ANNUAL REPORT TWO THOUSAND TWELVE

60 years

2012 annual report

ferrovial

Photo: © José Manuel Ballester. Baggage transport system at Heathrow Terminal 5. London, United Kingdom.

4 letter from the chairman

6 governance

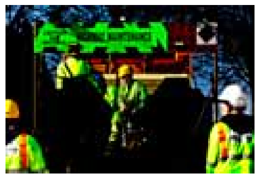
company description

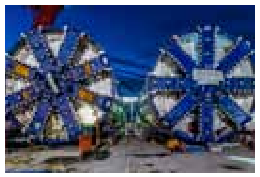
10 company profile

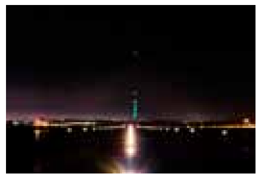
12 global presence

14 2012 in figures

16 significant events







18 services

28 toll roads

44 construction

54 airports

management report

71 business performance

86 business outlook

88 information on: the environment. employees.

88 corporate governance report

88 audit and control committee report

financial Information

96 consolidated statements of financial position

97 consolidated income statements

98 consolidated statements of comprehensive income

98 Consolidated statements of changes in equity

99 consolidated statements of cash flows

100 notes to the consolidated financial statements

168 appendices

185 auditors' report

corporate responsibility

188 corporate responsibility

198 ethical integrity

206 commitment to stakeholders

212 environment

240 human capital

252 human rights

258 health and safety

266 quality

274 innovation

282 supply chain

292 social commitment

306 about this report

310 independent assurance

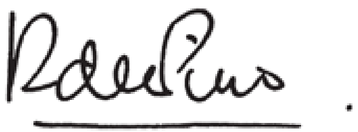
314 content index

316 management approach and performance indicators

320 directory

letter from the chairman

Rafael del Pino



March, 2013

Fellow shareholder,

Ferrovial attained 710 million euro in net profit in 2012 and 909 million euro in operating cash flow, while EBITDA rose by 13.4%. We ended the year with a net cash position of 1,489 million euro (excluding infrastructure projects). These good results enabled us to provide excellent shareholder remuneration.

Good business performance in the international arena offset a weaker domestic market. Major new contracts obtained during the year in Services, Toll Roads and Construction provide a solid basis for future activity. Our two main assets—Highway 407 ETR and Heathrow Airport—set new traffic records, issued bonds, and distributed dividends (Heathrow's first since 2006).

It was also a successful year for asset rotation, including the sale of 16.34% of Heathrow Airport Holdings (HAH) to Qatar Holding and CIC International, two high quality international investors who we hope will accompany us in other projects. HAH also divested Edinburgh Airport, as well as Stansted early in 2013. All these transactions were performed at prices that exceeded market expectations.

As a result of the strategy followed since 2009, Ferrovial now has a sound financial and liquidity position, which gives it flexibility to tap the capital markets and undertake new investments. This strength was recognised by Fitch and S&P, which confirmed Ferrovial's investment grade rating (BBB-) with a stable outlook. In January 2013 Ferrovial made its first bond issue: 500 million euro with 5 years maturity at cost of 3.443% all-in. Also, services companies Enterprise (in the UK) and Steel Ingeniería (Chile) were acquired early in 2013.

I would like to describe briefly the main events of 2012:

Earnings.- Net profit amounted to 710 million euro, EBITDA to 927 million euro, a 13.4% increase, and revenues to 7,686 million euro, i.e. 3.2% more than the previous year.

Cash flow and finance.- Operating cash flow, excluding infrastructure projects, maintained the positive trend of recent years and reached 909 million euro as a result of strong cash flow in Services (triple the 2011 figure) and of dividends from the main assets. Additionally, the sale of a 16.34% stake in HAH provided a cash influx amounting to 894 million euro. Ferrovial also continued to diversify its funding sources in 2012, as 407 ETR and HAH issued over 4,500 million euro in bonds.

Debt.- Consolidated net debt, including infrastructure projects, totalled 5,106 million euro, compared with 5,171 million euro the previous year. The parent company does not have significant debt maturities until 2015.

Share price.- The share performed very positively in 2012, appreciating by 20%. Including dividends paid during the year, the total return for shareholders was 36%.

Internationalization.- Our international activities continued to expand. Overseas revenues increased by 17.3%, while the international component reached 62% of the total backlog.

Backlog.- The Construction and Services backlog amounted to 21,483 million euro at year-end, including an all-time record in Services. Notable new contracts include the maintenance of the city of Sheffield and two waste treatment plants in the Canary Islands, in the Services division; and the 407 ETR East Extension in Toronto and the A-66 highway in Spain, in the Toll Roads division. In the Construction area, we were awarded US Highway 460 in Virginia.

Services.- Ferrovial Services continued to expand revenues and EBITDA. This good performance is attributable to cost controls, new contracts in the UK and Spain and active management of backlog quality in the domestic market.

Toll Roads.- Improvements in the US and Canada during the year partly offset the steady decline in Europe. Highway 407 ETR in Toronto continue to have a robust performance, increasing both revenues and EBITDA.

Construction.- Once again, international activity in this area offset the decline in the domestic market, leading to positive earnings performance. In particular, Polish subsidiary Budimex increased revenues.

Airports.- HAH increased traffic to nearly 100 million passengers, including a record 70 million using Heathrow. Revenues at HAH increased by 4.8% in 2012 to 2,646 million pounds, and EBITDA expanded by 5.3%, to 1,355 million pounds.

Ferrovial turned 60 in 2012, which proved to be a very positive year despite the challenging economic conditions. The company's sound operating and financial performance reflects the focus on talent, innovation, efficiency and international diversification that have distinguished Ferrovial in its six decades of existence. It is also the best possible tribute to the quality of the work carried out by all of our people.

Ferrovial's commitment to society and the environment was also acknowledged during the year by its inclusion in the Dow Jones Sustainability Index for the eleventh consecutive year, and in the FTSE4Good for the eighth year running.

These results provide a solid platform to create value for you, our shareholders. I am grateful for your support of Ferrovial, and it encourages us to continue working in order to seize the opportunities and overcome the challenges that the future will bring.

governance

Board of Directors

Chairman

Rafael del Pino
Executive and Proprietary Director
MS Civil Engineer (Universidad Politécnica de Madrid, 1981). MBA (MIT Sloan School of Management, 1986). ▪ Chairman of Ferrovial since 2000 and CEO since 1992. Chairman of Cintra from 1998 to 2009. ▪ Member of MIT Corporation, Board of Zurich Insurance Group, International Advisory Boards of Blackstone, IESE and MIT Energy Initiative, and European Advisory Boards of Harvard Business School and MIT Sloan School of Management. ▪ Former Member of the Board of Banesto and Uralita.

Vice-Chairmen

Santiago Bergareche
Independent Director
Degree in Economics and Law (Universidad Comercial de Deusto). ▪ Member of the Board of Directors of Ferrovial since 1999. Joined Ferrovial in 1995 as Chairman of Agroman; CEO of Ferrovial from February 1999 to January 2002. ▪ Co-Chairman of Cepsa, Non-Executive Chairman of Dinamia Capital Privado and Member of the Boards of Vocento, Maxam and Deusto Business School. ▪ Former General Manager of Banco Bilbao Vizcaya Argentaria (BBVA) and Chairman of Metrovacesa.

Joaquín Ayuso
External Director
Degree in Civil Engineering (Universidad Politécnica de Madrid). ▪ Member of the Board of Directors of Ferrovial since 2002. Joined Ferrovial in 1982, appointed General Manager of Construction in 1992. CEO of Ferrovial Agroman from 1999 to 2002. Former CEO of Ferrovial and Vice-Chairman of Cintra from 2002 to 2009. ▪ Member of the Board of Bankia and of National Express Group. Member of the Advisory Board of the Instituto Universitario de Investigación en Estudios Norteamericanos Benjamin Franklin. ▪ Former Member of the Board of Holcim Spain, S.A.

CEO

Íñigo Meirás
Executive Director
Degree in Law (Universidad Complutense de Madrid); MBA (IE Business School). ▪ CEO of Ferrovial since 2009. Joined Ferrovial in 1992, General Manager of Autopista del Sol and Director of Toll Roads at Cintra. CEO of Ferrovial Services from 2000 to 2007; later appointed CEO of Ferrovial Airports. ▪ Previously worked at Holcim Group and Carrefour Group.

Directors

Jaime Carvajal
Independent Director
Degree in Law (Universidad Complutense de Madrid); Master Degree in Economics (Cambridge University). ▪ Member of the Board of Directors of Ferrovial since 1999. ▪ Special Partner of Advent International (Spain), Chairman of ABB (Spain); Member of the Boards of Aviva, Solvay Ibérica and Maxam Holding. ▪ Former Chairman of Ford Spain and Ericsson Spain and Member of the Boards of Telefónica, Repsol and Unión Fenosa.

Portman Baela, S.L.
External Proprietary Director
Represented by Leopoldo del Pino
Degree in Civil Engineering (Universidad Politécnica de Madrid), MBA (INSEAD). ▪ Has represented Portman Baela, S.L. on the Board of Directors of FERROVIAL since 2010. ▪ Vice-Chairman of ASESGA; Member of the International Council of INSEAD. ▪ Former Executive Vice-Chairman of Empark, Member of the Board of Directors of Ebro Foods, Country Manager Spain and Member of the Management Committee of Cintra; Chairman of Ausol, Autema, Autopista Madrid Levante, Autopista Alcalá O'Donnell and Esli; Chairman of ANERE; Vice-Chairman of Autopista Trados 45 and of EULSA; Member of the Board of Directors of SMASSA, AUSSA and EGUISA; General Manager of Industry, Energy and Mining in the Madrid Regional Government.

Juan Arena
Independent Director
PhD in Industrial Engineering (ICAI); Degree in Business Studies (ICADE); Degree in Psychology; Diploma in Tax Studies and AMP (Harvard Business School). ▪ Member of the Board of Directors of Ferrovial since 2000. ▪ Member of the Boards of Dinamia, Laboratorios Almirall, Everis, Meliá Hotels International, Prisa and Panda. Chairman of Fundación SERES, Chairman of the Advisory Boards of Consulnor, Marsh, and of the Professional Council at ESADE; Member of the Advisory Board at Spencer Stuart, the European Advisory Board at Harvard Business School, and the Board of Directors of Deusto Business School; Senior Lecturer at Harvard Business School. ▪ Former CEO and Chairman of Bankinter and Member of the Board of Directors of TPI.

Gabriele Burgio
Independent Director
Degree in Law and MBA (INSEAD). ▪ Member of the Board of Directors of Ferrovial since 2002. ▪ Chairman and CEO of Alpitour S.p.A. and Member of the Board of Directors of Banque SYZ & Co. ▪ Former Executive Chairman of NH Hoteles from 1999 to 2011, Chairman and CEO of NH Italia and CEO of Cofir.

María del Pino
External Proprietary Director
Degree in Economics and Business (Universidad Complutense de Madrid); Management Development Program (IESE). ▪ Member of the Board of Directors of Ferrovial since 2006. ▪ Chairman of Fundación Rafael del Pino and of Casa Grande de Cartagena S.L.; Member of the Board of Trustees of the Prince of Asturias. Trustee of Codespa Foundation and Fundación Científica de la Asociación Española contra el Cáncer (Scientific Foundation of the Spanish Association Against Cancer). ▪ Former member of the Governing Board of the Asociación para el Progreso de la Dirección (Association for Management Progress).

Santiago Fernández Valbuena
Independent Director
Degree in Economics (Universidad Complutense de Madrid); PhD and Master's Degree in Economics (Northeastern University, Boston). ▪ Member of the Board of Directors of Ferrovial since 2008. ▪ Chairman of Telefónica Latinoamérica and since 2012 Member of the Board of Directors of Telefónica, S.A. ▪ Former CEO of Fonditel; Chief Strategy officer, overseeing Strategy, Finance and Corporate Development at Telefónica; General Manager of Société Générale Equities, and Stock-Exchange Director at Beta Capital; Professor of Applied Economics at the Universidad Complutense and Professor at IE Business School.

José Fernando Sánchez-Junco
Independent Director
Degree in Industrial Engineer (Universidad Politécnica de Barcelona). ISMP Graduate at Harvard Business School. Member of the State Corps of Industrial Engineers. ▪ Member of the Board of Directors of Ferrovial since 2009. Member of the Board of Directors of Cintra from 2004 to 2009. ▪ Chairman and General Manager of MAXAM Group. ▪ Former General Manager of Industrias Siderometalúrgicas y Navales and Director General of Industry at the Ministry of Industry and Energy.

Karlovy, S.L.
External Proprietary Director
Represented by Joaquín del Pino
Degree in Economics and MBA (IESE). ▪ Has represented Karlovy, S.L. on the Board of Directors of FERROVIAL since 2010. ▪ Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, Chairman of the Board of Directors of Pactio Gestión, SGIIC, Member of the Executive Board of SECOT, Trustee of the Rafael del Pino, Plan Spain and AXA Foundations. ▪ Former Member of the Board of Directors of Banco Pastor.

Secretary

Santiago Ortiz Vaamonde
Spanish State Attorney; PhD in Law (Universidad Complutense de Madrid). ▪ General Counsel and Secretary of the Board of Directors of Ferrovial since 2009. ▪ Former partner at Cuatrecasas and Ramón y Cajal law firms, in charge of Trial Law and Public and Regulatory Law; Agent of the Kingdom of Spain before the Court of Justice of the European Union; Professor at the Diplomatic School and Carlos III University.

COMMISSIONS: Executive Committee Audit & Control Committee Nomination & Remuneration Committee

Management Committee

Íñigo Meirás
CEO



Jaime Aguirre de Cárcer
MANAGING DIRECTOR. HUMAN RESOURCES

Enrique Díaz-Rato
CEO. CINTRA

Álvaro Echániz
CEO. FERROVIAL FISA (REAL ESTATE DIVISION)

Federico Flórez
CHIEF INFORMATION & INNOVATION OFFICER

Jorge Gil
CEO. FERROVIAL AIRPORTS

Alejandro de la Joya
CEO. FERROVIAL AGROMAN



Ernesto López Mozo
CHIEF FINACIAL OFFICER

Santiago Olivares
CEO. FERROVIAL SERVICES

Santiago Ortiz Vaamonde
GENERAL COUNSEL



company description

10 company profile
12 global presence
14 2012 in figures
16 significant events
18 services
28 toll roads
44 construction
54 airports

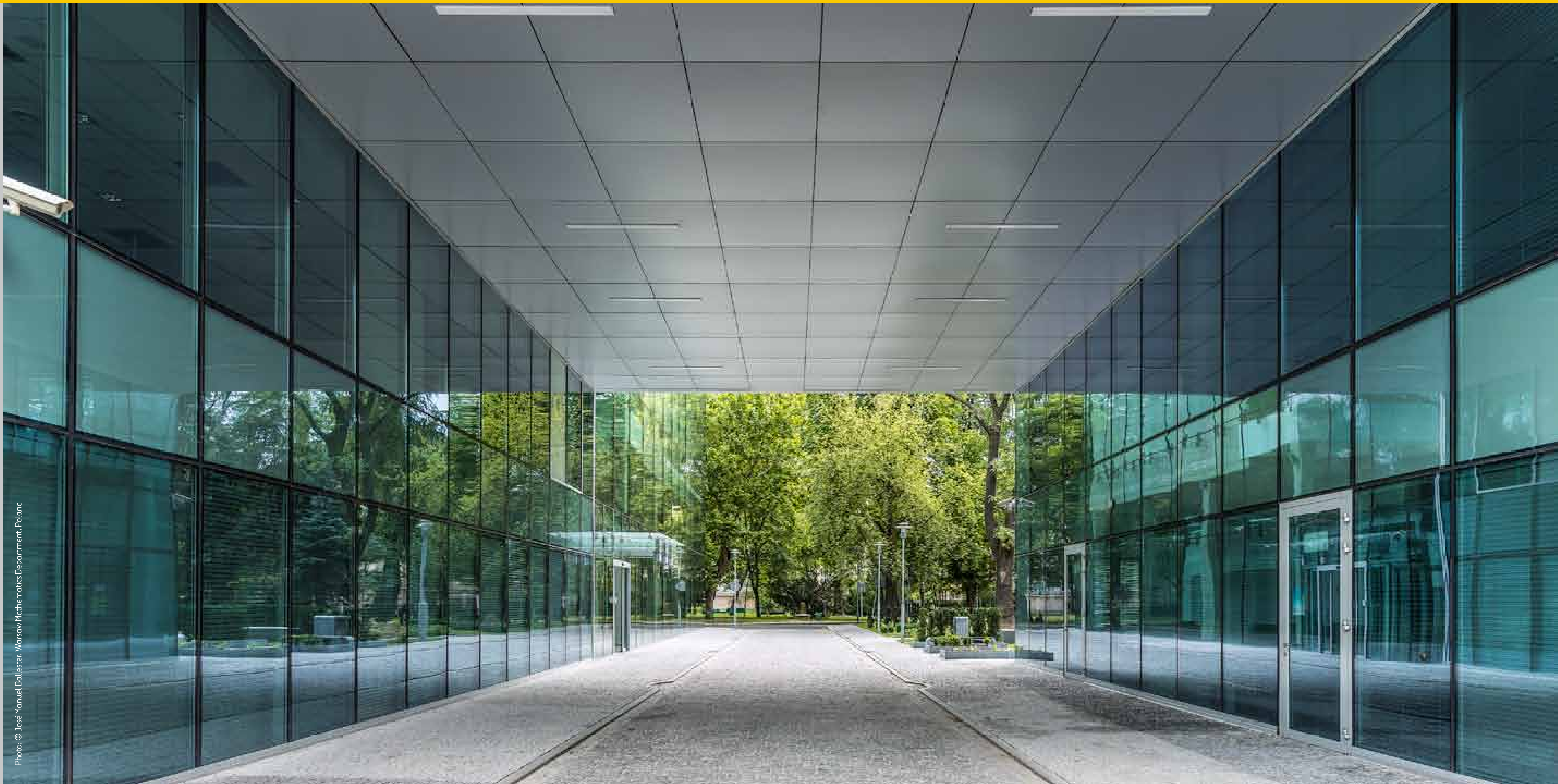


Photo: © José Manuel Ballester. Warsaw Mathematics Department. Poland

Management Report
Financial Information
Corporate Responsibility

company profile

It was Ferrovial's 60th anniversary in December. Over the years it has maintained the features that have defined its profile as a company. At the end of December 1952, Rafael del Pino Moreno decided to establish a company driven by innovation that could undertake highly difficult projects faster and more successfully.

After the initial years of consolidation, it faced the first of many great challenges that have defined the evolution of the company. The challenge consisted of a large and technically difficult project: the Bilbao-Behovia toll road (1968).

Later on, when Spanish companies had not yet started to expand internationally, the company took its first steps abroad with projects in Mexico, Brazil and Chile, and above all in Libya, a country where the company took on a project that proved a tough training ground for its executives and challenged workers' skills, because of the difficult terrain and the scarcity of materials.

In the late 1990s, it purchased the 407 ETR toll road in Toronto. This has proved to be one of the company's most complex and profitable operations, as it involves managing one of the best infrastructure assets in the world.

In 2003 Ferrovial purchased Cespa in Spain and Amey in the United Kingdom. With these two companies it created the services division, which holds an important position in the Spanish and UK markets today, and is starting to take its first steps in Poland, Chile and Qatar.

Three years later, in 2006, the company purchased BAA and this proved to be a real management challenge. After all the time and work put in, the new company HAH has begun to pay out dividends to its shareholders for the first time.

These are just some of the milestones that have shaped Ferrovial's character and its present and future success as a company.

2012 was a very positive year for Ferrovial thanks to its good operational results and improved financial position, as well as the award of major contracts and effective asset rotation. This success is reflected in the excellent share price.

It was a year when international markets offset declining activity in Spain, with major contracts won in countries including Canada, the U.S., France and Poland.

The company's main assets, the 407 ETR toll road in Toronto and Heathrow Airport, have performed excellently once again, with traffic reaching an all-time high. The UK airport rose to the occasion of its major event, the summer London Olympics, when it became the gateway for thousands of athletes and important figures from five continents. A total of 70 million passengers arrived in the UK last year though its terminals.

Also in the UK, the Services division, through Amey, was awarded an important contract in Sheffield, which strengthened its role as a benchmark for Smart Cities and for putting innovation at the service of the people.

The confirmation of the recovery of traffic in the US, the opening of the SH130 toll road in Texas and Ferrovial Agroman's US460 concession in Virginia, together with the East Extension to the 407 toll road in Canada, have confirmed the company's solid position in the competitive and attractive market of North America.

Ferrovial continues to grow international and is gradually expanding into other countries. Last year the Ferrovial Services and Budimex joint venture in Poland started to bear fruit and won several maintenance contracts. The company has also been awarded its first service contract in Qatar.

Latin America has also provided opportunities for Ferrovial Agroman. After a few years of no work in Colombia, the company will now undertake several construction projects which will relaunch its activity in the country. Chile was another of the South American countries in which the construction company won several concessions for mining projects. To sum up, the international proportion of the company's backlog has become consolidated and now accounts for 62%.

As part of the asset rotation and asset value realization strategy, Ferrovial sold 16.34% of HAH, the former BAA. The move involved two investors with a large financial capacity: the China and Qatar sovereign wealth funds. The deal demonstrates the great interest of international markets in an asset like Heathrow Airport and also recognizes that its management has greatly improved over the past few years.

Other operations in the Airports division included the sale of Edinburgh and Stansted airports by Heathrow Airport Holdings at a higher price than expected by the market. These sales met the requirements of the UK Competition Commission.

To round off 2012, in January 2013 Ferrovial successfully completed its first corporate bond issue of 500 million euro. The issue was 11 times oversubscribed, showing that the capital markets back the company's management and expansion over the next few years. The funds obtained will be used for the early repayment of corporate debt, which will help to continue optimization of the company's financial structure.

The company is going to maintain its internationalization strategy by strengthening its presence in traditional markets and studying opportunities in new countries. It will continue to focus on profitability and value creation, while considering investment opportunities such as those made recently in the UK and Chile, with the purchase of Enterprise and of 70% of Steel Ingeniería.

