact on reserves of defined benefit plans	-246	-144	-390
Translation differences	120	-182	-61
Income and expense recognised directly in equity	135	-132	2
Total income and expense recognised directly in equity	**61**	**-528**	**-466**
Dividends paid	-281	-103	-384
Capital increases/reductions		166	166
Merger	1,443	-160	1,283
Transactions with owners	**1,162**	**-96**	**1,065**
Changes in the scope of consolidation and other changes	**77**	**-55**	**22**
Equity at 31 December	**3,101**	**1,618**	**4,719**

A. Share capital and share premium
At 31 December 2010 the share capital amounted to EUR 147 million and was fully subscribed and paid. Share capital is represented by 733,510,255 ordinary shares of a single class and a par value of twenty euro cents (EUR 0.20) per share. There have been no changes with respect to 31 December 2009.

At 31 December 2008, the share capital amounted to EUR 140 million.

In 2009 the share premium increased from EUR 193 million at 31 December 2008 to EUR 3,022 million as a result of the share premium relating to the merger between Cintra, S.A. and Grupo Ferrovial, S.A. In 2010 the share premium remained unchanged.

At 31 December 2010, the shareholder holding more than 10% of the share capital of Grupo Ferrovial, S.A. was Portman Baela, S.L., with 44.607%, a percentage reduced to 44.268% at the beginning of 2011. The shares of the Parent are listed on the continuous market of the Spanish stock exchanges and they all carry the same voting and dividend rights.

B. Treasury shares There were no treasury shares at 31 December 2010. The decrease in the balance of EUR 72 million at 31 December 2008 arose from the merger process between Cintra, S.A. and Ferrovial Group.

C. Other reserves
The changes in "Other Reserves" in 2010 and 2009 were as follows:

Changes in 2010	Translation differences	Hedges	Defined benefit plans	Other	Total other reserves
Balance at 01/01/10	**-391**	**-357**	**-134**	**-147**	**-1,028**
Changes in accounting policies	-4				-4
Balance at 01/01/10 restated	**-394**	**-357**	**-134**	**-147**	**-1,032**
Change	316	-96	20	113	353
Balance at 01/01/10	**-84**	**-453**	**-114**	**-28**	**-679**

Changes in 2009	Translation differences	Hedges	Defined benefit plans	Other	Total other reserves
Balance at 01/01/09	**-514**	**-617**	**112**	**-170**	**-1,190**
Change	120	260	-246	23	158
Balance at 01/01/09	**-394**	**-357**	**-134**	**-147**	**-1,032**

D. Retained earnings

The detail of "Retained Earnings" for 2010 and 2009 is as follows:

			Millions of euros
Retained earnings	**Balance at 31/12/10**	**Balance at 31/12/09**	**Change**
Profit or loss attributable to the Parent	2,163	-74	2,237
Unrestricted reserves	512	1,015	-503
Restricted reserves	29	23	7
Total	**2,704**	**964**	**1,740**

The detail of "Restricted Reserves" is as follows:

			Millions of euros
Restricted reserves	**Balance at 31/12/10**	**Balance at 31/12/09**	**Change**
Legal reserve	29	23	7
Restricted reserves of the Parent	**29**	**23**	**7**

E. c)Income and expense recognised during the year, by item:

The detail of the changes in equity in respect of income and expense recognised in 2010 and 2009 is as follows:

		2010				2009
(millions of euros)	**Attributable to equity holders**	**Attributable to non-controlling interest**	**Total equity**	**Attributable to equity holders**	**Attributable to non-controlling interest**	**Total equity**
Profit and loss						
Hedging instruments	-96	-61	**-157**	260	194	**453**
Defined benefit plans	20	23	**42**	-246	-144	**-390**
Translation differences	316	49	**365**	120	-182	**-61**
Recognised income and expense	240	11	**250**	135	-132	**2**
Consolidated comprehensive income for the year	2,163	-348	**1,815**	-74	-395	**-469**
Total income and expense recognised	2,403	-338	**2,066**	61	-528	**-466**

F. Non-Group companies with significant ownership interests in subsidiaries

At 31 December 2010, the non-controlling interests with 10% or more of the share capital of Group companies, were as follows:

Ferrovial Group subsidiary	**Non-Group %**	**Non-Group Equity holder**
Construction		
Budimex S.A.	41%	Listed company
Concessions		
Autopista del Sol	20%	Unicaja
Autopista Terrassa-Manresa	23.73%	Acesa (Autopista Concesionaria Española, S.A.)
Eurolink Motorway Operation N4/N6	34%	SIAC
Inversora de Autopistas de Levante	40%	Sacyr Concesiones, S.L.
Inversora de Autopistas del Sur, S.L.	35% - 10%	Sacyr Concesiones, S.L. - Caja Castilla-La Mancha
LBJ Infrastructure Group Holding LLC	42.40%	Meridiam
NTE Mobility Partners Holding LLC	33.33% - 10%	Meridiam - Dallas Police and Fire Pension System
Serranopark	30% - 20%	Iridium Concesiones de Infraestructuras - Iridium Aparcamientos
SH 130 Concession Company, LLC	35%	Zachry Toll Road 56 LLP
Skyway Concession Company Holding	45%	MIG Chicago Holdings LLc
Statewide Mobility Partners LLC	50%	MIG Indiana Holdings Llc
Airports		
FGP Topco Ltd	17.6504% - 26.4756%	Britannia Airport Partners L.P. - Baker Street Investment Pte Ltd

G. Proposed distribution of profit:

Propose to the shareholders at the Company's Annual General Meeting that the profit of FERROVIAL, S.A. should be distributed as follows:

Profit of FERROVIAL, S.A. (euro)	93,975,358.91
Appropriation (euros)	
To voluntary reserves (euros)	5,954,128.31
Dividends (euros)	88,021,230.60

The legal reserve has reached the stipulated level.

The proposal to be submitted to the shareholders at the Annual General Meeting will be to distribute the portion of profit of FERROVIAL, S.A. earmarked to dividend to pay an interim dividend of EUR 0.12 per share.

Liquidity statement and interim dividend:

On 28 October 2010, the Board of Directors resolved to:

- Pay to the equity holders an interim dividend for 2011 of EUR 0.12 per share, equal to a total interim dividend of EUR 88 million.
- Prepare a statement supporting the Company's estimated liquidity, pursuant to Article 277 of the Spanish Limited Liability Companies Law, evidencing sufficient liquidity (available balances and credit lines).

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Liquidity summary	2010
(millions of euros)	
Available cash (Corporate + FA + FS + Cintra)	433
Available credit Ferrovial S.A.	566
Available credit Ferrovial Agroman, S.A.	66
Other credit lines of subsidiaries	8
Total liquidity available for distribution	**1,075**

On 18 November 2010, the interim dividend was paid amounting to EUR 88 million net.

Pursuant to Article 277 of the Spanish Limited Liability Companies Law, the amounts to be distributed did not exceed the profit earned since the end of the previous financial year, after deducting estimated income tax payable on such profit and the amount that must be appropriated to legal reserves.

16. Deferred income

The changes in "Deferred Income" in 2010 and 2009 are as follows:

						Millones de Euros
Changes in 2010	Balance at 01/01/10	Transfers and other	Additions	Disposals	Effect of exchange rate	Balance at 31/10/10
Grants	**179**	-8	10	-17	1	**164**
Other deferred income	**53**		1	-22		**32**
Total	**232**	**-8**	**11**	**-39**	**1**	**196**

						Millones de Euros
Changes in 2009	Balance at 01/01/09	Transfers and other	Additions	Disposals	Effect of exchange rate	Balance at 31/10/09
Grants	**188**	111	114	-234	0	**179**
Other deferred income	**62**		2	-12	1	**53**
Total	**250**	**111**	**116**	**-245**	**1**	**232**

Grants are carried at fair value when it is reasonably certain that the relevant amount will be collected (see Note 2.3.14).

17. Provisions and pension surplus

This item reflects the provisions and/or pension plan surplus and other employee retirement bonuses, including both defined benefit and defined contribution plans. The detail of the provisions and/or surplus recognised in the balance sheet in this connection is as follows:

	2010			2009			Change		
Millions of euros	Provision	Surplus	Net balance	Provision	Surplus	Net balance	Provision	Surplus	Net balance
Defined benefit plans	**-151**	**0**	**-151**	**-476**	**22**	**-454**	**325**	**-22**	**303**
BAA	-77	0	-77	-313	0	-313	236	0	236
Amey	-74	0	-74	-162	0	-162	88	0	88
Swissport	0	0	0	-1	22	21	1	-22	-21
Other plans	**0**	**0**	**0**	**-27**	**0**	**-27**	**27**	**0**	**27**
Swissport	0	0	0	-27	0	-27	27	0	27
Total	**-151**	**0**	**-151**	**-503**	**22**	**-481**	**352**	**-22**	**330**

Defined benefit plans:
The changes in pension plan obligations and plan assets in 2010 and 2009 were as follows:

	Millions of euros 2010			Millions of euros 2009	
DEFINED BENEFIT PLANS	Amey Ltd Group	BAA	Swissport Group	Amey Ltd Group	BAA
Changes in pension obligations					
Obligations at beginning of year	571	2,599	361	407	2,097
Exchange differences	20	91	1	-11	165
Liabilities acquired	0	0	0	0	0
Current service cost	13	57	15	9	60
Past service cost	-53	0	0	0	14
Borrowing costs	34	151	13	28	136
Actuarial gains/losses	19	39	-2	106	204
Other impacts on equity	28	-22			
Benefits paid and other	-29	-87	-15	32	-77
Obligations at end of year	**603**	**2,829**	**374**	**571**	**2,599**

	Millions of euros 2010		Millions of euros 2009		
DEFINED BENEFIT PLANS	**Amey Ltd Group**	**BAA**	**Swissport Group**	**Amey Ltd Group**	**BAA**
Changes in plan assets					
Fair value at beginning of year	406	2,286	357	305	2,177
Exchange differences	14	80	2	24	168
Expected return on assets	33	161	17	23	163
Actuarial gains/losses	16	89	20	38	-251
Other impacts on equity	21	0			
Employee contributions	4	13	9	4	17
Employer's contributions	53	223	0	27	107
Benefits paid and other	-19	-100	-10	-14	-97
Fair value at end of year	**529**	**2,752**	**395**	**406**	**2,286**
Recognised liability in balance sheet					
Obligation at end of year	-603	-2,829	-374	-571	-2,599
Fair value of plan assets at end of year	529	2,752	395	406	2,286
Subtotal	-74	-77	21	-165	-313
Total	**-74**	**-77**	**21**	**-162**	**-313**

BAA Group has 3 defined benefit plans covering a total of 21,228 employees, while Amey Group has 10 defined benefit plans covering a total of 6,919 employees.

In 2010 the most significant event at the BAA Group and at the Amey Group was the decrease in the pension shortfall which decreased from EUR 313 million in 2009 to EUR 77 million in 2010 (at the BAA Group) and from EUR 162 million in 2009 to EUR 74 million (at the Amey Group).

A. Actuarial gains and losses:
The detail of the impact of the defined benefit pension plans recognised directly in equity is as follows:

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	Millions of euros 2010			Millions of euros 2009			
	Amey Ltd Group	**BAA**	**Total**	**Swissport Group**	**Amey Ltd Group**	**BAA**	**Total**
Actuarial gains/losses on obligations	-19	-39	-58	2	-106	-204	-309
Actuarial gains/losses on assets	16	89	105	20	38	-251	-193
Other impacts on equity	-7	22	15	0	-43	0	-43
Actuarial gains/losses recognised (*)	**-9**	**72**	**63**	**21**	**-111**	**-455**	**-544**

- There were actuarial gains and losses on obligations amounting to EUR 19 million at the Amey Group and EUR 39 million at BAA.
- Actuarial gains and losses on assets (EUR 89 million) arising from the difference between expected returns at the beginning of the year (EUR 161 million) and actual returns (EUR 250 million) on assets at BAA, and actuarial gains and losses on assets at Amey (EUR 16 million) due to the difference between expected returns at the beginning of the year (EUR 33 million) and actual returns (EUR 49 million) thereon.

The summary of the main actuarial assumptions used to calculate the defined benefit pension plan obligations is as follows:

	2010			2009	
Main assumptions	**Amey Ltd Group**	**BAA**	**Swissport Group**	**Amey Ltd Group**	**BAA**
Salary increase	2.5%- 5%	5.10%	1.0% - 5.0%	4.01%	5.20%
Discount rate	5.50%	5.50%	3.5% - 9.0%	5.70%	5.70%
Expected inflation rate	2.60%	3.60%	1.30%	3.50%	3.70%
Expected returns on assets	4.0%-8.2%	6.30%	2.8% - 6.8%	4.5%-8.5%	5.70%
Mortality (years)	84.5-89.1	85.9-87.9	83.1-87	84.5-87.9	84.8-85.9

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The mortality assumptions used by the BAA Group to calculate its pension obligations are based on the actuarial mortality tables, entailing an estimated life expectancy of between 85.9 and 87.9 years. In case of the Amey Group, this life expectancy for its pension plans is estimated to range between 84.5 and 89.1 years.

There are also other impacts on equity due mainly to corporate transactions, of particular note being the EUR -22 million of the BAA Group as a result of the sale of Gatwick Airport.

B. Employer's contributions:
In 2010, contributions were made at the BAA Group amounting to EUR 223 million, of which EUR 93 million relate to the regular annual contributions agreed upon with the beneficiaries and EUR 130 million which relate mainly to the contributions made to redress the balance in the plan after the sale of Gatwick Airport discussed earlier.

In 2010 contributions at the Amey Group totalled EUR 53 million, EUR 22 million to rebalance the plan as a result of the sale of Tube Lines in the year, EUR 20 million to rebalance the rest of the plan, with the remainder involving ordinary contributions.

The projected contributions agreed upon with the beneficiaries for 2011 at both BAA and Amey total EUR 93 million and EUR 11 million, respectively. Additionally, the Amey Group agreed on special contributions amounting to EUR 21 million for the coming year.

C. Return on assets:
The summary of the defined benefit pension plan assets by type stated at their fair value and including the expected percentage return thereon for 2010 and 2009 is as follows:

	Millions of euros 2010				Millions of euros 2009					
Plan assets (fair value)	**Amey Ltd Group**		**BAA**		**Swissport Group**		**Amey Ltd Group**		**BAA**	
	Eur	%	Eur	%	Eur	%	Eur	%	Eur	%
Equity instruments	361	8.20%	608	7.88%	111	6.10 - 6.40%	263	8.50%	715	8.20%
Debt instruments	109	4.2%-5.5%	1,141	5.16%	117	n/a	98	4.5%-5.7%	1,274	5.50%
Buildings	15	8.10%	0	n/a	91	3.90%	13	8.50%	0	n/a
Cash and other	44	4.00%	1,003	0.50%	77	1.20 - 4.2%	32	4.50%	297	0.50%
Total plan assets	**529**		**2,752**		**396**		**406**		**2,286**	

To assess expected returns on assets, the actuaries used the following criteria:

At the BAA Group:
Equity instruments: equal to annualised FTSE actuaries share indices 15-year returns plus a risk premium of 3.7%.

Debt instruments: performance composed of 20% of returns on long-term UK gilts and 80% of returns on corporate bonds.

Cash and other: returns on 3-month deposits.

At the Amey Group:
Equity instruments: expected returns of between 7.2% and 8.5%.

Debt instruments: the returns on sovereign debt and the performance of the corporate bonds debt making up the plan are used to calculate the returns on these instruments.

Buildings: forecast returns 0.1% below returns on equity instruments.

Cash and other: long-term returns available for Swaps.

Actual returns:
The BAA Group had actual returns on its plan assets totalling EUR 250 million in 2010 and EUR 86 million in 2009. The returns at the Amey Group totalled EUR 49 million in 2010 and EUR 61 million in 2009. The difference between forecast and actual returns is recognised in equity.

Neither the BAA nor Amey Groups' plans include financial assets issued by the company itself or buildings occupied by it.

D. Impact on the income statement:
The detail of the impact of the defined benefit pension plans on the income statement is as follows:

	2010		2009		
DEFINED BENEFIT PLANS	Amey Ltd Group	BAA	Swissport Group	Amey Ltd Group	BAA
Impact on profit before tax (*)					
Current service cost	13	57	15	9	60
Borrowing costs	34	151	13	28	136
Expected return on assets	-33	-161	-17	-23	-163
Past service cost	-53	0,5	0	0	0
Other	-10	-14	0	0	17
Total recognised in the income statement	**-49**	**35**	**11**	**14**	**50**

(*) Expenses are positive and income is negative.

The most significant impact on the Amey Group's income statement involves the legislative change relating to estimates of projected inflation; whereas in 2009 the RPI (Retail Price Index) was used as the reference rate, in 2010 the CPI (Consumer Price Index) was used, which led to an impact of EUR 53 million on the income statement.

E. Complete actuarial reviews:
Both the Amey Group and the BAA Group perform complete actuarial valuations every three years. The most recent review at the BAA Group in September 2010 and is still in process at the reporting date. The next valuation at the Amey Group will begin in April 2011 for the Amey PS and Amey OS PS plans. For Amey Rail and Owen Williams Rail, the valuation began in December 2010.

F. Sensitivity analysis:
Set out below is a sensitivity analysis showing the impact on the income statement and on shareholders' equity of a change of 50 basis points in the discount rate.

	Annual impact on the income statement		Annual impact on shareholders' equity	
Sensitivity analysis discount rate (+ / - 50 b.p.)	**Before tax**	**After tax**	**Before tax**	**After tax**
+ 50 p.b.	10	7	325	234
- 50 p.b.	-11	-8	-364	-262

Defined contribution plans
The BAA Group has 3 defined contribution plans with an impact on the income statement of EUR 4 million, covering a total of 822 employees.

The Amey Group has 24 defined contribution plans with an impact on the income statement of EUR 10 million, covering a total of 3,752 employees.

Additionally, the Cespa Group has certain retirement and length-of-service bonuses instrumented trough a single, fixed annual premium for services rendered amounting to EUR 0.2 million in 2010.

18. Other provisions

The detail of other long- and short-term provisions for 2010 and 2009 is as follows:

				Millions of euros
Changes	**Provision for landfills**	**Provision for liabilities**	**Other provisions**	**Total**
At 1 January 2010	**66**	**889**	**519**	**1,473**
Charged/(credited) to the income statement:				
Period provisions	6	122	270	398
Provisions reversed		-17	-195	-212
Discount addition		0	0	0
Transfers and other		-150		-150
Provisions used during the year		-17	-28	-45
Exchange differences		9	12	21
Changes in the scope of consolidation (*)		-48	-21	-70
At 31 December 2010	**71**	**788**	**557**	**1,416**

Analysis of total provisions by classification:	**31/12/10**
Non-current	860
Current	557
	1.416

Provision for landfills
"Provisions for Landfills" contains the estimated cost of landfill closure and post-closure activities relating to the Cespa Group. The provision is calculated based on a technical estimate of the consumption to date of the total capacity of landfills. At 31 December 2010, a provision of EUR 6 million had been recognised (EUR 7 million at 31 December 2009).

Provision for liabilities

"Provision for Liabilities" relates mainly to the provision for expropriations recognised by the Spanish toll roads amounting to EUR 418 million (primarily the R4, amounting to EUR 372 million), as explained in Note 23.

Other provisions

These relate mainly to the Construction Division, consisting of provisions for construction work completion, site removals and losses amounting to EUR 443 million (EUR 384 million in 2009).

Also included in this item are provisions related to other risks associated with the valuation of Spanish toll roads and the other European toll roads.

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				Millions of euros
Movements	**Provisión Vertederos**	**Provisión por responsabi-lidades**	**Otras provisiones**	**Total**
At 1 January 2009	**60**	**648**	**452**	**1,161**
Charged/(credited) to the income statement:				
Period provisions	7	146	155	309
Provisions reversed		-143	-40	-183
Discount addition		0		0
Transfers and other		257	-46	211
Provisions used during the year	-1	-30	-13	-44
Exchange differences		10	10	20
At 31 December 2009	**66**	**889**	**519**	**1,473**

Analysis of total provisions by classification:	**31/12/09**
Non-current	954
Current	519
	1,473

19. Net cash position

The following table contains a breakdown, by segment, of the net cash position in order to reflect the Group's net borrowing situation. The net cash position is understood to be the balance of items included in cash and cash equivalents (including current restricted cash) and non-current restricted cash, less current and non-current borrowings (bank borrowings and bonds).

The breakdown of the net cash position also makes a distinction between infrastructure projects and other Group companies:

					Millions of euros
	Balance 31/12/10	**Balance 31/12/09**	**Balance 31/12/08**	**Change 2010-2009**	**Change 2009-2008**
Construction	2,274	1,955	1,948	320	7
Services	-832	-1,212	-1,228	380	16
Airports	22	-75	-1,916	97	1,841
Toll Roads	572	30	390	542	-360
Corporate and other	-2,005	-1,870	-740	-135	-1,130
Net cash position excluding infrastructure projects	**31**	**-1,172**	**-1,546**	**1,203**	**374**
BAA	-14,529	-13,855	-12,906	-674	-949
Other airports	2	3	8	-1	-5
Toll Roads	-5,026	-7,104	-6,574	2,078	-530
Construction	-129	-96	-86	-33	-10
Services	-138	-47	-68	-91	21
Net cash position of infrastructure projects	**-19,820**	**-21,099**	**-19,626**	**1,279**	**-1,473**
TOTAL NET CASH	**-19,789**	**-22,271**	**-21,172**	**2,482**	**-1,099**

In 2010, the euro fell sharply against the main foreign currencies in which Ferrovial Group denominates its net cash position, primarily in pound sterling (BAA) and US dollars (US toll roads). This had a negative impact on the net cash position of EUR -676 million in infrastructure projects and EUR -25 million at other companies. An overall explanation of the evolution in the net cash position for 2010 is included in Note 31 "Cash Flow" and in the additional disclosures presented in the directors' report.

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19.1 Proyectos de infraestructuras

A. Analysis of the net cash position of infrastructure projects

The detail of the net cash position of infrastructure projects in 2010 is as follows:

2010 Millions of euros	Non-current restricted cash	Non-current investments	Current restricted cash	Other cash and cash equivalents	Borrowings	Intra-group transactions	Total net cash position
BAA			43	444	15,017		-14,530
Other airports				2			2
Toll roads	551	6	1	191	5,769	-5	-5,025
Construction				5	141	8	-129
Services				8	54	-92	-138
Net cash position of infrastructure projects	**551**	**6**	**44**	**649**	**20,981**	**-89**	**-19,820**

B. Cash and cash equivalents and restricted cash

As indicated in the note on financial risks, infrastructure project financing agreements occasionally impose the obligation to arrange certain restricted accounts to cover short-term or long-term obligations relating to the repayment of the principal or interest on the borrowings and to infrastructure maintenance and operation.

Restricted cash is classified as current or non-current depending on whether it must remain restricted for less than or more than one year. In any event, these funds are invested in highly-liquid financial products bearing floating interest. The type of financial product in which the funds may be invested is also restricted by the financing agreements or, where no restrictions are stipulated, the decision is made on the basis of the Group's policy for the placement of cash surpluses.

Current balances are recognised under "Cash and cash equivalents" in the balance sheet whereas non-current balances are included in "Financial Assets".
The detail of current and non-current restricted cash balances, by project, is as follows:

Millions of euros	Balance 31/12/10	Balance 31/12/09	Balance 31/12/08
NTE Mobility Partners	130	264	
LBJ Infrastructure Group	326		
407 ETR		132	128
Chicago Skyway	44	36	35
EuroScut Algarve	19	18	19
EuroScut Norte	30	22	14
Other	2	1	1
Non-current restricted cash	**551**	**473**	**197**
BAA	43	205	85
407 ETR		146	110
Chicago Skyway			
Services			9
Other	1		
Current restricted cash	**44**	**351**	**204**
Total restricted cash	**595**	**824**	**401**

The main changes in restricted cash arose from the pledge of funds from bonds issued by LBJ Infrastructure Group which will be used to finance construction. Conversely, the decrease arising from changing the consolidation method of 407 ETR should be mentioned, which after the 10% divestment in this company began to be accounted for using by the equity method (see Note 1.2). There is also a significant decrease in the restricted cash of NTE Mobility Partners due to the beginning of construction works on the toll road and the application of the funds to this purpose.

As regards BAA, at 31 December 2009 a restricted amount of EUR 161 million (GBP 143 million) was recognised relating to the gain on the sale of Gatwick to meet the payment of the pension plan deficit amounting to EUR 130 million that arose in 2010 (see Note 17) and which accounts for most of the decrease in current restricted cash.

The heading "Other Cash and Cash Equivalents" relates to bank accounts and highly-liquid investments subject to interest rate risk.

C. Breakdown of infrastructure project borrowings
C.1 Analysis of short-term and long-term balances by project

	2010			2009			Change 2010-2009		
Millions of euros	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total
LONG TERM	**10,022**	**9,544**	**19,566**	**10,523**	**10,591**	**21,114**	**-501**	**-1,047**	**-1,548**
BAA	8,185	6,552	14,737	6,485	7,543	14,028	1,700	-991	709
407 ETR				2,738		2,738	-2,738		-2,738
Skyway Concession Co. LLC	1,019	112	1,131	930	103	1,033	89	9	98
NTE Mobility Partners	291		291	272		272	19		19
LBJ Infrastructure Group	428		428						428
Spanish toll roads		1,148	1,148		1,661	1,661		-513	-513
Other toll roads	99	1,536	1,635	98	1,178	1,276	1	358	359
Construction		142	142		86	86		56	56
Services		54	54		20	20		34	34
SHORT TERM	**11**	**1,404**	**1,415**	**591**	**950**	**1,541**	**-580**	**454**	**-126**
BAA		280	280		444	444		-164	-164
407 ETR				582		582	-582		-582
Skyway Concession Co. LLC		6	6		4	4		2	2
NTE Mobility Partners					1	1		-1	-1
LBJ Infrastructure Group									
Spanish toll roads		1,042	1,042		486	486		556	556
Other toll roads	11	76	87	9	14	23	2	62	64
TOTAL	**10,033**	**10,948**	**20,981**	**11,114**	**11,542**	**22,655**	**-1,081**	**-594**	**-1,674**

Changes in exchange rates between 2010 and 2009 increased the indebtedness, which totalled EUR 746 million. Thus, if a constant exchange rate is applied, the net change in the debt would be EUR -2,429 million.

C.2 Maturities by currency and fair value of infrastructure project debt

		Fair value			Carrying amount 2010	Maturities						Total maturities
Borrowings	Currency	2010	2009	2008		2010	2012	2013	2014	2015	2016 más	
Bonds of infrastructure projects		**10,088**	**11,704**	**7,266**	**10,032**	**0**	**793**	**462**	**598**	**1**	**7,413**	**9,268**
BAA		**8,201**	**6,687**	**3,596**	**8,185**		**793**	**462**	**598**	**0**	**5,506**	**7,359**
	GBP	5,177	4,281	2,284	5,267		0	462	0	0	4,405	4,867
	EUR	3,024	2,406	1,312	2,918		793	0	598	0	1,101	2,492
Toll Roads		**1,887**	**5,017**	**3,670**	**1,847**					**1**	**1,907**	**1,909**
	CAD		3,685	2,591								
	USD	1,770	1,202	961	1,738						1,807	1,807
	EUR	117	130	118	109					1	101	102
Bank borrowings of infrastructure projects		**11,239**	**11,749**	**11,830**	**10,949**	**1.147**	**1,206**	**2,491**	**823**	**1,533**	**3,979**	**11,179**
Airports		**7,088**	**8,167**	**8,375**	**6,832**	**46**	**664**	**2,458**	**776**	**1,480**	**1,614**	**7,038**
	GBP	7,088	8,158	8,361	6,832	46	664	2,458	776	1,480	1,614	7,038
	EUR		9	14								
Toll Roads		**3,955**	**3,476**	**3,305**	**3,921**	**1,102**	**541**	**29**	**38**	**47**	**2,205**	**3,963**
	USD	633	331	223	633						653	653
	EUR	3,322	3,145	3,082	3,288	1,102	541	29	38	47	1,553	3,310
Construction	**EUR**	**142**	**86**	**90**	**142**						**126**	**126**
Services		**54**	**20**	**60**	**54**		**1**	**4**	**8**	**6**	**34**	**53**
	GBP			60								
	EUR	54	20		54		1	4	8	6	34	53
Total borrowings of infrastructure projects		**21,327**	**23,453**	**19,096**	**20,981**	**1,147**	**1,999**	**2,954**	**1,421**	**1,534**	**11,392**	**20,447**

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The variations between the total maturities of bank borrowings and the carrying amounts of the debt at 31 December 2010 is explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting regulations (especially unpaid accrued interest and the application of the amortised cost method). Maturities of BAA bonds include the maturities of the cross currency swaps hedging foreign exchange fluctuations that affect the debt (see Note 11 on "Derivative Financial Instruments"). The debt maturities do not include interest. The fair value reflected in the table above is calculated as follows:

1. Bonds listed in active markets: market value.
2. Fixed-interest bank borrowings: future cash flows are discounted at an equivalent market interest rate.
3. Floating-interest bank borrowings: no significant differences are deemed to exist between the fair value of the borrowings and their carrying amount and, therefore, the carrying amount is used.

Maturities in 2011 relate to:

- Autopista Madrid Sur, with maturities amounting to EUR 554 million. The original maturity of the debt was January 2011, but was extended to July 2011.
- Autopista del Sol, maturity in March 2011 of the syndicated loan which totals EUR 492 million.
- BAA, maturity of EIB debt amounting to EUR 46 million in December 2011.
- Autopista Eurolink M-3, maturity in June 2011 totalling EUR 37 million of the syndicated loan.
- Algarve internacional, maturity of EIB loan of EUR 10 million in December 2011.
- Autopista Euroscut Norte, maturities of EUR 6 million in July 2011.
- Autopista Eurolink M4M6, maturities of EUR 2 million in December 2011.

C.3 Exposure to interest rate risk of infrastructure project borrowings

With the aim of completing the information on exposure to interest rate risk presented in Note 3, below is the detail of debt components indicating the portion subject to fixed interest rates, the portion hedged by derivatives and floating-rate debt:

Debt hedged by IRS (interest rate swaps) relates to derivatives that convert floating-rate bank borrowings to fixed interest rates (see details in Note 11).

	Millions of euros						
	Type of debt	Balance 31/12/10	%	Balance 31/12/09	%	Balance 31/12/09	%
Airports		**15,017**		**14,471**		**13,253**	
	Fixed	2,455	16%	3,955	27%	2,938	22%
	Inflation-index fixed	4,995	33%	2,725	19%	2,316	17%
	Hedged (IRS)	3,539	24%	4,085	28%	4,765	37%
	Floating	4,028	27%	3,706	26%	3,235	24%
Toll Roads		**5,768**		**8,079**		**7,182**	
	Fixed	1,189	21%	2,837	35%	1,892	26%
	Inflation-index fixed		0%	1,071	13%	850	12%
	Hedged (IRS)	3,053	53%	2,819	35%	3,270	46%
	Floating	1,526	26%	1,352	17%	1,170	16%
Construction		**142**		**86**		**90**	
	Fixed	78	55%				
	Hedged (IRS)	58	41%				
	Floating	6	4%	86	100%	90	100%
Services		**54**		**19**		**60**	
	Fixed		0%		0%	21	35%
	Hedged (IRS)	47	87%	19	98%	39	65%
	Floating	7	13%		2%		0%
Total borrowings of infrastructure projects		**20,981**		**22,655**		**20,586**	
	Fixed	**3,723**	**18%**	**6,792**	**30%**	**4,851**	**24%**
	Inflation-index fixed	**4,994**	**24%**	**3,796**	**17%**	**3,167**	**15%**
	Hedged (IRS)	**6,697**	**32%**	**6,923**	**30%**	**8,074**	**39%**
	Floating	**5,567**	**26%**	**5,144**	**23%**	**4,494**	**22%**

C.4 Information on credit limits and credit drawable for infrastructure projects

Set out below is a comparative analysis of borrowings not drawn down at year end:

Balances at 31/12/10	Debt limit	Amount drawn down	Amount drawable	Debt per books
Airports	**16,946**	**14,398**	**2,548**	**15,017**
BAA	16,946	14,398	2,548	15,017
Toll Roads	**7,590**	**5,871**	**1,719**	**5,768**
US toll roads	3,940	2,459	1,481	2,371
Spanish toll roads	2,279	2,210	69	2,191
Other toll roads	1,371	1,202	169	1,206
Construction	**153**	**126**	**27**	**142**
Services	**212**	**53**	**159**	**54**
Total borrowings of infrastructure projects	**24,901**	**20,448**	**4,453**	**20,981**

Balances at 31.12.2009	Debt limit	Amount drawn down	Amount drawable	Debt per books
Airports	**17,834**	**14,604**	**3,230**	**14,472**
BAA	17,834	14,604	3,230	14,472
Toll Roads	**9,581**	**8,170**	**1,411**	**8,077**
407 ETR	3,274	3,274		3,320
US toll roads	2,639	1,611	1,028	1,535
Spanish toll roads	2,273	2,178	95	2,146
Other toll roads	1,395	1,107	288	1,076
Construction	**10**	**10**		**86**
Services	**194**	**22**	**172**	**20**
Total borrowings of infrastructure projects	**27,619**	**22,806**	**4,813**	**22,655**

The variations between the total bank borrowings and the debt per books at 31 December 2010 are due mainly to the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting regulations (especially in regard of unpaid accrued interest and the application of the amortised cost method).

The drawable balance of EUR 4,453 million (EUR 4,814 million at 31 December 2009) includes EUR 2,548 million relating to BAA (EUR 3,320 million at 31 December 2009), which consists basically of credit lines obtained to finance investments. The main balance in the Toll Roads segment also relates to amounts not drawn down that were obtained to finance toll roads under construction.

Following is a more detailed description of interest rates, maturities and covenants for the main infrastructure project borrowings.

C.5 BAA's borrowings: Changes in 2010 and 2009 and main interest rate and covenant terms

The detail of the BAA Group's borrowings for 2010 and 2009 and the most significant changes therein are as follows:

	Millions of euros		
	2010	2009	Change 2010-2009
Bonds	8,185	6,485	1,700
Refinancing facility	1,507	2,539	-1,032
Senior capex facility	1,476	735	741
European Investment Bank	386	419	-33
Subtotal designated airports	11,554	10,178	1,376
Subordinated debt	199	1,752	-1,553
Not designated airports	1,209	1,155	54
Toggle facility	1,055	941	114
Repo facility		170	-170
Class B1 Loan	718		718
Other liabilities	282	275	7
TOTAL	**15,017**	**14,472**	**545**

In 2010 the positive evolution of the pound sterling against the euro had a foreign exchange impact of EUR 510 million on BAA's borrowings (1 pound sterling = 0.887 euros at 31 December 2009; against 1 pound sterling = 0.857 euro at 31 December 2009). Had the exchange rate not changed, debt would have increased by EUR 35 million (GBP 30 million).

C.5 .A Designated airports

Bonds

The carrying amount of the bonds is EUR 8,185 million (GBP 7,018 million), including transaction costs, redemption, premiums and discounts. The difference between the nominal value of such bonds and the carrying amount thereof arose from the recognition at fair value made upon BAA's acquisition (2006) thereof. The total bond balance includes EUR 5,267 million issued in pounds sterling and EUR 2,918 million issued in euros, related exchange risks having been hedged at fair value, as explained in Note 11 on derivative financial instruments. The bonds mature from 2012 to 2039. The changes were due to:

	Millions of euros
Bonds at 31 December 2009	**6,485**
Issue: 4.125% EUR 500 maturing in 2016	476
Issue: 7.125% GBP 325 maturing in 2017	370
Issue: 6.250% GBP 400 maturing in 2018	457
Sale existing bond: 6.450% EUR 900 maturing in 2031	258
Impact of exchange rate	152
Other	-9
Bonds at 31 December 2010	**8,185**

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1. Performance of pound sterling against the euro, giving rise to an increase of EUR 152 million in borrowings.
2. Issuance of new bonds with a carrying amount of EUR 1,303 million (GBP EUR 1,117 million):

a. Bonds issued in euro for a nominal amount of EUR 500 million maturing in 2016.
b. Bonds issued in pound sterling for a nominal amount of GBP 325 million and GBP 400 million with maturities in 2017 and 2018, respectively.

Refinancing facility

These borrowings were granted to BAA as part of the 2008 refinancing process, with a carrying amount of EUR 1,507 million (GBP 1,292 million). This debt has some maturities falling between 2011 and 2013 and interest tied to LIBOR plus a spread.

The main changes were due to:

1. Performance of the pound sterling against the euro, giving rise to an increase of EUR 89 million in borrowings.
2. In 2010 debt amounting to EUR 1,122 million (GBP 962 million) was repaid, the funds for which came from the bonds issued during the year.

Senior capex facility

These borrowings amounting to EUR 1,476 million (GBP 1,266 million), were obtained to finance the Group's capex programme and mature in 2013. These borrowings are tied to LIBOR plus a spread.

The changes are due basically to the performance of the pound sterling against the euro, giving rise to an increase of EUR 26 million in borrowings and an increase of EUR 715 million (GBP 613 million) in drawdowns to finance capex in 2010 and refinance a portion of the subordinated debt.

European Investment Bank loan

The loan from the European Investment Bank (EIB) has a carrying amount of EUR 386 million (GBP 331 million), excluding the cost of capitalised borrowings. The EIB loan is repayable up to 2022 and it is recognised at amortised cost.
The changes are explained by:

- Changes in the exchange rate, giving rise to an increase of EUR 12 million in this debt.
- Repayment of a nominal amount of EUR 46 million (GBP 39 million).

C.5.B Subordinated debt
In 2010 the subordinated debt, which at December 2009 totalled EUR 1,752 million (GBP 1,555 million) was refinanced. This transaction was completed using funds as indicated below:

1. In September a new class B1 loan was arranged for a nominal amount of GBP 625 million and maturing in 4 years.
2. Capex lines of credit of regulated airports amounting to GBP 375 million.
3. Funds from the divestment in associate APP (see Note 25 "Impairment and Disposal of Fixed Assets") amounting to GBP 100 million.
4. New subordinated loan amounting to GBP 175 million.
5. The remaining refinancing was completed by bond issues carried out during the year.

Millions of pound sterling	
2009	
Subordinated debt	1,555
Total	**1,555**

Millions of pound sterling	
2010	
1. Class B1 Loan	616
2. Capex credit lines	375
3. Proceeds from sale of APP	100
4. New subordinated loan	171
5. New bond issue	294
Total	**1,555**

At 31 December 2010, the carrying amount of the subordinated debt of the new class B loan maturing in 5 years totalled EUR 199 million (GBP 171 million).

C.5.C Non-designated airports
The borrowings allocated to the unregulated airports (see Note 2) amounting to EUR 1,209 million (GBP 1,037 million) mature in 2015. The changes are due to the changes in the exchange rate which increased the debt by EUR 41 million plus accrued interest payable.

C.5.D Toggle facility
This debt was arranged to finance the acquisition of BAA. It is a super-subordinated debt and is therefore below the subordinated debt for debt seniority purposes. The debt amounts to EUR 1,055 million (GBP 905 million), matures on a perpetual basis and bears interest at the LIBOR plus a spread. The balance of this debt increased by the amount of accrued interest payable in 2010 and also increased by EUR 33 million due to exchange rate fluctuations.

C.5.E New class B1 loan
In September 2010, BAA arranged a new 4-year class B1 loan for a nominal amount of GBP 625 million. This loan has a carrying amount of EUR 718 million (GBP 616 million) and was used to refinance the subordinated debt as discussed above.

C.5.F Other borrowings
In 2010 this item relates mainly to accrued interest payable.

C.5. G BAA's debt covenants
Most financing agreements include certain conditions the infringement of which gives rise to obligations for the borrower. These covenants are used by credit institutions to ensure that the concession operators fulfil the debt commitments acquired.

- Bonds and Refinancing Facility: require compliance with certain covenants under the Common Terms Agreement (CTA).
- Non-regulated airports: a minimum debt service coverage ratio must be maintained.
- The company must achieve certain ratios such as leverage (net debt/RAB) of 0.70x for senior debt and 0.85x for junior debt. At 31 December 2009, all of the current ratios were being achieved.

C.5. H Collateral and guarantees
The assets of Heathrow and Stansted airports secure the refinancing facility, the aforementioned credit lines, the bond issues and, lastly, the subordinated debt. The assets of the non-regulated airports secure the related borrowings.

C.6 Toll Road division borrowings
The breakdown of toll road borrowings, by project, showing the main characteristics and changes therein, is as follows:

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Borrowings	2010	2009	2008
	Millions of euros		
407 ETR – Canada		**3,320**	**2,801**
US toll roads	**2,371**	**1,535**	**1,184**
Chicago Skyway	1,137	1,038	1,071
North Tarrant Express Managed Lanes – NTE	291	274	
LBJ Infrastructure Group	428		
SH-130	515	223	113
Spanish toll roads	**2,191**	**2,147**	**2,147**
Ausol I and II	491	485	490
Inversora Autopistas de Cataluña / A. Terrasa Manresa	641	627	620
Inversora A. Sur / A. R-4 Madrid Sur	552	547	559
Inversora A. Levante / A. Madrid Levante	507	488	478
Irish toll roads	**413**	**393**	**396**
Eurolink M4-M6	138	138	143
Eurolink M3	275	255	253
Portuguese toll roads	**793**	**684**	**654**
Euroscut Algarve	225	233	245
Euroscut Azores	254	147	93
Euroscut Norte Litoral	314	304	316
Total toll roads	**5,768**	**8,079**	**7,182**

The table below shows the main changes in toll road borrowings:

Millions of euros	407 ETR – Canada	US toll roads	Portuguese toll roads	Other	Total toll roads
2009 borrowings	**3,320**	**1,535**	**685**	**2,539**	**8,079**
Changes:					
Exchange rate	-424	102			-322
New bond issue		459			459
Extension of existing debt		276	104	64	444
Other	-2,896		4		-2,892
2010 borrowings	**0**	**2,372**	**793**	**2,603**	**5,768**

C.6. A 407 ETR – Canada

The decrease arising from change in the consolidation method of 407 ETR should be mentioned, which, after the 10% divestment in this company, began to be accounted for using the equity method (see Note 1.2). At the end of 2009, this company's debt totalled EUR 3,320 million.

C.6. B Chicago Skyway

This concession operator is financed by a senior bond issue underwritten by F.S.A., structured as follows: (i) Series A of USD 439 million maturing in 2017, and; (ii) Series B of USD 961 million with final maturity in 2026. It also has syndicated subordinated bank financing drawn down by USD 155 million, maturing in 2035.

C.6.C SH -130

Syndicated bank financing in two tranches: Tranche A to finance part of the construction work amounting to USD 686 million, of which USD 424 million had been drawn down at 31 December 2010, and Tranche B to ensure liquidity (not drawn down), during the first five years of business amounting to USD 35 million, both with final maturity in 2038. There is also a TIFIA debt tranche of USD 430 million to finance part of the construction work, maturing in 2047, of which USD 293 million had been drawn down at 31 December 2010.

C.6. D North Tarrant Express Managed Lanes - NTE

The project is financed through the issue of PAB (Private Activity Bonds) amounting to USD 400 million maturing in 30 years. There is also a TIFIA loan granted by the US Federal Government of USD 650 million with a repayment profile of 35 years from operation start-up, with no amounts having been drawn down at year-end. The drawdown amount relates to the bonds issued.

C.6.E LBJ

This concession operator is financed through the issue of PAB (Private Activity Bonds) amounting to USD 615 million maturing in 30 years. There is also a TIFIA loan granted by the US Federal Government amounting to USD 850 million with a repayment profile of 35 years from operation start up, with no amounts having been drawn down at year-end. The drawdown amount relates to the bonds issued.

C.6. F Ausol I and II

Ausol toll road refinanced EUR 492 million in April with a bridge loan maturing in March 2011, currently being refinanced.

C.6. G Inversora Autopistas de Cataluña / A. Terrasa Manresa

It refinanced its debt in 2008 through a syndicated structure, replacing its short-term financing for other long-term financing amounting to EUR 392 million, maturing in 2035..

C.6. H Inversora A. Sur / A. R-4 Madrid Sur

The Radial 4 toll road had syndicated borrowings of EUR 557 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 originally matured in January 2011, but was extended an additional six months until July 2011, and is currently undergoing a long-term refinancing process.

C.6.I Inversora A. Levante / A. Madrid Levante

The Ocaña – La Roda toll road has syndicated bank financing with an outstanding amount of EUR 512 million maturing in 2012. This is a mini-perm structured loan that will be refinanced on a long-term basis.

C.6. J Eurolink M4-M6

Financing consists of an EIB loan of EUR 94 million in 2027 and bank financing of EUR 49 million with final maturity in 2027.

C.6. K Eurolink M3

Syndicated bank loan drawn down at 31 December 2010 by EUR 280 million, comprising a bridge loan of an outstanding amount of EUR 15 million and forward financing of EUR 265 million, the final maturity dates being 2011 and 2025, respectively.

C.6. L Euroscut Algarve

This company has structured debt in two tranches secured by Syncora Guarantee Inc, one of which is composed by bonds totalling EUR 101 million maturing in 2027 and the other by EIB borrowings of EUR 130 million maturing in 2025.

C.6.M Euroscut Azores

Syndicated bank financing for a drawn down amount at 31 December 2010 of EUR 258 million until 2033.

C.6. N Euroscut Norte Litoral

Financing structure based on a syndicated loan for an outstanding amount of EUR 300 million, with final maturity in 2026.

C.6. O Guarantees and covenants for toll road borrowings

The financial conditions (applicable interest rates) of the toll road debts are subject to the achievement of certain ratios based on financial aggregates such as gross profit from operations (EBITDA), net debt and consolidated shareholders' equity. In general, the aforementioned financing arrangements are subject to pledges of concession operator assets (insurance policies receivables, current accounts, concession receivables, etc.), forming a package of guarantees for lenders. In certain cases there is also a pledge on the concession operator's shares.

Most agreements include certain conditions the infringement of which gives rise to obligations for the borrower. These covenants are used by credit institutions to ensure that the concession operators achieve the debt commitments acquired.

The most common covenants included in the majority of infrastructure project financing agreements are as follows:

- Restrictions on the availability of cash balances, the most common being reserve accounts for debt servicing and for extraordinary maintenance.
- Payment of dividends to shareholders subordinated, for example, to the maintenance of required levels of restricted cash.
- Material adverse change or effect (MAC or MAE) clauses regulating cases in which a number of circumstances or events have or could have a relevant adverse effect on the value, business, operations, assets or liabilities of the concession operators.
- Limit on the maximum volume of borrowings that may be obtained by the concession operator.
- Limit on the level of default by the concession operator, above which the debt repayment could be demanded (cross-default threshold).
- Periodic disclosure obligations during the debt period.
- Achievement of financial ratios for borrowings and liquidity.

At 31 December 2010, none of the applicable covenants in force had been breached.

C.7 Services division borrowings:
The bank borrowings of the Services Division infrastructure projects relate to the Cespa Group totalling EUR 54 million at 31 December 2010. These borrowings were arranged in 2009 and 2010 to finance the Ecoparc Can Mata (EUR 43 million) and Gestión Medioambiental de Toledo (EUR 11 million) concession projects.

19.2 Net cash position excluding infrastructure projects
A. Breakdown of the net cash position excluding infrastructure projects
The detail of the net cash position excluding infrastructure projects in 2010 is as follows:

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Millions of euros						
	Non-current restricted cash	Current restricted cash	Other cash and cash equivalents	Deuda Financiera	Operaciones Intragrupo	Posición Neta Tota
Construction			1,057	49	1,266	2,275
Services	0	4	117	170	-784	-833
Airports			3		19	22
Toll Roads and Car Parks		2	201		369	572
Corporate and other		8	613	1,844	-781	-2,005
Net cash position excluding infrastructure projects	**0**	**14**	**1,991**	**2,063**	**89**	**31**

The main changes in the net cash position excluding infrastructure projects are discussed in Note 31 on "Cash Flows".

B. Breakdown of borrowings excluding infrastructure projects
B.1 Analysis of current and non-current balances by business division
The distribution of bank borrowings is as follows:

	Millions of euros										
	2010			2009			2008				
	Non-current	Current	TOTAL	Non-current	Current	TOTAL	Non-current	Current	TOTAL	Change 2010-2009	Change 2009-2008
Construction	28	21	49	17	32	49	21	65	86		-37
Services	99	71	170	266	89	355	198	200	398	-185	-43
Airports	0	0	0				1,583		1,583		-1,583
Corporate and other	1,815	29	1,844	1,970	276	2,246	870	441	1,311	-402	935
Total bank borrowings excluding infrastructure projects	**1,943**	**120**	**2,063**	**2,253**	**397**	**2,650**	**2,672**	**706**	**3,378**	**-587**	**-728**

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B.2 Maturities by currency and fair value of borrowings excluding infrastructure projects

	Currency	Fair value 2010	Carrying amount	2010	2012	2013	2014	2015	Maturities 2016 and after	Total maturities
Construction		**49**	**49**	**1**	**13**	**0**	**0**	**3**	**13**	**30**
	EUR	32	32						13	13
	USD	11	11		11					11
	PLZ	6	6	1	2			3		6
Services		**170**	**170**	**58**	**42**	**9**	**8**	**9**	**14**	**140**
	EUR	116	116	40	6	9	8	9	14	86
	GBP	46	46	11	35					46
	CHF	6	6	6						6
	OTRAS	2	2	1	1					2
Corporate and other		**1,844**	**1,844**	**0**	**1,834**	**0**	**0**	**0**	**0**	**1,834**
	EUR	883	883		873					873
	GBP	815	815		815					815
	CHF	146	146		146					146
Total bank borrowings excluding infrastructure projects		**2,063**	**2,063**	**59**	**1,889**	**9**	**8**	**12**	**27**	**2,004**

The differences between the total maturities of bank borrowings and the carrying amounts of the debt at 31 December 2010 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting regulations (especially unpaid accrued interest and the application of the amortised cost method). The debt maturities do not include interest.

The total fair value of bank borrowings excluding infrastructure projects at 31 December 2010 was EUR 2,063 million (EUR 2,650 million at 31 December 2009).

The 2011 maturities total EUR 59 million and relate mainly to the Services Division, particularly Inagra (EUR 17 million), Cespa Portugal (EUR 13 million), Donarbon (EUR 11 million), Sopovico (EUR 5 million), Recogida de Residuos de Barcelona (EUR 4 million) and other (EUR 9 million).

B.3 Exposure to interest rate risk excluding infrastructure projects

In order to complete the information on exposure to interest rate risk presented in Note 3, following is the detail of the various debt components indicating the portion subject to fixed interest rates, the portion hedged by derivatives and floating-rate debt.

Millions of euros

	Type of debt	Balance at 31/12/10	%	Balance at 31/12/09	%	Balance at 31/12/08	%
Construction		**49**		**50**		**86**	
	Fixed	0	0%	0	0%	22	26%
	Hedged (IRS)	18	36%	23	46%	0	0%
	Floating	31	64%	27	54%	64	74%
Services		**170**		**354**		**398**	
	Fixed	4	2%	3	1%	7	2%
	Inflation-index fixed	0	0%	23	6%	20	5%
	Hedged (IRS)	30	18%	27	8%	0	0%
	Floating	136	80%	301	85%	371	93%
Airports		**0**		**0**		**1.583**	
	Fixed			0	0%	0	0%
	Hedged (IRS)			0	0%	1.583	100%
	Floating			0	0%	0	0%
Corporate and other		**1,844**		**2,246**		**1,311**	
	Hedged (IRS)	820	44%	1,188	53%	60	5%
	Floating	1,024	56%	1,058	47%	1,252	95%
Total bank borrowings excluding infrastructure projects		**2,063**		**2,650**		**3,379**	
	Fixed	**4**	**0%**	**3**	**0%**	**29**	**1%**
	Inflation-index fixed		**0%**	**23**	**1%**	**20**	**1%**
	Hedged (IRS)	**868**	**42%**	**1,237**	**47%**	**1,643**	**48%**
	Floating	**1,191**	**58%**	**1,386**	**52%**	**1,687**	**50%**

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The debt balances hedged by IRSs (interest rate swaps) relates to derivatives that convert floating-rate bank borrowings to fixed interest rates (see Note 11).

B.4 Information on credit limits and drawable credit
Set out below is a comparative analysis of borrowings not drawn down at year end:

Balances at 31/12/2010				
Borrowings	**Debt limit**	**Amount drawn down**	**Amount drawable**	**Consolidated debt**
Construction	111	30	81	49
Services	273	140	133	170
Corporate and other	2,539	1,834	705	1,844
Total bank borrowings excluding infrastructure projects	**2,923**	**2,004**	**919**	**2,063**

Balances at 31/12/09				
Borrowings	**Debt limit**	**Amount drawn down**	**Amount drawable**	**Consolidated debt**
Construction	99	23	76	50
Services	459	311	148	355
Corporate and other	2,889	2,245	644	2,245
Total bank borrowings excluding infrastructure projects	**3,447**	**2,579**	**868**	**2,650**

The differences between total bank borrowings and the carrying amount thereof at 31 December 2010 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting regulations.

Set out below is a more detailed description of interest rates, maturities and covenants for the main borrowings excluding infrastructure projects:

B.5 Corporate: Borrowings of Ferrovial, S.A.

B.5.1 Changes in borrowings
The changes in Ferrovial, S.A.'s borrowings in 2010 were as follows:

Millones de Euros							
	Balance at 01/01/10	**Increase**	**Decrease**	**Transfers**	**Interest**	**Effect of exch. rate**	**Balance at 31/12/10**
Non-current bank borrowings	**1,911**	**0**	**-183**	**0**	**24**	**58**	**1,810**
Tranche A1	1,788	0	-110	-854	16	0	840
Tranche A2	123	0	0	0	0	23	146
Tranche A3	0	0	-73	854	8	35	824
Current bank borrowings	**251**	**0**	**-251**	**0**	**0**	**0**	**0**
Tranche B	251	0	-251	0	0	0	0
Finance leases	0	3	0	0	0	0	3
Total	**2,162**	**3**	**-434**	**0**	**24**	**57**	**1,813**

The main changes during the year include:

a) Redenomination or transfer of EUR 854 million of tranche A1 denominated in euro to a new tranche A3 denominated in pound sterling.

b) Early repayment of a portion of the nominal amount of the existing debt amounting to EUR 152 million relating to EUR 79 million of tranche A1 and EUR 73 million of tranche A3.

c) Total repayment of tranche B amounting to EUR 251 million.

d) The fall in value of the euro vis-à-vis the Swiss franc and pound sterling led to increased indebtedness of EUR 23 million and EUR 35 million, respectively.

B.5.2 Main features of the bank borrowings

A. Structure
The borrowings at 31 December 2010 are structured in a single tranche maturing in December 2012, which, in turn, is subdivided into three sub-tranches, based on the currency in which the related amounts are drawn down. The amounts drawn down are as follows:

			Millions of euros
	Principal	Interest (i)	Total
Tranche A1	824	16	841
Tranche A2	146	0	146
Tranche A3	815	8	823
Total bank borrowings	**1,785**	**24**	**1,810**

(i) Accounted for using the amortised cost method.

- Tranche A1, denominated in euros.
- Tranche A2, denominated in Swiss francs. The amount drawn down against this tranche may be converted to euros at the end of any interest period, provided that the amount is converted only once during the life of the tranche for the total amount drawn down in Swiss francs.
- Tranche A3, available in pounds sterling.

There are also undrawn credit lines:
- a tranche C, forming part of the corporate debt, consisting of a revolving working capital facility of EUR 541 million, which has a maximum duration of three years; and
- a bilateral credit line of EUR 120 million maturing in 2013.

B. Applicable interest rates and credit limits
The interest rate applicable to the principle of financing is EURIBOR (for amounts drawn down in euros) / LIBOR (for amounts drawn down in Swiss francs and pounds sterling) plus a spread.

For the purposes of the accrual and settlement of interest on amounts drawn down, each drawdown will be divided into interest periods of three or six months (at Ferrovial's discretion).

For the same purposes, each Tranche C drawdown will have a duration of 15 days or one, two, three or six months (at Ferrovial's discretion), while in the bilateral credit facility the drawdowns can be made every 15 days.

As regards exposure to interest rate risk, set forth below is a detail of debt components indicating the portion tied to fixed interest rates, the portion hedged by derivatives and portion tied to floating rates.

Tipo de deuda				Millions of euros
	Balance at 31/12/10	%	Balance at 31/12/09	%
Fixed	0	0%	0	0%
Hedged	793	44%	793	42%
Floating	992	56%	1,111	58%
Total	**1,785**		**1,904**	

As regards Ferrovial, S.A.'s exposed borrowings, a fluctuation of 100 basis points in the interest rate would have an impact of EUR 10 million on the income statement (EUR 7 million on the net profit).

C. Maturities
The detail of the nominal maturities of the bank borrowings is as follows:

Millions of euros	2.011	2.012	2.013	2.014	2.015	Total
Tranche A1		869				869
Tranche A2		146				146
Tranche A3		815				815
Total	**0**	**1,830**	**0**	**0**	**0**	**1,830**

The differences between the nominal amount reflected in the table above and the Tranche A1 principal amount is due to the accounting adjustment of the fees on the transaction using the amortised cost method, as mentioned previously.

D. Financial obligations and guarantees
Ferrovial S.A. must fulfil the following financial obligations during the term of the financing, which will be assessed every six months:

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.

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).
The company was achieving both ratios at 31 December 2010.

B.6 Services
The bank borrowings relate basically to:

- Long-term bank loans and debt (EUR 99 million). The main features of these borrowings are presented below by company, which include mainly:
- Cespa (EUR 40 million). Bank loan hedged by an interest rate swap, as described in Note 11 on derivative financial instruments.
- Amey (EUR 34 million). Floating-interest bank loan tied to LIBOR.
- Long-term finance lease (EUR 14 million). Long-term portion of lease instalments and interest under long-term leases.
- Short-term bank loans and debt (EUR 71 million), which relate mainly to:
- Cespa (EUR 47 million). Bank loans measured at amortised cost.
- Sopovico (EUR 8 million).
- Short-term finance lease (EUR 3 million). Short-term portion of lease instalments and interest under long-term leases.

B.7 Construction
The borrowings comprise mainly loans granted to the subsidiary Cadagua amounting to EUR 12 million (13 EUR million at 31 December 2009), which bear interest at between 4% and 5.5%, to Webber amounting to EUR 11 million (EUR 0 million at 31 December 2009) and bank borrowings amounting to EUR 17 million (EUR 28 million at 31 December 2009).

20. Other non-current liabilities
The detail of the non-financial non-current liabilities is as follows:

	Balance at 31/12/10	Balance at 31/12/09	Balance at 31/12/08	Change 2010-2009	Change 2009-2008
Other long-term payables	122	120	106	1	14
Other non-financial payables	33	15	12	17	3
Total	**154**	**136**	**118**	**18**	**17**

"Other Long-Term Payables" includes mainly the participating loan granted by the State to the concession operator Autopista del Sol for the construction of the Estepona – Guadiaro section of the related toll road, totalling EUR 92 million at 31 December 2010 (90 EUR million at 31 December 2009).

The increase in "Other Non-Financial Payables" was due mostly to the inclusion of Amey-Cespa in the scope of consolidation (EUR 14 million).

This heading also reflects the net position of the investment in certain Economic Interest Groupings (EIGs) in which Ferrovial S.A. holds an interest and the absorption of their results totalling EUR 8 million. These Economic Interest Groupings engage in the lease of assets managed by another company not related to the Group that retains most of the rewards and is exposed to the risks associated with that activity. These Groupings have availed themselves of the tax incentives provided by Spanish legislation and their results are recognised under "Income tax" in the consolidated income statement.

Lastly, it should be noted that this line item also includes Ferrovial Agromán's accounts payable in relation to Sociedad Concesionaria BAIO amounting to EUR 7 million.

21. Trade and other payables
Set out below is an analysis of the remaining short-term, non-financial payables at 31 December 2010, 2009 and 2008::

					Millions of euros
Conceptos	Saldo al 31/12/10	Saldo al 31/12/09	Saldo al 31/12/08	Var. 2010-2009	Var. 2009-2008
Trade payables	3,906	4,121	4,183	-215	-62
Current tax liabilities	264	216	167	48	49
Other non-trade payables	719	857	792	-138	65
Total	**4,889**	**5,194**	**5,142**	**-305**	**52**
Advances paid (Note 14)	-50	-69	-72	19	3
Net trade payables	**4,839**	**5,126**	**5,070**	**-287**	**56**

"Other Non-Trade Payables" includes payables to public authorities other than income tax payables amounting to EUR 323 million at 31 December 2010 (EUR 289 million in 2009 and EUR 273 million in 2008).

Additionally, "Trade Payables" includes advances received on orders amounting to EUR 154 million (EUR 189 million at December 2009 and EUR 181 million at December 2008) and amounts billed in advance for construction work totalling EUR 602 million (EUR 592 million at December 2009 and EUR 299 million at December 2008).

Group management considers that the carrying amount of trade receivables approximate their fair value.

In compliance with Law 15/2010 amending the Law on combating late payment in commercial transactions, the Group has modified the model agreements with its suppliers in cases in which the new Law applies. 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.

"Other Non-Trade Payables" includes payables to public authorities other than income tax payables amounting to EUR 323 million at 31 December 2010 (EUR 289 million in 2009 and EUR 273 million in 2008).

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22. Tax matters

22.1 Reconciliation of the income tax expense to the profit or loss before tax

The reconciliation of the income tax expense to the profit or loss before tax for 2010 and 2009 is as follows:

In view of the significance of the Group's activities in Spain, the United Kingdom, Canada and the United States, following is the above-mentioned reconciliation for those countries:

Millions of euros 2010	Spain	United Kingdom	USA	Canada	Other countries	Total
Tax rate	30%	28%	40%	29%	27%	
Profit or loss before tax	**-401**	**-1,010**	**-31**	**2,580**	**592**	**1,730**
Result of companies accounted for using the equity method	-12	-34	0	-1	-16	-62
Permanent differences	-14	481	-8	-2,488	-362	-2,391
Taxable profit/ Tax loss	**-427**	**-562**	**-38**	**91**	**214**	**-723**
Tax at applicable tax rate	-128	-157	-15	27	48	-227
Tax credits	0	0	0	0	3	3
Other	-5	-3	11	5	14	21
Tax expense for the year	-133	-160	-4	31	64	-203
Effective tax rate applicable to tax base	**31.2%**	**28.5%**	**11.8%**	**34.5%**	**30.0%**	**28.1%**
Adjustment of prior years' tax	85	-80	16	19	77	118
Total tax expense	**-48**	**-240**	**12**	**50**	**142**	**-85**
Total effective rate applicable to profit or loss before tax	**12.0%**	**23.8%**	**-38.6%**	**1.9%**	**23.9%**	**-4.9%**

Ferrovial recognised tax income of EUR 85 million in its income statement, in spite of having earned a profit before tax of EUR 1,730 million.

Certain items included in the profit before tax that are not taxable need to be taken into consideration in order to be able to understand this figure:

- Result of companies accounted for using the equity method, which pursuant to accounting legislation, is presented already net of the related tax effect. The profit generated by these companies totalled EUR 61 million in 2010.

Permanent differences: which relate to either profits or losses which are not subject to taxation or which do not generate deductible expenses. The permanent differences totalled EUR 2,391 million in 2010 and related basically to:

United Kingdom:

· Non-deductibility of the impairment loss of EUR 460 million recognised by BAA on its interests in certain airports

Canadá:

· In 2010 10% of the share capital of 407 ETR was sold and the remaining 43% was therefore remeasured at fair value, as explained in Note 25 on impairment and disposals of non-current assets. The gain on that transaction was not subject to taxation and totalled EUR 2,489 million.

Other countries:

· In 2010 Cintra sold 60% of its ownership interest in Cintra Chile and, as explained in Note 26 on impairment and disposals of non-current assets, the ownership interest retained was remeasured at fair value, the gain on that transaction amounted to EUR 368 million and was not subject to taxation.

With these adjustments, the tax loss amounted to EUR 723 million and, applying the effective rate of each country and considering the tax credits for the year, the tax income totalled EUR 203 million, with an effective tax rate of 28%.

The difference between this tax income of EUR 203 million and total tax income recognised in the year totalling EUR 85 million relates to the adjustment of deferred tax assets and liabilities of prior years, giving rise to an expense of EUR 118 million, without any impact on cash, the detail being as follows:

· In the United Kingdom during 2010 the income rate tax changed from 28% to 27%. This led to an adjustment of the deferred tax balances recognised, giving rise to income totalling EUR 113 million. Additionally, other deferred taxes recognised in prior years were adjusted in relation to the investment in the United Kingdom giving rise to an expense of EUR 44 million. The impact after non-controlling interests of these two adjustments in the United Kingdom gave rise to net income of EUR 19 million.

· Additionally, the review of the business plans at the level of all Group companies led to the derecognition of tax assets previously recognised, giving rise to a period expense of EUR 89 million (same impact after non-controlling interests).

The sum total of all the aforementioned adjustments led to the recognition of an expense of EUR 20 million, with an impact on the net profit of EUR -71 million, which is considered a non-recurring loss with no impact on cash (see Note 25).

Lastly, with regard to the previously mentioned divestments of interests held in Cintra Chile and ETR 407 and as those transactions were tax exempt, deferred tax assets amounting to EUR 80 million and EUR 18 million, respectively, associated with the historical remeasurements of those investments were reversed. The related impact on expense totalled EUR 98 million and, for the purposes of the information on those investments, this amount was included in the net result generated by them.

	Spain	United Kingdom	USA	Other countries	Total
					Millions of euros 2009
Tax rate	30%	28%	40%	25%	
Profit or loss before tax	**233**	**-1,028**	**-40**	**200**	**-635**
Result of companies accounted for using the equity method	-10	-38		-10	-59
Permanent differences	12	819	8	36	875
Taxable profit/ Tax loss	**235**	**-248**	**-32**	**226**	**181**
Tax at applicable tax rate	70	-69	-13	62	50
Tax credits	0	-5	0	-16	-21
Other	-5	-29	0	-4	-39
Tax expense for the year	66	-104	-13	41	-10
Effective tax rate applicable to the tax base	**27.9%**	**42.0%**	**40.0%**	**18.4%**	**-5.4%**
Adjustment of prior year's tax	-73	-46	24	-30	-126
Total tax expense	**-7**	**-150**	**11**	**11**	**-135**
Total effective rate applicable to profit or loss before tax	**-3.1%**	**14.6%**	**-28.3%**	**5.5%**	**21.3%**

22.2 Difference between deferred tax and current tax

The breakdown of the accrued tax for 2010 and 2009, differentiating between current tax and deferred tax is as follows:

	Spain	United Kingdom	USA	CANADA	Other countries	Total
						Millions of euros 2010
Tax expense for the year	**-133**	**-160**	**-4**	**31**	**64**	**-203**
Deferred tax expense	-122	-191	5	28	-16	-296
Current tax expense	-10	30	-9	3	78	93
Adjustment of prior year's tax	85	-80	16	19	77	118
TOTAL tax expense	**-47**	**-240**	**12**	**50**	**140**	**-85**

	Spain	United Kingdom	USA	Other countries	Total
					Millions of euros 2009
Tax expense for the year	**66**	**-104**	**-13**	**41**	**-10**
Deferred tax expense	-31	-52	5	16	-62
Current tax expense	96	-52	-18	26	52
Adjustment of prior year's tax	-73	-46	24	-30	-126
TOTAL tax expense	**-7**	**-150**	**11**	**11**	**-135**

22.3 Changes in deferred tax assets and liabilities at December 2010

Millions of euros	Balance at 01/01/10	Transfers	Adjustments and other	Charge/ Credit to income statement	Assets held for sale	Charge/Credit to equity	Exchange rate effect	Balance at 12/31/10
Deferred tax assets								
Tax assets	**972**	228	-111	83	-53	0	8	**1,127**
Temporary differences (tax/accounting recognition methods)	**351**	88	-5	104	-51	0	9	**496**
Deferred tax assets arising from business combinations	**133**	-25	-6	-14	0	0	5	**93**
Valuations adjustments	**599**	-3	44	38	-6	61	18	**751**
Other	**135**	-105	25	6	-9	0	8	**59**
Total	**2,190**	**184**	**-53**	**217**	**-121**	**61**	**48**	**2,526**

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Millions of euros	Balance at 01/01/10	Transfers	Adjustments and other	Charge/ Credit to income statement	Assets held for sale	Charge/Credit to equity	Exchange rate effect	Balance at 12/31/10
Deferred tax liabilities								
Deferred tax liabilities arising from business combinations	**1,086**	-13	59	-159	-8	0	39	**1,003**
Temporary differences (tax/accounting recognition methods)	**868**	214	15	-53	-39	0	26	**1,032**
Valuation adjustments	**23**	0	67	-5	0	40	5	**130**
Industrial Building Allowance	**1,539**	-73	0	-130	0	0	56	**1,392**
Other	**521**	56	124	155	-8	0	3	**852**
Total	**4,037**	**184**	**266**	**-192**	**-56**	**40**	**129**	**4,409**

The deferred tax assets recognised at 31 December 2010 arose mainly from:

A. Tax assets

These relate to accrued tax assets which have not been deducted by the Group companies. This item does not include all the tax assets accrued, but rather only those that, based on Company projections, are expected to be used before they expire.

Section 4 of this Note provides further detail on these tax assets, which relate to the tax loss carryforwards (EUR 1,091 million), the most relevant of which relate to the BAA Group Airports business, (EUR 213 million) and to the Toll Roads Division (EUR 446 million) There are deferred tax liabilities (EUR 413 million) associated with these tax losses, and to reinvestment and dividend double taxation tax credits (EUR 36 million).

B. Assets and liabilities arising from timing differences between the accounting and tax income and expense recognition methods

This item relates to the tax impact resulting from the fact that the timing of recognition of certain expenses or depreciation and amortisation charges is different for accounting and tax purposes.

The recognition of a tax asset in this connection means that certain expenses have been recognised for accounting purposes before their recognition for tax purposes and, therefore, the Company will recover these expenses for tax purposes in future years. Conversely, a liability represents an expense that is recognised for tax purposes before its recognition for accounting purposes.

Worthy of mention is the accelerated depreciation of assets (EUR 649 million) at BAA. This liability reflects the difference between the accounting and tax depreciation of the assets used in BAA's business and will reverse in future years once the assets have become fully depreciated for tax purposes.

C. Deferred taxes from the revaluation of derivative instruments, pension funds and translation differences (valuation adjustments)

This reflects the accumulated tax impact resulting from valuation adjustments recognised in reserves. This impact appears as an asset or liability since there is no tax payable or refundable until this amount in reserves is transferred to profit or loss.

The asset balance relates to accumulated losses in reserves that will result in tax income when it is recognised in profit or loss. The liability balance relates to gains not yet recognised for tax purposes.

D. Deferred taxes arising from business combinations

The deferred taxes include most notably those arising on the acquisition of BAA, specifically:

- A deferred tax asset due to the remeasurement of the BAA Group's financial debt at fair value (EUR 93 million).
- Revaluation of the BAA Group's investment property at fair value at the date of acquisition by Ferrovial (EUR 146 million). This liability relates to the difference between the carrying amount of these assets and their tax base and will only become an expense if the assets are sold to third parties.
- Remeasurement of intangible assets (EUR 143 million) (rights to operate commercial space and right to operate non-regulated airports) and property, plant and equipment at fair value (EUR 479 million) during the business combination process following the acquisition of the BAA Group. This liability relates to the difference between the carrying amount of these assets and their tax base and will only become an expense if the assets are transferred to third parties.

E. Industrial Building Allowance (IBA)

This relate to the difference between the carrying amount of the airport terminals, which are classified as industrial buildings for tax depreciation purposes, (1,392 million) and their tax base (EUR 1,392 million).

F. Other

The other deferred tax liabilities include most notably the tax provision for the shareholdings abroad, relating specifically to the BAA Group (EUR 370 million) and Cintra USA (EUR 127 million).

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22.4 Tax assets

At 31 December 2010, the Ferrovial Group companies had tax loss carryforwards totalling EUR 4,408 million, giving a tax asset of EUR 1,386 million calculated at the tax rate applicable in each country.

The detail of the tax loss carryforwards and of the related tax credits calculated at the tax rate applicable in each country at 31 December 2010 is as follows:

				Millions of euros 2010
Country	Tax losses	Last year for offset	Maximum tax asset	Tax asset recognised
Spain	2,366	2016-2027	706	706
United States	1,153	2025-2029	457	167
UK	856	No lapsing date	216	216
Ireland	11	No lapsing date	1	1
Portugal	11	2008-2015	3	0
Poland	4	2008-2014	1	1
Chile, construction	6	No lapsing date	1	1
Total	**4,408**		**1,386**	**1,091**

Additionally, Ferrovial had unused reinvestment and other tax credits of EUR 198 million (EUR 206 million in 2009) at 31 December 2010, of which EUR 36 million had been recognised at 31 December 2010.

22.5 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. However, the Parent's directors consider that such liabilities as might arise from a possible assessment by the tax authorities would not be significant.

23. Contingent liabilities, contingent assets and obligations

A. Contingent liabilities

The Group has contingent liabilities for of litigation arising in the ordinary course of business from which no significant liabilities are expected to arise other than those for which provisions have already been recognised. In this connection, the most significant litigation relating to contingent liabilities is as follows:

Litigation and risk in relation to Spanish toll roads

In relation to the toll road business, the contingent liabilities relate to the cost of compulsory purchases, mainly in connection with the valuation of the land subject to compulsory purchase required to build toll roads, since several claims have been filed in this regards. Therefore, a provision of EUR 418 million has been recognised (see Note 18), relating mainly to the **R4) toll road.** However, this risk has been reduced by Additional Provision Forty-One of 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.

Also, Additional Provision Eighth of Law 43/2010 has introduced a measure aimed at partly mitigating the imbalance at several toll road concession operators affected by significant reductions in their traffic levels, which include the **R4** and **Ocaña La Roda** toll road concession operators, consisting of the possibility of receiving from the concession grantor compensation equal to the difference between the toll revenue that would have been earned had 80% of the traffic projected in the tender specifications been reached and the toll revenue arising from actual traffic. This compensation will only be available for a period of three years and is subject to certain budget restrictions and maximum volume limits.

As regards the **M-203 toll road,** operated by Sociedad Concesionaria de la Comunidad de Madrid, construction of which has been put on hold for several years, and which is also exposed to the risk of compulsory purchase cost overruns, the Madrid Department of Transportation and Infrastructure, through a Resolution of the Directorate-General of Roads of 9 July 2010, initiated proceedings to modify the concession arrangement and restore its economic and financial equilibrium. 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 grantor. The technical approval of the amended project was secured on 16 December 2010, although the modification case file that will specify the 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.

Claims of Promociones Habitat, S.A. in connection with the agreement for the purchase of Ferrovial Inmobiliaria, S.A.

Certain claims have been filed by Promociones Habitat, S.A. in relation to the guarantees provided under the agreement for the purchase of Ferrovial Inmobiliaria, S.A., pending resolution or payment, a provision for which has been duly recognised in the financial statements.

BAA, noise and competition

The Government requested a bid on measures to reduce noise generated by airport activities. BAA undertook to review those measures in the future. The Government and local entities have not determined to date the needs regarding the reductions of noise in local areas for night-time flights and, therefore, BAA's obligation in this regards is uncertain.

Additionally, in 2010 the UK Government made a change regarding the development of new runways at Stansted (SG2) and Heathrow (RW3) airports, putting their development on hold. Also, no decision has yet been handled down on the appeal filed by BAA in relation to the UK Competition Commission report obliging BAA to sell certain airports on the grounds that the Group holds a monopoly in the sector. These airports include Stansted and one airport in Scotland. BAA filed an appeal on which the Competition Commission had not handed down any decision at the date of these consolidated financial statements. However, as indicated in Note 37 on "Events after the Reporting Period", the appeal has subsequently been rejected.

Other litigation

In addition to the above-mentioned litigation, the various Group co panies are involved in a number of lawsuits in the ordinary course of b siness, as listed below:

- Claims relating to defects in construction projects performed or servi ces rendered.
- Claims for third-party liability in connection with the use of the Group's assets or the actions of Group employees, the most relevant of which re late to road accidents on the toll roads managed by the Group.
- Employment-related claims.
- Environmental claims.
- Tax claims.

Certain of the above-mentioned risks are covered by insurance policies (third-party liability, construction defects, etc.).

B. Bank guarantees

At 31 December 2010, the Group companies had provided guarantees totalling EUR 4,334 million (EUR 4,503 million in 2009).

The following table contains a breakdown of guarantees by business area. The most significant item relates to the Construction Division (EUR 3,174 million), consisting basically of guarantees covering the liability of construction companies for the performance and completion of construction work required during the bidding processes:

Millions of euros	2010	2009
Construction	3,174	3,452
Toll roads and car parks	436	210
Services	625	503
Airports	7	247
Other	91	91
Total	**4,334**	**4,503**

Financing guarantees
The guarantees that Ferrovial provided in relation to the financing of certain projects in which it has ownership interests are listed below:

- **Talca-Chillán.-** Guarantees limited to the increase in operating, financial and maintenance costs in the event of variances with respect to the estimated costs, for the equity interest retained in this company after the sale of 60% of its shares. These increases may be offset with the savings resulting in the past in this same connection.
- **Norte Litoral.-** Guarantee limited to the compulsory purchase cost overruns during the compulsory purchase period.
- **R4 Madrid Sur.-** There are two types of guarantee. A guarantee to cover payment of the debt service and another guarantee (EUR 13 million) in the event the concession is terminated or any ratio is not achieved prior to its expiry.
- **Azores.-** Guarantee limited to 10 EUR million until 2017 as required by Article 35 of the Portuguese Companies Law.
- **SH130.-** Guarantee limited to USD 23 million for the compulsory purchase cost overruns during the compulsory purchase period and a guarantee limited to USD 20 million for debt service during the first five years of operations.
- **Triconitex S.A.-** Guarantee of EUR 4 million at 2010 year-end for the payment of the principal of this company's finance lease.
- **Ecoparc del Mediterrani S.A.-** Guarantee from the shareholders in proportion to their shareholdings, limited to the amount of this company's credit facility (EUR 6 million at 2010 year-end).
- **Inagra.-** Guarantee from the shareholders in proportion to their shareholdings, limited to the amount of this company's credit facility (EUR 3 million at 2010 year-end).
- **UTE Reciclados Daimiel.-** Guarantee of EUR 0.15 million at 2010 year-end for the payment of the principal of this company's finance lease.
- **La Selva, Nora.-** Guarantee from the shareholders in proportion to their shareholdings, limited to several of this company's loans (EUR 3 million at 2010 year-end).

Note: The amounts relating to the guarantees correspond to Ferrovial Group's percentage interest in the various projects.

Additionally, in some projects and construction work, there are technical guarantees applicable up to the start-up of operations of the project or construction work, which are the standard guarantees demanded from shareholders in the framework of the financing transactions.

In the ordinary course of the Group's activities certain other technical guarantees have been provided, as is standard practice in this market.

In the Airports Division, following the approval of the refinancing process, BAA has guaranteed the fulfilment of its obligations with all its assets.

In the case of the Services Division, Amey has arranged guarantees and letters of credit totalling EUR 13 million for the investment and subordinated debt relating to its infrastructure projects.

Contingent assets
The Group had not received any significant guarantees from third parties at 31 December 2010 and 2009.

Investment obligations
As described in Note 1, the infrastructure projects carried out by the Group are performed through long-term contracts where the concession operator is a company in which the Group has interests, either alone or together with other partners, and it is the project itself to which the borrowings necessary for financing it is allocated, without recourse to the shareholder, under the terms set forth in Note 19. From the management viewpoint, Ferrovial takes into accounting only the investments obligations in the capital of the projects, since the investment in the assets is financed by the borrowings of the projects themselves.

The investment obligations undertaken by the Group in relation to the capital of its projects are as follows:

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Millions of euros	Total
Investments in infrastructure projects	483
Investments in infrastructure projects of companies accounted for using the equity method	116
Total	**599**

Obligations under operating and finance leases
The expense recognised in relation to operating leases in the income statement for 2010 totals EUR 215 million.

The future total minimum lease payments for non-cancellable operating leases are shown below:

2010	CORPORATE	CONSTRUCTION	TOLL ROADS	SERVICES	AIRPORTS	TOTAL
Less than one year			1	0	70	72
Between one and five years			1	1	287	289
More than five years				0	1,018	1,018
PROJECTS	**0**	**0**	**3**	**1**	**1,375**	**1,379**
Less than one year	2	26	3	33		64
Between one and five years	10	15	4	65		94
More than five years	40	3		18		61
OTHER COMPANIES	**52**	**44**	**7**	**116**	**0**	**219**
LESSEE	**52**	**44**	**9**	**117**	**1,375**	**1,598**
Less than one year					101	101
Between one and five years					336	336
More than five years					2,131	2,131
LESSOR	**0**	**0**	**0**	**0**	**2,568**	**2,568**

The operating leases include most notably those corresponding to "Airports" and "Corporate", relating mainly to the lease of buildings and technical equipment in the airports managed by BAA, as well as the lease of various buildings, including most notably the corporate headquarters.

Environmental obligations
Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

Investments in environmental activities are measured at acquisition cost and are capitalised to the cost of non-current assets in the year in which they are made, applying the methods described in Note 2 on "Accounting Policies".

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.

24. Fair value adjustments

The "Fair Value Adjustments" column shows the impact on the income statement of remeasuring certain assets and liabilities at their fair value without affecting cash. Specifically, in 2010 there were three items with a significant impact: The remeasurement at fair value of the interest retained in the companies over which control was lost during the year (see Notes 2 and 25), the impairment losses recognised on certain assets (see Note 5), and the impact of the revaluation of derivatives that are not considered effective the changes of the value of which are recognised in the income statement (see Note 11).

25. Impairment and disposals of non-current assets and other non-recurring effects

In addition to the revaluations and impairment losses included in the fair value adjustments, this line item includes the gains and losses on disposals recognised prior to the fair value adjustments.

Gains and losses recognised in 2010
The breakdown of the main gains and losses recognised in 2010 in relation to sales and impairment of significant assets and of their impact on the net profit or loss recognised is as follows:

	Impact on profit or loss before tax			
2010	**Before fair value adjustments**	**Fair value adjustments**	**Total 2010**	**Impact on net profit or loss**
Gains from disposals:				
APP	18	0	18	12
US Retail	7	0	7	1
Naples Airport	11	0	11	5
Other disposals	21	0	21	12
Impairments losses (Note 24)	0	-734	-734	-366
Total BAA	**56**	**-734**	**-678**	**-336**
Gains from disposals (Note 24):				
10% ETR 407	474	2,015	2,489	2,471
Chilean toll roads	206	148	354	274
Impairment losses (Note 24)	0	-277	-277	-193
Total Cintra	**680**	**1,886**	**2,567**	**2,552**
Gains relating to Tubelines	2	0	2	2
Other gains on disposals	2	0	2	2
Other impairment losses	0	-13	-13	-10
Impairment and gains and losses on disposals of non-current assets	**740**	**1,139**	**1,879**	**2,210**

Gains

On 5 October 2010, Cintra Infraestructuras reached an agreement to sell 10% of its interest in the share capital of the 407 ETR toll road concession operator in Toronto, Canada for CAD 894 million (EUR 634 million). The transaction gave rise to a pre-tax gain of 2,489 million (EUR 2,471 million effect on net profit), which is distributed between the gain itself on the sale of the 10% interest (EUR 474 million effect on profit before tax and EUR 467 million effect on net profit), and the remeasurement at fair value of the interest retained, representing 43.23% of the share capital of that company (EUR 2,015 million effect on profit before tax and EUR 2,005 million effect on net profit), and the latter amount was recognised as a fair value adjustment in the Group's consolidated income statement.

Additionally, on 15 September 2010 Cintra Infraestructuras completed the sale of 60% of its equity interest in Cintra Chile, a company that operates five stretches of Chilean toll roads, CLF 7 million (approximately EUR 220 million). Furthermore, the buyer and seller set forth cross call and put options of 40% on the remaining 40% of the shares. The transaction gave rise to a pre-tax gain of EUR 354 million (EUR 274 million effect on net profit), of which EUR 206 million relate to the gain on the 60% ownership interest sold (EUR 158 million net) and EUR 148 million (before tax) relate to the remeasurement at fair value of the interest retained and the latter amount was recognised as a fair value adjustment in the group's consolidated income statement (EUR 116 million net).

The impact of the capital gains on the net profit totalled **EUR 2,779 million.**

Impairment

The BAA Group reviews the fair value of its assets at least once a year and in 2010 recognised an impairment loss EUR 734 million before tax (EUR 369 million effect on net profit), as described in Notes 5, 7.2-a, 7.2-b and 7.2-c. Additionally, net impairment losses of EUR 3 million were reversed at companies accounted for using the equity method within the BAA Group.

In the Toll Roads Division, an impairment loss of EUR 277 million (with an impact on net profit of EUR 200 million) was recognised in relation to the portfolio of Spanish toll roads and other European toll roads, due to the negative evolution of traffic during 2010 and to the update of the long-term assumptions made for these toll roads, as described in Notes 7.1 and 9. Additionally, net impairment losses of EUR 7 million were reversed at companies accounted for using the equity method in the Toll Roads Division.

Lastly, impairments losses were recognised in the other divisions with a net impact of EUR 10 million, signifying that the total impact of net impairment losses on the net profit for the year amounted to **EUR 569 million.**

Other non-recurring effects

Additionally, there are other non-recurring effects with no effect on cash that are not included in this line item:

- **Taxes**, with a negative effect on the profit of **EUR 89 million,** relating to adjustments to income tax amounting to EUR 71 million, as detailed in Note 22, and provisions for other taxes with an effect of EUR 26 million on the pre-tax profit (EUR 18 million effect on the net profit).

- **Derivatives and other fair value adjustments**, with a negative impact on the net profit of **EUR 46 million**, of which:

  · EUR -41 million (effect on net profit and EUR -79 effect on profit before tax), relate to the adjustment to fair value of derivatives and other financial instruments at fully consolidated companies, as described in Note 28. The principal item in this connection relates to the measurement at fair value of derivatives and amounts to EUR of -42 million (effect on net profit and EUR -84 million effect on pre-tax profit), as described in Note 11.

  · EUR -5 million (effect on net profit) relate to the remeasurement at fair value of financial instruments held by companies accounted for using the equity method.

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Gains and losses recognised in 2009

			Impact on profit or loss before tax	
2009	**Before fair value adjustments**	**Fair value adjustments**	**Total 2009**	**Impact on net profit or loss**
Loss on disposal of Gatwick airport	-730	0	-730	-408
Impairment loss recognised for Stansted airport	0	-53	-53	-21
Total BAA	**-730**	**-53**	**-783**	**-429**
Gain relating to Cintra Aparcamientos	95	0	95	50
Impairment loss recognition for Valdebebas land	0	-37	-37	-26
Gain on sale of Amey contracts	5	0	5	5
Other	10	0	10	9
Impairment and gains and losses on disposals of non-current assets	**-620**	**-90**	**-710**	**-392**

The main impact on "Impairment and Disposal of Non-Current Assets" in 2009 related to the impairment loss recognised for Gatwick airport and the loss recognised on its subsequent sale, completed on 3 December, which resulted in a total pre-tax loss of EUR 730 million (EUR 408 million effect on the net profit or loss attributable to the Parent).

Additionally, on 27 July the sale of Cintra Aparcamientos was completed, which gave rise to a gain of EUR 95 million (EUR 50 million effect on the net profit or loss attributable to Ferrovial).

26. Operating income

The detail of the Group's operating income is as follows:

Millions of euros	2010	2009
Revenue	**12,169**	**12,095**
Sales	11,895	11,942
Other income	275	154
Other operating income	**17**	**30**
Total operating income	**12,186**	**12,126**

27. Staff costs

The detail of the staff costs is as follows:

Millions of euros	2010	2009
Wages and salaries	2,928	2,881
Social security costs	434	436
Pension plan contributions	18	60
Share-based payments	15	14
Other employee benefit costs	27	32
Total	**3,422**	**3,423**

The average number of employees at 31 December 2010, by professional category and gender, was as follows:

	2010			2009			
	Men	Women	Total	Men	Women	Total	Change
Board directors	11	1	12	11	1	12	0.00%
Senior managers	11	0	11	14	0	14	-21.43%
Managers	1,335	342	1,677	1,305	313	1,618	3.68%
University graduates	7,033	2,498	9,531	6,820	2,501	9,321	2.25%
Administrative staff	2,853	3,596	6,449	3,282	4,099	7,381	-12.63%
Workers and technicians	57,243	26,493	83,736	55,836	25,877	81,713	2.48%
Total	**68,486**	**32,930**	**101,416**	**67,268**	**32,791**	**100,059**	**1.36%**

The average number of employees by business division is shown below::

	2010			2009		
	Men	Women	Total	Men	Women	Total
Construction	11,108	1,544	12,652	12,292	1,578	13,870
Corporate	204	145	349	208	144	353
Real estate	36	75	111	39	79	119
Services	49,164	26,201	75,365	49,358	27,030	76,388
Concessions	1,275	974	2,249	2,488	1,967	4,456
Airports	6,251	4,019	10,269	7,851	5,081	12,932
Total	**68,038**	**32,957**	**100,995**	**72,237**	**35,880**	**108,117**

28. Financial results

The changes in finance costs and finance income are as follows:

Millions of euros	2010	2009	Change %
Borrowing costs	-1,436	-1,445	-1%
Interest income on financial assets	19	26	-26%
Net borrowing costs	-1,417	-1,420	0%
Finance costs relating to derivative financial instruments and other fair value adjustments	-48	-148	-68%
Other	-107	18	-697%
Total financial loss of infrastructure projects	**-1,572**	**-1,550**	**1%**
Borrowing costs	-165	-121	36%
Interest income on financial assets	29	22	32%
Net borrowing costs	-136	-99	37%
Finance costs relating to derivative financial instruments and other fair value adjustments	-31	98	-131%
Other	14	-4	-422%
Total financial loss of other companies	**-153**	**-5**	**2775%**
Financial loss	**-1,725**	**-1,555**	**11%**

As indicated in Note 11, the loss in 2010 was significantly affected by the effect, in accordance with the applicable accounting legislation, of the remeasurement at fair value of certain hedging transactions not qualifying for hedge accounting, the results of which are therefore recognised in the income statement.

The gains or losses presented in the table above relating to changes in the fair value mainly of derivative financial instruments relate to ineffective derivatives; the effective portion is recognised in profit or loss together with the gain or loss on the hedged item of the same nature, as explained in Note 11 on derivative financial instruments at fair value. The remeasurement of derivatives at fair value had a negative impact of EUR 79 million on finance costs before taxes (negative effect of EUR 41 million after tax).

The breakdown, by project, of the financial loss of infrastructure projects is shown below. The table indicates the portion of the borrowing costs that is capitalised to concession infrastructure under construction:

Millions of euros			2010			2009
Financial loss of infrastructure projects	**Borrowing costs capita-lised during construction period**	**Borrowing costs recognised in profit or loss**	**Accrued finance costs and income**	**Borrowing costs capita-lised during construction period**	**Borrowing costs recognised in profit or loss**	**Accrued finance costs and income**
BAA	-27	-984	-1,011	-25	-894	-919
Other airports	0	0	0	0	0	0
407 ETR International	0	-171	-171	0	-218	-218
Skyway Concession	0	-78	-78	0	-70	-70
Spanish toll roads	0	-141	-141	0	-87	-87
Chilean toll roads	0	0	0	-3	-113	-116
Other toll roads	-62	-37	-99	-39	-26	-65
Services	-1	-2	-3	-3	-6	-9
Construction	0	-5	-5	0	-5	-5
Total	**-90**	**-1,417**	**-1,507**	**-70**	**-1,420**	**-1,489**

29. Net profit or loss from discontinued operations

In 2010 the Group did not recognise any profit or loss or cash flows from discontinued operations.

30.Earnings per share

A. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year. The calculation of basic earnings per share attributable to the Parent is as follows:

Basic earnings per share attributable to the Parent:

	2010	2009
Net profit or loss attributed to the Parent (*)	**2,163**	**-72**
Weighted average number of shares outstanding (thousands of shares)	589,802	589,802
Less average number of treasury shares (thousands of shares)	0	0
Average number of shares to calculate basic earnings per share	**589,802**	**589,802**
Basic earnings per share (euros)	**3.67**	**-0.12**

(*) Restated in 2009 under the new accounting rules.

B. Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding in order to reflect the conversion of all dilutive potentially ordinary shares. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

At 31 December 2010 and 2009, the Group did not have any dilutive potential ordinary shares, since no convertible shares were issued and the share-based or stock option remuneration plans discussed in Notes 32 and 33, respectively, will not give rise to any capital increases at the Group, as explained therein. Consequently, no dilutive impact is envisaged when employee rights under the plans are exercised.

31. Cash flow

The cash flow statement was prepared in accordance with IAS 7. This note provides additional disclosures thereon. This breakdown is based on internal criteria established by the Company for business purposes, which in certain cases differ from the provisions of IAS 7. The main criteria applied are as follows:

- In order to provide a clearer explanation of cash generated, the Group separates cash flows into "cash flows excluding infrastructure projects" –where infrastructure project companies are treated as financial assets and the investments in the capital of these companies are therefore included in cash flows from investing activities, and yields on the investments (dividends and cash reimbursements) are included in cash flows from operating activities–, and "cash flows of infrastructure projects", consisting of cash flows from operating and financing activities of infrastructure projects (Note 1 contains a detailed definition of infrastructure projects).

- The treatment given to interest received on cash and cash equivalents differs from that of the cash flow statement under IAS 7, since this interest is included in cash flows from financing activities with a reduction in the amount recognised under "Net Interest Paid".

- Lastly, these flows endeavour to present the changes in the net cash position as defined in Note 20, as the net amount of borrowings, cash and cash equivalents and restricted cash. This method also departs from IAS 7, which explains the changes in cash and cash equivalents.

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2010

	2010 (millions of euros)			
	Cash flow excluding infrastructure projects	Cash flow of infrastructure projects	Eliminations	CONSOLI-DATED CASH FLOW
EBITDA	573	1,941	0	2,514
Dividends received	178	0	-134	44
Income tax paid	-60	**-22**	0	-81
Changes in receivables, payables and other	120	-92	0	28
Cash flows from operating activities	**811**	**1,828**	**-134**	**2,505**
Investment	-420	-1,972	224	-2,168
Divestment	1,124	148	0	1,272
Cash flows from investing activities	**704**	**-1,824**	**224**	**-895**
Cash flows before financing activities	**1,515**	**4**	**90**	**1,609**
Net interest paid	-138	-1,161	0	-1,299
Proceeds from capital and non-controlling interests	0	355	-221	134
Payment of dividends to shareholders of the Parent	-315		0	-315
Payment of dividends to non-controlling interests of investees	-5	-211	134	-82
Change in exchange rate	-6	-670	0	-676
Exclusion - net debt of held-for-sale assets/companies accounted for using the equity method	180	3,125	0	3,305
Other changes in borrowings (no cash flow)	-27	-168	2	-193
Change in net cash position	**1,203**	**1,275**	**5**	**2,483**
Opening position	-1,172	-21,110	11	-22,271
Closing position	31	-19,836	16	-19,789

2009

	2009 (millions of euros)			
	Cash flow excluding infrastructure projects	Cash flow of infrastructure projects	Eliminations	CONSOLI-DATED CASH FLOW
EBITDA	561	2,030	0	2,591
Dividends received	129	0	-119	10
Income tax paid	-38	**-11**	0	-49
Changes in receivables, payables and other	188	-208	0	-20
Cash flows from operating activities	**841**	**1,811**	**-119**	**2,534**
Investment	-496	-1,626	285	-1,837
Divestment	483	1,561	-11	2,034
Cash flows from investing activities	**-12**	**-65**	**274**	**197**
Cash flows before financing activities	**829**	**1,746**	**155**	**2,730**
Net interest paid	-128	-1,215	0	-1,343
Proceeds from capital and non-controlling interests	1	448	-271	178
Payment of dividends to shareholders of the Parent	-284		0	-284
Payment of dividends to non-controlling interests of investees	-20	-204	119	-105
Change in exchange rate	-5	-1,131	0	-1,136
Exclusion - net debt of held-for-sale assets/companies accounted for using the equity method	0	-993	0	-993
Other changes in borrowings (no cash flow)	-19	-128	0	-147
Change in net cash position	**374**	**-1,476**	**3**	**-1,099**
Opening position	-1,547	-19,634	8	-21,172
Closing position	-1,172	-21,110	11	-22,271

The directors' report includes detailed disclosures on the changes in cash flow for 2010.

32. Remuneration of the Board of Directors

32.1 Directors' remuneration

The Board of Directors of Ferrovial S.A. intends to prepare and make available to shareholders a "Report on Remuneration" for 2010 addressing the following aspects:

- Approval of the remuneration policy.
- Criteria applied in the existing policy.
- Bylaw provisions and regulations governing remuneration of the

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Board of Directors.

- Process for determining remuneration.
- 2010 remuneration system.
- New developments in the remuneration policy.
- Policy envisaged for 2011 and subsequent years.
- Other matters of interest.

32.2 Remuneration system for the Board of Directors for 2010 – Total and overall remuneration

Under the Company's current remuneration scheme, regulated by Article 57 of its bylaws, the shareholders at the Annual General Meeting determine the total, fixed annual remuneration for all the members of the Board of Directors.

At the Annual General Meeting held on 22 October 2009 [1] the shareholders set the fixed annual remuneration for the whole Board of Directors at EUR 1,772,727, in consideration of the number of members at the time of approval (thirteen). As per the resolutions of that same Annual General Meeting, if the number of Board members were to increase or decrease, the fixed and overall annual amount is to be adjusted accordingly based on the period of Board membership of the incoming or outgoing members.

The shareholders at the Annual General Meeting also decided that, for financial years after 2009 this amount would be automatically reviewed in accordance with the changes in the Consumer Price Index.

In application of these resolutions ([2]), the fixed annual amount for 2010 totalled EUR 1,649,455 for the twelve Board members, to be distributed in proportion to the time served on the Board. As a result of the incoming and outgoing Board members throughout the year, the actual overall annual remuneration earned by the Board of Directors was finally EUR 1,721,006.92.

32.3 Board of Directors' remuneration items

Pursuant to Article 57 of the bylaws, each year the Board of Directors must distribute among its members the overall annual amount set by the Annual General Meeting, comprising the following items:

(i) A fixed emolument, set at a gross annual amount of EUR 420,000 for the twelve members of the Board of Directors at 2010 year-end. This total did not change with respect to 2009.

This amount was adjusted based on Directors joining or leaving the Board during the year, and was allocated on the basis of their period of office, such that the amount actually earned for this item during 2010 was a gross annual sum of EUR 438,171.23 for all the members of the Board.

(ii) Fees for actual attendance at meetings of the Board of Directors and its committees or advisory bodies.

Attendance fees for 2010 totalled EUR 646,500.

(iii) And the lower of the following amounts: ((a) the amount remaining, after deducting the preceding two items, to reach the overall total amount determined by the shareholders at the Annual General Meeting; and (b) a sum equal to 0.5% of the consolidated profit for the year attributable to the Company.

For 2010, since the figure of 0.5% of consolidated profit for the year attributable to the Company was higher, the remainder described in letter (a), i.e., the gross sum of EUR 636,335.69 is to be distributed, at all times in proportion to the time served on the Board. The resulting amount is distributed by dividing it into 15, applying the following factors in the allocation of individual amounts to the ratio: Chairman of the Board: *2; First Deputy-Chairman *1.75; Second Deputy-Chairman *1.25 and the other Board members *1.

Pursuant to the resolutions of the Board of Directors, the amount earned under this third item must be invested in Company shares. The acquisition of shares, in a single transaction, shall take place at the first trading session following the deadline set by the Spanish National Securities Market Commission (CNMV) to send the periodic financial information once the Annual General Meeting approving these financial statements for the year has been held. The shares acquired can only be divested by the interested party once three full years have elapsed after the year of acquisition.

32.4 Individual bylaw-stipulated emoluments of the members of the Board of Directors

The table below shows the itemised bylaw-stipulated emoluments of the members of the Board of Directors earned in 2010.

[1] Under the name of Cintra Concesiones de Infraestructuras de Transporte, S.A.

[2] The year-on-year increase in the CPI of December 2009 was 0.8%, the percentage that was applied to the automatic review of the remuneration of the Board of Directors.

							(Amounts in euro)
	2010				2009		
DIRECTOR (a)	Fixed remuneration	Attendance fees (b)	Remainder	Total	Fixed remuneration	Attendance fees (b)	Total
Rafael del Pino y Calvo-Sotelo	35,000.00	106,000	87,646.24	228,646.24	35,000	114,000	149,000
Santiago Bergareche Busquet	35,000.00	57,000	76,690.46	168,690.46	35,000	71,500	106,500
Joaquín Ayuso García	35,000.00	53,000	54,778.90	142,778.90	35,000	55,000	90,000
Iñigo Meirás Amusco	35,000.00	53,000	43,823.12	131,823.12	6,904	14,000	20,904
Jaime Carvajal Urquijo	35,000.00	65,000	43,823.12	143,823.12	35,000	83,000	118,000
Portman Baela, S.L.	35,000.00	35,000	43,823.12	113,823.12	35,000	49,000	84,000
Juan Arena de la Mora	35,000.00	44,000	43,823.12	122,823.12	35,000	42,000	77,000
Santiago Eguidazu Mayor (until 30/09/10)	26,250.00	31,000	32,777.29	90,027.29	35,000	52,000	87,000
Gabriele Burgio	35,000.00	39,500	43,823.12	118,323.12	35,000	58,500	93,500
María del Pino y Calvo-Sotelo	35,000.00	51,000	43,823.12	129,823.12	35,000	57,000	92,000
Santiago Fernández Valbuena	35,000.00	51,000	43,823.12	129,823.12	35,000	63,000	98,000
José Fernando Sánchez-Junco Mans	35,000.00	37,000	43,823.12	115,823.12	2,685	3,000	5,685
Karlovy S.L. (since 25/03/2010)	26,921.23	24,000	33,857.86	84,779.09	(-)	(-)	(-)
José María Pérez Tremps (c)	(-)	(-)	(-)	(-)	33,658	57,000	90,658
TOTAL	**438,171.23**	**646,500**	**636,335.69**	**1,721,006.92**	**393,247**	**719,000**	**1,112,247**

(a) Period in office. Full year, unless otherwise stated.
(b) The amounts per meeting are the same in 2009 and 2010: Board of Directors: EUR 3,000/meeting; Executive Committee: EUR 2,000/meeting; Audit and Control Committee: EUR 2,000/meeting; Nomination and Remuneration Committee: EUR 1,500/meeting. The amount of the attendance fees earned by the chairpersons of all these bodies are twice the sums indicated.
(c) Director until 17/12/09.

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32.5 Remuneration of executive directors

The executive directors, of whom there were three in 2010, earned the following remuneration, irrespective of attendance fees and bylaw-stipulated emoluments payable to them as directors:

(thousands of euros)	2010	2009
Fixed remuneration	2,900	2,540.5
Variable remuneration	3,875	2,708.2
Exercise of share options and/or other financial instruments [see description]	(-)	(-)

32.6 Remuneration of the members of the Board of Directors membership of other managing bodies of Group companies, jointly controlled entities or associates

The executive and non-executive directors of Ferrovial S.A., who are in turn members of the managing bodies of other Group companies, jointly controlled entities or associates, earned EUR 51.5 thousand in this respect in 2010 (EUR 2.6 thousand in 2009).

32.7 Pension funds and plans or life insurance premiums.

As in 2009, no contributions were made in 2010 to pension plans or funds for former or current members of the Company's Board of Directors. No such obligations were incurred during the year.

As regards life insurance premiums, the Company has insurance policies covering death, for which premiums totalled EUR 14.8 thousand in 2010 (EUR 12.7 thousand in 2009), of which the executive members are beneficiaries.

No contributions were made and no obligations incurred in respect of pension funds or plans for the directors of Ferrovial S.A. that are members of other boards of directors and/or the senior management of Group companies, jointly controlled entities or associates. No life insurance premiums were paid in this regard. The situation has not changed since 2009.

32.8 Advances and loans

At 31 December 2010, no advances or loans had been granted to the directors by the Parent or due to their membership of other boards of directors and/or senior management of Group companies, jointly controlled entities or associates.

A. Remuneration of senior executives

The joint remuneration earned by the Company's senior executives in 2010 was as follows:

(thousands of euros)	2010	2009
Fixed remuneration	3,917.8	4,206.0
Variable remuneration	4,087.6	3,943.2
Exercise of share options and/or other financial instruments [see description]	(-)	(-)
Remuneration as members of managing bodies of other Group companies, jointly controlled entities or associates	1	33.5
Contributions to pension funds or plans, or similar obligations	(-)	(-)
Insurance premiums	20.9	18.4

No loans were granted to the senior executives and at 31 December 2010 the loan granted to the senior executives at the beginning of the year, which had been granted to them prior to their capacity as senior executives, had been repaid in full. In 2009 these loans amounted to EUR 143 thousand.

The aforementioned remuneration corresponds to the following posts:

Economic and Financial General Manager
General Manager - Human Resources
General Manager - Construction
General Manager - Real Estate
General Manager - Services
General Manager - Airports
General Manager - Toll Roads
General Manager - Information Systems
Internal Audit Manager
Manager of Quality and Environment (until 29 April 2010)
Manager of Communication and Corporate Responsibility
Manager of Market Studies and Analysis (until 2 March 2010)
General Secretary

This does not include remuneration for senior managers who were also executive directors which was addressed previously.

B. Share option plans (2004, 2006 and 2008)

Ferrovial S.A.'s assumption of the share option plans of Grupo Ferrovial S.A.

By virtue of the merger of Grupo Ferrovial and Cintra Concesiones de Infraestructuras de Transporte S.A. in 2009, and according to the terms and conditions of the merger plan, the post-merger company, Ferrovial S.A., succeeded to the extinct Grupo Ferrovial S.A.'s obligations under the share option plans. The option rights were automatically converted to option rights on the shares of Ferrovial S.A., in accordance with the share exchange ratio stated in the merger plan.

In 2004 the shareholders at the Annual General Meeting authorised a remuneration system consisting of a share option plan for members of the Board of Directors discharging executive functions and senior managers reporting directly to the Board or to its delegated bodies. The system consists of share options being granted on Company shares, which can be exercised only after three years have elapsed since the grant date, provided certain profitability ratios are achieved (see the detailed information in the Note on "Share-Based Payment").

In 2006 and 2008, the shareholders at the Annual General Meeting approved two new share option plans with the same scope in terms of beneficiaries.

Amendments to share option plans

In 2008 the Board of Directors resolved to amend the share option plans approved prior to that date by extending the exercise period from three to five years, as stipulated in subsequent plans (and 2008). As regards the share option plans in which the beneficiaries are executive directors, members of the Company's Executive Committee or senior managers reporting directly to the Board or to its delegated bodies, the effectiveness of the amendment was subjected to approval by the shareholders at the Annual General Meeting.

C. Target-based share plan

On 17 December 2009, the Board of Directors approved a remuneration plan consisting of deliveries of shares of Ferrovial, S.A. The total number of shares that may be granted annually under this plan may not exceed 2,420,000 or 0.33% of Ferrovial, S.A.'s share capital.

The plan consists of the allocation to beneficiaries of a number of units that will serve as a basis in order to determine the final number of shares that they will be able to receive as a result of their participation in the plan.

The plan duration is three years and units will be assigned on an annual basis 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.

Delivery is conditional upon at least three years' 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 plan is aimed at managers, members of the Board of Directors of Ferrovial, S.A. who discharge executive functions and senior managers reporting directly to the Board or its delegated bodies. The application of this programme to Senior Management was authorised by the Annual General Meeting held 29 June 2010.

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D. Other disclosures on remuneration

Agreements between the company and senior executives, including two executive directors, specifically provide for the right to receive the indemnities referred to in Article 56 of the Workers' Statute, in the event of unjustified dismissal.

In addition, in order to encourage loyalty and long-service, a type of deferred remuneration item was recognised for eleven senior executives, including two executive directors. This item consists of an extraordinary remuneration that will only become effective when certain of the following circumstances occur:

- Removal of the senior executive by mutual agreement or upon reaching a certain age.

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

- The death or disability of the member of the senior executive.

To cover this incentive each year, the Company contributes to a group savings insurance policy, of which the Company itself is both policyholder and beneficiary, quantified according to a certain percentage of the total monetary remuneration of each senior executive. In 2010 the contributions made amounted to EUR 2,528.2 thousand (EUR 2,537.4 euro in 2009).

To supplement this information, it should be noted that individuals are occasionally hired to hold positions at various levels of management, mainly abroad, for which certain clauses have been used that provide for termination. In 2009, an executive whose contract includes clauses of this type on a temporary basis became a senior executive.

Lastly, it should be noted that the contracts of two senior executives stipulate additional rights in their favour, including prior notice obligations incumbent upon the Company in the event of unjustified dismissal.

33. Share option plans

A. SHARE OPTION PLANS

The features of the Ferrovial share option plans at the date of preparation of these consolidated financial statements are as follows:

Share option plan (Participants /Grant Date)	No. option grante	Exercise price (euros)
Ferrovial managers / July 2003	7,200,000	6,058
Ferrovial senior executives / April 2004	6,332,000	8,413
Amey-Cespa managers / June 2004	520,000	8,51
Ferrovial managers / October 2005	6,425,440	15,885
Cintra managers / October 2005	374,560	15,885
Cintra managers / October 2005	940,625	8,98
Ferrovial senior executives / May 2006	3,592,000	16,48
Cintra senior executives / November 2006	67,720	10,54
BAA managers / February 2007	5,104,012	18,298-19,635
BAA managers / July 2007	4,511,072	18,090-18,450
Cintra senior executives / July 2007	94,178	10,900-11,900
BAA managers / November 2007	6,008,124	10,825-15,285
Ferrovial managers / November 2007	8,000,000	14,99
Cintra managers / November 2007	871,175	10,72
Ferrovial senior executives / April 2008	6,091,200	12,585
Cintra senior executives / April 2008	256,562	9,09
BAA managers / November 2008	1,540,660	6,018
Plans extensions Ferrovial managers	1.207.200	7.240-18.383

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 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 detail of the changes in the Company's share option plans for 2010 and 2009 is as follows:

	Number of options	
	2010	2009
Number of options at beginning of year	45,262,583	48,940,272
Plans granted	-	-
Options not taken up and other	-2,022,782	-3,447,801
Options exercised	-195,700	-229,888
Number of options at end of year	43,044,101	45,262,583

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No new plans were granted in 2010.

Equity swaps were arranged by Ferrovial at the grant date in order to hedge against possible losses resulting from the exercise of share options. These swaps ensure that Ferrovial 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 to Ferrovial cash amounts equal to the return on Ferrovial's shares, in return for a payment by Ferrovial. 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 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 an amount equal to all the dividends generated by those shares.

Ferrovial 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, Ferrovial 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 11).

In 2010 a loss was recognised in respect of these contracts, as explained in Note 9.

Amounts received in the form of dividends generated by the shares and paid in the form of returns to the financial institution in question, under the equity swap contracts described above totalled EUR 23 million (EUR 16 million in 2009) and EUR 7 million (EUR 7 million in 2009), respectively.

Ferrovial's staff costs in relation to these remuneration systems in 2010 totalled EUR 15 million (EUR 14 million in 2009).

B. Employee share delivery plan

In 2010 the Board of Directors approved and was granted a remuneration programme consisting of the delivery of Ferrovial, S.A. shares amounting to 2,302,300 shares. This programme was directed at managers and senior executives.

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 expenses at Ferrovial relating to these remuneration systems totalled EUR 3 million in 2010.

34. Information on transactions with related parties

Approval of transactions

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

1. Performed under contracts containing standard terms and conditions and applied en masse to numerous customers.
2. Effected at prices or rates established on a general basis by the party acting as the supplier of the good or service in question.
3. Amount does not exceed 1% of the Company's annual income.

The following persons are subject to these rules:

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

Related party transactions

The most relevant arm's length transactions with related parties effected in 2010 in the ordinary course of the Company's and the Group's business are analysed below.

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 (*).

Significant shareholders

The following table contains a breakdown of the most significant transactions carried out in 2010 with significant shareholders, with members of the "controlling family group" (except for the natural persons who are in turn Company directors, who are included in the following section) or entities related through shareholdings to persons from the "controlling family group" (1):

				(Thousands of euros)			
					2010		2009
Name/ Company name	**Ferrovial Group company**	**Nature of transaction**	**Type of transaction**	**Amount**	**Profit or Loss**	**Amount**	**Profit or Loss**
Miembros del "grupo familiar de control"/ entidades vinculadas a ellos	Ferrovial Agroman S.A. / filiales	Comercial	Ejecución de obras de construcción	1.998	167	7.656	665
	Ferrovial Servicios S.A. / filiales	Comercial	Prestación de la gestión integral de servicios en oficinas de Madrid	423	106	417	125
	Ferrovial Conservación S.A.	Comercial	Arrendamiento a Ferrovial de locales de oficinas en Madrid propiedad de accionistas	186	(*)	151	(*)
	Ferrovial Servicios S.A. / Filiales	Comercial	Prestación de la gestión integral de servicios en oficinas de Madrid	152	20	220	22

(1) According to a notification sent to the CNMV and to the company on 10 December 2009, the "official family group" formed by Maria, Rafael, Leopoldo, Fernando and Joaquin del Pino y Calvo-Sotelo controls, through the company KARLOVY, S.L., the majority of the share capital of PORTMAN BAELA, S.L, which owns 44.607% of Ferrovial S.A.
(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

Transactions with directors and senior executives

Transactions performed with the Company's directors, representatives of directors and senior executives in 2010 are described below. Also shown are transactions performed with Banesto, NH Hoteles, Ericsson, Asea Brown Bovery, Cepsa, Aviva, Telefónica, Sol Meliá, Maxam and Bimarán in accordance with Section Two of Order EHA/3050/2004, as certain Company directors are or were at some time in 2010 Directors or senior executives of those companies:

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				(Thousands of euros)			
					2010		2009
Name/ Company name	**Ferrovial Group company**	**Nature of transaction**	**Type of transaction**	**Amount**	**Profit or Loss**	**Amount**	**Profit or Loss**
Rafael del Pino y Calvo-Sotelo	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Cleaning and maintenance services (1)	28	6	25	
Ericsson	Ferrovial Servicios, S.A. / subsidiaries	"	Integrated services of management	126	34	47	14
Aviva	Ferrovial Group companies	"	Arrangement of insurance policies	2,528	(*)	2,537	(*)
Maxam Europe	Ferrovial Agromán / subsidiaries	Commercial	Receipt of supplies of explosives and detonators	96	(*)	178	(*)
Banesto	Ferrovial Group companies	"	Collection of fees for business and settlement of derivative transactions collected	(-)	(-)	589	589(')
		"	Payment of commissions and settlements for derivative instrument transactions	5,593	(*)	3,193	(*)
		"	Payment of interest	1,600	1,600	4,967	4,967(')
		"	Payment of interest	12,701	(*)	16,233	(*)
		"	Balance drawn down against guarantee facilities	256,800	(*)	261,500	(*)
		"	Balance drawn down against reverse factoring and documentary credit facilities	45,200	(*)	52,800	(*)
		"	Balance drawn down against credit facilities	341,900	(*)	348,700	(*)
	Ferrovial Servicios, S.A. / subsidiaries	"	Credit for cleaning and maintenance services	23	1	3,290	108

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							(Thousands of euros)
					2010		2009
Name/ Company name	**Ferrovial Group company**	**Nature of transaction**	**Type of transaction**	**Amount**	**Profit or Loss**	**Amount**	**Profit or Loss**
NH Hoteles and its group companies	Ferrovial Group companies	Commercial	Hotel services provided by NH Hoteles and its group companies	2	(*)	40	(*)
Cepsa	Ferrovial Agromán / subsidiaries	Commercial	Execution of construction work	1,443	58	3,626	145
	Ferrovial Servicios, S.A. / Ferrovial Agromán / subsidiaries	Commercial	Receipt of fuel supplies	9,102	(*)	4,710	(*)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Maintenance services rendered	29	5		
Everis	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Advertising services received	329	(*)		
Asea Brown Bovery	Ferrovial Agromán, S.A. / subsidiaries	Commercial	Equipment repair and maintenance services received	127	(*)	87	(*)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Waste collection services rendered	33	3	15	1
Telefónica	Ferrovial Group companies	Commercial	Telecom services received	8,060	(*)	7,359	(*)
Sol Meliá	Ferrovial Group companies	Commercial	Hotel and catering services received	50	(*)	22	(*)

							(Thousands of euros)
					2010		2009
Name/ Company name	**Ferrovial Group company**	**Nature of transaction**	**Type of transaction**	**Amount**	**Profit or Loss**	**Amount**	**Profit or Loss**
Bimarán	Ferrovial Agromán, S.A. / subsidiaries	Commercial	Execution of construction work	10,537	420	2,619	105
Empark	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Waste collection services rendered	11	1		
	Ferrovial Servicios, S.A. / Ferrovial Agromán / subsidiaries	Commercial	Parking space rental services received	315	(*)		
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Maintenance services rendered	89	14		
	Ferrovial Agromán, S.A. / subsidiaries	Commercial	Collection of withholdings	413	0		

(1) In 2009 this transaction type was "Refurbishment work".
(#) Advances that generate no profit or loss.
(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.
(') For this type of items (fees and interest paid), the gross amount of the transaction is treated as a profit.

Lastly, in addition to the foregoing transactions, five arm's length transactions were performed in 2010 with members of the controlling family group or entities related to them, directors and senior executives, directly or through related persons, for an overall total of EUR 21 thousand (EUR 109 thousand in 2009), comprising collections for/execution of minor construction work in private residences or corporate headquarters; provision of fitting, repair and maintenance services at facilities; provision of waste collection and integrated management services; and sundry services received, all for a limited duration and amount. Where companies of Ferrovial acted as service providers, the profit obtained totalled one thousand euros (EUR 9 thousand in 2009).

The information on remuneration and loans relating to directors and senior executives may be consulted in the section "Remuneration of Directors and Senior Executives".

Intra-Group transactions

Set out below is information on transactions between Ferrovial companies, which since they form part of their ordinary businesses as regards purpose and conditions, were not been eliminated on consolidation for the following reason:

As explained in detail in Note 2.2-d), the balances and transactions relating to construction work executed by the Construction division for infrastructure concession operators are not eliminated on consolidation since, at consolidated level, contracts of this type are classed as construction contracts in which, during execution, the work is deemed to be performed for third parties, as the ultimate owner of the work is the granting authority from a financial and legal viewpoint.

In 2010 Ferrovial's Construction Division billed those companies for EUR 711,800 thousand (EUR 247,230 thousand in 2009) for work performed and related advance payments and, in this respect, recognised sales totalling EUR 581,600 thousand (EUR 299,260 thousand).

In 2010 the profit from these transactions attributable to Ferrovial's holdings in the concession operators in question and not eliminated on consolidation, net of taxes and non-controlling interests, was EUR 25,064 thousand (2009: EUR 18,799 thousand).

35. Directors' ownership interests in, positions or functions at in companies engaging in an activity that is similar or complementary to that of Ferrovial

Article 229 of the Spanish Limited Liability 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 object:

- 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 Section 229.

The following information was provided to the Company by the members of the Board of Ferrovial S.A. in 2010:

Conflicts of interest:

There were no conflicts of interest.

Ownership interests in the share capital:

· The members of the "controlling family group" and/or related entities ((see related information in "COMPANY OWNERSHIP STRUCTURE" in the Annual Corporate Governance Report) hold an ownership interest in Polan S.A. (real estate business).

Positions or functions:

- Joaquín Ayuso García: Chairman of Ferrovial Agroman, S.A., Autopista Alcalá O'Donell, S.A., Autopista del Sol, S.A., Autopista Madrid Levante Concesionaria Española, S.A. and Inversora de Autopistas de Levante, S.L., and Board Director of Inversora De Autopistas del Sur, S.L. and Autopista Madrid Sur Concesionaria Española, S.A.

- Iñigo Meirás Amusco: Chairman of Ferrovial Aeropuertos, S.A., Cintra Infraestructuras, S.A., Ferrovial Servicios, S.A. and Ferrovial Fisa, S.L.; Chairman and CEO of Finecofer, S.L.; Deputy-Chairman of BAA Ltd. and director of Ferrovial Agromán, S.A. and Ferrovial Qatar LLC.

- María del Pino y Calvo-Sotelo is Chairman of Polan, S.A.

36. Auditors' 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 2010 and 2009 by the auditors of Ferrovial S.A. and all its subsidiaries, both in Spain and abroad are disclosed herein. A breakdown of the fees billed for those years to all Ferrovial's subsidiaries and associates for services other than audit services is also provided. In both years, the information presented in the principal auditor line involves the principal auditor for 2010:

Millions of euros	2010	2009
Fees for audit services	**4.3**	**6.3**
Principal auditor	3.4	1.0
Other auditors	0.9	5.3
Fees for other services	**4.3**	**2.5**
Principal auditor	2.4	1.9
Other auditors	1.9	0.6

37. Events after the reporting period

On 21 January 2011, Cintra Infraestructuras, a subsidiary of Ferrovial, completed the sale of its 50% ownership interest in Autopista Trados 45, S.A. to Finavías, an investment vehicle of AXA Private Equity's infrastructure funds. The transaction amount totalled EUR 68 million and gave rise to net gain of EUR 27 million.

On 17 February 2011, Ferrovial Servicios, a subsidiary of Ferrovial, completed the sale of all of the shares representing the share capital of Swissport International AG, Parent of Swissport Group, to PAI Partners. The transaction totalled CHF 900 million (EUR 695 million) and the expected net gain totals EUR 192 million.

Also, on 17 February 2011, Ferrovial was apprised of the judgement of the Supreme Court denying BAA permission to appeal the decision issued by the Court of Appeal, which partially upheld the appeal filed by the Competition Commission in relation to the obligation to sell certain airports discussed in Note 23 on "Contingent Assets and Liabilities".

The Radial 4 toll road had syndicated borrowings of EUR 557 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 originally matured in January 2011, but was extended an additional six months until July 2011, and is currently undergoing a long-term refinancing process.

38. Commentaries on appendices *

Appendix I

Appendix I contains a list of Group companies, making a distinction between fully and proportionately consolidated companies and companies accounted for using the equity method. The companies are presented by business segment, indicating their auditor and the companies that are consolidated for tax purposes.

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Appendix I

Appendix I contains a list of Group companies, making a distinction between fully and proportionately consolidated companies and companies accounted for using the equity method. The companies are presented by business segment, indicating their auditor and the companies that are consolidated for tax purposes.

Corporate

Company	Auditor	Parent	% of Ownership	Registered Office
Spain				
Ferrovial, S.A. (A)	Deloitte			Spain
Can-am, S.A., (Sole-Shareholder Company) (S)		Ferrovial, S.A.	100,0%	Spain
Ferrovial inversiones, S.A. (A)		Ferrovial, S.A. (I)	100,0%	Spain
Ferrovial Financiera A.I.E.		Ferrovial, S.A. (Iii)	67,0%	Spain
Betonial, s.A. (A)		Ferrovial, S.A. (I)	99,0%	Spain
Burety, s.L. (A)		Ferrovial, S.A. (I)	99,1%	Spain
Frin gold, s.A. (A)		Ferrovial, S.A. (I)	99,0%	Spain
Inversiones trenza, S.A. (A)		Ferrovial, S.A. (I)	99,0%	Spain
Promotora ibérica de negocios, S.A. (A)		Ferrovial, S.A. (I)	99,0%	Spain
Alkes reinsurance limited	Deloitte	Ferrovial, S.A.	100,0%	Ireland
Remtecolex,s.A. (A)		Ferrovial, S.A. (I)	99,0%	Spain
Sotaverd, s.A. (L)		Ferrovial, S.A. (II)	49,0%	Spain
Triconitex, s.L. (A)		Ferrovial, S.A. (I)	99,0%	Spain
Ferrocorp uk	Bdo	Ferrovial, S.A.	100,0%	United kingdom
Finecofer (a)		Ferrovial, s.A. (I)	99,0%	Spain
Ferrovial emisiones, s.A. (A)		Ferrovial, s.A. (I)	99,0%	Spain
Participaciones alfard, s.L. (A)		Ferrovial, s.A. (I)	99,0%	Spain
Participaciones algorab, s.L. (A)		Ferrovial, s.A. (I)	99,0%	Spain
Ferrovial telecomunicaciones, s.A. (A)		Ferrovial, s.A. (I)	99,0%	Spain

(L) In liquidation.

(i) Remaining ownership interests through Can-am, S.A., S.U.

Construction

Company	Auditor	Parent	% Of ownership	Registered office
Spain				
Ferrovial agromán, s.A. (A)	Deloitte	Finecofer, s.L.	100,0%	Spain
Aplicación recursos naturales, s.A. (A)		Ferrovial agromán, s.A. (I)	100,0%	Spain
Cadagua, s.A. (A)	Deloitte	Ferrovial agromán, s.A. (I)	100,0%	Spain
Compañía de obras castillejos (a)	Deloitte	Ferrovial agromán, s.A. (I)	100,0%	Spain
Encofrados deslizantes y técnicas especiales, s.A. (A)	Deloitte	Ferrovial agromán, s.A. (I)	99,1%	Spain
Ditecpresa, s.A. (A)	Deloitte	Ferrovial agromán, s.A. (I)	100,0%	Spain
Ferrovial conservación, s.A. (A)	Deloitte	Ferrovial agromán, s.A. (I)	99,0%	Spain
Urbaoeste, s.A. (A)		Ferrovial agromán, s.A. (I)	99,0%	Spain
Ferrovial medio ambiente y energía, s.A. (A)	Deloitte	Ferrovial agromán, s.A. (I)	99,0%	Spain
Discota xxi, s.L., (Sole-shareholder company) (a)	Deloitte	Ferrovial agromán, s.A.	100,0%	Spain
Norvarem, s.A.U. (A)	Bdo	Ferrovial agromán, s.A.	100,0%	Spain
Técnicas del pretensado y servicios auxiliares, s.L. (A)	Deloitte	Edytesa, s.A. (I) (a)	100,0%	Spain
Concesionaria de prisiones lledoners, s.A. (A)	Deloitte	Ferrovial agromán, s.A.	100,0%	Spain
Concesionaria de prisones figueres (a)	Deloitte	Ferrovial agromán, s.A. (I)	100,0%	Spain
Ferrovial railway, s.A. (A)		Ferrovial agromán, s.A. (Ii)	98,8%	Spain

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Company	Auditor	Parent	% of Ownership	Registered Office
Mexico				
Cadagua ferr. Indust. México		Ferovial medio ambiente, s.A.	24,9%	Mexico
Cadagua ferr. Indust. México		Cadagua, s.A. (A)	75,1%	Mexico
India				
Cadagua ferrovial india pr ltd.		Ferovial medio ambiente, s.A.	5,0%	India
Cadagua ferrovial india pr ltd.		Cadagua, s.A. (A)	95,0%	India
Puerto rico				
Cocsa puerto rico	Deloitte	Compañía de obras castillejos, s.A.	100,0%	Puerto rico
Poland				
Budimex, s.A.	Deloitte audit sp. Z o.O.	Valivala holdings b.V.	59,1%	Poland
Budimex danwood, sp. Zoo	Deloitte audit sp. Z o.O.	Budimex, s.A.	100,0%	Poland
Budimex sygnity, s.J.	Deloitte audit sp. Z o.O.	Budimex, s.A.	67,0%	Poland
Mostostal kraków, s.A.	Deloitte audit sp. Z o.O.	Budimex, s.A.	100,0%	Poland
Centrum konferencyjne budimex sp. Z o.O.	Deloitte audit sp. Z o.O.	Budimex, s.A.	100,0%	Poland
Budimex nieruchomości sp. Z o.O. (lp)	Deloitte audit sp. Z o.O.	Budimex, s.A.	100,0%	Poland
Budimex s.A.Ferrovial agroman s.A. Sp.J.	Deloitte audit sp. Z o.O.	Budimex, s.A.	50,0%	Poland
Budimex s.A.Ferrovial agroman s.A. Sp.J.	Deloitte audit sp. Z o.O.	Ferrovial agromán, s.A.	50,0%	Poland
Chile				
Ferrovial agromán chile, s.A.		Ferrovial agromán, s.A.	13,4%	Chile
Ferrovial agromán chile, s.A.		Ferrovial agromán empresa constructora ltda.	86,6%	Chile
Ferrovial agromán empresa constructora ltda.		Ferrovial agromán, s.A.	100,0%	Chile
Constructora agromán ferrovial limitada		Ferrovial agromán, s.A.	56,9%	Chile
Constructora agromán ferrovial limitada		Ferrovial agromán chile, s.A.	2,8%	Chile
Constructora agromán ferrovial limitada		Ferrovial agromán empresa constructora ltda.	40,4%	Chile
Ferrovial agromán compañía constructora ltda.		Ferrovial agromán, s.A.	100,0%	Chile
Ferrovial agromán compañía constructora ltda.		Ferrovial agromán chile, s.A.	0,1%	Chile
Ferrovial agromán latinoamérica, ltda.		Ferrovial agromán empresa constructora, ltda.	50,0%	Chile
Ferrovial agromán latinoamérica, ltda.		Constructora agromán ferrovial limitada	50,0%	Chile
Canada				
Ferrovial agromán canadá, inc		Ferrovial agromán, s.A.	100,0%	Canada
Netherlands				
Valivala holdings b.V.		Discota xxi, s.L., (Sole-shareholder company) (a)	100,0%	Netherlands

Company	Auditor	Parent	% of Ownership	Registered Office
United states				
Ferrovial agromán us corp.	Bdo	Ferrovial agromán, s.A.	100,0%	Usa
Ferrovial agromán indiana, llc	Bdo	Ferrovial agromán us corp.	100,0%	Usa
Indiana toll-roads contrac-tors, llc	Bdo	Ferrovial agromán indiana, llc	75,0%	Usa
Ferrovial agromán texas, llc	Bdo	Ferrovial agromán us corp.	100,0%	Usa
Ferrovial agromán 56, llc	Bdo	Ferrovial agromán texas, llc	100,0%	Usa
Central texas highway constructors, llc	Bdo	Ferrovial agromán 56, llc	50,0%	Usa
W.W.Webber, llc	Bdo	Norvarem	100,0%	Usa
Webber management group, inc	Bdo	Norvarem	100,0%	Usa
Southern crushed cincrete, inc	Bdo	Norvarem	100,0%	Usa
Webber barrier sevices, llc	Bdo	Norvarem	100,0%	Usa
Bluebonnet constractors, llc	Deloitte	Ferrovial agromán texas, llc	60,0%	Usa
Bluebonnet constractors, llc	Deloitte	Dbw construction, llc	40,0%	Usa
Trinitry infraestructure, llc	Deloitte	Ferrovial agromán texas, llc	60,0%	Usa
Trinitry infraestructure, llc	Deloitte	Dbw construction, llc	40,0%	Usa
Dbw construction, llc	Bdo	W.W.Webber, llc	100,0%	Usa
Ireland				
Ferrovial agromán ireland ltda.	Deloitte	Ferrovial agromán, s.A.	100,0%	Ireland
Northern ireland				
Ferrovial agromán irlanda del norte, ltda.	Deloitte	Ferrovial agromán ireland ltda.	100,0%	Northern ireland
United kingdom				
Ferrovial agromán uk, ltda.	Deloitte	Ferrovial agromán, s.A.	100,0%	United kingdom
Ferrovial agromán airports uk, ltda.	Deloitte	Ferrovial agromán, s.A.	100,0%	United kingdom
Germany				
Budimex Bau		Budimex, S.A.	100,0%	Germany

(*) A list of BAA companies may be found at the end of the Appendix.

(i) Remainder through Can-am, S.A.

(ii) Remainder through Técnicas del Pretensado y Servicios Auxiliares, S.L.