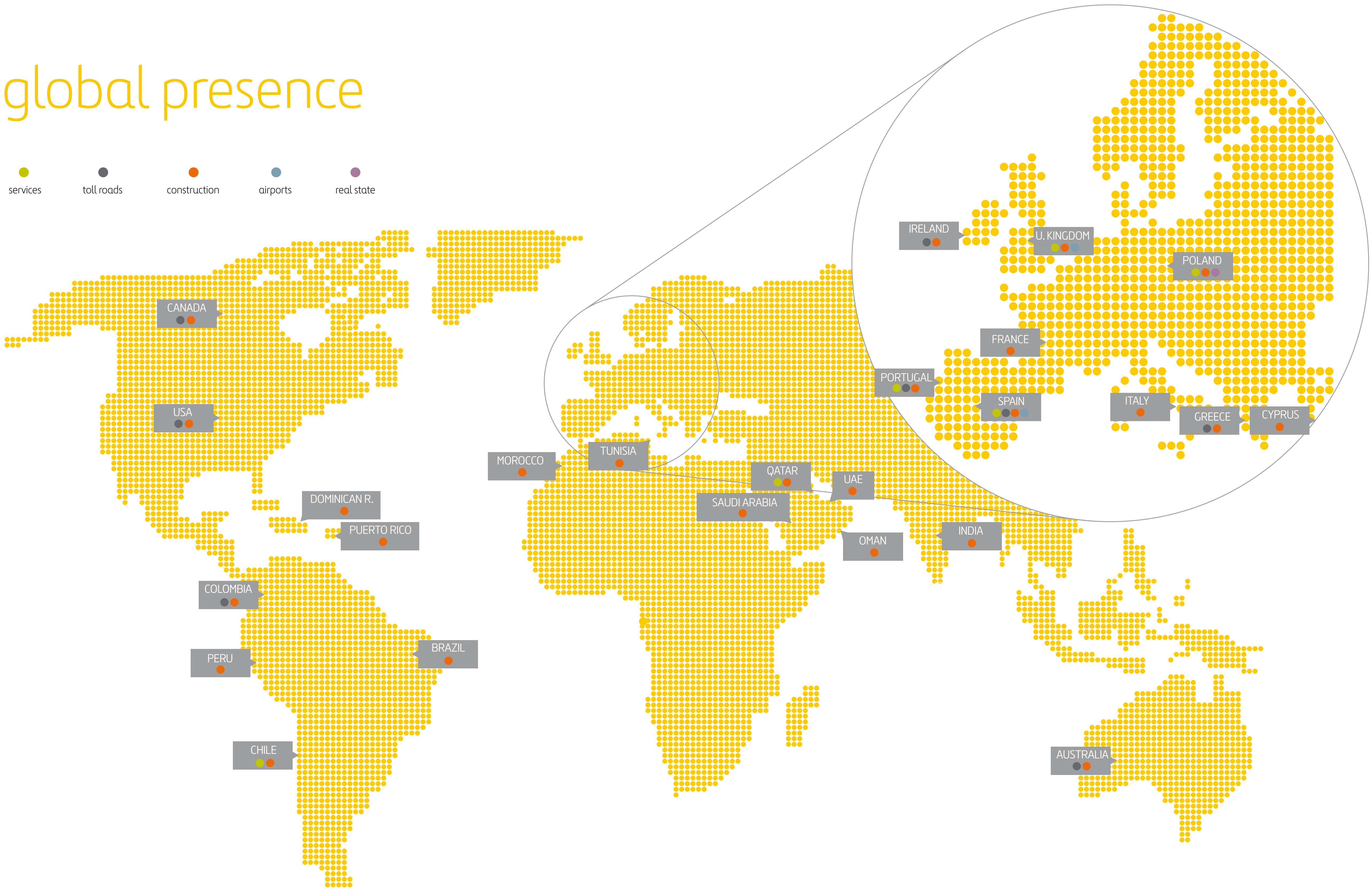
These are just some of the milestones for the company over the year. Ferrovial has combined these successes with its traditional commitment to innovation, social responsibility and the environment. The agreement with the MIT has led to various energy efficiency projects with some Spanish city councils. The CI3 is also enabling the company to take part in a number of innovation projects, in partnership with other leading companies in the sector.

In the area of corporate responsibility, Ferrovial remains committed to its Social Infrastructure program, under which it has collaborated to improve access to drinking water and basic sanitation in African and Latin American countries as part of its strategic plan (the 20.13 Plan).

For the eleventh year in a row, Ferrovial was selected by the DJSI as one of the elite global companies in the sector for its sustainability practices. It has also received the backing of FTSE4Good, another index that lists committed companies, for the eighth year in a row.

In short, 60 years on Ferrovial still maintains its main distinguishing features, which have made it one of the world's leading companies in the construction, management and operation of transport infrastructures and urban services.

global presence



Company Description
Management Report
Financial Information
Corporate Responsibility

2012 in figures

Financial data*	2012	2011 **	2010 *	2009	2008	% 12/11
Net turnover	7,686	7,446	9,384	12,095	14,126	3
EBIT	708 (2)	625 (2)	961 (2)	1,531 (2)	1,550	13
Net profit	710	1,243	2,163	-92	-838	-43
Total assets	22,217	22,951	43,287	44,110	48,203	
Equity	5,762	6,246	6,628	4,557	3,692	
Gross capital expenditure	313	328	420	506	971	
Net debt/(cash)	(1,489)	(907)	(31)	1,172	1,664	
Total gross dividend	917	330	308	293	277	
Operating data						
Average number of employees	57,276	69,990	100,995	108,117	107,399	
Construction backlog	8,699	9,997	10,186	8,800	8,756	
Services backlog	12,784	12,425	12,378	9,967 (1)	9,714 (1)	
Ratios						
EBIT margin	9.2%	8.4%	10.2%	12.7%	11.0%	
Net margin	9.2%	16.7%	23.0%	-0.8%	-5.9%	
Pay-out	129%	27%	14%	n.s.	n.s.	
Per-share data						
Capitalization	8,215	6,840	5,457	6,037	2,746	
Year-end closing price	11.20	9.33	7.44	8.23	19.58	
Average daily trading volume	45.6	38.4	33.5	21.0	43.4	
Gross dividend per share	1.25	0.45	0.42	0.40	2.00	
Appreciation in the year	20%	25%	-10%	68%	-59%	
N. of shares at year-end	733,510,255	733,510,255	733,510,255	733,510,255	140,264,743	

* Due to the sale of a 5.88% stake of BAA (currently called Heathrow Airport Holdings, HAH) in October 2011, the 2010 financial statements have been re-expressed, see note 2.3 to the consolidated financial statements for 2011.

** Due to Budimex's reallocation of value for PNI, the 2011 financial statements have been re-expressed. See note 5.B to the consolidated financial statements for 2012.

(1) Does not include the Tube Lines portfolio.

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

revenue
(billion euro)

7.69

ebitda
(million euro)

927

net income
(million euro)

710

order backlog
(billion euro)

21.48

capitalization
(billion euro)

8.22

assets
(billion euro)

22.22

dividend per share
(euro)

1.25

average workforce
(employees)

57,276

significant events 2012

January 30

Approval of a remuneration package involving the payment of part of the variable remuneration with Company shares.

The Company's Board of Directors has approved a remuneration package in which part of the variable remuneration due to employees for 2011 is paid in Ferrovial, S.A. shares.
This package has been used for variable compensation since 2004, under practically identical terms. The CNMV was informed of the approval of the consecutive packages on February 4, 2005; January 27, 2006; January 30, 2007; February 1, 2008; January 28, 2009; January 28, 2010; and January 31, 2011.

April 23

BAA announces the sale of Edinburgh airport.

BAA has announced that it has reached an agreement to sell 100% of its stake in Edinburgh Airport Limited to Global Infrastructure Partners ("GIP") for 807.2 million pounds. The price will be paid in full when the operation is concluded. The sale is due to be completed at the end of May.

17 August

Ferrovial reaches a deal to transfer a 10.62% stake in FGP Topco Ltd. (BAA's parent company).

Ferrovial, indirect holder of 49.99% of BAA Ltd. (BAA), has reached a deal with Qatar Holding LLC to transfer a 10.62% stake in FGP Topco Ltd. (BAA's parent company) at a price of 478 million pounds (607 million euro). Within the same operation, other FGP Topco shareholders will sell 9.38% at the same price per share. The total price of the operation is 900 million pounds (1.144 billion euro). As a result, Qatar Holding LLC will become an indirect holder of 20% de BAA. FERROVIAL will be an indirect holder of 39.37% of BAA.
The operation is subject to the authorization of the European competition authorities and it is expected to be completed before the end of the year.

September 14

The companies managing the operation of the Radial 4 toll road agree to file for insolvency.

The Boards of Directors of Autopista Madrid Sur Concesionaria Española, S.A. and Inversora de Toll roads del Sur, S.L., companies that operate the Radial 4 toll road in Madrid, owned indirectly by Ferrovial, S.A. and Sacyr Vallehermoso, S.A. as well as by Caja Castilla La Mancha Corporación, S.A., have agreed to file for insolvency.
The Radial 4 project has been directly affected by factors beyond its control (substantial reduction of expected traffic, expropriation cost overrun, financial crisis, etc.), which under current conditions prevent it from meeting its payment obligations to those whose properties were expropriated and to financial institutions.
The decision has been affected by the fact that possible measures supporting the concession, as established by law, were not effectively implemented by the contracting authority.

October 19

The companies managing the operation of the AP-36 Ocaña-La Roda toll road agree to file for insolvency.

Autopista Madrid Levante Concesionaria Española, S.A.U. and Inversora de Toll roads de Levante, S.L., companies that operate the AP-36 Ocaña–La Roda toll road, owned indirectly by Ferrovial, S.A. (55%) and Sacyr Vallehermoso, S.A. (40%), as well as by Caja de Ahorros y Monte de Piedad de Gipuzkoa y San Sebastián, S.A. (5%), have agreed to file for insolvency.

31 October

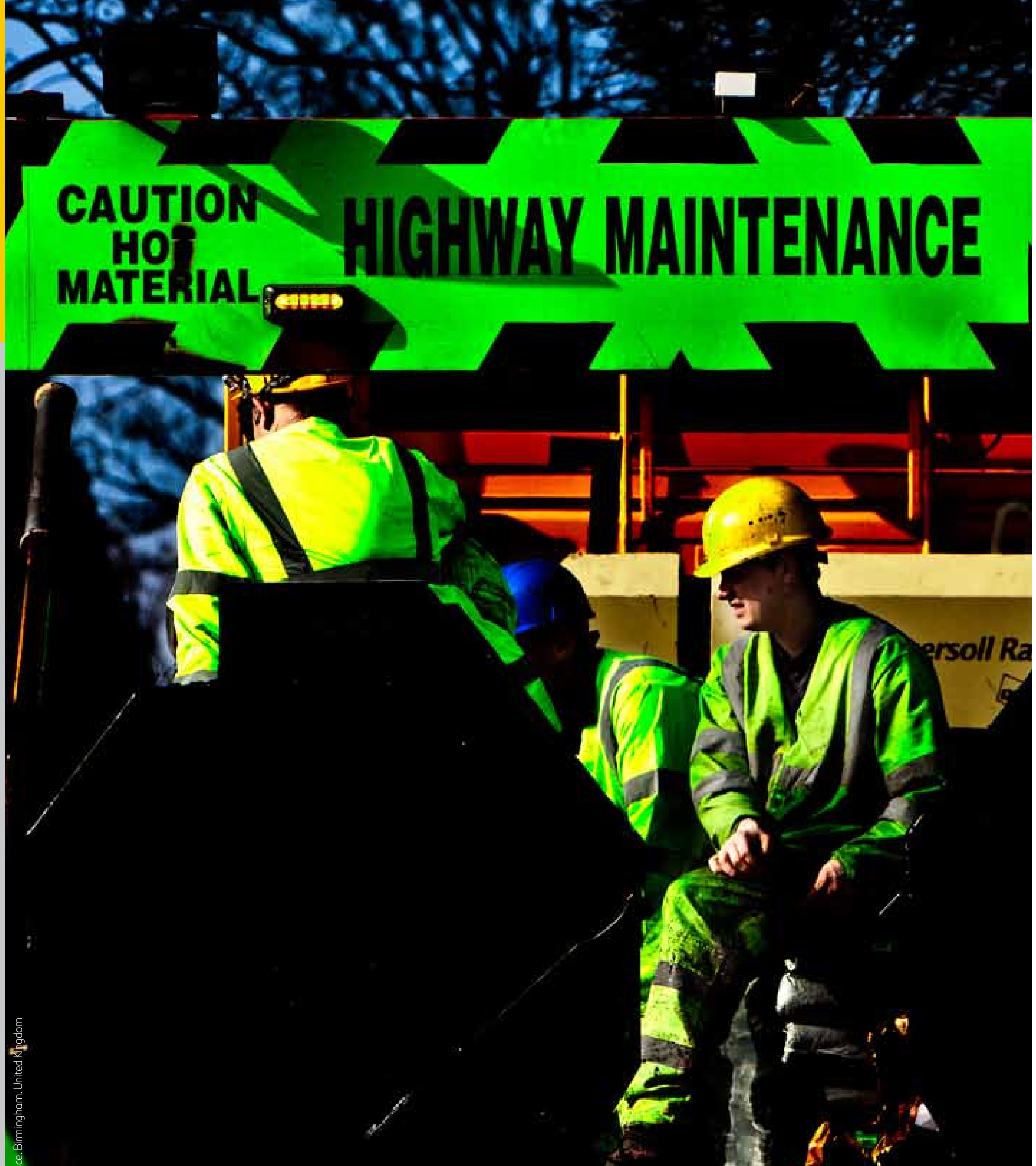
Ferrovial reaches an agreement to transfer a 5.72% stake in FGP Topco Ltd (the parent company of Heathrow Airport Holdings Ltd.).

Ferrovial, indirect holder of 49.99% of Heathrow Airport Holdings Ltd. (previously called BAA Ltd.) until now, has reached a deal with Stable Investment Corporation ("Stable"), a subsidiary wholly owned by CIC International Co., Ltd., to transfer a 5.72% stake in FGP Topco Ltd. (Heathrow Airport Holdings Ltd.'s parent company) at a price of 257.4 million pounds (319.3 million euro).
As part of the same operation, other FGP Topco shareholders have sold 4.28% at the same price per share. As a result, Stable is now an indirect holder of 10% of Heathrow Airport Holdings Ltd.

November 29

The Board of Directors of Ferrovial approves the distribution of an interim dividend of € 1 gross per share.

At its meeting on November 29, the Company's Board of Directors approved the distribution of an interim dividend of € 1 gross per share for 2012, in accordance with Article 277 of the Spanish Corporation Law. The payment was made on December 13, 2012.
The final dividend that the Board of Directors proposed for approval at the Annual General Meeting in 2013 will be of 0.25 euro per share.



© José Manuel Ballester. Road maintenance. Birmingham. United Kingdom

operating cash flow	backlog	services	
491 million euro (all-time high)	12.78 billion euro (all-time high)	more than 22 million citizens	in 130 large european cities

services

Considered in the market as a solid partner that is committed to its public and private clients, it provides services that enhance infrastructures and cities in an efficient and sustainable way.

Currently, its offers a wide range of innovative management solutions and services, which respond to its clients' most demanding requirements. They are subject to high quality standards, are competitively priced and environmentally friendly.

The main characteristic of its range of services is the integrated management of assets, which covers their entire life cycle, and clearly differentiates the company from others in the industry. Ferrovial Services covers a full range of services, starting with the design stage and including the management, operation and maintenance of transport infrastructures, environmental services, and the management of building and facility services, with energy efficiency being a common factor in all these services.

People: the main asset

Ferrovial Services is a division made up of people who work for people.

- Increasing worker safety is a constant goal. In 2012 all accident rates continued their downward trend as a result of the campaigns and actions taken. Specifically, the accident incidence rate decreased by 6.9% and the frequency rate by 10.9%.
- Managing the talent of our teams is a key factor for success. Training in new skills, along with a clear policy of retaining talent, enables us to have the professionals and teams required to meet our objectives. Additionally, the company has launched several internal mobility programs (Secondment, Discovery, Business Pass), to promote exchange between different businesses and geographical areas and strengthen the organization's capabilities.
- Contributing to the society in which Ferrovial Services operates: This activity incorporates people from disabled and vulnerable groups into teams and collaborates in social events by providing staff and technical resources.

Innovation: guarantee of continuity

Providing services in an economic situation that places restrictions on most clients means that alternatives have to be found to traditional procedures. Ferrovial Services, in collaboration with clients and cutting-edge national and international institutions working on innovation such as the Massachusetts Institute of Technology (MIT), has increased the number of initiatives aimed at developing equipment, technologies and solutions to manage services more efficiently and economically.

Ferrovial Services has involved the entire organization in this search by creating a culture of innovation focused directly on the business. Ideas can be generated by anyone, collected, analyzed, developed and implemented in a viable way.

Internationalization: exploiting experience

Ferrovial Services has developed a sound model of service provision and management that has enabled it to achieve its current position of market leader. The know-how and expertise of its teams have been the basis for its internationalization. This strategy of giving an international scope to its experience in managing service companies has been a priority throughout 2012. It has been taken material shape through the creation of new companies, the consolidation of existing ones and an

During 2012 Ferrovial Services has maintained its position as an international benchmark for the efficient provision of urban and environmental services and maintenance of infrastructures and facilities.

analysis of acquisitions in new countries where there is sufficient legal security.

The cases described below, such as the expansion of the AmeyCespa portfolio in the British waste market, the creation of a new service company in Poland, and the first contracts won in Qatar, are clear examples of the ability of Ferrovial Services to diversify its client portfolio into new geographical areas and reduce the risk of concentration.

Strategic lines: a clear vision

Ferrovial Services' Strategic Plan has progressed well during 2012 in all its lines. Their guiding principle is the generation of high value-added activities. The development of the new model of smart cities has been understood by Spanish city councils and work has begun on the first tenders; energy efficiency has become the common denominator of all contracts for the maintenance of buildings and infrastructure; and waste reuse, by recovering materials or energy, is seen as a prerequisite to reduce the amount of waste sent to landfills and generate additional value. The prior development of innovative tools has led to solutions being presented to the market that are clearly differentiated from those offered by competitors.

Performance in the year

2012 has been a positive year for the Services division, which has improved its profitability over the previous year and increased sales by 4.6%.

There are three notable measures of performance that demonstrate this has been a good year for the company. Firstly, the income statement shows profitable growth, with net income improving by 11%. Secondly, cash flow: Operating cash flow is at all-time high of 491 million euro, three times more than in 2011 (164 million euro), which will allow Ferrovial Services to invest in growth as well as strengthen its capacity. Finally, the order backlog: In 2012, this reached a record high of almost 13 billion euro, which provides stable and positive results in the future, and guarantees the company's long-term purpose.

2012 was a key year for the internationalization of Ferrovial Services, which began operations in Poland (through FBSerwis) with facility management and road maintenance contracts. It has also recently signed a major contract to provide services at Doha International Airport (Qatar), and is currently studying the expansion of its activities in several markets in Latin America, with a focus on Chile and Colombia.

These results demonstrate the company's strength in all its activities, boosted by a selective growth strategy focusing on long-term contracts, in which Ferrovial Services stands out through its innovative management and operational efficiency.

1,000,000
street lights maintained in Spain and the UK

22,400
kilometers of roads and highways maintained

28,000,000
m² of gardens and green areas

7,000,000
tons of waste

More than
130,000
MWh of energy produced

Cities: a new service model

In 2012, Ferrovial Services consolidated its distinctive model for the efficient delivery of comprehensive services to cities, which allows local government clients to: generate savings, improve the quality of public services and encourage citizen participation.

Ferrovial Services maintains a unique position with a differentiated portfolio and the ability to meet cities' main needs. Its value proposition is based on four pillars:

- Long-term public-private partnerships leading to the introduction of innovative solutions and ensuring the necessary investments. There has to be a shift from the current situation of short-term contracts to the concept of association or partnership.
- Service integration provides savings achieved through synergies and economies of scale. The comprehensive management of services makes it possible to save up to 20% on the cost of municipal services.
- The industry must evolve from controlling the resources assigned to the contract to measuring results.
- Citizens have to become involved in the provision of services and their contribution should be recognized.

It is, in short, about integrating the economy, governance, mobility, the environment and citizen participation as a way of contributing to an improved quality of life. Both Birmingham (with 2 years' experience) and Sheffield (a new contract signed in 2012) have become international benchmarks for innovation, efficiency and long-term public-private commitment.

In 2012, Ferrovial Services consolidated its distinctive model for the efficient delivery of comprehensive services to cities.

Amey

The Ferrovial Services subsidiary in the United Kingdom is a benchmark in the British market for services to transport infrastructure and facility management. It works with public and private clients from sectors such as justice, aviation, central government, education and transport. The total workforce consists of more than 11,000 employees.

In 2012, its sales grew by 8.3% as a result of new contracts, and revenue increased from contracts within its order backlog. Some highlights of the year are as follows:

- The agreement for the management of urban infrastructure in Sheffield is a contract for the improvement and maintenance of urban infrastructure in the city over 25 years. Amey will be responsible for one of the largest projects in the country, providing service to more than 1,900 kilometers of roads, 68,000 street lights, 500 traffic lights, 600 bridges, 2,400 retaining walls and 35,000 trees on roadsides throughout the city. This project represents an order backlog of 2 billion pounds (2.425 billion euro) over the 25 years of operation.

- Maintenance of infrastructure with Calderdale Council amounting to 120 million pounds.
- Renewal of infrastructure maintenance in the county of Hampshire worth 43million euro.
- Consultancy Service for the maintenance of Traffic Scotland for the next 6 years.
- Extension of the maintenance contract for 5,000 miles of roads and sidewalks in Hampshire until 2016.
- Daily transportation of prisoners through GEOAmey. The contract period is 10 years, at a value of 900 million pounds. This activity represents approximately 2,600 daily movements, with a fleet of 500 vehicles with special features.
- Installation of the electric rail system in Norfolk.
- Maintenance and cleaning of the Home Office building.
- Consulting and technical assistance for signaling and improving rail tracks.
- Awarded IiP (Investors in People) Gold Standard for work supporting and encouraging its employees.
- Received recognition from the Institution of Civil Engineers (ICE) for the innovation implemented in maintaining the West Midlands road network.

Sheffield City Council

AmeyCespa

AmeyCespa is a joint venture that is 50% owned by Amey and 50% by Cespa. It was created to take advantage of the synergies generated by Amey's knowledge of the English contractual framework and Cespa's experience in integrated waste management. The most significant events in 2012 in AmeyCespa included the following:

- A new contract in Milton Keynes to design, build and operate a waste treatment plant. AmeyCespa will manage the facility for 15 years from its launch scheduled for 2016. This new recycling plant will enable local waste management costs to be reduced by over 50 million pounds over the lifetime of the facility. In addition, it will increase recycling levels and reduce landfill use by 95%. It will employ 200 people during its construction and will serve as an educational center for local schools.
- After the necessary administrative procedures, AmeyCespa has obtained planning consent for a waste management plant in Yorkshire. This license was AmeyCespa's condition for carrying out the financial closure that, in turn, allows for the construction of the Allerton Waste Recovery Park to be started in 2013. The contract will run for 25 years and involves the construction of a waste treatment plant with a capacity to handle 90% of the waste from the city of York and the county of North Yorkshire.


Sheffield City Council

Cespa

Cespa is a company with over forty years of experience in providing integrated waste management and environmental services to cities. It is currently the leader in Spain in waste management and maintenance of green areas and is among the top three companies in the sector for collecting urban solid waste (USW) and street cleaning.