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Airports

Company	Auditor	Parent	% of Ownership	Registered Office
United kingdom				
Fgp topco limited	Deloitte	Finecofer, s.L.	55,9%	United kingdom
Adi finance 1 ltd.	Deloitte	Fgp topco limited	100,0%	United kingdom
Adi finance 2 ltd.	Deloitte	Adi finance 1 ltd.	100,0%	United kingdom
Baa limited	Deloitte	Adi finance 2 ltd.	100,0%	United kingdom
Baa airports holdco limited	Deloitte	Baa limited	100,0%	United kingdom
Baa (non des topco) limited	Deloitte	Baa limited	100,0%	United kingdom
Baa (ndh2) limited	Deloitte	Baa limited	100,0%	United kingdom
Spain				
Ferrovial aeropuertos, s.A. (A)	Deloitte	Ferrovial, s.A.	100,0%	Spain
		Can-am, s.A.	0,0%	
Chile				
Aeropuerto cerro moreno sociedad concesionaria, s.A. (Concession operator)	Price waterhouse coopers	Ferrovial aeropuertos, s.A. Ferrovial agromán chile, s.A.	100,0% 0,0%	Chile

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Toll Roads

Company	Auditor	Parent	% of Ownership	Registered Office
Spain				
Cintra Infraestructuras, S.A.U. (a)	Deloitte	Ferrovial, S.A.	100,0%	Spain
Autopista del Sol, C.E.S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	80,0%	Spain
Autopista Terrasa Manresa, S.A. (a)	Deloitte	Inversora Autopistas de Cataluña, S.A.	76,0%	Spain
Autopista de Toronto, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.	100,0%	Spain
Inversora de Autopistas del Sur, S.L.	Deloitte	Cintra Infraestructuras, S.A.	55,0%	Spain
Autopista Madrid Sur C.E.S.A.	Deloitte	Inversora de Autopistas del Sur, S.L.	100,0%	Spain
Inversora de Autopistas del Levante, S.L.	Deloitte	Cintra Infraestructuras, S.A.	51,8%	Spain
Autopista Madrid Levante, C.E.S.A.	Deloitte	Inversora de Autopistas del Levante, S.L.	100,0%	Spain
Laertida, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.	100,0%	Spain
Cintra Autopistas Integradas, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	100,0%	Spain
M-203 Alcalá-O'Donnell (a)	Deloitte	Cintra Autopistas Integradas, S.A.	100,0%	Spain
Cintra Inversora Autopistas de Cataluña, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	100,0%	Spain
Inversora Autopistas de Cataluña, S.A. (a)	Deloitte	Cintra Inversora Autopistas de Cataluña, S.A.	100,0%	Spain

Company	Auditor	Parent	% of Ownership	Registered Office
Portugal				
Euroscut norte litoral, s.A.	Deloitte	Cintra infraestructuras, s.A.	75,5%	Portugal
Euroscut -sociedade concessionaria da scut do algarve, s.A.	Deloitte	Cintra infraestructuras, s.A.	77,0%	Portugal
Cintra sucursal portugal	Deloitte	Cintra infraestructuras, s.A.	100,0%	Portugal
Euroscut azores, s.A.	Deloitte	Cintra infraestructuras, s.A.	89,0%	Portugal
Via livre, s.A.		Cintra infraestructuras, s.A.	84,0%	Portugal
Netherlands				
Algarve international b.V.	Deloitte	Cintra infraestructuras, s.A.	77,0%	Netherlands
407 Toronto highway b.V.		Cintra infraestructuras, s.A.	100,0%	Netherlands
Poland				
Autostrada poludnie, s.A.	Deloitte	Cintra infraestructuras, s.A.	93,7%	Poland
Canada				
Cintra canada inc.	Deloitte	407 Toronto highway b.V.	100,0%	Canada
Ireland				
Eurolink motorway operation (m4-m6), ltd.	Deloitte	Cintra infraestructuras, s.A.	66,0%	Ireland
Financinfrastructures	Deloitte	Cintra infraestructuras, s.A.	100,0%	Ireland
Cinsac, ltd.	Deloitte	Cintra infraestructuras, s.A.	100,0%	Ireland
Eurolink Motorway Operation (M3), Ltd.	Deloitte	Cinsac, Ltd.	95,0%	Ireland

Company	Auditor	Parent	% of Ownership	Registered Office
United states				
Cintra zachry, lp		Cintra texas corp	84,2%	Usa
Cintra zachry, gp		Cintra texas corp	85,0%	Usa
Cintra texas corp.		Cintra us corp	100,0%	Usa
Cintra developments, llc		Cintra texas corp	100,0%	Usa
Cintra skyway llc		Cintra us corp	100,0%	Usa
Cintra us corp.	Deloitte	Laertida	100,0%	Usa
Scc holdings llc	Deloitte	Cintra skyway llc	55,0%	Usa
Skyway concession co.Llc	Deloitte	Scc holding llc	100,0%	Usa
Cintra itr llc		Cintra us corp	100,0%	Usa
Cintra texas 56, llc		Cintra us corp	100,0%	Usa
Sh-130 concession company, llc	Deloitte	Cintra texas 56, llc	65,0%	Usa
Cintra nte, llc		Cintra us corp	100,0%	Usa
Cintra lbj, llc		Cintra us corp	100,0%	Usa
Lbj infraestructure group holding		Cintra lbj, llc	100,0%	Usa
Lbj infraestructure group	Deloitte	Lbj infraestructure group holding	51,0%	Usa
Nte mobility partners holding	Deloitte	Cintra nte, llc	56,7%	Usa
Nte mobility partners	Deloitte	Nte mobility partners holding	100,0%	Usa

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Services

Company	Auditor	Parent	% of Ownership	Registered Office
Spain				
FERROVIAL SERVICIOS, S.A. (a)	BDO	Grupo Ferrovial, S.A.	99,9%	Spain
EUROLIMP, S.A. (a)	BDO	Ferrovial Servicios, S.A.	99,0%	Spain
Ferroser Infraestrutruas, S.A. (a)	BDO	Ferrovial Servicios, S.A.	100,0%	Spain
Viales de Castilla y León, S.A. (a)	BDO	Ferroser Infraestruturas, S.A.	100,0%	Spain
Andaluza de Señalizaciones, S.A. (a)	BDO	Ferroser Infraestruturas, S.A.	100,0%	Spain
Autovía de Aragón, Sociedad Concesionaria, S.A. (Concession operator (a)	Deloitte	Ferroser Infraestruturas, S.A.	60,0%	Spain
Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	Deloitte	Ferrovial Servicios, S.A.	100,0%	Spain
Cespa Conten, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100,0%	Spain
Oñeder, S.A.	Deloitte	Cespa Conten, S.A.	51,6%	Spain
Cespa Gestion Residuos, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100,0%	Spain
Contenedores Reus, S.A. (a)	Deloitte	Cespa Gestion Residuos, S.A. (a)	75,5%	Spain
Cespa Gestión Tratamientos de Residuos, S.A. (a)	Deloitte	Cespa Gestion Residuos, S.A. (a)	100,0%	Spain
Econenergia Can Mata AIE	Deloitte	Cespa Gestion Residuos, S.A. (a)	70,0%	Spain

Company	Auditor	Parent	% of Ownership	Registered Office
Spain				
Tratamiento de Residuos Medioambientales, S.L.	Deloitte	Albaida Residuos, S.L.	54,9%	Spain
Econenergia Can Mata AIE	Deloitte	Cespa, S.A.	30,0%	Spain
Cespa Inversiones Ambientales, S.A.		Compañía Española de Servicios Públicos Auxiliares, S.A. (ii)	60,0%	Spain
Cespa Jardinería, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100,0%	Spain
Sitkol, S.A. (a)		Compañía Española de Servicios Públicos Auxiliares, S.A. (i)	99,0%	Spain
Emp.Mixta Almendralejo, S.A.		Compañía Española de Servicios Públicos Auxiliares, S.A.	51,0%	Spain
Ingenieria Ambiental Granadina, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	80,0%	Spain
Gestión Medioambiental de Toledo, S.A.	Almagro Auditores, S.L.	Compañía Española de Servicios Públicos Auxiliares, S.A.	60,0%	Spain
Ayora Gestión Biogas, S.L.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	60,0%	Spain
Ecoparc de Can Mata, S.L.	Deloitte	Cespa Gestion Residuos, S.A. (a)	80,0%	Spain
Ferrovial Financiera, S.A.	Deloitte	Ferrovial Servicios, S.A.	5,0%	Spain
Swissport Handling, S.A.	Deloitte	Swissport International AG	100,0%	Spain
Swissport Menzies Handling Alicante		Swissport International AG	10,5%	Spain
Swissport Menzies Handling		Swissport International AG	21,0%	Spain

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Company	Auditor	Parent	% of Ownership	Registered Office
Morocco				
Cespa nadafa	Deloitte	Compañía española de servicios públicos auxiliares, s.A. (Iii)	98,8%	Morocco
Cespa nadafa	Deloitte	Cespa gestion residuos, s.A. (A)	0,7%	Morocco
Portugal				
Cespa portugal, s.A.				
Citrup lda				
Ferrovial construcoes gestao e manutencao, s.A.	Bdo	Ferrovial servicios, s.A.	97,5%	Portugal
Novipav investtimentos sges, s.A.	Bdo	Ferroser infraestructuras, s.A.	100,0%	Portugal
Sopovico soc. Port. Vías de com- cons. Infraestructuras	Bdo	Novipav investtimentos sges, s.A.	100,0%	Portugal
Switzerland				
Swissport international ag	Deloitte	Ferrovial servicios sa		
Swissport baggage sorting ag	Deloitte	Swissport international ag	100,0%	Switzerland
Checkport schweiz ag	Deloitte	Swissport international ag	85,0%	Switzerland
Privatport sa	Deloitte	Swissport international ag	51,0%	Switzerland
Careport schweiz ag	Deloitte	Swissport international ag	66,8%	Switzerland
Swissport group services gmbh	Deloitte	Swissport international ag	100,0%	Switzerland
Gvassistance	Deloitte	Swissport international ag	70,0%	Switzerland

Company	Auditor	Parent	% of Ownership	Registered Office
United kingdom				
Amey 1321 Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Airports Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Building Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Community Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Construction Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Datel Group Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Datel Ltd.	BDO	Amey OW Ltd.	100,0%	United Kingdom
Amey Datel Security And Communications Ltd.	BDO	Amey Datel Group Ltd.	100,0%	United Kingdom
Amey Datel Technology Ltd.	BDO	Amey Datel Group Ltd.	100,0%	United Kingdom
Amey Facilities Partners Ltd.	BDO	Comax Holdings Ltd.	100,0%	United Kingdom
Amey Fleet Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Group Information Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Group Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Highways Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Holdings Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Information Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Insurance Company PCC Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Investments Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey IT Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey LG Ltd.	BDO	Amey plc	100,0%	United Kingdom

Company	Auditor	Parent	% of Ownership	Registered Office
United kingdom				
Amey LUL 2 Ltd.	BDO	Amey Tube Ltd.	100,0%	United Kingdom
Amey LUL Ltd.		Amey plc	100,0%	United Kingdom
Amey Mechanical & Electrical Services Ltd.	BDO	Amey Property Ltd.	100,0%	United Kingdom
Amey OW Group Ltd.	BDO	Amey UK plc	100,0%	United Kingdom
Amey OW Ltd.	BDO	Amey OW Group Ltd.	100,0%	United Kingdom
Amey OWR Ltd.	BDO	Amey OW Group Ltd.	100,0%	United Kingdom
Amey plc (c.3)	BDO	Amey UK plc	100,0%	United Kingdom
Amey Procurement Solutions Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Programme Management Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Properties Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Property Ltd.		Amey plc	100,0%	United Kingdom
Amey Rail Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Railtech Ltd.		Amey OW Ltd.	100,0%	United Kingdom
Amey Railways Holding Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Roads (North Lanarkshire) Ltd.	BDO	Amey LG Ltd.	66,7%	United Kingdom
Amey Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Technology Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Tramlink Ltd.	BDO	Treasurepark Ltd.	100,0%	United Kingdom
Amey Tube Ltd.	BDO	JNP Ventures Ltd.	100,0%	United Kingdom

Company	Auditor	Parent	% of Ownership	Registered Office
United kingdom				
Amey Ventures Ltd.	BDO	Amey plc	100,0%	United Kingdom
Amey Ventures Management Services Ltd.	BDO	Amey Investments Ltd.	100,0%	United Kingdom
Amey Wye Valley Ltd.	BDO	Amey LG Ltd.	80,0%	United Kingdom
Bushclose Ltd.	BDO	Treasurepark Ltd.	100,0%	United Kingdom
Comax Holdings Ltd.	BDO	Amey plc	100,0%	United Kingdom
Comax Secure Business Services Ltd.		Comax Holdings Ltd.	100,0%	United Kingdom
JNP Ventures 2 Ltd.	BDO	Amey Tube Ltd.	100,0%	United Kingdom
JNP Ventures Ltd.	BDO	Amey Ventures Ltd.	100,0%	United Kingdom
R T James & Partners Ltd.		Amey OW Group Ltd.	100,0%	United Kingdom
Sherard Secretariat Services Ltd.	BDO	Amey plc	100,0%	United Kingdom
Treasurepark Ltd.	BDO	Amey Technololgy Services Ltd.	100,0%	United Kingdom
Wimco Ltd.	BDO	Amey Railways Holding Ltd.	100,0%	United Kingdom
Amey Public Services LLP	BDO	Amey LG Ltd.	66,7%	United Kingdom
Cespa UK	BDO	Cespa, S.A.	100,0%	United Kingdom
Cespa Ventures	BDO	Cespa UK, S.A.	100,0%	United Kingdom
Amey Cespa Ltd.	BDO	Cespa UK, S.A.	50,0%	United Kingdom
Amey Cespa Ltd.	BDO	Amey LG Ltd.	50,0%	United Kingdom
Donarbon Holdings Ltd.	BDO	Amey Cespa Ltd.	100,0%	United Kingdom
Donarbon Group Ltd.	BDO	Amey Cespa Ltd.	84,2%	United Kingdom
Donarbon Group Ltd.	BDO	Donarbon Holdings Ltd.	15,8%	United Kingdom
Donarbon Ltd.	BDO	Donarbon Group Ltd.	100,0%	United Kingdom
Donarbon Services Ltd.	BDO	Donarbon Ltd.	100,0%	United Kingdom
Donarbon Waste Management Ltd.	BDO	Donarbon Services Ltd.	100,0%	United Kingdom

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Company	Auditor	Parent	% of Ownership	Registered Office
United states				
Swissport North America Holding Inc.		Swissport International AG	100,0%	USA
Swissport North America Inc.		Swissport International AG	100,0%	USA
Swissport Cargo Holdings Inc.		Swissport International AG	100,0%	USA
Swissport Cargo Services LP Inc.		Swissport International AG	100,0%	USA
Swissport Fueling of Nevada Inc.		Swissport International AG	100,0%	USA
Swissport Holdings Inc.		Swissport International AG	100,0%	USA
Dapsco Inc.		Swissport International AG	100,0%	USA
Swissport USA Inc.		Swissport International AG	100,0%	USA
Swissport CFE Inc.		Swissport International AG	100,0%	USA
Swissport Cargo Services Inc.		Swissport International AG	100,0%	USA
Swissport Fueling Inc.		Swissport International AG	100,0%	USA
Hallmark Aviation Services Inc.		Swissport International AG	51,0%	USA
New Age Aviation Security US, Inc.		Swissport International AG	51,0%	USA
United kingdom				
Swissport Cargo Services Center (UK) Ltd.	Deloitte	Swissport International AG	100,0%	United Kingdom
Swissport Ltd.	Deloitte	Swissport International AG	100,0%	United Kingdom
Swissport Stansted Ltd.	Deloitte	Swissport International AG	100,0%	United Kingdom
Swissport Fueling UK	Deloitte	Swissport International AG	100,0%	United Kingdom
Amey UK Plc (a)	BDO	Ferrovial Servicios, S.A. (iv)	99,9%	United Kingdom
Amey Ventures Asset Holdings Ltd.	BDO	Amey Investments Ltd.	100,0%	United Kingdom

Company	Auditor	Parent	% of Ownership	Registered Office
Germany				
Swissport germany holding gmbh		Swissport international ag	100,0%	Germany
Swissport cargo services deutschland gmbh	Deloitte	Swissport international ag	100,0%	Germany
Swissport deutschland gmbh		Swissport international ag	100,0%	Germany
Swissport ground handling gmbh	Price waterhouse coopers	Swissport international ag	100,0%	Germany
Swissport services gmbh		Swissport international ag	100,0%	Germany
Swissport travel center gmbh		Swissport international ag	100,0%	Germany
Swissport cargo services münchen gmbh		Swissport international ag	100,0%	Germany
Sp losch gmbh and co. Ohg		Swissport international ag	55,0%	Germany
Sp losch munchen gmbh co kg		Swissport international ag	55,0%	Germany
Sp losch munchen gmbh co kg		Swissport international ag	55,0%	Germany
Sp losch services verwal-tungsgeselschaft gmbh		Swissport international ag	55,0%	Germany
Sp losch solutions gmbh co kg		Swissport international ag	55,0%	Germany
Sp losch operations gmb-hco kg		Swissport international ag	55,0%	Germany
Sp losch operations verwal-tungsgesellschaft		Swissport international ag	55,0%	Germany
Netherlands antilles				
Aerocargo n.V.	Price waterhouse coopers	Swissport international ag	100,0%	Netherlands antilles
Cargo services center international n.V.	Price waterhouse coopers	Swissport international ag	100,0%	Netherlands antilles
Swissport curacao	Price waterhouse coopers	Swissport international ag	100,0%	Netherlands antilles

Company	Auditor	Parent	% of Ownership	Registered Office
France				
Swissport france	Deloitte	Swissport international ag	100,0%	France
Swissport services cdg	Deloitte	Swissport international ag	100,0%	France
Swissport cargo services france	Deloitte	Swissport international ag	100,0%	France
Swissport nice sas	Deloitte	Swissport international ag	100,0%	France
Kenya				
Airside ltd. (Swissport kenya)	Deloitte	Swissport international ag	100,0%	Kenya
Swissport cargo services center east africa b.V.	Deloitte	Swissport international ag	100,0%	Kenya
Tanzania				
Swissport tanzania ltd.	Price waterhouse coopers	Swissport international ag	51,0%	Tanzania
Cameroon				
Camport, s.A.		Swissport international ag	47,0%	Cameroon
Dominican republic				
Carribbean jets		Swissport international ag	34,0%	Dominican republic
Swissport dominicana	Price waterhouse coopers	Swissport international ag	34,0%	Dominican republic
Nigeria				
Checkport security nigeria ltd.		Swissport international ag	43,0%	Nigeria
South africa				
Checkport south africa ltd.	Price waterhouse coopers	Swissport international ag	43,0%	South africa
Swissport south africa (pty) ltd.	Deloitte	Swissport international ag	51,0%	South africa

Company	Auditor	Parent	% of Ownership	Registered Office
Luxembourg				
Swissport cargo services lux sarl	Price waterhouse coopers	Swissport international ag	75,0%	Luxembourg
Argentina				
Swissport argentina, s.A.	Deloitte	Swissport international ag	100,0%	Argentina
Austria				
Swissport austria gmbh		Swissport international ag	100,0%	Austria
Swissport cargo services gmbh		Swissport international ag	100,0%	
Mexico				
Swissport mexico holding		Swissport international ag	100,0%	Mexico
Swissport aviation services de mexico, s.A. De c.V.	Deloitte	Swissport international ag	100,0%	Mexico
Swissport cargo services de mexico, s.A. De c.V.	Deloitte	Swissport international ag	100,0%	Mexico
Brazil				
Swissport brasil ltda.		Swissport international ag	100,0%	Brazil
Swissport cargo services brazil logistica ltda.		Swissport international ag	51,0%	Brazil
Canada				
Swissport canada holding		Swissport international ag	100,0%	Canada
Swissport canada handling inc.		Swissport international ag	100,0%	Canada
Netherlands				
Swissport cargo service holding b.V.		Swissport international ag	100,0%	Netherlands
Swissport nederland b.V.		Swissport international ag	100,0%	Netherlands
Swissport cargo services the netherlands b.V.	Deloitte	Swissport international ag	100,0%	Netherlands

Company	Auditor	Parent	% of Ownership	Registered Office
Belgium				
Swissport cargo services belgium n.V.		Swissport international ag	100,0%	Belgium
Israel				
Swissport cargo services israel ltd.	Deloitte	Swissport international ag	51,0%	Israel
Italy				
Swissport cargo services italy, s.R.L.		Swissport international ag	100,0%	Italy
Swissport italy, s.R.L.		Swissport international ag	100,0%	Italy
Hungary				
Swissport cargo services magyarorszag kft.	Price waterhouse coopers	Swissport international ag	100,0%	Hungary
Russia				
Swissport cargo services st. Petersburg		Swissport international ag	51,0%	Russia
Venezuela				
Swissport cargo services venezuela, s.A.		Swissport international ag	88,0%	Venezuela
Tramitaven c.A,		Swissport international ag	60,0%	Venezuela
Cyprus				
Swissport g.A.P. Vassilo-poulos	Price waterhouse coopers w/ price waterhouse coopers	Swissport international ag	51,0%	Cyprus
Swissport cyprus ltd.	Deloitte	Swissport international ag	38,2%	Cyprus
Greece				
Swissport hellas cargo, s.A.		Swissport international ag	40,8%	Greece
Swissport hellas, s.A.	Deloitte	Swissport international ag	51,0%	Greece

Company	Auditor	Parent	% of Ownership	Registered Office
Korea				
Swissport korea ltd.		Swissport international ag	51,0%	Korea
Poland				
Swissport poland ltd.		Swissport international ag	100,0%	Poland
Singapore				
Swissport singapore pte ltd.	Price waterhouse coopers	Swissport international ag	100,0%	Singapore
Peruvian investments 2008 pte. Ltd.	Price waterhouse coopers	Swissport international ag	100,0%	Singapore
Ukraine				
Swissport ukraine	Price waterhouse coopers	Swissport international ag	70,6%	Ukraine
Bulgaria				
Swissport bulgaria	Price waterhouse coopers	Swissport international ag	66,0%	Bulgaria
Algeria				
Swissport algeria	Audited by local auditor	Swissport international ag	51,0%	Algeria
Ireland				
Landmille, ltd.	Bdo	Ferrovial servicios, s.A.	100,0%	Ireland
Chile				
Grupisa, s.A.	Bdo	Ferroser infraestructuras, s.A.	66,0%	Chile
		(i) The remaining percentage belongs to Can-am, S.A. (ii) 40% through Cespa Conten, S.A. (ii) 0.74% through Cespa GR, S.A. (i) The remaining percentage belongs to Grupo Ferrovial, S.A. (ii) 9.23% through Ferrovial Servicios, S.A.		

Real Estate

Company	Auditor	Parent	% of Ownership	Registered Office
Netherlands				
Grimalinvest, s.L.		Ferrovial, s.A. (I)	99,5%	Netherlands
Spain				
Ferrovial fisa, s.L. (A)		Ferrovial, s.A. (I)	99,0%	Spain
		(I) remaining ownership interests through can-am, s.A., S.U.		

(A) belong to tax group of ferrovial, s.A.And subsidiaries.

(B) belong to tax group of cintra concesiones de infraestructuras de transporte, s.A.

(C) belong to tax group of inversora de autopistas del sur, s.L.

(D) belong to tax group of inversora de autopistas del levante, s.L.

(Pc) proportionate consolidation

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APPENDIX I (continued)
(*) List of companies in the BAA Group

Company	Auditor	% of Ownership	Registered Office
9G Rail Ltd.		100%	United Kingdom
Aberdeen Airport Ltd.	Deloitte	100%	United Kingdom
ADI Finance 1 Limited	Deloitte	100%	United Kingdom
ADI Finance 2 Limited	Deloitte	100%	United Kingdom
Airport Express Rail Ltd.		100%	United Kingdom
Airport Hotels General Partner Ltd.		100%	United Kingdom
Airport Hotels Trust Manager Ltd. (Jersey)		100%	United Kingdom
Airport Industrial Ltd. Partnership		50%	United Kingdom
Airport Property GP (No.1) Ltd.		100%	United Kingdom
Airport Property GP (No.2) Ltd.		50%	United Kingdom
Airports International Ltd.		100%	United Kingdom
Airports Ltd.		100%	United Kingdom
Airports UK Ltd.		100%	United Kingdom
Airportsmart Limited		42%	United Kingdom
BAA (AH) Limited	Deloitte	100%	United Kingdom
BAA (DSH) Limited	Deloitte	100%	United Kingdom
BAA (Hong Kong) Ltd.		100%	United Kingdom
BAA (IP Holdco) Limited		100%	United Kingdom
BAA (NDH1) Limited	Deloitte	100%	United Kingdom
BAA (NDH2) Limited	Deloitte	100%	United Kingdom
BAA (Non des Topco) Limited	Deloitte	100%	United Kingdom
BAA (SH) Limited	Deloitte	100%	United Kingdom
BAA (SP) Limited	Deloitte	100%	United Kingdom
BAA 21st Century Communities Trust Limited	Deloitte	100%	United Kingdom
BAA Airports Holdco Limited	Deloitte	100%	United Kingdom
BAA Airports Limited	Deloitte	100%	United Kingdom
BAA Building Control Services Ltd.	Deloitte	100%	United Kingdom
BAA Business Suport Centre Ltd.	Deloitte	100%	United Kingdom

Company	Auditor	% of Ownership	Registered Office
BAA Enterprises Limited	Deloitte	100%	United Kingdom
BAA Funding Limited	Deloitte	100%	United Kingdom
BAA General Partner Ltd.	Deloitte	100%	United Kingdom
BAA Hotels Ltd.		100%	United Kingdom
BAA Insuarance Services Ltd.		100%	United Kingdom
BAA International Ltd.	Deloitte	100%	United Kingdom
BAA Italia		98%	Italy
BAA Limited	Deloitte	100%	United Kingdom
BAA Lynton Developments Ltd.	Deloitte	100%	United Kingdom
BAA Lynton Holdings Ltd.		100%	United Kingdom
BAA Lynton Limited	Deloitte	100%	United Kingdom
BAA Lynton Management Ltd.	Deloitte	100%	United Kingdom
BAA Partnership Ltd.	Deloitte	100%	United Kingdom
BAA Pension Trust Co Ltd.		100%	United Kingdom
BAA Properties Ltd.	Deloitte	100%	United Kingdom
BAA Quest Trustee Ltd.		100%	United Kingdom
BAA Trust Company Ltd.		100%	United Kingdom
BM Merchant Limited	Deloitte	100%	United Kingdom
BMG (Ashford) General Partner Ltd.	Deloitte	100%	United Kingdom
BMG (Ashford) Ltd.		100%	United Kingdom
BMG (Ashford) Partnership Trustco Ltd.		100%	United Kingdom
BMG (Bridgend) Ltd.		75%	United Kingdom
BMG (Cheshire Oaks) Ltd.		100%	United Kingdom
BMG (Co 2) Ltd.		100%	United Kingdom
BMG (Swindon) (Phases II&III) General Partner Ltd.	Deloitte	100%	United Kingdom
BMG (Swindon) Ltd.		79%	United Kingdom
BMG Bridgend (Phases II and III) General Partner Limited		100%	United Kingdom
BMG Bridgend (Phases II and III) Ltd. Partnership		2%	United Kingdom

Company	Auditor	% of Ownership	Registered Office
BMG Europe Ltd.		100%	United Kingdom
BMG Swindon (Phase III) Trustco Ltd.		100%	United Kingdom
British Airports Services Ltd.		100%	United Kingdom
Central Land Investment Holdings Ltd.		75%	United Kingdom
Devon Nominees (No.1) Ltd.		100%	United Kingdom
Devon Nominees (No.2) Ltd.		100%	United Kingdom
Devon Nominees (No.3) Ltd.		100%	United Kingdom
Devon Nominees Ltd.		67%	United Kingdom
Eastleigh Airport Ltd.		100%	United Kingdom
Edinburgh Airport Ltd.	Deloitte	100%	United Kingdom
FGP Topco Limited	Deloitte		United Kingdom
Gatwick Airport Ltd.		100%	United Kingdom
Glasgow Airport Ltd.	Deloitte	100%	United Kingdom
Global Airport Services Ltd.		50%	United Kingdom
Heathdrow Airport Ltd.	Deloitte	100%	United Kingdom
Heathdrow Airport Community Board Insulation Limited	Deloitte	100%	United Kingdom
Heathdrow Express Operating Company Limited	Deloitte	100%	United Kingdom
London Airports 1993 Ltd.	Deloitte	100%	United Kingdom
London Airports Ltd.	Deloitte	100%	United Kingdom
London Airports 1992 Ltd.	Deloitte	100%	United Kingdom
Lynton Estates Ltd.		100%	United Kingdom
Lynton Holdings Ltd.		100%	United Kingdom
Lynton Investments Ltd.		100%	United Kingdom
Lynton MHA Ltd.		100%	United Kingdom
Lynton Netherlands		100%	Netherlands
Lynton Properties Ltd.		100%	United Kingdom
Lynton Unlimited		100%	United Kingdom
Martyn Ventures Ltd.		50%	United Kingdom
Midhust Investments Ltd.		100%	United Kingdom
Newlynton Limited		100%	United Kingdom
Precis (2204) Ltd.		100%	United Kingdom

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Company	Auditor	% of Ownership	Registered Office
Precis (2206) Ltd.		100%	United Kingdom
Precis (2207) Orbital Park Ltd.		100%	United Kingdom
Sanfield Lynton Ltd.		50%	United Kingdom
Scottish Airports Ltd.	Deloitte	100%	United Kingdom
Southampton Airport Ltd.		100%	United Kingdom
Southampton Handling Ltd.		100%	United Kingdom
Southampton International	Deloitte	100%	United Kingdom
Stansted Airport Ltd.	Deloitte	100%	United Kingdom
Summerbridge Properties Ltd.		100%	United Kingdom
The BMG (Ashford) Limited Partnership		99%	United Kingdom
The BMG (Co Phase IV) Ltd.		99%	United Kingdom
The BMG (Swindon) (Phases II&III) Limited Partnership		73%	United Kingdom
The Outlet Company Ltd.		100%	United Kingdom
The Swindon Ltd. Partnership		66%	United Kingdom
UK Outlet Center 1 Ltd.		99%	United Kingdom
World Duty Free Inflight (Europe) Ltd.		100%	United Kingdom
World Duty Free Limited		100%	United Kingdom
Airports International Ltd.		100%	United Kingdom
Precis (2206) Ltd.		100%	United Kingdom
Sanfield Lynton Ltd.		50%	United Kingdom
Martyn Ventures Ltd.		50%	United Kingdom
World Duty Free Inflight (Europe) Ltd.		100%	United Kingdom

APPENDIX I (continued)

ASSOCIATES (companies accounted for using the equity method)

CONSTRUCTION

Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	Liabilities	Income	Profit or loss
SPAIN									
Urbs Iudex et Causidicus, S.A.	Deloitte	Ferrovial Agromán, S.A.	22.0%	6	Spain	400,235	452,704	-32,741	-6,670
Clean Cenit A.I.E		Ferrovial Agromán, S.A.	13.4%	0	Spain	4,031	1,440	848	-1,036
Boremer, S.A.	Deloitte	Cadagua, S.A.	50.0%	2	Spain	23,994	20,902	21,456	-715
Dirgerfin, S.L.	Deloitte	Aplicación Recursos Naturales, S.A. (a)	20.0%	0	Spain	55,668	50,760	0	-91
Tecnológica Lena, S.L.	Attest Consulting	Ferrovial Agromán, S.A.	50.0%	0	Spain	1,372	1,913	735	-201
Sociedade Concesionaria Baio		Ferrovial Agromán, S.A.	50.0%	9	Spain	4,401	4	0	-24
POLAND									
Elektromontaż Poznań, S.A.	Deloitte	Budimex, S.A.	30.8%	4	Poland	23,638	10,480	33,639	-2,954
PPHU PROMOS Sp. z o.o.		Budimex, S.A.	26.1%	0	Poland	2,742	1,277	3,075	109

SERVICES

Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	Liabilities	Income	Profit or loss
SPAIN									
Empresa de Mantemimiento y Explotación M-30, S.A.	Deloitte	Ferrovial Servicios, S.A.	50.0%	30	Spain	306,676	301,028	25,793	42,574
Concesionaria Madrid Calle 30, S.A.	KPMG	Empresa de Mantemimiento y Explotación M-30, S.A.	10.0%	0	Spain	3,152,413	2,616,493	42,574	1,004
Aetec, S.A.		Ferroser Infraestructuras, S.A.	9.2%	60	Spain	772	211	304	-7
Necrópolis de Valladolid	BDO Audiberia	Sitkol, S.A.	49.0%	3,064	Spain	7	3	0	0
Valdedominguez 2000, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	20.0%	601	Spain	9,186	5,704	5,469	-424
Ingenieria Urbana, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	35.0%	4,227	Spain	55,605	40,637	48,894	3,713
Recollida de Residuos D´Osona, S.L		Compañía Española de Servicios Públicos Auxiliares, S.A.	45.0%	385	Spain	0	0	0	0
Reciclados y Compostaje Piedra Negra, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	49.0%	1,654	Spain	14,907	6,587	4,183	260

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Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	Liabilities	Income	Profit or loss
SPAIN									
Companya Especial de Recuperacions i Recondicionaments. S.L		Cespa Gestion Residuos, S.A. (a)	42.1%	756	Spain	1,400	2,722	0	-34
Ecocat, S.L.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	50.0%	31,494	Spain	33,374	19,603	25,055	-1,733
Sogarisa, S.A.	Deloitte	Ecocat, S.L.	50.0%	2,104	Spain	18,078	13,979	12,251	-258
Ecocem, S.A.		Ecocat, S.L.	51.0%	153	Spain	1,304	718	1,466	-158
Gestio de Residuos Especials de Catalunya, S.A.	Deloitte	Ecocat, S.L.	33.3%	1,606	Spain	27,540	30,988	19,074	-2,875
Novalis Medioambiente, S.A.		Cespa Gestion Residuos, S.A.	50.0%	30	Spain	3,581	3,768	0	-173
MOVITEC		Ecocat, S.L.	50.0%	6	Spain	85	116	27	-39
Ecoparc del Mediterrani, S.A.	Deloitte	Cespa Gestion Residuos, S.A. (a)	48.0%	2,517	Spain	26,139	20,232	11,877	2,518
RCD'S ALBACETE		Cespa Gestion Residuos, S.A.	50.0%	5	Spain	0	0	0	0
Nora, S.A.		Compañía Española de Servicios Públicos Auxiliares, S.A.	40.0%	27	Spain	9,759	8,948	5,463	15
Vialnet Vic., S.L.		Compañía Española de Servicios Públicos Auxiliares, S.A.	49.0%	0	Spain	1,610	1,260	1,440	0
PORTUGAL									
Valorhospital, S.A.		Cespa Portugal, S.A.	35.1%	50	Portugal	585	159	0	0
Ecoberiao	Martins Pereira & Asociados	Cespa Portugal, S.A.	20.0%	151	Portugal	11,808	11,535	0	0
Valor-Rib Industrial Residuos		Compañía Española de Servicios Públicos Auxiliares, S.A.	45.0%	549	Portugal	12,317	8,326	8,436	3,270
Cespa Portugal - Ecoambiente ACE	Deloitte	Cespa Portugal, S.A.	50.0%	0	Portugal	1,278	1,147	1,782	131
ANDORRA									
Centre de Tractament de Residus d´Andorra	Gaudit, S.l.	Cespa Gestion Residuos, S.A. (a)	29.0%	1,908	Andorra	140,671	134,040	0	0
UNITED KINGDOM									
Amey Ventures Investments Ltd.	BDO	Amey Investments Ltd.	50.0%	0	United Kingdom	0	0	0	0
AHL Holdings (Manchester) Ltd.	Deloitte	Amey Ventures Investments Ltd.	50.0%	0	United Kingdom	0	0	0	0
Amey Highways Lighting (Manchester) Ltd.	Deloitte	AHL Holdings (Manchester) Ltd.	100.0%	0	United Kingdom	10,664	-11,736	1,096	-10
AHL Holdings (Wakefield) Ltd.	Deloitte	Amey Ventures Investments Ltd.	50.0%	0	United Kingdom	0	0	0	0
Amey Highways Lighting (Wakefield) Ltd.	Deloitte	AHL Holdings (Wakefield) Ltd.	100.0%	0	United Kingdom	6,693	-7,315	659	-20
ALC (Superholdco) Ltd.	KPMG	Amey Ventures Investments Ltd.	50.0%	0	United Kingdom	53,058	-46,799	22,379	5,272
ALC (FMC) Ltd.	KPMG	ALC (Superholdco) Ltd.	100.0%	0	United Kingdom	0	0	0	0

Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	Liabilities	Income	Profit or loss
UNITED KINGDOM									
ALC (Holdco) Ltd.	KPMG	ALC (Superholdco) Ltd.	100.0%	0	United Kingdom	0	0	0	0
ALC (SPC) Ltd.	KPMG	ALC (Holdco) Ltd.	100.0%	0	United Kingdom	0	0	0	0
Amey Belfast Schools Partnership Holdco Ltd.	BDO	Amey Ventures Investments Ltd.	100.0%	0	United Kingdom	68,556	-72,377	8,591	-267
Amey Belfast Schools Partnership PFI Co Ltd.	BDO	Amey Belfast Schools Partnership HoldCo Ltd.	100.0%	0	United Kingdom	0	0	0	0
Amey Birmingham Highways Holdings Ltd.	BDO	Amey Ventures Asset Holdings Ltd.	33.3%	0	United Kingdom	26,822	-30,723	68,591	-642
Amey Birmingham Highways Ltd.	BDO	Amey Birmingham Highways Holdings Ltd.	100.0%	0	United Kingdom	0	0	0	0
Amey FMP Belfast Strategic Partnership Holdco Ltd.	BDO	Amey Ventures Management Services Ltd.	70.0%	0	United Kingdom	557	-598	788	-49
Amey FMP Belfast Strategic Partnership SP Co Ltd.	BDO	Amey FMP Belfast Schools Partnership Holdco Ltd.	100.0%	0	United Kingdom	0	0	0	0
Amey Lagan Roads Holdings Ltd.	BDO	Amey Ventures Investments Ltd.	50.0%	0	United Kingdom	85,282	-85,294	17,215	-5
Amey Lagan Roads Financial plc	BDO	Amey Lagan Roads Holdings Ltd.	100.0%	0	United Kingdom	0	0	0	0
Amey Lagan Roads Ltd.	BDO	Amey Lagan Roads Holdings Ltd.	100.0%	0	United Kingdom	0	0	0	0
Amey Lighting (Norfolk) Holdings Ltd.	BDO	Amey Ventures Investments Ltd.	100.0%	0	United Kingdom	14,343	-15,824	6,733	178
Amey Lighting (Norfolk) Ltd.	BDO	Amey Lighting (Norfolk) Holdings Ltd.	100.0%	0	United Kingdom	0	0	0	0
BCN Data Systems Ltd. (IP)	Price Waterhouse Coopers	Amey Information Services Ltd.	50.0%	0	United Kingdom	0	0	0	0
E4D & G HOLDCO Ltd.	BDO	Amey Ventures Investments Ltd.	85.0%	0	United Kingdom	64,537	-66,788	5,672	134
E4D & G Project Co Ltd.	BDO	E4D & G Holdco Ltd.	100.0%	0	United Kingdom	0	0	0	0
EduAction (Waltham Forest) Ltd. (IP)	PKF (UK)	Amey plc	50.0%	0	United Kingdom	17,541	-18,582	1,423	-212
Integrated Bradford Hold Co One Ltd.	KPMG	Amey Ventures Investments Ltd.	25.2%	0	United Kingdom	0	0	0	0
Integrated Bradford Hold Co One Ltd.	KPMG	Integrated Bradford LEP Ltd.	10.0%	0	United Kingdom	19,631	-21,207	690	97
Integrated Bradford PSP Ltd. (IP)	KPMG	Amey Ventures Asset Holdings Ltd.	50.0%	0	United Kingdom	933	-623	2,815	112
Integrated Bradford Hold Co Two Ltd.	KPMG	Amey Ventures Asset Holdings Ltd.	2.0%	0	United Kingdom	0	0	0	0
Integrated Bradford Hold Co Two Ltd.	KPMG	Integrated Bradford LEP Ltd.	10.0%	0	United Kingdom	11,561	-11,787	5,314	-11
Integrated Bradford LEP Ltd.	KPMG	Integrated Bradford PSP Ltd.	80.0%	0	United Kingdom	0	0	0	0
Integrated Bradford LEP Fin Co One Ltd.	KPMG	Integrated Bradford LEP Ltd.	100.0%	0	United Kingdom	0	0	0	0
Integrated Bradford SPV One Ltd.	KPMG	Integrated Bradford Hold Co One Ltd.	100.0%	0	United Kingdom	0	0	0	0
Integrated Bradford SPV Two Ltd.	KPMG	Integrated Bradford Hold Co Two Ltd.	100.0%	0	United Kingdom	0	0	0	0
RSP (Holdings) Ltd.	KPMG	Amey Ventures Investments Ltd.	35.0%	0	United Kingdom	25,064	-27,237	1,105	-11
The Renfrewshire Schools Partnership Ltd.	KPMG	RSP (Holdings) Ltd.	100.0%	0	United Kingdom	0	0	0	0

consolidated financial statements **appendix**

Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	Liabilities	Income	Profit or loss
UNITED KINGDOM									
Services Support (Avon & Somerset) Holdings Ltd.	Deloitte	Amey Ventures Investments Ltd.	20.0%	0	United Kingdom	0	0	0	0
Services Support (Avon & Somerset) Ltd.	Deloitte	Services Support (Avon & Somerset) Holdings Ltd.	100.0%	0	United Kingdom	7,609	-8,465	263	-22
Yarls Wood Immigration Ltd.	Price Waterhouse Coopers	Amey Programme Management Ltd.	50.0%	0	United Kingdom	0	0	0	0
PERU									
Swissport GBH Peru, S.A.	Ernst & Young	Swissport International AG	41.0%	0	Peru	9,043	3,357	10,174	521
GREECE									
WSW Hellas Services, S.A.		Swissport International AG	21.7%	0	Greece	840	366	1,175	45
FRANCE									
Swissport Executive	Price Waterhouse Coopers	Swissport International AG	50.0%	0	France	2,249	924	7,256	760
ISRAEL									
Quality Airport Services Israel Ltd..		Swissport International AG	50.0%	0	Israel	4,530	3,275	20,519	680
JAPAN									
Swissport Japan Ltd.		Swissport International AG	51.0%	0	Japan	4,799	6,791	16,994	1,249
CHINA									
Swissport HNA Ground Handling Co., Ltd.	Nexia International	Swissport International AG	49.0%	0	China	3,498	0	16	-132
CYPRUS									
S&L Airport Services Ltd		Swissport International AG	19.0%	0	Cyprus	546	519	1,349	6
QATAR									
Ferrovial Qatar LLC		Ferrovial Servicios, S.A.	49.0%	2	Qatar	4,233	334	0	-209

consolidated financial statements **appendix**

TOLL ROADS

Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	**Liabilities**	Income	Profit or loss
SPAIN									
Serrano Park, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	50.0%	-0	Spain	146,535	128,475	5,019	0
Autopista Trados M-45, S.A (a)	Deloitte	Cintra Infraestructuras, S.A.	50.0%	12,535	Spain	214,421	143,412	25,377	10,473
CANADA									
407 International Inc. (a)	Deloitte	Cintra Canada Inc.	43.2%	252,059	Canada	3,687,793	4,066,754	456,557	56
UNITED STATES									
Statewide Mobility Partners LLC (IP) (a)	Deloitte	Cintra ITR LLC	50.0%	262,927	USA	525,855	0	0	0
ITR Concession Company Holdings (IP) (a)	Deloitte	Statewide Mobility Partners LLC	100.0%	525,855	USA	525,855	0	0	0
ITR Concession Company (IP) (a)	Deloitte	ITR Concession Company Holdings	100.0%	525,855	USA	3,235,253	4,017,605	131,832	0
GREECE									
Nea Odos, S.A.		Ferrovial, S.A.	33.3%	8,390	Greece	384,758	170,245	74,626	0
Central Greece Motorway		Ferrovial, S.A.	33.3%	21,112	Greece	563,085	361,819	1,023	0

REAL ESTATE

Thousand of euros

Company	Auditor	Parent company	% of Ownership	Net cost of ownership interests (millions of euros)	Registered Office	Assets	**Liabilities**	Income	Profit or loss
SPAIN									
Promociones Hábitat (i)		Ferrovial FISA	20.0%	0	Spain	0	0	0	0

(i) No information from the auditors.

Audit report

Deloitte.

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INFORME DE AUDITORÍA DE CUENTAS ANUALES CONSOLIDADAS

A los Accionistas de
FERROVIAL, S.A.:

1. Hemos auditado las cuentas anuales consolidadas de FERROVIAL, S.A. (la Sociedad Dominante) y Sociedades Dependientes (el Grupo) que comprenden el estado consolidado de situación financiera al 31 de diciembre de 2010, la cuenta de pérdidas y ganancias consolidada, el estado consolidado de resultado global, el estado consolidado de cambios en el patrimonio neto, el estado de flujos de caja consolidado y la memoria consolidada correspondientes al ejercicio anual terminado en dicha fecha. Los Administradores de la Sociedad Dominante son los responsables de la formulación de las cuentas anuales consolidadas, de acuerdo con el marco normativo de información financiera aplicable a la entidad (que se identifica en la Nota 2.1 de la memoria adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo. Nuestra responsabilidad es expresar una opinión sobre las citadas cuentas anuales consolidadas en su conjunto, basada en el trabajo realizado de acuerdo con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, que requiere el examen, mediante la realización de pruebas selectivas, de la evidencia justificativa de las cuentas anuales consolidadas y la evaluación de si su presentación, los principios y criterios contables utilizados y las estimaciones realizadas, están de acuerdo con el marco normativo de información financiera que resulta de aplicación. Nuestro trabajo no ha incluido el examen de las cuentas anuales de una parte de las empresas del Grupo cuyos activos, importe neto de la cifra de negocios y resultado neto representan aproximadamente un 5%, 17% y un 2% del total del Grupo consolidado. Las mencionadas cuentas anuales han sido examinadas por otros auditores, según consta en el Anexo I de la memoria consolidada adjunta. Nuestra opinión expresada en este informe se basa, en lo relativo a la participación en dichas empresas, únicamente, en los informes de los otros auditores.

2. En nuestra opinión, basada en nuestra auditoría y en los informes de otros auditores, las cuentas anuales consolidadas adjuntas del ejercicio 2010 expresan, en todos los aspectos significativos, la imagen fiel del patrimonio consolidado y de la situación financiera consolidada de FERROVIAL, S.A. y Sociedades Dependientes al 31 de diciembre de 2010, así como de los resultados consolidados de sus operaciones y de sus flujos de efectivo correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación y, en particular, con los principios y criterios contables contenidos en el mismo.

3. El informe de gestión consolidado adjunto del ejercicio 2010 contiene las explicaciones que los Administradores de la Sociedad Dominante consideran oportunas sobre la situación del Grupo, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales consolidadas. Hemos verificado que la información contable que contiene el citado informe de gestión consolidado concuerda con la de las cuentas anuales consolidadas del ejercicio 2010. Nuestro trabajo como auditores se limita a la verificación del informe de gestión consolidado con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de FERROVIAL, S.A. y Sociedades Dependientes.

DELOITTE, S.L.
Inscrita en el R.O.A.C. nº S0692

Javier Parada Pardo
22 de febrero de 2011

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA
Miembro ejerciente
DELOITTE, S.L.

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 consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 39). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
FERROVIAL, S.A.:

1. We have audited the consolidated financial statements of FERROVIAL, S.A. (the Parent) and Subsidiaries (the Group), which comprise the consolidated statement of financial position at 31 December 2010 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. The Parent's directors are responsible for the preparation of the consolidated financial statements in accordance with the regulatory financial reporting framework applicable to the Group (identified in Note 2.1 to the accompanying consolidated financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the consolidated 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 consolidated 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. Our work did not include an examination of the financial statements of certain Group companies, whose assets, revenue and net profit represent approximately 5%, 17% and 2% of the consolidated Group's total figures. The aforementioned financial statements were examined by other auditors, as indicated in Appendix I to the accompanying consolidated financial statements. Our opinion as expressed in this report is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors.

2. In our opinion, based on our audit and on the reports of the other auditors, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of FERROVIAL, S.A. and Subsidiaries at 31 December 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Group and, in particular, with the accounting principles and rules contained therein.

3. The accompanying consolidated directors' report for 2010 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of FERROVIAL, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Javier Parada Pardo 22 February 2011

corporate responsibility

Ferrovial se consolida como el mayor gestor privado de infraestructuras de transporte del mundo.

Corporate Responsibility

Photo: Birmingham, United Kingdom.

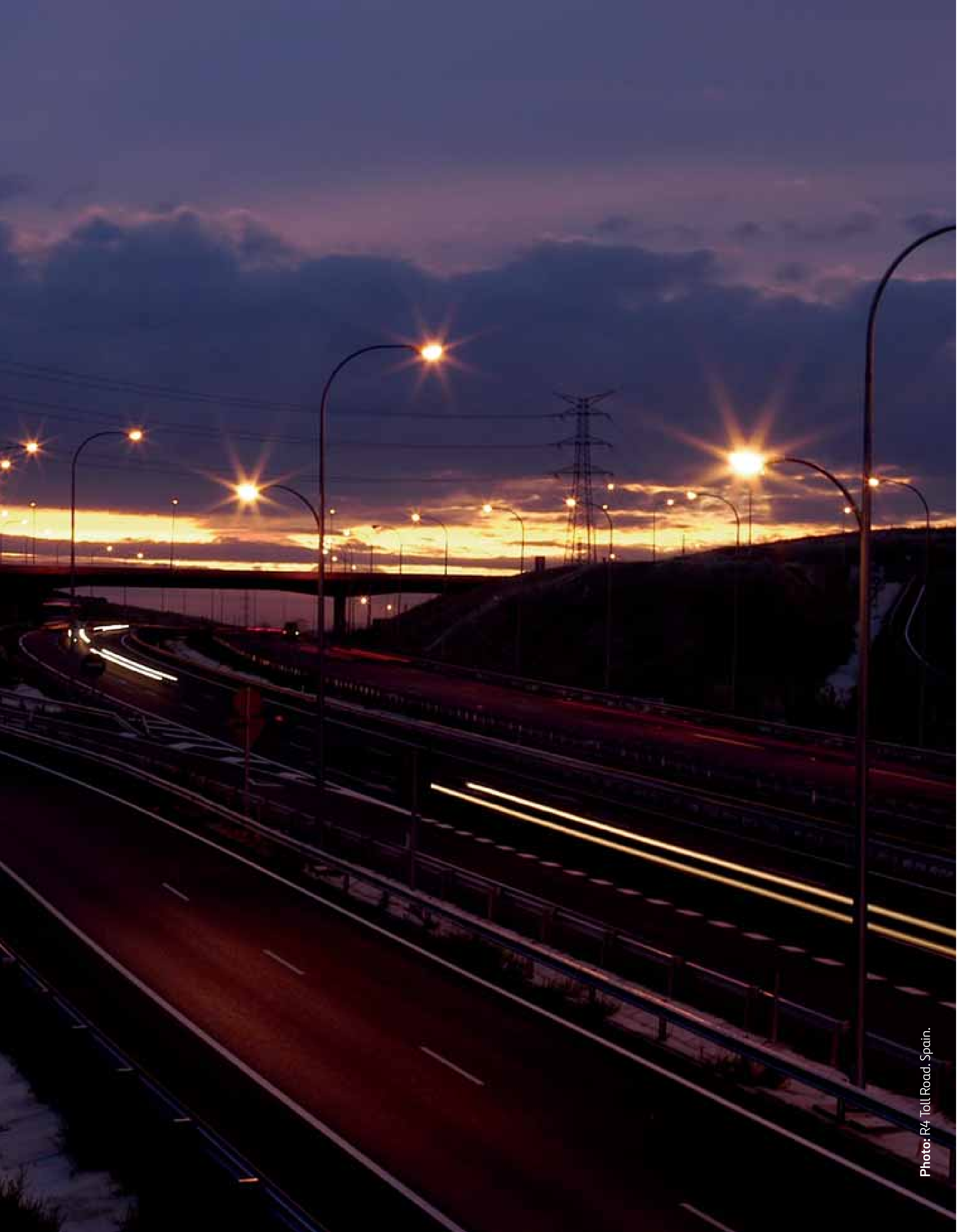


Photo: R4 Toll Road. Spain.

corporate responsability policy

Corporate Responsability Policy

For Ferrovial, its Corporate Responsibility is a strategic function that can create long-term value for all its stakeholders and for society. The Corporate Responsibility Policy is integrated into the business culture and the way the company operates. It cuts across all Ferrovial's activity in its relations with the environment.

Ferrovial's Corporate Responsibility Policy is determined by its Board of Directors. One of the Board's primary duties is to ensure compliance with the corporate responsibility principles and obligations voluntarily undertaken by the company (Board of Directors' Regulations) and set out in the Code of Business Ethics.

Since 2002, Ferrovial has participated in the United Nations Global Compact. In 2007 Ferrovial accepted these principles as the Corporate Responsibility standard for the activities of its companies throughout the world. It ratifies its commitment to the principles of the Global Compact every year.

The 20.13 Plan

At the end of July 2010, Ferrovial presented its new Corporate Responsibility 20.13 strategy, a plan that covers the next three years. The strategy covers Ferrovial's relations with its market and its transparent and honest compliance with both legislation and the company's internal regulations; the relationship with its employees as regards gender equality, possibilities of professional advancement and reconciling work and family life; and the relationship with the various stakeholders, the environment and society.

The aim is to link Corporate Responsibility to Ferrovial's positioning in Intelligent Infrastructures that define it following the merger with its subsidiary Cintra. This means efficient, accessible, clean and human infrastructures that improve the quality of life of the communities in which they are located.

From the organizational point of view, a Corporate Responsibility Committee has been created in September 2010 to ensure that the strategy is complied with and to validate the projects that are carried out over the coming years.

The 20.13 Plan focuses on five areas of work that are strategic for Ferrovial:

• Corporate Governance: The efforts are focused on transparency, particularly as regards information reported to the market.

• Codes of Good Conduct: Ferrovial is aware of the need to promote respect for human rights across the value chain and to spread the principles of the United Nations Global Compact. In addition, it emphasizes processes and measures to combat corruption, extortion and bribery.

• People: Policies of equality, diversity and the work/life balance, as well as labor security, will have special relevance during this new stage. Employees have been, are, and will be a priority for Ferrovial.

• Society and the environment: The company relies on its professionals to carry out infrastructure projects in developing countries. The efforts will also be focused on accessibility and research and innovation projects based on the concept of intelligent infrastructures. In addition, the environmental management policy, which is a model in the sector, will continue with its work to measure and reduce the carbon footprint and increase energy efficiency. Water and its efficient management will be a subject to develop. It will help define the role of large companies with respect to this vital resource.

• Stakeholders: Promote mechanisms for stakeholder engagement through debate forums and surveys to evaluate their perception of the company.

corporate responsibility **corporate responsibility policy**

Relevant issues

In the "Declaration of Principles for Sustainable Development," Ferrovial identifies the 10 relevant issues for managing its Corporate Responsibility, as well as the main lines of action related to these issues. This declaration was signed by Rafael del Pino, Chairman of Ferrovial, in May 2004 and is available through internal communication channels. It makes plain the strategic nature of Corporate Responsibility for the company.

Issue	Commitment	Lines of Action
Ethical integrity	Ethical and professional conduct in all activities.	• Follow and promote the Global Compact principles in order to combat all forms of corruption, extortion and bribery.
Corporate Governance (1)	Application of best practices of corporate governance.	• Promote and disseminate best practices of corporate governance.
Stakeholder engagement	Transparency of information.	• Continuously improve the communication channels with all stakeholders on the basis of innovative corporate information that provides information on financial aspects and also takes into account environmental and social performance variables. • Notify all stakeholders of the company's principles of sustainable development and social responsibility, and encourage employee participation in social projects.
Environment	Reduce the environmental impact of activities, maintain a preventive pro-environment approach, and cut the Group's global carbon footprint	• Promote the implementation of standardized environmental management systems in Ferrovial's various lines of business. • Research and development of models for the restoration of large-scale housing projects and urban renewal. • Research and development of more sustainable mobility models. • Anticipate and adapt early to regulatory changes relating to environmental issues.
Human capital	Provide added value and innovative solutions for people management that are aligned with our business objectives and the needs of our employees.	• Establish strategic global people management processes. • Develop an inclusive culture to preserve our identity within diversity.
Health and safety	Continuous improvement in the health and safety of workers.	• Ongoing improvement in the design and implementation of effective systems to prevent and reduce health and safety risks in Ferrovial companies.
Quality	Quality and constant improvement of processes and activities and innovation.	• Preserve and increase customer confidence in the company, striving to exceed their expectations of quality in our projects and services. Promote process improvement projects.
Innovation	Constant improvement and operating efficiency in its processes.	• Establish innovation governance through the Global Innovation Group. • Define the priorities for innovation and promote R&D&i opportunities within its business areas. Appropriately use and safeguard the results of R&D&i activities. • Foster an R&D&i culture among staff by encouraging creativity and teamwork through the Ferrovial University training plan. • Define the areas of action for innovation to develop and implement new technologies and methodologies that improve technical capacity and increase the Company's productivity. • Implement and maintain an R&D&i Management System certified to the UNE 166002 standard in the Company and establish mechanisms that ensure ongoing improvement of its effectiveness. • Define an innovation communication policy.
Supply chain	Treat the supply chain as a key factor in the company's sustainable development strategy	• Encourage suppliers and subcontractors to gradually adopt principles in line with the Corporate Responsibility Policy.
Human Rights	Respect, protection and promotion of human rights	• Improve working conditions to ensure equal opportunities and non-discrimination among employees. • Ensure that its companies are not complicit in the violation of Human Rights (Global Compact).
Community Investment	Support socio-economic development wherever the company operates.	• Plan investment in the community as a tool for aiding the development of societies wherever Ferrovial operates. • Work with governments, NGOs and other social agents on projects and activities related to social development, environmental conservation and occupational safety. • As a global company, confront the problems of the planet and in particular engage in the fight against poverty.

(1) In accordance with the criteria established by the Spanish Securities Commission (CNMV), all the information relating to Corporate Governance can be consulted in Ferrovial's Corporate Governance Report, Management Report and Annual Report.
2) Includes the labor rights recognized among the principles of the Global Compact.

Source: Declaration of Principles for Sustainable Development. Ferrovial, 2004.

These key issues are an expression of Ferrovial's main commitments in terms of Corporate Responsibility as set out in the Code of Ethics and inspired by the principles of the Global Compact. The key issues encompass a robust analysis of the state of affairs that factors in the expectations of stakeholders, verified by various internal and external sources, and the actual and potential risks faced by Ferrovial. The chapter "Independent Verification" provides details on the studies conducted to update stakeholder expectations.

External sources taken into account include the principles of the Global Reporting Initiative (GRI3), the demands of sustainability analysts (Dow Jones, FTSE4Good, VIGEO, etc.) and the observations of the leading international sustainability monitors.

Since 2004, Ferrovial has updated the lines of action for each key issue with specific plans, such as the Corporate Responsibility strategy 20.13, the new Quality and Environment Policy (2008) and the Human Resources Plan (2008-2010).

As of December 31, 2010, the Ferrovial companies had negative taxable bases liable to be offset against future earnings of 4.408 billion euro, which represents a tax credit calculated at the taxable base applicable in each of the countries of 1.386 billion euro.

In 2010, received subsidies amounting to 10 million euro. The final balance pending application at year-end was 164 million euro. In addition, the balance of participation loans granted by the Government as of December 31 2010 amounted to 92 million euro.

corporate responsibility **corporate responsibility policy**

Indicators

Table of key indicators of situation, management and perception, which measure economic, social and environmental impacts, as well as Ferrovial's performance in relation to the relevant issues and lines of action set out under its corporate responsibility. The information gathered on these indicators has been compiled according to rules of consolidation and verifiability.

Ethical integrity	2010	2009	2008	Var 10-09	Scope
Complaints received via whistleblowing channel	112	260	145	-57%	100%
Training given regarding Code of Ethics (hours)	4,250	224	638	1,793%	100%
Human Rights					
Investment in OECD countries (%)	100	100	100	0%	100%
Employees protected by collective bargaining agreements (%)	76	74.53	72.2	2%	100%
Women in the workforce (%)	32.7	32.8	35.4	0%	100%
Stakeholder engagement					
Meetings with investors	272	168	494	62%	100%
Meetings with suppliers and subcontractors	23,060	6,270	5,523	268%	100%
Supplier surveys	16,749	2,748	1,129	509%	100%
Public opinion polls	200	1,698	1,352	-88%	100%
Hits on the website	556,600	538,773	N/A	3%	100%
Environment					
Direct emissions of greenhouse gases avoided by biogas capture (CO_2 equ. t)	631,681	520,075	526,302	21%	100%
Greenhouse gas emissions avoided by sorting (CO_2 equ t)	382,440	342,061	361,105	12%	100%
Direct and indirect emissions of greenhouse gases (CO_2 equ t) (Scope 1 + Scope 2)	1,906,089	1,961,522	N/A	-3%	100%
Amount of electricity generated from biogas recovery (GJ)	361,593	308,959	321,464	17%	100%
Amount of thermal energy generated from biogas recovery (GJ)	102,568	146,666	118,168	-30%	100%
Amount of electricity produced though cogeneration in hazardous waste incineration (GJ)	68,216	66,290	66,082	3%	100%
Reduction of waste sent to landfill (m3)	4,830,891	10,780,876	13,108,962	-59%	100%
Recovery in sorting plants (t)	894,127	857,626	880,427	4%	100%
Indirect emissions of greenhouse gases (CO_2 equ t) (Scope 3) *	10,250	9,102	N/A	13%	9%
Human capital					
Average workforce	100,995	108,117	106,596	-7%	100%
International workforce (%)	62.45	61	60	2%	100%
Staff on permanent contract (%)	83	82	82	1%	100%
Staff on reduced work hours (%)	18	18	15	0%	100%
Workforce length of service (years)	6.6	5.8	6.44	14%	100%
Average employee age (years)	41.4	38.8	40	7%	100%
Turnover rate (%)	6.7	6.35	10.87	6%	100%
Investment in training / revenues	0.34	0.17	0.20	100%	100%
Employees given performance reviews (%) **	97	94	68	3%	31%
Employees with variable remuneration (%) ***	13	24.82	17.45	-48%	100%

corporate responsibility **corporate responsibility policy**

	2010	2009	2008	Var 10-09	Scope
Health and safety					
Incidence rate	81.44	79.75	87.2	2%	31%
Frequency rate	45.30	46.7	49.76	-3%	31%
Severity rate	0.95	0.87	0.97	9%	31%
Occupational safety studies	2,743	2,846	6,594	-4%	100%
Emergency plans	1,987	1,170	668	70%	100%
Training in safe work practices (hours)	445,564	500,991	423,843	-11%	100%
Quality and innovation					
Activity certified to the ISO 9001 standard (%)	67	64	67	5%	100%
Client satisfaction (0 to 5)	4.1	3.9	3.9	5%	100%
Innovation					
R&D&i budget (€ M)	45.0	6.9	18.47	552%	100%
Innovation project subsidies (€ M)	2.1	3	1.17	-30%	100%
Supply Chain					
Number of suppliers	96,724	86,020	89,567	12%	100%
EBITDA generated by purchases that meet quality and environmental criteria (M€)	397.6	366.7	291.05	8%	100%
Suppliers evaluated	9,876	7,456	1,596	32%	100%
Suppliers rejected	735	131	104	461%	100%
Suppliers certified in Quality, Environment and Human Rights (%)	27	14.44	10.63	87%	100%
Supplier incidents	303	457	159	-34%	100%
Community investment					
Socially responsible investment (DJSI)	78	78	72	0%	100%
Net job creation (%)	-6.60	1.43	4.07	-562%	100%
Community support projects	574	642	459	-11%	100%
Social investment in the community (million €)	56.9	17.98	18.17	216%	100%
Social investment as proportion of EBITDA (%)	2.26	0.72	0.66	214%	100%

(1) As of the date of publication, emissions data for Amey is included (Scope 3), however information on BAA is not yet available.
The 2009 data has been adapted accordingly, excluding emissions from BAA (Scope 3) so as to be comparable. BAA and Amey account for 32% of Ferrovial's total revenues.
(2) Spanish total workforce exclusively.
(3) Up to 2009 the data corresponded to the workforce in Spain. In 2010 it was extended to the entire workforce excluding Swissport.
(4) The information refers to Spain and Portugal. Data from previous years without a 100% scope have been modified.
(5) 2009 data defers from Annual Report 2009 data due to the updates in consumption figures and to the exclusion of Swissport. Note: Perception indicators shown in previous years have been excluded from the table. The reason is the launch of a new stakeholder consultation model.

Note:This table excludes perception indicators shown in previous years due to the launch of a new model of stakeholder consultation.

Progress in 2010

Listed below are some of the most important milestones and advances in 2010 in the fulfillment of corporate responsibility commitments.

A. Policies and procedures

• **The 20.13 Plan:** At the end of July 2010, Ferrovial presented its new Corporate Responsibility strategy, a plan that covers the next three years. The aim is to link Corporate Responsibility to Ferrovial's positioning in Intelligent Infrastructures following the corporate changes in the wake of the merger with its subsidiary Cintra. These efficient, accessible, clean and human infrastructures improve the quality of life of the communities in which they are located.

• **Creation of the CR committee:** A Corporate Responsibility Committee has been created for the 20.13 Plan to ensure that the strategy is complied with, and to validate the projects that are carried out over the next few years. The members of the Committee are representatives from the four businesses (Services, Airports, Toll Roads and Construction) and directors of the corporate areas (Human Resources, General Secretary's Office, Environment and Communication and CR).
The Committee, who has held two meetings in 2010, will meet six times a year and report to the Board of Directors; every four months it will report to the Management Committee.

• **Consolidation of the System of Variable Target-Based Remuneration.** In accordance with the action plans implemented as part of the COMPENSA initiative, the company has boosted the flexible remuneration system through the Flexibility Plan. This allows the current remuneration package to be modified voluntarily according to personal needs, with part of the fixed remuneration replaced by a variety of products. The program was boosted further during the year, particularly with those products that were most interesting in terms of personal needs and current legislation, such as the On-line Home (HCI) plan that gives tax allowances for employees who want to buy a computer.

• **Launch of a new Long-Term Incentive Program (Performance Share Plan)** of shares for 338 executives and middle-management after 3 years and following compliance with certain metrics.

• **Implementation of a global people-management tool integrating all the strategic processes in the area of human resources.** Implementation of Management Modules, Goals and ETWeb Training for Spain, USA, Poland and the UK. This is a global people management tool integrating all strategic human resource processes.

B. Assessment and Management systems

• **Carbon footprint.** Since 2008, Ferrovial has been working to identify all the sources of emissions in the company's business. In 2009 it also developed a procedure to calculate the overall carbon footprint and unify the methodology for data collection and emission calculation. So far, emissions corresponding to 100% of revenues have been measured.

• **OHSAS certification.** In 2010 the Occupational Safety Management Systems of Ferroser, Eurolimp and Amey received OHSAS certification. Ferrovial Agroman, Ferconsa, Cadagua, Compañía de Obras Castillejos, Tecpresa, Ditecpesa and Edytesa successfully passed the legal audit of their Joint Safety Service and the second audit of the annual monitoring of the OHSAS 18001:2007 certification for Occupational Safety Management Systems.

• **Integral Corporate Risk Management (FRM).** The Corporate Risks Department extended the implementation of Ferrovial Risk Management (FRM) in 2010. FRM is based on a process that involves the whole organization. Its objectives are prioritization of potential risks for the organization through a standardized assessment procedure, as well as the adoption of corrective measures by all the areas of the company's activity with the aim of mitigating them.

C. Action plans

• **Publication of the new "Manual of International Assignments."** This policy has been designed to unify and clarify criteria, and to stimulate and properly coordinate short-term and long-term international assignments. International assignments promote employee career development by offering them the experience of working in new expanding markets, where they can put into practice and improve their skills and obtain more knowledge and experience to the benefit of the organization as a whole. Currently, there are around 260 expatriates in 12 countries.

• **Talent identification and management program: pilot project**. This tool integrates the strategic human resources processes of recruitment and selection, evaluation and development planning, career plans, target setting and remuneration. The scope of this tool is international and for the first time information will be integrated from all the key and strategic groups worldwide.

• **Employee Satisfaction Survey.** For the fourth time in its history, Ferrovial has launched the Employee Satisfaction Survey, one of the most important in the organization. All the companies in Ferrovial take part in it. The results of the survey have led to the introduction of initiatives to improve working conditions.

corporate responsibility **corporate responsibility policy**

• **Community investment.** Ferrovial's new Corporate Responsibility strategy confirms the company's strategic vision of community investment, which it considers an instrument for the development of society and the environment in which it operates. One of the priority areas for action is the development of efficient, accessible, clean and human infrastructures. The success of the Maji ni Uhai cooperation project, funded by the company and managed jointly with Amref Flying Doctors, has led Ferrovial to a commitment to a program that is much wider in scope. In the coming years this model of partnership between NGOs, business and local governments in other parts of the world will be reproduced through basic infrastructure projects in partnership with the company's professionals. In addition, Ferrovial has since 2005 had a joint employee-company donation program called Juntos Sumamos (Stronger Together), through which more than 650,000 euro have been donated to a variety of development cooperation projects.

• **Corporate Volunteering.** Ferrovial is actively involved through its volunteers in the fight to protect Human Rights, and thus contributes toward the achievement of Millennium Development Goal number 8: a global partnership for development. The company has three ways of channeling its employees' charitable interests and promoting the culture of solidarity: the Volunteers' Day, Volunteering for Development and the BAA Volunteer Awards. The aim in 2011 is to consolidate these initiatives into a long-term Volunteering Plan.

Awards and distinctions

For Ferrovial recognition by third parties is encouraging, but it also drives us to continue working to prove we deserve it. Awards contribute to generate pride of belonging and promote continuous day-to-day improvement.

• The recent **"Silver Class" award from Sustainable Asset Management (SAM) and PricewaterhouseCoopers (PwC), together with the second place for Corporate Responsibility in Fortune's** Most Admired Companies ranking confirm Ferrovial as one of the leading companies in the field of sustainability.

• **The Microphilox project has been chosen by the European Commission as one of the best "LIFE Environment" projects (Cespa).** It involves the installation of the first microturbine in Spain that operates with biogas from a controlled landfill.

• **Gold and silver in the Royal Society for the Prevention of Accidents (RoSPA) awards (Amey and Ferrovial Agroman):** Gold for Amey and silver for Ferrovial Agroman for their efforts and best practices in health and safety at work.

• **"International Cooperation for Sustainable Development" award from the European Commission (Ferrovial):** for the Maji ni Uhai project.

• **"Charitable Company" award from the Fundación Codespa (Ferrovial):** for the Maji ni Uhai project.

• **Heads the world ranking for transport infrastructure management of the prestigious magazine Public Works Financing (Ferrovial):** Ferrovial is in first place in the ranking of the biggest transport infrastructure developers by capital invested.

• **Highest rating from the Carbon Disclosure Project (CDP) (Ferrovial):** CDP ranks Ferrovial as sector leader and among the 25 best companies for its strategy and performance in the fight against climate change.

• **"European Excellence Award 2010" (Ferrovial):** for its communication campaign of the merger with Cintra, granted by the magazine Communications Director in the Mergers & Acquisitions category.

• **The Indiana Toll Road has received an award from the Michiana Area Council of Government (MACOG) for its efforts to fight air pollution through systems that reduce waiting times for users in toll areas (Cintra).**

• **"Best Transport Operation 2009" for the North Tarrant Express (NTE) highway (Cintra):** from the prestigious magazine Infrastructure Journal.

• **"Platinum Broom" award to the city councils of Murcia and A Coruña, "Golden Broom" to the City Council of San Sebastián de los Reyes, and "Silver Broom" to the City Council of Alcobendas and the Town Council of Tomares (Cespa):** ATEGRUS rewards innovation and improvement in municipal cleaning systems.

• **"Ecoplayas 2010" Award (Cespa):** Award granted for the service at As Lapas beach, in recognition of its accessibility to a large variety of environmentally-friendly means of transport.

• **Madrid Excelente guarantee stamp of quality – audit process successfully completed (Cespa):** recognition first obtained in 2001 and maintained since then.

• **British Safety Council's International Safety Award, the National Recycling Stars (Bronze Award) and the Gold Tidy Business Standards Award (Glasgow Airport-BAA).**

• **"European Services PPP Deal of the Year" (Amey):** for its Birmingham services contract as the most complex project in the country in terms of its financial structure.

• **Fleet Hero prizes (Amey):** awarded by Energy Saving Trust as the best private-sector enterprise, for its new, efficient fleet of electric vehicles.

• **Winner of the "Polish Cement in Architecture" competition (Budimex):** for the construction of the County Court building in Katowice.

• **Award as the "Best Large Construction Company in 2010" (Ferrovial Agroman):** an award granted by the Commercial Media Group (CMG) for the company's outstanding financial soundness and extraordinary construction activity in the country.

• **4th Segovia Aqueduct Award (Ferrovial Agroman):** the Civil Engineers' Association granted the award to the Montabliz viaduct.

• **"Water Company of the Year 2010" (Cadagua):** from the prestigious publication Global Water Intelligence.

• **"Best Practices Award" (Ferrovial):** an award granted in the category of CSR by the Internal Communication and Corporate Identity Observatory.

Responsible Investment Indexes

Ferrovial is listed on the following socially-responsible investment indexes:

• **Dow Jones Sustainability Index.** Ferrovial has been included for the ninth year in a row in the European and world indexes of sustainable companies drawn up by Dow Jones: Dow Jones Stoxx Sustainability and Dow Jones Sustainability World Index.

• **FTSE4Good.** Ferrovial has for the sixth year in a row been included in the FTSE4Good Global Index, with its inclusion in the September review as socially responsible investment.

• **Carbon Disclosure Project (CDP).** CDP includes Ferrovial among the 25 best companies for its strategy and performance in the fight against climate change.

• **Ethibel.** Ferrovial is evaluated according to public information for 37 criteria in six areas: human rights, environment, people development, market performance, corporate governance and community investment.

• **Triodos Bank:** Ferrovial has been included in the August monthly update. The inclusion in the universe of Socially Responsible Investment of Triodos Bank, a benchmark in banking ethics, represents recognition of the company's commitment to the environment, culture and society.

Photo: Cintra offices, Madrid-Spain

ethical integrity

Commitment

- Ethics and professionalism in every action.

Lines of action

- Fight corruption in all its forms, including extortion and bribery (Global Compact).
- Promote knowledge of the Code of Ethics among all employees.

2010 Milestones

- Launch of an online training course on business ethics.
- Launch of the "Security starts with you" campaign.
- Extend the use of the ethical channel: international intranet and website.

2011 Goals

- Extend the operation of FRM Ferrovial Risk Management.
- Make all stakeholders familiar with the ethical channel.

The business and professional activities of Ferrovial and its employees are based on the value of integrity, and carried out in accordance with the principles of honesty, avoidance of every form of corruption and respect for the individual circumstances and needs of all parties involved.

Ethical integrity	2010	2009	2008	Var 10-09
Complaints received via whistleblowing channel	112	260	145	-57%
Training given regarding Code of Ethics (hours)	4,240	224	638	1,793%

Ferrovial's Code of Ethics prohibits bribes to public authorities and civil servants and it forbids its employees from giving or receiving undue payments of any type as well as presents, gifts or favors from third parties outside the scope of regular market practices or which, by reason of their value, characteristics or circumstances, may reasonably alter the commercial, administrative or professional relations of its companies.

It also prohibits any action that may involve unfair competition practices and undertakes to ensure compliance with the competition laws applicable in the countries where it operates.

Fraud control is a duty assigned to the Internal Audit Department. In 2009 a new channel was created for accusations related to the Code of Ethics (whistleblowing). In 2010, 2% of accusations received in the intranet mailbox were related to alleged fraud.

Based on the information available for 2010, there have been no significant final penalties, monetary or otherwise, arising from violations of laws, regulations or standards governing the exercise of the Company's activities.

A training course was launched in 2010 through Universidad Summa to give all Ferrovial employees the chance to get to know the Code of Business Ethics, which establishes the basic principles on which their behavior should be based.

This Code, as well as the corporate procedures for "Protection of the Ferrovial Assets Through Prevention of Internal Fraud" and the "Corporate Procedure for the Whistleblowing Channel" must be complied with by all the staff and companies that make up the company in Spain and abroad.

corporate responsibility **ethical integrity**

A. Code of Business Ethics

Ferrovial has a Code of Business Ethics, which was approved by the Board of Directors in 2004. It establishes the basic principles and commitments that all companies in the group, its employees and executives, and all other entities linked to Ferrovial or to any of its group companies by reason of having a dominant position, must respect and comply with in the exercise of their activities.

• **Respect for the law**. Ferrovial's business and professional activities shall be carried out in strict compliance with the laws in effect in every country where it operates.

• **Ethical integrity**. The business and professional activities of Ferrovial and its employees shall be based on the value of integrity and carried out in accordance with the principles of honesty, avoidance of every form of corruption and respect for the individual circumstances and needs of all parties involved.

• **Respect for Human Rights.** All actions of Ferrovial and its employees shall scrupulously respect the Human Rights and Civil Liberties enshrined in the Universal Declaration of Human Rights.

These principles are a guarantee of integrity for Ferrovial and reflect the group's adherence to the major international inter-governmental initiatives such as the ILO (International Labor Organization) Tripartite Declaration, the OECD (Organization for Economic Cooperation and Development) Guidelines and the Principles of the United Nations Global Compact, to which Ferrovial has made a special commitment.

At present, the code is enforced in all the countries where Ferrovial operates and applies to all employees. In addition, some companies recently acquired by Ferrovial –BAA is a case in point– have their own Codes of Ethics already in force, which are complemented by the corporate code.

The full version of the Code of Ethics is available on the Ferrovial website in Spanish and in English.

Code of Ethics Training

All employees who join Ferrovial receive a printed copy of the Code of Ethics in Spanish or English. They also have direct access to a PDF version of the code through the corporate intranet.

In 2010 three courses were given linked to the Code of Business Ethics. The first was obligatory for all employees and in an initial phase was given in Spain. The purpose of the course is to impart knowledge on the basic principles that guide the proper behavior of Ferrovial employees and describe the procedures that the company makes available to all employees:

- Harassment Prevention Protocol
- Equal Opportunity Plan
- Work/Life Balance Plan
- Fraud Prevention Procedure
- Health and Safety Policy
- Information Security Policy
- Quality and Environment Policy

In addition to this generic training, special training has been developed for information security. The aim is to make employees aware of the need to protect business information, which is one of the company's strategic assets. Ferrovial considers safeguarding the confidentiality, integrity and availability of information in the company to be a key for business reputation.

As part of our normal relationship with suppliers and subcontractors, Ferrovial promotes various training initiatives on the implementation of the principles of the Code of Ethics in the supply chain.

The in-house magazine Inforvial echoes the good practices and initiatives that make it possible to highlight practical cases of the application of the principles of the Code of Ethics. This magazine has a circulation of 10,000 copies and is distributed among employees in Canada, Chile, Greece, Ireland, Italy, Poland, Portugal, Puerto Rico, Switzerland, United Kingdom and USA.

Suggestion Box

Ferrovial has had a "Suggestion Box" since 2004, where employees can make suggestions for improvement, and leave their comments and criticisms. This box can be found on the corporate intranet. A total of 94 suggestions were received in 2010. The type of suggestions made is as follows:

- 24% communications
- 31% human resources
- 35% systems
- 10% other

At the close of this annual report, 100% of the communications have been closed.

Whistleblowing Channel

Since 2010, with the aim of ensuring compliance with the Code of Ethics, Procedures and Protocols, the complaints have been channeled through the Whistleblowing Channel (Complaints Box) launched in 2009.

The Box allows any possible irregularity or illegal behavior to be reported and documented online, anonymously if required, so that an investigation is launched by its Management Committee. Any employee with well-founded suspicion or knowledge of a violation of the Code of Ethics can file an anonymous report via the corporate intranet, PO box, whistleblower service of the 407 ETR Toll Road or the Complaints Box of BAA.

In 2010 the Box was made accessible via the intranet of Ferrovial subsidiaries (Budimex, Amey, BAA), amounting to approximately 10,000 extra employees. All the complaints give rise to an investigation by the Complaints Box Managing Committee.

This committee, which is made up of the Director of Internal Audits and the General Director of Human Resources, meets at least once a month at the behest of the Director of Internal Audits. When the situation requires, urgent meetings may also be convened by any member of the Managing Committee or by any other Department of the Group. This committee is responsible for taking measures to improve compliance and resolve incidents or doubts as to interpretation.

An emergency procedure has been established for any complaints whose contents call for immediate action. In such cases, the Internal Audit Department, as the unit responsible for the Complaints Box, must decide if an urgent meeting of the Managing Committee is required or will set in motion the procedures that the Group has established for addressing the reported problem.

The channel gives all employees of the Ferrovial Group (and of its subsidiaries) a direct line of communication to the company directors and management to report any matters of concern, such as irregularities, violations and unethical or illegal conduct. The channel guarantees absolute confidentiality and anonymity at all times, if the whistleblower so desires.

In 2010 there were 51 complaints (almost twice the number in 2009). Of these, 57% of the people gave their names and 43% were anonymous, compared with 46% and 54%, respectively, in 2009.

The category of complaints were:

- 6% relating to the compensation package
- 18% relating to the job position
- 36% relating to the travel agency
- 20% relating to harassment
- 18% relating to other matters

The Complaints Box procedure is available to third parties on the intranet and the corporate website. It is approved by the Chairman and includes all the associated responsibilities, and guarantees absolute confidentiality and anonymity, if the whistleblower so requests.

B. Risk Management

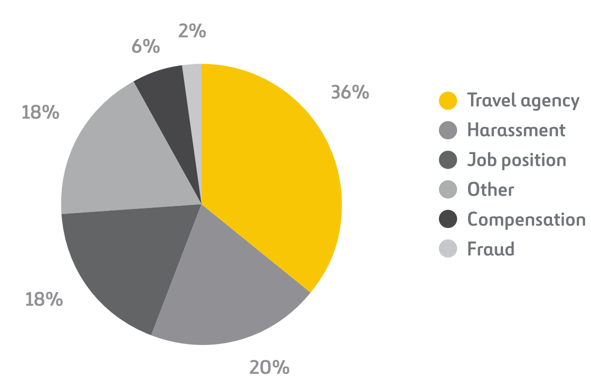
In 2009, the Corporate Risks Department implemented the new process of integrated risk management, called Ferrovial Risk Management (FRM), throughout the Group. This process will identify and assess risks to achieving business goals set by Management, whether of a financial nature or relating to the company's sustainability policy.

FRM operates through a process that involves the whole organization. Its objectives are prioritization of potential risks for the organization through a standardized assessment procedure, as well as the adoption of corrective measures by all the areas of the company's activity with the aim of mitigating them. The tool operates at different levels of the business and is thus made up of various phases. Identification, assessment and comprehensive management of risks is carried out bottom-up, from managers working directly in the businesses at local level to higher levels of the company.

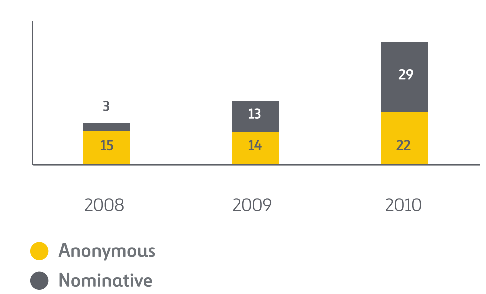
The definition of the risk universe (strategic, operational, compliance and financial risks) is based on the Ferrovial Risk Policy, which is es-

The complaints filed via the INTRANET by category are as follows:

Complaints by Category/Concept/Issue/Topic



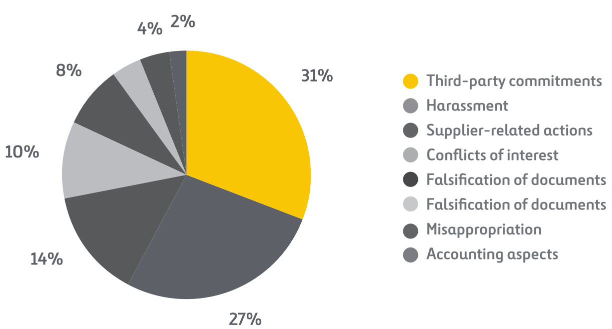
Number of complaints



corporate responsibility **ethical integrity**

The complaints filed via the WEBSITE by category are as follows:

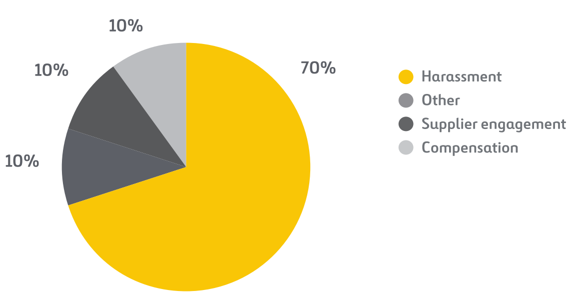
Complaints by Category/Concept/Issue/Topic



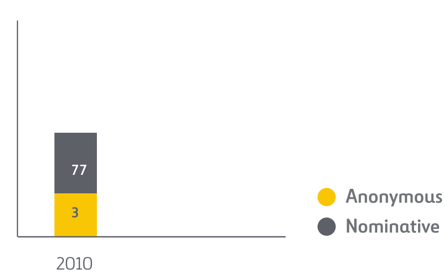
Number of complaints

The complaints filed via the PO BOX by category are as follows:

Complaints by Category/Concept/Issue/Topic



Number of complaints



tablished by the Board of Directors and organized into a set of principles. This classification does not include reputational risk as a specific type. Rather, it is based on the principle that any of the risks within these definitions may have a global effect on the company's reputation.
Risk identification is carried out at the same time throughout the whole organization. Due to the geographical diversity of Ferrovial's business, the Corporate Risks Department has chosen to limit the number of realities (market/business) to be taken into account when identifying risks to 50, and to appoint managers responsible for analyzing each of them.

The managers enable the risks included in the tool to be identified, taking into account the potential impact on the reference objectives, the probability of their occurrence and the exposure of the businesses to this situation. An evaluation can also be made of the contingencies (risk events) over time, as well as other situations that may not have been included in the realities specified by Ferrovial Risk Management.
The Corporate Risks Department extended the implementation of Ferrovial Risk Management (FRM) in 2010.

C. Preventing fraud and corruption

Ferrovial has had an internal fraud prevention procedure in place since 2005 to protect its business assets by preventing conducts that may involve internal fraud. It was updated in 2009 to maintain it aligned with the reality of the companies and countries in which Ferrovial operates.

The procedure applies to the employees of Ferrovial and of all companies, associations or organizations in which Ferrovial has a controlling interest (50% or more) or in which it has a minority interest with managerial responsibilities.

Internal fraud is defined as "any willful act or omission which, performed by Ferrovial employees, attempts to cause or causes harm to the assets of Ferrovial, harm being understood to mean the generation of costs or expenses without equivalent compensation, the production of asset impairment or the failure to obtain a legitimate return."
The procedure provides that any person subject thereto who is aware of actions that could harm the company's assets has the right and obligation to inform Ferrovial. Notifications can be sent to the immediate superior or through the Complaints Box, either giving the person's name or anonymously. The employee must make available all the information and/or documents necessary for a superior or the Complaints Box Managing Committee to have sufficient evidence for a correct analysis and assessment of the facts.

D. Controlling investments and expenses
Procedure governing investments

This procedure establishes the systems of checks and balances required to carry out large transactions of one million euros or more. On an increasing scale depending on the amount, the operations must be approved by the CEO, by the Chairman or by the Board of Directors. All preliminary agreements, option contracts and purchase agreements involving down-payments must also be given approval. The formal presentation of non-binding bids, including ITNs (invitations to negotiate), in the course of public or private contract bidding processes shall be communicated in writing to the CEO with copies to the General Secretary's Office and the Financial Department.

Handling of cash and expenses

To avoid possible bribery or corruption in connection with travel expenses, there is a regulation that requires all airline and train tickets, rental car fees and hotel reservations to be handled by the central travel agency with which each company regularly works.

Credit cards

The use of company credit cards is limited exclusively to paying corporate travel expenses.

Cash availability

In order to control the availability of cash, there is a regulation that controls requests for cash advances through the computerized expense management system. The maximum sum allowed for travel expenses is 1,200 euros for domestic trips and 3,000 euros for travel abroad. When the amount of the current request plus the previous advances that have not yet been justified exceeds 1,200 euros, the request shall require the authorization of the immediate superior.

E. Information Security

A major review of the legal framework governing information security in Ferrovial was carried out in 2009. The framework aims to safeguard the integrity, confidentiality and availability of the information produced and handled by employees in companies of the Ferrovial group or in which Ferrovial has management responsibilities. It is based on the following basic principles:

- Ownership of information
- Handling of information restricted to authorized and business purposes
- Adaptation to the legal framework
- Code of Business Ethics

This Framework is mandatory for all Ferrovial employees and partners, and applies to any type of information generated, regardless of its nature and means of storage and transmission (written, hard copy, CD, USB memory stick, DVD, etc).

Ferrovial considers it essential to protect its information so that it is not destroyed, rendered unavailable, tampered with or disclosed without authorization. For this purpose, it has established a series of general practical

corporate responsibility **ethical integrity**

guidelines applicable both to Ferrovial's information assets and to the systems that process and support them.

In 2010 Ferrovial launched the campaign "Security begins with you" with the aim of spreading awareness of the need to protect business information, as a strategic asset of the company, and targeting employee collaboration. The aim is to make all the people making up Ferrovial aware of the importance of information, and transmit the idea that it is everyone's responsibility to make correct use of it.

Safeguarding the confidentiality, integrity and availability of information in the company is key for business reputation.

Information, understood as a series of data created by or for Ferrovial in any medium or format, is one of the most important assets of our organization and essential to our strategy and the performance of our business activities. Consequently, the protection of information against any possible damage or unauthorized use should be a management priority for Ferrovial.

F. Crisis communication and management procedures

The general system of risk supervision and control is closely linked to crisis and business continuity procedures.

In the corporate sphere, the risk profile is a basis for detecting sudden situations that may trigger a crisis of major consequences for the company. These risks are identified in catalogs that are specific for each business activity. They are permanently updated and accessible at the organization levels where such situations may occur.

As part of these procedures, an internal and external communication protocol is in place designed to ensure that in a crisis situation the organization levels that have to make decisions are provided with reliable and sufficient information in the least possible time.

There are also specific procedures in the systems of the business areas that include measures to be implemented at the levels affected by the crisis in order to mitigate damage to people or the environment, as well as to reduce the economic impact of the crisis and help the business activity to recover in the shortest possible time.

E. Incompatibilities

Employees involved in purchasing must not have any personal, financial, family or other interest, whether direct or indirect, in the supplying companies. If an interest does exist, the employee must notify his or her immediate supervisor. Since 2008, the purchasing personnel in Ferrovial's Purchases Department are bound by the specific principles of integrity published in the Code of Buyers.

An immediate supervisor must be advised of any direct or indirect conflicts of interest arising from family connections, personal ties, financial interests or other factors. Employees who participate in purchases are prohibited from accepting special discounts or gifts valued at over 90 euros. Gifts of a lesser value may only be accepted if they are delivered to corporate headquarters. The code stipulates that invitations to trips, events or paid meals must be supervised, and employees should not accept invitations extended by suppliers.

The Nomination and Remuneration Committee is responsible for taking measures to make sure that Ferrovial does not hire, either as employees or as senior management, persons who have previously performed evaluations of the company for rating agencies unless more than two years have passed since they left the agency.

Photo: Kid at Heathrow Airport, United Kingdom.

stakeholder engagement

Commitment

- Transparency of information.

Lines of Action

- Continuously improve the communication channels with all stakeholders on the basis of innovative corporate information that provides information on financial aspects and also takes into account environmental and social performance variables.
- Notify all stakeholders of the company's principles of sustainable development and social responsibility, and encourage employee participation in charitable projects.

2010 Milestones

- Development of a new model of stakeholder engagement.
- Preparation of perception surveys that help decision making and the presentation of reputational objectives.
- Improved relations and better communication channels with the various groups.

2011 Goals

- Launch of a new website.
- Application of the Ferrovial strategy in social networks.
- Implementation of the Main Ferrovial Stakeholders (MFS) program.
- New globally-based IT communication platform for suppliers.

The guiding principle of Ferrovial's business activity is the transmission of accurate, complete and transparent information that expresses a true picture of the company and its business and strategies.

Ferrovial's relations with its stakeholders take place within a context of transparency, truth and professionalism. Ferrovial considers stakeholders to be those individuals or social groups with a legitimate interest and who are affected by the company's current or future activity.

Stakeholder engagement	2010	2009	2008	Var 10-09
Meetings with investors	272	168	494	62%
Meetings with suppliers and subcontractors	23,060	6,270	5,523	268%
Supplier surveys	16,749	2,748	1,129	509%
Media presentations	6	4	4	50%
Hits on the website	556,600	538,773	N/A	3.3%
Public opinion polls	200	1,698	1,352	-88%

This definition includes both internal and external stakeholders: internal stakeholders form part of the company's value chain (shareholders, employees, investors, customers and suppliers), and are considered partners by the company in the carrying out of its businesses, while external stakeholders include public authorities, governments, the media, analysts, the business sector, labor unions, the Third Sector and society in general, starting with the local communities in which the company operates.

A new model of stakeholder engagement was implemented in 2010.

corporate responsibility **stakeholder engagement**

The new model includes a reputational perspective in both its design and in the analysis of results and conclusions. It involves consultations with the stakeholders who are most representative for the company,in the form of 200 interviews with 47 media, 10 financial analysts, 40 opinion leaders, 12 customers, 28 suppliers, 10 business associations, 10 partners, 10 labor unions, 15 NGOs, and 18 politicians and regulators.

Following analysis, the data obtained is used to prepare a report for each stakeholder, together with a joint report that helps decision-making at Ferrovial, enables reputational objectives to be determined and improves the company's relations with its publics.

	Stakeholders
Financial analysts	**10**
Media	47
Opinion leaders	40
Customers	12
Suppliers	28
Business associations	10
Partners	10
Labor Unions	10
Third Sector	15
Government and public authorities	18
Total	**200**

A. Policy of transparency and engagement

The principle that guides Ferrovial's behavior toward shareholders, investors, analysts and the market in general is the transmission of true and complete information that provides an accurate picture of the company and of its business activities and strategies.

Transparency is exercised within legal limits (according to established rules and time frames) and with respect for the rights of all the interested parties. With respect to financial reporting, Ferrovial has a control procedure for reporting relevant operations that reflects the measures provided in the Spanish Securities Market Act .

In communications related to users and employees, Ferrovial guarantees the right to data security, confidentiality and privacy. In general, Ferrovial requires that its employees make judicious and professional use of the information about the company to which they have access. The company considers it essential to protect its information so that it is not destroyed, rendered unavailable, tampered with or disclosed without authorization. For this purpose, it has established a series of general practical guidelines applicable both to Ferrovial's information assets and to the systems that process and support them.

In accordance with this principle, in 2010 Ferrovial launched the La Seguridad empieza por ti (Security begins with you) campaign that covers collaboration with employees. The training is based on the following basic principles: ownership of information, handling of information restricted to authorized and business purposes, adaptation to the legal framework and Code of Business Ethics.

In 2010 Ferrovial implemented an internal and external communication protocol designed to ensure that in a crisis situation the decision-making organizational levels are provided with reliable and sufficient information in the shortest possible time. Specific procedures were introduced in the business areas, including measures to be implemented in order to mitigate damage to people or the environment, as well as to reduce its economic impact and help the business activity to recover in the shortest possible time.

The professionalism of relations between the company and its stakeholders has led to the establishment of dialog across different areas, mostly depending on the Board of Directors, that are specifically equipped to attend to the interests of each group.

Ferrovial has a variety of multi-stakeholder channels:

• **Corporate website:** Provides up-to-date information focused on the different stakeholder profiles.

• **Corporate communication:** Covers all the public interested in the company through specialized and general media.

• **Annual on-line report:** Its aim is to present the company's annual balance sheet to the stakeholders, with information on the activity, earnings, milestones and goals, based on specific subjects that have been identified as of interest for the various stakeholders.

In 2010 a comprehensive communication plan began to be developed for the stakeholders with regular activities such as the following:

- Stakeholders' Forum
- Perception surveys

B. Shareholders and investors

Ferrovial's main priorities to its shareholders and investors are: transparency in its management, adoption of the best practices of Corporate Governance in its companies and strict observance of the rules in force at any time. The Corporate Governance Report is available as a file attached to the 2010 Annual Report. It presents detailed information about relations between the company and its shareholders, the Regulations of the General Stockholders Meeting, and shareholder rights and participation.

The website gives shareholders access to all the documentation on the company, the procedures for obtaining the attendance card for the General Stockholders Meeting and all the instructions needed to vote or exercise a proxy. Since 2005, shareholders can participate online at the General Stockholders Meetings and vote by e-mail.

Ferrovial has a permanent Shareholder Relations Office available through two communication channels: the shareholder phone helpline and an e-mail address.

The Shareholder Relations Office aims to make communication with private shareholders fluid and transparent and help them access the company's information and strategy.

On 2010 there was an increase in Ferrovial's contacts with shareholders and investors. The following data reflects the fluid communication with this stakeholder group:

- Number of activities (444) 30% up on 2009.
- 24 roadshows in 14 countries, 16 cities, 19 different brokers.
- IR website: 1,398,365 hits.
- 2,130 e-mails received, 43% up on 2009.
- Calls to the shareholder line up 29%.

C. Employees

The employee communication policy is based on respect for the privacy and confidentiality of information. Ferrovial aims to maintain ongoing contact with its employees through a variety of channels.

In 2010, following the Annual Convention, Ferrovial interviewed employees from its different businesses in 5 countries of the 49 in which it operates (the US, Poland, the UK, Switzerland and Spain).

Most employees highlighted in their interview the opportunity that the company offers them to fulfill themselves professionally in an excellent human team, and with the opportunity to balance their personal and professional life. Most see an encouraging future for Ferrovial, and say it is a great multinational, a leader in its sector with strong environmental commitment.

In 2010, the Employee Satisfaction Survey was prepared for the fourth time, and conducted on January 2011, with the participation for the first time of all the companies in the Group. As a result of the findings of the surveys, Ferrovial has established specific Action Plans. In 2009 a Working Environment Committee was set up, comprising members from all business units, to track compliance with the actions undertaken.
Ferrovial has two formal channels of internal communication:

• **Intranet**: The main channel for internal communication with employees, in Corporate and the various divisions. Currently, 5,326 employees have access to the corporate intranet, or to the intranets in the business areas. Publication of content on the intranet:

  · Yellow Channel: 150 news items in Spanish and 130 in English.
  · 20 specials in video format in English and Spanish: Annual Convention 2010, 2010 Results, Tanzania.
  · System of RSS news feeds between Ferronet, Amey World and One BAA.

• **Internal magazines**: Inforvial, Ferrovial's internal magazine, has a circulation of more than 10,000. Three issues were published in 2009, informing the employees of changes in the business, the company's vision, company news, the most relevant events, etc. In 2009 a special bilingual edition of Inforvial was published to mark the merger between Cintra and Ferrovial.

Amey and BAA have their own internal publications called, respectively, The Hub and Airwaves.

• **Media center:** The media center was launched in March 2010. It gives employees access to the 300 best photographs and more than 50 videos with major events, the opinions of Ferrovial executives and presentations at Summa University.

• **Annual convention**: Once a year, Ferrovial brings together its top-ranking executives from the four divisions to debate on the long-term strategy and business prospects for the following year. Dubbed "One," the 2010 Annual Convention looked in depth at the idea that Ferrovial has only one team with common values, principles and styles throughout the world. "One" not only symbolizes the company's leadership, but it aims to act as a large coordinated whole, focused on a common objective. The event was attended by the Chair-

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man, who inaugurated the convention with an address detailing the company's milestones in 2010 and its challenges and opportunities for the future. Íñigo Meirás, CEO of Ferrovial, answered live questions sent by employees thorough Ferronet.

Every year, the Human Resources Department organizes a number of events to promote and strengthen relations between employees from the different divisions. Among the events are:

- **Conocer + (Know more)**: This is an initiative that gives more information about the company's various activities through a single-topic session led by business experts.
- **Ferrovial Olympics:** This sporting event has been held for the fifth year in a row. It brought together 824 workers from the main offices in Spain.
- **Ferrovial Day:** The aim of this event is to create a common space in which Ferrovial employees and their families can get to know their colleagues, with a common theme that depends on the projects undertaken during the year.

In addition to these channels, Ferrovial has a Suggestion Box and Complaints Box available, where any employee with Internet or intranet access can send suggestions or complaints anonymously. To make access easier the boxes also have a PO Box number. More detailed information on the boxes is available in the Ethical Integrity section.

D. Customers and user

Ferrovial has more than 1 billion users and customers who use the infrastructures and services marketed by the company. The company's policy with respect to its customers and users is to meet their expectations as far as possible and make an effort to anticipate their needs.

For customers it is a right, and for the company an obligation, to protect their privacy with respect to the products and services contracted. The privacy policy is governed by the national legislation applicable in each country: the Organic Act on Data Protection in Spain; the Data Protection Act in the United Kingdom; and the Personal Information Protection and Electronic Documents Act in the United States. The Quality System's organizational procedures ensure proper storage of all documentation and the privacy of all incoming and outgoing information.

All businesses have internal procedures that establish a methodology for detecting, identifying, recording and monitoring complaints made by customers about the products or services. When a complaint is received through the Complaint Forms or by letter, e-mail, verbally, etc., a complaint file is opened with the complainant's data, the reason for the complaint, and the actions needed for resolution. Subsequently the situation is analyzed and actions are decided on to remedy the situation.

The Quality & Environment Department of Ferrovial handles any complaint that has not been satisfactorily resolved by the business areas and which the client has channeled through Ferrovial.

E. Analysts

E.1. Financial analysts

The Department for Investor and Shareholder Relations, which is part of Ferrovial's Financial Department, is responsible for relations with shareholders, investors and analysts. What these stakeholders want above all is transparency and reliability in financial information.

Most of the company's activity with investors and analysts is through roadshows, seminars and information meetings on its strategy and events. A meeting is held every quarter with analysts to present the company's results. Specific presentations are also made covering relevant events in the company's activity.

A total of 444 meetings were held with investors and analysts in 2010. There were also 24 roadshows, with 272 meetings in all. The presentation of results was broadcast through the Ferrovial website.

Over the year, 2,130 e-mails requesting financial information or documentation were answered and there were 1,579 phone calls (up 29% on the previous year) from small investors and companies requesting financial information on the dividend and the merger. All the requests for information have been treated on an individual basis.

In 2010 a total of 50 relevant events have been communicated to the Spanish Securities Commission (CNMV). Each time information is sent to the CNMV, or any communication is made that is identified as of interest for the analyst or investor, a personal communication is made via e-mail.

All the company information is available through a section on the Ferrovial website (Investor Relations). In 2010 this section had 1,398,365 hits.

E.2. SRI Analysts

Given the growing importance of SRI analysts, Ferrovial tends to be proactive in the communication with these analysts, by organizing individual events and specific roadshows and including environmental and social information on the company for conventional financial investors.

The most common methods of contact are one-to-one and through questionnaires. In 2010 the main concerns expressed by these stakeholders have been related to climate change.

Ferrovial also has a Sustainability Report available as the main communication tool for analysts, agencies and socially responsible funds.

F. Suppliers

Ferrovial's relations with suppliers and subcontractors are an essential part of its activity. The quality policy considers suppliers and subcontractors as partners and seeks mutual benefit for both sides. By combining our efforts and creativity we can pass on improvements in quality and service for customers and establish long-term relations where possible. Ferrovial had relations with 96,724 suppliers in 2010.

The Purchases Department of the Construction Division is responsible for managing relations with major suppliers and subcontractors so that long-term relationships can be achieved wherever possible that provide the maximum benefit to both sides, with ongoing contact (phone calls, meetings, etc.).

The communication channels of the Construction Division's Purchases Department are: ongoing contact (phone calls, meetings, etc.) with people who manage purchasing; communications of incidents detected relating to quality, security, health and safety, the environment, Human Rights, etc.; and training meetings in 2010, particularly focused on quality, the environment, health and safety and the Code of Ethics. There is also a section for purchasing management and a Complaints Box on the Group's website.

In order to improve this communication and make it more flexible, Ferrovial has implemented a project to create an IT platform for communication with suppliers. It is currently at the development stage, with work on programming planned to begin in 2011. Its most important functions will be as follows:

- Public access to information on policies and principles for action in the management of Ferrovial's supply chain.
- Flexible surveys of suppliers on subjects of quality, security, health and safety, Human Rights, environmental subjects, etc. This will give more information quickly about suppliers and provide more systematic and structured information in our supplier databases.
- Ongoing updating of general information on suppliers: Changes of contact people and data, etc., directly updatable for each supplier, so that information is complete and up-to-date.
- A section available to suppliers where they can find documentation associated with requests for bids (plans, technical specifications, etc.), which allows greater transparency in the purchasing process (same information for all).

Ferrovial requires its suppliers and subcontractors to comply with the appropriate Global Compact Principles in its framework agreements. Since 2005 there have been various meetings with suppliers to raise awareness about aspects related to corporate responsibility and sustainable development. In 2008, Ferrovial introduced a specific corporate responsibility clause into such agreements. All agreements signed in 2009 and 2010 have included these clauses.

Stakeholder engagement in 2010 included the following: 16,749 surveys, 23,060 meetings and 123 forums. Of special interest were supplier and subcontractor training programs in areas such as quality, the environment, technique, health and safety, and topics related to the Code of Ethics.

G. Government and public authorities

Ferrovial is engaged in an ongoing dialog with governments and public authorities in all the countries in which it operates, whether at national, regional or local level.

As a member of the community, Ferrovial is committed to some of the social initiatives promoted by the governments or local bodies, and organizes meetings with a variety of groups such as diplomats or members of parliament. In 2010 a meeting was held between 10 members of the upper and lower houses of the Spanish parliament and the Vice Chairman and CEO of Ferrovial Servicios.

In its relations with public authorities and civil servants, Ferrovial's Code of Ethics prohibits its employees from paying any kind of bribes, or giving to or receiving from third parties any undue payments of any type, presents, gifts or favors that are outside the scope of regular market practices, or which, by reason of their value, characteristics or circumstances, may reasonably be considered to alter the commercial, administrative or professional relations of its companies.

For the same reasons, Ferrovial has also not contributed to the financing of political parties in Spain, whether directly or indirectly. Ferrovial has a variety of procedures and internal control mechanisms to prevent bribery and corruption. These are detailed in the section on ethical integrity.

In 2010 Ferrovial took part in the G20 summit, the Company-MP Program of the Círculo de Empresarios, the World Economic Forum 2010 and the Davos Economic Forum (public sessions and personal interviews).

Ferrovial has good relations with the regulators through two channels: It has a leading position in associations and employers' organizations in the sectors in which it operates. This frequently gives it direct contact with the regulators, and it often sits on working groups as an advisor on regulations, thus allowing it to anticipate the implementation of new regulatory frameworks. At the same time, it maintains close relations with the bodies linked to the regulators through specific agreements.

H. Business sector

Ferrovial's relations with the sector, industries and competitors are mainly channeled through active participation in employers' or-

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ganizations or in sector organizations related to its areas of interest.

In 2010 Ferrovial was a member of the following organizations:

Toll Roads

Canadá:

- International Bridge, Tunnel and Turnpike Association (IBTTA)
- Canadian Council for Public-Private Partnerships (CCPPP)
- The Toronto Board of Trade, the Ontario Chamber of Commerce
- The C.D. Howe Institute

Chile

- Asociación de Concesionarios de Obras de Infraestructuras Pública A.G. (COPSA)
- Cámara Chilena de la Construcción A.G. (CChC)

United States:

- 35 W Coalition
- Fort Worth Chamber of Commerce
- Northeast Chamber of Commerce
- Hurst Euless Bedford Chamber of Commerce
- Spain:
- Asociación de Sociedades Españolas Concesionarias de Autopistas, Túneles, Puentes y Vías de peaje (ASETA)

Portugal:

- Associação de Sociedades Concessionárias de Auto-estradas SCUT (ASCAS)
- Centro Rodoviário Português (CRP)
- Associação Comervial de Lisboa
- Conselho Coordenador de Segurança Rodoviária do Distrito de Faro
- Comissão Municipal de Protecção Civil de Faro - Comissão Municipal de Protecção Civil de Olhão
- Comissão Municipal de Protecção Civil de Loulé
- Comissão Municipal de Protecção Civil de Silves - Comissão Municipal de Protecção Civil de Castro Marim

Ireland:

- Irish Business and Employers Confederation (IBEC)
- Irish Toll Industry Association

Airports

United Kingdom:

- The Airport Operators Association
- Airports Council International Europe (ACI-Europe)
- Airports Council International World (ACI-World)
- The London Chamber of Commerce and Industry
- The Confederation of British Industry
- London First
- Central London Partnership
- Business in the Community and Scottish Business in the Community
- British Safety Council
- Investors in People

Services

United Kingdom:

- The Association of Chartered Engineers
- Business Services Association
- Confederation of Business and Industry
- Public Services Strategy Board
- Highways Transportation Management Association

Spain:

- ACITRE (Asociación Catalana de Instalaciones de Tratamiento de Residuos Especiales)
- ACEX (Asociación española de empresas de conservación y explotación)
- AFASEMETRA (Asociación española de Fabricantes de Señales Metálicas).
- ACCS (Asociació Catalana de Consellers de Seguretat)
- Achilles South Europe
- ACLIMA (Asociación Cluster de Industrias de Medio Ambiente de Euskadi)
- AEA (Asociación Española de Arboricultura)
- AERCE (Asociación Española de Responsables de Compras o Existencias)
- AESMA (Asociación de Empresas del Sector Medioambiental de Andalucía)
- APD (Asociación para el Progreso de la Dirección)
- APEVC (Asociación de Profesionales de los Espacios Verdes en Cataluña)
- APROEMA (Asociación Profesional de Empresas Medioambientales de Cataluña)
- Área de Medio Ambiente de la Cámara de Comercio de Barcelona
- ASETRAVI (Asociación Empresarial de Transportes de Vizcaya)
- ASEGRE (Asociación Española de Gestores de Residuos)
- ASEJA (Asociación Española de Empresas de Jardinería)
- AEPJP (Asociación Española de Parques y Jardines Públicos)
- ASELIME (Asociación de Empresas de Limpieza Técnica Industrial Mecanizada)
- ASELIP (Asociación Empresarial de Limpieza Pública)
- ATEGRUS (Asociación Técnica para la Gestión de Residuos y Medio Ambiente)
- CEPTA (Confederación Empresarial de la Provincia de Tarragona)
- Asociación Nacional de Agentes Marpol
- EUROLAB-España
- ECOEMBES (Ecoembalajes España)
- FEAT (Federación Empresarial de Autotransporte)
- FIDA (Fundación para la Investigación y Desarrollo Ambiental)
- Foment del Treball Nacional
- Fundació Fòrum Ambiental
- Gestora de Runes
- ISR (Club Español de los Residuos)
- Gremi de Recuperació de Catalunya
- REPACAR (Asociación Española de Recuperadores de Papel y Cartón)
- IZAITE (Asociación de Empresas Vascas por la Sostenibilidad)
- SIGFITO (Sistema Integrado de Gestión de Residuos de Productos Fitosanitarios)

Portugal:

- AEPSA (Associação das Empresas Portuguesas do Sector do Ambiente)
- APERLU (Associação Portuguesa dos Empregadores do Sector dos Resíduos e Limpieza Urbana)
- AEP (Associação Empresarial de Portugal)
- Ziurtagiriaren Elkartea
- Rest of Europe:
- The Sustainable Landfill Foundation
- IATA (International Air Transport Association)

Construction

Europe:

- SEOPAN Export Group
- EIC. European International Contractors
- FIEC. European Construction Industry Federation
- ENCORD. European Network of Construction Companies for Research and Development
- ECTP. European Construction Technology Platform
- E2B. Energy Efficient Buildings
- ILP. MIT's Industrial Liaison Program
- EBC. European Builders Confederation
- Internet Association for Bridge and Structural Engineering (IABSE)
- International Erosion Control Association (IECA)
- The International Association for Shell and Spatial Structures

España:

- SEOPAN. Asociación de Empresas Constructoras de Ámbito Nacional
- CNC. Confederación Nacional de la Construcción
- Asociación Madrid Plataforma Logística (MPL)
- CEOE (through SEOPAN and CNC)
- Cámara de Comercio de Madrid (IDETRA)
- PTEC. Plataforma Tecnológica Española de la Construcción
- PTFE. Plataforma Tecnológica Ferroviaria Española
- Cámara de Contratistas de Andalucía (*) * Through it, without membership fee, with FADECO, UPECO, FSO...
- CIAC. Centro de Innovación Andaluz de la Construcción - Asociación Empresarial Sevillana de Constructores y Promotores de Obras (GAESCO)
- Cámara de Contratistas de Extremadura Asociación Empresarios de Vizcaya (ECOVA)
- Asociación de Empresas de la Construcción de Madrid (AECOM)
- Asociación de Empresarios de la Construcción en Palencia (AECOPA)
- Asociación vallisoletana de Empresarios de la Construcción (AVECO)
- Cámara de Contratistas de Castilla y León Confederación Asturiana de la Construcción
- CACONSER (belongs to the Confederación Asturiana de la Construcción)
- Agrupación de Empresarios de la Construcción de Toledo
- Asociación Provincial de Empresarios de la Construcción de la Coruña
- Asociación Provincial de Empresarios de la Construcción de Lugo
- Asociación Provincial de Empresarios de la Construcción de Orense
- Asociación Provincial de Empresarios de la Construcción de Pontevedra
- Círculo de Economía (Barcelona)
- Cámara Oficial de Contratistas de Cataluña
- Gremio de Constructores de Obras de Cataluña
- Asociación Provincial de Empresarios de la Construcción y Obra Pública (APECOP)
- Asociación Provincial de Empresas de la Construcción de Castellón (APECC)
- Asociación Valenciana de Empresas de la Construcción y Obras Públicas (ASVECOP)
- Cámara de Contratistas de la Comunidad Valenciana
- Asociación de Constructores de Baleares
- Federación Provincial de Entidades de la Construcción de Sta. Cruz de Tenerife (FEPECO)
- Asociación de Empresarios de la Construcción de la Provincia de Las Palmas (AEC)
- Federación de Empresas de la Construcción de Zaragoza (FECZA)
- Federación Regional de Empresarios de la Construcción de Murcia
- Centro Tecnológico de la Construcción de la Región de Murcia
- Asociación Científica Hormigón Estructural (ACHE)
- Asociación Española de la Carretera (AEC)
- Asociación Técnica de la Carretera (ATC)
- Comité Nacional Español Grandes Presas (CNEGP)
- Sociedad Española de Presas y Embalses (SEPREM)
- Asociación Española de Ingeniería Sísmica
- Asociación Técnica Española de Climatización y Refrigeración (ATECYR)
- Asociación Técnica de Puertos y Costas Sociedad Española de Mecánica del Suelo y Cimentaciones (SEMSC)
- Puertos del Estado
- Asociación Española de Túneles y Obras Subterráneas (AETOS)
- Sociedad Española de Mecánica de Rocas (SEMR)

I. Labor unions

Beyond social dialog, labor unions claim their role as an interested party in the application of Ferrovial's Corporate Social Responsibility policies.

The company engages in fruitful dialog with the labor unions on corporate responsibility through a variety of initiatives: the Global Compact, on which debate is channeled through networks such as the Corporate Social Responsibility Observatory, and the Building Responsible Competitiveness (BRC) project coordinated by Forética in Spain.

This ongoing contact with the labor unions led Ferrovial to conclude the company's Equality Plan in 2009 with the UGT and CCOO unions. Ferrovial's Equality Plan enhances the commitment to corporate social responsibility, establishes specific actions on the key processes of people management and undertakes to implement all available communication channels and internal mechanisms to give maximum exposure and awareness. The Plan establishes and develops the measures agreed with the unions, which guarantee the principle of equal treatment and opportunities

corporate responsibility **stakeholder engagement**

between women and men, and promote training and career development on an equal footing.

J. Media

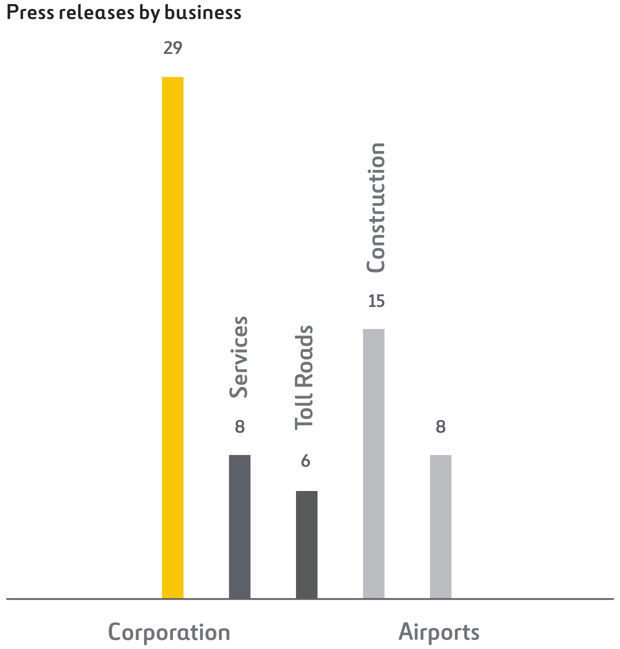
Ferrovial makes every effort to improve its relations with the media and to bring the company's management closer to media professionals. Many meetings and interviews take place between specialized journalists and high-level executives, including the company's CEO.

In 2010 the Communication Department was active in sponsoring meetings with key media, as well as participating in media meetings and forums.

Media coverage in 2010 substantially increased the number of impacts on 2009 (up 100%), with the number of negative news items falling significantly and a relative balance between the number of news items and their impact on the different business areas.

Ferrovial maintains personal, direct and ongoing contact with around 26 national and international media outlets, based on transparency and close collaboration with their professionals. Relations are coordinated through the Communication Media Management at the Communication and Corporate Responsibility Department. A total of 66 press releases were issued in 2010 in Spanish and English, with 7 press conferences, 6 high-level media forums and participation in a further 10 forums with the media. In addition, 45 interviews and news stories were organized, such as an Infrastructures Special, CSR (Maji nui Uhai), carbon footprint calculation, corporate universities, Conama, etc.

Press releases by business



Ferrovial does not subscribe to any specific voluntary communication code or standards, but all the communication and advertising actions adhere to current law and regulations.

Ferrovial's international expansion has also represented an important challenge from the point of view of communication, as it has multiplied the interest around the world for the activities of the company and its subsidiaries.

In 2010, the corporate website received 556,600 hits.

H. Local community

When it constructs infrastructures, the company establishes a dialog with the local communities to inform them of the project's development, in particular with groups that can be directly affected by the construction of the infrastructure.

The construction of the North Tarrant Express, SH130, and LBJ Express toll road projects in 2010 prompted Ferrovial to launch a communication campaign to give the local community as much information as possible about what was being done. There were meetings with representatives of the chambers of commerce and other representative community groups. Representatives from Cintra US went in person to the businesses in the area to give first-hand information on the process of construction and development of the toll roads.

At the same time, public information centers were opened for each of the projects to deal with queries, complaints or requests. An attempt was also made to maintain ongoing media contact to ensure the projects were presented positively in the media.

I. Third sector

Ferrovial maintains a fluid relationship with organizations in civil society and the so-called Third Sector, as a way of creating long-term value for society. Relations with the Third Sector are organized on five levels:

- **Participation in Third Sector institutions.** Ferrovial participates actively in numerous multi-stakeholder and multi-sector organizations in the Third Sector. Among them is the Spanish Association for the Global Compact (ASEPAM), of which Ferrovial is founding partner; the Forum for Corporate Reputation, which it chaired in 2009; the SERES Foundation; Forética; and the London Benchmarking Group (LBG) Spain. Ferrovial is also actively involved on the Corporate Responsibility committees that have been created in SEOPAN and CNC in order to establish common ground in this matter. It is involved in the National Higher CSR Board (CERSE) through various professional and Third Sector associations.

- **Strategic alliances for project development.** Ferrovial has strategic alliances for project development with institutions in the Third Sector. Among them is the alliance with the Massachusetts Institute of Technology (MIT) to develop joint research projects on Corporate Responsibility as part of the Industrial Liaison Program. With respect to social projects with non-governmental organizations (NGOs), Ferrovial currently has strategic agreements with Acción Contra el Hambre, Intermón Oxfam and AMREF-Flying Doctors. The chapter on the Community details specific projects and social investment activities carried out over the year.

- **Institutional meetings.** Over the year, Ferrovial has hosted a number of institutional encounters and meetings with organizations in the Third Sector: the World Economic Forum 2010, etc.

- **Participation at events.** Ferrovial executives participate actively at conferences and events. Among them has been participation in the Davos Forum and the G20 Summit.

- **Relations through formal communication channels.** The mailbox rsc@ferrovial.es has received 100 e-mails, of which 17 were requests for information for studies and surveys, 38 requests for financial assistance and the remainder requests to attend courses or forums related to corporate responsibility.

- **NGOs:** Ferrovial's relations with NGOs are based on a friendly and personal rapport. The company bases this relationship on being credible and predictable (it never commits itself if it cannot deliver) and on the search for joint projects with common objectives. As a result, NGOs count on Ferrovial to develop projects on a global scale ("One Planet Business, Personal Mobility").

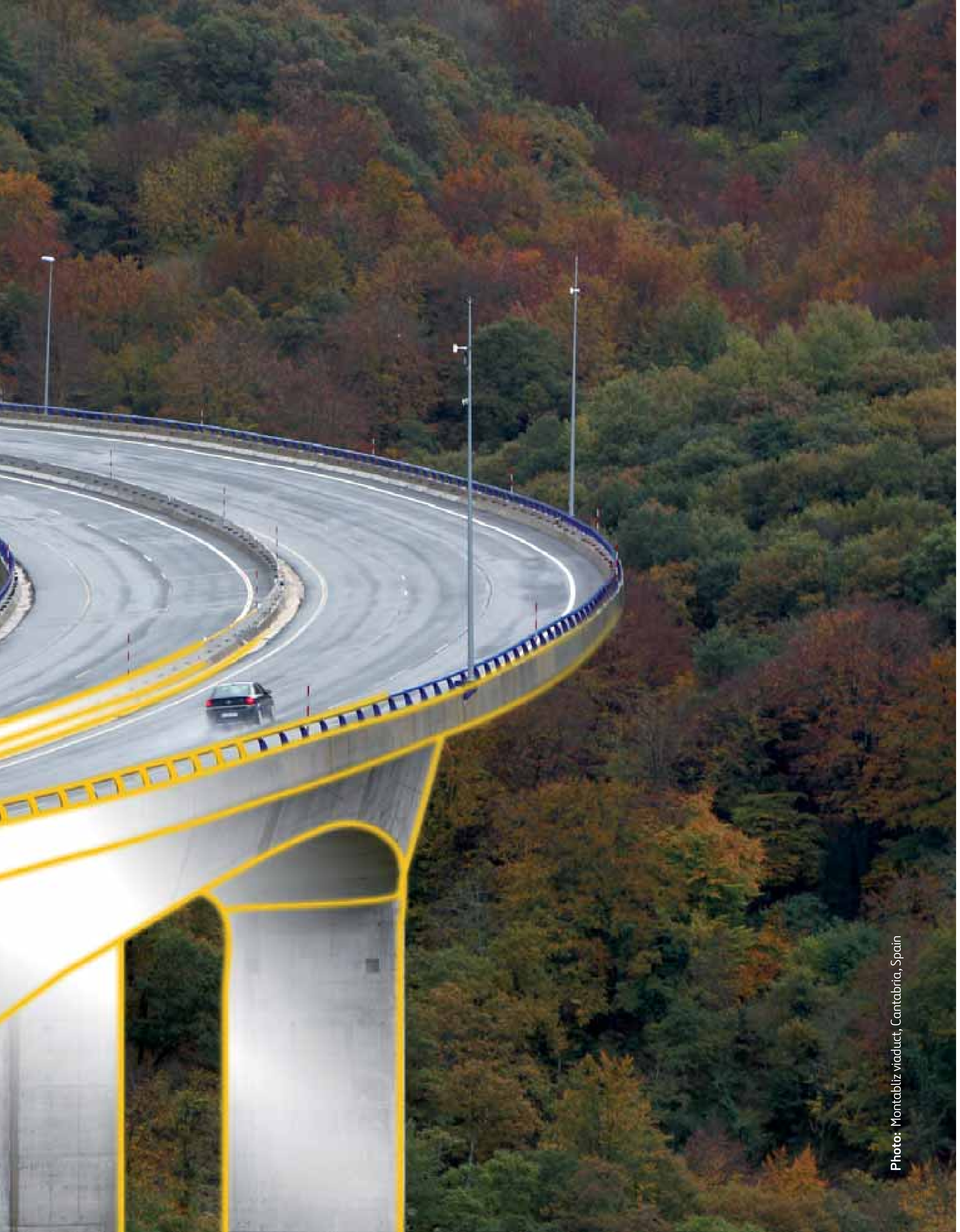


Photo: Montabliz viaduct, Cantabria, Spain

environment

Commitment

- Reduce the environmental impact of activities, maintain a preventive pro-environment approach, and cut the Group's global carbon footprint.

Lines of Action

- Promote the implementation of standardized environmental management systems in Ferrovial's various lines of business, focusing primarily on the management of the environmental risks in the company's activities.
- Research and development of models for the restoration of large-scale housing projects and urban renewal.
- Research and development of more sustainable mobility models.
- Anticipate and adapt early to regulatory changes relating to environmental issues.

2010 Milestones

- Extension of Ferrovial's strategic positioning on climate change ("Ferrovial 2015" project) into the 2015 and 2020 time horizon.
- Revision of the carbon reduction commitment (CRC) scheme in the UK.
- Development of the Personal Mobility Plan.
- Extension of the energy efficiency program in buildings.
- New corporate web on quality, the environment and sustainability.
- Ferrovial is included in the Carbon Disclosure Leadership Index (CDLI) as a European leader in the sector.
- 3% reduction in CO_2 emissions at Heathrow Airport on 2009 figures.

2011-2012 Goals

- Evaluate the size of Ferrovial's carbon footprint and identify emission sources with possibility of reduction.
- Extend the carbon footprint applications within Scope 3.
- Extend the mobility plan to other corporate headquarters.

The environment is part of Ferrovial's DNA. Ferrovial is committed to sustainable development and has set targets for improving its environmental performance and strengthening its climate-change strategy by developing technologies, transport infrastructures and public services that are prepared for a low-carbon economy.

Environment	2010	2009	2008	2007	Var 10-09	Scope
Direct and indirect emissions of greenhouse gases (CO_2 equ t) (Scope 1 + Scope 2)(1)	1,906,089	1,96,552	N/A	N/A	-3%	100%
Indirect emissions of greenhouse gases (CO_2 equ t) (Scope 3) (2)	10,250	9,102	N/A	N/A	13%	9%
Direct emissions of greenhouse gases avoided by biogas capture (CO_2 equ. t)	631,681	520,075	526,302	514,221	21%	100%
Greenhouse gas emissions avoided by sorting (CO_2 equ t)	382,440	342,061	361,105	328,099	12%	100%
Amount of electricity generated from biogas recovery (GJ)	361,593	308,959	321,464	279,841	17%	100%
Amount of thermal energy generated from biogas recovery (GJ)	102,568	146,666	118,168	175,134	-30%	100%
Amount of electricity produced through cogeneration in hazardous waste incineration	68,216	66,290	66,082	61,045	3%	100%
Reduction of waste sent to landfill (m3)	4,830,891	10,780,876	12,557,018	13,173,555	-55%	100%
Recovery in sorting plants (t)	894,127	859,392	880,427	857,626	4%	100%

(1) 2009 data defers from Annual Report 2009 data due to the updates in consumption figures and to the exclusion of Swissport.
(2) Data refers only to Amey.
(3) The information refers to Spain and Portugal. Data from previous years without a 100% scope have been modified.

corporate responsibility **environment**

A. Policy and objectives

Ferrovial is committed to sustainable development. It has set targets for improving its environmental performance and strengthening its climate strategy by developing technologies, transport infrastructures and public services that are prepared for a low-carbon economy.

A.1 Environmental Policy

Ferrovial's environmental policy is based on the Sustainability Policy that applies to the entire Group, which is designed, implemented and supported at the highest level in the company. Starting from the basis of this shared commitment, each department develops its own policy according to the risks and stakeholders demands of each business activity.
In 2008, Ferrovial updated its Quality and Environment Policy in an attempt to adapt it to the company's new profile and the new corporate risks derived from the acquisition of BAA. The updated version features aspects such as stakeholder engagement, eco-efficiency and the reduction of greenhouse gas emissions as key elements of corporate public commitments. Closer collaboration with NGOs, public authorities and regulatory bodies is also considered a key element.

Mission
Ferrovial designs, finances, constructs and manages infrastructures and services in a responsible fashion. It focuses on satisfying the expectations of its clients and users and manages the resources available efficiently in such a way as to minimize the environmental impact of its activities.

Vision
Ferrovial aims to maximize value for its shareholders and the company. It is determined to be recognized throughout the world as an efficient and model organization in the sectors in which it operates, and committed to its role as a global company that stands out for its commitment to sustainable development.

Principles
Satisfaction of client and user expectations
Clients and users are at the core of Ferrovial's activity and the company aims to provide them with the best experience in the use of its infrastructures and services.

Everyone participates
All the members of the organization are motivated, encouraged to participate, and offered training and development to ensure the company's success.

Mutual benefit in relations with suppliers and partners
Ferrovial aims to create mutual benefit in relations with partners and suppliers to achieve the maximum level of competitiveness, quality and environmental performance.

Eco-efficiency
The company minimizes the environmental impact of its activities by using available scientific knowledge and through the responsible and efficient use of natural resources to reduce waste, discharges, atmospheric emissions and in particular greenhouse gases, as far as possible.

The value of commitment
Ferrovial is a responsible company that fulfills its commitments. It abides by current legislation and honors the agreements signed with our clients and users, to ensure the quality, safety and environmental soundness of our products and services.
Continuous improvement
The company aims for excellence in its business activity. It measures the key factors of its business and implements management systems that ensure ongoing improvement of its processes, technical capacities and performance. Fluid communication channels have been established between different areas and companies in the Group to take advantage of synergies and opportunities provided by experience and best practices.

Intelligent dialog with stakeholders
The development of reporting systems and channels of communication lead to a productive dialog of mutual benefit with the relevant stakeholders. This helps to understand their expectations, limits business risks and makes better use of opportunities.

A.2 Goals

Ferrovial has established medium and long-term goals within its Sustainability Policy as a fundamental part of its strategy. These goals are structured globally and in each of the lines of business and subsidiaries.

The main medium-term **goals at a global scale** can be classified as follows:

Climate strategy. The main goal related to this area is to improve energy efficiency and reduce the emission of greenhouse gases from the sources over which Ferrovial has control (Scope 1 and 2). Thus, for example, in the Airports division, one of the biggest emitters of greenhouse gases in the Group, the goal is to cut total emissions of Heathrow airpoby 30% by 2020 compared with 1990.

One of the main goals of the waste management activity, which together with Airports represents more than 80% of the Group's carbon footprint, is to increase avoided greenhouse gas emissions. The result for 2010 has exceeded all expectations, due largely to the implementation of new facilities for capturing biogas and electrical cogeneration (production of electric power from biogas has increased by 17% compared with 2009).

corporate responsibility **environment**

The remaining business areas also have reduction targets. In 2011 the Group's goals at global level will be made known within the framework of the strategic project "Ferrovial 2015-2020."

Improved mobility for people within Ferrovial. This goal consists of the development and gradual implementation of Personal Mobility Plans in the Group's offices starting in 2009. In 2010 they were implemented in the main offices, and in 2011-12 they will be extended to the rest of the corporate offices in the different business areas.

The aim is for the improvements in sustainable mobility to involve not only the Group's employees, but also extend to the users of our infrastructures. For example, in Heathrow a target has been set to increase the use of public transportation access by airport users to 40% of all trips in 2012. This annualized target has been met for 2010. The Toll Roads division promotes guidelines for efficient driving among users, with very positive results in various concessionaires (e.g. at the Euroscut Algarve in Portugal fuel consumption by users has been reduced by around 3.5% on the previous year in comparable terms).

Reduction in waste production, through reuse and recycling. By volume, most of the waste in the Group is generated in the Construction division, where very ambitious targets have been set for the reduction of material deposited in landfills. Specifically, a goal has been set for reducing the amount by 56 million m3 over the period 2005-2012.

In 2010, the Construction division has avoided 4.4 million m3 of material deposited in landfills. This means that the final target has been reached one year in advance and exceeded in 1,000,000 m3.

Since 2005 the total volume of material avoided in landfills has reached 92% of the final target.

Reduction in consumption of natural resources. Most business areas have set eco-efficiency targets as a way of optimizing the use of natural resources.

·Water saving is a prioritary goal for the company, as well as for Spanish and EU policies.

·The water saving is managed in three different ways:

·Efficient use of water in production activities. Instalation of water saving devices in the construction of buildings and homes.

Water saving programmes in headquarters. One of the implemented measures is the reuse of wate, mainly in construction, urban services and water treatment.

Heathrow Airport, the main asset in the Airports division, reused nearly 376,000 m^3 of water in 2011. This airport has also established targets for improving the levels of water quality (such as by recovering all the deicing fluid used by the end of 2010). The strategy also extends to smaller airports, such as Aberdeen, where a 3% reduction in total water consumption has been set on the base year 2009.

	2005	2006	2007	2008	2009	2010
Avoided material dumped into landfills (m3)	5,291,400	10,389,549	13,173,555	12,557,018	10,780,876	4,830,891
Total			**57,023,289**			

A. 3 EPI

Environmental Performance Index (EPI)

The EPI integrates a significant part of all the environmental impact indicators in the Construction and Services divisions. The use of these integrated indicators establishes medium and long-term targets for the reduction of environmental impact of activities.

Ferrovial created the first Environmental Performance Index (EPI) applicable to the Spanish Construction division in 1999, in partnership with the University Rey Juan Carlos of Madrid and the UNESCO Environment Chair. Using a similar model, the index was introduced into the Services division in 2009 and extended to cover the areas with the greatest operational environmental risk. The index can calculate the values of the EPI for individual companies (Cespa, Eurolimp, Grupisa and Ferroser), or as a weighted aggregate to obtain an overall value for all the businesses in the division.

The EPI for the Services area has now been established. In production, it has generated validated information for 2009 and 2010, and once the historical series is sufficient, its figures will be made public via the Ferrovial website in 2011.

		THRESHOLDS			
Month	**Monthly EPI**	**Excellent**	**Good**	**Normal**	**Acceptable**
Jan-10	74	60	100	190	230
Feb-10	69	60	100	190	230
Mar-10	72	60	100	190	230
April-10	69	60	100	190	230
May-10	70	60	100	190	230
June-10	63	60	100	190	230
July-10	64	60	100	190	230
Aug-10	59	60	100	190	230
Sep-10	58	60	100	190	230
Oct-10	59	60	100	190	230
Nov-10	48	60	100	190	230
Dec-10	41	60	100	190	230

A. 4 Relations with stakeholders

The professionalization of relations between the company and its stakeholders has led to the establishment of a channel of communication through areas that are specifically equipped to deal with each group.

Ferrovial has more than 1 billion users and clients who use the infrastructures and services marketed by the company. The company's policy with respect to its clients and users is to satisfy their expectations as far as possible and strive to anticipate their needs. A number of surveys were carried out on clients and users in 2010 to discover the opinions and expectations of the stakeholders with respect to quality and the environment.

The Quality & Environment Department keeps analysts up-to-date on the company's strategy and environmental performance. As proof of the transparency of the information provided, Ferrovial is listed on the main sustainability indicators, such as Dow Jones Sustainability Indexes and FTSE4Good. Organizations such as the Carbon Disclosure Project and Triodos Bank also recognize Ferrovial's work in this area.

corporate responsibility **environment**

B. Climate strategy

B. Climate strategy
B.1 Introducción

Regulatory trends

Policies designed to boost the transition to a low-emission world have speeded up over recent years. For more than two decades, increased legislation on this issue has become the biggest global regulatory movement in the field of the environment, and it has undoubtedly caused the biggest economic impact.

Despite the failure of EU expectations, Ferrovial considers that the Copenhagen Accord will speed up legislation on these matters to a significant extent. The Accord was signed by 106 countries that are responsible for the generation of more than 81% of global emissions, including all those in which Ferrovial operates. It limits the increase in global warming to 2oC, and thus requires developed countries to make major investments to keep within this target. It is very likely that over the next 2-3 years a new global, legally binding agreement will be defined to reduce emissions.

Impact on private transport activities

At global level, transport is directly linked to more than a quarter of greenhouse gas emissions, and it is the source that has grown most over the last two decades. If the current trend continues, it is estimated that transport in its different forms (land, air and sea) will emit around 9.2 gigatons of CO_2 per year by 2030.

The most plausible scenario is that the transport sectors will be affected by an increasingly restrictive regulatory framework in terms of climate change and energy efficiency. In aviation, for example, the demand for passenger air transport will probably continue to increase, boosted by globalization and the rise of the emerging economies. As owners of the only airline hub in the United Kingdom, it is crucial for Ferrovial to align the economic advantages provided by Heathrow for the country with the reduction of the carbon footprint of this major infrastructure.

For Ferrovial's Quality & Environment Department, the growth in air transport is not incompatible with the fight against climate change. Rather, it is possible to combine both goals through technical advances, significantly more energy-efficient aircraft, fuels with lower carbon emissions and more efficient airport handling.

Low-emission transport infrastructures

The move to low-emission transport infrastructures must be based on their integration within information and communication technologies, which will make them more flexible and able to reduce energy consumption and greenhouse gas emissions. This will make them truly intelligent infrastructures that are capable of adapting to demand virtually in real time, thus ensuring fluid transport and activating solutions for more sustainable mobility. They will also be infrastructures that are aligned to the gradual "electrification" of the most advanced societies, e.g., adapted to the future needs of electric vehicles.
This is why Ferrovial is firmly committed to long-term investment in R&D. This commitment has been given shape by the launch of the "Intelligent Infrastructure Center (CI3)" last year. One of the center's core activities is the environmental sustainability of infrastructures. It is already working on specific projects that may be very relevant for moving forward toward low-emission forms of transport. Examples include the systems for predicting traffic events, the advanced entry-lane system (SAVE) for toll roads and the DAVAO+ high-occupancy vehicle detection system.