Its business lines can be grouped into two main areas:

- Urban services, including activities relating to the cleaning and maintenance of public spaces serving people.
- Waste treatment and industrial services, which include activities relating to collection, waste transfer and cleaning, always based on criteria of sustainability and environmental protection.

The significant events in 2012 include the following:

- The award of the Salto del Negro Waste Treatment Plant and the Juan El Grande Waste Treatment Plant, located on the island of Gran Canaria, for over 500 million euro. The two plants will serve a combined population of over 800,000.
- The inauguration of the Toledo Ecopark, in March 2012, in response to the need to provide the province of Toledo with an adequate infrastructure for the treatment and recovery of urban waste. This plant has capacity to manage the 250,000 tons of waste generated annually in the area for 20 years. Through material recovery at the Ecopark, Cespa will avoid the emission of around 50,000 tons of CO2, equivalent to the emissions from 20,000 cars in a year.
- Cespa has constructed Europe's first wind power plant for recharging electric vehicles in Barcelona.
- The renewal of contracts for the maintenance and cleaning of 10 districts in the city of Madrid (Centro, Arganzuela, Retiro, Salamanca, Tetuán, Chamartín, Chamberí, Vallecas, Moratalaz and Vicálvaro) for 24 million euro.
- An agreement between Murcia City Council, Cespa and Estrella de Levante. The agreement includes a plan for the construction of a plant for waste recovery using anaerobic digestion, which treats both organic material residue and by-products from the brewing of beer. It also aims to recycle waste as biogas and compost.
- Renewal of the contract for street cleaning and urban waste collection with San Vicente del Raspeig City Council, for 33 million euro over 8 years.
- Extension of the contract for street cleaning, urban waste and solid waste collection in the city of Guadalajara.
- Renewal of the contract for the industrial management of scrap and waste from the Ford vehicle plant.


Aerial view of the Ecopark, Toledo, Spain

Waste reuse

Cespa develops innovative solutions for implementation at each of the stages of the waste management life cycle: collection, treatment, recycling and exploitation. As a final result, the use of some of the components of waste has increased through the preparation of fuels that can be used to generate electricity or heat, or as raw materials for other industrial processes. Along with the significant resulting environmental benefits, this entails the opening of new revenue generation sources for the company.

In 2012, more than 130,000 MWh of electricity was generated annually in facilities managed by Cespa, as a result of the energy recovery of landfill biogas and biomethane processes. This avoided the emission into the atmosphere of more than 804,765.00 t eq of CO_2 in Spain and 28,606 t eq of CO_2 in Portugal, equivalent to taking 557,164 cars in Spain and 19,865 in Portugal off the roads for a year. In addition, 1,187,022 tons of waste were recovered for use as raw materials.

Emergency services, Madrid, Spain

Ferroser

Ferroser is a company specialized in the comprehensive maintenance and conservation of infrastructures and buildings. Its areas of activity involve building and infrastructure management (facility management), energy management and maintenance of industrial plants and buildings in sectors as diverse as healthcare, banking, hotels and telecommunications.

Ferroser is also responsible for the maintenance and upkeep of roads, airports and urban roads, as well as for their signaling. The contracts for the comprehensive management of services include the management of sports centers, ambulances, and air traffic control centers and call centers.

As well as the contract for urgent medical transportation of patients in the Community of Madrid, another milestone in 2012 was the first concession granted by AENA in its outsourcing of air traffic control services. FerroNATS was created for this purpose. It combines Ferrovial Services' knowledge of the airport sector with NATS' technical and human resources in managing air traffic.

Operations at the control towers of Sabadell, Cuatro Vientos and Vigo airports began in November 2012. In 2013, service provision will begin in the control towers of Jerez, La Coruna, Seville, Valencia, Ibiza and Alicante.

Other highlights of 2012 are the following:

- The contract for the management of lighting energy services in Soto del Real (Madrid) for the next 20 years. An innovative lighting technology and power management control system will make it possible to maintain the level of street lighting but reduce energy used by 80%.
- The energy services contract with the Network of Bilbao Municipal Sports Centers (*Bilbao Kirolak*), which applies a pioneering computer program that will achieve reductions in energy consumption of up to 25%.
- The agreement for the management of energy services and maintenance of municipal buildings and public lighting in Torrejón de Ardoz (Madrid) for the next 20 years for 65 million euro, which will allow the municipality to reduce its carbon footprint by 35% with savings of 8,585 MWh/year.
- The concession over the next 4 years of customer services provided by phone and in person to citizens of Madrid City Council and its network of Citizen Service Offices, under the name of *Línea Madrid*.
- The concession by the Ministry of Public Works of the maintenance of various sections of the state highway network in Zaragoza, Madrid, Valencia, Salamanca, Segovia, Valladolid and Badajoz.
- Extensions of the cleaning contracts for the Hospital Universitario la Paz and the Centro Hospitalario 12 de octubre.

Installing LED lighting

Solutions to optimize energy consumption

> The main characteristic of its range of services is the integrated management of assets, which covers their entire life cycle, and clearly differentiates what Ferrovial Services has to offer.

- The comprehensive maintenance of production facilities at the DELPHI factory in Sant Cugat.
- The award of the contract for the integrated management of the buildings in the Universidad Europea de Madrid.
- The comprehensive maintenance contract for the facilities of the Hospital San Roque de Maspalomas in Gran Canaria.
- The contract extension for integrated service provision in the district of Villaverde in Madrid.
- The agreement with the Ministry of Public Works for the maintenance and operation for a period of two years of the A-1 from Madrid to Irun, the N-120 from Logroño to Vigo, the N-232 from Vinaroz to Santander and the BU-12 Burgos airport access and access road to the Bayas industrial park (Miranda de Ebro).

Energy efficiency

Ferroser desarrolla una línea específica de eficiencia energética destinada a implantar soluciones para la reducción de la huella de carbono y el gasto energético. optimizando el consumo de las instalaciones industriales. residenciales y Ferroser develops a specific energy efficiency line designed to implement solutions to reduce the carbon footprint and energy costs by optimizing the use of industrial, residential and commercial facilities. The company offers a comprehensive solution within the energy services value chain, ranging from the initial energy audit of the facilities to contracts for integrated energy management with payment conditional on making agreed savings.

New markets

In recent years, one of the strategic priorities of Ferrovial Services has been expanding its activities into new geographical areas. In 2012 it exported its differentiated business model when it started operations in countries such as Qatar, Colombia, Chile and Poland, as well as extending its portfolio of services in its traditional markets (United Kingdom and Spain), where the company is the market leader. The strategy is based on creating a new company or, in some cases, acquiring local companies as a method to accelerate expansion.

FBSerwis

FBSerwis is a joint venture between Budimex, with its local knowledge, and Ferrovial Services, which provides the technical knowledge of the industry. It aims to exploit the synergies that the expertise of both companies can achieve in integrated asset management in the Polish market, from design and construction (carried out by Budimex) to maintenance throughout its life cycle facilitated by Ferrovial Services. The first facility management and road maintenance contracts were signed in 2012.

Its first concession was the two-year technical maintenance contract for the Ludwika Rydygiera hospital, the biggest in Krakow, which is the second largest city in the country. It has recently been awarded the contract to maintain a 48-kilometer section of the A1 highway at the Sosnica link, in the south of the country. The six-year project is in addition to those the company is carrying out in the provinces of Pomerania and Podlaskie.

In addition to the above, in July 2012 a consortium made up of Budimex, Cespa and Keppel Seghers, the Belgian environmental technology company, was awarded the contract to design and construct a thermal waste recovery plant in the city of Bialystok for 78 million euro. This is the first waste treatment project in Poland.

Qatar: The value of experience

Ferrovial Services started operating in Qatar in 2012 with its first contracts:

- The Qatar Public Works Authority (Ashghal) chose Amey as provider of consultancy services for the management and improvement of the road network in the country over the next five years. Ashghal is the authority responsible for the planning, design, construction and management of road infrastructure in Qatar. Under the contract, Amey will act as a consultant to improve policies and procedures related to the operation and maintenance of roads, customer service and financial management, among other functions.
- Ferrovial Qatar has also been contracted to provide facility management services in specialized facilities at Doha International Airport for 30 million euro over the next three years with an option to extend the contract for another three years. When the new Doha International Airport opens, in the second half of 2013, it will become one of the largest airports in the world, the main gateway to the Middle East and the operational base for Qatar Airways.

Latin America: New horizons

During 2012, Chile and Colombia have been the focus of attention for Ferrovial Services in launching its operations in Latin America. Commercial offices have been set up in both countries and various growth opportunities are being analyzed.

Energy efficiency, Birmingham, United Kingdom

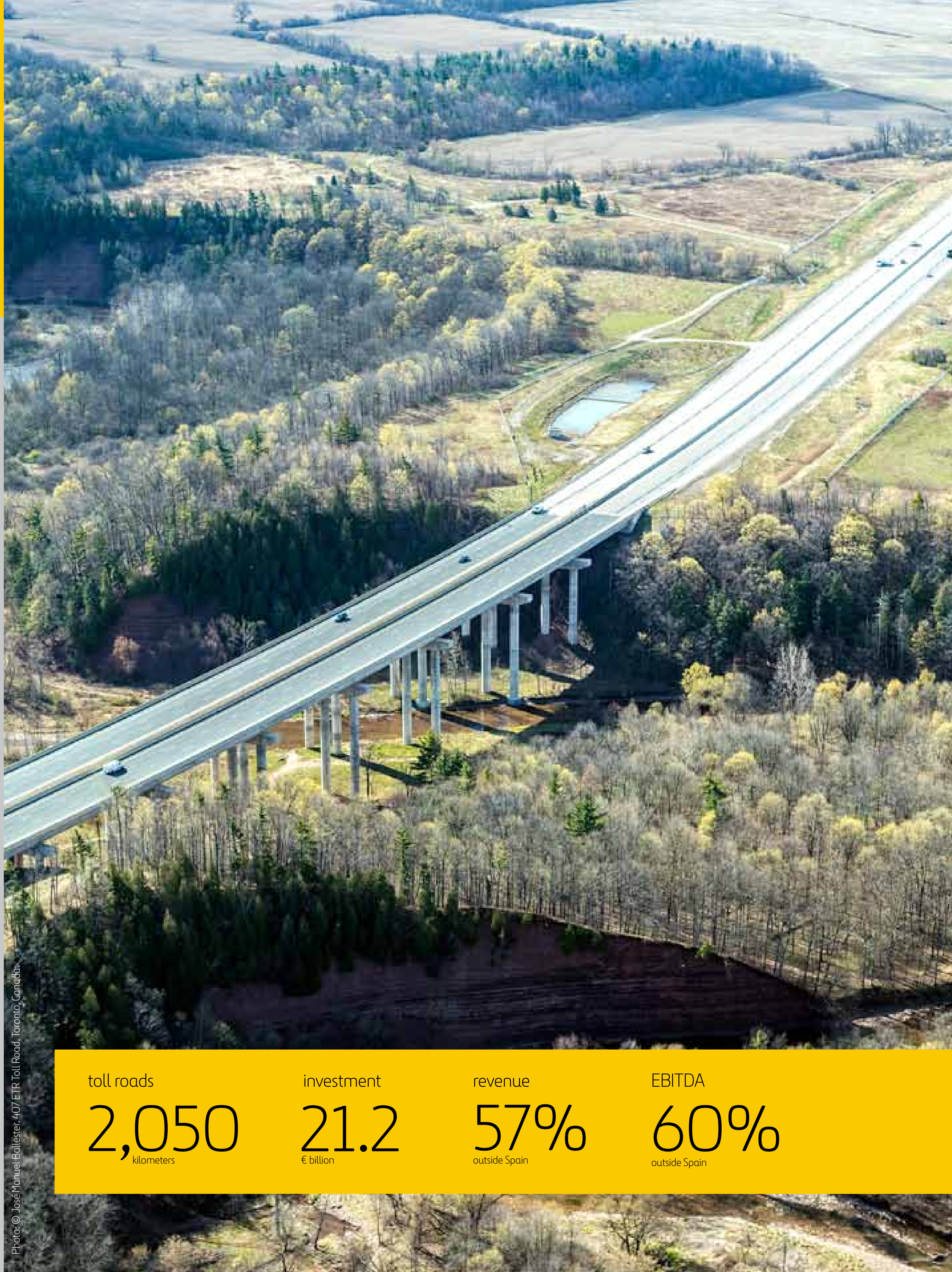


Photo: © José Manuel Ballester. 407 ETR Toll Road. Toronto, Canada.

toll roads

Since it was established, Cintra has based its growth strategy on looking for the best investment opportunities and on efficient management of these opportunities. Thanks to this, it has become one of the world leaders in the development of private transport infrastructure.

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 economic cycles. Furthermore, the company 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. It also aims to reduce construction risks by means of contracts with a fixed price and duration.

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

This strategy can be seen in the continuous incorporation of new assets since the founding of the company. At year-end 2012, Cintra's portfolio included 24 concessions in Canada, United States, Spain, Portugal, Ireland and Greece. In these six countries it manages 2,050 kilometers of toll roads, with an investment totaling more than 21.237 billion euro, as well as the Serranopark parking garages in Madrid.

The search for more attractive investment projects, irrespective of geographical location, has led Cintra to develop a strong international presence. Specifically, at year-end 2012, 57% of turnover and 60% of gross operating income (EBITDA) came from projects outside Spain.

But Cintra is more than its asset portfolio. A total of 2,028 professionals work for the company, 78% of them outside Spain. The staff is a multidisciplinary team specializing in the identification, analysis and preparation of successful bids for new tenders. Thus, Cintra's success is also based on the acquired experience and knowledge contributed by its human capital.

toll roads	investment	revenue	EBITDA
2,050 kilometers	21.2 € billion	57% outside Spain	60% outside Spain

Cintra was established as a company in February 1998 to focus on Ferrovial's private development of toll roads. It thus continues an extensive experience 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 under private funding and management.

Company Description
Management Report
Financial Information
Corporate Responsibility

Performance in the year

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

New projects

The competitive environment in which Cintra operates has 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 furthering Cintra's growth strategy. The public finances of most of its traditional markets have been affected as a result of lower tax revenues and increased expenditure. Governments are therefore looking for public-private partnerships as a way of developing new projects. This will probably lead to an increase in tendering activity over the coming years.

In these conditions, governments will use infrastructure projects as one of the ways of boosting economic activity. Projects will be more financially sound and better structured, with a more efficient spreading of risks.

In this context, Cintra has continued with its strategy of incorporating new concessions with availability payment schemes, which had not been a traditional model for the company. This model has been used for the following contracts granted to the company: the 407 East Extension in Canada, a toll road that extends the 407 ETR eastward; the Benavente-Zamora toll road, which completes the Ruta de la Plata; and the Almanzora Highway or A-334, which aims to turn this area into a strategic hub between the Levante area, the north of Granada and Almeria.

Elsewhere, the opening of new offices in Sydney and Bogota confirm Cintra's interest in the Australian and Latin American markets. From there, Cintra will develop more concession projects and take part in all the opportunities that meet its investment criteria.

USA and Canada

Cintra still sees the United States as an attractive market. Despite the need for new investments to extend capacity and renovate the existing infrastructure, the development of this market is hindered by a lack of public funds, political support or clear target population. Furthermore, many public authorities are using the Design & Build formula as a model to develop projects, and are ignoring the added value that the private sector provides when it manages the assets. As states, Texas and Virginia remain the most developed markets in the country.

In Virginia, the Virginia Department of Transportation (VDOT) awarded Ferrovial Agroman the construction of the US460 highway as part of a consortium with American Infrastructure. Cintra headed up the bidding process for this project, whose financial close took place on December 20, 2012.

Cintra is also taking part in other bidding processes in Indiana, Colorado, North Carolina, Florida and California.

In Canada, Cintra has been awarded its first availability project in North America, the 407 East Extension toll road in Toronto, which is an important project for the future growth of the 407 ETR.

Europe

Two availability payment projects have been awarded in Spain: the A66 or Benavente-Zamora, promoted by the Ministry of Public Works; and the A334 or Almanzora Highway, promoted by the Regional Government of Andalusia. In both cases the concession contract has been signed and the financial close should take place in 2013, despite the uncertainty caused by the financial crisis.

In Europe, another of Cintra's traditional markets, there have been few opportunities in 2012. In spite of this, Cintra continues to search for profitable growth opportunities in markets such as the United Kingdom and Holland.

Other markets

Cintra expects the opening of the new business development offices in Sydney and Bogota to give it access to new investment opportunities, as the two markets of Australia-New Zealand and Latin America have the biggest growth potential in the toll road sector over the coming years. Specifically, in Colombia the Government has announced an ambitious concession program involving investment of more than 20 billion dollars over the next 7-8 years.

Prospects for 2013

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 reflected in asset prices, and the soundness and profitability of new projects.

Additionally, financial leverage will be more limited, so Cintra will increase future upsides once the financial markets return to normal.

To sum up, the new economic situation should lead to an increase in tender activity.

Management of the project portfolio

The recovery of traffic in the United States and Canada was confirmed in 2012, even though the impact of the economic crisis on traffic is serious in other markets. Of particular note is the strength of the most representative asset: the 407 ETR toll road in Canada, which has improved its sales and EBITDA (8.7% and 9.8% respectively in local currency) and which is accounted for by the equity method. These results are the consequence of the toll hike and traffic improvement (up 0.6%) thanks to the larger number of trips and longer average distance covered by travelers. As a result, dividends received from the 407 ETR have increased substantially (30%) to 259 million Canadian dollars.

In the United States traffic on both the Chicago Skyway and Indiana Toll Road has recovered, especially heavy vehicles.

Cintra has continued to manage the projects in its portfolio actively, including those under construction and those in operation, with the aim of optimizing management efficiency and improving the quality of the service provided. As a result, the portfolio remains a contributor to the company's growth.

The scope of consolidation was extended on November 11, 2012, when the SH130 toll road was opened to traffic in Texas. Cintra will manage this road for the next 50 years. It is a 64-kilometer explicit toll concession, with a managed investment of 1.429 billion dollars. Another addition was the incorporation of the Azores Islands toll road (shadow toll), which entered into operation in December 2011, after a 5-year construction period, with a managed investment of 386 million euro for 30 years.

Financing

As regards financing activity, and in spite of the ongoing turmoil in financial markets in 2012, three operations are particularly notable.

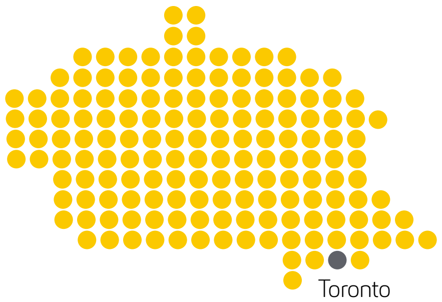
First, the financial close of the 407 East Extension, in Canada, in May, for an approximate amount of 1.1 billion Canadian dollars, to be financed mainly by debt and equity.

Second, as part of the long-term financing strategy through the capital markets and the early refinancing of debt maturities, in January 2012 the 407 ETR toll road made two bond issues for a total of 600 million Canadian dollars. Following these operations, there are no maturities until 2015 (500 million Canadian dollars).

This confirms the market's interest in quality assets, as well as the capability and experience of Cintra's human capital.

Company Description
Management Report
Financial Information
Corporate Responsibility

Canada



407 ETR Toll Road

- Alternative route for one of the busiest corridors in the whole of North America.
- All-electronic, barrier-free (free flow) toll system. 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 the 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.

108
kilometers

€3.53
Billion investment managed

43.2%
stake

2098
end of concession period

407 EDG Toll Road

- First project in North America under the availability payment scheme, with no toll rates or traffic risk.
- Key factor for the economic development of the eastern part of the city of Toronto. More than 13,000 new jobs will be created.

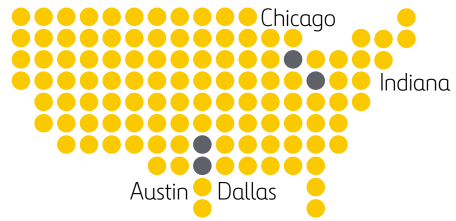
35
kilometers

€710.6
Million investment managed

50%
stake

2045
end of concession period

USA



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 CPI or nominal per capita GDP, whichever is highest.

12.5
kilometers

€1.45
Billion investment managed

55%
stake

2104
end of concession period

Indiana Toll Road

- Two different sections:
  - Western Section, 37 km long with open toll system which connects with the Chicago Skyway and 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.
- Toll plan: an annual increase of 2%, the CPI or nominal per capita GDP, whichever is highest.

252.6
kilometers

€3.18
Billion investment managed

50%
stake

2081
end of concession period

Company Description
Management Report
Financial Information
Corporate Responsibility

North Tarrant Express (NTE) Highway

- It covers the refurbishment of the existing highway and the construction of managed toll lanes, as well as the maintenance and management of both.
- It is 21.4 kilometers long and located at the major Dallas-Forth Worth hub, one of the most congested in the United States. The project is divided into two segments.
- The NTE Mobility Partners consortium, led by Cintra, started building the road at the end of 2010 and it is expected to be put into service in 2015. The concession period is 52 years.
- The toll system will be electronic and barrier-free.
- Rates are dynamic and may be changed every 5 minutes to ensure a minimum speed of 50 miles per hour.

21.4
kilometers

€1.59
Billion investment managed

56.67%
stake

2061
end of concession period

LBJ Express Highway

- Construction, maintenance and management of 27.4 kilometers of the 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.
- It will have 13 miles of dedicated toll lanes, up to 3 each way.
- The toll system will be electronic and barrier-free.
- Rates are dynamic and may be changed every 5 minutes to ensure a minimum speed of 50 miles per hour.

27.4
kilometers

€1.99
Billion investment managed

51%
stake

2061
end of concession period

SH-130 Segments 5&6

- The SH-130 toll road is an alternative to the congested I-35 in the San Antonio to Austin corridor.
- Toll collection is 100% free flow 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.
- The Texas Department of Transport authorized an 85 miles per hour (136 kilometers per hour) speed limit, which means that it is one of the fastest highways in the United States.

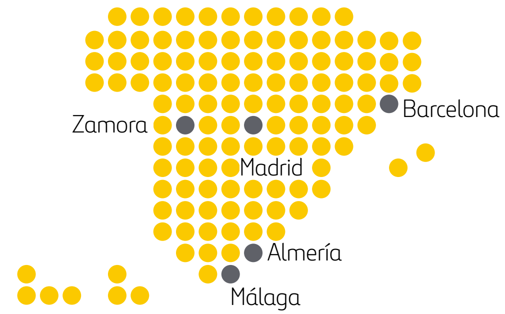
64
kilometers

€1.08
Billion investment managed

65%
stake

2062
end of concession period

Spain



Autema highway, Terrassa, Spain

Alcalá-O'Donnell toll road (M203)

- Located in a highly congested area, mainly close to 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.