In addition, the company considers that transport intermodality can play a very important role in reducing the carbon footprint of private transport. On this particular point, Ferrovial is working on future infrastructures conceived as large intermodal networks that are capable of combining the different means of transport to ensure safe and speedy trips that also minimize electricity consumption and the carbon footprint. Systems will have to provide swift interconnection between private vehicles and public transportation, or between highway and railroad.

There will also have to be an efficient connection between the long journeys required by a global society with "clean" local means of low-emission transport.

An example of this is Heathrow Airport, where work is being carried out to reduce the hub's carbon footprint, with model projects such as the new T2A (emissions 40% below best practice levels), as well as investment in a low-emission local transport network such as Crossrail. As explained in other sections of the Report (see the chapter on Mobility), more than 40% of greenhouse-gas emissions in Heathrow are the result of transport to and from the airport.

Ferrovial 2015-20 Project

Some 91% of the company's revenue is highly exposed to risks from climate-change regulations. But this new scenario may also be a source of new business. Even today, 9% of revenue can be classified as within the so-called "climate sectors" of the economy.

Ferrovial considers that the risks at a global level for the Group in the coming years have to be reviewed, together with the opportunities offered in the climate sectors. It is a fact that Ferrovial clients and stakeholders (governments, regulators, some users...) have published commitments to reduce the "carbon footprint" in their economies, and in the coming years it appears inevitable that these trends will gain pace.

This is why an ambitious project of global scope was undertaken in 2010. Its results will be observed throughout 2011. The basic aim of the project, called Ferrovial 2015-2020, is to provide a serene analysis of how the Group's activities fit into the new context derived from climate-change policies and regulation. It identifies the risks for different areas of the Group at a global level, as well as the opportunities for new business. The analysis aims to make a useful and relevant contribution to the Group's strategic planning over the coming years.

The project has been headed by the Quality & Environment Department and the Risk Department. Among those taking part were experts appointed by the management committees of each business area, as well as the legal department of the General Secretary's Office and the Financial Department.

Finally, the project goes beyond defining an appropriate business strategy. It is also closely linked to Ferrovial's commitments to reduce the carbon footprint at a global level. Throughout 2011, Ferrovial will have reliable quantitative targets that are defined within the 2015-2020 time horizon. They will integrate targets that are already in place in the businesses and consolidate the group's credibility in this field. The development of these goals is mentioned in the "Goals" chapter of this Report, as well as the section on the group's Carbon Footprint.

Recognition by analysts. Carbon Disclosure Project

Ferrovial is working to become a public infrastructure and service provider that is prepared for a low-carbon economy. It bases its credibility not only on its technological capacity but also on a credible commitment to action against global warming, which makes it a true partner for government policies in this area. As can be seen in the previous section, this approach is largely based on a correct interpretation of the risks and opportunities linked to climate change.

These factors are precisely what has been most valued by analysts in listing Ferrovial in the exclusive (Carbon Disclosure Leadership Index) CDLI. The CDLI includes the 25 companies whose climate-change strategy is considered most trustworthy. It is prepared every year by the agency Carbon Disclosure Project (CDP). CDP represents the interests of nearly 500 fund investors with assets above 64 trillion dollars. It specializes in the analysis of the climate-change strategies of its listed companies. It is undoubtedly the key rating in this area at a global level.

Ferrovial obtained the best rating in Europe within its sector, and is the only infrastructure company to be listed on the index. Only two Spanish companies, Ferrovial and Telefónica, have been given this exclusive rating.

B.2 Carbon Footprint

Ferrovial believes that the best way to fight emissions is to reduce them at source. While improving its performance in this area, the company has implemented ambitious plans to reduce greenhouse gas emissions in its activities as part of its Sustainability Policy approved in May 2008 and within its Climate Change 2015 strategy.

In 2008, Ferrovial began to identify all sources of emissions in the company's activities and in 2009 completed the procedure for calculating the global carbon footprint. This consolidates the methodology for collecting data and calculating emissions. In 2010 it calculated the carbon footprint of all its global activities.
The calculation takes into account the holding in those contracts over which Ferrovial has operational control.

The procedure also allows emissions to be identified by source, country and company, which is a key point when the establishing targets. This methodology was verified by an external body in 2009.

The reporting range has been established under Scope 1 and Scope 2, although there are companies that already have Scope 3 figures, and work is underway to calculate this scope in other businesses.

The new procedure sets 2009 emissions as the baseline. As it uses the same reporting approach and calculation methodology, a comparison can be made between emission figures over time, both in absolute terms and relative to revenue, thus avoiding the difficulties encountered in previous years.

More detailed information on the carbon footprint will be available during the first four-month period of 2011 in the Environment section of the Ferrovial website. Once the report has been unified it will enable progress on emissions to be monitored, and thus confirm the effectiveness of the measures taken.

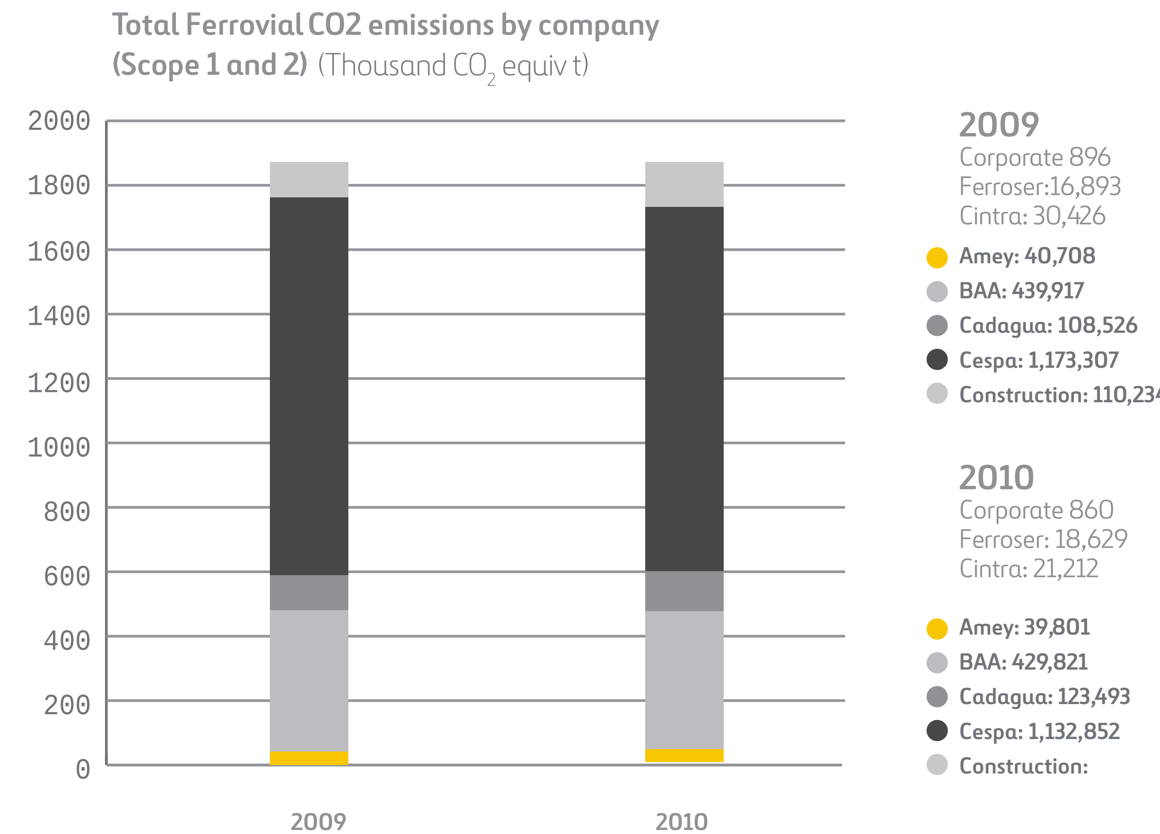
* The figures published are those available as of February 2011. Any update will be published on the Ferrovial website in the Quality and Environment section.
** 2009 data are different from those published in the Annual Report 2009 due to an update of consumption.
*** In the year 2010, Budimex information is included, but Swissport information is excluded, since the company did not release any data following its exclusion from the perimeter in the first quarter of 2011.

Recognition by experts

Analysts in the main international sustainability indices have valued Ferrovial's efforts to reduce the environmental impact of its activities. Recently the company has been recognized by the Carbon Disclosure Project (CDP) within the reports "Europe 300" and "Spain: the 85 largest companies in terms of market capitalization" as a leading company in its sector

corporate responsibility **environment**

Carbon footprint results



2010 (scope 1&2)

	Amey	BAA	Cadagua	Cespa	Cintra	Construction	Ferroser	Corporate	Total general
CO_2 equiv t	39,801	429,821	123,493	1,132,852	21,212	139,422	18,629	860	1,906,089

2009 (scope 1&2)

	Amey	BAA	Cadagua	Cespa	Cintra	Construction	Ferroser	Corporate	Swissport	Total general
CO_2 equiv t	40,708	439,917	108,526	1,173,307	30,426	110,234	16,893	896	40,644	1,961,552

Ferrovial has reduced its emissions. In general, most businesses have reduced their emissions.

The increased emissions in Cadagua are the result of greater activity of thermal sludge drying plants, which require significant consumption of natural gas.

One of the goals for 2010 was to calculate the Budimex carbon footprint, as this is the only company that did not report emissions in 2009. It is included in this Report under Construction.

Ferroser has slightly increased its emissions as a result of its new Comprehensive Sports Center Management activity, in which it has operational control over all the facilities, including the hot water in swimming pools and heating. These are more demanding of energy than the activities normally engaged in by the company.

* At publication date, only Heathrow figures are available for consumption at airports. The BAA figures therefore correspond to Heathrow emissions, which represent 75.97% of the total airport emissions, together with an estimate of the emissions generated in the rest of the airports, based on 2009 consumption.
* The update will be published on the Ferrovial website, in the Quality and Environment section.

2010 do not include Swissport due to the sell of the company.

Scope 1 includes direct emissions from sources owned or controlled by the company. They mainly derive from:

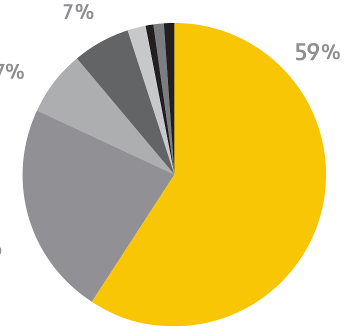
- *Fuel combustion in stationary equipment (boilers, furnaces, turbines...).*
- *Fuel combustion in vehicles owned or controlled by the company.*
- *Diffuse emissions. These are emissions not associated with a specific emission point, such as biogas emissions from landfills.*

Scope 2 includes emissions as a result of consumption of electricity purchased from other companies that produce or control the power.

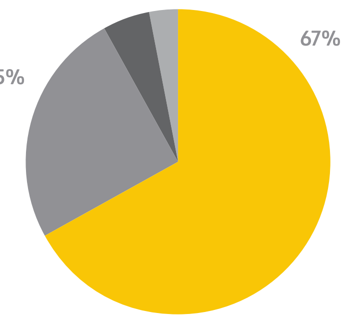
Some 84% of Cespa emissions correspond to diffuse emissions (biogas) produced in landfills. Of the total diffuse emissions, 31.63% are generated in Cespa-owned landfills and the rest in landfills that are managed by the company but not owned by it.

Breakdown of total Ferrovial CO_2 emissions by country (Scope 1 and 2)

Percentage of CO2 emisions per country 2010 (Scope 1 and Scope 2)



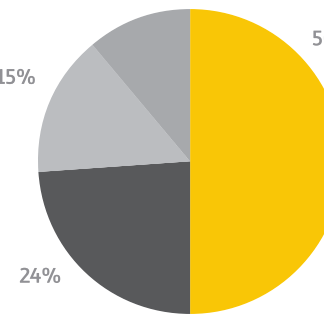
Percentage of CO2 emisions per country 2010 (Scope 1 and Scope 2)



2010	CO_2 equiv. tons
Spain	1,295,465
United Kingdom	471,992
Poland	48,030
Others	90,602
Total	**1,906,089**

Emissions by country show that Spain continues to be the country with most emissions. This year the Budimex (Polish constructor) emissions have been included.

Percentage of CO2 emissions by source 2010 (Scope 1 and Scope 2)



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Other indirect emissions (Scope 3)

The reporting of this category is optional and includes all other indirect emissions. These emissions are the result of the company's activities, but occur from sources that are not owned or controlled by it. Both Amey and BAA calculate Scope 3 (32% of net revenues).

For the calculation, Amey has considered emissions from freight transport, business travel and commuting. In 2010, Amey's Scope 3 was 10,250 tons of CO_2 equiv.

For BAA, the calculation of Scope 3 emissions includes aircraft landing, takeoff and runway traffic, business travel, vehicles operating on the runway, access to the airport by passengers, and water and waste management.

At the date of publication, some of the information needed for the calculation is not available (e.g. passenger access to the airport). Scope 3 will be published on the Ferrovial website in the Quality and Environment section as soon as the information is available.

NO, SO and other significant emissions

The emission of other gaseous pollutants is calculated on the basis of fuel consumption:

a) Emissions from boilers.

NOx (t)	CO (t)	NMVOC (t)	SOx (t)	Particulate (t)
203	73	8	26	6

These emissions primarily come from burning natural gas, diesel, fuel oil and propane.

b) Motor vehicles

CO (t)	NMVOC (t)	NOx (t)	Particulate (t)
513	89	696	99

These emissions are mainly from diesel and gasoline emissions.

The main reason for the reduction on the previous year is that consumption by vehicles used by Swissport on the airport runways has not been included, as the company was out of the scope in the first quarter 2011.

c) Mobile machinery used in construction

CO (g/Kg)	NMVOC (g/Kg)	NOx (g/Kg)	Particulate (g/Kg)
203	281	1.654	182

These emissions come from the use of diesel, mainly as fuel in mobile machinery on construction sites.

d) Electricity

The calculation has taken into account each country's electricity mix.

	Emissions (t)				
Primary source	NOx	CO	NMVOC	SOx	Particulates
Total	407.41	164.92	3.29	727.43	30.74

Fuels used by stationary and mobile sources

2010	CONSUMPTION (Gj)
Diesel	3,309,662
Fuel oil	288,269
Gasoline	78,664
NG	3,202,619
LPG	796
Propane	3,559
TOTAL	**6,883,568**

Indirect consumption of energy broken down by primary sources

Primary energy source	Total (GJ)
coal	831,591
diesel	92,062
gas	1,118,117
biomass	48,771
waste	17,409
nuclear	393,208
hydraulic	155,019
geothermal	265
PV solar	6,638
thermal solar	48
wind	119,137
tidal	2
other	1,335
Total production	**2,783,662**

*** The calculation has taken into account each country's electricity mix.**

Gases that destroy the ozone layer (refrigerants)

		Type of Refrigerant			
Company		R22	R407C	HFC134a	R410A
BAA *	Kg	50.82	15.57	490	41.15
	CO_2 equiv t	92	39	638	71
Corporate	Kg	55.16			
	CO_2 equiv t	90			

*** As to the date of publication only the data from Heathrow in BAA is available.**

Emissions avoided by waste management activity

In the field of waste management, the company follows a strategy based on the reduction of greenhouse gases.

One of the ways of reducing these gases is by recycling rather than dumping, thus reducing the amount of waste that enters the landfill. Another is recovery and use of landfill biogas resulting from waste decomposition to produce energy.

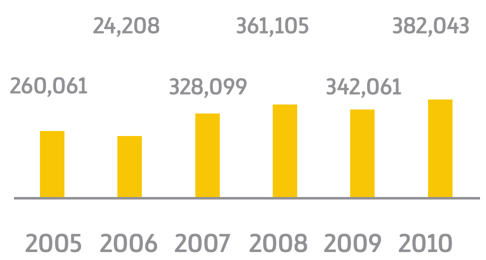
This will reduce dependence on fossil fuels and the emissions from their combustion, as well as prevent methane emissions, which have a greater effect on global warming than CO_2.

In 2010, Cespa avoided a total of 1,010,917 tons of CO_2 equivalent.

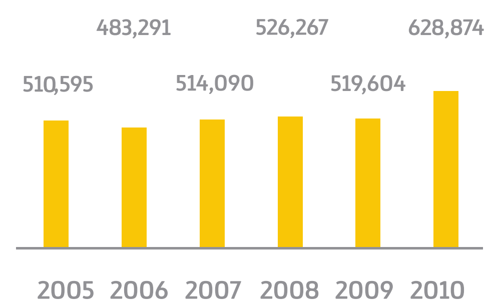
	GHGE avoided by sorting (CO_2 equiv t.)(1)	GHGE avoided by biogas capture (CO_2 equiv t.)(2)
2005	260,061	510,595
2006	240,208	483,291
2007	328,099	514,090
2008	361,105	526,267
2009	342,061	519,604
2010	382,043	628,874

(1) The information corresponds to Spain and Portugal.
(2) The information corresponds only to Spain.

GHGE avoided by sorting (CO2 equiv t.)



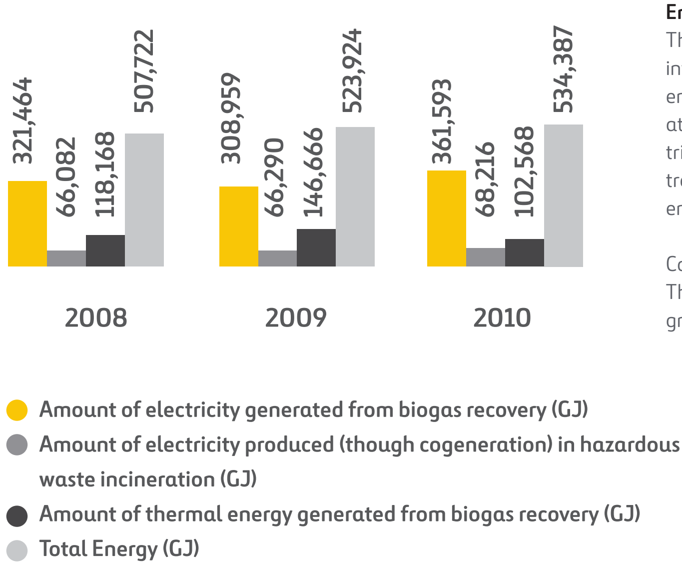
GHGE avoided by biogas capture (CO2 equiv t.)



The constant investment in technology, including both waste sorting and biogas capture, has in recent years had an increasing impact on the reduction of greenhouse-gas emissions.

Generation of energy from renewable sources

Energy from waste management (Cespa)



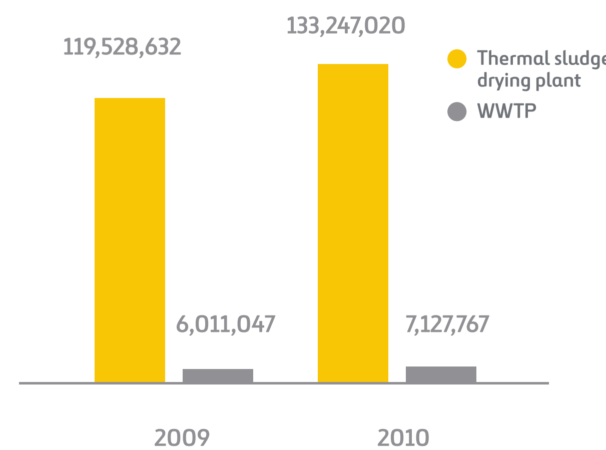
Cespa not only avoided a total of 1,010,917 tons of CO_2 equivalent, but has generated 534,387 GJ of energy through the use of biogas and waste. The use of this source of energy rather than electricity from the power grid saves 51,728 tons of CO_2 equivalent.

Energy from sludge treatment (Cadagua)

Thermal sludge drying involves applying heat to evaporate most of the interstitial water mixed in with the sludge. In the plants run by Cadagua, energy cogeneration is achieved by using natural gas in motor-generators, turbo-generators or Centidry. This cogeneration produces electrical and thermal energy from natural gas. Cogeneration in a sewage treatment plant meets two basic objectives, one economic and the other environmental.

Cadagua generated a total of 505,350 GJ through these means in 2010. The use of this source of energy rather than electricity from the power grid **saves 49,102 tons of CO_2 equivalent.**

Electricity generated in sludge treatment.



C. Energy Efficiency

Strategies to reduce greenhouse-gas emissions have been in place for years. The aim is to make processes less polluting and anticipate future regulations that affect the Group's business, particularly in terms of waste management and air traffic. Energy efficiency is one of the key points within the Ferrovial strategy against global climate change.

The business with greatest impact in terms of energy consumption is BAA. It therefore tries to minimize the emissions related to fixed facilities.

Energy strategy at airports

The first phase is project design. This is the case with the construction of the new Heathrow East Terminal:

- Careful use of natural light to cut back on artificial lighting needs. Good insulation to minimize heating costs in the winter and restrict the accumulation of sunshine in the summer to cut back on the use of air conditioning.
- Use of awnings to reduce heating from solar radiation and excessive sunlight.
- Reduce water consumption for air conditioning by using the residual cold obtained from the extraction of water from an aquifer. This cuts back on both energy for air conditioning and water use.
- Recovery of ventilation heat using heat exchangers that transfer the heat generated inside buildings to the ventilation systems in order to minimize emissions produced by air conditioning equipment.

Generation and consumption of clean energy produced at the airport itself (Be clean)

- Generate energy from biomass in a gasification plant that generates gas from biomass waste collected at Heathrow Airport.
- Produce photovoltaic energy using solar panels on the terminal's roof.
- Reuse gray water for sanitation and air conditioning

Use of clean energy sources (Be green):

- Use renewable energy sources (e.g. wind turbines).
- Plan to install more photovoltaic panels.

The main target established in this respect for the new Heathrow East terminal is to reduce CO_2 emissions by 40%, 20% of this due to the generation of energy from renewable sources.

Energy efficiency plan at Corporate head offices

An energy audit was conducted at the Corporate head offices in 2009 to identify potential energy-saving opportunities.

The energy audit consisted of a situation analysis providing information on the operation of the building, the level of demand for energy used by services, the operation of its power systems and facilities and the condition of the components, energy consumed and associated operating costs. In short, to provide information on where, how and why energy is used in a building.

In establishing the measures to be implemented it not only took into account the technologies and cutting-edge equipment that can be used in each case, but also the active involvement of the employees in the building in terms of a more efficient use of facilities and equipment.

The target is to reduce electricity consumption between 2009 and 2011 to a level representing a saving of 55% over 2008 levels. Various energy-saving measures were put in place in 2009, such as fine-tuning the DPC, adjusting operating hours for heating, air conditioning and lighting according to the building's real needs, and adjusting temperatures. This has resulted in a saving of 47.75% on 2008 figures, and 1% on 2009.

The works that will take place in the building, and which will include energetic efficiency measures, have been delayed to the end of 2011.

corporate responsibility **environment**

Goals and measures for reduction

Cespa

Emissions of greenhouse gases avoided as a result of biogas capture in landfills in 2010 increased by 21.5% on the previous year. This means a reduction of 631,681 Tons of equivalent CO_2 (in Spain and Portugal)

The biogas captured was used to generate energy. The electric power generated increased by 17% in this period.

In those workplaces that have registered higher fuel consumption than the previous year, Cespa gave training actions to promote fuel-efficient driving, and carried out an awareness campaign. In addition, a set of good practices was implemented, and/or an awareness campaign was launched to reduce consumption.

5.63% of the Cespa fleet (433 vehicles) run on alternative fuels (biodiesel, natural gas, liquefied natural gas, electricity and hybrids).

Head Offices

Energy efficiency measures introduced in Ferrovial head offices have led to saving of 47.75% in 2010 compared to 2005.

Cadagua

In 2010 Cadagua increased energy generation in its thermal sludge drying activities by 11.5%, and 18.6% in the WWTPs.

Construction

Ferrovial Agroman has environmental targets for its construction sites to reduce greenhouse gas emissions. They have avoided the emission of 2,545 tons of CO_2 equivalent by reducing transport distances to the site and 3,772 tons of CO_2 equivalent by reducing the volumes of excavation, external materials and materials sent to the landfill.

BAA

CO_2 emissions under Scope 1 were reduced by 10% in 2010 on 2009 figures in Heathrow Airport and emissions derived from electricity consumption by 1% (Scope 2). In total, emissions were reduced by 3% (Scope 1 & 2) on the previous year. This has been the result of investment to improve energy efficiency and the use of more efficient equipment.

This winter was particularly cold, with a large number of days with freezing temperatures and snow leading to increased energy consumption. Thus, the saving would have been greater if the winter had been comparable to those in previous years.

One of the targets for this airport is to reduce emissions by 30% on 1990 figures.

Another target established for the new Heathrow East terminal is to reduce CO_2 emissions by 40% on those of a conventional building, and for 20% of energy demand to be met from renewable sources.

D. Waste management

The waste management policy shared by all companies in the Group is designed to minimize waste production, ensure proper waste management and place the emphasis on recovery, reuse and recycling.

Waste management in Amey

An action program was developed in 2010 with the goal of halving the amount of waste sent to the landfill.

Work has also been done on developing a procedure to identify the type of waste that is most significant in each business, as well as quantifying the amount of waste taken to the landfill and the volumes of waste that is recycled or reused.

Each division has established its targets for reuse, recycling and recovery and identified actions to optimize these processes.

Recycled material

One of the company's goals is to promote the use of recycled material in the market. A number of departments have worked jointly to redefine the technical specifications required in the products ordered from suppliers as a way of making greater use of these kinds of materials while maintaining quality standards.

A project is underway to identify products that can be used to replace existing ones, and to increase the proportion of products that are most environmentally friendly and have made use of more sustainable raw materials or manufacturing processes.

corporate responsibility **environment**

Waste management in Airports

BAA airports generate around 56,000 tons of waste each year. Most is produced by enterprises that operate there: retail outlets, aircraft maintenance and handling firms, as well as the cleaning of aircraft; and this does not take into account the waste produced by the construction and restoration projects.

The goal is to reduce the amount of waste sent to landfills by promoting recycling and trying to extend these good practices to the other enterprises operating in the Group's airports

The targets for 2020 are:

- Zero waste sent to landfill.
- 70% of airport waste recycled.
- 90% recycling in construction activities

Meeting targets in 2010

Aberdeen

The target for 2010 was to increase the percentage of recycled waste to 40%. At year-end the figure was 44.16%.

Edinburgh

The target for 2010 was to increase the percentage of recycled waste to 40%. At year-end the figure was 42%.

Glasgow

The target for 2010 was to increase the percentage of recycled waste to 50%. At year-end the figure was 60%.

Heathrow

The target for 2010 was to increase the percentage of recycled waste to 50%. At year-end the figure was 38%.
The target for construction waste was for 85% recycling; a total of 99% of construction and demolition waste was recycled.

Goals for 2011

Southampton

Achieve a waste recycling level of 45%.
Reduce the dumping of waste in landfills by 50%.
Lines of action:

- Composting of food waste.
- Fee system for waste generated to encourage recycling.
- Work jointly with other partners to improve the rate of recycling.

Aberdeen

Increase the percentage of recycling to 60%.

Edinburgh

Reduce waste dumped in landfills by 50%.
Long-term goal (2010) – Zero waste sent to landfill and 70% rate of recycling by 2020.

Glasgow

Achieve a waste recycling level of 65%.
Reduce the dumping of waste in landfills by 70%.

Heathrow

Recycling of road surfaces

The facilities, roads and their surfaces in Heathrow are subject to intensive use. With 180,000 passengers and 1,200 flights every day, maintenance work and fine-tuning is required. During this work improvements are made for the benefit of our passengers.

Improving Heathrow with the construction of new buildings means demolishing old ones. A huge effort is made to send the resulting demolition material for recycling instead of dumping in a landfill. The percentage of recycling being achieved in the demolition of the old T2 building is 95%, including rubble, metal, plastic and wood.

The only material that cannot be recycled is hazardous waste such as asbestos.

The recycling process takes place at a specialized plant in the south-east of England. This is why the materials cannot be reused in the airport itself. Instead, they are used in a variety of projects around Britain, such as highways, roads and road surfaces.

The runways on which the aircraft taxi use high-quality concrete, which is considered a very valuable resource. When these surfaces are renewed, they are sent to specialized plants for treatment so that they can be reused in other parts of the airport.

Cooking oil converted into biofuel

The catering firms at Heathrow prepare food for 76,500 workers and 180,000 passengers every day. The cooking oil used has to be disposed of properly; but more than that, it is transformed into biodiesel, a more sustainable fuel than conventional types for diesel vehicles.

Currently 100% of the cooking oil used in the airports is recycled in some way. Around 85% is recycled as biodiesel and work is underway to increase this percentage.

This biodiesel is introduced into the national fuel supply network. It is enough fuel for a car to go round the world 20 times.

In 2010 a total of 57,000 liters were collected through a pilot project that will become standard procedure in the future. It will increase efficiency in the future by using this fuel both at the airport itself and in local businesses.

Glasgow

A strategy is in place to achieve a 100% recycling rate

- Silver medal awarded by the National Recycling Stars, a British organization that awards prizes to companies that promote recycling and employee awareness.

http://www.nationalrecyclingstars.co.uk/

- Gold award from Tidy Business Standards, a British initiative sponsored by the Bedford City Council that rewards waste management and promotes recycling.

http://www.bedford.gov.uk/community_and_living/community_services/pride_in_bedford/tidy_business_standards.aspx

Year	Percentage of company vehicles powered by alternative fuels (Spain)
2010	5.87
2009	5.36
2008	2.67
2007	2.28
2006	2.51
2005	1.57
2004	1.66
2003	1.57

Cespa

Cespa is the company specializing in environmental services (street cleaning, maintenance and creation of green areas) and waste management and treatment in Spain and Portugal.

The main lines of action pursued in recent years can be summed up as follows:

- Degasification of landfills and harvesting of electrical power from the biogas collected.
- Improved level of waste reuse thanks to new technologies.
- Introduction of clean vehicles into contract bids submitted.
- Inclusion of green purchase criteria in the supplier selection process.

Good practices in the management of CDW

The "Manual of Good Practices for the Management of Construction and Demolition Waste (CDW)" was approved in 2010 with the aim of e blishing guidelines so that Cespa operations that produce this kind of waste generate as little impact as possible on the environment, while complying with current legislation.

The objectives are:

- Reduce the final production of CDW by selective collection and reuse, and reduce the negative impact associated with its manufacture.
- Minimize the negative impact of its transport to the elimination site (emissions, fuel consumption, noise and vibrations, etc.).
- Generate beneficial environmental aspects, such as:
  - Recovery of degraded areas, such as quarries and open-cast mines.
  - Extend the useful life of landfills.
  - Preserve natural spaces (due to reduced need to exploit new

corporate responsibility **environment**

mineral resources to obtain raw materials).
· Consume fewer energy resources (in its manufacture), etc.

Fulfillment of 2010 Goals

- Increase of 2% over 2009 in avoided greenhouse gas emission thanks to biogas capture at landfill sites. **Achieved**

Greenhouse gas emissions avoided thanks to biogas capture at landfill sites in 2010 increased by 21.5% over 2009. Data on emissions in Spain and Portugal were taken into account in this calculation.

- 2% increase compared to 2009, electricity production through biogas generated in landfills. **Achieved**

A 17% increase was achieved (through optimization with existing engines).

- Continue with the implementation of the ProBioGas Emission Project to search for waste materials as alternative absorbents in biogas cleaning filters. **Partially achieved**

The tests included in this project were completed with no waste materials that can be used directly in biogas treatment found (neither the sludge pellets in the WWTP nor the residual polyurethane achieved the necessary purification effect). The project is now considered closed.

- 10% reduction in CO_2 emissions of the Quality and Environment Department over 2009, thanks to business travel mobility measures (replacing trips with video and teleconferences, using less contaminating modes of transportation, etc.).

The reduction goal set out initially was not met. In 2010, CO_2 emissions associated with Q&E Dept. staff travel increased by 29%. The main contribution to this rise has been the increase in the number of kilometers flown. The highest emission factors are applied to air travel. A large part of this increase is due to trips to England this year.
However, and despite the increase detected over 2009, CO_2 emissions associated with Q&E Dept. staff travel in 2010 are 36% lower than the emissions calculated for 2008.

- Increased number of company vehicles that run on alternative fuels. **Achieved**

- In those workplaces that in 2009 registered more than 10% higher fuel consumption than in 2008, provide training sessions to promote fuel-efficient driving and/or launch an awareness campaign aimed at reducing consumption. **Partially achieved.**

A Communication has been sent to the managers of those centers showing an increase higher than 10%, advising them on the measures they could take. Its implementation is pending in many cases, and it is therefore maintained as an action for 2011.

- Meet the commitments arising from membership in the STOP CO_2 Initiative Euskadi which is promoted by the Basque Government and, among others, include commitments to make an inventory and develop an Annual CO_2 Management Plan for the company's major activities. **Achieved**

The CO_2 Management Plans for three centers (SU Getxo, VNP Zalla and RTI Bilbao) were presented and the 2010 Emission Inventory was prepared, which updates the one conducted previously.

Goals for 2011

Develop the ETER Project (Standardization of Electronic Waste Processing) in Cespa to improve management, accessibility, availability and processing of information relating to industrial waste.

Distinctions

- **Platinum Broom Award to the Murcia City Council.**
  This award recognizes the innovations introduced by the Murcia City Council and CESPA in recent years to improve urban cleanliness and hygiene, specifically through the evaluation of the non-thermal plasma technology used for the advanced elimination of odors in environmental treatment and recycling plants.

- **Platinum Broom Award to the A Coruña City Council.**
  Among the aspects valued are the specific cleaning tasks to ensure the city's needs, awareness activities and citizen education, including open days, citizens' urban environmental awareness campaigns, the renewal of the vehicle fleet and the introduction of new machinery to improve mechanization in the services and minimize emissions.

- **Gold Broom Award to the San Sebastián de los Reyes City Council.**
  In June 2010, the City Council of San Sebastián de los Reyes, where CESPA provides street cleaning and collection services, received the Gold Broom Award in recognition of its graffiti removal service and the agreement signed with storekeeper associations to protect storefronts against vandalism.

- **Silver Broom Award to the Alcobendas City Council.**
  ATEGRUS has also recognized the efforts of the City Council of Alcobendas, where CESPA provides street cleaning and waste collection services, with the Silver Broom Award for the introduction of an additional cleaning service on Saturdays, Sundays and public holidays.

- **Silver Broom Award to the Tomares City Council.**
  ATEGRUS has also recognized the efforts of the City Council of Tomares, where CESPA provides street cleaning and waste collection services, with the Silver Broom Award for the improved mechanical and mixed sweeping services provided in the city.

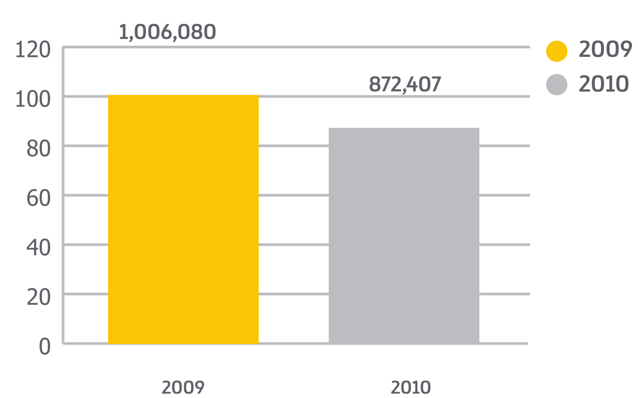
- **Ecoplayas 2010 Award.**
  In addition to renewing the Ecoplayas flags achieved in previous years for the A Coruña beaches (Riazor-Orzán, San Amaro and Oza), in September 2010 Cespa secured the flag for the As Lapas beach, for its accessibility with a large variety of ecological means of transport.

- Also in 2010 the evaluation audit for renewing the **Madrid Excelente Guarantee Mark**, which CESPA obtained in 2001 and has maintained ever since, was passed successfully. To this end, several improvement actions have been undertaken over the years.

Hazardous waste treatment

Company	Hazardous waste (Kg)
Amey	n.a.
Baa	201,590.38
Cadagua	39,301.90
Cespa	1,916.00
Cintra	79,583.00
Construccion	380,211.00
Ferroser	169,805.10
Total rp	**872,407.38**

- Amey
- BAA
- Cadagua
- Cespa
- Cintra
- Construction
- Ferroser



Family	Code	Description	Company	Weight (kg) 2009	Weight (kg) 2010	Total (Kg) 2010
5	WASTE FROM PETROLEUM REFINING AND NATURAL GAS PURIFICATION					
	50699	Wastes not otherwise specified				
			Construction	5,640	23,320	23,320
8	WASTES FROM THE MANUFACTURE, DISTRIBUTION AND USE OF PAINTS, INKS, VARNISH					
	80111	Waste from paint and varnish containing organic solvents or other hazardous substances				
			Ferroser	18,480	28,462	28,462
12	WASTE FROM THE PHYSICAL AND MECHANICAL TREATMENT OF METAL AND PLASTIC					
	120113	Welding waste				
			Construction	50	140	140
13	WASTE FROM OILS AND LIQUID FUELS					
	1302	Waste from motor oil, mechanical transmissions and lubricants				
			Cadagua	23,684	14,364	
			Cespa	5,000	7,500	
			Cintra	18,444	24,227	
			Construction	175,295	115,811	
			Ferroser	8,141	9,376	171,278
14	WASTE FROM ORGANIC SOLVENTS, REFRIGERANTS AND PROPELLANTS					
		Organic aerosols				
			Cintra	n.a.	60	
			Construction	15,314	9,648	9,708
	140602	Other halogenated solvents and solvent mixes				
			Cadagua	n.d.	1,213	
			Cespa	n.d.	165	
			Construction	1,146	530	1,908

Family	Code	Description	Company	Weight (kg) 2009	Weight (kg) 2010	Total (Kg) 2010
15	WASTE FROM PACKAGING; ABSORBENTS AND FILTRATION MATERIALS					
	1502	Absorbents, filter materials, wiping cloths, protective clothing				
			Cadagua	n.a.	1,703	
			Cintra	74,272	42,249	
			Construction	8,019	14,735	
			Ferroser	11,471	n.d.	58,687
16	UNSPECIFIED VEHICLE WASTE AND DERIVATIVES					
	160213	Discarded equipment containing hazardous components				
			Ferroser	8,122	20,353	20,353
	1606	Batteries and accumulators				
			Cadagua	n.a.	58,2	
			Construction	9	81	139
	160601	Lead batteries				
			Cadagua	n.a.	372	
			Cespa	n.a.	1,175	
			Cintra	4,726	6,319	
			Construction	4,948	10,598	18,464
	160103	Used tires				
			Cintra	159,408	111,132	
			Construction	26,620	28,096	
			Ferroser	28,424	38,212	177,440
	160107	Oil Filters				
			Cadagua	n.a.	648	
			Cespa	n.a.	253	
			Cintra	733	966	
			Construction	5,671	12,846	14,713
	160114	Antifreeze fluids containing hazardous substances				
			Construction	400	850	850
	160708	Waste containing hydrocarbons				
			Cintra	21,986	8,166	
			Construction	40,029	78,267	86,433
			Ferroser	4,820		

Family	Code	Description	Company	Weight (kg) 2009	Weight (kg) 2010	Total (Kg) 2010
	160708	Wastes containing hydrocarbons (containers)				
			Cadagua	n.a.	11,743	
			Cintra	1,233	2,017	
			Construction	16,039	51,383	
			ferroser	128,810	54,319	119,462
	1706	Insulation materials and building materials containing asbestos				
			Construction	1,015,427	3,721,198	3,721,198
19	WASTE FROM WATER TREATMENT FACILITIES					
	190702	Leachates from landfills containing hazardous substances				
			Ferroser	5,820	5,820	5,820
	190810	Mixtures of fats and oils from the separation of water and oily substances				
			Cadagua	n.a.	7,176	7,176
			Ferroser	31,510	n.a.	
20	HOUSEHOLD AND SIMILAR WASTE					
	200121	Fluorescent tubes and other mercury-containing waste				
			Cadagua	n.a.	309	
			Cespa	n.a.	20	
			Cintra	1,418	1,887	
			Construction	59	147	
			Ferroser	4,299	6,167	8,530

Family	Code	Description	Company		Vol. (kg)	Total (Kg)
19	WASTE FROM WATER TREATMENT FACILITIES					
	190805	Sludge from treatment of urban waste water (m3)				
			Cadagua	83,632,024	70,196,847	
			Cespa	31	22,380	70,219,227

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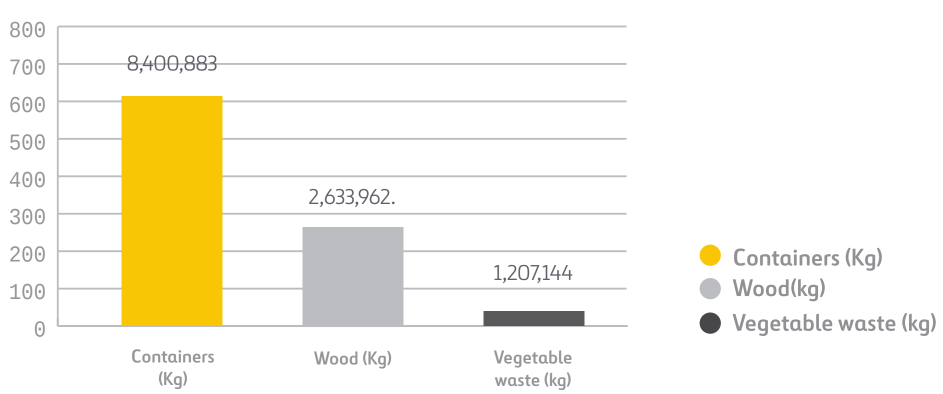
Family	Code	Description	Company		Vol.(Kg)	Total (Kg)
8	WASTE FROM THE MANUFACTURE, DISTRIBUTION AND USE OF PAINTS, INKS, VARNISH					
	80317	Waste from printer toner cartridges containing hazardous substances				
			Cadagua	n.a.	20	
			Cespa	n.a.	303	
			Cintra	n.a.	669.70	
			Construction	301 units	1,325	2,318

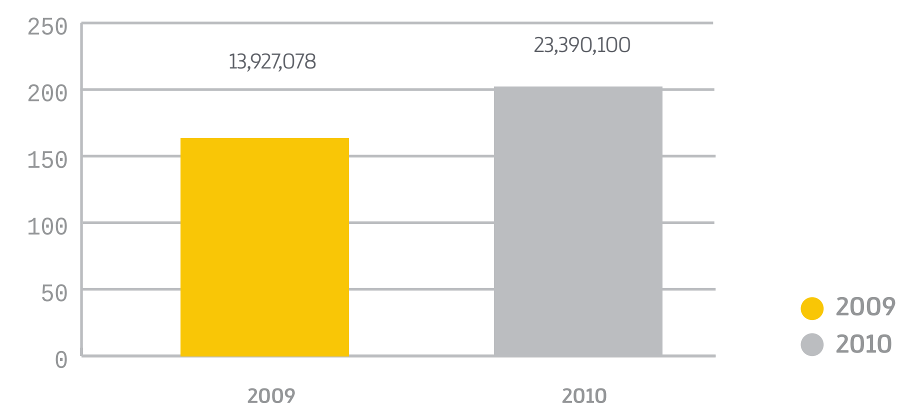
Urban waste

Company	Containers (Kg)	Wood (Kg)	Vegetable waste (Kg)	Total Ferrovial
Baa	8,300,010	n.a.	817,000	9,117,010
Cadagua	4,063.0	4,325.0	14,371.0	22.759,0
Cespa	840.0	n.a.	n.a.	840,0
Cintra	42,456.0	47,196	n.a.	89.652
FASA	n.a.	2,582,441.0	n.a.	2.582.441,0
Ferrovial services	53,513.5	n.a.	375,773.0	429.286
Total	**8,400,883**	**2,633,962**	**1,207,144**	**12,241,989**



Recycled materials

	Paper and cardboard (kg)	Industrial plastic (kg)	Metal cuttings (kg)	Other materials (kg)	Recycled by companies
Baa	3,873,720	n.a.	43,580	6,665,960	10,583,260
Cadagua	5,509	n.a.	9,287	191	14,987
Cespa	19,912	n.a.	n.a.	160	20,072
Cintra	102,641	20,861	662,965	n.a.	786,466
Fasa	1,258,850	389,539	7,204,583	2,582,441	11,435,413
Ferrovial servicios	500,562	n.a.	49,340	n.a.	549,902
Total	**5,761,194**	**410,400**	**7,969,775**	**9,248,752**	**23,390,100**



(1) Amey and Tube Lines 2009 data has been excluded so the comparison to the previous year remains coherent.

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E. Water footprint

Consumption

In 2010, total water consumption (5,397,375 m3) reflected a considerable fall of 11.6% compared with the volume reported the previous year (6,104,611 m3, excluded Tube Lines so the comparison to the 2010 data remains coherent). It is important to note that the scope of the Group's water footprint is restricted to 100% of the volume of water provided through the supply network. Diverted water in the Construction and Services divisions, basically from temporary use of flows in surface water and public streams, is not reported. All these diversions are duly authorized by the competent authorities.

As can be seen in the accompanying charts, most consumption is in BAA airport facilities. The primary uses of water are aircraft maintenance and cleaning, water in public bathrooms for passengers, and catering services. There has also been a considerable reduction in consumption on the 2009 figure, because of the gradual implementation of more efficient systems and facilities in terminals, such as:

- Leak detectors.
- Monitoring of water consumption in real time.
- Water-saving systems in cisterns and faucets.
- Collection of rainwater and water from wells, for later use as non-drinking water.

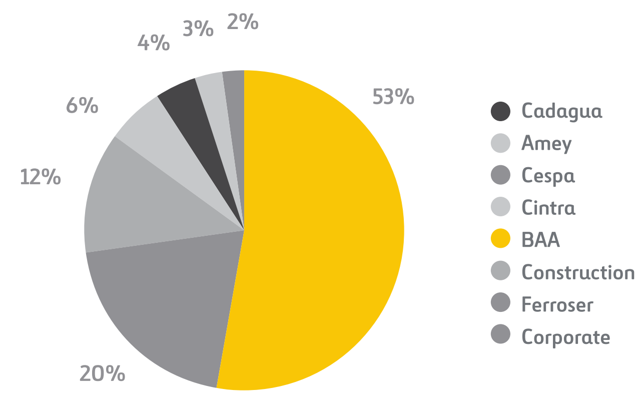
Particular mention should be made in this respect of the design of terminal T5 in Heathrow, which was opened in March 2008. It has independent systems of water piping that supply non-drinking water from collected rainwater and wells. This reduces the need to use the public water network by around 70%. The system for collecting rainwater uses about 85% of all the water received in the collection area. The two wells that collect water from the aquifer have been in place from the construction phase of T5 and are 150 meters deep. The two systems combined can provide an average flow of 55 liters per second of non-drinking water.

The experience will also be applied to the future T2A terminal in the Eastern Campus, which is currently under construction.

Maintenance of water quality

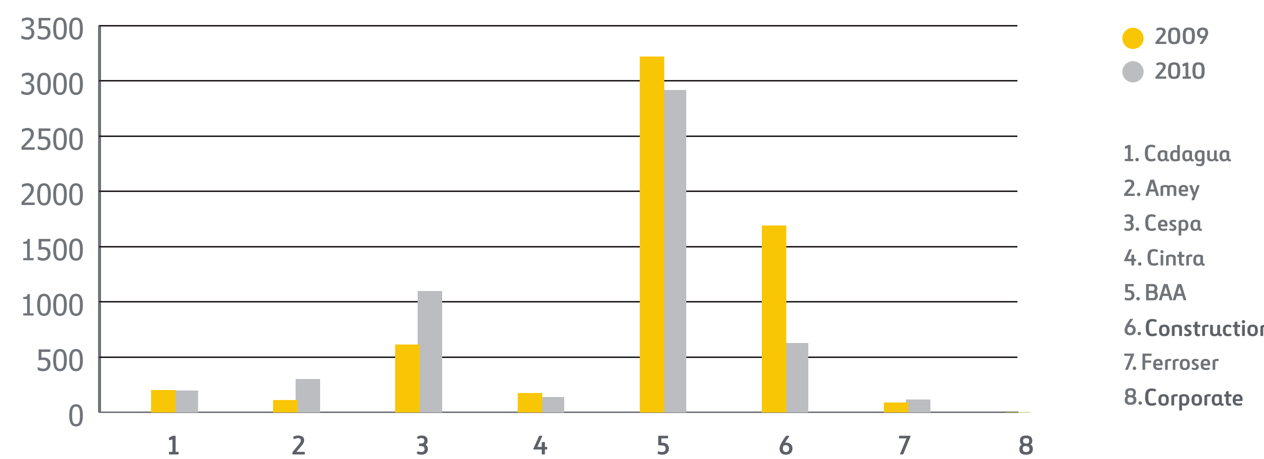
As well as reducing consumption, improving the water footprint includes ensuring the maximum quality of water discharged, so that the impact on natural resources is as low as possible. In many areas, effluent is treated to allow the reuse of water in production centers and thus reduce supply needs (in 2010, more than 1 million cubic meters of water were reused, far higher than the figure reported for 2009, as various Cespa contracts were included that reused water).

Percentage of water consumption (m3) 2010



m3	2009	2010
CADAGUA	201,269	197,752
AMEY	112,723	300,622
Cespa	613,925	1,096,660
CINTRA	174,724	137,233
BAA	3,220,044	2,915,307
CONSTRUCTION	1,692,136	628,838
FERROSER	86,172	116,825
CORPORATE	3,619	4,137
TOTAL	**6,104,611**	**5,397,375**

Water consumption 2009/2010 (m3)



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Construction
The plans for treating industrial water on the biggest sites were maintained in 2010, in particular in those where tunnels were constructed that could penetrate underground aquifers. This water has settleable solids, suspended solids and generally basic pH. The basic treatment system consists of a coarse separator (settleable solids) and a settling pond for the removal of suspended solids, followed by treatment to correct the pH.

In all the cases and production centers, when there is discharge into surface or underground water the quality parameters of the discharged water are monitored carefully.

This treatment also improves efficiency in the use of this resource. Treated water from the water generated in on-site concrete plants, as well as effluent in tunnels, is generally reused at the production center. By applying these criteria, the Construction division reused 412,566 m3 of water in 2010, thus reducing the supply needs to the same extent.

Cespa
The waste treatment subsidiary is one of the main producers of wastewater in the Group, mainly from leachates in landfills. This effluent is collected in pools and subjected to a purification process, either in the landfill itself or in an outside treatment plant.

Cespa reused around 590,000 m3 of water in 2010, basically in the gardening and urban services contracts with the Madrid City Council.

Cadagua
The core business of this company in the Group is water treatment. In 2010 it treated the volumes shown in the accompanying table.

		2009	2010
WWTP Flow treated	m3	135,816,636	133,422,679
IWWTP Flow treated	m3	2,937,422	2,777,219
WPP Flow treated for drinking	m3	1,240,664	1,270,284
Desalination plant inflow	m3	122,286,124	133,391,950
Desalination plant treated flow	m3	51,063,625	56,199,422

F. Mobility

All reports about climate change show the important contribution of the transport sector to global warming. Statistics reveal that personal mobility accounts for 23% of total emissions and 14% of natural resource use. Moreover, 58% of the total emissions generated by the transport sector are from mobility of persons. Specifically, 40% of the greenhouse gas emissions produced by Heathrow Airport in London can be traced back to ground vehicle traffic coming and going from the airport. It is obvious that a significant part of the environmental impact of these facilities depends on the habits of users.

To reduce their carbon footprint and point the way toward more sustainable mobility, in 2008 Ferrovial launched its Mobility Plan to improve the efficiency of the private transport used by its employees, suppliers, clients and users. The project is part of the Group's Climate Strategy, and is being developed step by step. In the first phase, the main goals will be:

1. To make commuting to work by private transport more efficient by providing innovations.
2. The gradual extension of the Personal Mobility Plans to the various corporate offices, based on the pilot experience developed in 2008-09 at the Cespa offices in Madrid. This pioneering project was developed following a collaboration agreement with Fundación Movilidad (Mobility Foundation), a City Council body.
3. The creation of tools to measure the ecological footprint linked to company mobility.
4. Optimizing the levels of business trips by using information technologies (videoconferencing...).
5. Better use of industrial and personal vehicle fleets. The goals in this respect are focused both on the gradual replacement of fossil fuels by cleaner sources of energy (hybrid engines, LNG, electric), and better use of trips (in industrial fleets).

In a second phase, the Mobility Plan aims to influence transport habits of the users of our infrastructures (basically airports and toll roads). Some pioneering initiatives have already been launched, basically in the Airports division (see below).

The Mobility Plan was extended to the rest of the Group's head offices in Madrid starting in 2010. Each of the business areas implements its own plans and establishes specific targets, based on the corporate strategy that has been defined. Below we highlight the most important action plans in each area.

Amey UK

Replacement of business trips by videoconferences.
Amey UK has been used as a pilot project for developing these alternatives, which are based on information technologies. The project began in 2008, and is generating significant savings in greenhouse gas emissions from personal transport (and also economic savings). The plan is being extended gradually across the whole company, together with a training and awareness plan designed to increase its level of use.

IT systems applied to fleet management (Masternaut Vehicle Tracking System). The system is being introduced gradually for the fleets of industrial vehicles. It provides continuous monitoring of the journeys made by each vehicle, the distance traveled, and the driver's handling of the vehicle. The vehicle fleet is the main source of greenhouse gas emissions in Amey.

There is also a pilot plan for introducing hydrogen vehicles. The plan will be launched in March 2011 in the vehicles managed by Amey in the airside at Stansted Airport, London.

Airports Division (BAA)

Heathrow
A key aspect of the mobility plans in Heathrow, the main asset of the Airports division in the UK, is to improve its users' transport habits and to provide them with less polluting vehicles and facilities. One of the global targets set is that by 2012, 40% of the people who arrive at the airport every day should do so by public transportation.

Bus improvement program. An ambitious program was developed in 2009 and 2010 to replace the fleets of buses that travel between the aircraft and terminals and between the terminal buildings, as well as between the buildings and the long-term parking areas. Since September 2009 buses have been introduced that comply with the Euro 5 standard, which not only emit less CO_2, but also 50% less NOx.

At the same time, the routes of these vehicles within the airport facilities have been improved to reduce their number by nearly two thirds (from 230 to 84 in 2011), while maintaining the same level of service.

This program is part of the air quality strategy for Heathrow, which has also set the target of reducing NOx emissions by 50% in 2011.

Employee carsharing plan. More than 76,500 people work in Heathrow, and every day they travel from their homes to the airport. Many use private vehicles for transport, and this significantly increases greenhouse-gas emissions and reduces the quality of the air we breathe.

The Carsharing plan launched in 2002 and relaunched in 2009 gives workers the chance to share their vehicles with others. This reduces traffic congestion in Heathrow, but also provides tangible benefits for users: fuel costs are shared; the people who use the shared vehicle can access special parking areas reserved for them; and the airport gives them free accommodation if their vehicle has a breakdown and they cannot return to their homes within a reasonable time during the workday.

This plan is the biggest of its kind in the United Kingdom. It aims to reduce as far as possible the number of employees who travel alone by car. The results have been very satisfactory: the number of vehicles with only one occupant has fallen from 71% in 2004 to 61% in 2010, thanks to the 3,400 people who have joined the plan. Since its relaunch in 2009, nearly 200 new users have registered each month. The estimated reduction in greenhouse-gas emissions since last year alone is more than 6,900 tons of CO_2 equivalent.

Other airports
The mobility programs and schemes are also being extended to smaller airports. Southampton has defined very ambitious goals for reducing the carbon footprint resulting from private transport, in particular in terms of surface access to the airport.

In line with these objectives, in recent years various plans have been developed to promote and facilitate the use of public transportation for access to the airport, with the ultimate goal of ensuring that in five years 18% of trips are made using public transportation.

At the same time, both Southampton and Aberdeen Airports have launched an ambitious bicycle mobility plan for employees and passengers, which aims to increase the number of people who use this form of transport by 10%. New bus routes have also been introduced to con-

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nect the public transportation network with the airport, thus reducing travel time considerably and making this form of transport more attractive to users.

Along the same lines, Glasgow Airport has also set a target of increasing by 15% the use of surface public transportation as a means of access.

Cespa

Cespa's strategy as the Group's leader in urban services and waste management is focused on the development of the mobility plans for employees outlined above, which optimize the energy efficiency of its fleet of industrial vehicles (the biggest in the Group).

Action plans were launched in 2010 to make a notable improvement in the efficiency of the fleet in the coming years. A sophisticated system for monitoring and designing routes for the waste collection vehicle fleet has been developed, which is by far more effective than the previous GPS system, as it is complemented by a GIS map server. In addition, a program was launched in 2010 to optimize resources in urban services contracts, which have a particular impact on the industrial fleet. The program, called NEO, adapts the number of vehicles to the real needs of each contract and production center by optimizing routes with the use of the most advanced information systems.

The Intelligent Infrastructure Center (CI3) of Ferrovial's R&D&I area is developing the HEDISER model (waste collection route optimizer). This is based on an information system that calculates in real time the best routes for collecting and transporting waste from storage points to treatment facilities. The system is capable of correcting the routes according to variables such as traffic congestion or road works, and complements another one that has been developed in the R&D area: the RITNER (intelligent waste collection) system. RITNER uses a matrix of sensors installed on the roadside containers that monitor the level of waste in each container in real time from a central point.

G. Raw materials

Management of the supply chain is one of the basic aspects of Ferrovial's environmental management in some business areas, such as Construction and Services, where the level of subcontracting can be significant and the sustainability of many projects depends largely on the performance that the company can demand from suppliers and contractors.

In addition, there is an increasing commitment to ensure the legal origin of materials that can be critical for the environmental sustainability of the source regions, or that may have a significant impact on the loss of biodiversity in some parts of the planet. An example of this is wood from the tropics or other parts of the world where sustainable forest management is not guaranteed (unless a certification mechanism managed by a third party is in place for this purpose).

Both commitments are explicitly included in Ferrovial's Sustainability Policy through principles that aim for a mutual benefit in relations with suppliers, as well as the "responsible and efficient use of natural resources." At the end of 2010 the decision was taken to sign a partnership agreement with the Iberian Forest and Trade Network (Red Ibérica de Comerio Forestal), promoted by the environmental organization WWF, under the aegis of the Forest Stewardship Council (FSC).

The core aim of this agreement is to establish an action plan for the whole Group, promoted by the WWF, that enables it to extend the sourcing of FSC-certified wood throughout the supply chain. This commitment specifies quantified medium and long-term targets.
Ferrovial is the first Spanish company in the sector to sign a commitment of this kind. The action plan and its targets will be published in 2011.

In a significant proportion of construction and public services contracts, the decision on the characteristics of the materials used is not controlled by the Company. This is why the commitment has been undertaken that all bids and proposals made to customers should include the greatest proportion possible of recycled and reused construction materials, or those that respect the environment, in order to extend the use of these products.

This corporate-wide strategy aims for the sustainable management of the supply chain, as reflected in specific action plans in each business area. The most important of these are summed up below.

Construction division

Construction is the activity that handles most of the raw materials that the Group buys and uses around the world. This is why there is a particular interest in extending the action plans in this area. The construction branch has focused a significant part of its efforts in aspects of environmental design and construction of buildings, particularly in relation to the use of recycled and reused materials.

An IT application was developed in 2009 and 2010 to manage knowledge in the purchasing department, called i-purchases. It exchanges information between national and international production centers and helps identify those suppliers with a capacity to offer these kinds of materials. This database specifically includes information on suppliers who offer commonly used products with environmental benefits, such as recycled materials, ranging from surfacing materials and acoustic isolation using recycled cork, to street furniture, signposting and piping.

In 2010 the Construction division, through its subsidiary Ditecpesa, which develops, manufactures and markets asphalt products, signed an agreement with Cicloplast (an association of plastic recycling firms) to look into the reuse of recycled plastic in asphalt for road surfaces. The aim of this initiative is to open and develop a new market for the use of plastic waste, while improving the durability of road asphalt. This new market would be added to current applications for recycled plastic in telecommunications infrastructures, street furniture and high-range sports clothing, among others.

Services

The Services division has prepared its own "green purchasing guide," which includes the requirements and criteria for the Group's strategy in this area. The guide locates products, equipment and specific manufacturers that are appropriate to meet the needs of purchasing managers.

The British subsidiary Amey has prioritized the use and development of materials, products and services that involve a reduction in the environmental impact through optimal use of resources. There is a specific "green purchasing" policy in Amey, and IT tools have been developed to help identify and acquire these kinds of products. A sophisticated system for monitoring the environmental performance in production centers has also been developed, similar to that already existing for the Construction division.

In 2010, Cespa, the urban services and waste management subsidiary, launched an ambitious campaign to use recycled and certified paper as a pilot demonstration for the rest of the Group. This will be extended throughout 2011 to all its corporate offices. An awareness scheme has also been launched to reduce paper consumption by, for example, sending invoices in digital format.

In 2011, Cespa will also prepare a guide to identify "Green Suppliers."

Airports

BAA has identified the use of certain materials, such as refrigerants, PVC and wood conglomerate, as an important part of its sustainability policy. It has established quantitative commitments to promote the sustainability of these materials, evaluating both the daily supply of the products and the design and construction of large-scale projects, alternatives and solutions that can optimize the use of more sustainable materials.

In fact, BAA applies positive discrimination to these materials in relation to more conventional ones, and this factor is included when evaluating suppliers for approval as a positive point. To facilitate and extend the use of more sustainable materials, BAA has signed a partnership agreement with the WWF 95+ group that extends benchmarking and good environmental practices throughout the supply chain. Partnership agreements of this type are part of the corporate policy with respect to the Red Ibérica de Comercio Forestal (see above).

At the same time, alternatives with non-HFC refrigerants are being increasingly used in construction projects and facilities. Along the same lines, alternative products to PVC with similar technical features are being investigated.

There is also a specific action plan for "capital projects" (large-scale projects such as the construction of the new T2A terminal in Heathrow). Among other aspects, this action plan actively promotes the use of certified wood, as part of the partnership agreement with WWF 95+.

As well as promoting the use of alternative refrigerants and non-PVC materials, particular attention is paid to the use of recycled aggregates to avoid as far as possible the use of virgin aggregates and reduce the environmental impact caused by transport of this product from the quarries.

Other airports also have their own sustainable purchasing policies. In particular, Southampton is carrying out an ambitious program to replace electrical and water installations, as a way of reducing environmental impact and the consumption of resources. Through the selection of specific suppliers in the supply chain, airport managers are extending the use of LED technology for lighting. Sanitary facilities are also chosen that reduce water use.

Paper consumption

The Construction division is the business area responsible for the bulk of the materials purchased.

Ferrovial considers that the materiality of a given indicator lies in the ability to manage it. The amount of certain products and raw materials consumed in the Construction division are not considered be material, given that this consumption depends primarily on the type and number of projects contracted. This type (design) and number are not generally the responsibility of Ferrovial, so monitoring these indicators does not add anything to the company's environmental performance or management.

The volume of materials consumed depends entirely on factors beyond the control of Ferrovial, but an extra effort is made with the origin of wood and paper (as a derivative), given the supreme importance that confirming the origin of these materials has for Ferrovial's image and reputation.

In some cases there may be margin for minimizing the use of certain materials and the company has full capacity to decide on the specifications for each product.

The Group's total consumption of paper in 2010 was 742,506 kg. There was an overall reduction in consumption in all the businesses except Amey.

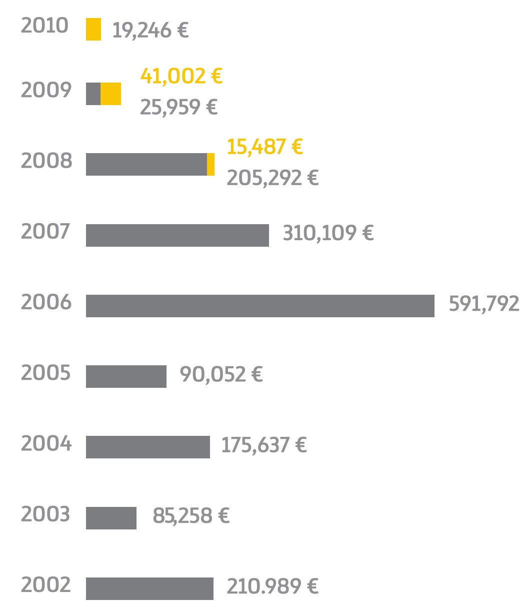
Businesses	Volume of paper bought (kg)	
	2010	2010
Amey	253,198	237,362
BAA	61,844 (3)	127,278
Cadagua	3,660 (1)	4,000
Cespa	110,884	156,820
Cintra	261,685	274,258 (4)
Ferroser	13,721	17,464
Corporate	14,366	17,257 (4)
Construction	23,147 (2)	26,719 (4)
TOTAL	**742,506**	**861,158** (5)

(1) Figures are for the Barcelona offices.
(2) Figures for the headquarters.
(3) The difference in the consumption of paper in airports is because Gatwick was not included in 2010, and there has been a significant fall in paper consumption in Heathrow.
(4) Paper consumption data in 2009 for Construction, Corporate and Cintra have been modified following the updates released when the Annual Report 2009 was already closed.
(5) 2009 figures for Swissport and Tube Lines has been excluded so the comparison to the previous year remains coherent.

H. Environmental penalties

In 2010, a total of 19,246 euro was paid in environmental penalties corresponding to the year. Ferrovial reports the effective sanctions for 2010 as well as for previous years, given that legal processes involved often take longer than a year. Consequently, the figures do not include proposed amounts, but only those penalties that were made effective in 2010.

In Construction the number of cases initiated has fallen notably, in line with the reduction in the amounts of the penalties proposed. The modification of the regulation governing the Public Hydraulic Domain by Royal Decree 367/2010 meant that most of the cases were classified as minor instead of less serious, as had been the case until then.



Figures published in the Annual Report 2009 (accumulated penalties corresponding to each year 2002-2009)

Penalties corresponding to 2010 and regularization of cases from previous years

An event is considered to be significant when there are disciplinary proceedings resulting from it. Therefore, in 2010 there has been no significant event relating to any water collection or transport activity.

Accidental discharges in Construction are defined as unauthorized discharges of wastewater to the Public Hydraulic Domain, as they involve runoff water that flows into a stream after becoming turbid due to activity on a site (cleaning of public roads, embankment erosion, water in work platforms at times of heavy rainfall). At times, non-decanted water has been pumped from foundations under construction into a stream due to a worker's accidental negligence, so in this case it is not possible to specify the amount of the discharge. In 2010 there was one case of a penalty for non-compliance with a discharge authorization.

In the water treatment business there are three cases of discharges exceeding authorized levels.

Photo: Worker at CREAA, Madrid, Spain.

human capital

Commitment

- Provide added value and innovative solutions for people management that are aligned with our business objectives and the needs of our employees.

Lines of Action

- Establish strategic global people management processes.
- Develop an inclusive culture to preserve our identity within diversity.
- Strengthen the skills and abilities of our workforce.

2010 Milestones

- Launch of e-learning programs through the on-line training tool.
- Design of the Global Talent Management Program (pilot project).
- Generation of 10 innovation projects at Ferrovial University.
- Publication of the new "International Assignments Manual."
- Consolidation of the variable target-based remuneration system.
- Launch of the new Performance Share Plan, a long-term incentive program.
- Implementation of a global people management tool that integrates all the strategic human resource processes (modules covering Management, Targets and Training).
- Design of a Value Proposal for domestic employees, presented in the new corporate website and the Employment Forums.
- Employee Satisfaction Survey 2010-2011.
- Development Evaluation and Planning for all the executives in the Organization from a global and comprehensive perspective (values, competences, knowledge and experience).
- The Corporate Equality award.