15.3
kilometers

€87.9
Million investment managed

100%
stake

2065
end of concession period

Autema highway

- It connects San Cugat del Vallès and Manresa, running through Terrassa and Sant Vicenç de Castellet.
- It links up with various large arterial roads, such as the AP-7 toll road, the Catalonia transversal arterial road C-25, the C-58 and the C-55. In the near future it will link up with the B-40, the fourth beltway in Barcelona.
- It is also integrated into the Llobregat C-16 hub which connects Barcelona and France, as part of the E-9 European Route.
- Toll rates are inflation-indexed.

48.3
kilometers

€233.1
Million investment managed

76.28%
stake

2036
end of concession period

Company Description
Management Report
Financial Information
Corporate Responsibility

Ausol I highway

- The Malaga-Estepona highway provides a significant improvement to traffic flow along the Costa del Sol. It is part of the European Route E-15.
- Rates vary according to the time of year, with high season being during the summer months and at Easter.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

82.7 kilometers

€511.7 Million investment managed

80% stake

2046 end of concession period

Madrid Sur (R4) toll road

- The R-4 is an alternative to the A-4 between Getafe and Ocaña, passing through the towns of Pinto, Valdemoro, Seseña and Aranjuez.
- The concession includes a toll section (R-4) that connects the M-50 and Ocaña, and another toll-free section including part of the M-50 (between the A-2 and the M-409) and the M-31 (which connects the M-40 and the M-50).
- It 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.

97.2 kilometers

€1.23 Billion investment managed

55% stake

2065 end of concession period

Ausol II highway

- The Estepona-Guadiaro highway, situated in one of the corridors with the fastest population growth in Spain, provides an alternative route to a highly congested semi-urban corridor. It is part of the European Route E-15.
- Rates vary according to the time of year, with high season being during the summer months and at Easter.
- Toll rates are inflation-indexed with an adjustment if traffic exceeds established thresholds.

22.5 kilometers

€220.4 Million investment managed

80% stake

2054 end of concession period

R4 highway, Madrid, Spain

Madrid-Levante toll road (AP-36)

- 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 and links up with the provinces of Toledo, Cuenca and Albacete.
- 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.

182.8 kilometers

€542.7 Million investment managed

52.36% stake

2040 end of concession period

Autovía de la Plata

- New 49-kilometer section of the A-66 between Benavente and Zamora which will complete the arterial road that connects Gijon and Seville, the "Silver Route".
- It is divided into three sections: the A-6 section, between Castrogonzalo and Santovenia; the second section, between Santovenia and Fontanillas de Castro; and the third section, between Fontanillas de Castro and Zamora.
- The section will run as closely as possible to the N-630 to minimize environmental impact.
- The Autovía de la Plata highway will run under an availability payment scheme, i.e. with no toll rates for users.

49 kilometers

€192 Million investment managed

25% stake

2042 end of concession period

Almanzora highway

- Public-private partnership to build, conserve, maintain and operate the section of the Almanzora Highway between Purchena and the A-7 or Mediterranean Highway, on its way through Huércal-Overa (Almeria).
- A-334 intends to turn the Almanzora district into a strategic hub between the Levante area, the north of Granada and Almeria. It will connect this area with the corridor that joins the A-92 and western Andalusia.
- The construction begins in early 2013 and will last 32.5 months. The infrastructure should be finished at the end of 2015.

41.5 kilometers

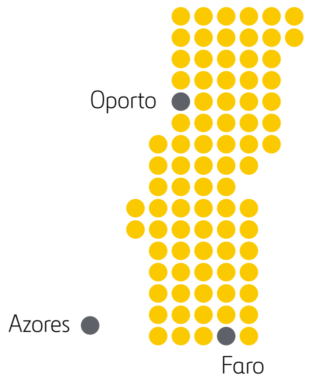
€145 Million investment managed

23.75% stake

2041 end of concession period

Company Description
Management Report
Financial Information
Corporate Responsibility

Portugal




Euroscut Algarve toll road, 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.
- In its operational phase since December 2011, it is 93.7 km long and designed as three arterial roads: the south axis, which connects the airport and the south of the island; the north axis, which improves the connection between the two most important islands in the archipelago; and the north-east, which improves the connection between the least developed towns in São Miguel.
- The toll rates are applied under a system of varying rates divided into traffic bands: a rate per vehicle is applied in three sections. The first band, which is the longest, has a intermediate rate; the second band, the shortest, has the lowest rate; and the third band has the highest rate. Toll rates are linked to the consumer price index for the Azores.

93.7
kilometers

€386.4
Million investment managed

89.2%
stake

2036
end of concession period

Euroscut Algarve toll road

- Connects Lagos and Vila Real de Santo António, passing through the Portuguese towns of Portimão, Loulé, Faro and Tavira.
- Originally a shadow toll road (in Portuguese, SCUT: "Sem Cobrança ao Utilizador"). Since 8 December 2011 it has been operating under a temporary agreement with the public authorities until the final agreement is formalized. This agreement enables the concessionaire to receive income according to a formula based on a baseline traffic scenario, until the final agreement is reached.
- 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.
- Rates are indexed according to the Portuguese consumer price index.

129.8
kilometers

€264.1
Million investment managed

85%
stake

2030
end of concession period

Euroscut North-Coast toll road

- Run on an availability payment system since June 30, 2010. The payment is collected through a manager (Vialivre, managed by Cintra).
- It runs along the northwest coast of Portugal, connecting the towns of Oporto and Caminha, close to the Spanish border, with a branch inland, between Viana do Castelo and Ponte da Lima.
- Payment is calculated by the number of days on which the highway is operating, with deductions for road unavailability and adjustments depending on the accident rates.
- Daily toll rates are indexed using the Portuguese consumer price index.

119
kilometers

€385.9
Million investment managed

84.04%
stake

2031
end of concession period

Vialivre

- Pioneering company in fully-electronic free flow toll payment on trunk roads.
- It has a back-office system designed and developed by Cintra and Ferrovial to manage payment, with advanced functions to manage information flows, which guarantee efficient payment and accurate monitoring of each trip at all times.
- Payment is made via an electronic license plate device (electronic toll collection) or payment per license plate, i.e., payment in cash of the toll rate plus a surcharge to an authorized agent.
- This company manages the Euroscut Algarve and North-Coast toll systems.

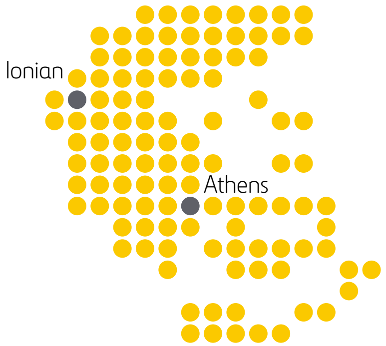
174.5
kilometers

84.04%
stake

This operator works on a two-year contract with extensions.

Company Description
Management Report
Financial Information
Corporate Responsibility

Greece



Ionian Roads highway

- Two independent sections:
  - The first, Pathe (Athens-Skarfia), 219.7 km long and recently refurbished, is the northern exit road from the capital. It is part of the country's main arterial road, as it connects the two major cities in Greece, Athens and Thessaloniki.
  - The second section, the Ionian Road, is newly built and measures 159 km. It runs along the coast of the Ionian Sea from Patras to Ioannina in the north.
- Toll rates are inflation-indexed.

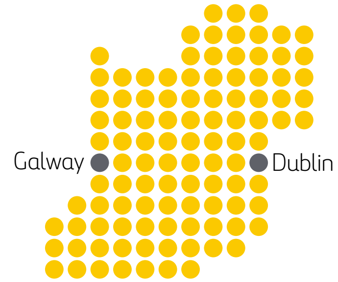
378.7 kilometers | €1.1 Billion investment managed
33.34% stake | 2037 end of concession period

Central Greece toll road

- It runs from the north to the south-east through central Greece, connecting the highways of Egnatia Odos and Pathe, at the city of Lamia.
- It is made up of two sections:
  - The first, known as the Central Greece section, is 174 km long and will be built entirely by the consortium.
  - The second, running 57 km on from the first, will be built by the Greek government and subsequently transferred to the concessionaire. The first 27 km are already in operation.
- Toll rates are inflation-indexed.

231 kilometers | €1.45 Billion investment managed
33.34% stake | 2038 end of concession period

Ireland



Eurolink M3 toll road

- Provides a strategic connection between Dublin and North West Ireland. It runs 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. It also establishes guaranteed minimum traffic levels. The Irish government has to pay the concessionaire compensation if traffic falls below the established minimum levels.
- Electronic toll system that is interoperable with the rest of the toll roads in Ireland.

50 kilometers | €548.5 Million investment managed
95% stake | 2052 end of concession period

Eurolink M4-M6 toll road

- It is part of the East-West corridor, one of the busiest and most financially important in Ireland. The M4 connects the cities of Dublin and Galway, between the towns of Kilcock and Kinnegad.
- 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.

36 kilometers | €339.7 Million investment managed
66% stake | 2033 end of concession period

Company Description
Management Report
Financial Information
Corporate Responsibility

Car Parks

Serranopark

- 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.
- Excellent pillar-free design that makes it much easier to park vehicles.
- The facilities include the latest safety and comfort features for all users.

3,297 parking spaces	€71.6 Million investment managed
50% stake	2048 end of concession period

Serranopark parking garage. Madrid, Spain

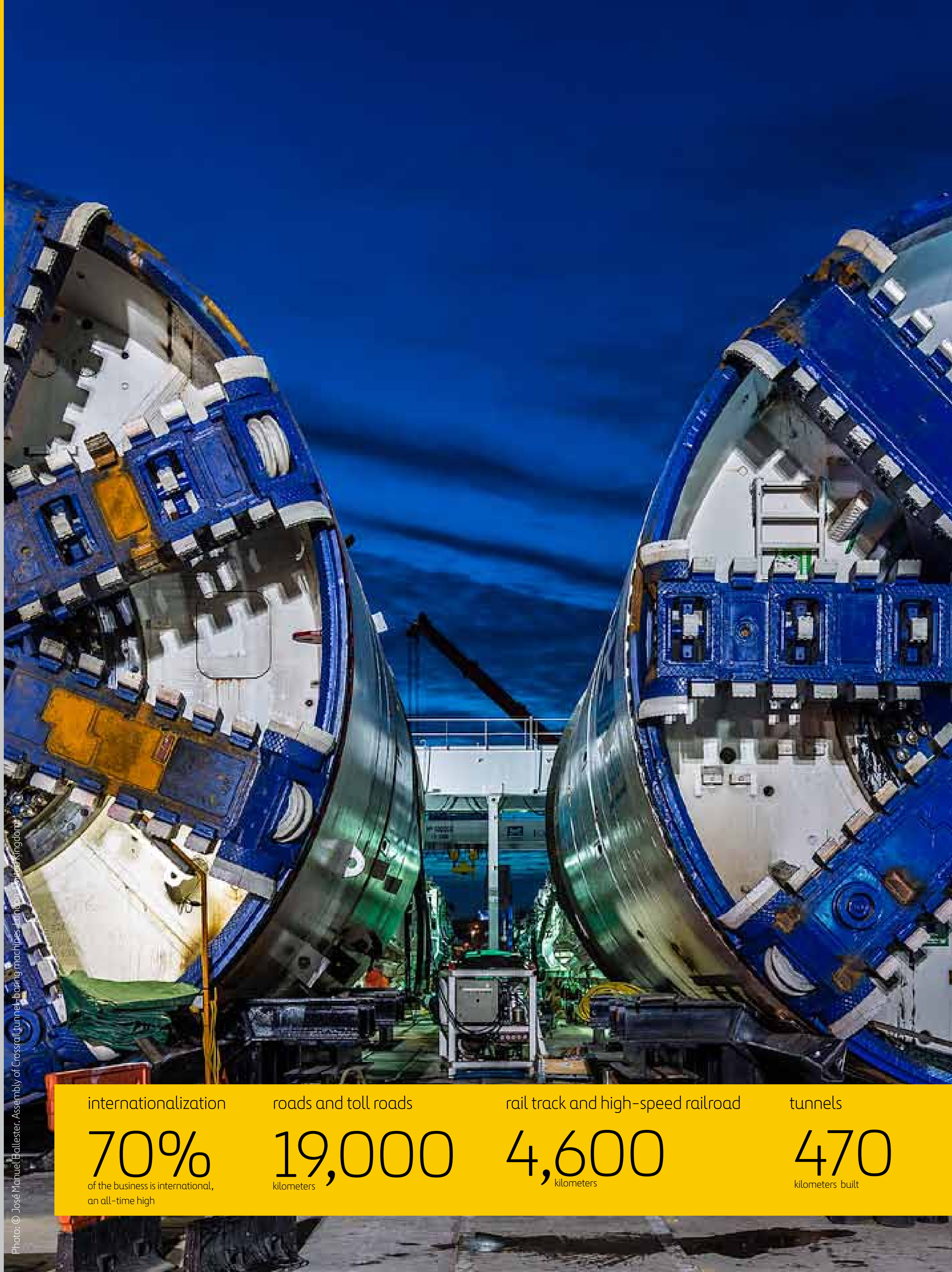


Photo: © José Manuel Ballester. Assembly of Crossrail tunnel-boring machines. London (United Kingdom).

internationalization
70%
of the business is international, an all-time high

roads and toll roads
19,000
kilometers

rail track and high-speed railroad
4,600
kilometers

tunnels
470
kilometers built

construction

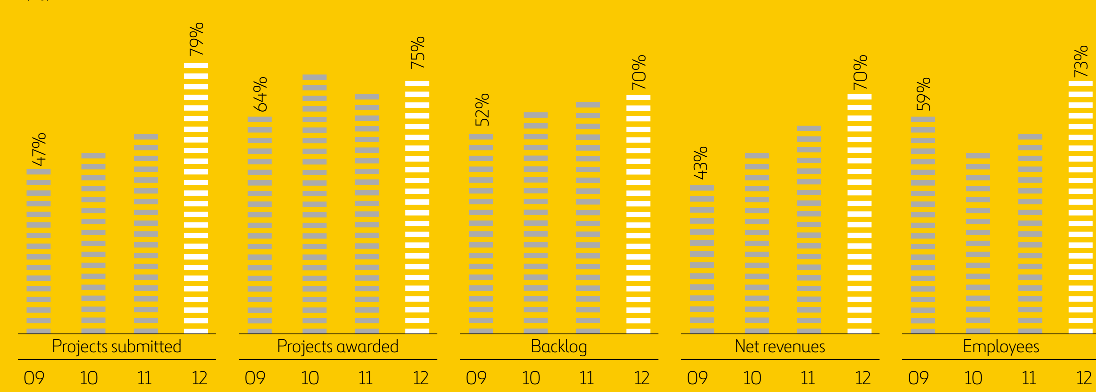
Ferrovial Agroman is the Ferrovial subsidiary that carries out civil engineering, construction and industrial projects. As well as being known for its extensive experience completing all kinds of unique civil engineering and construction projects, the company also represents an international benchmark in transport infrastructure, having built more than 470 km of tunnels, 3,900 km of highways, 15,000 km of roads and 4,600 km of railroad (including 700 km of high-speed railroad). It has firmly established its international position, which has grown consistently in recent years and accounted for more than two thirds of total business for the key operating lines in 2012.

In 2012 revenues in the construction business stood at 4.326 billion euro, stable against 2011, with growth of 2% (pro-forma growth of 0%). The company has a large order backlog of 8.699 billion euro, equivalent to 24 months of guaranteed production at current execution levels.

The international strategy continued in 2012, with the proportion of international business growing as a percentage of the total. In 2012 it accounted for 70% of sales and backlog. This growing contribution from international operations is likely to continue in the future, as indicated by the growth in projects submitted to international tender, now accounting for 79% of total business. Furthermore, 90% of sales and 85% of

International/Total

(%)



Ferrovial Agroman has an established international position, which has grown consistently in recent years and accounted for more than two thirds of total business for the key operating lines in 2012.

the international backlog are generated by the main strategic markets: the United States, Poland, Canada and the United Kingdom, all of which are stable markets with low country risk.

EBITDA was up 37% in 2012 against the previous year (33% in comparable terms) to 337 million euro. There was a similar performance from EBIT, which stood at 298 million euro, representing a high 6.9% of revenue, compared to 5.0% in 2011. The healthy financial position of the business is demonstrated by its excellent profitability figures.

Again there was a positive flow of pre-tax operations, exceeding the forecast 100 million euro, thus culminating a five-year period of consecutive positive flows since the 2008 crisis erupted in Spain, with an accumulated flow of more than 1.6 billion euro.

The competitive environment

The construction business remains strategically important for Ferrovial, due not only to its solid track record of growth and profitability, but also thanks to its ability to generate cash flows and support other divisions, which helps ensure the continuity of diversification and the group's international expansion.

Construction Market in Spain

The Spanish construction market saw a further decline in activity over 2012, shrinking 12% over the year, the fifth consecutive year of decline. As a result, investment in construction represented around 11% of Spain's GDP in 2012, well below the highs of 18% recorded in 2007.

The trend for shrinking public investment, which began in 2010, became more acute in 2012. Forecasts indicate a decline of 20% in civil works this year, far outstripping the overall drop in building work. Spain's main investors in civil works, the Ministry of Civil Works and the Ministry of the Environment, had their investment budgets slashed 22% in 2012. There were similar cutbacks at regional governments and local authorities, particularly following the 2011 regional and local elections, and the end of the Municipal Investment Fund in 2010.

Building construction, meanwhile, also recorded a 5% drop in activity during 2012. This is a slower rate of decline than in previous years, partly because it is already at the all-time lows of the last decade. For example, the housing sector closed 2012 with housing permits standing at around 70,000, down 35% on 2011, despite already being at the lowest level recorded since the early 1980s.

Ferreries bypass. Menorca, Spain

Forecasts for the construction sector as a whole in 2013 put the drop in activity at around 9%. Just as in 2012, the drop in 2013 is expected to be sharper in civil works, due to fewer public tenders (down 46% in 2012 according to Seopan), making this the third consecutive year of heavy declines. The project backlogs of construction companies, which still show reasonable levels in terms of months of production, will only partly offset this fall.

These inauspicious forecasts mean any prospects of recovery in the sector rely on the implementation of initiatives announced by the Ministry of Civil Works in September 2012. These are chiefly the new 2012-2024 Infrastructure, Transport and Housing Plan (PITVI in its Spanish acronym), with earmarked investments of 136.627 billion euro. The plan includes government investments of more than 52 billion euro on railroad infrastructure and nearly 40 billion euro on roads, as well as private investment in roads and ports worth more than 15 billion euro. These works should help to stabilize the sector in the medium term, although the Ministry of Civil Works says it intends to further cut investments right up to the inflection point that is expected in 2015.

As for the building sector, any recovery will have to wait until there is an upturn in the general economy, with forecasts from respected analysts indicating a return to growth in 2014-2015. Likewise, there are major one-off projects ahead, such as the construction of Eurovegas in Alcorcon (Madrid) set to begin in late 2013, with initial investment of 6 billion euro up to 2017, and as much as 17 billion in the long term.

Ferrovial Agroman, like all major construction companies, has been affected by this difficult climate, with an overall drop in revenue in Spain of 24% in 2012.

> 90% of sales and 85% of the international order backlog are in the main strategic markets: United States, Poland, Canada and the United Kingdom.

International Presencel

The major international scope of Ferrovial Agroman's operations, which grew 20% in 2012, has fully offset the decline in construction activity in Spain. Ferrovial Agroman's strategic positioning is based on a highly selective combination of key markets: the United States and Canada, highly stable countries that both have a significant infrastructure deficit; Poland, which will continue to channel major investment into civil works; and the United Kingdom, with major infrastructure projects looming and where Ferrovial has investment companies.

As well as these markets, which make up 85% of the international order backlog, Ferrovial Agroman is diversifying into markets where it has historically had a stable presence, and others in which it has been opening offices in recent years with a view to a long-term position. For example, the tendering activity extends to much of Latin America (Chile, Colombia, Peru, Puerto Rico and more recently Brazil), the Middle East (Qatar, Oman, United Arab Emirates and Saudi Arabia), Western Europe (Ireland, Portugal and France), India and Australia.

Over the last year the company's position in new international markets has been bolstered, both via newly incorporated local resources and through restructuring in Spain carried out with a view to it taking part in the development and management of international operations. This strategy is already yielding results, such as the concession of a large industrial project of 11 buildings in the Tokamak complex for ITER in France.

United States and Canada

Ferrovial Agroman is highly focused on the United States, where it is increasing its position alongside Cintra via PPP projects, including major highway projects such as the NTE and LBJ highways in Texas; and D&B projects directly for end clients (mainly the U.S. Department of Transport), such as the US460 in Virginia awarded in 2012. The country is fully covered from offices in Texas (the second largest construction market in the country, in which Ferrovial Agroman is the leader in D&B concessions projects via the civil works subsidiary Webber), the East Coast (Georgia) and the West Coast (California).

Individual states are increasingly open to public-private partnerships, where Ferrovial Agroman and Cintra are leaders in the United States, while the Federal Government's approval of the Moving Ahead for Progress in the 21st Century Act (MAP-21) in July 2012, with 108 billion dollars earmarked for the next 27 months, confirms the United States as a key market.

Meanwhile, there are delays to high-speed rail investment programs, with planned investments of 53 billion dollars over a six-year time frame. Nevertheless, some projects such as the California HSR are already in the public tender phase.

There are also numerous opportunities in Canada, thanks to the company's long experience in the country and because provincial governments are making use of PPP tenders. There has also been Federal Government support for infrastructure construction, with one of the current priorities being the extension of the Building Canada 2007-14 plan, which has been allocated 33 billion Canadian dollars. One standout aspect here is Ferrovial Agroman's success in 2012, when it was awarded the 407 East Highway Extension along with Cintra. Canada is also the largest global mining market, with major investment plans in energy projects, which along with civil works makes the country a highly attractive market for construction.

Poland

The Polish market, in which Ferrovial Agroman operates through Budimex, the country's leading construction company, is the largest construction market in Eastern Europe. In 2012 the construction market shrank slightly, by around 1%, due to completion halfway through the year of infrastructure for the Euro 2012 soccer champtionship, as well as the financial crisis in Europe, which slowed GDP growth in Poland to its lowest level in recent years. This decline in production cam broken down as a slight growth in Civil Works of around 1% and a decline in building work of approximately 2%.

In 2013 activity is expected to drop by a further 5%. Civil Works are set to be hit by a significant drop overall, including a drop in road construction, offset only partially by other sectors, with the best performance coming from industrial works. In the medium term, the prospects for the sector indicate that recovery should begin in around 2015, thanks to a return to economic growth and incoming infrastructure funds from the new 2014-2020 framework for European funds. Despite the shrinking overall EU budget, Poland has been allocated more funds for cohesion policies than in 2007-2013, up to a total of 73 billion euro.

Likewise, the level of building in 2013 will contract, mainly due to the slump in residential building. Following a period of moderate growth between 2009 and 2011, with around 170,000-185,000 housing permits, this indicator dipped in 2012 to a level close to 165,000 homes, due to the slowdown in economic growth, uncertainties in the mortgage market and the end of government subsidies for finance. Non-residential building will also shrink after completion of infrastructure for the Euro 2012 soccer championship and because of budgetary restrictions on public buildings. However, this subsector may recover more quickly than Civil Works, thanks to increased GDP growth forecasts as of 2013.

United Kingdom

Business in the United Kingdom, one of the five largest markets in Europe, got underway with the first contracts coming in 2007, linked to HAH and Amey investments, thanks to the technical expertise that has given Ferrovial Agroman a competitive advantage over its peers. Since then, activity has continued to grow on the same foundations of technical and managerial expertise, which also allowed the company to win major new contracts from clients from outside Ferrovial.

Ferrovial Agroman's activity in the United Kingdom closed the year at an all-time high, with revenue at around 400 million euro and prominent projects such as Heathrow's East terminal, 3 sections of the Crossrail project and the integrated baggage system at Heathrow's Terminal 3.

Looking to the future, the company is confident that further opportunities will emerge, thanks to the National Infrastructure Plan announced by the government in November 2011, which identifies 500 priority projects worth a total of 250 billion pounds. The projects mainly focus on transport infrastructure (high-speed rail, subway, PPPs for roads, etc.), energy (combined cycle plants, nuclear plants, gas incinerators, etc.) and water cycle management (collectors, flood controls, etc.).

> Tendering activity is also expanding to much of Latin America, the Middle East, Western Europe, India and Australia.

Prospects for 2013

For the Construction Division as a whole, 2013 will be another difficult year in the Spanish market, with Poland also suffering temporarily until a recovery picks up over the next few years. However, there are major opportunities in North America, as well as the rest of the strategic international markets outlined above, in which the company has a stable presence and where it can offer added-value thanks to its technical expertise and management capabilities.


Assembly of Crossrail tunnel-boring machines. London, United Kingdom

Company Description
Management Report
Financial Information
Corporate Responsibility

Construction in Spain

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

Turnover stood at 1.257 billion euro, with an order backlog totaling 2.226 billion, both showing declines of 24% and 20% respectively on the previous year (not including the domestic operations of Cadagua), in line with other major companies in the market. Despite these declines, business margins have been wider than in previous years, thanks to selective contracting, consistent structural cost adjustments and the freeing-up of provisions on completion of projects, which has not been offset by the start of new projects.

Major contract awards this year include the public-private partnership project to build the Olmedo-Pedralba section of the Madrid-Galicia high-speed rail line (157 million euro, in a joint venture at 28%), the A-66 Highway between Benavente and Zamora (146 million euro, in a JV at 50%), the Padornelo-Lubian tunnel sections (92 million euro), the Espiño Tunnel (83 million euro) on the Madrid-Galicia high-speed railroad line, the construction of several gas pipeline sections for Endesa Gas (65 million euro) and the construction and supply of reinforced pipes for the Moralets II power plant (32 million euro).

Many one-off projects were opened in 2012: the TERCAT container terminal at the Port of Barcelona; the A-40 Villarrubia de Santiago-Santa Cruz highway in Toledo; the Ferreries bypass in Menorca; runways and platforms at the Palma de Mallorca Airport; the Pamplona I Penitentiary Center; the Institute of Molecular Medicine in Alcalá de Henares; the Casa del Lector at the Matadero Cultural Center in Madrid; and the Biology and Mathematics Faculty in Santiago.

Awards received in the year include the "Award for the best civil works project in 2012" from the Madrid Association of Civil Engineers for the Serrano street parking garage in Madrid; an honorable mention at the "Ibiza & Formentera 8:11 Architecture Awards" for the Can Cantos development; 12 awards from the "2012 Solar Decathlon Europe Awards" for the Patio 2.12 sustainable housing project; and an honorable mention from the "2011 Prever" awards for the Railroad and Transport Division.

Other highlights include the Ferrovial Railway company starting business in 2012 as a freight rail operator, with authorization granted by the Ministry of Civil Works.

Construction of T2A at Heathrow Airport, London, United Kingdom

International Construction

Outside Spain, the International Construction Division also covers all areas of civil works and building construction. The division operates through subsidiaries such as Budimex in Poland and Webber in the state of Texas in the U.S., as well as through stable local offices in countries that are considered of strategic interest. There are currently offices in the United States, Canada, Poland, the UK, Ireland, Portugal, Chile, Colombia, Peru, Puerto Rico, Brazil, Qatar, UAE, Saudi Arabia, India and Australia.

In 2012 revenue stood at 2.944 billion euro (not including the international operations of Cadagua), up 20% on the previous year. The main strategic markets (Poland, U.S., Canada and UK) accounted for more than 90% of total international sales.

The backlog remains at strong levels of 5.955 billion euro (not including the international operations of Cadagua). This amounts to a fall of 11% on the 2011 figure due to the high level of execution of works, the elimination of the railroad contract portfolio in Poland, and a lower forecast of projects to be executed in one of the highways in Greece. Despite this, the backlog still represents 24 months of guaranteed production at current rates of execution.

The main contracts won in the year, apart from those detailed below for Budimex and Webber, are: the US460 Highway in the USA (1.052 billion euro, in a JV at 70%), the extension of the 407 East Highway in Canada (618 million euro, in a JV at 50%); the 11 buildings of the Tokamak complex for ITER in France (230 million euro, in a JV at 30%); several highway contracts for the Ruta del Maipo and Ruta del Maule in Chile (110 million euro); the Terminal 3 integrated baggage system at Heathrow Airport in the UK (83 million euro); earth moving and tunnel construction for Codelco in Chile (41 million euro); the PR9 Ponce road in Puerto Rico (31 million euro) and the port of Cerrejón in Colombia (16 million euro).

Also of note was the opening of other major works, such as the AH130 Highway in Texas (USA), the Post T5 Connectivity Phase II Tunnel and the Integrated Baggage System at Heathrow T3 in the UK, the Bradford Phase II Colleges in the UK and the Roberto Sánchez Highway in Puerto Rico. Good progress is also being made on the execution of key contracts awarded in 2009-2011, such as the NTE and LBJ highways in Texas, or the Crossrail tunnels and Terminal T2A in the United Kingdom.

Budimex

Budimex is Poland's largest construction company in terms of business volume and stock market capitalization. It has been a Ferrovial Agroman subsidiary since 2000. The company is involved in all types of civil works, building and industrial construction and real-estate

The biggest concessions in the year include the US460 highway in the U.S. and the extension of the 407 East highway in Canada.

international revenues [billion euro]

2,94

+20% on 2011

development projects. Budimex recorded revenue of 1.420 billion euro in 2012, a record figure for the company and 7% more than in 2011. The increase in activity over the last few years, along with a decline in public works put out for tender in Poland, and the aforementioned withdrawal of rail contracts, have reduced the backlog by 38% to 1.194 billion euro.

Standout factors in the year include several contracts associated with the Euro 2012 soccer championship held in Poland and Ukraine, such as the de A1 Pyrzowice-Piekary highway, Wroclaw Railway Station and the Gdansk Airport Terminal. Budimex also moved into new business areas in 2012: its first PPP contract, for the construction and operation of a parking garage in Wroclaw (10 million euro); and the initial contracts for FB Serwis, its joint subsidiary with Ferroser, for road maintenance and facility management.

In 2012 the main contracts awarded were industrial work for the Bialystok waste treatment plant (78 million euro, in a JV at 50%), the Lublin beltway link (62 million euro), the office complex on Kruczkowskiego street in Warsaw (41 million euro), the Lublin Cultural Center (40 million euro), the new runway at Pyrzowice Airport (30 million euro) and the remodeling of the Krakow streetcar system (28 million euro). The new contract awards are a reflection of Budimex's strategy of further diversifying contracts away from highways, which following the recent boom years will receive less investment; at least until the new EU funds for 2014-2020 are forthcoming, when there will be more money than under the last round of funds.

Looking at the awards received in 2012, highlights include recognition of Budimex as the best company listed on the Warsaw Stock Exchange in the environmental, social and governance reporting category. It also won the Corporate Social Responsibility Award from the Ministry of Economy. It was named "The Best Employer in 2011" by the Polish Construction Employees Association, "Great Pearl of the Polish Market" by the Polish Market Journal, and "The Best Construction Company 2011" by The Builder Magazine. Its CEO, Dariusz Blocher, also received the "Manager Award 2012". Finally, it won the "Golden Laurel of Innovations" from the Engineers Association, for the Hearing Center project in Kajetany, and was a winner at the 2012 Eurobuild Awards for Wroclaw Railway Station.

In 2012 Budimex was again included in the Warsaw Stock Exchange "Respect" index, made up of 20 listed Polish companies that uphold the highest standards of social responsibility, corporate governance, investor relations and ethical and balanced management.

Construction of the link between the SH-121 and I-75 highways. Texas, United States

Webber

A subsidiary of Ferrovial Agroman since 2005, Webber is one of the largest road construction groups in Texas (United States), specializing in the construction of civil infrastructure. It is leader in the production and distribution of recycled construction aggregates in the Houston area. Webber recorded revenue of 591 million euro in 2012, 39% more than in the previous year, due to rapid execution of contracts held in the backlog.

Webber has a backlog of 1.288 billion euro, 22% less than in 2011, due to the high levels of contract execution mentioned above, but still representing more than 26 months of revenue.

The key contract awards include several highways, such as the US290 Harris City Highway (86 million euro), the US59 Angelina Highway (41 million euro), the Rockwall County IH30 Highway (15 million euro) and the Homestead Grade Separation (13 million euro).

Also noteworthy in 2012 was the appointment of Tim Creson as the new CEO of Webber.

Cadagua

Cadagua is one of the most prestigious international companies in the design and construction of water treatment plants, mainly seawater desalination plants, but also sewage treatment, water purification and waste treatment plants.

In 2012 it had revenue of 125 million euro with an order backlog at the close of the year totaling 518 million euro. Its international operations account for 47% of the division's sales, in line with its strategy of international diversification, which began to gather strength in 2007.

The company has maintained its commercial focus on international markets, using resources from its Spanish activities to reinforce operations in markets in the Middle East, India, Poland Latin America and several Western European countries, such as the UK, Portugal, Cyprus and Ireland.

Among the contracts it has been awarded is the B.O.O. contract for the Al Ghubrah desalination plant in Oman, signed in February 2013. This is Cadagua's first involvement as an international concessionaire, in a construction contract worth more than 200 million dollars (in a 37.5% JV), as well as a 20-year maintenance contract.

Projects inaugurated in 2012 include the Águilas-Guadalentín desalination plant in Murcia, one of the world's largest facilities for seawater desalination via reverse osmosis, with a maximum production capacity in its initial phase of 180,000 m^3 per day, and 210,000 m^3 in the second phase. Also opened was the drinking water plant in Valmayor, in the Madrid region, which was extended by Cadagua to double its treatment capacity.

In 2012 the Valdelentisco Desalination Plant, built by Cadagua, was distinguished by the American Water Works Association and American Membrane Technology Association as an example to be followed by reverse osmosis plants in the United States. The Valmayor water treatment plant received a special mention among the Best Civil Works projects of 2012 from the Madrid Association of Civil Engineers.

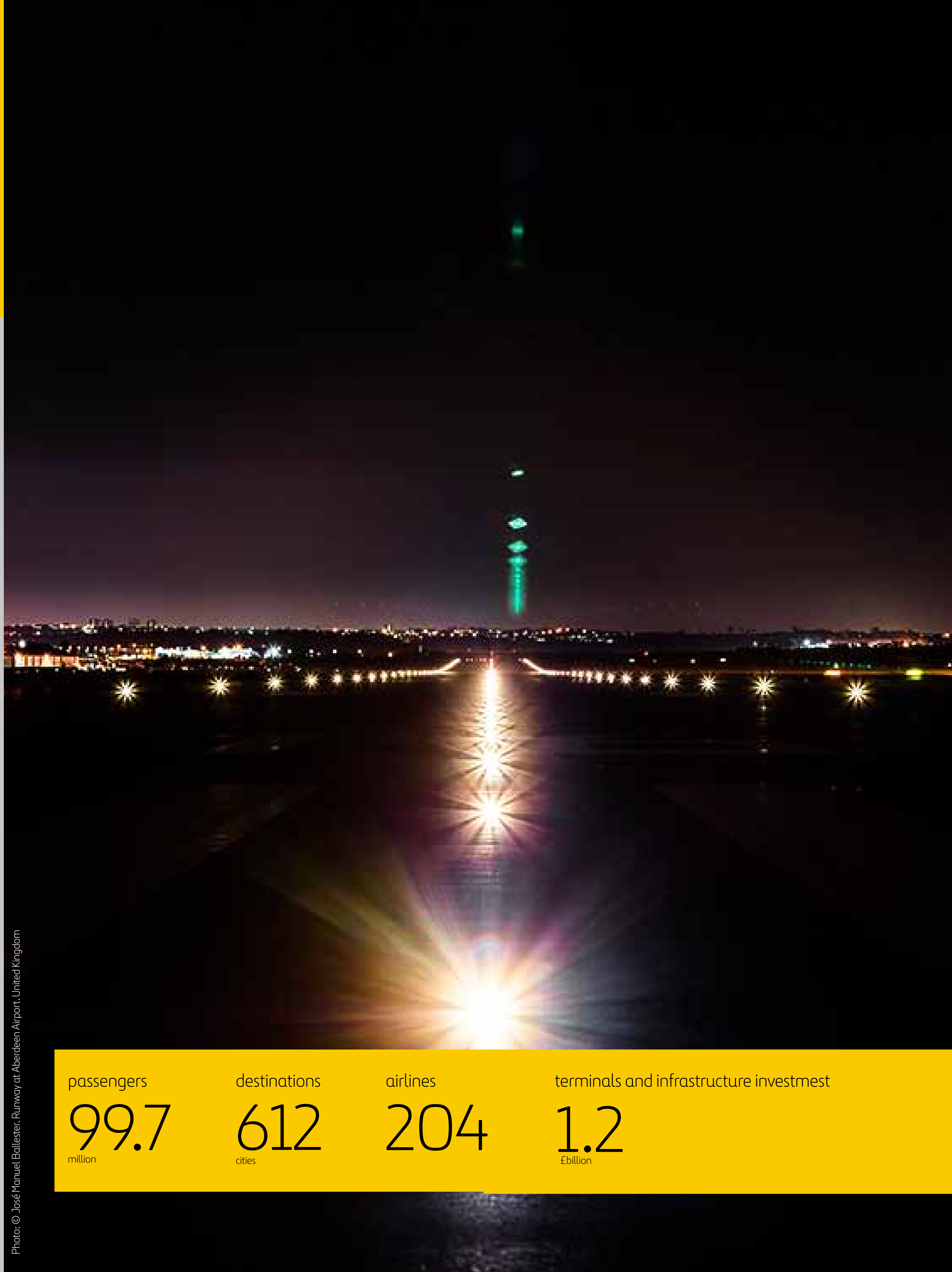


Photo: © José Manuel Ballester. Runway at Aberdeen Airport. United Kingdom

passengers	destinations	airlines	terminals and infrastructure investmest
99.7 million	612 cities	204	1.2 £billion

airports

In 2012, Ferrovial reduced their stake in Heathrow Airport Holdings, from 49.99% to 33.65%, which allowed them to consolidate the valorisation of their investment and input approximately 900 million euros. Qatar Holding LCC and Stable Investment Corporation are the new shareholders of the group, holding 20% and 10% respectively.

The successful divestment operations of Edinburgh and Stansted airports, totalling 2.8 billion euros, put an end to sales imposed by the Competition Commission in the UK. As a result of these divestments BAA is replaced by the name Heathrow Airport Holdings and each airport runs to exploit their brand individually.

In 2012, the shareholders of Heathrow Airports Holdings received a dividend of 240 million pounds, the first dividend distributed since the acquisition of BAA by Ferrovial in 2006. Despite the difficult situation of the debt markets, bonds have been issued amounting to 3.3 billion pounds, including inaugural emissions in Swiss francs and Canadian dollars (in addition to those already existing in pounds, euros and U.S. dollars) and they have refinanced their credit lines.

2012 has been a year of great bidding activity for Ferrovial Airports, which has been active in Brazil, Puerto Rico and Portugal.

Performance over the year

In the year ended 31 December 2012, the group's passenger traffic increased 0.5% to 99.7 million (2011: 99.2 million). Adjusting for the fact that 2012 was a leap year, year on year growth was 0.2%. The performance was driven by Heathrow where passenger traffic was up 0.9% to 70 million (2011: 69.4 million), its second successive calendar year traffic record.

Traffic increased across all market segments with significant increases in European and long haul traffic, based on Heathrow's performance. In contrast there was only a modest decrease in domestic traffic. Domestic performance saw a significant divergence between the London airports (Heathrow: +0.5%; Stansted: -16.7%) and the non-London airports (+2.7%) with the London airport performance reflecting in part cessation of services between Stansted and Belfast and Newcastle.

Ferrovial is one of the major private airport operators in the world and a shareholder in Heathrow Airport Holdings (HAH), which in 2012 operated in five airports in the United Kingdom. These airports (Heathrow, Stansted, Southampton, Glasgow, and Aberdeen) were used by 99.7 million passengers in 2012. They serve around 204 airlines, travelling to approximately 612 destinations worldwide.

In 2012, Heathrow's total traffic increased 0.9% to 70 million passengers (2011: 69.4 million). Heathrow's traffic in 2012 was characterised by record load factors (75.6% versus 75.2% in 2011) and more seats per passenger aircraft (197.4 versus 194.8 in 2011). These are the key drivers of the modest growth that can be expected in Heathrow's traffic for as long as it operates with its current capacity constraints where there is negligible opportunity to increase flight numbers which, whilst falling marginally to 471,341 compared to 476,197 in 2011, are very close to the cap of 480,000 flights per annum. The proportion of transfer traffic at Heathrow was 35% (2011: 35%).

Whilst underlying demand at Heathrow was firm through 2012, reported performance fluctuated through the year. There was year on year growth in the first quarter but a modest decline in the second quarter, partly reflecting issues such as the leap year and the different timing of Easter relative to 2011. In the third quarter, Heathrow's traffic was impacted in July and August by over 400,000 passengers compared to the same period of 2011 by the London 2012 Olympics, which resulted in UK based travellers staying in the country to enjoy the Games and non-UK travellers avoiding travel to the UK due to concerns over disruption caused by the Games. Since then traffic growth resumed with monthly records set in September, November and December.

Stansted's passenger traffic declined 3.2% to 17.5 million (2011: 18 million). Across the group's three other airports of Glasgow, Aberdeen and Southampton, passenger traffic increased 4.1% to 12.2 million (2011: 11.7 million). Performance was particularly strong at the two Scottish airports, with Aberdeen's traffic up 8.3% to 3.4 million passengers (2011: 3.1 million) and Glasgow's traffic up 4.2% to 7.2 million passengers (2011: 6.9 million).

The group reported revenues from operations of 2.65 billion pounds up 4.8% year-on-year. EBITDA rose by 10.5% in comparable terms to 1.36 billion pounds (1.23 billion euro). This strong performance reflects improved underlying traffic, increased aeronautical and retail income per passenger and continued cost control.

The group has continued to implement its strategy to improve passengers' experience and airlines' operations through sustained substantial investment in modern airport facilities and improved service standards. This will ensure customers enjoy superior facilities relative to competitors, encouraging greater utilisation of the group's airports and supporting their long-term growth ambitions.

Passengers at Heathrow Airport, London, United Kingdom

Improvements in service quality

The group's focus on delivering transformational change in passengers' experience of its airports continues to receive significant endorsement from the travelling public, demonstrating that passengers are noticing the improvements made by the airports.

In April 2012 Heathrow Terminal 5 was named the world's best airport terminal in the 2012 SKYTRAX World Airport Awards.

Heathrow Airport, London, United Kingdom

Punctuality

In relation to individual service standards, punctuality remained at historically high levels with the proportion of aircraft departing within 15 minutes of schedule during the year ended 31 December 2012 being 78% (2011: 79%) at Heathrow and 88% (2011: 88%) at Stansted.

Baggage

Heathrow's baggage misconnect rate was 15 per 1,000 passengers (2011: 15).

Security queues

On security queuing, during the year ended 31 December 2012 passengers passed through central security within periods prescribed under service quality rebate schemes 92.8% (2011: 96.9%) of the time at Heathrow and 98.0% (2011: 97.9%) of the time at Stansted.

Passenger surveys

Heathrow achieved an all-time record overall passenger satisfaction score of 3.96 in the Airport Service Quality ('ASQ') survey (produced by Airports Council International) for the third quarter of 2012. This reflected in particular the success of the airport and other organisations that planned and delivered a warm welcome and smooth journey through Heathrow for passengers during the Olympic and Paralympic games. Over 2012 as a whole Heathrow also achieved its highest ever average score of 3.94 (2011: 3.88) in the quarterly ASQ surveys.

Heathrow Terminal 5 was named the world's best airport terminal in the 2012.

Operational improvements

In July 2011, the South East Airports Taskforce, sponsored by the Department for Transport, recommended that consideration be given to Heathrow having greater operational freedom to prevent or mitigate disruption. For example, this might involve simultaneous use of both runways for arrivals and departures in such circumstances, within the existing overall cap on aircraft movements. 2 trials have been successfully concluded during 2012. If implemented permanently, such measures should improve areas such as punctuality and baggage misconnects as well as bringing environmental benefits such as reduced stacking.

Heathrow's ability to respond to adverse weather conditions and other disruptions has been significantly enhanced during 2012 as a result of progress on implementing the recommendations of the Begg Report produced following the disruption caused by winter weather in December 2010.

Other UK airports

The group sold Edinburgh airport in May 2012.

At the group's three other airports of Glasgow, Aberdeen and Southampton there were also some notable improvements in service standards as well as significant independent endorsement of their service and quality standards, reflecting their focus on continuously improving the service they provide to airlines and passengers.

Glasgow and Aberdeen achieved their highest departure punctuality whilst Glasgow and Southampton achieved its highest average ASQ survey score for overall passenger satisfaction in 2012.

Investment in new facilities

The group's key strategic objective is for Heathrow to become the UK's direct connection to the world and Europe's hub of choice by making every journey better. A key enabler in delivering these objectives is Heathrow's continued focus on transforming passengers' and airlines' experience of using the airport through both investment in modern terminal facilities and related infrastructure and improving service standards. This will ensure customers enjoy a superior airport experience relative to competitors, encouraging greater utilisation of Heathrow and supporting its long-term growth ambitions.

Heathrow's capital investment programme achieved a number of significant milestones in 2012 with the main projects including construction work on Terminal 2 as well as the development of baggage systems and a major refurbishment programme at Terminal 4. As expected, investment at Heathrow increased significantly in 2012 (over £1.2 billion) compared to 2011 (over £800 million). The level of investment is expected to continue at an elevated level in 2013 as progress is made towards opening Terminal 2.