2011 Goals

- Update the intranet to a collaborative environment.
- Launch new executive programs at the Corporate University.
- Develop programs aimed at supporting innovation and internationalization initiatives.
- Review the Executive Succession Model.
- Continue with the implementation of new Bridgets projects modules: performance appraisal, development planning, remuneration, etc. with scope covering all business units and Group subsidiaries, except BAA.
- Launch the Global Talent Management Program.
- Promote internal mobility in Spain and abroad.
- Design action plans based on the analysis of the results of the Employee Satisfaction Survey in order to improve those areas where progress needs to be made and increase employee satisfaction.
- Implement a new International Mobility Policy.
- Start the process of implementing the single payroll through SaaS (Software as a Service) in Spain.

The combination of the talent and commitment of Ferrovial professionals is one of its pillars of success as a world leader in infrastructure management.

corporate responsibility **human capital**

Human capital	2010	2009	2008	Var 10-09
Workforce at year-end	101,404	100,059	107,376	1%
Average workforce	100,995	108,117	106,596	-7%
International workforce (%)	62	61	60.33	2%
Staff on permanent contract (%)	83	82	81.98	1%
Staff on reduced work hours (%)	18	18	15.44	0%
Number of women in workforce	32,929	32,819	-	0.3%
Workforce length of service (years)	6.6	5.8	6.44	14%
Average employee age (years)	41.4	38.8	40	7%
Turnover rate (%)	6.7	6.35	10.87	5.5%
Investment in training / revenues	0.34	0.17	0.20	100%
Employees given performance reviews (%) *	97	94	68.27	3.2%
Employees with variable remuneration (%) **	13	24.82	17.45	-48%
Number of expatriates	260	396	426	-34%

(*)Spanish total workforce exclusively.
(**) Up to 2009 the data corresponded to the workforce in Spain. In 2010 it was extended to the entire workforce excluding Swissport.

Over recent years, Ferrovial has undergone a cultural transformation in its people management and relations. The Human Resources area is aware of this and has focused all its efforts on creating an identity within diversity and attracting the know-how specific to each business in order to promote the professional growth of all its employees.

Job Stability

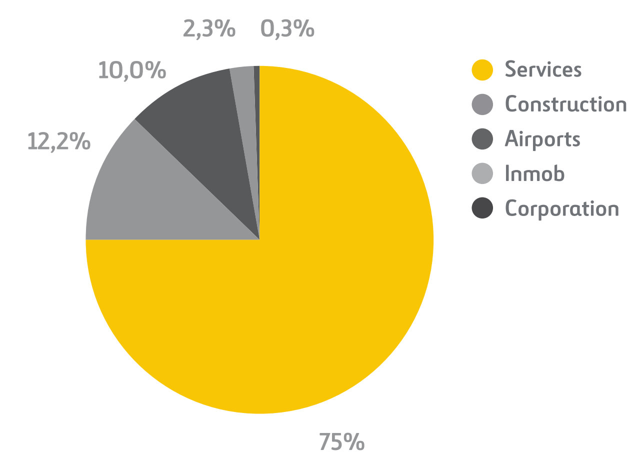
Ferrovial's workforce as of December 2010 was 101,404. The profile of its human capital is international and diversified geographically in activities and businesses.

1. By areas of activity, 10% of employees work in the Airports area, 2.3% in Toll Roads, 12.2% in Construction and 75% in Services, 0.3% in Corporate and the remaining 0.1% in Real Estate.

2. By geographical areas, 62% of employees work outside Spain. A notable proportion of employees (23%) work in the United Kingdom and the United States and Canada (12%).

3. In terms of professional categories, 82.58% of employees are manual workers and line personnel, 9.4% university graduates, 6.36% clerical workers and 1.68% executives.

Workforce by business

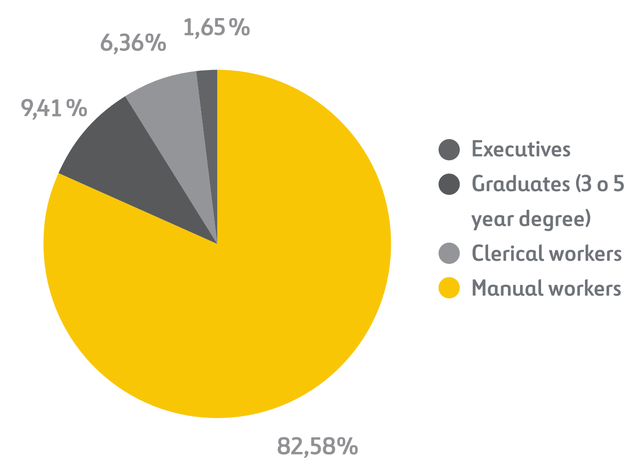


Workforce at year-end		
GERMANY	674	1%
DUTCH ANTILLES	140	0%
ALGERIA	189	0%
ARGENTINA	246	0%
AUSTRIA	25	0%
BELGIUM	128	0%
BRAZIL	5,195	5%
BULGARIA	200	0%
CAMEROON	136	0%
CANADA	1,776	2%
CHILE	716	1%
CYPRUS	510	1%
COLOMBIA	2	0%
KOREA	333	0%
U.S.	9,998	10%

Workforce at year-end		
SPAIN	38,069	38%
FRANCE	758	1%
GREECE	1,033	1%
HOLLAND	205	0%
HUNGARY	18	0%
IRELAND	82	0%
ISRAEL	141	0%
ITALY	468	0%
JAPAN	464	0%
KENYA	390	0%
LUXEMBOURG	0	0%
MEXICO	404	0%
NIGERIA	320	0%
POLAND	5,049	5%
PORTUGAL	1,027	1%
DOMINICAN REPUBLIC	816	1%
UNITED KINGDOM	23,271	23%
RUSSIA	23	0%
SINGAPORE	0	0%
SOUTH AFRICA	3,033	3%
SWITZERLAND	4,563	4%
TANZANIA	439	0%
TUNISIA	1	0%
UKRAINE	513	1%
VENEZUELA	49	0%
	101.404	100%

corporate responsibility **human capital**

Workforce by professional category



4. The workforce has an average age of 41.4 and 6.6 years of average service. Executives have an average of 7.7 years of service and an average age of 41.1.

5. 82% of employees are on permanent contracts and most of them have service contracts subject to subrogation if the contract is awarded to another company.

The average workforce in 2010 was 100,995. The figure is 7% down on that for 2009 due to disinvestment over the year (Chilean toll roads, the Trados 45 toll road, Tubelines, Naples Airport and BAA's real estate division).

However, the total workforce at the end of 2010 was up 1% as a result of the increase in personnel in the Services and Toll Road divisions.

The analyses performed of the information obtained is segmented by activity and not by country, as the specific nature of each business leads to different scenarios, and thus different measures have to be adopted in each case. Segmented by gender, female representation in Toll Road activity is 42%, in Airports 39% and in Services 34%. In the Construction division, the proportion of female workers remains at 13%, in line with the figures for other companies in the sector and linked to the social environment of this activity.

The general level of employee satisfaction is reflected in the turnover rate for 2010, at 6.7%, compared with 6.35% in 2009. The average turnover rate for women was 7.3%, compared with 7.53% last year. The turnover rate for men was 6.4%, compared with 5.77% in 2009. Of all the terminations, 31% were women.

	Airports	Toll Roads	Construction	Corporate	Services	Total
Total turnover rate (%)	2.5%	9.9%	7.2%	2.6%	7.1%	**6.7%**
Female turnover rate	2.7%	11%	8%	4.1%	7.8%	**7.3%**
Male turnover rate	2.4%	9.1%	7.1%	1.5%	6.7%	**6.4%**

Ferrovial multiplies your opportunities

Over recent years activities have been undertaken to analyze and improve Ferrovial's position as a model employer in the market. Participation in benchmarking and employer branding has made it possible to identify the main lines of action to be taken in talent recruitment.

In 2010 an Employee Value Proposal was designed in Spain. Among the results were a new corporate website and stands for the various employment forums attended by Ferrovial.

ferrovial
Multiply your opportunities

ferrovial servicios

cintra

ferrovial agroman

ferrovial aeropuertos

More than 700 job offers were published through the employment portal Infojobs, for which more than 200,000 applications were received. In addition, the organization has for some time run the +talento program, which aims to encourage new professionals to join Ferrovial through applications presented by employees and trainees in the company itself. Nearly 400 applications were received in 2010 through this channel.

Another important initiative has been implemented in Amey, the subsidiary of the Services division, with the creation of the Amey Apprenticeship Academy, which has recruited around 100 new apprentices in the Services Division in the United Kingdom.

Your opinion counts in Ferrovial

Ferrovial has been carrying out its Employee Satisfaction Survey for seven years. It is a way of discovering employee opinions on those aspects that make a direct contribution to the satisfaction and effectiveness of their work. Ferrovial's priority objectives continue to be to improve the company, make it more efficient and create a working environment in which everyone feels satisfied with their work.

The foundations of the Employee Satisfaction Survey are listening, learning and acting to improve. It is carried out every two years in the company and is an ongoing process for which everyone who is part of Ferrovial is responsible.

Each survey and each opinion offers an opportunity for improvement. These opportunities have been multiplying, since an increasing number of business units and companies have joined the initiative. For the first time, employees from all the companies making up Ferrovial will be called on to take part in the process that began in late 2010.

The opinions received over the last two years have given rise to the implementation of more than 100 initiatives in a variety of areas of action. The Working Environment Committee, comprising members from all the business units, has monitored these initiatives to ensure the actions promised are delivered.

Both the results of the survey and the action plans undertaken have been made known throughout Ferrovial via the corporate intranets and the distribution of an executive report.

CONOCE ferrovial

It includes specific projects from all the Ferrovial business units, subsidiaries and corporate units that are made known to employees to increase their awareness of the company. It also provides a smoother information flow from the business to the governing bodies.

One of the events included in this initiative has been the **II Open Forum with the CEO.** The Annual Management Convention of Ferrovial, attended by 180 executives from various countries, included a space where questions asked by employees from all the business areas and subsidiaries were answered through an e-mail address for a month. Ferrovial's CEO answered around 40 questions that he received and the videos from the convention were posted on the corporate intranet for viewing by the whole workforce.

The projects covered by the "Learn" program have notably extended the scope of the traditional channels of communication.

CRECE ferrovial

This initiative includes projects related to different areas of professional growth within the company.

In 2010, Ferrovial introduced **Development Planning** for all executives in the Organization from a global and comprehensive perspective (values, competences, knowledge and experience).

COMPENSA ferrovial

Compensa is the initiative that covers all the projects within the scope of remuneration and the benefits resulting from working in Ferrovial.

Over the year targets have been set for variable remuneration and there has been work on communicating their function.

Some initiatives carried out as a result of the opinions collected from the employees are:

responsabilidad corporativa **capital humano**

- Implementation of centralized and web-based Purchasing Management.
- Organization of day presentations to share best practices and optimize processes.
- Consolidation of the Ferrovial University project as the main center for disseminating culture and talent development.
- Consolidation of the supervisor-collaborator feedback process through face-to-face annual performance appraisal interviews.
- Implementation of an Executive Evaluation and Development model (360o feedback, development planning, planning of executive succession).
- Organization of meetings with top-level experts (window for the main business management trends and practices on the market).
- Implementation of a flexible remuneration package, extending its scope to the whole of Ferrovial's domestic workforce.
- Optimization of the content and scope of the internal Ferronet communication channel.
- Awareness and information related to equal opportunities, such as the Iguala + campaign in Spain.
- Adaptation and ongoing review of the Work/Life Balance Plan introduced in 2006 in Spain.

An internal communication campaign of global scope was launched as part of the 2011 edition of the Employee Satisfaction Survey. All the available communication channels were used (corporate intranets, e-mail, internal magazines, merchandizing, posters...). The aim is to ensure that all employees taking part have the opportunity to dedicate 15 minutes of their time to give their opinion. The results will be used to design plans that will be implemented over the next two years.

You grow with Ferrovial

People are a strategic asset for Ferrovial and thus talent management is a key objective for Human Resources. The company's main aim is to provide employees with channels to boost their professional growth.

The 360o Feedback evaluation process is targeted at executives (Top 150). It aims to promote their professional development and provide value for the company. Following the process, all the participants receive feedback on the assessment of their executive skills and design their own Development Plan together with the Human Resources department (training actions, experiences focused on their development and other activities that promote networking).

The **performance appraisal process** is one of the most deeply rooted annual processes. It is designed to evaluate and communicate to employees the way in which their work is being carried out in a personal interview.

The skills evaluation model is based on:

1. **Leadership:**
   a. Business vision:
   Anticipate business opportunities and trends.
   b. Enterprising spirit:
   Define and implement innovative solutions.
   c. Communication:
   Convey information effectively and convincingly.+
   d. Negociation:
   Agreements beneficial for both parties in professional relations.

2. **Persona effectiveness:**
   a. Flexibility:
   Adapt and work effectively in different environments and situations.
   b. Capaciy for work:
   Carry out planned activities with efficiency, tenacity and rigor.
   c. Teamwork:
   Work efficiently with other professionals, maintaining open and constructive relations.
   d. Análisis y toma de decisiones:
   Rigorously evaluate situations and problems to enable optimum decision-making.

3. **Management capacity:**
   a. Customer focus:
   Anticipate and meet the needs of our customers in outstanding fashion.
   b. Goal-orientation:
   Take responsibility for achieving challenging organizational goals.
   c. People management and development:
   Boost the contribution and development of our collaborators.
   d. Planning and organization:
   Optimize the allocation of resources in available time to achieve the objectives set.

responsabilidad corporativa **capital humano**

More than 5,300 employees took part in this process in 2010 (practically all the structural personnel in Spain), of whom 74% were men and 26% women.

Another strategic process is planning for succession. Its aim is to ensure the continuity of Ferrovial's executive team; in other words, to be able to have qualified staff when an executive vacancy arises.
This planning is updated every two years. The plan's review process began in late 2010 and a new Succession Plan is expected to be in place in the first quarter of 2011.

The main benefits of this process for Ferrovial are:
•Identification of candidates with potential for our executive positions.
•Integration between different organizations to take advantage of synergies.
•Design of specific development actions for this group.
•Minimal impact of the transition when there is an executive vacancy.

Ferrovial is equality

Diversity

As mentioned earlier, Ferrovial has a workforce that is diversified geographically in terms of activities and businesses. This means a diversity of people, profiles and nationalities. Ferrovial is aware of this new reality and as a result has set itself three major challenges:

- Create an identity within diversity. Ferrovial does not try to impose an established culture, but rather to create an integrating identity that enriches the cultures, experiences and operating methods of the different business and countries that make it up.
- Attract the best talent to tackle and achieve Ferrovial's objectives and ambitions as a business.
- Take advantage of the know-how in one business and transfer it to others.

Equal Opportunity

Ferrovial is committed to an effective equal opportunity policy so that its employees can carry out their professional activity on the basis of merit.

As a diversified and global company, it assumes the responsibility for managing diversity and maintaining a working environment that is free of all discrimination and any conduct that may involve personal harassment. It is also fully committed to respect for the individual rights of its employees, particularly those related to privacy, dignity and equal opportunity.

In accordance with this commitment, in 2010 the company signed the **Women's Empowerment Principles**, an initiative promoted by the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact. These principles help companies to promote gender equality in the workplace, the market and the community.

The commitment includes: boosting competitiveness; complying with the commitments of Ferrovial's corporate responsibility policy; promoting the economic and social conditions that give opportunities to women and men; and encouraging sustainable development in the countries where we operate.

This commitment has been recognized by the Equality Award for Companies. This award is granted by the Spanish Ministry of Health, Social Policy and Equality. It recognizes those companies that make a significant contribution in the application of policies of equal treatment and opportunities among their male and female workers.

It is a distinction of excellence in the field of equality which serves as a stimulus and recognition for continuing to strengthen Ferrovial's commitment to equality and application of policies of equal treatment and opportunities in working conditions, in organization models and in other fields such as the company's services, products and advertising.

Specifically, the award has taken into account the actions and measures taken that tend to facilitate the work/life balance, measures to guarantee equal treatment and opportunities in professional selection and promotion, the adoption of equality plans, the implementation of positive action measures, and non-sexist advertising of the company's products or services.

There is no gender bias in the company in terms of the type of employment contract. An example of this is that of all permanent contracts, 33% are for women, and of all temporary contracts, 67%.

Broken down by areas of activity, female representation in Toll Roads is 43%; in Airports 39%; and in Services 75%. In the Construction division, the proportion of female workers remains at around 13%, in line with the figures for other companies in the sector and linked to the social environment of the activity.

Ferrovial reached an agreement with the Aliter Business School in 2010 to contribute to the training and promotion of women in the company and improve their numbers in managerial positions. Through it, 10 women working in the company have taken the Higher Program for Women and Leadership given by the center and sponsored by Merck and the Rafael del Pino Foundation.

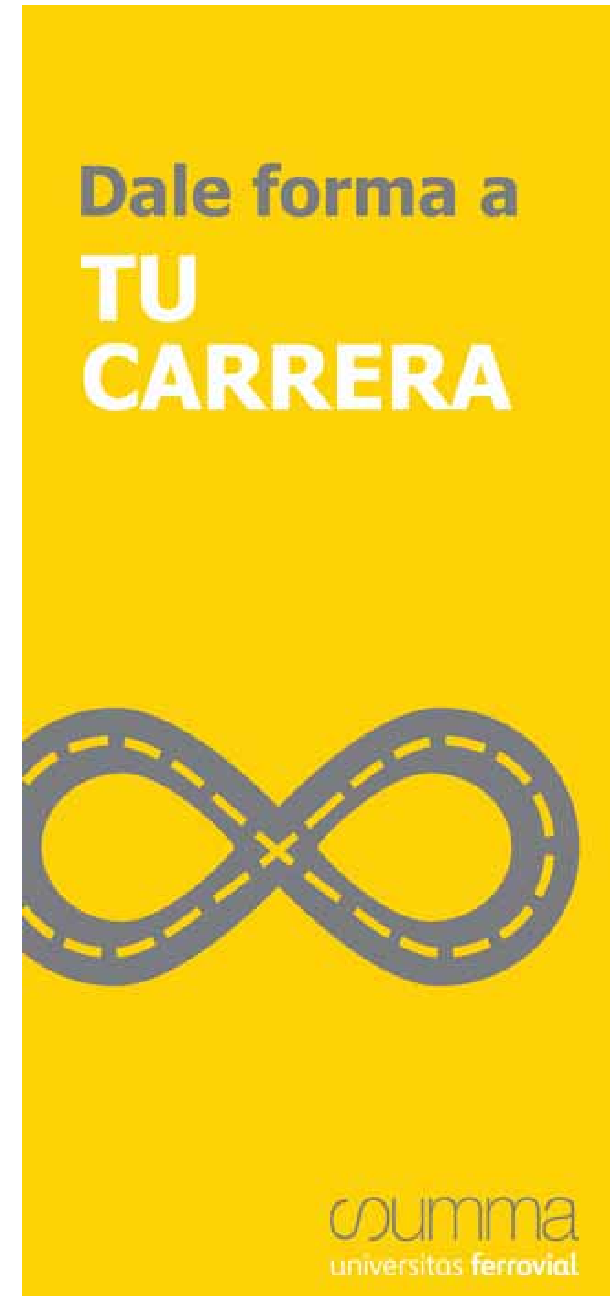
Ferrovial is committed to the balance between work and personal life. This is why it makes a variety of options available to its employees to allow them to adapt their workday to their personal lives.

Ferrovial SUMMA

Ferrovial's SUMMA University was created to become the motor for developing special talent at Ferrovial by:
1. Transmitting values and the corporate culture as elements that help the integration process of Ferrovial.
2. Acting as a forum for the exchange of practices and knowledge to create synergies and global business opportunities.
3. Promoting training and lifelong learning among Ferrovial professionals as a way of ensuring leadership in the markets in which it operates.

Ferrovial University has continued to respond to three types of training needs:
- Strategic: Actions associated with key moments in the career of professionals (entry, transition...), as well as those required by the governing bodies of Ferrovial University.
- Those associated with evaluation and development planning processes: Performance or 360o appraisal, which aims to reinforce our people's knowledge and skills.
- Those that are not planned and that respond to current business challenges.

summa
universitas **ferrovial**

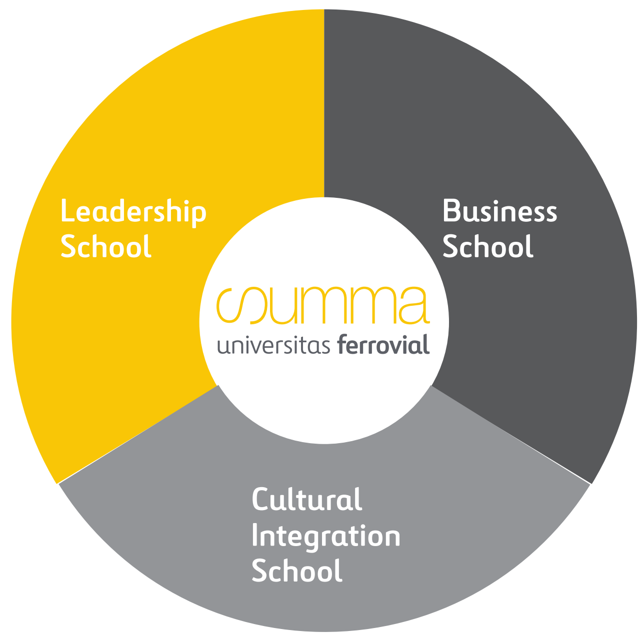


corporate responsibility **human capital**

Throughout 2010 the number of programs offered by the University to employees was increased by 41% more per week. Attendance was up 16% on the previous year. The general satisfaction rate of those taking part was 8.3 out of 10, and the applicability rate 8.1.

SUMMA information

	2010
Training activities	209
Attendees	2,799
Total training hours	49,279
Satisfaction rates	8.3



Of all those attending, 33% were women, compared with 23% the previous year. It is worth highlighting that the participation of women in training is higher than the overall proportion of women in most of the divisions.

It is specially important the participation of women in SUMMA trainings in the Construction business (25%) compared to the presence of then in the workforce (13%).

The idea of the University as a space to exchange experiences can be seen in the increase in the number of day workshops and meetings held in the headquarters in 2010. More than 600 people took part in 22 day workshops at the Ferrovial University.

Throughout 2010 more than 80 different courses were given, of which over 20 were new programs that completed and updated the existing range offered by each of the schools that make up Ferrovial University.

- **Leadership school:**
  - **2 Skills Programs**
- **Business School:**
  - **8 Finance Actions**
  - **1 Human Resource Action**
  - **1 Quality Program**
  - **5 Business Courses**
  - **2 Skills Workshops**
- **Cultural Integration School:**
  - **6 Workshops focused on languages**

The whole range of courses has been reviewed, with improvements made to the most popular programs.

Throughout 2010 the aim was to provide greater alignment between training and the needs of each of the businesses. Two elements have played a key role in this respect: The HR departments in each of the business areas, which are responsible for communicating the courses available at Ferrovial University in their areas; and the Academic Committee, which ensures that the training programs are aligned to the specific needs of the organization's various dimensions.

The use of new learning methodologies continued to be extended throughout 2010.

- **On-line training:** Various training programs have been promoted through the On-line Campus, with 6,323 hours of on-line training provided.
- **On-line conferences and events:** The first alumni meeting of former IESE-Ferrovial University students took place with the "Latest-generation Organizations" conference. The meeting was organized with the twin aim of promoting permanent training and maintaining and promoting professional relations between the 380 Ferrovial executives and managers who have taken part in any of the 7 programs in Ferrovial's SUMMA University, with the collaboration of IESE. The event could also be viewed on-line through WebEx. A total of 100 people attended, including those present and the international group.

Innovation Projects: Two editions of the Executive Management Program were implemented in 2010. They led to 10 new Innovation projects. A new edition was started in the last semester which will close in 2011 and will serve to create new innovation projects for possible future implementation in Ferrovial.

In line with the changes carried out over the year, Ferrovial University has adapted its image to new Brand guidelines. As well as the logo, the University spaces and the University portal have been adapted and substantially improved.

corporate responsibility **human capital**

As a channel for disseminating the different initiatives undertaken in the company, Ferrovial University is present in the internal Ferronet channel and updates its portal on an ongoing basis.

The changing profile of Ferrovial means that the profile of its employees has to be changed and adapted to the new reality. The University carries out this updating with its training programs, but other plans have been implemented as well by the different businesses to promote personal development.

In 2010 the total number of training hours was 1,795,215. The breakdown of these hours by company division was as follows:

	Airports	Toll Roads	Construction	Corporate	Services	Total
Total training hours given by the company in 2010	122,680	35,420	172,370	19,269	1,561,429	1,911,163
Investment in training per employee (€)	177	486	189	849	470	406.4
Total investment in training (€)	1,822,388	1,092,548	2,389,547	297,191	35,441,120	41,042,794

As can be seen from the above table, each division makes a significant investment effort in the area of training. Amey Academy was created in 2010, and has trained 1,200 line managers in three areas: leadership, management and team management.

Ferrovial remunerates

Ferrovial's remuneration policy is fair and competitive in the markets in which it operates. It includes fixed and variable remuneration adjusted to local markets, together with long-term incentive systems with a global focus.

The company has continued to boost its flexible remuneration system in accordance with the action plans implemented as part of the Compensa initiative. The Flexibility Plan provides employees with the chance to modify their remuneration package in accordance with personal needs, replacing part of the current fixed remuneration with certain products (day nursery vouchers, life, accident and health insurance, vehicle leasing and computers).
The program was boosted further during the year, particularly with those products that are of particular interest in terms of personal needs and current legislation, such as the On-line Home (HCI) plan that gives tax allowances for employees who want to buy a computer. The plan covers all the structural personnel in Spain (5,326 people).

In addition, work has continued over the year on the "12,000 Plan", a remuneration package that pays part of the variable remuneration of beneficiaries (335 executives, department heads or similar categories who are resident in Spain) with Ferrovial shares.

A new long-term incentive program called the Performance Share Plan was set up in 2010 for 338 executives and middle-management, who receive shares after 3 years if they meet certain requirements.

The conditions of the basic wage of the Ferrovial workforce depend on the professional categories included in the various collective bargaining agreements involved, and thus there are no salary inequalities.

Ferrovial moves you

Ferrovial maintains its **commitment to promote professional development** (by promotion, new geographical destination or a position with new functions) and assist mobility within the Company.

One of the tools used by the Human Resources area to promote development and mobility is the **Job Bank**, through which all the job vacancies for skilled (not executive) positions in the country are publicized. A total of 142 vacancies were published in 2010 through this channel. All the employees and company trainees may apply for these vacancies.

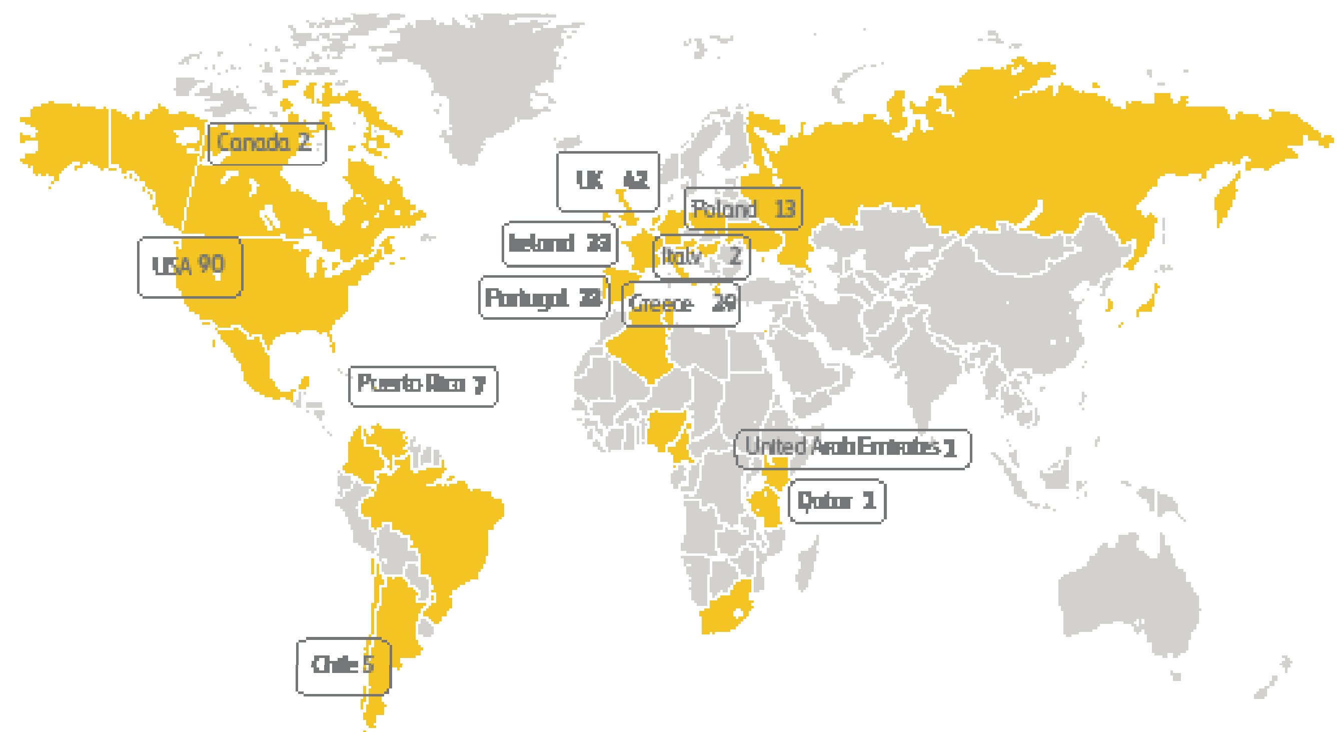
In 2010, with the aim of enhancing the Job Bank as a channel for recruitment and internal applications, the rules governing this tool were reviewed in order to give it greater scope, flexibility and transparency.

Over recent years Ferrovial has grown internationally and needs a change in approach to a more international and diversified profile of human capital. The company is present in over 45 countries, and is committed to mobility as a lever for business growth and the development of its professionals.

The aim is to transmit the company's culture, core expertise and know-how through specific profiles, and at the same time to discover the processes in place at the destination company. In addition, employees develop professionally through international experience, which also involves the transfer of successful management practices. This process is temporary, and once the objectives are achieved, the organization prioritizes the hiring of local professionals.

The "International Assignments Manual" was published in 2010. Its guidelines have been designed to unify and clarify criteria, and to stimulate and properly coordinate short-term and long-term international assignments.

International assignments promote employee career development by offering them the experience of working in new expanding markets, where they can put into practice and improve their skills and obtain more knowledge and experience to the benefit of the organization as a whole. Currently the number of international assignments is 260 in 12 countries, of which 8% are for women.



corporate responsibility **human capital**

The aim of foreign assignments is to give support to the strategy of international growth over recent years, promote career development, transfer knowledge between the different countries, transmit the corporate culture and company know-how and establish synergies between the different business units and subsidiaries.

Local staff represents 92% of the total number of executive members of the management committees of the business divisions and subsidiaries and the various governing bodies of Grupo Ferrovial and its group companies (Boards of Directors and Management Committees).

Technology as a lever for talent mangement

Ferrovial's main challenge as an international company is to have flexible tools available that can be easily integrated and cover the management processes required by the different business units, while minimizing costs and ensuring they can develop.

An international project was launched in 2009 to implement a model SaaS (Software as a Service) tool in line with market technology that can structure and give international scalability to the company for corporate HR processes.

As a result, in 2010 the first steps were taken to create value and integrate information among the different business units, taking advantage of the fact that this kind of standard-deployment SaaS tool with increasing functionality is capable of adapting to different needs of businesses, countries and languages.

The tool integrates strategic HR processes: recruitment and selection, evaluation and development planning, career plans, target setting and remuneration. The scope of the tool is international and for the first time information will be integrated from all the key and strategic groups worldwide.

Another of the initiatives implemented to standardize human resources processes and policies worldwide and store critical employee information has been a countrywide project to implement a single payroll management and personnel administration platform for all employees in Spain. This will consist of the implementation of the Human Capital Management (HCM) SAP module for personnel and payroll management.

In addition to the SAP HCM module, the new solution has a website layer above the module offering a user-friendly and intuitive application that facilitates the processes for all the human resources administrators at each subsidiary, service center and worksite.

The SaaS implementation model makes **Ferrovial a pioneer in Spain** in the implementation of these kinds of payroll and personnel management solutions. This is an added challenge that is implicit in these kinds of projects that change payroll management platforms. The project launch has been proposed in two phases, the first in January 2011.

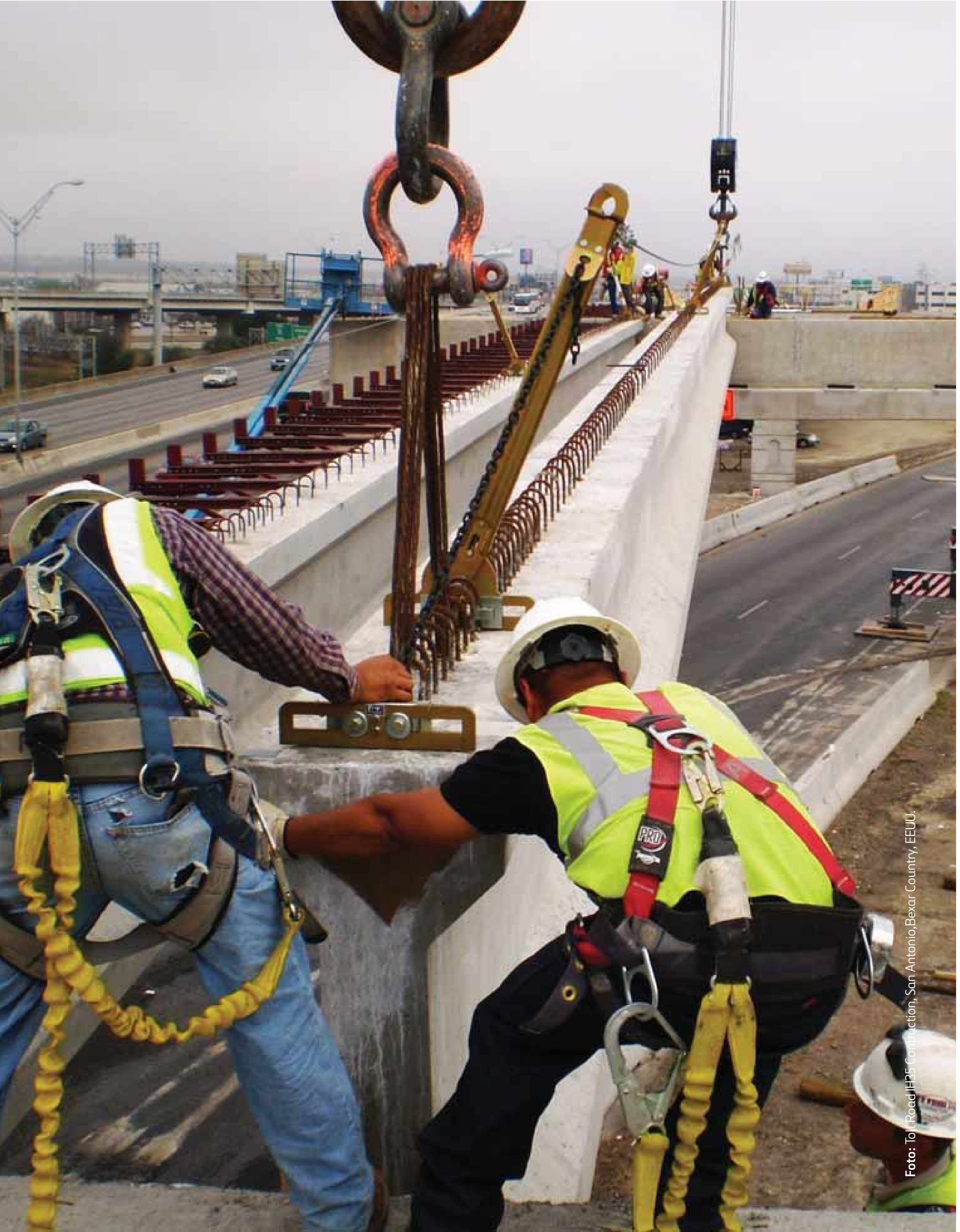


Foto: Toll Road IH35 Construction, San Antonio, Bexar Country, EEUU.

health and safety

Commitment

- Continuous improvement in the health and safety of workers.

Lines of Action

- Ongoing improvement in the design and implementation of effective systems to prevent and reduce health and safety risks in Ferrovial companies.

2010 Milestones

- Maintenance and increase in the number of OHSAS 18001 certifications.
- Training and awareness campaigns with major impact in the business.
- Very significant reduction in accident rates in the Construction Division compared with 2009.

2011 Goals

- Reduce accident rates below 2010 levels.
- Carry out training and awareness actions in occupational health and safety.

Ferrovial considers occupational safety to be an essential and integral part of its activities. It is therefore actively committed to ensuring that its activities and the services it provides are performed to the highest health and safety standards for its employees and customers.

Statistical indexes of accident rates in all of Ferrovial's business areas in Spain

	2010	2009	2008	2010/2009 change
Incidence rate	81.44	79.75	87.2	2.11%
Frequency rate	45.30	46.7	49.76	-3%
Severity rate	0.95	0.87	0.97	9.2%
Health and safety actions by Ferrovial worldwide				
Occupational safety studies	2,743	2,846	6,594	-3.61%
Emergency plans	1,987	1,170	668	69.82%
No. of visits by safety experts	15,870	15,073	53,515	5.28%
Training in safe work practices (hours)	445,064	500,991	423,843	-11.16%
Training for safety experts (hours)	239,515	50,259	261,825	476%
Medical examinations for employees	34,120	30,271	22,977	12.7%

Statistical indexes of accident rates in the Construction division in Spain (*)

	2010	2009	2010/2009 change	Sector 2009
Incidence rate	40.20	52.2	-22.98%	89.80
Frequency rate	21.90	29.35	-25.4	52.3
Severity rate	0.54	0.57	-5.26%	-

(*) The accident indexes are for the Construction Division in Spain. The Sector figures are the indexes prepared by the Ministry of Labor and Immigration for 2009.

corporate responsibility **health and safety**

Commuting accidents have been excluded from the Ferrovial Nacional and Construction Division indexes to allow direct comparison with the indexes published by the Ministry of Labor and Immigration.

- Incidence rate: The number of accidents occurring during work hours for every thousand people exposed.
- Frequency rate: The number of accidents resulting in sick leave occurring during work hours for every million hours worked.
- Severity rate: The workdays lost as a result of accidents per thousand hours worked.

The number of occupational accidents in the Construction Division fell by 33% in 2010 to 40.20 per thousand people exposed. This compares with the industry average of 89.80 per thousand. The frequency rate fell by 25.4% to 21.90.

The incidence rate for all Ferrovial divisions in Spain saw a slight upturn of 2% to 81.44 accidents per thousand people exposed. The frequency rate fell by 3% to 45.30.

There were 2 fatal accidents in Spain. One of them was a traffic accident caused by recklessness of a third party, and the other one had a non-traumatic cause.

The absenteeism rate in Spain in 2010 was 3.43%. This rate includes days lost to non-occupational illnesses and occupational accidents, including commuting accidents.

A. Health and Safety Policy

Ferrovial's Code of Ethics undertakes to provide a safe working environment for employees, constantly update occupational safety measures and scrupulously abide by the applicable regulations in this field in all the locations where Ferrovial engages in its business activities.

This commitment by Ferrovial to health and safety is also reflected in the Occupational Safety policies prepared and implemented by each business. These individual policies can be adapted better to the different activities and laws applicable in each country in which Ferrovial operates, and eliminate or minimize risks by adopting the most appropriate preventive measures in each case.

B. Certified management systems and legal audits

All Ferrovial's business areas, including Corporate, have occupational safety systems in place that meet the requirements of domestic and European legislation.

The occupational safety systems are subject to regular audits by accredited external bodies. The frequency of audits depends on the type of activity carried out.

The scope of OHSAS 18001 certification has been extended and the certifications obtained have been maintained, as shown by the various audits carried out.

In 2010, the OHSAS certification was renewed for the Occupational Safety Management System and its scope has been extended to all activities and services provided by Ferrovial Servicios, S.A., Ferroser Infraestructuras, S.A., Eurolimp, S.A., Andaluza de Señalizaciones, S.A. and Viales de Castilla y Leon Vialcal, S.A.

In the certification process the OHSAS audit team verified the management systems of the aforementioned Services Division companies, together with the state of their facilities, made visits to customer sites and had interviews with workers, labor union representatives, management and company departments. The whole process involved a total of 24 internal and 20 external audits.

Among the positive points highlighted by the OHSAS audit team were the following: the level of awareness and integration of occupational safety into the chain of command; the adaptation of safety requirements to business reality; and the definition of adequate safety measures and resources made with the participation of managers and foremen with broad experience in our sectors of activity.

Another aspect to highlight in 2010 deriving from the Occupational Safety Management System and the OHSAS certification is the updating and development of new procedures in the system. The aim is to simplify the actions required by it, standardize criteria and facilitate form completion tasks, and make it easier to implement the system at the different sites. All the documentation generated has been incorporated into the health and safety area on the intranet. As a result, the system has the transparency and traceability needed for its correct implementation and to ensure that it is known by the business.

There have been 63 internal and 22 external audits in Cespa to maintain the OHSAS 18001 certifications and 9 legal health and safety audits.

In the Construction Division there were a total of 70 internal audits in all the local offices and companies in the joint Ferrovial Agroman Occupational Safety Service in 2010. They analyzed the safety risks detected and the factors associated with them. The audits included the company's own employees, together with a large number of subcontractors and their employees. The conditions of work and the documentary management of OHS has been examined in depth for all the actors involved in the production process.

The OHS Management System of companies forming part of the joint Ferrovial Agroman Health and Safety Service and its actual implementation in all the workplaces have also undergone two external audits: first, a legal audit; and second, the renewal of the OHSAS 18001:2007 certification, with satisfactory results in both cases.

Airports, being a regulated public service, are audited annually. The audit involves the verification of BAA's compliance with British health and safety legislation and is a condition for renewing its operating license. BAA's airport activity is carried out under OHSAS 18001 certification.

C. Occupational health and safety

There were 15,870 health and safety monitoring and control visits in 2010 by health and safety experts at Ferrovial workplaces. These visits led to the preparation of 2,743 safety studies and 1,987 emergency plans.

The Occupational Safety Service in the Construction Division carried out 4,445 visits to workplaces, in which anomalies were detected and corrective measures proposed. A total of 1,626 safety studies (health and safety plans, risk evaluation, etc.) and 83 emergency plans were also drawn up.

BAA has prepared and/or reviewed 1,327 emergency plans and 15 safety studies; 100% of employees are represented on health and safety committees.

There were 178 visits to workplaces in the Toll Road Division, as well as 145 occupational safety studies and 26 emergency plans.

In the Services Division there were 11,130 visits to workplaces by occupational safety experts, and 954 occupational safety studies, broken down as follows: 443 in Cespa, 184 in Swissport, 122 in Eurolimp and 148 in Ferroser and 57 in others. There were also 440 emergency plans, with most in Amey, at 210, 108 in Swissport and 94 in Cespa.

Some 43% of Ferrovial workers benefit from health and safety representation. The vast majority are represented in health and safety committees in workplaces with more than 50 employees and with an equal number of worker and company representatives. The meetings are held every three months to help prepare, implement and evaluate occupational safety plans and programs in the company, as well as promote initiatives on methods and procedures for effective occupational risk prevention.

D. Health supervision

A total of 34,120 medical examinations were carried out in Ferrovial in 2010, covering 33.8% of employees. The breakdown by business areas is as follows: Construction, 2,061; Toll Roads, 1,021; Services, 24,828; Airports, 6,051; and Corporate, 159.

These medical examinations are carried out for each job position using specific medical protocols, and evaluate the worker's fitness for the specific job.

E. Health and safety information and training

In Ferrovial, 445,064 hours of training in safe working practices were given in 2010. There were also 239,515 hours of training in occupational safety for designated workers, occupational safety teams and occupational safety experts. The most common training covers the specific risks of the worksite and job, equipment and machinery handling, personal and collective protection equipment use, accident investigation and specific training in emergency procedures: fire, evacuation of buildings and first aid.

Airports

BAA provided 49,768 hours of training in safe working practices and a further 343 hours of training for workers with a specific focus on health and safety. In addition, BAA has several online health and safety training courses available via the "BAA Uni" system.

Toll Roads

The division provided 5,896 hours of training in occupational safety and 2,945 hours of training for designated workers and safety experts.

corporate responsibility **health and safety**

Servicios

The Health and Safety Service has designed and published four manuals on Health and Safety at the workplace, each targeted at a specific business activity. They are entitled "Cleanliness and Safety," "Maintenance and Safety," "Conservation and Safety," and "Auxiliary Services and Safety." Work on a fifth manual began in December 2010. Its completion is planned for the first quarter of 2011, with the title "The Ambulance Service and Safety."

The manuals were prepared by organizing working groups with representatives from all the businesses, in order to adapt them as far as possible to the activities actually carried out.

The Ferroser and Cespa local offices in Madrid staged a fire drill that was used to check the functionality of the Emergency Plan in the buildings and facilities. Before the fire drill there was a day's training for all the staff belonging to the emergency and evacuation teams to make them aware of the plan for the center and explain each person's duties and responsibilities.

It is important to note the training and drills carried out at various Ferroser sites, such as the maintenance of the M-40 (Madrid), Somosierra (Segovia), Viacal (Ávila) and the road resurfacing contract for Madrid.

In the Services Division the total number of training hours in safe work practices was 357,475, in addition to 223,978 hours of specific training for designated workers and occupational risk prevention teams and safety experts. Ferroser has given training to more than 11,000 employees in activities such as "safe pallet truck handling" and "working at heights and/or on lifting platforms." Cespa carried out 584 specific training courses including fire prevention and road safety. The scope of the training was 5,764 company employees.

Cespa prepared new manuals that are applicable to preventive maintenance of the company's electric and gas vehicles.

Another safety-related activity has been the preparation of information leaflets that include safety recommendations and emergency action plans for treatment plants and landfills, as well as for the use of hearing and noise protectors at the workplace.

For Amey a very important health and safety risk is the manual handling of heavy loads. There has always been a great deal of training given to prevent injury, but such injuries have not yet been reduced to ideal levels. To do so, Amey has contracted a specialist organization called Condiciones Prístinas to analyze workplaces and activities carried out by workers and train them in effective techniques to prevent injuries. Condiciones Prístinas is so sure of reducing accidents that it has offered a financial guarantee. Currently Amey workers are being trained in new skills and techniques for handling loads.

Another important safety issue, especially for young employees, is that involved in driving vehicles. To meet the challenge Amey ran a driving course on the Formula 1 circuit in Silverstone. A total of 80 people aged between 18 and 25 were trained on an advanced driving course to improve driving techniques. The course included emergency maneuvers, a safety workshop and an assessment of the students by an advanced driving instructor. It was attended by Amey clients, and the media coverage it received helped send a much broader message of safe driving.

Construction

The training process established under the 2007-2011 agreement has continued in Spain. Each worker is given training in accordance with his/her job. The first cycle or "Permanent Class" for all manual workers has almost been completed. Middle-management, production heads and project managers have been trained through the basic level of 60 hours, with accreditation for the whole of Spain as Basic Level Safety Expert. Workers have also been trained with accreditation corresponding to the second cycle under the agreement on trades. The specific training scheme for clerical workers is also coming to an end. The total number of workers receiving training in 2010 with access to the Professional Construction Card was:

- Permanent Class: 64
- OHS for clerical workers: 80
- OHS for trade professions: 605
- Basic Level OHS: 201

Thus, over 2011 all company employees will have been trained under the collective bargaining agreement or will be receiving such training as applies to their specific job.

Apart from the above, workers receive health and safety training at the time of recruitment and during the course of work on site. In 2010 the number totaled 1,430 Ferrovial workers, as well as 5,806 from subcontractors.

Safety Service Experts carried out a total of 2,916 monitoring and control visits to sites. They proposed appropriate preventive measures and checked administrative management.

As well as the above, 885 visits have been made at the request of the production line to resolve health and safety problems that arose during the execution of works.

Ferrovial's SUMMA University

Ferrovial's SUMMA University has launched an on-line occupational safety course aimed at training office staff. The new course includes updates in health and safety and is more versatile, as it can be carried out from any site with an Internet connection. The program is available for all Ferrovial companies.

Occupational Safety campaigns

From time to time, Ferrovial organizes specific health and safety campaigns and holds day workshops and events to make people aware of the importance of health and safety and reduce the accident rate in our workplaces.

• 4th Occupational Safety Day in Cespa 2010-2011

Over the last 3 years, CESPA has carried out a health and safety campaign focused on the emotional management of the occupational accidents, with a positive and optimistic approach, using friendly, helpful and motivating language.

The work has focused on three core themes: Yo (Me), 2007, Un minuto de aplausos (A minute of applause); Mi familia (My Family), 2008, Gracias por cuidar de ti cuando trabajas (Thanks for taking care of you when you work); and Mis compañeros (My colleagues), 2009 Hoy por ti, mañana por mi (Today for you, tomorrow for me).

In the 2010-2011 period, with the slogan **Frena los accidents. Pon tus cinco sentidos** (Stop accidents, use all your five senses), it has aimed to transmit the need to put all one's attention into day-to-day work, and to prevent occupational accidents as far as possible. This campaign used a trailer that ran through the various CESPA centers on a trip lasting 6 months. It visited more than 28 workplaces in the whole of Spain and was visited by 785 people. During the campaign there were specific courses on prevention, talks demonstrating safety systems, medical examinations, etc.

According to the analysis of the accident figures for the last three years, Cespa has reduced the number of accidents by 40%. There has been a positive impact from the awareness campaigns and the health and safety conferences in reducing accident rates.

• Awareness campaign Pulsa el botón de la prevención (Push the prevention button) (Push the prevention button) is an awareness campaign carried out in 2010 aimed at all Cespa workers. Explanatory posters distributed every month to all the centers analyzed in a simple way a real incident or accident that had occurred in the company. The analysis involves health and safety recommendations that should be applied to prevent in the future other accidents with the same causes.

corporate responsibility **health and safety**

• Amey "Target Zero - Every Day" campaign
Health and safety in Amey has improved by a factor of 4 in recent years, but this improvement has begun to slow slightly. It was therefore necessary to do something very different to take a further step forward. At the same time, Amey executives extended the challenge by deciding that reducing accidents was not sufficient: the only possible target was zero accidents.

This is why in 2010 Amey launched its campaign **"Target Zero – Every Day"**. It aims to change the prevailing culture and negative acceptance that "accidents happen." The first steps in the 5-year campaign were taken by the Amey management in identifying target areas for improvement.

These areas were:

1. Management leadership, commitment and responsibility.
2. Improvements in processes and training.
3. Focus on the most important key health and safety actions in the business.

Among the results of a survey of 600 managers were the following: they were not clear about the rules they should impose and how these rules should be taught to the workforce; they wanted to know what priority health and safety should take over their other job; and they pointed out that best actions were not recognized or rewarded.

After specific training in the "Target Zero - Every Day" campaign, the managers have to visit the workplace to help reduce health and safety risks, analyze and study them in a programmed way and report back to their superiors.

Amey has reviewed its procedures exhaustively to make them more intelligible and easier to apply. It has created working groups for the 22 most important health and safety risk areas. Each group analyzes a subject, creating a policy, procedures, guidelines for managers and security instructions, and gives educational talks. The working groups also analyze the effectiveness of the courses to ensure that they really are practical and not only theoretical.

F. Recognition
The prestigious organization the Royal Society for the Prevention of Accidents (RoSPA) awarded Ferrovial a number of prizes in 2010 for its commitment to occupational health and safety in a variety of projects in the United Kingdom.

Amey received a gold medal in the occupational health and safety category. Second prize went to the Construction division in the United Kingdom, Ferrovial Agroman, which received a silver award for its efforts and best practices in occupational health and safety for employees in the United Kingdom.

Amey achieved PAS 99 registration for its integration of management systems in all the business in 2010, covering 12,000 people who work in 600 areas. It involved the integration of the ISO 9001, ISO 14001 and OHSAS 18001 systems.

The Association of Companies for the Conservation and Exploitation of Infrastructures (ACEX) granted Ferroser (the maintenance and conservation division of Ferrovial Servicios) an award for safety in conservation for the Ben no piensa, tú sí: Formando en la carretera (Ben doesn't think, you do: training on the road) campaign. The Ferroser project aims to raise awareness of the importance of occupational safety, with particular emphasis on informing and training professionals on the safety measures that have to be adopted at each workplace. The project encourages the idea of thinking about possible safety risks before undertaking any action, and particular importance has been given to road safety and safety on road works for Ferroser Infraestructuras professionals.
Cespa won a mention for the Fundación Baro prizes.

G. Participation at events
Ferrovial Agroman took part in the III Congress on Occupational Safety held at the Ifema Norte Congress Center in Campo de las Naciones.

The congress was organized by the regional Department for Employment, Women's Affairs and Immigration, in partnership with the Regional Institute for Health and Safety at Work and the main social agents in the region. Participation by the Health and Safety Service of the Construction Division consisted of an audiovisual exhibition on "Management of a Safe Working Method." The method has already been introduced at various sites run by Ferrovial Agroman. It covers key points, ranging from analysis and planning, coordination of activities and implementation to effective supervision on site.Cespa has run various presentation courses organized by the National Institute for Health and Safety: "Waste management and OHS".

Cespa organized a specific "Safety Day" on health and safety for the Danone Group.

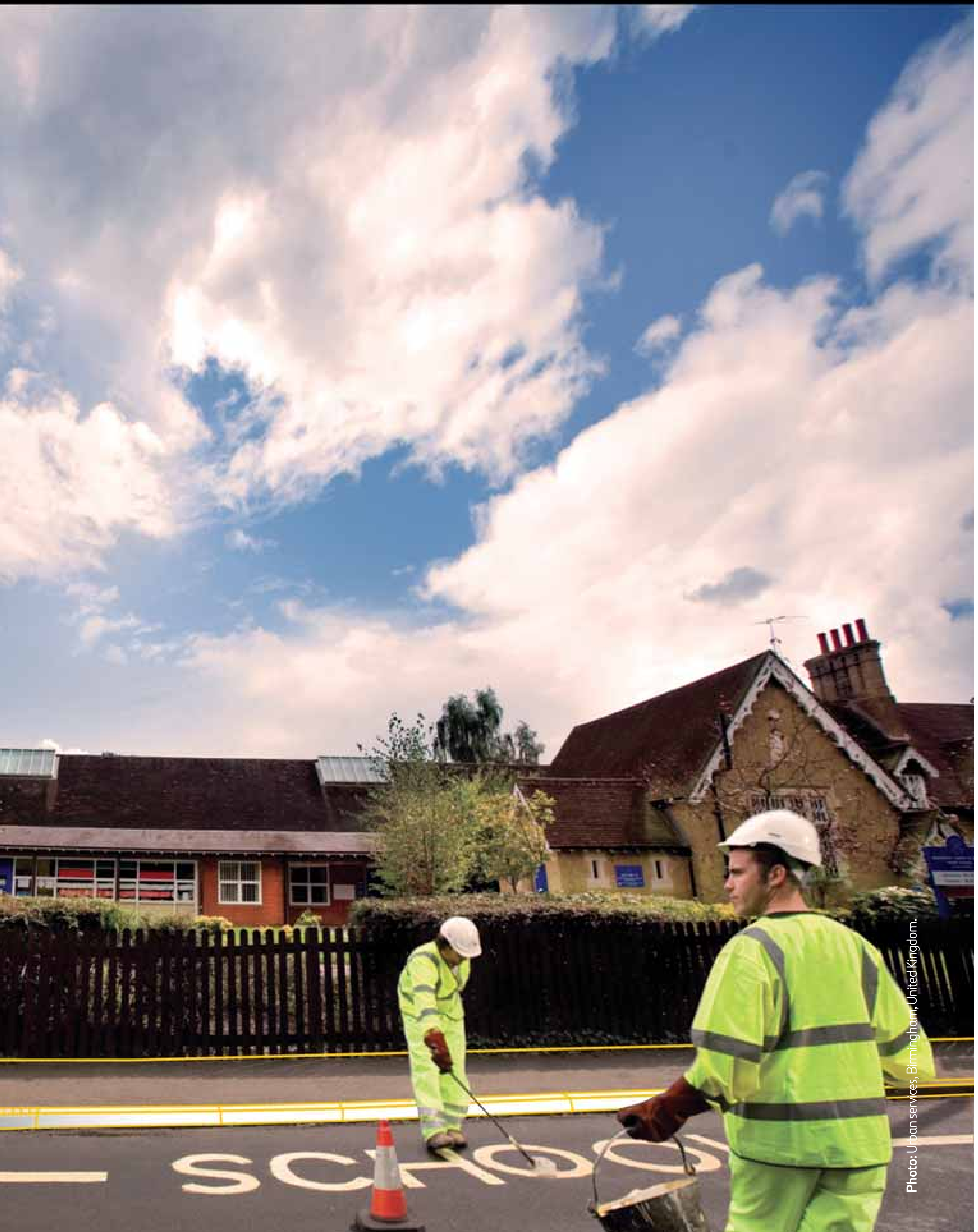


Photo: Urban services, Birmingham, United Kingdom.

quality

Commitment

- Quality and constant improvement of processes and activities and innovation.

Lines of Action

- Preserve and increase customer confidence in the company, striving to exceed their expectations of quality in our projects and services.
- Promote process improvement projects.

2010 Milestones

- Continuously improve the level of customer satisfaction.
- The volume of activity certified to the ISO 9001 (quality) has been increased.
- New technical requirements have been kept up-to-date.

2011 Goals

- Continuously maintain and improve the level of customer satisfaction.
- Establish and maintain quality management systems.
- Establish internal knowledge-sharing channels.

Ferrovial has more than 1 billion clients and users. One of its core objectives is therefore to fulfill its client's expectations through quality, safety and continuous improvement in all products and services.

Quality	2010	2009	2008	Var 10-09
Activity certified to the ISO 9001 standard (%)	67	64	67	5%
Client satisfaction (0 to 5)	4.1	3.9	3.9	5%

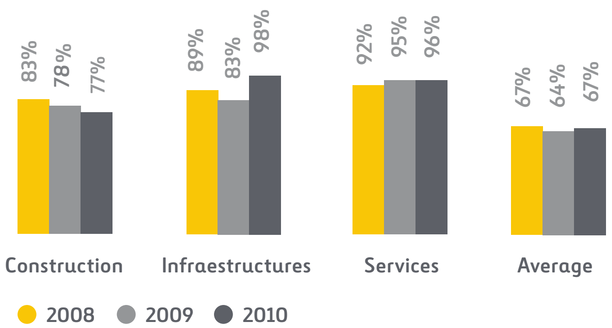
1. Quality Management

1.1 Quality and environment management system

Ferrovial is firmly committed to quality and the environment. The contracts entered into by all the business areas have implemented quality and environment management systems.

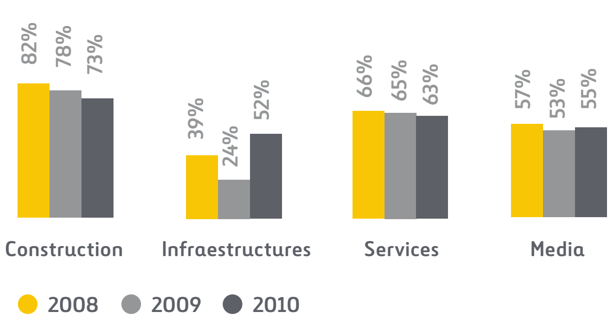
On most occasions these systems are certified according to standard ISO 9001:2008 and 14001:2004 and by the main accredited certification companies, including AENOR (Spanish Association for Standardization and Certification), SGS, BVQi (Bureau Veritas Quality International), BSI Group and ERM CVS.

Percentage of Certified Activity (ISO 9001)



Thus, in 2010, the average percentage of quality certified activity in the construction, infrastructures and services businesses was 87% and, if airports are also included, the figure was 67%, slightly higher than in the previous year.

Percentage of Certified Activity (ISO 14001)



In 2010, the average percentage of environment certified activity in the construction, infrastructures and services businesses was 67% and, if airports are also included, the figure was 55%, slightly higher than in the previous year.

This year, Ferrovial Agroman has maintained the scope of certifications of previous years. The slight drop in relation to previous years was due to the fact that the construction company is increasing its presence in new countries which are not within the scope of current certifications. However, 100% of the contracts are managed with systems that guarantee management and product quality.

In the services area, the percentage of quality certified activity remained unchanged compared to previous years.

In the infrastructures area, the certification percentage has increased significantly in quality and environment as a result of the certification of new toll roads.

All systems are internally audited by teams of qualified auditors who are independent from the audited area. The Company continued to make great efforts, with more than 900 internal audits and 1,172 assessment visits. Companies like Ferrovial Agroman have increased the number of site visits by 16%.
Cespa has implemented and certified quality and environment systems at all garbage collection sites.

1.2 Product and excellence certificates

Ferroser Infraestructuras is certified under standards UNE 135332 "Vertical signs. Plates, sheet slats and directional panels used for metal signs and permanent signs. Materials. Characteristics and test methods", UNE 166001 "R&D&i management: Requirements for R&D&i projects" and UNE 166002 "R&D&i management: Requirements for R&D&i Management Systems".

Cadagua, Eurolimp and Ferrovial Servicios have had their R&D&i management systems certified under UNE 166002:2006 "R&D&i management: Requirements for R&D&i Management Systems".

The Madrid Regional Government has awarded the Madrid Excelente seal to Ferrovial, Cintra Infraestructuras, Cadagua, Eurolimp, Ferroser Infraestructuras, Ferrovial Agroman, Ferrovial Conservación, Ferrovial Servicios and Autopista Madrid Sur Concesionaria Española. In addition, Cespa has renewed the certificate.

Madrid Excelente is the Madrid Regional Government's guarantee mark, which recognizes and certifies the quality and excellence in company management aimed at promoting competitiveness of the business fabric.

Ferrovial-Agroman has been awarded the CE certificate of conformity for its "Paving bitumens" and "Cation bituminous emulsions" products.

Cespa, the parent company of the urban services business, has renewed its EMAS certificates for the Collection and Recycling Center of El Puerto de Santa María and the Urban Services center of the Duty-Free Zone in Barcelona according to the new EMAS III Regulations, and has become a pioneer in certification according to these new rules.

2. Management indicators

2.1Corporate scorecard

The key management indicators defined in previous years were maintained in 2010. Carbon Footprint is one of these indicators.

These indicators are a selection of those established by the divisions to monitor their main processes and are systematically sent to the Quality & Environment Department of Grupo Ferrovial.

The following table highlights the most significant indicators measured through our corporate scorecard.

The monitoring of the indicators seeks to establish areas for improvement through the carrying out of specific actions.

AREA	Major aspects and processes measured by the indicators
Ferrovial	Carbon Footprint calculation
	Energy efficiency in buildings
Construction	Effectiveness of worksite quality plans
	Incidents reported at building worksites
	Close of complaints received by the end of the year
Infraestructures	Toll road accident rate
	Saturation of concessionaire toll lines
	User satisfaction (through surveys)
Maintenance, cleaning and upkeep	Undefined contract conditions
	Service incidents and complaints index
	Customer satisfaction (through surveys)
	Road infrastructure accident and incident response time
	Road infrastructure repair response time
Water treatment, urban solid waste and biosolid thermal sludge drying	Flows treated without incident
	Disposal incidents
	Response time for carrying out corrective work orders
	Customer satisfaction (through surveys)
Urban services	Customer and user satisfaction (through surveys)
Amey	Customer satisfaction
Airports	Customer satisfaction (waiting lines, cleanliness, service, etc.)
	Time spent waiting in lines

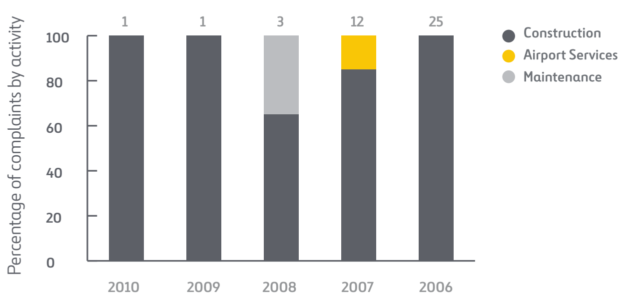
corporate responsibility **quality**

2.2 Quality-related complaints

All the businesses have internal procedures in place which establish the methodology for detecting, identifying, recording and monitoring complaints made by customers about the products or services. When a complaint is received through the Complaint Forms or by letter, e-mail, verbally, etc., a file is opened with the complainant's data, the reason for the complaint, and the actions needed for resolution. Subsequently they are analyzed and improvement actions are established.

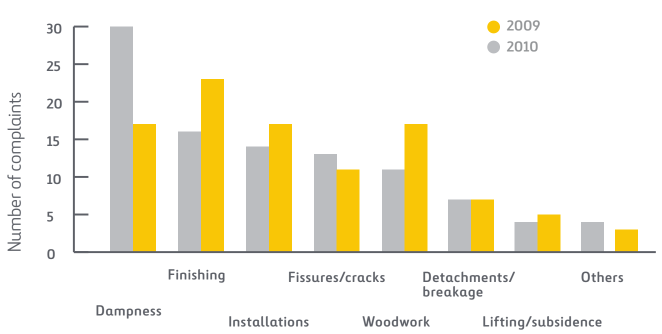
The Quality & Environment Department of Ferrovial handles any complaint that has not been satisfactorily resolved by the business areas and which the client has channeled through Ferrovial requesting a solution.

Complaint cause



In 2010, only one complaint relating to buildings in Spain was received. The number of complaints received continues to decline given that the Company has not been involved in real estate development, which was the main source of complaints. The resolution time was 3 weeks.

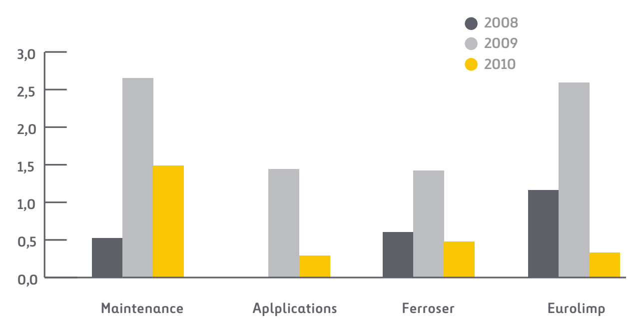
Cause of complaints : 2010-2009 comparison



Ferrovial Agroman has received 164 complaints related to quality issues, and the percentage of complaints closed by the end of the year was 60%. Complaints pending closing are being managed in accordance with the established procedure. The distribution of indications compared to 2009:

In order to reduce the number of incidents due to dampness, the number of best practice sheets related to this area will be increased.

Average complaints, warnings and reports received per contract

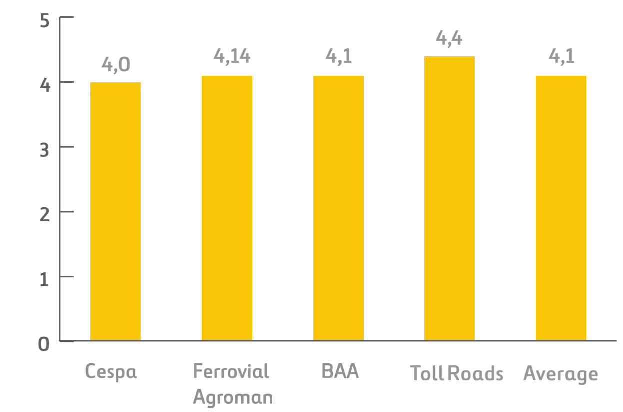


Ferroser has a management indicator to measure the volume of complaints received by number of contracts. This study will give rise to actions to prevent them from recurring or minimize their consequences. The number of complaints in this period has declined and all complaints received are closed, or steps have been taken for their closing and solving.