The new Terminal 2 building was made weather-tight in early 2012. This enabled significant progress on the terminal fit-out to be completed during the year. By the year end, installation of the internal walls, glass wall linings and conglomerate floor was well underway. In addition, delivery of terminal systems, including outbound baggage systems, escalators and lifts, was making good progress with commissioning of certain elements of the systems underway by year end. March 2012 saw excavation completed for the extensive basement and tunnel structures to house the tracked transit train and baggage systems that will connect the satellite to the main building once the main terminal's second phase is constructed.

Good progress is being made in constructing the 'nodes' to connect the main terminal and satellite buildings to air bridges through which passengers board or leave aircraft. There has also been significant progress on Terminal 2's multi-storey car park.

Terminal 2's construction is expected to be completed in late 2013 with operations commencing in mid-2014.

In Heathrow's baggage investment programme, the new underground automated baggage transfer system between Terminals 3 and 5 became operational. Elsewhere, the superstructure, roof and cladding for the building to house Terminal 3's new integrated baggage system are virtually complete. Baggage and IT systems are now being installed with the overall system expected to become operational in 2015.

Refurbishment works in Terminal 4's departure lounge were completed in 2012. The project has renewed floor tiling, refurbished gate areas, provided new seating, decluttered signage and provided a feature ceiling with LED lighting for reducing energy consumption whilst enhancing the lounge area.

Outside Heathrow, the group's most significant investment was the renovation and rehabilitation of Glasgow's main taxiway whilst at Aberdeen there was work on a new car rental building and runway re-wiring and at Southampton lighting and IT systems improvement.

Company Description
Management Report
Financial Information
Corporate Responsibility

Financial and Regulatory matters

Sale of Edinburgh airport in April 2012

On 23 April 2012, FGP Topco reached an agreement for the sale of Edinburgh Airport to Global Infrastructure Partnership (GIP) for 807.2 million pounds. The sale process ended on May 31, 2012. Proceeds from these disposals either have been or are expected to be used principally to repay debt within the group.

UK aviation policy developments

The main development in UK aviation policy in the last year related to the debate on hub airport capacity,

the importance of which is underlined by the fact that in 2012 Heathrow, the UK's only hub airport, once again operated close to its maximum permitted annual flight numbers. The hub airport model used by Heathrow and its competitors uses transfer passengers to support flights to long haul destinations which would not be viable using local demand alone. But unlike its rivals in France, Germany, the Netherlands and Dubai, Heathrow is full and its capacity constraints prevent any meaningful increase in the numbers of flights and routes it can add. The potential consequences of this for the UK are stark, undermining its ability to engage with emerging economies that are the engine of global growth with severe consequences for the country's long-term prosperity.

At the start of 2012, whilst the importance of hub airport capacity was beinning to be accepted by the UK government, a third runway at Heathrow was being excluded as a potential solution. However, during the year the government established the independent Airports Commission, chaired by Sir Howard Davies, which has been tasked with identifying and recommending the options for maintaining the UK's status as an international aviation hub. It is expected to do this by assessing the UK's international connectivity needs and recommending the optimum approach for meeting these.

The Commission is expected to produce an interim report by the end of 2013 which will set out its assessment of the evidence on the nature, scale and timing of the steps needed to maintain the UK's global hub status, and its recommendations for immediate actions to improve

Aircraft at Heathrow Airport, London, United Kingdom the use of existing runway capacity in the next five years consistent with credible long term options.

A final report is then expected by summer 2015 which will set out the Commission's assessment of the options for meeting the UK's international connectivity needs, including their economic, social and environmental impact and its recommended solution.

The group will make submissions to the Airports Commission during 2013.

Defining Heathrow's development for the next 5 years

Work intensified through the year both within Heathrow and in consultation with its airline community and the CAA on defining how the airport will develop during the next five year regulatory period (Q6), which begins on 1 April 2014.

In particular, constructive engagement with Heathrow's airline community assessed key themes such as capital investment, traffic forecasts, operating costs and commercial revenue opportunities. The regulatory process also included publication in July 2012 of the airport's initial business plan for Q6, the content of which has been superseded since the year end by the publication of an updated full business plan.

Since publication of the initial business plan, Heathrow has reduced the expected cost of airlines operating at Heathrow during Q6 primarily by identifying further opportunities to enhance efficiencies and productivity. This is reflected in a proposed tariff profile, assuming no initial adjustment for the significantly lower than forecast passenger numbers at the end of the current regulatory period, of RPI+5.9% compared to RPI+6.8% in the initial business plan.

The next regulatory period is expected to see Heathrow delivering further significant enhancements to the passenger experience, whilst delivering improved value for money through greater efficiency and productivity and driving further real growth in its commercial offering. Heathrow's full business plan includes a traffic forecast consistent with that in the July 2012 initial business plan showing modestly increasing passenger traffic over the next regulatory period that, after an allowance for shocks, averages around the airport's current un-shocked traffic performance. Heathrow believes it is essential to properly reflect the likely impact on passenger traffic over any medium or long-term horizon from potential shocks given that historically they have impacted its traffic by an average of close to 1.5%.

The full business plan also outlines Heathrow's proposed capital investment plan ('CIP') for 2014-2019. The CIP is aligned to Heathrow's masterplan that envisages the continuation of the process of building terminal and satellite capacity perpendicular to the airport's two runways that started with construction of Terminal 5 and is currently also being implemented in the new Terminal 2. The CIP foresees continued passenger experience improvements, ensuring there are sufficient facilities to handle expected growth in passenger numbers and aircraft size and enabling a competitive cost of operation at Heathrow based on a capital spend over the 5 years of approximately £3 billion (in 2011/12 prices).

The key elements of the CIP relate to the new Terminal 2, the Terminal 3 integrated baggage system, Heathrow's financial contribution to Crossrail (subject to regulatory approval), installation of new baggage screening technology required by 2018 and upgrades and resurfacing of runways and taxiways.

Terminal 2 is expected to open in the early months of Q6 and will involve a significant number of airline moves. In the first part of Q6, it is expected that the pier that currently connects Terminal 1 to the Terminal 2 satellite building will be demolished, opening up the taxiway between Terminal 2 and its satellite building. This will also enable two extra pier served stands to be added to the satellite building.

This phase is expected ultimately to involve the demolition of Terminal 1, extension of the main terminal building, construction of a new satellite Terminal 2C, installation of a terminal baggage system and completion of tracked transit train and baggage facilities linking the main terminal building with the satellites.

Following publication of the full business plan, the next steps in the regulatory review process are for the CAA to complete its own research and analysis, following which it is expected to publish its initial price cap proposals in April 2013 for consultation. Final price cap proposals are expected to be published in October 2013.


Runway at Heathrow Airport. London, United Kingdom

Modernisation of economic regulation of UK airports

The new Civil Aviation Act 2012 ('the Act') became law at the end of 2012 when it received Royal Assent and replaced the Airports Act 1986 as the key piece of legislation relating to the economic regulation of UK airports. The Act introduces a new single primary duty for the CAA to promote the interests of existing and future end consumers of passenger and freight services, wherever appropriate by promoting effective competition. This primary duty is supported by various

> Heathrow delivering further significant enhancements to the passenger experience, whilst delivering improved value for money through greater efficiency and productivity and driving further real growth in its commercial offering.

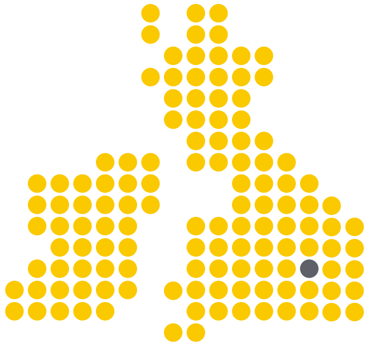
supplementary duties including to ensure an efficient airport operator is able to finance the activities that are subject to the relevant licence obligations.

The Act will also bring into effect an economic licensing regime for airports similar to the regulatory framework in place in certain other regulated sectors such as water and energy. As a regulated airport, Heathrow will require a licence and initial licences will be issued by the CAA.

The licensing regime is currently being developed, with Heathrow's initial draft licence due to be published by the CAA in [April] 2013 for consultation alongside its publication of initial price cap proposals for Q6. The licence is expected to include scope for financial penalties, for example, in the event of a breach of certain licence conditions. Heathrow is also expected to be obliged to consult stakeholders on future plans for investment and operation of the airport, to report on environmental performance, to comply with service standards and other conditions and measures designed to ensure the effective economic regulation of the airport.

The licensing regime is also expected to include conditions relating to licenced airports' financial resilience, for example a minimum credit rating requirement, consistent with the themes proposed by the Department for Transport in 2009.

Heathrow

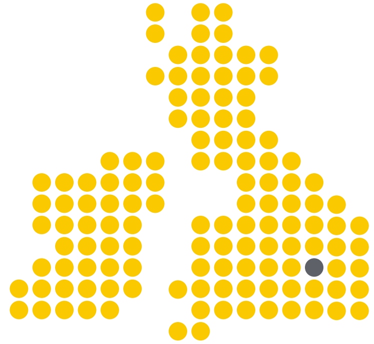


- In 2012 Heathrow Airport, with the highest passenger traffic in the United Kingdom and Europe, recorded traffic of around 70 million passengers, an increase of 0.9%.
- Revenues reached 2.11 billion pounds and EBITDA increased, by 12.2%, to 1.10 billion pounds..

1946 inaugural year
2 runways
4 terminals
86 airlines
193 destinations
70 m passengers per year
471,341 flights per year
1,484,488 metric tonnes of cargo per year
1,227 ha total surface area
52,200 sq. m of retail space


Terminal T5, Heathrow Airport. London, United Kingdom

Stansted



- In 2012 London Stansted Airport, the fourth largest in the United Kingdom, recorded traffic of around 17.5 million passengers, a decline of 3.2%.
- The year was notable for a return to growth after the summer following several years of consistent declines. This is reflected in a traffic decline of 4.6% in the nine months to 30 September 2012 turning into an increase of 1.8% in the fourth quarter. This was due to year on year capacity additions by Ryanair for the current winter season. Stansted's core European scheduled market saw traffic decline only 0.3% to 14.1 million passengers (2011: 14.1 million), with 5.3% growth in the fourth quarter. Traffic declines in other markets were driven mostly by cessation of a limited number of services. Stansted's 2012 average load factor was 81% (2011: 80.8%).
- Departure punctuality maintained at 88% (2011: 88%). Passengers passed through central security within the period prescribed under its service quality rebate scheme 98% (2011: 97.9%) of the time compared with the 95% service standard.

1991 inaugural year
1 runway
1 terminal
14 airlines
150 destinations
17.5 m passengers per year
131,409 flights per year
209,000 metric tonnes of cargo per year
957 ha total surface area
10,608 sq. m of retail space


Standsted Airport. London, United Kingdom

Glasgow

- Glasgow airport recorded 7.2 million passengers in 2012, up 4.2% on 2011 driven by increased capacity provided by both easyJet and Jet2 on European routes.
- Glasgow achieved its highest levels of departure punctuality, as measured by the proportion of aircraft departing within 15 minutes of schedule, in over a decade of 85.2% (2011: 83.8%).
- Glasgow maintained its high average overall passenger satisfaction score in 2012 in the quarterly Airport Service Quality survey (produced by Airports Council International) scoring 3.92 (2011: 3.98).

1966 inaugural year
1 runway
1 terminal
30 airlines
90 destinations
7.2 m passengers per year
72,543 flights per year
9,706 metric tonnes of cargo per year
341 ha total surface area
6,978 sq. m of retail space

Glasgow Airport, United Kingdom

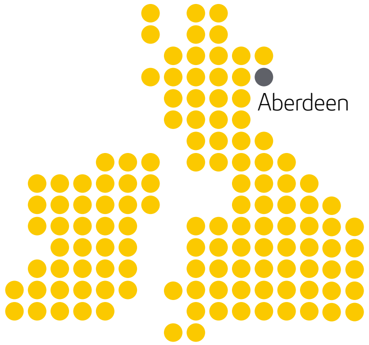
Southampton

- Southampton Airport recorded 1.7 million passengers in 2012, 3.9% less than in 2011 with performance constrained principally by Flybe ceasing to operate on certain routes.

1910 inaugural year
1 runway
1 terminal
12 airlines
44 destinations
1.7 m passengers per year
38,649 flights per year
250 metric tonnes of cargo per year
144 ha total surface area
950 sq. m of retail space


Southampton Airport, United Kingdom

Aberdeen



- Aberdeen Airport recorded a passenger total of 3.4 million for 2012, an increase of 8.3% on 2011. The growth can be attributed to the strength of the local energy based economy and the completion of its runway extension in October 2011.
- 2012 saw Aberdeen achieve its highest level of departure punctuality, as measured by the proportion of aircraft departing within 15 minutes of schedule, in over a decade of 82.5%.

1934 inaugural year
4 runways
5 terminals
22 airlines
45 destinations
3.4 m passengers per year
102,165 flights per year
6,890 metric tonnes of cargo per year
215 ha total surface area
1,825 sq. m of retail space

Aberdeen Airport, United Kingdom

management report

71 business performance
86 business outlook
88 information on: the environment. employees.
88 corporate governance report
88 audit and control committee report

Photo: © José Manuel Ballester. Warsaw Mathematics Department. Poland

ferrovial

Consolidated Directors' Report 2012

Ferrovial, S.A. and Subsidiaries

Board of Directors
19 February 2013

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

I. BUSINESS PERFORMANCE OF THE GROUP IN 2012

OVERVIEW

Cash flow generated

Cash flows from operating activities, excluding infrastructure projects, grew by 78% to EUR 909 million (2011: EUR 510 million).

This significant rise was due to the increase in dividends received from 407ETR (EUR 198 million vs. EUR 133 million), the commencement of the distribution of dividends by Heathrow Airport Holdings (HAH) (EUR 143 million) and the high level of cash flows generated by the Services Division (all-time high at EUR 491 million), three times more than in 2011 (EUR 164 million).

The high volume of cash generated was the result of the strong demand of the main infrastructure assets. Both Heathrow (LHR) and the 407ETR toll road ended the year with historical maximum traffic levels, despite the substantial rise in charges (LHR +12.7%, 407ETR +8.5%).

In 2012 two divestments of HAH shares were made involving a total ownership interest of 16.34% (10.62% was sold to Qatar Holding and 5.72% to CIC International) for total proceeds of EUR 894 million.

As a result of the significant volume of cash generated and of the divestments made, the net cash position (NCP) excluding infrastructure projects improved for the sixth year running to stand at EUR 1,489 million in 2012 (2011: EUR 906 million).

This improvement in the NCP arose despite the distribution of dividends totalling EUR 832 million (2011: EUR 367 million).

Business performance

Sales totalled EUR 7,686 million in 2012, with EBITDA of EUR 927 million, up 13% on 2011.

Signs of recovery were seen in the Toll Roads Division in the US following a prolonged period of traffic decreases, particularly in relation to heavy vehicles. In Europe, the increased charges partially offset the lower traffic levels.

The Services Division proved to be particularly resilient, with increased sales (+4.6%) as a result of growth in the UK. The trend of previous years in the Construction Division continued unabated; a fall in activity in Spain offset by international growth, particularly in the US.

Significant long-term contracts were granted to the Services Division (Sheffield), the Toll Roads Division, where a consortium in which Cintra is a partner was awarded the eastern extension of the 407ETR toll road, and the Construction Division, which was awarded the contract for the US 460 toll road in Virginia.

Financing

In 2012 the 407ETR launched two long-term issues totalling CAD 600 million, which made it possible to refinance early a debt maturing in 2014. In April it launched a CAD 400 million issue with a coupon rate of 4.19% and maturing in 2042. In September it issued a bond of CAD 200 million with a coupon rate of 3.98% and maturing in 2052. In 2012 HAH issued bonds exceeding GBP 3,000 million, as part of its strategy to secure long-term financing through the capital markets, including a first issue denominated in Swiss francs and another denominated in Canadian dollars, together with several private placements.

After the reporting period Ferrovial successfully completed a five-year EUR 500 million bond issue, with an annual coupon rate of 3.375%, which was the first issue of corporate bonds made by the Company. Orders were received for more than EUR 5,590 million. The funds obtained were used for the early repayment of corporate debt.

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	7,686.4	7,445.8	3.2	0.9
EBITDA	926.8	817.2	13.4	11.2
EBIT	708.0	625.2	13.2	10.6
Net profit	709.7	1,242.5	-42.9	n.s.
Net investments	579.8	936.0	-38.1	

	Dec-12	Dec-11	Change (Mn)
Consolidated net debt	-5,105.5	-5,170.9	65
Net debt ex-infrastructure projects	1,489.2	906.6	583

	Dec-12	Dec-11	Change (%)
Construction backlog	8,699	9,997	-13.0
Services backlog	12,784	12,425	2.9

Change in traffic	Dec-12	Dec-11	Change (%)
ETR 407 (km travelled 000)	2,340,004	2,325,517	0.6
Chicago Skyway (ADT)	42,228	42,066	0.4
Indiana Toll Road (ADT)	27,459	27,142	1.2
Autema (ADT)	15,056	19,114	-21.2
Ausol I (ADT)	12,537	14,254	-12.0
Ausol II (ADT)	14,099	15,576	-9.5
Heathrow (millions of passengers)	70.0	69.4	0.9

TOLL ROADS

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	381.4	389.7	-2.1	-3.1
EBITDA	271.6	283.2	-4.1	-5.1
EBITDA margin	71.2%	72.7%		
EBIT	204.4	230.5	-11.3	-12.2
EBIT margin	53.6%	59.1%		

Sales and EBITDA in 2012 were adversely affected mainly by the fact that the Government discontinued payment of the shortfall guarantee accounts for the Spanish R4 and Ocaña-La Roda toll roads (2011: EUR 23 million), by the reversal of VAT-related provisions (EUR 20 million) at Autema and by the drop in traffic, which was partially offset by the increase in charges. The Azores toll road started operating in December 2011 with the concomitant positive effect as a result of the expansion of the scope of consolidation in 2012, which was further broadened by the opening to traffic of the SH-130 toll road in Texas on 11 November 2012.

Changes in traffic

In Spain traffic on all the corridors continued to fall, with a significant drop in the last quarter, due to the worsening of the economy and higher fuel prices.

The drop in traffic on the corridors was compounded by a continual loss in market share of toll roads, for two main reasons: the accumulated fall in traffic levels since the start of the crisis has led to a considerable improvement in traffic conditions on the free alternative roads, and, secondly, the rise in drivers' aversion to pay tolls in times of crisis has increased in recent quarters due to the uncertainties surrounding the Spanish economy, the loss of purchasing power as a result of the tax measures adopted by the Government and the rise in unemployment. This has been exacerbated by the rise in VAT from 18% to 21% since 1 September, which led to an increase of 2.5% in the charge paid by the users.

Other specific circumstances are also having an impact on the level of traffic on Spanish toll roads:

At Ausol, the increase in the toll (7.5%) applied since 29 July as a result of the cancellation of a shortfall guarantee account approved in 1999 to reduce the tolls paid at that time and the opening to traffic of the San Pedro de Alcántara tunnel on 26 June had an adverse effect on traffic on the toll road.

At Autema, the entry into force in January of a new toll Decree eliminated the rebate for local users on the Sant Cugat-Terrassa stretch of the toll road and introduced new discounts for frequent users of this stretch, for environmentally-friendly vehicles and for high occupancy vehicles on all parts of the toll road. This toll road has a compensation mechanism guaranteeing its profit from operations, pursuant to an agreement adopted in 1999.

The other European toll roads have also been affected by the sharp increase in the price of fuel (Portugal and Ireland are witnessing record highs).

In Portugal, the modification of the concession arrangement of the Norte Litoral toll road has eliminated the demand risk and a similar change is currently being made in the case of the Algarve toll road.

Ireland: there have been slight drops in traffic levels on the M4 and M3 toll roads as a result of the worsening of the economic situation and the increase in fuel prices. On a positive note, HGV traffic has increased thanks to an ongoing rise in market share in the corridors.

	Traffic - ADT			Sales			EBITDA			EBITDA margin		
Fully consolidated	**Dec-12**	**Dec-11**	**Change**	**Dec-12**	**Dec-11**	**Change**	**Dec-12**	**Dec-11**	**Change**	**Dec-12**	**Dec-11**	**Change (bps)**
Chicago Skyway	42,228	42,066	0.4%	55.0	49.0	12.3%	47.6	41.7	14.0%	86.5%	85.2%	132
SH-130	6,201			1.8		n.s.	1.0	0.4	n.s.	53.7%		
Ausol I	12,537	14,254	-12.0%									
Ausol II	14,099	15,576	-9.5%									
Ausol				48.5	53.4	-9.2%	36.6	40.4	-9.4%	75.5%	75.6%	-13
Autema*	15,056	19,114	-21.2%	84.0	81.7	2.8%	92.2	68.4	34.7%	109.7%	83.7%	2,597
Radial 4	5,588	6,796	-17.8%	14.7	30.9	-52.3%	4.2	21.8	-80.9%	28.2%	70.6%	-4,235
Ocaña-La Roda	3,191	3,822	-16.5%	13.5	24.2	-44.0%	5.7	16.9	-66.1%	42.3%	69.9%	-2,761
M4	25,306	25,759	-1.8%	21.3	21.4	-0.7%	14.5	14.6	-0.5%	68.1%	67.9%	15
M3*	25,528	25,935	-1.6%	20.4	35.7	-42.8%	15.1	29.7	-49.2%	73.9%	83.2%	-934
Euroscut Algarve				39.2	34.9	12.3%	34.4	29.8	15.7%	87.9%	85.3%	256
Euroscut Norte Litoral*				40.3	44.1	-8.7%	34.0	39.4	-13.7%	84.4%	89.2%	-488
Azores	8,186	8,174	n.s.	21.1	0.9	n.s.	17.1	0.7	n.s.	81.1%	71.2%	n.s.
Parents and other				21.6	13.5	n.s.	-30.7	-20.5	n.s.			
Total				**381.4**	**389.7**	**-2.1%**	**271.6**	**283.2**	**-4.1%**	**71.2%**	**72.7%**	**-145**

Equity method	**Dec-12**	**Dec-11**	**Change**	**Dec-12**	**Dec-11**	**Change**	**Dec-12**	**Dec-11**	**Change**	**Dec-12**	**Dec-11**	**Change (bps)**
407 ETR (VKT 000)	2,340,004	2,325,517	0.6%	569.2	489.6	16.3%	471.6	401.7	17.4%	82.9%	82.0%	82
Indiana Toll Road	27,459	27,142	1.2%	151.9	133.3	13.9%	123.0	109.1	12.8%	81.0%	81.8%	-79
Ionian Roads	29,223	34,442	-15.2%	57.9	66.2	-12.6%	15.9	37.6	-57.5%	27.6%	56.8%	n.s.

* Toll roads considered to be financial assets.