2.3 Customer satisfaction

As established in Ferrovial's Quality and Environment Policy, one of the objectives of the Company is meeting user and customer expectations. Our customers and users are at the heart of everything we do. We strive to offer them the best experience as users of our infrastructures and services.

Customer satisfaction



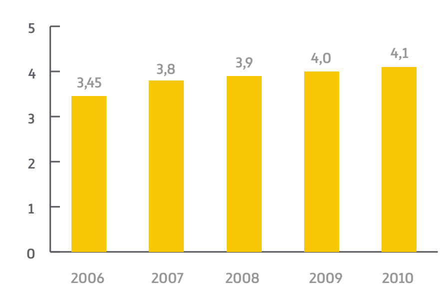
The different business areas carry out periodic surveys of customer expectations and satisfaction. The analysis of the results obtained enables us to identify the strengths and weaknesses in the Company's performance in order to establish improvement actions.

Customer satisfaction is very high across the different activities performed by Ferrovial, with an average score of 4.1 points on a 1 to 5 scale at corporate level, 0.1 point higher than in 2009.

Ferrovial has implemented an e-mail address where complaints, suggestions and comments are received (dca@ferrovial.es).

2.3.1 Ferrovial Agroman

Customer Satisfaction (Ferrovial Agroman)



Ferrovial Agroman sends satisfaction surveys to its customers on an annual basis. 40% of replies were received in 2010. The questionnaires consist of two parts: one with specific assessment questions about important and precise aspects relating to the customer-company relationship, and another including questions with no specific assessment, open to customer opinions and comments. The questionnaire analyzes the customer's perceived opinion on four aspects: commercial, bid, execution and after-sales.

Customer satisfaction with Ferrovial Agroman has improved year after year, particularly in the execution and after-sales phases. Gradual consolidation of the GREPA application, for managing incidents arising in homes, has helped improve the rating in the after-sales phase.

In 2010, a total of 859 visits were made in order to implement and monitor the quality plans at Ferrovial-Agroman worksites; the average rating for monitoring visits was 7.1.

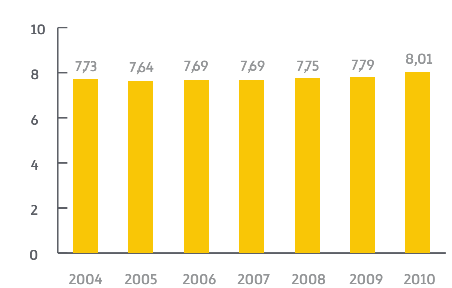
2.3.2 Cespa

Once again this year, CESPA has conducted the Customer Satisfaction Measurement Campaign in order to find out the level of satisfaction of its customers with the services provided and meet one of the requirements established in standard ISO 9001:2000. In the 2010 Campaign, customers whose service is provided from any of the following operations were surveyed:

- Those which took part in the 2008 Campaign.
- Those facilities where quality systems were implemented during 2010 or where such systems were in the process of being implemented.

A total of 553 surveys were conducted.

Customer Satisfaction (Cespa)



corporate responsibility **quality**

The results of the analysis of Overall Satisfaction with Cespa was 8.01 points (0.22 points more than in 2009 and the highest in the last 5 years) on a 1 to 10 scale, with 71.6% of satisfied customers who gave us a score above 8 (8.4% more than in 2009) and just 1.1% of dissatisfied customers (who gave us a score below 5, and who in 2009 were 2.4%).

The breakdown of the scores by type of service is as follows:

- Landfills: 7.75 (32 surveys)
- Urban: 7.63 (122 surveys)
- Industrial Collection and Transportation: 8.13 (390 surveys)
- Asbestos removal: 7.67 (9 surveys)

The highest-rated points were equipment suitability, manual work, clerical and commercial teams, and documentation.

Thus, it can be said that Cespa customers are "markedly satisfied" with the services received. The improvement actions will be proposed and carried out throughout 2011, and new tools will be implemented to improve customer satisfaction with Cespa.

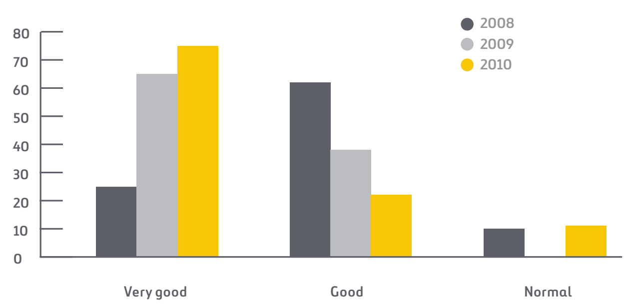
In 2010, and in order to continuously improve the level of customer satisfaction, Cespa:

- Gave courses to 159 people, aimed at improving customer treatment and complaint management, particularly among commercial and clerical staff.
- Developed an electronic billing application for Industrial and Public Services customers, which will be implemented as soon as customer systems have been adapted.
- Carried out the ETER Project (Standardization of Electronic Waste Processing) to improve management, accessibility, availability and processing of information relating to industrial waste, which will be implemented in the various autonomous regions throughout 2011.

To find out the level of user satisfaction with the Irish toll road Eurolink, a number of satisfaction surveys were conducted, consisting of 5 short questions (frequency of use, reason for using the toll road, method of payment and general opinion on the toll road and the service received). A total of 69 surveys were conducted and the results were considerably better than those obtained in previous years. 77% of users had a "Very good" opinion of the service.

2.3.3 Cintra Toll Roads

Customer satisfaction (Eurolink)



The Indiana Toll Road (USA) conducts surveys using various means: website, delivered at toll booths and via e-mail. The results for 2010 concluded that 72% of the users were satisfied or very satisfied with their i-zoom (electronic automatic toll payment device) and 66% considered that the help received from the customer service department had been excellent. The results are considered to be "Very good" and no significant differences appear in relation to those obtained the previous year.

In Spain, two types of surveys were conducted on the Autema toll road. In the first type, the user is asked through the website or by handing out the questionnaires in the service areas about a number of key aspects relating to the toll road, such as speed, safety, signs or quality-price ratio. On a scale of 1 to 5, most aspects scored above 3, with the highest scores being received by signs and speed, as in the previous year. A total of 72 surveys were performed. The other type of satisfaction survey asked about the treatment received at the toll; the "mystery shopper" technique was used. These surveys (338 in total) have revealed a satisfaction level of 87%, the same as in 2009.

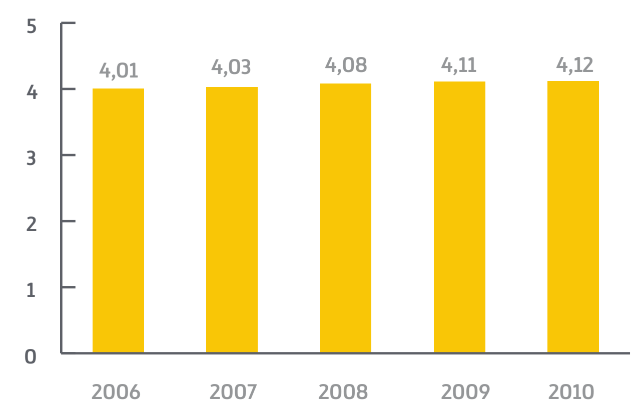
For the Radial 4 toll road, 33% of respondents were highly satisfied and 47% were somewhat satisfied. For the Madrid-Levante toll road, 12% of respondents were highly satisfied and 68% were somewhat satisfied. The results show a slight positive trend and are considered to be "Very good".

A customer satisfaction survey was also conducted in 2010 among users of the Nea Odos toll road in Greece. The results of the 3,664 surveys performed were as follows: 43.7 % of respondents were highly satisfied with the treatment received at the toll, while 44.9% were somewhat satisfied. Only 6.6% were somewhat dissatisfied or dissatisfied.

2.3.4 BAA

BAA has implemented a system called QSM (Quality of Service Monitor) for conducting surveys among the passengers arriving at or departing from the airports and who use the airport's services (parking, restaurants, stores, etc.). Passengers are asked to score the service received on a scale of 1 to 5.

Global satifaction with the airport



In general terms, the overall level of passenger satisfaction with the airports is Very good, 4.12 points in 2010. The scores have improved in recent years at all the airports.

One of the highest-rated aspects was the waiting time at security control points in the airports. At Aberdeen airport, 95.2% of passengers waited less than 5 minutes and 99.7 % less than 10 minutes. At Heathrow airport 98.8% of passengers went through the security control points in less than 5 minutes, 0.9% more passengers than in 2009. At Southampton airport, the average waiting time for passengers was 5 minutes, while at Stansted airport 98.19% of passengers went through the security control points in less than 10 minutes, 3.19 points above the goal set.

In order to enhance passenger satisfaction, Aberdeen airport has upgraded the system that provides connection information through touchscreens. Areas have also been made available where passengers can leave their bicycles.

One objective for Glasgow airport is to boost public transportation to the airport for passengers and employees.

3.Customer service

Certain business areas have formal customer communication channels integrated into their after-sales or customer service departments. This is the case of Cespa, which has independent customer service structures in each facility. For public contracts, these service requirements are usually laid down in the customer's bid specifications, while for private contracts each work center uses a switchboard to channel the inquiries to the most appropriate person.

Most of the toll road concessions have their own customer service departments. For example, the ETR 407 toll road in Toronto (Canada) not only has a call-center, but also other innovative services for dealing with the suggestions or complaints of users who wish to contact the Customer Center in person, or prefer to send them via regular mail, e-mail or fax, which are dealt with directly by the Customer Care Team. Similarly, Chicago Skyway, Autema, Ausol, Radial 4, Madrid-Levante, Cintra Chile and Eurolink offer customer service websites and specific telephone numbers.

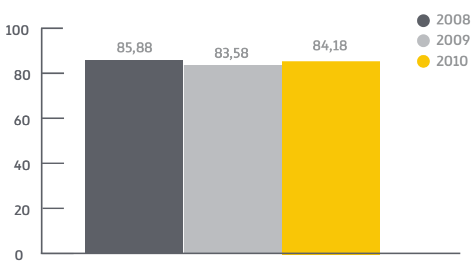
Ferroser, Eurolimp and Ferroser Infraestructuras receive and manage customer breakdown notifications through their call centers. These departments are channels for ascertaining any opinions, doubts and/or complaints from our users or customers.

corporate responsibility **quality**

When a close relationship exists with customers, as is the case of construction or water treatment, customers directly contact the person responsible for the contract.
Ferrovial has an e-mail address where customers can send their complaints, comments or doubts (dca@ferrovial.es).

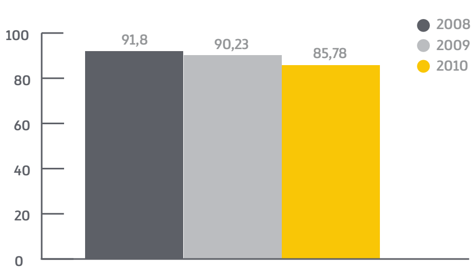
3.1.1 Ferroser Infraestructures

Percentage of defects and deterioration dealt with in less than 48 hours



As regards road maintenance, Ferroser Infraestructuras measures the responsiveness in the event of road defects or damage (road surface, overpass construction work, signs, lighting, etc.). In 2010, 84.18% of all defects and damage were repaired in less than 48 hours. This figure is in line with the results recorded in previous years and is somewhat higher than in 2009.

Percentage of accidents or incidents attended in less than 1 hour in comparison to the total



Ferroser Infraestructuras also measures the speed with which road accidents or incidents requiring swift action in order to prevent risks and damage are dealt with. This indicator has remained stable in recent years.

3.1.2 BAA

In addition to traditional channels, airports obtain passengers' opinion through the comments that users leave on the Internet. In 2010, Heathrow airport analyzed a total of 8,021 such comments.

4. Relevant projects

4.1.1 Normateca and Ambienteca

Through the Ambienteca and Normateca applications and its internal procedures, Ferrovial guarantees compliance with current regulations and legislation, fulfilling one of the principles of its policy "The value of commitment: We are an organization that fulfills its commitments. We abide by current legislation and fulfill the agreements signed with our customers and users, ensuring the quality and safety, as well as the environmental performance, of our products and services".

The Ambienteca application enables business managers to find out about the environmental legal requirements that apply to a given contract in Spain. In addition, the user can run open searches of legislation by topic, activity, area, title or code.

During the year, 1,229 technical regulations were added to Normateca (technical regulation library). 8,315 queries were made, almost twice as many as in 2009.

4.1.2 Grepa (After-Sales Incident Management)

Through the GREPA application, a computer tool designed to speed up management of incidents that appear during the after-sales phase, Ferrovial Agroman has information available on 26 property developments, a total of 2,367 housing units, the average number of rectifications per housing unit being 18.

The application has achieved its objective of improving customer satisfaction in the after-sales phase.

4.1.3 SIC (Integrated Quality System)

Ferrovial Agroman has implemented SIC across 100% of its worksites, and Cadagua, in 92.31% of its sites. This application can be used to prepare and monitor Quality Assurance Plans at the worksites. And thanks to the direct access environment, information can be transmitted and data made available in real time.

4.1.4 Proyectos en las plantas gestionadas por Cadagua

Cadagua has undertaken quality and environment projects at certain plants:

- Use of steam to heat the wastewater before it reaches the anaerobic treatment. The steam is obtained from the biogas generated in the anaerobic reactor.
- Combination at the same plant of two innovative treatment technologies: MBR (membrane bioreactor) and MBBR (moving bed bioreactor). MBBR reduces the surface occupied by the bioreactor and increases an existing bioreactor's treatment capacity.
- Sludge draining using a physical-chemical process before it returns to the plant head avoids returning phosphorus to the WWTP's affluent.
- The San Juan Despi DWTP went into operation in 2010. It is the first sewage treatment plant designed using a refining treatment. This treatment involves an ultrafiltration process that eliminates any presence of trihalomethanes in the treated water.
- Use of decanters ballasted with sand. The purpose is to be able to treat cold water with hard-to-decant solids without using polyelectrolytes, due to the application of new regulations that prevent their use for generating drinking water.
- Introduction of a sand filtration, microfiltration and disinfection process using ultraviolet light.
- For the first time in a drinking water plant, a sludge thickening and draining treatment and dehydration system has been designed which uses physical-chemical processes before its return to the treatment head in order to reduce the risk of infection due to the cryptosporidium agent.
- Implementation of the CAEN (Advanced Control for the Elimination of Nutrients) control system in the WWTP, which results in electric power saving and a significant environmental improvement, thanks to reduced use of fossil fuels for generation, while also cutting the carbon footprint. Total consumption has been reduced by 7% at the WWTP in Albufera.

4.1.5 Cespa

Cespa has partnered with the Public Cleaning Business Association (ASELIP) in the completion and implementation of the Standard Environmental Risk Report (MIRAT) for waste treatment facilities. MIRAT is a practical guide for application of the risk analysis and report drafting methodology.

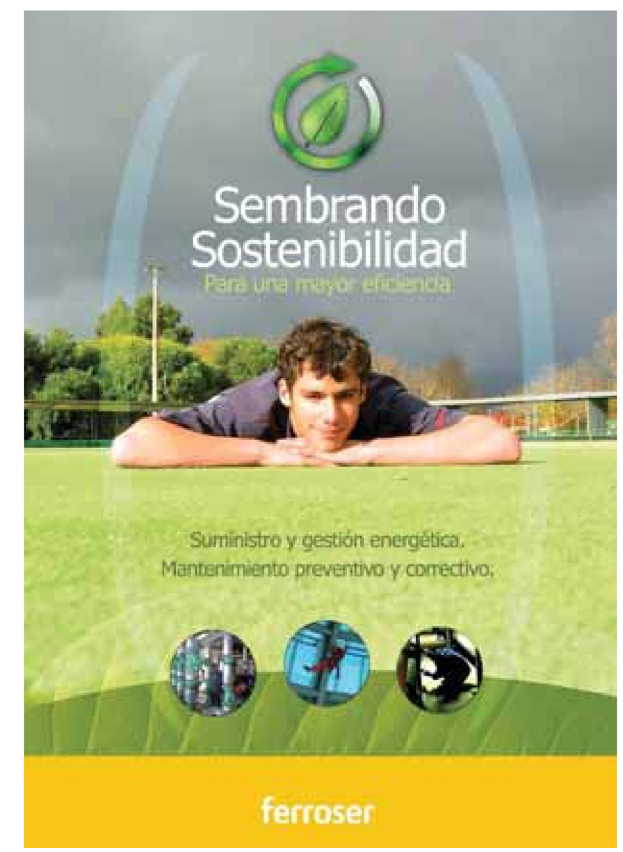
An electronic billing application for Industrial and Public Services customers has also been developed, which will be implemented as soon as customer systems have been adapted.

The ETER Project (Standardization of Electronic Waste Processing) has been carried out to improve management, accessibility, availability and processing of information relating to industrial waste, which will be implemented in the various autonomous regions throughout 2011.

A Corporate GIS Cartographic Server has been developed (for Urban and Industrial Services) in order to optimize routes, improve service sizing and replace current control via GPS, which will enable a reduction in fuel consumption and associated emissions.

4.1.6. EMMOS

For controlling energy consumption and monitoring the efficiency measures taken at the facilities, alarm control, etc., Ferroser is developing a computer tool called EMMOS (Energy Management and Monitoring Operational System) that will enable remote control of energy efficiency of all the services contracted under this arrangement.



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4.1.7 MES (R&D&i)
Ferrovial is collaborating in the MES (R&D&i) project, to develop and validate of a world-class methodology for the assessment of the level of sustainability in construction.

4.1.8 Amey
In order to share knowledge and best practices within the company, Amey has implemented an application called "Best Practices Library".

Amey is surveying its customers in order to select those which have incorporated into their business strategies corporate values that provide value and improve service. The aim is to establish a long-term partnership.

Development and ongoing improvement in innovative solutions benefits Amey, its customers and suppliers, the environment and society at large. Traffic lights are a case in point.

5. Goals

5.1. Cespa
Cespa has monitored compliance with applicable requirements (legal and contractual) and risk management. To this end it has conducted technical audits at its centers in order to identify the environmental risks and, where necessary, carry out the corrective actions needed to address them.

In order to involve all stakeholders in quality and environmental management, it has established awareness-rising training actions for all employees at least every three years, it has put in place dialog mechanisms with stakeholders so that they can take part in the sustainability report's content, and has partnered with the Public Cleaning Business Association (ASELIP) in the completion and implementation of the Standard Environmental Risk Report (MIRAT) for waste treatment facilities.

5.2. Ferrovial Agroman
Ferrovial Agroman has improved its document management system by reducing the number of organizational procedures and updating the content in accordance with standard ISO 9001-2008. It has also updated the operating procedures for concrete-road surfaces in accordance with new regulations and the Standard Construction Work Quality Plan, including all structures.

In order to disseminate and share knowledge, new best practice sheets have been prepared, related to the most frequent after-sales incidents in construction work.

The goals for 2011 include preparing a manual for measuring sustainability in construction projects, increasing the number of best practices sheets, improving on-site topography equipment control and systematizing filing on computer media with relevant construction work documentation.

6. Awards and distinctions

6.1 Cintra
- The Michiana Area Council of Government (MAC OG) awarded a prize to the Indiana Toll Road for its efforts in reducing air pollution by slashing user waiting time at the toll areas through waiting line control devices and faster transactions by means of automatic detection systems.

- Distinction by the Ministry for the Environment and Sea Affairs of the Azores Islands Government for its efforts and collaboration in the "SOS Cagarro" (protected bird species) campaign on the Euroscut Azores toll road.

- The project led by Cintra for construction of the North Tarrant Express (NTE) toll road was chosen by the prestigious magazine Infrastructure Journal as the Best Global Transportation Operation in 2009.

6.2 Cespa
- Life Environment Awards. CESPA was awarded a prize for the Microphilox Project, considered by the European Commission as one of the five best "LIFE Environment" projects of the 57 completed in 2009. The project has involved the installation of the first microturbine in Spain operating with biogas obtained from landfill waste. This initiative had also been awarded other prizes previously, both national and international, including the Garrigues-Expansión 2006 Environment Award, the Energy Globe Award 2007 for Spain and the Bioenergy Silver Award 2008.

- Platinum Broom Award to the Murcia City Council. In a ceremony held within the framework of the International Town Planning and Environment Trade Fair Tem-Tecma 2010, the Murcia City Council received the Platinum Broom Award from Ategrus, which recognizes the cleanest cities and innovation and improvements to municipal cleaning systems.

- Platinum Broom Award to the A Coruña City Council. CESPA's outstanding cleaning and collection work in the city of A Coruña has been recognized at national level with the ATEGRUS Platinum Broom Award 2010, which considers, among other aspects, specific cleaning work to meet the city's needs, civic information and education activities including open houses, awareness-rising campaigns targeted at citizens in relation to the urban environment, upgrading of the vehicle fleet and the introduction of new machinery to improve service mechanization and minimize emissions.

- Gold Broom Award to the San Sebastián de los Reyes City Council. In June 2010, the City Council of San Sebastián de los Reyes, where CESPA provides street cleaning and collection services, received the Gold Broom Award in recognition of its graffiti removal service and the agreement signed with storekeeper associations to protect storefronts against loutish acts.

- Silver Broom Award to the Alcobendas City Council. ATEGRUS has also recognized the efforts of the City Council of Alcobendas, where CESPA provides street cleaning and collection services, with the Silver Broom Award for the implementation of an additional cleaning service on Saturdays, Sundays and public holidays.

- Silver Broom Award to the Tomares City Council. ATEGRUS has also recognized the efforts of the City Council of Tomares, where CESPA provides street cleaning and collection services, with the Silver Broom Award for the expansion of the mechanical and mixed sweeping services provided in the city.

- Ecoplayas 2010 Award. In addition to renewing the Ecoplayas flags achieved in previous years for the A Coruña beaches (Riazor-Orzán, San Amaro and Oza), in September 2010 Cespa secured the flag for the As Lapas beach, for its accessibility with a large variety of ecological means of transport.

- Likewise, in 2010 the assessment audit for renewing the "Madrid Excelente Guarantee Mark", which CESPA obtained in 2001 and has maintained ever since, was passed successfully. To this end, several improvement actions have been undertaken over the years.

6.3 BAA
- Glasgow airport has received the "British Safety Council International Safety Award, National Recycling Stars" (Bronze Award, Gold Tidy Business Standards Award).

6.4 Amey
- Amey's "Birmingham Highways Management and Maintenance" contract was chosen as the "European Services PPP Deal of the Year" at the "Project Finance Journal" awards ceremony. This is the most complex project undertaken in the UK in terms of financial structure, as the country is continuously investing in transportation infrastructure.

- The company was chosen as the best private sector business at the Energy Saving Trust "Fleet Hero" awards for its innovative and efficient fleet of electric vehicles.

6.5 Budimex
- Budimex won the 14th "Polish Cement in Architecture" competition for the construction of the County Court building in Katowice.

6.6 Ferrovial Agroman
- Ferrovial Agroman has received the award to the "Best Large Construction Company in 2010" for its outstanding financial soundness and extraordinary construction activity in the country. The award, known as "CMG Building and Design Awards 2010", was given by the communication group Commercial Media Group (CMG).

- The Montabliz viaduct was awarded the 4th Segovia Aqueduct Prize by the Civil Engineers' Association.

6.7 Ferrovial
- Ferrovial has obtained the highest score in the report Carbon Disclosure Project (CDP) 2010. Spain: The 85 largest companies in terms of capitalization. The Carbon Disclosure ratings assess the quality and completeness of the information provided by the companies, taking into consideration best management practices relating to greenhouse gas emissions, energy consumption, progress in risk identification, opportunity development, corporate responsibility and governance, communication and results on climate change.

- In its Europe 300 report, Carbon Disclosure Project (CDP) ranks Ferrovial among the 25 best companies for its strategy and performance in the fight against climate change, and the best in its industry.

6.8 Cadagua
Cadagua was nominated 'Water Company of the Year 2010' by the prestigious publication Global Water Intelligence.

7. Sponsorship and other activities

7.1Cadagua
- Main Sponsorship of the 8th AEDyR Conference, Barcelona 2010.
- Sponsorship of the Technical Water Conference in Valencia.
- Sponsorship of the International ISR Conference.
- 7th AQUA Conference 2010.
- Sponsorship of the 6th ESAMUR Technical Conference.
- Sponsorship of the Biodiversity Foundation.

7.2 Cintra
The Euroscut Algarve toll road has collaborated with the LNEC (Laboratório Nacional de Engenharia Civil) in a project named G-Terra (Guidelines for integral management of runoff water contamination on Portugal's toll roads). The purpose of this project is to create a nationwide

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database of toll roads and runoff water, gain a better understanding of pollutant behavior on toll roads and its relationship with their specific, regional and national characteristics, and define guidelines for better management of runoff water in order to fulfill the objectives set by the European Water Framework Directive.

7.3 BAA

- Member of Green Business Partnership.

7.4 Amey

- Amey has collaborated with the Leeds University Center for the development of technological systems.

innovation

Commitment

• Constant improvement and operating efficiency in its processes.

Lines of Action

- Establish innovation governance through the Global Innovation Group.
- Define the priorities for innovation and promote R&D&i opportunities within its business areas.
- Appropriately use and safeguard the results of R&D&i activities.
- Foster an R&D&i culture among staff by encouraging creativity and teamwork through the Ferrovial University training plan.
- Define the areas of action for innovation to develop and implement new technologies and methodologies that improve technical capacity and increase the Company's productivity.
- Implement and maintain an R&D&i Management System certified to the UNE 166002 standard in the Company and establish mechanisms that ensure ongoing improvement of its effectiveness. Define an innovation communication policy.

2010 Milestones

- Creation of a global innovation group in which all Ferrovial business lines are represented.
- Strengthening of the collaborative tools among the individuals who make up Ferrovial.
- Development of the Open Innovation concept.
- Launch of the Center for Intelligent Infrastructure Innovation.
- Creation of the Centers for Excellence in Asset Management and Transportation.

2011 Goals

- Partnership agreement with MIT. Project development.
- Participation in the European Union's 7th Framework Program - Intelligent Cities - Internet of the Future.
- Organization of the First Meeting of Intelligent Infrastructure Researchers in collaboration with Alcalá de Henares University.
- Project development (See last table of the chapter).

Ferrovial stands behind strategic innovation to address the global challenges faced by the world of infrastructures. In 2010, the Company significantly stepped up its innovation efforts with regard to 2009, and has become the first Spanish company to support the concept of open innovation and the development of intelligent infrastructures.

Innovation	2010	2009	2008	Var 10-09
R&D&i Investment (€ M)	45.0	6.9	18.47	552%
Innovation project subsidies (€ M)	2.1	3	1.17	-30%

corporate responsibility **innovation**

In today's world, there are major challenges to infrastructure management: growing urban populations, issues with congestion and pollution, energy efficiency, sustainability, etc., and Ferrovial understands that innovation and technology are the key elements for addressing these challenges.

Thus, Ferrovial promotes ongoing, systematic innovation. For Ferrovial innovation is not just a tool for improving productivity and competitiveness, but one of the main sources of value creation for all of its stakeholders and society at large. To this end, Ferrovial has established a corporate strategy and launched an action plan based on the following pillars:

- Focus on our clients/businesses.
- Emphasis on the implementation of solutions.
- Collaboration with the public sector, universities and companies (open innovation).
- Ongoing improvement of the innovation process.

In recent years, the Company has carried out more than 100 innovation projects. There are more than 30 projects underway today, valued at approximately 60 million euro. In addition, Ferrovial is a member of various organizations and participates in major public and private initiatives that are taking place throughout the world in relation to innovation, promoting the exchange of experiences and best practice among experts in this field.

In 2010, Ferrovial invested 47.1 million euro in innovation projects.

New Innovation Policy

2010 saw the consolidation of Ferrovial's innovation strategy, laying the foundations for identifying and launching innovative projects with a global scope and the involvement of all business areas. This consolidation is reflected in the development of the "IN-novation IN-motion IN-Ferrovial" seal, which seeks to unify the messages of innovation under a single brand and thus reinforce their strategic importance for Ferrovial.

The innovation policy is divided into three levels:

1. A strategy that seeks to combine the innovation management models of the business areas to establish the best practices and address future challenges.
2. An innovation community for identifying those individuals with responsibility in this area and fostering an appropriate cultural climate.
3. Necessary resources (information, funding, vehicles) for supporting the innovation model in Ferrovial's businesses. This level includes, among others, the creation of CI3 and the Centers for Excellence in Asset Management and Transportation, the partnership agreement with MIT and the participation in the 7th Framework Program of the European Union.

A. Open innovation

Ferrovial has become the first Spanish company to stand behind the concept of Open Innovation. This model goes against the traditional innovation model, Closed Innovation, which consists of a closed cycle in which ideas are developed hermetically within the organization.

Open Innovation involves the creation of an open process and an ecosystem of partners that enables the enrichment of the process thanks to the external exchange of ideas. To do so, each project incorporates as partners other innovation centers, large companies (telecommunications firms, system integrators, manufacturers, etc.), SMEs or entrepreneurs and innovative startups.

However, the Open Innovation model established includes strategic areas where Ferrovial maintains exclusive intellectual property rights. Ferrovial currently has more than 100 patents registered.

B. R&D&i Management: Global Innovation Group

Aware of the importance of managing the innovation processes in all areas of the company and making the most of synergies, Ferrovial has created a Global Innovation Group with representatives from all company business lines whose mission is to define state-of-the-art innovation in the Company and to contribute to its reinforcement. To this end, several innovation conferences will be held in early 2011 for Ferrovial's senior management.

Each business area has a Director of R&D and Innovation who is responsible for establishing the R&D and Innovation Policy, allocating the human and material resources needed, setting the policies for the protection and use of the results obtained, as well as for approving Ferrovial's presence in certain R&D&i organizations and forums. Some Ferrovial companies have an R&D&i Management System in place, which has been designed in line with the requirements of UNE 166002:2006 standard. This system ensures utmost technical quality and profitability of projects carried out by the Company while guaranteeing the transparency of its R&D&i activities.

In 2010, AENOR renewed the certifications for the R&D&i systems of Eurolimp, Ferroser Infraestructuras, S.A. and Ferroser. Likewise, the follow-up certification on 2009 was obtained, a project initially certified in 2008 (Infocoex). In Cespa, 82% of the 2010 R&D&i project budget was certified.

C. Innovation Areas

Throughout 2010, Ferrovial has concentrated its efforts on developing technologies applied to mobility, transportation, energy efficiency and environmental sustainability in order to position itself as a national and international benchmark for the development of products and services based on the concept of intelligent infrastructures. The primary areas of innovation in this regard are:

· Energy efficiency: Projects are being developed for Maintenance, Auditing and Optimization of energy efficiency in buildings, reduction of energy use in public illumination, energy monitoring and management systems, and waste valorization through waste-to-energy processes.

· Roads: Some of the most important developments in this area include the SATOL project for satellite tolls, dynamic toll projects (Managed lanes) and intelligent security on the roads and intelligent asphalt projects.

· Airports: This area is focused on initiatives related to the automation of passenger processes, traffic management systems, active biometric monitoring at security control points and CO_2 reduction with an intelligent aircraft takeoff system.

· Water: Ferrovial is working to become a benchmark in water management. It is developing several innovation projects related to the optimization of energy use, seawater desalination by reverse osmosis and gasification of biosolids generated from treatment in a WWTP.

· Intelligent Cities: As the national benchmark, in 2010 Ferrovial participated in the "Intelligent Cities" forum organized by the El País newspaper, together with the top political representatives from Madrid, Bilbao and Palma. The objective was to clarify the needs of cities in the future in terms of R&D&i and public-private collaboration for reducing costs and improving efficiency.

· Intelligent Construction: Innovation in construction includes anti-water hammer systems in networks and simple pipes, floating caisson structure types, applications for remote sensing for material prospecting and fiber-based post-tensioning structures.

D.Centers for Excellence

Ferrovial carries out its R&D&i activity through its development centers, such as the Center for Excellence in Fixed Assets and CEXTRAN (Center for Excellence in Transportation). Moreover, the CI3 (Center for Intelligent Infrastructure Innovation) was launched in 2010.

Center for Excellence in Fixed Assets

One of Ferrovial's objectives consists in increasing efficiency through the implementation of common processes between the different Group companies. The Center for Excellence in Fixed Assets was implemented in 2010.

This center's objectives include designing more efficient common processes for Ferrovial's companies, creating tools for the development of common applications and creating a global asset management platform for measuring and managing those that have a strategic role for the company, among others.

In 2010, the center hit multiple significant milestones, such as the framework collaboration agreement with Amey Consulting, participation in the development of BAA's Strategic Plan for Asset Management, participation in the development of the EMMOS solution with Ferroser and the selection of IBM as technological partner.

Center for Excellence in Transportation (CEXTRAN)

The Center for Excellence in Transportation was created with the mission of promoting collaboration in toll road, airport, services and construction projects, as well as advising Ferrovial's businesses in the field of Intelligent Transportation Systems.

To that end, it focuses on supporting businesses based on the needs and special characteristics of each project, providing guidance on business and innovation processes by promoting best practices and offering advice on new opportunities, transversality and the application of metrics.

E. Areas of Action

E.1. Center for Intelligent Infrastructure Innovation

The Center for Intelligent Infrastructure Innovation (CI3) is a pioneer business initiative that seeks to bridge the gap in Spain today between the research knowledge generated at the university level and its practical application in the country's productive fabric.

The Center was founded in 2010 thanks to the support of Ferrovial and Alcalá de Henares University (UAH) and the backing of the Regional Government of Castilla-La Mancha. This is a pioneer project both because of its sphere of action, i.e., Intelligent Infrastructures, and because of its organization model, in which a private company, the university and the government collaborate under the Triple Helix paradigm, in an ecosystem of Open Innovation; this is a truly unique experience in Spain and opens new horizons for R&D&i.

The Triple Helix thesis considers the University-Industry-Government union to be the key to improving the conditions for innovation in a knowledge-based society. In this model, the University contributes its research capacity and workgroups and receives funds for research, market demand and entrepreneur researchers; industry contributes the business challenges and research funds and receives innovation proj-

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ects, future trends and qualified employees; and government, in turn, provides challenges for global competitiveness and research funds and receives innovation centers and social and economic development.

The CI3 plans to carry out innovation projects with a budget of approximately 20 million euro in the 2010-2013 period. To do so, it will have a line of public subsidies to cover 50% of that amount, and the remaining 50% will come from both cash contributions and in-kind collaborations of Ferrovial, from Group companies and third-party companies in the technological sectors in which the Center will work.

The main projects underway include EMMOS (advanced energy efficiency management system for buildings, urban areas and facilities), RINTER (Intelligent waste collection system) and SATOLL (Satellite tolls).

E.2. Agreement with MIT

In line with its strategy, at the end of 2010 Ferrovial signed a five-year agreement with the Massachusetts Institute of Technology (MIT). The objective is to collaborate on research projects geared toward transforming cities and developing the infrastructures of the future. In addition, the agreement calls for Ferrovial's incorporation to the MIT Energy Initiative (MITEI) group.

Through this group, Ferrovial will allocate five million dollars to support various research projects promoted by MIT. The projects will be carried out in the areas of infrastructure and intelligent cities, water treatment and energy efficiency, among others.

E.3. Collaboration with Universities

Ferrovial companies have signed agreements with the following universities, among others:

· Valladolid University
· Granada University
· Alcalá de Henares University
· University of Birmingham
· University of Manchester
· Newcastle University
· University of Texas at Austin
· Cantabria University
· Girona University

E.4.Innovation Aid Programs

FP7: Seventh Framework Program on Technological Development and Research (2007-2013)

The Seventh Framework Program on Technological Development and Research (2007-2013) has a budget of 50 billion euro. It is considered to be the fundamental instrument for transforming Europe into an economy based on intelligent, sustainable and integrating growth, as established by the Europe 2020 strategy.

Amey is participating in this initiative in the OUTSMART project (7.2 million euro). The aim of this project is to recreate a wide range of pilot services and technologies that will contribute to optimizing access to and supply of services and key resources in urban areas. Amey is participating as the London cluster leader with 220,800 euro, of which 110,400 are subsidies. Ferrovial's Center for Intelligent Infrastructure Innovation (CI3) is participating with 111,630 euro, of which 83,723 are subsidies.

Cadagua has also been subsidized by the Ministry of Science and Innovation's National Program for Public-Private Cooperation INNPACTO for a research study project on advanced tools and methodologies for the optimization of the design, operation and control of seawater desalination plants using reverse osmosis.

Ferrovial has also participated in other national and European innovation support programs with the following projects:

• **City 2020:** Aimed at the design of analysis processes and new product and service developments for inhabitants in an efficient and sustainable city. In 2010 it was presented to CENIT but was not given the award; it will enter again in 2011.

• **Intelvia:** Intelligent Roads. This project for the creation of cooperative infrastructure-vehicle systems is part of the Avanza Program granted for the 2009-2011 period and is headed by IKUSI.

The Center for Intelligent Infrastructure Innovation (CI3) is also participating in the **FOTsis** project (European Field Operational Test on Safe, Intelligent and Sustainable Road Operations). The project is part of the Seventh Framework Program and was awarded in 2010. It is headed by IRIDIUM.

Innovation Projects

As a result of the strategy and policies established, Ferrovial carries out dozens of R&D&i projects every year in each of its divisions, which contribute to improving processes, services and products. In 2010, Ferrovial invested 45 million euro in innovation projects and received 2.1 million in subsidies.

Construction		
EurekaBuild Umbrella	Increase in the number of EUREKA projects among European construction companies through the continuation of the EUREKABUILD Umbrella for three years.	2009-2012
Durability of post-tensioned structures	Development of a new technology that ensures enhanced final durability of structures based on the use of pre-tension techniques.	2009-2010
Acoustic shielding systems	Development of a new technology to improve the durability of acoustic shielding for transport infrastructures.	2009-2010
Recycled polyethylene-modified bitumen	Search for interphase modifiers for recycled polyethylene-bitumen for large-scale use in the manufacture of modified bitumen for roads.	2010-2011
MES	Development and validation of a world-class methodology for the Assessment and Intercomparison of the Level of Sustainability in Construction.	2010-2012
Energy optimization in buildings	Development of design criteria for energy optimization in residential buildings and for the environmental sustainability of construction.	2010-2011
UTIL Descabezador	Development of a new method for deep foundation pile cap removal in construction and public works.	2010

Servicios		
Study on technologies for the process and energy optimization of reverse osmosis water desalination plants	Optimization of the general water treatment system in seawater desalination facilities using reverse osmosis, applying an approach from two converging perspectives: process and energy efficiency optimization and the attainment of a scalable technology at industry level.	2007-2010
Study of processes to minimize sludge production, recover nutrients and optimize energy consumption in wastewater treatment	Experimental study and technical evaluation of the different stages of a process conceptually different from the conventional one, allowing for minimization of the amount of sludge produced and, in parallel, optimization of the plant's energy balance.	2008-2011
Technologies to reduce, reuse and recover the waste generated in the sludge gasification process in WWTPs	Study on the reduction of by-products and waste generated in a pilot plant from the gasification of sludge from a sewage treatment plant, as well as those that are produced during the conditioning of the gas generated in the phase prior to its use in a motor-generator set for energy production and, in parallel, to evaluate energy recovery, laying the groundwork for the development of scalable technology at industry level.	2008-2011
Study of advanced technologies for removal of nutrients and xenobiotic chemicals in wastewater treatment	Study of the submerged membrane bioreactor (MBR) technology in the joint elimination of nitrogen and xenobiotic chemicals in wastewater using partial nitrification and anaerobic ammonium oxidation.	2008-2010
Study of control strategies in different configurations for biological treatment	Study, definition and development of the engineering for the control strategies used in the process for removing organic matter, nitrogen and phosphorus based on experiments with water from a WWTP which will produce data through respirometry testing of the nature of wastewater and, ultimately, the kinetic and stoichiometric parameters required for the mathematical models that simulate these processes.	2009-2011

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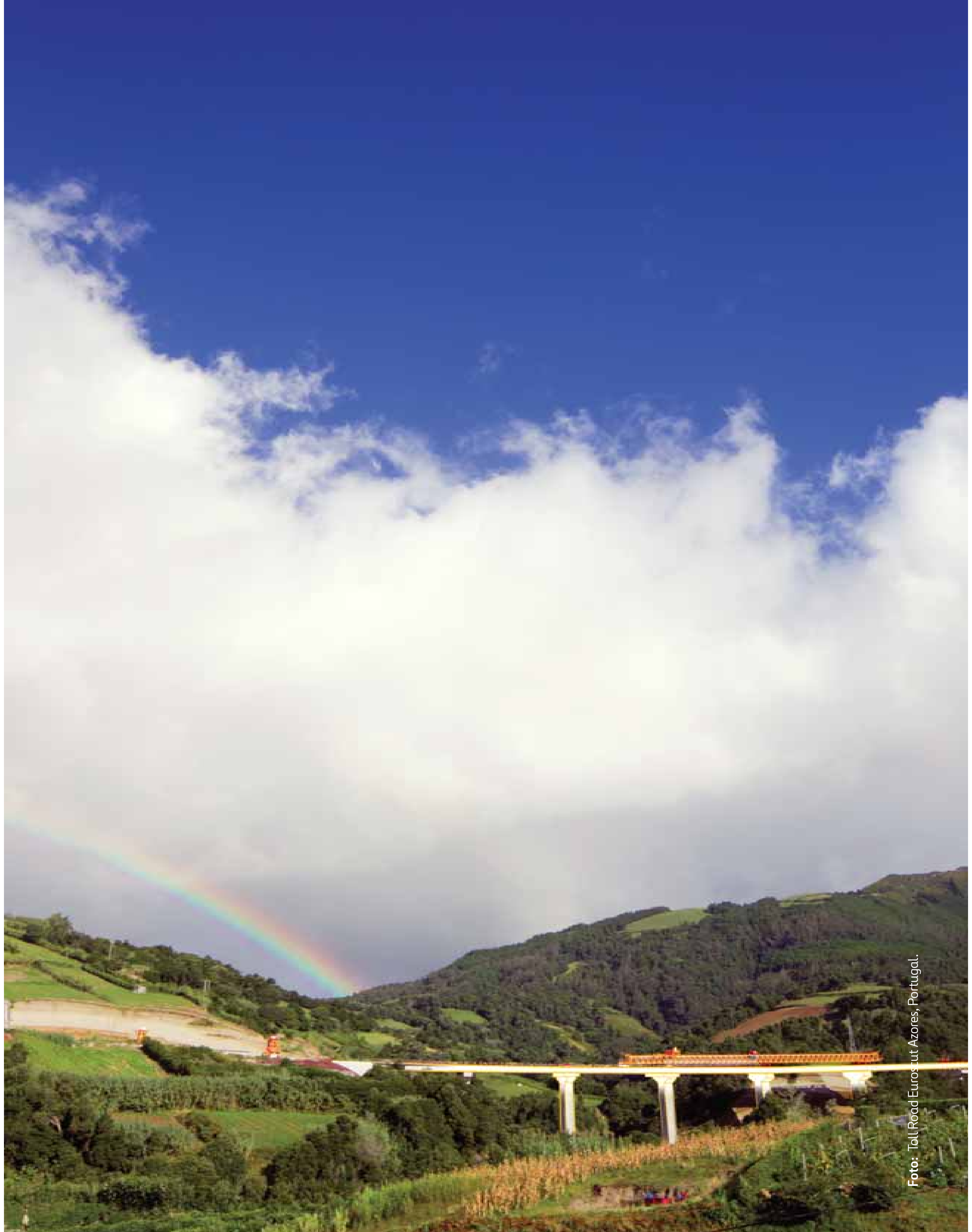
Engineering design of the Ruiloba-Comillas sewage treatment plant	Design of a sewage treatment plant for a population of 7,600 permanent and 35,200 seasonal inhabitants. Plant totally underground to avoid environmental impact. Its main innovation is the use of biological treatment based on biofilter technology. With the aim of reusing water for irrigation, a UF membrane filtration system for tertiary treatment will be installed.	2009-2010
NIMOX	Partial nitrification and anaerobic oxidation of ammonium from the digestion processes of an urban WWTP using anammox biomass. The aim of the project is the design before and after construction, commissioning and operation of an industrial pilot plant for the implementation of the PANAMMOX® process for biological nitrogen elimination of highly concentrated ammonium returns from urban WWTPs.	2009-2010
Emmos	Application of technologies for the monitoring of energy efficiency in buildings and facilities, such as the development of energy behavior simulator programs for buildings or new energy saving and efficiency techniques.	2009-2010
Optirut	Flexibility, planning and optimization of waste collection and transport routes, based on information processed by GPS in order to reduce costs, distances, investment in vehicle maintenance and environmental impact.	2009-2010
TOBOSO	Software platform for the unification of back office toll transaction systems (for toll road concessions operated by conventional toll) so that Cintra concessionaires have a common system by which to enable the reduction of maintenance and updating costs, as well as to incorporate any type of advances in the toll system (new means of payment, free flow, etc.).	2009-2010
Process optimization in water treatment plants	Study on advanced pre-treatments (system of hydraulic coagulation and flocculation, ozoning and multi-layer filtration) prior to ultrafiltration (UF) membranes to improve the quality of the effluent obtained and its functionality.	2010-2011
Study on advanced tools and methodologies for optimization of the design, operation and control of reverse osmosis seawater desalination plants	Optimization of the unit processes comprising the general line of treatment of a reverse osmosis water desalination facility, subsidized by the INNpacto program.	2010-2013



supply chain

Commitment

- Treat the supply chain as a key factor in the company's sustainable development strategy.

Lines of Action

- Encourage suppliers and subcontractors to gradually adopt principles in line with the Corporate Responsibility policy.

2010 Milestones

- Introduction of the Complaints Box on the Ferrovial website, to which any Internet user has access.
- Incorporation of corporate responsibility clauses in all supplier-partner frame agreements signed in 2010 by Ferrovial Agroman.

2011 Goals

- Start developing an IT platform for communication with suppliers.
- Modify the current models of orders and contracts, with more emphasis on Corporate Responsibility aspects.
- Conduct supplier surveys by activity on products made from recycled or recyclable materials, in order to make systematic information available throughout the company and boost the use of these products as far as possible.

Ferrovial's relations with its suppliers and subcontractors are an essential part of its business activity. Both sides seek mutual benefit by joining their forces and creativity in order to offer our clients higher quality services, while guaranteeing compliance with the Principles of the Global Compact and respect for the environment. Ferrovial aims to establish long-term relations with its suppliers as far as possible.

Supply Chain	2010	2009	2008	Var 10-09
Number of suppliers *	96,724	86,020	89,567	12%
EBITDA generated by purchases that meet quality and environmental criteria (M€)	397.6	366.7	291.05	8%
Suppliers evaluated	9,876	7,456	1,596	32%
Suppliers rejected	735	131	104	561%
Supplier incidents	303	644	159	-54%

* The number of suppliers was obtained from the turnover data per country. This means the duplication of suppliers in some cases, though this impact is very small.

It encourages greater communication and collaboration with its suppliers and subcontractors. It has prepared an analysis for the development of an IT communication platform with suppliers.

Profile of Ferrovial suppliers: low risk and local purchasing

In 2010 Ferrovial had relations with 96,724 suppliers, defined as suppliers, leasers or subcontractors. It is worth highlighting the fact that most Ferrovial suppliers belong to OECD countries, so they are considered low-risk in terms of Human Rights violations and compliance with labor and environmental regulations.

By geographical area, 33% of all suppliers are contracted in Spain, 64% in UK, 3.2% in USA, 47.5% in Poland and 9.6% in other countries.

Local suppliers represent the vast majority in all the markets in which Ferrovial operates. For example, in Spain 86% of suppliers are local and 14% are from abroad. Approximately 73% of all Ferrovial's suppliers are in the Contruction industry and Ferrovial Agroman's main market is Spain.

Certified wood

Ferrovial requires by contract that its suppliers and subcontractors disclose that the wood used is legally obtained, i.e., that it is extracted from operations with due environmental authorizations, and provide documentary information that proves the legal status of the product.

Use of recycled material

Ferrovial undertakes to increase as far as possible the use of recycled materials in its operations, or materials manufactured using recycled materials. The company will survey the main suppliers on the use and characteristics of these products. The aim is to have systematic information available on the use of these materials in its operations.

A. Communication with suppliers

Ferrovial is aware of the need to establish an open dialog with its suppliers to train them and make them aware of key aspects of responsible management. It therefore keeps in constant touch with the main suppliers in the following ways:

1. Quarterly meetings, as established in framework agreements with the relevant suppliers. These framework agreements include collaboration commitments covering R&D&i, the environment, health and safety and aid to disadvantaged groups.
2. Surveys updating supplier information, some of which are specifically on the subjects of quality and the environment.
3. Communication of incidents detected during operations.
4. Training meetings, particularly focused on subjects related to occupational health and safety.
5. The main suppliers receive a summary report of Ferrovial activities in order to enhance mutual understanding and increase trust.
6. The corporate website. Suppliers may access the purchasing management section through the website. The site publishes information about the most important purchases. In 2010, Ferrovial extended its ethical channel with the opening of the corporate Complaints Box, which is accessible to all its audiences via the website.

Ferrovial works proactively to improve the flow of information and supplier training. To increase this form of communication, the company is working on a supplier module that will be incorporated into the corporate website. In 2010, 16,750 supplier surveys were conducted, 23,060 meetings were held with them and 123 forums were organized.

B. Code of Buyers

Supplier management and relations in Ferrovial should be based on a rigorous, ethical and effective bond. The Code of Buyers was updated in 2009. Among the changes was the need to stress compliance with the Corporate Responsibility rules in procurement, both from the point of view of the source of products and the labor force that has been used in their manufacture. This document supplements Ferrovial's Code of Ethics and applies to all Purchases Department staff in the Construction division, who are trained in the Code and required to acknowledge their commitment to it in writing.

The aim of the document is to draw up the general lines of action for day-to-day work in purchasing, without aiming to cover all the possible situations exhaustively. The Code specifically establishes the following principles, which must be taken into account in all purchases:

- **Ferrovial's general interest**.
  This goal must be present in any negotiation.

- **Integrity.**
  An immediate supervisor must be advised of any direct or indirect conflicts of interest arising from family connections, personal ties, financial interests or other factors. Employees involved in purchasing are prohibited from accepting special discounts or gifts valued at over € 90 in one year. Gifts of a lesser value may only be accepted if they are delivered to corporate headquarters. The immediate superior must give prior approval for any invitations to company trips, events or meals. The Code requires the purchaser to ensure compliance with the Corporate Responsibility rules and to promote the Principles of the Global Compact among suppliers.

- **Professionalism.** Professionalism is required to prevent overly-personal relationships outside the strictly professional realm with suppliers from interfering in negotiations. Information that may influence the final result of a concession must be treated in a formalized way by the purchaser. The purchaser must also take care of his/her professional training.

- **Confidentiality.** Confidentiality is required for commercial or technical information related to the purchase in question and any other aspects that may affect the company's position in the negotiation, or benefit a particular supplier over others.

C.Corporate Responsibility Clauses

In 2008, Ferrovial Agroman introduced a specific Corporate Responsibility clause into its supplier-partner frame agreements. These agreements are made with major suppliers. For example, Webber, the Ferrovial Agroman subsidiary in the U.S., requires the conclusion of a framework agreement for all contracts worth more than 1,200 dollars, as does Amey, the company in the Services division.

The CSR clause includes the following commitments by the supplier:

- Comply with all environmental and sector-based legislation applicable to any aspect of Ferrovial's activities or services.
- Comply with all health and safety rules and occupational safety commitments established at Ferrovial workplaces.
- Comply with the Global Compact Principles.
- Study possible collaboration with Ferrovial to carry out joint aid projects for disadvantaged groups.

Failure to comply with the requirements established in this clause could lead to a prohibition on contracting with the supplier in question. The system for monitoring the quality of suppliers assesses numerous CR aspects to verify compliance by suppliers.

Ferrovial has informed its suppliers of its adherence to Global Compact Principles, presented them with a copy of those principles and urged them to take them into account in their operations.

D. Construction Division

Approximately 73% of all Ferrovial's suppliers are in construction. In the Construction division, the Purchases Department is responsible for managing relations with major suppliers so that clients can be offered higher quality and better services. In addition, long-term relationships can be achieved wherever possible that provide the maximum benefit for both parties. One of the division's responsibilities is to act as a channel for communication between suppliers and project managers, and for helping solve any possible conflicts that may arise.
The division has a centralized purchasing system run by the Purchases Department, for those purchases in which this kind of management (with economies of scale, international management, etc.) provides added value. It also provides assistance to project managers for the rest of the purchases.

Ferrovial's established purchasing principles, policies and processes aim to comply with customers' requirements by optimizing prices and meeting deadlines and the specified quality requirements, while at the same time maintaining the greatest possible profitability.

Purchasing procedures

In the Construction Division, purchasing procedures are drafted and applied in each country in which Ferrovial operates in accordance with ISO 9001 and ISO 14001 standards and tailored to each market's specific features, although they maintain common basic operating standards and principles to optimize purchasing costs.

The basic principles are:

- Benefits from economies of scale and centralized purchases when they add value.
- Coordinated purchasing between different countries.
- International/global vision of the supplier market.
- Transparent purchasing process.
- Use of company IT systems to manage purchasing knowledge and help control the purchasing process in itself.

Purchasing management

In order to optimize the purchasing process, the Construction Division has unified purchasing procedures and supplier quality monitoring at a global level in those countries where it operates. The common principles and working methods allow treatment of key aspects to be uniform at company level, yet tailored to each country's specific features. As a result, purchasing can be managed globally. Each country's main purchases are known and needs can be aggregated worldwide. This ensures that all purchases are made in the best possible price conditions from suppliers that accept the technical, quality, social, environmental, etc. requirements, thus guaranteeing equal opportunities in the contracting process.

The procedures apply to all purchases (or leases) of products and services included in the Process Monitoring Plans / Quality Plans that call for specific environmental requirements, or those with a significant economic impact. The following is guaranteed in all cases:

corporate responsibility **supply chain**

- Wide range of bids.
- Uniform information and fair treatment of suppliers.
- Justified selection process, with established approval levels based on competitiveness.

Strictly professional relationship with suppliers.

The procedure regulates the entire process, from the identification of purchasing needs, to purchasing planning, the submission of bids, the study of the bids, the negotiation process, supplier selection and approval process, the preparation of the order/contract, reception of the goods and services, and evaluation of the supply or service.

Control procedures and mechanisms:

- Procedures established for all countries under ISO 9001 and ISO 14001 standards.
- Decision-making based on a technical/economic comparison of bids, a negotiation process and decision-making within established levels of approval.
- Computerized control of billing and payments to suppliers.

Purchasing management includes three categories:

1. Centrally managed purchases

- Those for uniform products or services purchased frequently, in which the best conditions can be obtained by negotiation on bulk volumes.
- Those for uniform products or services with a reduced number of suppliers in the market and a high volume of frequent purchases. Here the best conditions can be obtained by negotiating large volumes.

2. Purchases managed jointly between the Purchases Department and the sites

- Those that correspond to non-uniform products or services (different at each site) with a reduced number of suppliers in the market and a high volume of frequent purchases. Here the best conditions can be obtained by coordinated negotiation with the sites.

3. . Decentralized purchasing management

- The rest of the purchases managed from the sites, with the required support from the Purchases Department.

In any event, the purchasing system must guarantee that the products or services meet quality, price, environmental, and health and safety requirements.

The purchasing process on site is as follows:

1. Identification of purchasing needs and purchasing planning

The project manager identifies the purchasing needs and includes them in a Purchasing Plan, which remains updated in accordance with the schedule and progress of the works.

He/her then prepares the specifications for the purchases, which are included in the orders and contracts. This is done with the aid of computer applications for Purchasing, the Integrated Quality System (SIC) and databases of standard specifications.

2. Request for bids

The project manager or the Purchases Department, depending on the type of purchase or what has been agreed with the site, prepares the request for bids via the Internet or traditional means, including the documentation needed to guarantee that the supplier knows the quality and specifications required.

3. Reception of bids, preparation of the comparative table, negotiation and selection of the best bid

The number of suppliers must be extensive to guarantee that the process is competitive. The bids are included in a comparative table, which is used to analyze the bids received and to prepare the negotiation. If the number of suppliers is under three, the person who prepares the table must justify this in writing.

The negotiation process with suppliers must not end until the project manager or person in charge is reasonably sure that the best conditions possible have been obtained, with the assistance of superiors or the Purchases Department where deemed necessary.

To boost transparency in the purchasing process and encourage new suppliers, Ferrovial has a specific space on its corporate website where it publishes the main purchases managed at any time.

The bids have to be standardized so that selection of the supplier is objective.

4. Award of the purchase, approval and permits

The Purchases Department or the project manager, depending on who manages the purchase, selects the best bid.If the bid selected is not the most competitive, the decision has to be justified. Before the bid is accepted, the Company Suppliers Catalogue must be checked to make sure that the selected supplier is not listed as “rejected.”

The proposed award must be approved in writing at least by the immediate superior, and depending on the volume of the purchase, at a higher level.

5. Preparation of the order or contract

The purchases must be formalized through orders or contracts that comply with the Company’s models, and must be signed by people with authorization on both the supplier’s and the Company’s side.

6. Reception of materials and work carried out by subcontractors

The control at reception of materials and equipment, and of work carried out by subcontractors, guarantees that the quality received matches the technical specifications of the contracted goods.

7. Invoicing and payments

Invoices are received and checked on site or at the corresponding production center, to ensure that that the items invoiced agree with what has been received. A computerized system is in place to control invoicing and payments, thus ensuring that the invoiced amounts and thus payments to suppliers do not exceed what has been contracted.

8. Supplier evaluation: monitoring supplier quality

Each site carries out an evaluation of the most important suppliers. This allows control and monitoring of compliance with time frames, quality, technical capacity and prices, in addition to environmental and health and safety factors, which have a relatively greater weight than the rest.

Any supplier with three incidents in a year or with very serious non-compliances, is classified as “rejected.” This prevents the supplier from working with the Company for a minimum period of 3 years.

Purchasing management support tools

The Construction Division has developed its in-house IT systems as a support to optimize management. They are adapted to the sector and to Company procedures, and range from knowledge management in this area to the actual purchasing process. The Internet is used as a means of communication with suppliers and between the Company’s participating units, which are involved in the process and provide transparency and appropriate levels of control. They are as follows:

- Purchase management program. Covers all the phases of the process.
- Supplier consultation, pricing and specifications programs. Gives the option to look up information on suppliers, real purchase prices and specifications of “standard” purchases from any site or company center.
- Access from all production centers worldwide and real-time information on: agreements with suppliers, new products, alternative processes, prices on the international market, etc.
- Computerized issue and control of orders and contracts with suppliers and of invoicing and payments.

Supplier evaluation

Ferrovial controls and monitors the quality of suppliers through evaluations carried out at the end of supplies/works, or annually for long-term supplies or works, or when incidents occur, as soon as they are detected.

The factors evaluated are: meeting deadlines, quality and technical capability and prices, as well as environmental performance and health and safety, which have a relatively higher weight than the rest of the factors.

Any supplier with three incidents in a year or with very serious non-compliances, becomes “rejected.” This prohibits the supplier from working with our Company for a minimum period of 3 years. When a contract with a rejected supplier is required for exceptional circumstances, authorization is required from the Purchases Manager.

Human Rights Compliance

An analysis of Human Rights-related risks in the supply chain is conduc ed according to country-risk and in accordance with the methodology for supply chain management promoted by the Global Compact.

An analysis of the profile of suppliers, products and countries of origin does not reveal significant changes in supplier risk with respect to previous years. Ferrovial has a moderate-low level of risk. Most of Ferrovial’s investments are in OECD countries whose legislation recognizes and guarantees respect for Human Rights, which is why the risk of non-compliance by suppliers has been rated as low.

Incidents

A total of 215 incidents relating to suppliers in the Construction division were registered in 2010. Of the 174 incidents in Ferrovial Agroman, 11 were related to Health and Safety and 4 to the environment. The Purchases Department has made all the suppliers with incidents recorded aware of the problems and the need to resolve them and/or prevent them from recurring at other sites, given that otherwise they will become “rejected” suppliers.

Of all the suppliers and subcontractors working with the Company in 2010, 10.2% had undergone an evaluation process. Of the total evaluated, 131 registered incidents and were therefore warned as indicated above.

The number of evaluated suppliers with incidents in 2010 amounted to 295.

The assessments made by project managers in the report cards allow a uniform treatment of the performance of suppliers in terms of Quality

corporate responsibility **supply chain**

and Environment. The company also requires its suppliers to comply with current Human Rights legislation. Given the countries in which it operates, it can guarantee that they respect Human Rights.

E. Services Division

Ferrovial Services promotes stable bonds with its suppliers through the creation of framework agreements that strengthen communication and guarantee the purchasing and award processes.

Amey, the infrastructure and public services management subsidiary in the United Kingdom, carries out over 90% of purchases through centralized agreements.

In January 2008, the Management Committee decided to unify the business of the Services Division with the main aim of increasing synergies between both units and improving earnings. The Purchases Department was created at the same time to improve purchasing management as part of the integration process of these companies, thus unifying processes and making the most of synergies to achieve improvements in purchasing power.

From then on, the Purchasing Department set the following objectives for the NOA (negotiation + optimization = savings) project:

- Standard processes and support systems for the purchasing function.
- Full traceability over the purchasing cycle, from the source of the order to reception and payment.
- Optimization of the authorization process, with information received in real time .
- Optimization of supplier payment monitoring, thus reducing the number of invoices and improving efficiency.
- Improved control of documentation of the subcontracts and agreements within the organization.
- Savings through improved purchasing conditions by taking full advantage of the volume of business.

The characteristics of the organization and the NOA project made it essential to involve the different areas of the company (finance, quality, TI Ferroser, Ferrovial Grupo de Sistemas), as well as the purchasing area. The team carried out an exhaustive analysis of all the contracting tools in the organization, as well as the tools that exist in the market.

With the participation of the Ferrovial Group's Systems Department, the company FULLSTEP was contacted and selected to carry out an in-depth analysis and propose a deployment plan for the optimization of the procurement system and the Ferroser purchasing model.
The main levers for improvement were as follows:

- Strengthen and reorganize the purchasing organization model.
- Unify and standardize authorization, procurement and the purchasing process throughout the whole organization.
- Implement a standard system that will support the new procedure.
- Establish a negotiation plan for services and supply activities.
- Full e-management of the order-invoice cycle.

Following the presentation of the analysis and the proposals made by FULLSTEP, Ferroser selected this new system. The implementation project was called NOA (negotiation + optimization = savings).

It was an efficient purchasing model that covered the entire process from the detection of a need to payment. All purchases above a certain volume are now automatically referred to the new Purchasing Department for negotiation. There is also an on-line supplier communication portal, for which suppliers must be authorized by the purchasing heads before registration.

The initial implementation phase of the model was completed in 9 months for more than 400 business units, with training provided to over 600 users in different areas for the new model and procurement platform.

Given the diversity of suppliers and the need for local contracting, the Purchasing Department has developed a significant centralized negotiating procedure that reduces the number of suppliers of products and services such as safety barriers, painting, signing, prevention of Legionnaires' disease, elevator maintenance and cleaning products. This was supplemented by negotiations with local suppliers for fire protection, equipment tools and electrical equipment.
In line with Ferrovial's philosophy, the Services Division maintains a policy of diversity of suppliers and promotes local purchases and contracts, thus supporting the societies where it operates. The Services Division carries out most of its activity in Spain and the United Kingdom.

F. Airports Division

The Purchases Department in this division is common to all the airports. The division's aim is to contribute the maximum added value to the purchasing process.

The volume of purchases in the UK is 1.5 billion pounds. The aim of each of the purchasing processes is to obtain the maximum commitment from suppliers and to create closer long-term ties with each of them.

Organization:

Each airport has a multidisciplinary purchasing team that knows the market in which it operates and the requirements of each process.

The experience of each purchasing team allows them to identify the best suppliers. The large volume of purchases also gives greater negotiating power on prices, time frames and conditions.

Policy:

The BAA supply chain policy aims to create the maximum negotiating value possible and to minimize risk for the company by using the best procedures. It is based on the following principles:

- Preference shall be given in purchasing to approved suppliers.
- All approved suppliers shall be selected in accordance with the procedure established by BAA for the purchasing process.
- All approved suppliers must meet the Corporate Social Responsibility requirements established by BAA.
- Companies related to BAA that act as suppliers shall receive the same treatment as the rest during the process.

Purchasing process:

The Purchases Department is responsible for all the purchases made in BAA, together with the Business Support Center (BSC) and airport management. This process is carried out through an on-line tool to which the department's staff (4,000) have 24/7 access.

A specific person has been appointed at BAA to receive all the requests that cannot be made on-line. This person's functions include assisting new suppliers, understanding their wishes and methods of operation and finding new opportunities in the supply chain.

This person's functions also include:

- Guarantee confidentiality in the process throughout the supply chain, to ensure a transparent, open and fair process. Suggest any improvements that may be necessary.
- Promote the Code of Ethics and confirm compliance with the Code by employees and suppliers.
- Promote competition by finding new agents.
- Help set up frequent meetings with suppliers.
- Represent BAA internally and externally in projects associated with the supply chain.
- Act as representative in the Supplier Suggestion and Innovation office.
- Provide useful, relevant and updated information to suppliers.

Photo: Local engineer, Tanzania.

human rights

Commitment

- Respect, protection and promotion of Human Rights.

Lines of Action

- Improve working conditions to ensure equal opportunities and non-discrimination among employees.
- Ensure that its companies are not complicit in the violation of Human Rights (Global Compact).

2010 Milestones

- Launch of the Complaints Box on the corporate website.
- Implementation of the on-line training course on business ethics.
- The European Commission's International Cooperation for Sustainable Development Award for the Maji ni Uhai (Water is Life) project.

2011 Goals

- Commitment to promote the individual rights of employees and ensure that equal opportunity policies are applied internally.
- Extension of corporate volunteering in Spain: 20% more places offered.
- Institutionalization of international volunteering and opening up the list of volunteers to other projects not funded by Ferrovial.

Ferrovial is firmly committed to the support and respect for fundamental Human Rights, as recognized internationally in the Universal Declaration of Human Rights. Through intergovernmental initiatives such as the Women's Empowerment Principles, the Global Compact and the International Labor Organization (ILO) Declaration, it undertakes to comply with these rights and ensure that its companies are not involved in their violation.

Human Rights	2010	2009	2008	Var 10-09
Investment in OECD countries (%)	100	100	100	0%
Employees protected by collective bargaining agreements (%)	76	74.53	72.2	3%
Women in the workforce (%)	32.7	32.8	35.4	0%

corporate responsibility **human rights**

Ferrovial's Code of Ethics states that "All actions undertaken by the company and its employees shall scrupulously respect the Human Rights and Civil Liberties enshrined in the Universal Declaration of Human Rights." The Whistleblowing Channel allows any employee to report cases of inappropriate conduct or violations of the Code. In 2010 Ferrovial launched the Complaints Box on its corporate portal to allow any individual with Internet access to report and document possible irregularities or behavior that is against the law or the ethical commitments established by Ferrovial.

As a signatory to the United Nations Global Compact, Ferrovial has committed itself to support and respect the fundamental, internationally recognized Human Rights and to ensure that its companies are not complicit in their violation. This commitment also includes the basic labor rights and principles set out in the Declaration of the International Labor Organization (ILO): freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation.

Ferrovial is committed to respect and promote Human Rights across the supply chain. The company promotes the creation of new models of supplier orders and contracts that give greater weight to aspects of Corporate Responsibility. In 2008, Ferrovial's Purchases Department approved a new Code of Buyers, which requires respect for the principles of the Global Compact. Ferrovial's supplier-collaborator charter also requires aid packages to be considered for disadvantaged groups. Ferrovial's involvement in this field was developed in 2009 through collaboration with the Global Compact in the development of the "Guidelines for Responsible Supply Chain Management."

The global corporate risk management system (FRM) covers the risks of Human Rights violations. The area of compliance risks includes risks due to insufficient or faulty procedures implemented to ensure compliance with the ethical principles that govern the company's relationship with its employees.

With regard to security staff training, the Security Duties and Procedures Manuals have been expanded with a section on rules to be followed by employees in regard to Human Rights, as well as new instructions in this field for the different security departments.

Ferrovial maintains its commitment to promote Human Rights under the Millennium Development Goals. It has completed the first phase of the Maji ni Uhai (Water is Life) project to provide better access to drinking water for a population of 50,000 in Tanzania. Ferrovial has received the International Cooperation for Sustainable Development Award from the European Commission and the Codespa 2010 Award as a "Committed Company."

A.Labor unions and collective bargaining

The labor relations between Ferrovial and its employees are based on compliance with the applicable legislation in each country, international conventions and other legal and regulatory provisions governing employment.

In every country where it operates, Ferrovial guarantees workers' rights such as the right to strike, freedom of association and the right to collective bargaining by appointed workers' representatives and unions. Collective bargaining agreements currently govern the working conditions of 76% of employees.

Ferrovial has no data on the percentage of employees who are members of unions, given that they are not legally required to notify the company of their membership.

Ferrovial undertakes to keep workers informed of the processes of organizational restructuring with a minimum period of notice and to work together to understand issues from their perspective. The conditions regulating employee activity are those included in the appropriate collective bargaining agreements, and failing these in the labor law in force in each of the locations in which the company operates. As a result of the merger between Cintra and Ferrovial, the company launched a communication campaign that has been recognized with the European Excellence Award 2010 by the German magazine Communication Director.

B.Equality and non-discrimination

The Code of Ethics states that all employees shall be given an equal opportunity to advance their professional career on the basis of merit. Ferrovial is fully committed to safeguarding the individual rights of its employees, particularly those related to privacy, dignity and equal opportunity.

In 2009 the company signed the first Equal Opportunity Plan for all its companies in Spain with the leading national labor unions in the construction and services sectors. The Equality Plan enhances the individual rights of Ferrovial's employees and its commitment to corporate social responsibility, establishes specific actions on the key processes of people management, and takes advantage of all available communication channels and internal mechanisms to ensure maximum exposure and awareness.

Ferrovial's efforts to spread awareness of issues relating to equality, specifically the Iguala + campaign, led to it receiving in 2010 the Best Practices Award from the Internal Communication and Corporate Identity Observatory, in the CSR category.

Across the company, in 2010 there was an increase of 389 women in the workforce to 33% of the total.

Female membership in Ferrovial's governing bodies, meaning the Board of Directors and Management Committees of the Group's divisions and subsidiaries, now represents 20.7% of the total.

With respect to the percentages of women in the workforce overall, Ferrovial's aim is to continue the trend for a greater presence. To this end, it monitors the key processes for joining the organization in order to establish internal targets for improvement.

Women by professional category	
Executives	1%
Graduates (3 or 5-year degree)	7%
Clerical workers	11%
Basic technicians and manual workers	81%

Ferrovial is committed to making the necessary effort to train all professionals and provide them with equal opportunities for professional promotion and advancement. In 2010 the company introduced executive and pre-executive development programs designed to prepare a new generation for senior management. They aim to take into account the percentages of each gender needed to ensure greater female representation. Classroom and on-line training courses in Equality were also undertaken to increase awareness of the key aspects of equal opportunity among managers and supervisors.

Ferrovial applies complete equality in base salary in each wage category, regardless of gender.

Women's Empowerment

In 2010 Ferrovial signed the Women's Empowerment Principles, an initiative promoted by the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact.

These principles offer guidance on how to help the private sector focus on the key elements to promote gender equality at the workplace, in the marketplace and in the community.

This commitment includes: boosting company competitiveness; compliance with the corporate social responsibility and sustainability commitments; producing behavior within the company that reflects the society we would like our employees, fellow citizens and families to live in; fostering the economic and social conditions that give opportunities to women, men and children; and boosting sustainable development in the countries in which we carry out our work.

C. Workplace Harassment

Since 2008, Ferrovial has published on its intranet a corporate Procedure for the Prevention of Workplace Bullying, Sexual Harassment and/or Gender-based Harassment that is in force throughout Spain. In 2010 the company also completed its Whistleblowing Channel with the creation of a Complaints Box on the corporate portal, with access for all Ferrovial's audiences, whether internal or external.

The approach was based on the third article of the Code of Ethics, which calls for respect for the law, ethical integrity and Human Rights. It also draws on the contents of Organic Act 3/2007, passed by the Spanish government on March 22, 2007 to guarantee the effective equality of men and women, and to protect employees from potential situations of gender-based harassment in the workplace.

This procedure, drafted in accordance with the recommendations of the European Framework Agreement on harassment and violence at work of April 26, 2007, guarantees the right to handle all such matters and the persons involved in the utmost privacy and confidentiality.

In 2010, 20% of complaints for alleged harassment were deposited in the Complaints Box. For each of these, the company carried out the process established by the procedure. It conducted an exhaustive analysis of the situation to check the facts as claimed while respecting the confidentiality and privacy of the parties involved. Of the total claims filed in 2010, 100% are currently closed.

D. Minorities and disadvantaged persons

Ferrovial is committed to the sustainable development of the communities where it operates and has established priority measures related to incorporating people from the most disadvantaged social groups into the workplace, such as the people at risk of exclusion, the long-term unemployed, battered women and people with disabilities.

Ferrovial cannot give any details about the percentages of people by ethnic origin because this information does not form part of employee records and any question about it is considered discriminatory.

corporate responsibility **human rights**

Within the framework of action on Corporate Social Responsibility, Ferrovial has established direct mechanisms by creating employment for professionals with disabilities, and indirect mechanisms through collaboration with a variety of organizations and foundations.

Ferrovial works closely with companies that facilitate the integration and career development of these disadvantaged groups. One example is the SER-MES alliance, whose mission is to provide employment for people with disabilities and long-lasting and stable relations through jobs that respect their dignity and integrity.

Ferrovial is a trustee of the Integra Foundation, which provides standard employment to people with special difficulties in finding a job and ensures they can be part of society, thus helping them recover their self-esteem.

Employees with disabilities or reduced mobility may choose workplaces near their homes and have a parking lot made available for them. Disabled family members of employees up to the second degree of kinship or by marriage are given preference for employment.

Workers' representatives and company management have made a firm commitment to pay particular attention to employees with greater difficulties in adaptation, and to look for alternatives for their professional fulfillment within the requirements of the organization. Ferrovial supports all the initiatives to integrate people with disabilities and achieve their integration. To this end, it uses the alternative measures of direct recruitment established by law.

Familia Plan

Ferrovial promotes the social and labor integration and the improvement of the quality of life of people with disabilities. The Familia Plan, organized in partnership with the Adecco Foundation, is aimed at family members of employees with a certified level of disability of 33% or more. It also encourages and assists in providing a "family member time-out" by offering leisure activities that allow some free time to those on whom the disabled depend.

E. Child Labor

Ferrovial's Code of Ethics expresses its commitment to refrain from the use of child labor and to exclude any goods or services produced by it from its business activities, as well as to ensure compliance with the provisions of the International Labor Organization (ILO) in relation to child labor. Ferrovial demands strict observance of this principle from all of its employees and suppliers.

There is currently very little risk of violating this commitment, since most of its investments are in OECD countries, which already have a legal framework for the protection of labor rights. At present, 89% of Ferrovial's 101,404 employees work in OECD member states, where Human Rights are expressly recognized in national legislation.

Through Swissport, the Ferrovial Servicios subsidiary, Ferrovial has also provided airport ground handling services in certain non-OECD countries: Russia, Brazil, Tanzania, Kenya, Cameroon, Dominican Republic, Nigeria, Argentina, Venezuela, Cyprus, Ukraine, Bulgaria and Algeria. The sale of Swissport was concluded in February 2011. This means that Ferrovial no longer operates in non-OECD countries.

Excluding Swissport, Ferrovial is present in 17 countries: Canada, Chile, the United States, Spain, Italy, Ireland, Poland, Portugal, the United Kingdom, Holland and Greece, with 99.99% of the workforce. The remainder is divided between Colombia, the Dominican Republic, and UAE, Qatar, Oman and Tunisia.

Most of Ferrovial's suppliers also operate in OECD countries and are therefore considered low-risk as regards Human Rights violations. All purchasing and subcontracting involve an acceptance of agreements requiring compliance with current law on environmental and labor matters. Regarding the sign of agreements, they also include a clause requiring commitment to the Global Compact and collaboration on social action projects.

Suppliers who operate outside the OECD are bound by Human Rights legislation. To ensure compliance, suppliers are periodically asked to provide documents proving compliance.

According to the latest evaluation, internal procedures protect against risks of Human Rights violation in environmental and health and safety matters, which are the key aspects with respect to current business risks.

Number of employees and activities in non-OECD countries

Country	Activity	Employees
Algeria	Handling	189
Argentina	Handling	246
Brazil	Handling	5,195
Bulgaria	Handling	200
Cameroon	Handling	136
Cyprus	Handling	510
Kenya	Handling	390
Nigeria	Handling	320
Dominican Republic	Handling	820
Russia	Handling	23
South Africa	Handling	3,033
Tanzania	Handling	439
Ukraine	Handling	513
Venezuela	Handling	49
Total		**12.396**

F. Training and awareness

As an international company, employer and service contractor, Ferrovial is aware of its capacity to influence many people and organizations. To do so, the company has undertaken to raise awareness and respect for Human Rights, and promote good practices within its areas of influence.

Thus, all Code of Ethics courses taught at the executive and management levels include a module on Human Rights. An on-line training course was introduced in 2010 on the Code of Ethics, and 4,240 training hours were given on the subject to 4,168 employees, 78% of structural employees in Spain. The specific initiatives related to Human Rights training in 2010 included:

Suppliers: Ferrovial takes an active role in ensuring compliance by its suppliers with Human Rights. The supplier-collaborator charter requires compliance with the principles of the Global Compact.

Forums and training programs: Ferrovial takes advantage of its participation in international forums and training programs to raise awareness of the need for business involvement in the protection of Human Rights. Proof of this was the appointment of Ferrovial in May 2010 as a member of the Executive Committee of Forética.

In November, Ferrovial was the only Spanish company invited to take part in the forum "Consultation with private sector representatives on good practices: Human Rights, water and sanitation", coordinated by the UN Independent Expert in water and water sanitation. The company also played an active role in a number of round-table meetings on the Sustainable Economy Act in Spain, one of them organized as part of the International Town Planning and Environment Trade Fair, and another together with members of parliament organized by the CEOE.

In addition, in 2010 Ferrovial hosted two sessions of the PEP (Company-MPs Program), which is designed to offer members of parliament a real knowledge of the company, its principles, objectives, organization, strategies and operating methods, as well as its technological and human approaches. At the same time, it gives company executives and their collaborators an overview of Spain's parliamentary reality, the legislative process, and the problems faced by members of parliament at local, regional, national and EU level when they deal with matters affecting corporate life.

Corporate Reputation Forum (fRC): Until April 22, 2010, Ferrovial chaired the fRC (Corporate Reputation Forum), which includes all the major Spanish companies and aims to serve as a meeting place for disseminating trends, tools and models for managing corporate reputation. Ferrovial's position at the head of the forum was a further boost to the awareness campaign for the Millennium Development Goals, entitled "2015: A Better World for Joana", which aims to disseminate the eight goals set by the United Nations and to promote best practices for compliance among Spanish companies.

G. Corporate Volunteering

Ferrovial promotes corporate volunteering as a way of raising awareness and providing training in the area of Human Rights. In 2010, 1,642 employees were involved in social initiatives during their workday, 55% more than last year.

Involvement by employees in social projects promotes respect for Human Rights, generates information about the problems that lead to their violation and raises awareness of the importance of citizen participation to resolve these problems.

Ferrovial considers corporate volunteering to be those activities with a positive social impact promoted by the company and carried out voluntarily by its employees during their work hours. The company also promotes volunteering during employees' free time, as well as joint donation or "matching gift" programs with employees, but does not consider these actions to be corporate volunteering.

corporate responsibility **human rights**

Ferrovial is actively involved through its volunteers in the fight to protect Human Rights, and thus contributes toward the achievement of Millennium Development Goal number 8: a global partnership for development.

The company has three ways of channeling its employees' charitable interests and promoting the culture of solidarity:

• **Volunteer Day.** Every year Ferrovial organizes a day on which employees in the headquarters can participate in a variety of charity work during the workday.

In 2010, 125 employees took part in activities ranging from "soccer matches for inclusion" to benefit groups such as people with disabilities and the homeless, to the translation of letters from sponsored children in countries in the South. Among those taking part in the event were the Plan España Foundation, the Rais Foundation, the Juan XXIII Foundation and the Les Corts Occupational Center.

• **Volunteering for Development.** Ferrovial supports and funds development cooperation through the work of its employees. So far, 29 of the company's employees have traveled to Tanzania to provide their know-how for basic infrastructure access projects. International volunteering is specialized and professional. Currently volunteers are working on the Maji ni Uhai project, which will be maintained through the Social Infrastructure Program (see the chapter on Community Investment).

In 2010 eight Ferrovial employees traveled to Tanzania for 15 days to take part in the second phase of the Maji ni Uhai project. The volunteers were chosen from more than 50 candidates according to the needs identified by the project leaders. All participants received training in cooperation and worked on the design, technical advice and monitoring of the infrastructure construction work for water and sanitation. They also analyzed the quality of water from the new infrastructure built and trained local technicians.

• **BAA I-Volunteer Awards.** BAA encourages the culture of volunteering among airport employees through a competition that rewards the best charity initiative within the company each year. An independent panel decides on the winning candidates and makes a donation to the charity chosen by the most committed employee.

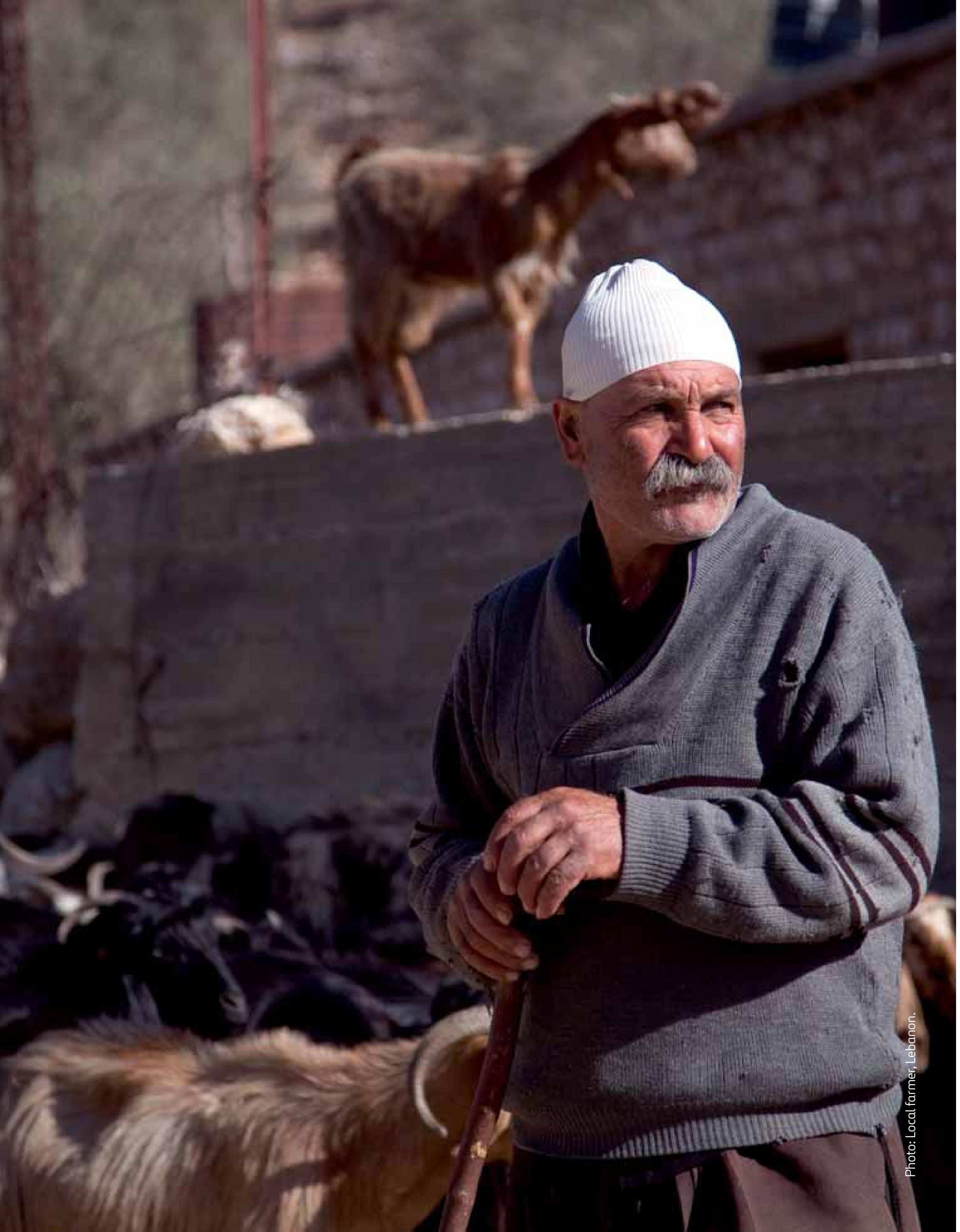


Photo: Local farmer, Lebanon.

community investment

Ferrovial invested € 58.35 M on the community in 2010, 2.32% of EBITDA. The company carried out 574 social action projects that benefited nearly one million people. One of the priority areas for action is the development of efficient, accessible, clean and caring infrastructures.

Commitment

• Support socio-economic development wherever the company operates.

Lines of Action

- Plan community investment as a tool to assist the development of societies and the environment wherever Ferrovial operates.
- Work with governments, NGOs and other social agents on projects and activities related to social development, environmental conservation and occupational safety.
- As a global company, confront the problems of the planet and in particular engage in the fight against poverty.

2010 Milestones

- Approximately 60% of social action projects are strategic. Strategic projects are those who include a sustained involvement.
- 521.24% increase in obligatory community investment.
- Conclusion of the first phase of the Maji ni Uhai cooperation project, with 100% of the objectives met.

2011 Goals

- Conclusion of the Maji ni Uhai cooperation project, with 100% of the objectives met.
- Implementation of the Social Infrastructure Program.

Voluntary contributions amounted to € 5.3 M, while obligatory ones totaled € 51.6 M, more than five times the figure for 2009.

Most of the mandatory contributions (44 million euro) come from compensations due to the construction of a third runway in Hathrow airpot.

The company managed to achieve its 2010 objective of becoming a model of good practice for other companies in the management of social action projects. This is clear from the numerous awards that the Maji ni Uhai (Water is Life) cooperation project, the flagship of the company's social action, has received over the year. The project is financed completely by Ferrovial and managed jointly with Amref Flying Doctors. It was awarded the European Environment Award for Companies from the European Commission and the Codespa Charitable Company Award.

Community investment	2010	2009	2008	Var 10-09
Socially responsible investment (DJSI)	78	78	72	0%
Net job creation (%)	-6.60	1.43	4.07	-562%
Community support projects	574	642	459	-11%
Social investment in the community (million €) *	56.9	17.98	18.17	216%
Social investment as proportion of EBITDA (%)	2.26	0.72	0.66	214%
Beneficiaries in social projects	934,985	565,679	491,001	65%

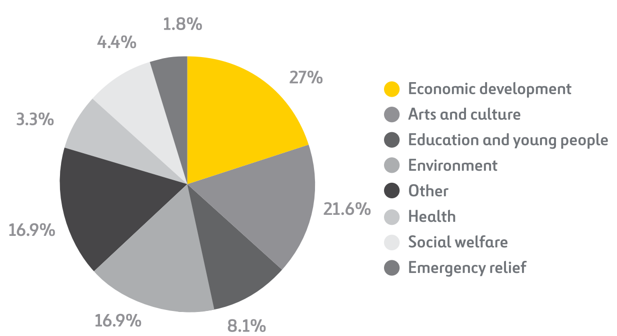
*** This figure includes voluntary contributions (5.3 million euro) and mandatory contributions (51.6 million euro) according to LBG model. Most of the mandatory contributions (44 million euros) come from compensations due to the construction of a third runway in Heathrow airpor.**

corporate responsibility **community investment**

Ferrovial has also been invited to numerous forums to present its success stories and promote good practice among companies. In November 2010 Ferrovial was one of eight global participants in the consultation on Good Practice in Water, Sanitation and Human Rights with the private sector organized by Catarina de Alburquerque, UN Independent Expert in Human Right to Water and Sanitation.

In 2010 the Dow Jones Sustainability Index recognized and recommended the London Benchmarking Group (LBG) methodology to inform on companies' social action. Ferrovial has been using this methodology since 2007. It is an innovative high-quality model that improves on and unifies criteria for classifying, managing, measuring and communicating initiatives in the community.

The LBG methodology classifies social action in eight areas: education and young people, economic development, social welfare, health, arts and culture, the environment, emergency relief and others. The following chart illustrates the breakdown of investment in social action in 2010 by these areas of action.



Ferrovial aims to develop social action projects that are consistent with its business model and the societies in which it carries out its activities. Hence, the countries in which it has made its biggest social investment are the UK and Spain, the geographical areas that concentrate most of the company's activities.

1. Community Investment Policy

Ferrovial's new Corporate Responsibility strategy, the 20.13 Plan approved in 2010, confirms the company's strategic vision of community investment, which it considers an instrument for the development of society and the environment in which it operates.

The plan envisages the setting up of a Corporate Responsibility Committee to ensure the correct application of the criteria of consistency and sustainability in social projects supported by the company. This committee was formally established in October 2010 and is made up of the directors of the corporate areas and a representative from each business. For more information, see the section on Corporate Social Responsibility in this report.

Three priority community investment areas have been defined that concur with the nature of Ferrovial's business and its possible impact:

Social infraestructures. The success of the Maji ni Uhai cooperation project has led the company to embark on a much broader program. Ferrovial aims to replicate the collaboration model between NGOs, company and governments in other parts of Africa. Basic infrastructure projects will be developed in collaboration with the company's professionals.

Accessibility to public spaces and buildings. Ferrovial undertakes to use its know-how to adapt public spaces and buildings to people with mobility problems.

Restoration of historical monuments. The company's commitment to the arts and culture is manifested through reconstruction and restoration projects on buildings of historical interest.

The following criteria are also taken into account when selecting social projects:

- The ongoing nature of the projects through medium and long-term alliances with entities in the Third Sector with proven reputation and transparency. Ferrovial makes use of the studies on transparency and good practices carried out by the Fundación Lealtad when selecting the entities with which to collaborate.
- Sustainability of projects, both financially and institutionally, in order to avoid generating dependency in the communities that receive assistance from Ferrovial.
- The multiplier effect: Ferrovial communicates its experiences and good practices in social investment in forums to serve as an example to other institutions. It encourages campaigns that raise awareness of global problems. In 2009 it published the Maji ni Uhai documentary on the problem of water in Tanzania.
- Encourage employee participation in corporate social commitment, through corporate voluntary work and involvement in matching-gift initiatives such as Juntos Sumamos (Stronger Together).

2.Local Development

A. Local economic development

As an infrastructure manager, Ferrovial plays a fundamental role in the development of local economies. The nature of its business makes Ferrovial a key player in reducing geographical imbalances, as the provision of infrastructures in a region determines its economic development. For example, Ferrovial has helped reduce the isolation of the island of San Miguel (Azores, Portugal) with the construction and management of the Euroscut Azores toll road.

B. Generation of local employment

Through its activities around the world Ferrovial also generates employment at a local level and promotes purchasing from local suppliers. Currently Ferrovial is present in over 45 countries. Despite the economic crisis, Ferrovial has maintained job creation in the main markets where it operates.

Workforce at year-end		
Germany	674	1%
Dutch antilles	140	0%
Algeria	189	0%
Argentina	246	0%
Austria	25	0%
Belgium	128	0%
Brazil	5,195	5%
Bulgaria	200	0%
Cameroon	136	0%
Canada	1,776	2%
Chile	716	1%
Cyprus	510	1%
Colombia	2	0%
Korea	333	0%

Workforce at year-end		
U.S.	9,998	10%
Spain	**38,069**	**38%**
France	758	1%
Greece	1,033	1%
Holland	205	0%
Hungary	18	0%
Ireland	82	0%
Israel	141	0%
Italy	468	0%
Japan	464	0%
Kenya	390	0%
Luxembourg	0	0%
Mexico	404	0%
Nigeria	320	0%
Poland	5,049	5%
Portugal	1,027	1%
Dominican republic	816	1%
United kingdom	23,271	23%
Russia	23	0%
Singapore	0	0%
South africa	3,033	3%
Switzerland	4,563	4%
Tanzania	439	0%
Tunisia	1	0%
Ukraine	513	1%
Venezuela	49	0%
	101,404	**100%**

corporate responsibility **community investment**

C. Local purchasing

Ferrovial has a purchasing policy that is adapted to its international expansion, while maintaining the goal of strengthening long-term relations with suppliers and subcontractors. To achieve this, the centralized management needed to supply all of the company's projects is combined with a decentralized approach that allows local project managers to establish strong ties with local subcontractors, who in general have less global exposure.

By geographical area, 33% of all suppliers are contracted in Spain, 64% in UK, 3.2% in USA, 47.5% in Poland and 9.6% in other countries.

Local suppliers represent the vast majority in all the markets in which Ferrovial operates. For example, in Spain 86% of suppliers are local and 14% are from abroad. Approximately 73% of all Ferrovial's suppliers are in the Contruction industry and Ferrovial Agroman's main market is Spain.

D. Local investment

The company pursues social investment programs in the areas where it carries out its business activity. Hence, the countries that have benefited from most of the social investment are Spain (56% of total voluntary work) and the UK (28% of total voluntary work), the geographical areas that concentrate most of the company's activities.

The BAA airports are particularly notable for their excellent relations with local communities. In the areas close to airports such as the Thames Valley and Hillingdon communities in the case of Heathrow, occupational training programs are financed and developed to provide the local population with access to the airport labor market, as well as giving training to young people. Charity funds are also created to finance social regeneration projects in the area and to support local charities (Groundwork Thames Valley, Hillingdon Community Trust, Stansted Airport Communities Trust, among others).

The relationship of Budimex (the Polish construction subsidiary) and its employees with its local communities was also particularly important in 2010. The flooding affecting the area of Pyrzowice-Piekary Śląskie generated an immediate response from the company, which offered its resources to reduce the effect of the floods: Two bulldozers worked all week to construct a containment dike to avert greater losses in the area. As well as this, 35 employees worked during their work hours to remove rubble and restore the homes affected.

A further 200 Budimex employees worked voluntarily to renew the center for children from poor families sponsored by Caritas Poland. The company has contributed hours from its employees' working time to reconstruct the center and has contributed construction materials.

E. Local contribution - Taxes paid

Ferrovial is aware of the importance of its contribution to the local economy and maintains a strict policy regarding its tax payments in the countries where it operates.

(*) (See Note 22 "Tax Situation" in the Financial Statements).

Value creation		**Million Euro**
Economic value generated	**2010**	**2009**
Revenues		
Sales	12.169	12.232
Other operating revenues	17	30
Financial income	172	167
Impairment and disposals of fixed assets	740	-620
Share in profits of subsidiaries carried by equity method	53	69
	13.151	11.878
Economic value distributed		
Expenses*		
Materials consumed	1.486	1.487
Otros gastos externos	1.596	1.645
Other external expenses	2.992	2.939
Wages and profits for employees		
Staff expenses (note 27)	3.422	3.423
Financial expenses and dividends		
Dividends	308	293
Financial expenses	1.818	1.672
Taxes		
Corporate income taxes	44	-84
	11.666	**11.375**
Economic result retained	**1.485**	**503**

* Social expenses of the Group and the Foundation expenses are detailed in this chapter.

3. Social Action

In 2010, investment projects in the Communities where Ferrovial carries out its activities directly benefited 934,985 people, 65% more than the previous year.

In 2010, Ferrovial invested 56.9 million euro in social action projects (2.26% of EBITDA), 216% more than the previous year. Of this amount 5.3 million euro correspond to voluntary contributions and 51.6 million to obligatory.

Ferrovial is involved in social action projects as an active participant and not just a donor. It provides both funds and technical assistance, technology and specialists for carrying out projects. Responding to the invitation of the United Nations, Ferrovial has made the Millennium Development Goals (MDGs) one of its core areas of activity. Specifically, Ferrovial wants to become a benchmark for Goal 8: "Develop a Global Partnership for Development."

Ferrovial is also a responsible donor that bases its donations on prior background information and subsequently checks the work of the NGO in question and the impact of the donation. The company works with Fundación Lealtad, a not-for-profit organization that aims to maintain the transparency and good practices of NGOs, and applies its recommendations in relation to the Third Sector. This collaboration guarantees that the counterparties with which the company works meet the standards of good governance and transparency.

Main projects	Business	Scope of action	Contribution (€)
Groundwork Thames Valley - Large donations to local education projects (up to £ 50,000)	Airports	Education and young people	616,350
Maji ni Uhai cooperation project, Amref Flying Doctors	Corporate	Economic development	559,084
Global change monitoring program in the National Parks network, Fundación Biodiversidad	Construction	Environment	501,164
Sponsorship of Xacobeo 2010	Construction	Arts and culture	250,372
Support for Help for Heroes activities	Airports	Health	254,444
Project to develop Laje das Fogaças and set up an Interpretative Center for Cave Art	Toll Roads	Arts and culture	189,639
Music scholarships for the Violoncello Chair at the Reina Sofia Higher School of Music, run by the Albéniz Foundation	Corporate	Arts and culture	125,000
Support for the flood victims in the communities of Pyrzowice-Piekary Śląskie, Poland	Construction	Emergency relief	119,561
Groundwork Thames Valley - Small donations to local environmental projects (up to £ 2,500)	Airports	Environment	119,331
Sponsorship of the Guggenheim Museum Foundation	Services	Arts and culture	100,792
Hillingdon Community Trust – Donations to skills development projects in local communities	Airports	Economic development	100,000
Sponsorship of the Orfeo Catalán Music Foundation	Construction	Arts and culture	95,638
Novel and Essay Prizes, publication of the anthology Arcadia en llamas and activities to promote reading by the Municipal Book Institute, Malaga City Council	Construction	Arts and culture	80,372
Euskadi Kirola Fundazioa sports scholarships	Services	Other	80,000
Sponsorship of the 2010-11 season at the Teatro Real, Madrid, Teatro Lírico Foundation	Construction	Arts and culture	78,943
Corporate voluntary work to refurbish the children's care center run by Caritas Poland	Construction	Social welfare	77,882
Local economic development program "Heathrow Meets the Buyers"	Airports	Economic development	60,000
Creation of altarpiece for the high altar in the Nuestra Señora de Nazaret church in Zaragoza	Construction	Arts and culture	51,732

corporate responsibility **community investment**

The company has staff responsible for the quality monitoring and control of its social action projects. This ensures that the funds are invested both appropriately and efficiently.

In 2010, Ferrovial carried out 574 social action projects.

Maji ni Uhai Cooperation Project
Maji ni Uhai (Water is Life) is the result of collaboration between a company (Ferrovial), an NGO (Amref Flying Doctors) and the local authorities in the fight against poverty. It is a cooperation project that will provide clean water and sanitation infrastructures for 51,000 people in Tanzania.

The three-year project has a budget of 1.8 million euro. The company is committed to providing 100% financing, the core technologies for the project, volunteers for the preparation of technical studies and supervision of the works, and the transfer of its know-how to local communities.

The first phase was completed in 2010. It was focused on three of the five regions benefiting: Ring`wani, Isenye and Kyambahi. An assessment of the progress made on the action plan was also carried out, which has shown that the targets have been met: 65% of infrastructures have already been built, 131 local technicians have been trained in the maintenance of sanitary and water infrastructures and in health promotion and more than 1,300 people have participated in meetings designed to raise awareness. The involvement of the local authorities in the project has been a real success. The District of Serengeti has even reserved 10% of the budget for next year for the maintenance and extension of the infrastructures constructed by the project. This involvement is essential for the sustainability of the project and represents proof of the excellent progress made with Maji ni Uhai.

Currently the second phase is underway. Its completion is planned for September 2011.

Maji ni Uhai contributes to achieving the Millennium Development Goals as follows:

Goal 1:
Eradicate extreme poverty and hunger
Lack of access to clean water leads to diseases affecting people and livestock, lower livestock production and the loss of potentially productive time due to the need to walk long distances to get water. In addition, the population's low level of health reduces performance at work, and in many cases prevents productive activities from being carried out. This project helps reduce these negative effects on the economy. Maji ni Uhai also promotes the creation of small businesses and the professional training of local technicians to maintain infrastructures.

Goal 2:
Achieve universal primary education
Children, and in particular girls (and women), are responsible for bringing water to the home. Access to clean water nearby will allow children to go to school, as the time they use for the task of collecting water will be reduced. In addition, the lack of adequate sanitary facilities at schools makes most girls take time off school once a month due to their menstruation, and sometimes to abandon it completely. The construction of latrines in schools, as included in the project, will help prevent these dropouts.

Goal 3:
Promote gender equality and empower women
The project enforces gender equality in the Water Committees and all the associations it promotes to guarantee the presence of at least 50% women, both as users and in representative positions (chair, treasurer, or secretary). In addition, the training of health trainers is particularly targeted at women, as a way of ensuring they acquire recognition among the community.

Goal 4:
Reduce child mortality
The main diseases affecting children in the area are diarrhea and parasitosis of the digestive tract. Both result from the consumption of poor quality water. This intervention will reduce the incidence of these diseases.

Goal 5:
Improve maternal health
The lack of clean water and adequate health facilities in clinics substantially increases the risk of infections during childbirth. At the end of the project, 100% of clinics in the area of activity will have sanitary and water infrastructures.

Goal 6:
Combat HIV/AIDS, malaria and other diseases
An essential aspect of this project is training in health and the promotion of good hygiene practices, which will notably reduce the incidence of disease. Works to improve reservoirs and other water points prevent the proliferation of mosquitoes and thus malaria.

Goal 7:
Ensure environmental sustainability
The project will have a positive impact on its natural environment. Water coverage in the area is planned to increase from the current 23% to more than 60% in 2011.
In addition, the construction of water troughs to prevent livestock from drinking from rivers and streams will improve water quality by reducing the current excessive bacteriological contamination and help preserve riverbank vegetation. The quality of soils is also improved and protected through adequate sanitation.

Goal 8:
Develop a Global Partnership for Development
The innovative point about this project is based precisely on an alliance between an NGO, Amref Flying Doctors, the local authorities of the District of Serengeti and a private company, Ferrovial, as has been explained.

The quality and innovative nature of this project was recognized in 2010 with numerous awards such as the European Environment Award for Companies granted by the European Environment Commission, the Codespa Charitable Company Award, and the World Business and Development Awards organized by the International Chamber of Commerce, at which it received a special mention.

Juntos Sumamos donation program
Ferrovial has been working on the Juntos Sumamos program since 2005. It encourages the company and its employees to work together to meet the global needs of society and stop Human Rights violations. This is a matching-funds initiative under which Ferrovial employees decide to contribute a monthly amount to a social project and the company doubles the amount donated.

Since its inception the program has grown steadily and so far the company and its employees have donated more than 650,000 euro to a variety of projects.

Ferrovial is a responsible donor that is actively involved in the projects in which it participates. Following the 2008 program, the company introduced a new procedure for selecting the projects to be funded to increase the involvement of employees and the transparency of the whole process. It consists of a committee comprised of Social Action experts from Ferrovial, who every year review the proposals put forward by NGOs and select the best projects to be submitted to the employees for their vote so that one can be selected.

When the subsidized project has been completed, the beneficiary is required to submit a final report on its financial and operational aspects, which is evaluated by the Ferrovial Social Action Team. Moreover, to verify project quality and sustainability, an expert in cooperation spends a week at the project site. Photographs and videos are taken during this visit and subsequently presented to the employees so they can verify what their donations have achieved and make them aware of the importance of Human Rights.

Period	Project	Entity	Donation (€)
2005	Construction of a Hospital in Ambato, Peru	Intermón Oxfam	54,790
2006-2007	Water supply for the rural population of Chad	Intermón Oxfam	167,041
2008	Expansion of the Las Salinas school, Madagascar	Fundación Agua de Coco	44,129
2008	Construction of a school in Chandur, India	Fundación Madreselva	17,689
2008	Improving food safety in Mauritania	Intermón Oxfam	29,211
2008	Study of the governance of cooperation in Tanzania	Intermón Oxfam	42,987
2009	Improving food safety in war-torn areas of southern Lebanon	Acción Contra el Hambre	90,000
2010	Response to the emergency in Haiti	Acción Contra el Hambre, Intermón Oxfam, Plan España, the Spanish Red Cross and Fundación Juntos Mejor.	117,081
2010	Educational reconstruction in the post-conflict zone of Rutanda, Burundi	Fundación Entreculturas	90,000
Total			**652,930**

corporate responsibility **community investment**

Food safety in Lebanon

The finalist of the Juntos Sumamos call for aid in 2009 was a food safety project in war-torn areas of southern Lebanon run by Acción Contra el Hambre.

The project's main objective has been to ensure that families affected by war are able cover their basic needs, providing them with the infrastructures, tools and training to increase the productivity of their work and earn sufficient income. The project also promotes the protection of the environment, rational use of natural resources, and equality between sexes.

The execution of the budget provided by Ferrovial and its employees (90,000 euro) took place in 2010. It has increased family incomes for 30 livestock farmers and 375 farmers through the rehabilitation of farms destroyed during the war, the distribution of agricultural machinery and training in techniques to improve the productivity of land that was badly affected by the 2006 conflict.

The project particularly affects Millennium Development Goal 1 "Eradicate extreme poverty and hunger", and in a more general fashion Goal 3 "Promote gender equality and empower women and Goal 7 "Ensure environmental sustainability."

Response to the emergency in Haiti

The earthquake that hit Haiti in January 2010 stirred the solidarity of Ferrovial employees who contributed their support to the Haitian population. A special edition of the Juntos Sumamos joint donation program was launched in Spain, and in little more than a week it had collected € 58,540.89. Thanks to the contribution of the company itself, which doubled its employees' donations, five NGOs benefited by € 117,081.78 to develop emergency programs for reconstructing the area.

Once a study of the area and the consequence of the earthquake had been concluded, the NGOs decided to allocate this contribution to various fields of humanitarian activity:

- Acción Contra el Hambre set up a water tank in the center of Port-au-Prince to provide for the water needs of 2,000 people a day for 10 weeks.
- Intermón Oxfam supplied hygiene kits to 300 families, 200 dry latrines to be used for sanitation by 50 people, 35 kits of tools to help the removal of rubble and the construction of temporary shelters, and three water tanks used by up to 2,000 people.
- Plan España is using its donation to refurbish an elementary school in the Jacmel area, which is now in the process of reconstruction. This school will serve up to 600 children.
- The Spanish Red Cross is reconstructing a secondary school in the Leogane area, which will enable 400 young people to attend school. The donation by Ferrovial and its employees will help complete this work.
- Juntos Mejor will use the donation to complete the reconstruction of one of the schools in the capital city on which it was working before the earthquake.

The NGOs benefiting from the aid were already working in Haiti before the tragedy, and to a greater or lesser extent they have also suffered its consequences in their own facilities and staff. After an initial reorganization phase, with the rescue of survivors and provision of emergency healthcare, the NGOs have begun to work on identifying the needs of the area and the creation of long-term projects. At the same time, the collapse of basic infrastructures has required these NGOs to continue working to provide basic services such as water, food and shelter to millions of people who have been left homeless.

Haiti was already in a difficult position before the earthquake (more than half of Haitian children had no schooling), so the projects undertaken now do not aim to return the country to normality but to improve on the earlier situation. Although most of the aid corresponds to emergency aid, part of it will help progress toward Millennium Development Goal 2: "Achieve universal primary education."

Educational reconstruction in Burundi

The project "Educational reconstruction in the post-conflict zone of Rutanda, Burundi" was the finalist in the call for Juntos Sumamos aid in 2010. Fundación Entreculturas has benefited from a donation of 90,000 euros to implement the project, which will benefit 13,933 children and 150 teachers.

Rutana is one of the poorest provinces in Burundi, where 54% of the population lives below the extreme poverty level (less than a dollar a day), the food situation is one of emergency and 66% of the population is undernourished.

The province is situated on the border with Tanzania and is becoming the entry point for war refugees, who are now returning as the security situation improves and there is progress in the peace process. The war led to a huge deterioration in school infrastructures and a fall in the number of qualified teachers. These infrastructures are incapable of absorbing the massive growth in the number of children as a result of the return of refugees.

The project is part of a long-term comprehensive educational program, which aims to counter the lack of access to elementary and secondary education of quality in the province of Rutana. The aim is to improve access to education and its quality for the returning population and the local community, particularly girls. Its results have been:

1. Extension of infrastructures and refurbishment of the Rutana elementary school.
2. Improved educational and psycho-social skills for 150 teachers.
3. Improved learning skills for the students at eighteen elementary and two secondary schools.
4. More effective parents' committees, with increased participation.

This project has particular impact on Millennium Development Goal 2 "Achieve universal primary education" as well a general impact on Goal 3 "Promote gender equality and empower women."

Environmental and social welfare programs in the community

Ferrovial is involved in social action projects in all the communities where it is active. The aim is to improve the quality of life of people and care for their environment. The "Local Investment" section details the main projects undertaken in 2010.

The main environmental project carried out by the company in 2010 has been the Global Change Monitoring Program in the National Parks Network. Through its collaboration with Fundación Biodiversidad, Ferrovial promotes research on the identification, conservation and sustainability of biodiversity.

In 2010 Ferrovial also implemented a number of projects to help people with disabilities (such as labor insertion projects sponsored through the Fundación Integra trust) and sports promotion (such as the sports scholarships run by Euskadi Kirola Fundazioa).

Promoting arts and culture

Through its collaboration with various cultural institutions and artistic projects, Ferrovial supports the promotion and dissemination of culture, education and artistic creation.

Ferrovial has worked with the Fundación Albéniz since 2008 to sponsor the music scholarships in the Ferrovial Violoncello Chair at the Reina Sofía Higher School of Music. The aim is to train promising young musicians who are particularly gifted on this instrument.

Ferrovial has been active in 2010 in the main cultural events in the country, such as Xacobeo 2010, where it has sponsored cultural activities aimed at attracting people to the Way of St James as a World Heritage Site and making it better known.

The company supports projects that enhance the local heritage in the areas in which it operates. It has helped in the creation of the altarpiece for the high altar in the Nuestra Señora de Nazaret church in Zaragoza, and the creation of an Interpretative Center for Cave Art at Laje das Fogaças in Portugal.

Ferrovial also shows its support for the cultural activities of renowned institutions such as the Guggenheim Museum Foundation, the Teatro Real of Madrid and the Municipal Book Institute of the City of Malaga through the sponsorship of cultural events.


Photo: Toll Road N4 N6, Ireland.

independent verification

This Corporate Responsibility Report aims to provide reliable and balanced information on Ferrovial's performance on relevant issues raised by stakeholders.

The independent review of the Corporate Responsibility Report issued by Deloitte is based on the principles of inclusivity, materiality and responsiveness under the AA 1000 AccountAbility Principles Standard 2008 (AA 1000 APS).

The verifier's work has been done in accordance with the standards and procedures included in the International Standards on Assurance Engagements (ISAE 3000) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guidelines of the Institute of Chartered Accountants of Spain for the review of Corporate Responsibility Reports. AA1000AS has been applied to provide type-2 moderate security.

A.Verification Report
The verification report is attached to the end of the chapter.

B. Reporting principles
This document has been prepared in compliance with the AA1000 Accountability Principles Standard 2008 (AA1000APS) and according to Version 3 of the Global Reporting Initiative Guidelines (GRI).

The AA1000 Standard
For the fourth consecutive year, the Corporate Responsibility Report has applied the principles of the AA1000 Standard, a key tool for aligning information presented in reports with stakeholder expectations. Accordingly, the report now includes an expanded section on stakeholder relations.

The AA1000 Standard is based on three fundamental principles:

- **Materiality.** The information included in the report must be the information required by the stakeholders. In other words, it ensures that it discloses all those "material" aspects whose omission or distortion could influence its stakeholders' decisions or actions.
- **Inclusivity.** This principle analyzes the extent to which the reporting organization can identify and understand the material aspects of its sustainable performance and present sufficient information in terms of quality and quantity.
- **Responsiveness:** This means reporting on the capacity to respond to stakeholder expectations.

GRI3 Guidelines
The report complies with Version 3 of the Global Reporting Initiative (GRI) Guidelines. These Guidelines include a series of principles and indicators that aim to define the report's content, scope and coverage, as well as to ensure the quality of the information disclosed. A GRI index is presented in the final part of the Corporate Responsibility section of this report. This Report has been given an A+ rating, according to GRI guideline requirements.

The principles on which the GRI3 is based include the following:

Principles for defining the content:
- Materiality
- Stakeholder engagement
- Sustainability context
- Completeness

Principles for defining the quality of the Report:
- Balance
- Comparability
- Accuracy
- Frequency
- Clarity
- Reliability

As regards the principles underpinning reporting content, Ferrovial's activities are described in the specific sections on materiality, stakeholder engagement and principles for sustainable development.

A series of measures were applied throughout 2010 to ensure the quality of this Report:

- The implementation of a reporting system for Corporate Responsibility issues in the Group (see the section on the Information Consolidation Process) that allows clear, reliable, regular, comparable and accurate information to be obtained.
- As was the case in previous years, Ferrovial has carried out a process of stakeholder engagement: The corporate responsibility reports of the competition were analyzed to extract the most relevant matters for the sector, different stakeholder groups took personalized surveys, stakeholder opinion reports were analyzed (Villafañe y Asociados) and the most relevant matters were extracted from the different sustainability indexes.

C. Reporting scope

corporate responsibility **independent verification**

The reporting scope encompasses the companies and any other form of association in which Ferrovial is a majority shareholder or in charge of its management. It also includes all companies that generate significant impacts on sustainability.

Ferrovial comprises the parent company Ferrovial, S.A. and its subsidiaries and associated companies.

During 2010 there were three material events that affected the scope of consolidation of the group.

- In September, Cintra completed the process by which it sold 60% of its stake in Cintra Chile to the Colombian company ISA;
- In October, an agreement was reached with the pension fund Canada Pension Plan Investment Board (CPPIB) for the sale of 10% of the capital of the concessionaire of the 407 ETR toll road in Toronto (Canada);
- On July 21, an agreement was reached for the sale of 50% of the share of the capital of Autopista Trados 45, S.A. to the company FINAVIAS.
- On June 28, the sale of 66.66% of the stock held by Amey in Tube Lines was closed, which was accounted for by the equity method. The sale was worth £ 206 M. Amey has recovered its investment in Tube Lines (capital, subordinate debt and amount paid in 2005 for the acquisition of the 33% from Jarvis), as well as the earnings generated since 2003.
- On November 2, 2010, Ferrovial Servicios reached an agreement with the investment fund PAI Partners for the sale of Swissport International AG, the world leader in airport ground services, for CHF 900 M, (around € 654 M).
- On October 1, BAA announced the sale of its stake in Naples international airport to the Italian company F2i SGR for € 150 M. It also sold its stake in Airport Property Partnership (APP) to the British company Segro.

Ferrovial, S.A. conducts its business through the following divisions:

Airports
One of the leading companies in this area is BAA Plc, a British firm that owns six UK airports and other business assets outside the country through its subsidiaries. Outside the scope of BAA, Ferrovial owns Aeropuerto Cerro Moreno Sociedad Concesionaria, S.A. in Chile.

Toll Roads
This activity includes development, financing, execution and operation of toll road projects carried out through the company Cintra S.A. The following companies are included in this business: Autopista del Sol, C.E.S.A, Autopista Terrasa Manresa, S.A, Autopista Madrid Sur C.E.S.A, Autopista Madrid Levante, C.E.S.A., Autopista M-203 Alcalá-O'Donnell S.A., Cintra Portugal, 407 International Inc., Eurolink Motorway Operation, Ltd., N4/N6 (M4), Eurolink Motorway Operations (M3) Ltd, Cintra Texas Corp Skyway Concession Co. LLC, ITR Concession Company, Nea Odos Sociedad Anónima Concesionaria, Ionian Road and SH130.

Services
Ferrovial Servicios S.A. is the parent company in this division, which is divided into the following business areas:

- Maintenance and upkeep of infrastructures, buildings and facilities. Conducted by Amey, Plc. in the UK and Grupisa, S.A. in Spain.
- Airport handling, which is conducted by the Swissport Group.
- Facility Management, which is handled primarily by Ferrovial Servicios S.A., Eurolimp in Spain.
- Urban services and waste treatment. This activity is mainly carried out through Cespa S.A., Ecocat S.L. (IP) and Cespa Portugal S.A.

Construction
This division executes all kinds of public and private works both in Spain and abroad, fundamentally through Ferrovial Agromán, S.A., this business division's flagship company. The following are responsible for some of this division's most salient activities: Construcción España (Ferrovial Agromán, S.A., Compañía de Obras Castillejos, S.A., Edytesa, S.A., Técnicas del Pretensado y Servicios Auxiliares, S.L., Ferrovial Conservación, S.A., and Ditecpesa, S.A.). Among the most important of its international construction activities are those carried out in Poland through Budimex, S.A. and its subsidiaries; Ferrovial Agroman Canadá Inc; Ferrovial Agroman Chile S.A; Ferrovial Agroman US Corp; Ferrovial Agroman Irlanda Ltd; Ferrovial Agroman Portugal, S.A.; Ferrovial Agroman Grecia S.A.; Ferrovial Agroman Colombia S.A; Ferrovial Agroman República Dominicana S.A; Ferrovial Agromán Texas S.A; Ferrovial Agromán Italia S.A; Ferrovial Agroman Indiana S.A; Ferrovial Agroman Túnez; Ferrovial Agroman Puerto Rico S.A and Webber. Other activities within this division are construction in the United Kingdom (Ferrovial Agroman UK, Ltd) and industrial construction (Cadagua, S.A., Boremer, S.A., Cadagua Portugal, S.A., Cadagua Chile, S.A., and Cadagua Polonia, S.A.).

When the information provided in this report does not represent the totality of the group, a footnote will be included to this effect.

D. Information consolidation process
Since 2007 Ferrovial has employed a system for reporting and consolidating Corporate Responsibility information.

This system helps improve the quality of the information and makes it easier to compile information for internal and external reporting. This reporting system is used for a variety of purposes, such as the Annual Report, inclusion in sustainability indices (Dow Jones, FTSE4Good, etc.), the UN Global Compact Progress Report and other observatories or barometers that are kept informed of the activities undertaken. It also gives accredited third parties access to the traceability of these indicators to assist in their verification.

To compile information on Corporate Responsibility the company uses a reporting process that encompasses all the companies in the group. This level of reporting allows us to work on two levels: geographically, encompassing all of Ferrovial's subsidiaries worldwide; and by business areas, which includes the four company divisions: Construction, Services, Toll Roads, and Airports. This scheme means that the data collected can be cross-referenced to obtain the information needed.

The reporting process has several stages: First, data is entered by users from their own companies; the information then goes though several validation phases until it is verified; and finally it is consolidated.

At present, information entered by 130 users is collected from 100 companies (only active companies and excluding special-purpose vehicles). In total, consolidated information is collected on over 100 indicators. The consolidation criteria used by the system has not been modified with regard to previous years. All the companies had reported their indicators on Social Corporate Responsibility as of December 2010.

E. Reformulation of the information presented
The consolidated information included in this Report may display significant variations in terms of comparability, because of its wider scope. This effect is particularly significant when comparing data prior to 2006, when there was a sizeable impact with the incorporation of BAA, and taking into account the more extended information included from Swissport.

In 2010 the comparability of the CSR data with 2009 was slightly affected by the exclusion of Cintra Chile, Tube Lines and Naples Airport. Swissport and the Trados 45 toll roads continue to be included in the information reported for 2010, as the operation was formalized in 2011.

The principles in GRI3 and the AA1000AS Standard were used as the basis for presenting the information. This has led to an increase in the number of indicators reported. As a result, historical data are missing from some indicators.

F. Materiality and stakeholder participation
A new model for Ferrovial stakeholder engagement was implemented in 2010.

This model includes a reputational perspective in its design and in the analysis of its results and conclusions. The model carries out consultations with the most representative stakeholders for the company with questions related to the contents of the Annual Corporate Responsibility Report. The questions focused primarily on identifying the matters considered most relevant by Ferrovial: labor issues, the supply chain, quality, corporate communications and stakeholder engagement, the environment, the reporting process and community engagement.

In all, 200 interviews were carried out with: 47 media, 10 financial analysts, 40 opinion leaders, 12 customers, 28 suppliers, 10 business associations, 10 partners, 10 labor unions, 15 NGOs, and 18 politicians and regulators.

Country	Stakeholders
Financial analysts	10
Media	47
Opinion leaders	40
Customers	12
Suppliers	28
Business associations	10
Partners	10
Labor unions	10
Third Sector	15
Government and public authorities	18
Total	**200**

corporate responsibility **independent verification**

Following analysis, the data obtained is used to prepare a report for each stakeholder and a joint report that helps decision-making at Ferrovial, allows the setting of reputational objectives and improves the company's relations with its audiences.

A new model of stakeholder engagement was implemented in 2010. As a result, it is not possible to make a uniform comparison of all the perception indicators for 2009, obtained through RepTrack surveys, and those for 2010, obtained by the Villafañe y Asociados consultation model.

For this reason, all the perception indicators in the scorecard for this year have been removed. Next year's Annual Report will include perception indicators for 2010 and 2011 that offer a historical series with comparison on equal terms.

Other external sources consulted were:

• **Media tracking**. A tool was created for continuous tracking and compiling of all the news appearing in the print media, both national and international, on Ferrovial and other companies in the industry. The analysis was performed using the Villafañe y Asociados methodology, in accordance with its dimensions and attributes. The purpose of this analysis is to understand the maturity of relevant issues relating to corporate responsibility for public opinion. The total number of news items analyzed was 2,030.

• **Competitor benchmarking**. A comparative study was performed in November 2010 of the annual reports of Ferrovial's main competitors and of the issues they consider most relevant. The companies analyzed were Abertis, Acciona, ACS, FCC and Sacyr Vallehermoso.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Independent Assurance Report on the 2010 Corporate Responsibility Annual Report of Ferrovial

Scope of our work

We have performed a review of the 2010 Corporate Responsibility Annual Report (CRAR) of Ferrovial S.A. and subsidiaries (hereinafter referred to as Ferrovial), the scope of which is defined in the chapter "Independent Verification – Reporting scope". Our work consisted of the review of:

- The adherence of the content of the CRR to the GRI Sustainability Reporting Guidelines version 3.0 (G3) and the core performance indicators proposed in the aforementioned guidelines.
- The information included in the CRR relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard 2008 (AA1000APS).
- The information furnished about "2010 Milestones" included at the beginning of each chapter.

The scope of our work is referred to the 2010 information contained in the CRAR. The 2009 Corporate Responsibility Annual Report was reviewed by other assurance provider who issued its report on June 23th 2010.

Assurance standards and procedures

We conducted our review in accordance with International Standard on Assurance Engagements *Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with Guidelines for engagements relating to the review of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants to achieve limited assurance. Also, we have applied AccountAbility's *AA 1000 Assurance Standard (2008) (AA1000AS)* to provide moderate assurance on the application of the principles established in standard AA1000APS and on the sustainability performance indicators (type 2 moderate assurance).

Our work consisted of making enquiries to management of Ferrovial involved in the preparation of the CRR, and of carrying out the following analytical procedures and sample-based review tests:

- Meetings with Ferrovial personnel to ascertain the principles, systems and management approaches applied.
- Review of the minutes of the 2010 Corporate Responsibility Committee meetings.
- Review of the steps taken in relation to the identification and consideration of the stakeholders during the year and of the stakeholder group participation processes through the analysis of the available internal information and third-party reports.
- Analysis of the coverage, materiality and completeness of the information included in the CRAR on the basis of the understanding of Ferrovial of its stakeholder groups' requirements in relation to the material issues identified by the organisation and described under "Stakeholder Engagement".
- Review of the information furnished about "2010 Milestones" in each line of action related to CR in Ferrovial.
- Review of the information related to the management approaches applied to each indicator.
- Analysis of the adherence of the contents of the CRAR to those recommended in the G3 Guidelines and verification that the core indicators included in the CRAR agree with those recommended by the GRI G3 Guidelines and that any inapplicable or unavailable indicators are identified.
- Review on a sample basis, of the quantitative and qualitative information relating to the GRI indicators included in the CRAR and of the adequate compilation thereof based on the data furnished by the information sources of Ferrovial.

Responsibilities of Ferrovial management and of Deloitte

- The preparation and contents of the CRAR is the responsibility of the Management of Corporate Responsibility and Communication of Ferrovial, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the CRAR.
- This report has been prepared in the interests of Ferrovial management in accordance with the terms and conditions of our Engagement Letter.
- We conducted our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- Our team consisted of a combination of professionals with assurance qualifications and professionals with social, environmental and stakeholder engagement experience and sustainability report assurance experience.

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Member of
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Conclusions

The "GRI Indicators" provides details of the indicators reviewed and of the limitations in the scope of our work, and identifies any indicators that do not cover all the areas recommended by the GRI. As a result of our review, no other matters were disclosed that would lead us to believe that the CRAR contained material errors or that it was not prepared in accordance with the guidelines of the Global Reporting Initiative Sustainability Reporting Guidelines version 3.0 (G3).

Also, the review procedures performed did not disclose any matter that would lead us to believe that Ferrovial has not applied the principles of inclusivity, materiality and responsiveness as described in "Independent Verification – *Reporting principles* and *Materiality and stakeholder participation*" in accordance with standard AA1000 2008 APS:

- Inclusivity: participation process for stakeholders that facilitate their involvement in the development of a responsible approach.
- Materiality: the process of determining materiality requires an understanding of the material or important matters for Ferrovial and its stakeholders.
- Responsiveness: actions and commitments related to the material issues identified previously.

Finally, our work did not disclose any matters that would lead us to believe that the information furnished about the Corporate Responsibility 2010 Milestones detailed in the CRAR contains material errors.

Observations and recommendations

In addition, we presented to the Management of the Ferrovial our recommendations relating to the areas for improvement in CR management and in the application of the principles of inclusivity, materiality and responsiveness. The most significant recommendations, which do not change the conclusions expressed in this report, are summarised as follows:

Inclusivity

In 2010 Ferrovial developed a new model for consulting its external stakeholders that has enabled it to carry out an assessment of its performance from the reputational standpoint. The survey was conducted only in Spain and, therefore, it would be advisable to gradually extend its scope to encompass all the other countries in order to gain an understanding of stakeholder perception in each of the geographical areas in which Ferrovial has a significant presence. Furthermore, in order to facilitate inclusivity, it would also be recommendable to make it possible to integrate the information obtained in these specific surveys with that obtained through the habitual communication channels of the various Ferrovial units with stakeholders.

Materiality

Based on the results obtained from the materiality analyses, Ferrovial prioritises the aspects identified on the basis of management's understanding of the requirements of the stakeholders and the objectives of the organisation. In this regard, a more in-depth definition of the procedure for determining materiality and the criteria used and its uniform application throughout the Group would make it possible to increase the traceability of the process and its objectiveness.

Responsiveness

A salient feature of 2010 was the approval by the Board of Directors of the new CR strategy (the 20.13 Plan) and the creation of a CR Committee whose mission is to establish, coordinate and supervise the various CR policies for the Group as a whole. In this regard, Ferrovial should develop the objectives of the five large areas of action under the 20.13 Plan and consolidate the operations of the Committee to enable it to act as a unifying CR body and to monitor the measures taken with a view to achieving those objectives. To this end, Ferrovial should review the integral CR management reporting structure and adapt it to enable it to monitor the degree of progress in relation to each of the aforementioned objectives and report on the degree to which the objectives have been achieved.

In addition, although Ferrovial has tools for compiling and consolidating the economic, social and environmental information of each Group company, in view of the widely-differing nature of the indicators and the large number of units reporting information, it would be advisable to strengthen internal controls and the mechanisms in place for validating it.

DELOITTE, S.L.

Helena Redondo
Madrid, March 30th, 2011

AA1000
Licensed Assurance Provider
000-11

profile disclosures

Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization.	p. 4, 5
1.2	Description of key impacts, risks, and opportunities.	p. 138-145

Organizational Profile		
2.1	Name of the organization.	Back cover
2.2	Primary brands, products, and/or services.	p. 18-59
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	p. 18-59, 124
2.4	Location of organization's headquarters.	p. 128, back cover
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	p. 10, 11
2.6	Nature of ownership and legal form.	p. 128
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	p. 18-59
2.8	Scale of the reporting organization.	p. 12, 13, 63-93, 242.
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	p. 63-93
2.10	Awards received in the reporting period.	p. 310, 311, 352, 390, 402

Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	p. 441-444
3.2	Date of most recent previous report (if any).	p. 441-444
3.3	Reporting cycle (annual, biennial, etc.)	p. 441-444
3.4	Contact point for questions regarding the report or its contents.	Back cover
3.5	Process for defining report content.	p. 321-329, 441-444
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	p. 441-444
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	p. 441-444
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	p. 441-444
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	p. 443
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	p. 443
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	p. 441-444
3.12	Table identifying the location of the Standard Disclosures in the report.	p. 448
3.13	Policy and current practice with regard to seeking external assurance for the report.	p. 446-447

corporate responsibility **GRI**

Governance, Commitments, and Engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	p. 6, 7
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	p. 6
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	p. 6, 7
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	p. 314-316
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	p. 309, 315, 373, 374
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance 2010 Annual Report, p. 41
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	p. 101-103
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	p. 313
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	"p. 97-99, 275, 283 Corporate Governance 2010 Anual Report p. 42-52"
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	p. 101-103
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	"p. 97-99, 309, 317 Corporate Governance 2010 Anual Report, p. 42-52"
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	p. 269, 277
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	p. 326, 327
4.14	List of stakeholder groups engaged by the organization.	p. 321-329, 443, 444
4.15	Basis for identification and selection of stakeholders with whom to engage.	p. 321-329, 443, 444
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	p. 321-329, 443, 444
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	p. 321-329, 443, 444

disclosures on management approach / performance indicators

Performance indicator		Reference	Scope	Assurance
Economic				
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	p. 434	Group	Ok
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	p. 333-334, 336-337, 345	Group	Ok
EC3	Coverage of the organization's defined benefit plan obligations.	Consolidated 2010 Annual Accounts, Notes 17 and 32.7	Group	Ok
EC4	Significant financial assistance received from government.	Consolidated 2010 Annual Accounts, Notes 20 and 22	Group	Ok
Market presence				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	p. 416	Group except Swissport	Ok (5)
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	p. 380-382	Group	Ok
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	p. 431-439	Group	Ok

Environment				
Materials				
EN1	Materials used by weight or volume.	p. 362-364	Group except Swissport	Ok (1)
EN2	Percentage of materials used that are recycled input materials.	p. 357	Group except Swissport	Ok (2)
Energy				
EN3	Direct energy consumption by primary energy source.	p. 342	Group except Swissport	Ok
EN4	Indirect energy consumption by primary source.	p. 343	Group except Swissport	Ok (3)
Water				
EN8	Total water withdrawal by source.	p. 359	Group except Swissport and Budimex	Ok(4)
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Ferrovial has not identified significant impacts on biodiversity caused by the Group activities since there are no relevant operations specifically carried out in protected areas.	Group except Swissport	N.A.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		Group except Swissport	N.A.
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	p. 337-341	Group except Swissport	Ok
EN17	Other relevant indirect greenhouse gas emissions by weight.	p. 342	Amey	Ok
EN19	Emissions of ozone-depleting substances by weight.	p. 343	Heathrow Airport and Corporate	Ok
EN20	NOx, SOx, and other significant air emissions by type and weight.	p. 342	Group except Swissport	Ok
EN21	Total water discharge by quality and destination.	p. 365	Group except Swissport	Ok (6)
EN22	Total weight of waste by type and disposal method.	p. 347,348,352-356	Group except Swissport	Ok (7)
EN23	Total number and volume of significant spills.	p. 365	Group except Swissport	Ok (8)
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	p. 333-338, 343-349, 357, 358-362	Group except Swissport	Ok
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	p. 363	Group except Swissport	Ok
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	p.365	Group except Swissport	Ok

Social: Labor Practices and Decent Work

Employment

LA1	Total workforce by employment type, employment contract, and region.	p. 307, 368-370	Group	Ok
LA2	Total number and rate of employee turnover by age group, gender, and region.	p. 307, 368, 371	Group	Ok (9)

Relation Company/Employee

LA4	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	p. 423, 424	Spain	Ok
LA5	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	p. 424	Group	Ok

Health and Safety in the workplace

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	p. 385, 386	Spain	Ok
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	p. 385-390	Group	Ok

Training and education

LA10	Average hours of training per year per employee by employee category.	p. 377-382	Group	Ok (10)

Diversity and equal opportunities

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	"p. 307, 368, 423, 425, 427 Corporate Governance 2010 Annual Report, p. 9,10"	Group	Ok (11)
LA14	Ratio of basic salary of men to women by employee category.	p. 380	Group	Ok

Social: Human Rights

Diversity and equal opportunity

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	p. 423,428	Group	Ok
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	p. 416, 426	Group	Ok

Non-discrimination

HR4	Total number of incidents of discrimination and actions taken.	p. 307, 314, 315, 316,427	Group	Ok (12)

Freedom of association and collective bargaining

HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	p. 427	Group	Ok

Child labor

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	p. 428	Group	Ok

Forced and compulsory labor

HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	p. 426- 428	Group	Ok

corporate responsibility **GRI**

Social: Society

Community

SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	"p. 431 Corporate Governance 2010 Annual Report, p. 42-52"	Group	Ok

Corruption

SO2	Percentage and total number of business units analyzed for risks related to corruption.	p. 313,314	Group	(13)
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	p. 313, 315	Structural staff in Spain	Ok
SO4	Actions taken in response to incidents of corruption.	p. 416,417	Group	(13)

Public policy

SO5	Public policy positions and participation in public policy development and lobbying.	p. 326-328	Group	Ok

Compliance

SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	"p. 313 Consolidated 2010 Annual Accounts, Notes 18 and 23"	Group	Ok

Social: Product Responsibility

Customer health and safety

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Corporate Governance 2010 Annual Report, p. 42-52	Group	(13)

Product and service labelling

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	p. 400	Group	(13)

Marketing communications

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	p. 328	Group	Ok

Compliance

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	"p. 313 Consolidated 2010 Annual Accounts, Notes 18 and 23"	Group	Ok

(1) Only information about purchased paper is given.
(2) Only information about recycled materials is given.
(3) Electricity production efficiency rates and losses due to distribution system have not been taken into account to convert to primary energy source.
(4) Only information regarding water withdrawal from municipal water supplies is given.
(5) Locally-hired non-centralized suppliers are classified as local suppliers.
(6) Information regarding accidental spills. The total volume discharged is not reported.
(7) Not broken down by disposal method.
(8) Information about total volume of spills is not reported.
(9) The information regarding employee turnover broken down by gender was calculated considering the number of employees who voluntarily leave the organization.
(10) Only information about global number of training hours is given.
(11) Not broken down by age group, minority group membership and other indicators of diversity.
(12) Only information about complaints received through Whistleblowing Channels is given.
(13) Only qualitative information is provided.

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