North America:

		1Q	2Q	3Q	4Q
Chicago Skyway	2011	-6.5%	-5.5%	-7.6%	-6.2%
	2012	-0.7%	+1.1%	+0.4%	+0.7%
Indiana Toll Road	2011	-1.6%	-3.8%	-4.1%	-1.0%
	2012	1.9%	2.6%	-0.5%	1.3%

Traffic on the US toll roads continues to improve, aided by a modest upturn in the economy and a fall in petrol prices.

Indiana Toll Road: the trend towards a recovery of the traffic on this toll road was confirmed following the completion of the upgrade and extension work and the increase in the speed limit from 55 mph to 70 mph on a stretch of the road. The completion of the aforementioned work led to a particularly significant increase in HGV traffic.

Chicago Skyway: the 0.7% growth in the last quarter of the year represented the third consecutive quarter of growth following a prolonged period of reductions that had begun in 2009. Particularly noteworthy was the upturn in HGV traffic as a result of the completion of the upgrade work on the adjacent Indiana Toll Road.

The SH-130 toll road was opened to traffic on 24 October and users started to be charged on 11 November. Various factors had a major effect on traffic in the first few weeks of operation of the asset, such as the Formula 1 Grand Prix, which prompted a 40% increase in traffic over the weekend of the race, or the inclusion of the toll road in the Google Maps route logarithm, which led to a 14% rise in traffic with respect to the preceding weeks. The toll road sees most traffic on days leading up to public holidays and, therefore, the maximum usage level to date was registered on the eve of Thanksgiving, which fell on a Wednesday.

Other significant matters

RADIAL 4

On 14 September the Board of Directors of the Radial 4 toll road resolved to file a petition for the initiation of court-ordered insolvency proceedings. On 4 October it received the order accepting the petition for the initiation of the voluntary insolvency proceedings.

The Radial 4 project has been directly affected by factors beyond its control (substantial reduction in traffic with respect to forecasts, excess compulsory purchase costs, the economic crisis, etc.) which have prevented it, in the current situation, from meeting various payment obligations to the selling parties in the compulsory purchase proceedings and to banks. An important factor behind this resolution was the fact that the possible measures provided for by law to support the concession have not been effectively implemented by the concession grantor. In the light of all the foregoing, the Board of Directors adopted its resolution, which was required by law, with the confidence that a solution can be found in the next few months.

An impairment loss has been recognised for the full amount of the investment made in this project. Therefore, the outcome of the insolvency proceedings is not expected to have any adverse impact on the financial statements of Ferrovial.

The net debt associated with this asset amounts to EUR 580 million.

As a result of the insolvency proceedings, the payment moratorium agreements with the creditor banks were terminated.

OCAÑA - LA RODA

The Ocaña-La Roda toll road filed a petition for the initiation of court-ordered insolvency proceedings on 19 October. It received the order accepting the petition for the initiation of the voluntary insolvency proceedings on 4 December.

An impairment loss has been recognised for the full amount of the investment in this project. Therefore, the outcome of the insolvency proceedings is not expected to have any adverse impact on the financial statements of Ferrovial.

The net debt associated with this asset amounts to EUR 529 million.

The insolvency proceedings gave rise to the early termination of the financing agreement which originally matured on 31 December 2012.

INCREASE IN THE TOLLS OF THE INDIANA TOLL ROAD

On 1 July the new tolls came into force, which, for light vehicles not using a transponder on a standard journey on the whole toll road, gave rise to increases of 7.7% and 2.7% for the open and closed stretches, respectively. For heavy vehicles the increases were 1.5% for the open stretch and 3.9% for the closed stretch.

DIFFERENTIATION BETWEEN FINANCIAL ASSETS AND INTANGIBLE ASSETS

Under IFRIC 12, concession arrangements may be classified into two types: intangible assets or financial assets. The concessions that have a mechanism guaranteeing revenue and which, therefore, do not bear any demand risk are treated as financial assets. In the case of Cintra, the concessions treated as financial assets are as follows: Autema, Norte Litoral and M-3. In the case of the Norte Litoral toll road, the classification as a financial asset was due to the change in the terms and conditions of the arrangement, which saw it change from a shadow toll to a payment for availability arrangement.

Tenders

Canada: 407 east extension (payment for availability) (Cintra 50%). Total investment in the project of CAD 1,100 million.

Spain: Almanzora road (between Purchena and Huercal-Overa) (Cintra 16.25%). The 30-year concession arrangement was granted on 15 March. Payment for availability, with a total investment in the project of approximately EUR 145 million.

A-66 (Benavente – Zamora) (Cintra 20%). The 30-year concession arrangement was granted on 14 December. Payment for availability, with a total investment in the construction of the project of approximately EUR 192 million.

Cintra is acting as the financial adviser in the US 460 project, in which a consortium led by Ferrovial Agromán (Ferrovial 70%) was granted the arrangement on 9 October 2012. The commercial and financial details of the arrangement were finalised on 20 December 2012.

Tenders in progress

Despite the uncertainties in the markets, there has been a slight increase in the development activity of the public authorities in some of the international markets targeted by Ferrovial.

In North America, various projects are being assessed in several states and work is in progress on several projects in Europe.

The Company is also studying projects in other markets such as Australia and Latin America.

407ETR

Canadian dollars	Dec-12	Dec-11	Change (%)
Sales	734.0	675.0	8.7
EBITDA	608.2	553.8	9.8
EBITDA margin	82.9%	82.0%	
EBIT	547.6	495.4	10.5
EBIT margin	74.6%	73.4%	
Financial result	-300.1	-318.8	5.9
Profit before tax	247.5	176.6	40.2
Income tax	-70.3	-43.7	-60.6
Net profit	**177.2**	**132.9**	**33.4**
Net profit attributable to Ferrovial	**76.6**	**57.4**	**33.4**
Contribution to result of companies accounted for using the equity method of Ferrovial (euros)	**46.0**	**30.5**	**51.0**

Note: after Ferrovial sold 10% of 407ETR in 2010, the toll road began to be accounted for using the equity method, based on the percentage of ownership held by Ferrovial (43%).

407ETR achieved significant growth in sales (8.7%) and EBITDA (9.8%) in local currency. This positive performance was the result of the increase in toll rates on 1 February coupled with the increase in traffic. The average revenue per trip rose by 8.5% with respect to 2011.

407ETR contributed EUR 46 million to Ferrovial's result of companies accounted for using the equity method, after the annual amortisation charge relating to the intangible asset that arose after the sale of a 10% stake in 2010, which is being amortised over the life of the asset based on the projected traffic levels.

DIVIDENDS

Millions of Canadian dollars	2012	2011	Change %
1Q	87.5	82.5	+6.6
2Q	87.5	82.5	+6.6
3Q	87.5	82.5	+6.6
4Q	189.9		
4Q	147.3		
Total 4Q	337.1	102.3	+229.6
Total	**599.9**	**348.8**	**+72.0%**
Extraordinary		110.0	
Total	**599.9**	**458.8**	**+30.7%**

Following the dividend distributions in the last quarter, the dividends totalled CAD 600 million in 2012. The historical detail of the dividends is as follows:

Millions of Canadian dollars	Total	Change %
2008	135	+12.5
2009	190	+40.7
2010	300	+57.9
2011	459	+52.9
2012	600	+30.7

TRAFFIC

The change in traffic, measured in terms of vehicle kilometres travelled (VKT) (+0.6%), represented an improvement with respect to the same period in the preceding year (-0.5%), due both to the increase in the number of trips (+0.1%) and to the average distance travelled (+0.5%). Since mid-2011 there has been stability in relation to light vehicles and an increase in heavy vehicles, which reflects the economic recovery in the province of Ontario.

NET DEBT

407ETR ended 2012 with net debt of CAD 5,219 million.

The company does not have any significant debt maturities until 2015 (CAD 500 million).

DEBT ISSUES

The most recent debt issue of 407ETR was made on 6 September, relating to a bond of CAD 200 million, with a coupon rate of 3.98% and maturing in 2052. In April 2012 an issue of CAD 400 million was launched, with a coupon rate of 4.19% and maturing in April 2042, which made it possible to refinance early the debt maturing in 2014.

CREDIT RATING

S&P: "A" (Senior Debt), "A-" (Junior Debt) and "BBB" (Subordinated Debt).

DBRS: "A" (Senior Debt), "A low" (Junior Debt) and "BBB" (Subordinated Debt).

407ETR CHARGES

The table below compares the charges in 2011 and 2012 (increase on 1 February).

Canadian dollars	2012	2011
Regular Zone		
Peak Period *Mon-Fri: 6am-7am, 9am-10am, 3pm-4pm, 6pm-7pm*	24.20¢ /km	22.75¢ /km
Peak Hours Mon-Fri: *7am-9am (2010: 7.30am-8.30am), 4pm-6pm*	25.20¢ /km	22.95¢ /km
Light Zone		
Peak Period *Mon-Fri: 6am-7am, 9am-10am, 3pm-4pm, 6pm-7pm*	22.60¢ /km	21.25¢ /km
Peak Hours *Mon-Fri: 7am-9am, 4pm-6pm*	23.55¢ /km	21.45¢ /km
Midday Rate *Working days 10am-3pm*	21.00¢/km	19.35¢/km
Off Peak Rate *Working days 7pm-6am, Weekend and holidays*	19.35¢/km	19.35¢/km
Transponder: monthly rental	$3.00	$2.75
Transponder: annual rental	$21.50	$21.50
Video toll per trip	$3.80	$3.65
Charge per trip *(There is no charge per km)*	$0.60	$0.50

OPENING OF LANES

On 29 August the widening of segments C5 and C6 (one lane in each direction of 16 km each) was opened to traffic. These were the first segments to achieve their final configuration.

2012 Directors' Report. Ferrovial S.A. and Subsidiaries

SERVICES

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	2,951.1	2,820.6	4.6	1.3
EBITDA	313.6	311.8	0.6	-2.0
EBITDA margin	10.6%	11.1%		
EBIT	203.3	207.4	-2.0	-5.2
EBIT margin	6.9%	7.4%		
Backlog	12,783.9	12,424.7	2.9	1.5

In comparable terms, the Services Division posted a slight increase in sales (1.3%), with a slightly negative performance at the EBITDA level (drop of 2.0%).

The increase in sales was driven by the growth in the UK (8.3%), which offset the drop in activity in Spain (5.0%), where there was a persistence of the trend seen in earlier quarters as a consequence of the challenging economic conditions. The decline at the EBITDA and EBIT levels was a consequence of non-recurring positive impacts at Amey in the previous year and the reduced activity in Spain.

Businesses in Spain

	Dec-12	Dec-11	Change (%)
Sales	1,460.6	1,536.9	-5.0
EBITDA	195.3	198.4	-1.6
EBITDA margin	13.4%	12.9%	
EBIT	102.4	110.7	-7.6
EBIT margin	7.0%	7.2%	
Backlog	5,576.9	6,172.1	-9.6

The figures for Spain include central service costs and the costs incurred in the start-up of operations in other countries (Poland). Excluding these impacts, the EBITDA and EBIT of the Spanish business would have declined by 1% and 6.6%, as opposed to the reductions of 1.6% and 7.6% reported, demonstrating the strength of the business in a very demanding economic situation.

In line with the performance for the year as a whole, sales and EBITDA were down 5% and 1.6%, respectively, on 2011. The deterioration at the EBIT level was more pronounced (-7.6%), as 2012 was the first full year for certain contracts with high depreciation and amortisation charges. This was the case of the new waste collection and treatment contract in Murcia and the A2 road maintenance contract.

Nevertheless, in spite of this reduced activity, sales margins were in line with 2011 as a result of cost control measures, which in recent years have been adapted to the decline in activity, and active management of portfolio quality.

In the waste collection and treatment business, the drop in economic activity in Spain resulted in a fall in the tonnes of waste managed (by 10% with respect to 2011). In relation to the urban waste collection and street cleaning contracts, sales fell because various municipal councils reduced service levels due to budget restrictions; other contracts were terminated or not renewed due to their low margins or as a result of collection problems.

In the infrastructure maintenance business, sales fell due to a reduction in services required by customers, including most notably road maintenance contracts for the Spanish Ministry of Public Works. In addition, the company was more selective in taking on contracts, with the aim of controlling working capital investment and protecting its profit margins.

The payments received pursuant to Royal Decree 4/2012 and Royal Decree 7/2012 relating to public administration supplier payments amounted to EUR 499 million.

AMEY

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	1,490.6	1,283.7	16.1	8.3
EBITDA	118.3	113.3	4.4	-2.6
EBITDA margin	7.9%	8.8%		
EBIT	100.9	96.7	4.4	-2.6
EBIT margin	6.8%	7.5%		
Backlog	7,207.0	6,252.6	15.3	12.1

Sales increased by 8.3% in comparable terms as a result of the commencement of various contracts, including most notably the prisoner transport and custody contract awarded in 2011 and the infrastructure maintenance contract for the City of Sheffield. The rest of the growth was due to the higher billings on existing contracts, noteworthy being the road maintenance in Area 9 and the London area due to additional work as a result of the Olympic Games, work which was completed in the first half of the year.

In spite of the sales growth, EBITDA (-2.6%) and EBIT (-2.6%) were lower than in the previous year, as a consequence of non-recurring gains booked in 2011 on the sale of machinery (EUR 7 million) and costs relating to new contract start-ups in 2012.

Backlog

The backlog totalled EUR 12,784 million at 2012 year-end, up 2.9% on December 2011, driven by the increase in Amey's backlog.

In the UK, the 25-year EUR 1,414 million urban infrastructure maintenance contract for Sheffield was added to the backlog once the financial close was achieved in August 2012.

In Spain, the highlights in the waste collection and treatment business were the award of an 18-year contract for two treatment plants in the Canary Islands, the 8-year renewal of the urban waste collection and street cleaning contract for San Vicente de Raspeig and the renewal for one year of the contract for the cleaning and maintenance of green zones in Madrid (10 districts). In the infrastructure maintenance and facility management business, in addition to the 20-year energy management contract for Torrejón, the new contracts included most notably the 3-year maintenance contract for several stretches of the State road network, the new 4-year contract for call centre services for the Madrid Municipal Council and an energy services maintenance contract for outdoor lighting in the municipality of Soto del Real in Madrid.

Company Description
Management Report
Financial Information
Corporate Responsibility

CONSTRUCTION

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	4,325.6	4,243.8	1.9	0.1
EBITDA	336.9	246.4	36.8	33.0
EBITDA margin	7.8%	5.8%		
EBIT	298.4	213.9	39.5	35.4
EBIT margin	6.9%	5.0%		
Backlog	8,699.4	9,997.2	-13.0	-14.2

Activity was stable in 2012 in comparable terms (+0.1%), following the trend of recent years, with a significant decline in activity in Spain offset by strong international growth.

EBITDA grew by 33% to EUR 337 million, due principally to the settlement and reversal of a net amount of EUR 135 million of provisions on completion of construction contracts.

Backlog

	Dec-12	Dec-11	Change (%)
Civil engineering	6,837.4	7,602.4	-10.1
Residential building construction	284.2	363.7	-21.9
Non-residential building construction	867.2	1.334.8	-35.0
Industrial	710.6	696.3	2.1
Total	**8,699.4**	**9,997.2**	**-13.0**

The 13% drop in the backlog with respect to December 2011 was due to the high level of contract work carried out, a lower level of new contract awards, the exclusion from the scope of consolidation of PNI (EUR 275 million after it was deconsolidated in November) and contract terminations (including most notably EUR 272 million relating to the termination of part of the Central Greece construction work).

The ability to carry out complex projects, such as the LBJ and NTE toll roads in Texas, is positioning Ferrovial as a market benchmark in the US.

In 2012 significant international civil engineering projects were added to the backlog, such as the contract for the construction of the 407ETR toll road extension in Canada and the US 460 toll road in Virginia (US).

The international backlog amounts to EUR 6,060 million, which is much higher than the Spanish backlog of EUR 2,640 million. The weight of the international backlog continues to increase, and it now represents 70% of the total.

The Spanish backlog fell back by 17%, mainly as a result of the drop in public-sector contracts put out to tender in Spain (-45%).

Markets

The internal management structure of the Construction Division was changed in the third quarter of 2012 to adapt to the new situation in the market. Budimex and Webber continue to report directly, whereas Spain is now included as just another area of activity and is no longer reported separately.

Budimex

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	1,420.3	1,323.5	7.3	8.1
EBITDA	57.2	71.0	-19.4	-18.8
EBITDA margin	4.0%	5.4%		
EBIT	45.1	63.6	-29.1	-28.5
EBIT margin	3.2%	4.8%		
Backlog	1,193.9	1,919.7	-37.8	-43.1

Budimex reported significant sales growth as a consequence of the performance of large projects and better weather conditions. The lower margins arose mainly as a result of the losses on the contracts of PNI, which was excluded from the scope of consolidation in November after it filed for insolvency on 24 August 2012. Excluding PNI, sales would have grown by 4%, EBITDA by 8% and the backlog would have fallen by only 27%.

The backlog totalled EUR 1,194 million at 2012 year-end, down 43.1% from 2011, reflecting the announced cutbacks in public spending on roads, the completion of certain large projects and the exclusion of PNI's backlog (EUR 275 million) following its exclusion from the scope of consolidation in November.

Webber

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	591.5	424.9	39.2	28.4
EBITDA	23.0	17.1	34.5	22.8
EBITDA margin	3.9%	4.0%		
EBIT	17.7	11.4	55.1	40.9
EBIT margin	3.0%	2.7%		
Backlog	1,288.3	1,650.6	-21.9	-20.5

Webber reported strong sales growth in local currency terms (+28%) thanks to the start-up of projects awarded the previous year and the higher level of work completed on the managed lanes. In euro terms, sales increased by 39% due to the weakness of the euro against the US dollar.

The 20.5% drop in the backlog was the result of a high level of contract work performed in 2012 after a significant volume of contract awards in 2011.

Other markets

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	2,313.9	2,495.3	-7.3	-9.1
EBITDA	256.7	158.3	62.2	56.3
EBITDA margin	11.1%	6.3%		
EBIT	235.6	138.9	69.7	62.8
EBIT margin	10.2%	5.6%		
Backlog	6,217.2	6,426.9	-3.3	-3.2

Sales dropped due mainly to the performance of the Spanish market (-24%). Construction work relating to the new toll roads in Texas continued to yield positive results. The increase in profits was due largely to the reversal of provisions as a result of the completion of projects which was not offset by the start-up of new projects.

The payments received pursuant to Royal Decree 4/2012 and Royal Decree 7/2012 relating to public administration supplier payments amounted to EUR 190 million.

AIRPORTS

On 15 October, it was announced that the commercial brand name BAA would no longer be used, and had been replaced by HAH. There were various reasons for this change, amongst which is the fact that as a result of the sale of Stansted, Heathrow now represents 95% of the former Group.

In 2012 there were two sale transactions involving HAH. On 17 August it was announced that a stake of 10.62% in the Group would be sold to Qatar Holding for GBP 478 million and on 31 October it was announced that an ownership interest of 5.72% would be sold to CIC International for GBP 257.4 million. Both of these transactions were completed in 2012.

The contribution of the Airports Division to Ferrovial's result of companies accounted for using the equity method totalled EUR 231 million, due principally to the following non-recurring items: a EUR 98 million gain on the sale of Edinburgh airport; the positive impact of the two percentage point cut in corporation tax in the UK (EUR 90 million) and EUR 65 million relating to the revaluation at fair value of the derivatives portfolio. The capital gain on the sale of 16.34% of HAH amounted to EUR 186 million (of which EUR 115 million related to the line item "Impairment and Disposals of Non-Current Assets" and EUR 71 million related to a gain for tax purposes).

Performance of traffic

Traffic at Heathrow (+0.9%) reached an all-time high in 2012 with 70.0 million passengers. It was characterised by higher load factors (75.6% vs. 75.2% in 2011), a record in the history of the airport.

Underlying traffic growth was positive in 2012, although it fluctuated over the year: the first quarter performance was very satisfactory, helped by the extra day (2012 was a leap year) and the Easter holidays falling earlier than in 2011. However, in the second quarter traffic was adversely affected by the Easter holidays having fallen earlier and by the Royal Wedding, which took place in April 2011. In the third quarter Heathrow traffic was affected (in July and August) by the 2012 Olympic Games in London: passenger numbers fell by more than 400,000 because UK passengers opted to stay in the country to watch the Games and non-UK passengers shied away from travelling to the UK to avoid problems. Since then traffic growth has been continuous, with record months in September, November and December (4Q +1.6%).

By market, traffic growth at Heathrow was driven by the favourable performance of the North Atlantic routes (+3.2%), while traffic to other long-haul destinations declined slightly. There was a notable improvement in routes to Brazil, the Middle East (a partial recovery in spite of the instability in the region) and the Far East (recovery in traffic after the Tsunami in Japan in 2011), offset by the weakness of traffic on routes to Africa and India. European traffic improved marginally (+0.6%), albeit with differences depending on the market in question, which reflected the macroeconomic situation in each country.

Stansted traffic fell by 3.2%, although there was a return to growth after the summer following a number of years in decline. In the first nine months of the year traffic fell 4.6%, but grew by 1.8% in the fourth quarter. This growth was based on capacity increases in Ryanair's winter schedule.

The changes in traffic by destination were as follows:

	2012	2011	Change (%)
UK	16.8	16.9	-0.7%
Europe	45.1	44.7	0.9%
Long haul	37.8	37.6	0.5%
Total	**99.7**	**99.2**	**0.5%**

Tariffs

The increase in the maximum aeronautical tariffs applicable in the 2012-2013 regulatory period came into force on 1 April 2012.

Following is a comparison of the tariff increases for 2011 and 2012:

	2012	2011	Regulation
Heathrow	+12.7%	+12.2%	RPI+7.5%
Stansted	+6.8%	+6.3%	RPI+1.63%

The tariffs that will come into force on 1 April 2013 will be calculated based on the rate of inflation in August 2012, which was 2.9%. Tariffs at Heathrow will increase by 10.4%.

GBP	Traffic (M passengers)			Sales			EBITDA			EBITDA margin		
	Dec-12	Dec-11	Change	Dec-12	Dec-11	Change	Dec-12	Dec-11	Change	Dec-12	Dec-11	Change (bps)
Heathrow	70.0	69.4	0.9%	2,108	1,936	8.9%	1,103	983	12.2%	52.3%	50.8%	155
Heathrow express				181	174	4.2%	67	62	6.8%	36.8%	35.9%	89
Total Heathrow	**70.0**	**69.4**	**0.9%**	**2,289**	**2,110**	**8.5%**	**1,169**	**1,045**	**11.9%**	**51.1%**	**49.5%**	**154**
Stansted	17.5	18.0	-3.2%	242	234	3.0%	94	87	8.3%	39.0%	37.1%	190
Total regulated	**87.4**	**87.4**	**0.0%**	**2,531**	**2,344**	**8.0%**	**1,263**	**1,132**	**11.6%**	**49.9%**	**48.3%**	**163**
Edinburgh *				42	41	3.9%	17	16	2.4%	39.2%	39.7%	-56
Glasgow	7.2	6.9	4.2%	87	82	5.9%	32	30	5.2%	36.5%	36.8%	-26
Aberdeen	3.4	3.1	8.3%	57	53	8.2%	21	18	12.1%	36.1%	34.8%	124
Total Scotland	**10.5**	**10.0**	**5.5%**	**187**	**176**	**6.1%**	**69**	**65**	**6.4%**	**37.0%**	**36.9%**	**10**
Southampton	1.7	1.8	-3.9%	27	27	-1.9%	8	10	-13.8%	31.5%	35.9%	-436
Central and adjust.				-98	-93		14	20				
Total like-for-like	**99.7**	**99.2**	**0.5%**	**2,646**	**2,455**	**7.8%**	**1,355**	**1,227**	**10.5%**	**51.2%**	**50.0%**	**125**
Ch. scope consol.					69			60				
Total	**99.7**	**99.2**	**0.5%**	**2,646**	**2,524**	**4.8%**	**1,355**	**1,287**	**5.3%**	**51.2%**	**51.0%**	**22**

*Until May 2012.

Income statement

GBP	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Sales	2,645.9	2,524.0	4.8	7.8
EBITDA	1,355.2	1,287.2	5.3	10.5
EBITDA margin %	51.2%	51.0%		
Depreciation and amortisation charge	582.8	652.9	-10.7	
EBIT	772.4	634.3	21.8	21.2
EBIT margin %	29.2%	25.1%		
Impairment and disposals of non-current assets	151.2	9.4		
Financial result	-669.8	-932.6	28.2	11.0
Profit/Loss before tax	253.8	-288.9	187.9	89.5
Income tax	120.9	267.6	-54.8	-95.7
Net profit/loss	374.7	-21.3	n.s.	85.7
Contribution to result of companies accounted for using the equity method of Ferrovial (euros)	**230.7**	**-12.6**	**n.s.**	**80.8**

The sales and EBITDA growth of 7.8% and 10.5% respectively, was supported by the revenue performance shown in the table below and cost-containment (costs increased by only 5.1% in comparable terms). The significant growth at the EBIT level was due to the drop in the depreciation and amortisation charge after the accelerated depreciation of T1 and T5C taken in 2011.

GBP	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Aeronautics	1,529.5	1,424.5	7.4%	10.2%
Retail	604.3	601.6	0.4%	4.5%
Other	512.1	497.9	2.8%	4.7%
TOTAL	**2,645.9**	**2,524.0**	**4.8%**	**7.8%**

	Aeronautics		Retail		Other	
GBP	**Dec-12**	**LfL %**	**Dec-12**	**LfL %**	**Dec-12**	**LfL %**
Heathrow	1,279.7	11.3	460.1	5.7	549.2	4.7
Stansted	133.4	5.2	81.6	-1.9	26.6	8.6
Glasgow	44.0	4.6	28.1	9.8	14.6	2.7
Edinburgh	23.0	4.7	13.7	1.8	5.8	5.4
Aberdeen	32.8	5.9	11.5	13.4	13.1	9.8
Southampton	16.6	0.7	8.0	-8.6	2.4	5.0
Adjust. & other			1.4	-17.3	-99.6	5.7
Total airports	**1,529.5**	**10.2**	**604.3**	**4.5**	**512.1**	**4.7**

Aeronautical revenue (+10.2%) reflected the strong performance of Heathrow (+11.3%): traffic +0.9%, and tariffs +12.7% since April 2012, increases that were offset by the lower actual revenue from tariffs as a result of the difference in the actual traffic mix from that estimated in the calculation of the tariffs (more passengers in transit and lower revenue from apron parking). The shortfall, amounting to around GBP 40.2 million, will be recovered through the 'K factor' true-up mechanism in the next two regulatory years. At Stansted (+5.2%) the negative traffic growth (-3.2%) was mitigated by the tariff increases introduced in April 2012 (+6.8%) and the reductions in airline discounts.

Retail revenues (+4.5%). The positive trend in retail revenue continued in line with previous years.

At Heathrow, retail revenue increased by 5.7%, and net retail revenue per passenger rose by 4.4% to GBP 6.21. This substantial increase was due to a combination of traffic growth and the sound performance of luxury goods, duty-free, catering and currency exchange outlets and car parks.

Sales growth at the duty-free and air-side tax-free shops was very positive thanks to the increase in non-European travellers and to the opening of new retail space in Terminal 3 and the World Duty Free store in Terminals 3 and 4. Sales growth in the luxury goods and fashion outlets was particularly positive. Revenue growth in the bureaux de change was due principally to improvements in the terms of their commercial contracts. The growth in the catering sector over and above the increase in the number of passengers was a reflection of the improved product offering, with new premium outlets, the new commercial agreements and the general effort to improve the quality and speed of service. Lastly, advertising revenue increased thanks to the positive impact of the Olympic Games.

At Stansted, retail revenue fell by 1.9% in 2012, although the net retail revenue per passenger increased by 2.8%.

Other revenue increased by 4.7% due to the rise in rail revenue (+4.4%) thanks to fare increases.

Regulatory matters

TARIFFS FOR THE NEXT FIVE-YEAR PERIOD (Q6)

Since presenting its initial business plan for the next regulatory period (Q6) on 30 July, Heathrow has continued working with both the CAA and the other interested parties to define the future development of the airport in the next regulatory period, which starts in April 2014.

The constructive engagement between the parties included discussions of the different variables that influence how the tariffs are determined (Capex, traffic forecasts, Opex and retail revenue). This process concluded with Heathrow's publication of its complete business plan for the next five-year period. The proposed annual increase in tariffs based on this business plan, assuming no initial adjustment to the tariffs, is RPI + 5.9%.

Heathrow's business plan assumes a slight increase in traffic over the next regulatory period which, after adjustments for possible shocks, averages around the airport's current un-shocked traffic performance. Heathrow believes it is essential to properly reflect the likely impact on passenger traffic over any medium or long-term horizon from potential shocks given that historically they have impacted its traffic by an average of close to 1.5%.

The business plan also includes the proposed investment for the period, amounting to approximately GBP 3,000 million (at 2011/2012 prices).

Following the publication of this business plan, it is now up to the CAA to complete its own analysis, after which it will make an initial proposal for the tariff in April 2013. The CAA's final tariff proposal is expected in October 2013.

REGULATORY ASSET BASE (RAB)

GBP	Heathrow	Stansted	Total
December 2011	12,490.2	1,359.5	13,849.7
December 2012	13,471.0	1,342.7	14,813.7

The increase in the RAB in 2012 reflects the investments made (GBP 1,180 million) and the indexation adjustment (GBP 435 million), partially offset by the depreciation and amortisation charge for the period (GBP 605 million) and RAB profiling adjustments (GBP 45 million).

Net debt

GBP	Dec-12	Dec-11	Change (%)
Senior loan facility	587.7	684.4	-14.1%
Subordinated	717.0	538.1	33.3%
Securitised Group	11,315.2	10,663.4	6.1%
Non-securitised Group	337.2	1,035.6	-67.4%
Other & adjustments	-26.2	-59.5	-55.9%
Total	**12,931.0**	**12,862.0**	**0.5%**

In 2012 the financial structure of the debt was completely transformed. This intense activity in the capital markets (bond issues of more than GBP 3,000 million) made it possible to extend the debt maturity calendar, expand the number of markets and currencies and significantly reduce bank debt exposure.

Bond issues and refinancing

Since the beginning of 2012 eleven debt placements have been made, which have made it possible to obtain more than GBP 3,000 million in various different currencies, rating levels and formats. Particularly noteworthy were the bond issues in the US (USD 500 million) and the inaugural issue in Canada (CAD 400 million), which formed part of the geographical diversification process which already included issues in pounds sterling, euros and Swiss francs.

Amount	Maturity	Coupon rate
Class A		
CAD 400 million	7 years	4.000%
GBP 300 million	3 years	3.000%
USD 500 million	3 years	2.500%
CHF 400 million	5 years	2.500%
EUR 700 million	5 years	4.375%
GBP 95 million (ILS)	27 years	3.334%
GBP 180 million *	10 years	1.650%
EUR 50 million *	20 years	4.250% (yield)
EUR 50 million *	20 years	4.25% (yield)
Class B		
GBP 600 million	12 years	7.125%
GBP 400 million	8 years	6.000%
High yield		
GBP 275 million	7 years	5.375%

(*) Private placement.

In June 2012 HAH refinanced its credit and liquidity lines. The new loan attracted high demand, which reached GBP 4,000 million from 17 UK and international banks. The strength of the demand allowed the maximum amount of the loan to be raised to GBP 2,750 million, which included a revolving credit facility of GBP 2,000 million (GBP 1,500 million Class A and GBP 400 million Class B for investment and GBP 100 million for working capital financing) and GBP 750 million of liquidity lines.

The new loan matures at five years (June 2017) and replaces a similar loan maturing in August 2013. The margins on the Class A and Class B tranches are 150 and 225 basis points, respectively.

HAH also redeemed a GBP 1,000 million bond maturing in February 2012 and repaid GBP 475 million of the GBP 625 million Class B loan and GBP 125 million of the GBP 175 million subordinated bank loan maturing in 2015.

In April 2012 the conditions of the senior loan facility (the previous toggle debt) were modified, and changed from perpetual debt to a seven-year term with a slight increase in the cost (7.00% vs. 6.89%), all of which enabled the company to gain flexibility for dividend payments to its shareholders.

HAH's financial structure is now principally capital markets-oriented, with only marginal bank financing.

Dividends

In 2012, for the first time since its acquisition in 2006, HAH started to pay quarterly dividends to its shareholders. In 2012 HAH distributed GBP 240 million to its shareholders, and in 2013 it expects to distribute slightly more.

Divestments

SALE OF STANSTED AIRPORT

The sale process that started in August 2012 was completed on 18 January 2013 with the announcement of the sale of Stansted airport to MAG (Manchester Airport Group) for GBP 1,500 million (2012 EBITDA GBP 94 million, 2012 RAB GBP 1,343 million). The deal is expected to be closed by the end of February.

The proceeds are expected to be used principally to repay debt.

SALE OF EDINBURGH AIRPORT

On 23 April 2012, HAH announced the sale of Edinburgh airport to GIP for GBP 807.2 million, i.e. 16.7 times the airport's 2011 EBITDA. The proceeds from the sale were used to repay the bank debt of non-regulated airports.

CONSOLIDATED INCOME STATEMENT

	Before fair value adjustments	Fair value adjustments	Dec-12	Before fair value adjustments	Fair value adjustments	Dec-11
REVENUE	7,686		**7,686**	7,446		**7,446**
Other operating income	17		17	15		15
Total operating income	7,703		**7,703**	7,461		**7,461**
Total operating expenses	6,776		6,776	6,643		6,643
GROSS PROFIT FROM OPERATIONS	927		**927**	817		**817**
Margin %	12.1%		**12.1%**	11.0%		**11.0%**
Depreciation and amortisation charge	219		219	192		192
PROFIT FROM OPERATIONS BEFORE IMPAIRMENT AND NON-CURRENT ASSET DISPOSALS	708		**708**	625		**625**
Margin %	9.2%		**9.2%**	8.4%		**8.4%**
Impairment and non-current asset disposals	115	-63	52	229	-130	99
PROFIT FROM OPERATIONS AFTER IMPAIRMENT AND NON-CURRENT ASSET DISPOSALS	823	-63	**760**	854	-130	**724**
Margin %	10.7%		**9.9%**	11.5%		**9.7%**
FINANCIAL RESULT	-338	48	**-290**	-360	57	**-303**
Financial result on infrastructure project financing	-298		-298	-265		-265
Financial result relating to derivatives and other - Infrastructure project companies	-6	2	-4	-11	-3	-13
Financial result on financing of other companies	-26		-26	-82		-82
Financial result relating to derivatives and other - Other companies	-7	46	38	-2	60	58
Share of profits of companies accounted for using the equity method	222	62	**284**	18	1	**20**
CONSOLIDATED PROFIT BEFORE TAX	707	47	**754**	512	-72	**440**
Income tax	-108	0	-108	-63	2	-61
PROFIT FROM CONTINUING OPERATIONS	599	47	**646**	449	-70	**379**
Net profit from discontinued operations				165	679	844
CONSOLIDATED PROFIT FOR THE YEAR	599	47	**646**	614	609	**1,223**
Loss for the year attributable to non-controlling interests	60	3	64	0	20	19
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT	660	50	**710**	614	629	**1,243**

Airports Division: on 26 October 2011, 5.88% of the share capital of FGP Topco -the parent of the HAH Group- was sold. This transaction meant that HAH began to be accounted for using the equity method from November 2011 onwards. In accordance with IFRS 5, the results for ten months of activity in 2011 are presented under "Net Profit from Discontinued Operations" and two months of results are presented under "Share of Profit of Companies Accounted for Using the Equity Method". In 2012 HAH's results for the whole year were presented under "Share of Profit of Companies Accounted for Using the Equity Method".

REVENUE

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Construction	4,325.6	4,243.8	1.9	0.1
Toll roads	381.4	389.7	-2.1	-3.1
Services	2,951.1	2,820.6	4.6	1.3
Other	28.2	-8.3	n.s.	
Total	**7,686.4**	**7,445.8**	**3.2**	**0.9**

GROSS PROFIT FROM OPERATIONS

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Construction	336.9	246.4	36.8	33.0
Toll roads	271.6	283.2	-4.1	-5.1
Services	313.6	311.8	0.6	-2.0
Other	4.6	-24.0	n.s.	
Total	**926.8**	**817.2**	**13.4**	**11.2**

DEPRECIATION AND AMORTISATION CHARGE

This charge increased by 12.9% in like-for-like terms with respect to 2011 to EUR 219 million, largely as a result of the inclusion in the scope of consolidation of new Cintra concessions and the start-up of operations on contracts requiring significant investments in the Services Division.

PROFIT FROM OPERATIONS (before impairment and non-current asset disposals)

	Dec-12	Dec-11	Change (%)	Like-for-like (%)
Construction	298.4	213.9	39.5	35.4
Toll roads	204.4	230.5	-11.3	-12.2
Services	203.3	207.4	-2.0	-5.2
Other	1.9	-26.6	n.s.	
Total	**708.0**	**625.2**	**13.2**	**10.6**

* To facilitate analysis, all the comments refer to EBIT before impairment and non-current asset disposals.

Excluding the exchange rate effect and changes in the scope of consolidation, the increase would be 10.6%.

IMPAIRMENT AND NON-CURRENT ASSET DISPOSALS

This line item includes impairment losses of EUR 63 million corresponding to the Services Division in the UK, to certain land lots and the additional impairment recognised for PNI (a Budimex subsidiary) to cover the portion of the initial investment that had not already been provisioned.

The gain on the disposal of 16.34% of HAH amounted to EUR 115 million.

FINANCIAL RESULT

	Dec-12	Dec-11	Change (%)
Financial result on infrastructure project financing	-297.9	-265.4	-12.2
Financial result on financing of other companies	-26.3	-82.2	68.0
Financial result on financing	**-324.1**	**-347.7**	**6.8**
Financial result relating to derivatives and other - Infrastructure project companies	-3.7	-13.3	72.3
Financial result relating to derivatives and other - Other companies	38.2	57.6	-33.7
Financial result relating to derivatives and other	**34.5**	**44.4**	**-22.2**
Financial result	**-289.6**	**-303.3**	**4.5**

The financial result improved by 4.5% thanks to a combination of:

A 6.8% improvement in the financial result on financing. Borrowing costs relating to infrastructure projects increased due to the higher level of debt, associated principally with the projects under development. Borrowing costs at the other companies fell as a result of reductions in their borrowing levels and lower costs in 2012 after the 2011 refinancing of the corporate debt (EUR 791 million repaid and EUR 1,314 million refinanced) and lower interest rates.

The financial result relating to derivatives and other (income) reflects the improvement in Ferrovial's share price in 2012 and the positive impact thereof on the derivatives contracts hedging share-based payments.

SHARE OF PROFITS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	Dec-12	Dec-11	Change (%)
Construction	-1.4	-0.1	n.s.
Services	12.0	1.9	n.s.
Toll roads	42.4	27.5	54.0
Airports	230.7	-9.8	n.s.
Total	**283.7**	**19.6**	**n.s.**

The companies accounted for using the equity method made a contribution of EUR 284 million (2011: EUR 20 million). The 2012 figure includes the contributions from the 407ETR toll road (EUR 45 million) and HAH (EUR 231 million).

NET PROFIT

The net profit amounted to EUR 710 million. The net profit of EUR 1,243 million in 2011 was due largely to the gains on the disposals of 5.88% of HAH (EUR 847 million), Swissport (EUR 199 million) and the M45 toll road (EUR 27 million).

Company Description
Management Report
Financial Information
Corporate Responsibility

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND OTHER AGGREGATES

	Dec-12	Dec-11
Non-current assets	**16,638**	**17,500**
Goodwill on consolidation	**1,487**	**1,482**
Intangible assets	**116**	**103**
Investments in infrastructure projects	**6,755**	**5,960**
Investment property	**35**	**64**
Property, plant and equipment	**507**	**627**
Investments in associates	**4,304**	**5,199**
Non-current financial assets	**1,668**	**1,912**
Accounts receivable relating to infrastructure projects	1,334	1,279
Available-for-sale financial assets	1	0
Restricted cash and other non-current financial assets	148	390
Other receivables	186	243
Deferred tax assets	**1,609**	**2,018**
Non-current derivative financial instruments at fair value	**158**	**134**
Current assets	**5,580**	**5,452**
Assets classified as held for sale	**2**	**2**
Inventories	**394**	**427**
Trade and other receivables	**2,203**	**2,673**
Trade receivables for sales and services	1,647	2,083
Other receivables	436	539
Current tax assets	120	50
Cash and cash equivalents	**2,972**	**2,349**
Infrastructure project companies	237	188
Restricted cash	25	24
Other cash and cash equivalents	212	164
Other companies	2,735	2,161
Current derivative financial instruments at fair value	**8**	**1**
TOTAL ASSETS	**22,217**	**22,951**
Equity	**5,762**	**6,246**
Equity attributable to the equity holders	**5,642**	**6,113**
Equity attributable to non-controlling interests	**121**	**133**
Deferred income	**356**	**292**
Non-current liabilities	**11,117**	**10,806**
Provisions for pensions	**105**	**110**
Other provisions	**1,166**	**1,010**
Bank and other borrowings	**6,996**	**6,695**
Bank and other borrowings of infrastructure projects	5,825	5,503
Bank borrowings of other companies	1,171	1,192
Other payables	**203**	**179**
Deferred tax liabilities	**1,080**	**1,298**
Derivative financial instruments at fair value	**1,567**	**1,514**
Current liabilities	**4,982**	**5,606**
Bank borrowings	**1,229**	**1,214**
Bank borrowings of infrastructure projects	1,168	1,145
Bank borrowings of other companies	61	69
Derivative financial instruments at fair value	**65**	**7**
Trade and other payables	**3,273**	**3,882**
Trade payables	2,648	3,223
Current tax liabilities	75	51
Other non-trade payables	549	608
Operating provisions and allowances	**415**	**502**
TOTAL EQUITY AND LIABILITIES	**22,217**	**22,951**

The comparative information in the 2011 statement of financial position was restated pursuant to IFRS 3.49 since the provisional amounts recognised in relation to the PNI business combination were modified in the twelve months following the acquisition provided for in the aforementioned IFRS.

Consolidated net debt

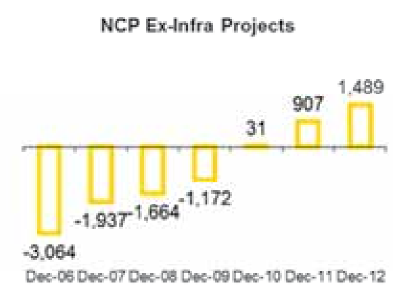
The net cash position excluding infrastructure projects improved significantly with respect to December 2011 and amounted to EUR 1,489 million at 2012 year-end, due mainly to the generation of cash by the Services Division, the dividends received from the infrastructure projects and the disposals of HAH shares. The cash outflows arising from dividend payments to shareholders amounted to EUR 826 million.

The net project debt reached EUR 6,595 million at year-end. The change was due principally to the investments in toll roads in the US.

This net debt includes EUR 1,026 million of net debt related to toll roads under construction (the NTE and LBJ toll roads). It also includes EUR 1,110 million of debt relating to the radial toll roads (the R4 and Ocaña-La Roda toll roads) that have filed for suspension of payments.

The Group's net debt amounts to EUR 5,106 million.

	Dec-12	Dec-11
NCP ex-infrastructure projects	**1,489.2**	**906.6**
Toll roads	-6,238.1	-5,691.9
Other	-356.6	-385.6
NCP of infrastructure projects	**-6,594.7**	**-6,077.5**
Total net cash position	**-5,105.5**	**-5,170.9**



Corporate rating

In August 2011 the rating agencies Standard & Poor's and Fitch assigned ratings to Ferrovial for the first time; in both cases these ratings were Investment Grade.

Both agencies confirmed their ratings in the second quarter of 2012:

Agency	Rating	Outlook
S&P	BBB-	Stable
FITCH	BBB-	Stable

Corporate bond issue

After the reporting period, Ferrovial successfully completed a five-year EUR 500 million bond issue with an annual coupon rate of 3.375%, the Company's first corporate bond issue. Orders were received for more than EUR 5,590 million. The proceeds will be used to repay early corporate debt.

CONSOLIDATED CASH FLOWS

Dec-12	Cash flows excluding concession operators	Cash flows of concession operators	Eliminations	Consolidated cash flows
EBITDA	569	358		927
Dividends received	387		-24	363
Working capital	-16	-44	0	-60
Cash flows from operating activities (before income tax)	**939**	**314**	**-24**	**1,230**
Taxes paid	-30	-19		-50
Cash flows from operating activities	**909**	**295**	**-24**	**1,180**
Investments	-313	-798	168	-942
Disposals	893			893
Cash flows from investing activities	**580**	**-798**	**168**	**-50**
Cash flows from operating and investing activities	**1,489**	**-503**	**145**	**1,130**
Interest cash flows	-32	-286	0	-317
Proceeds from capital and non-controlling interests	0	303	-168	135
Dividends paid	-826	-25	24	-827
Exchange rate effect	6	56	0	62
Decrease in net debt relating to assets held for sale/companies accounted for using the equity method				
Other changes in borrowings (not giving rise to cash flows)	-54	-62	-1	-117
Cash flows from financing activities	**-906**	**-13**	**-146**	**-1,065**
Change in NCP	**583**	**-516**	**-1**	**65**
2012 opening net position	**907**	**-6,102**	**25**	**-5,171**
2012 ending net position	**1,489**	**-6,618**	**24**	**-5,105**

Dec-11	Cash flows excluding concession operators	Cash flows of concession operators	Eliminations	Consolidated cash flows
EBITDA	463	356		819
Dividends received	182		-25	157
Working capital	-68	-103		-171
Cash flows from operating activities (before income tax)	**578**	**252**	**-25**	**805**
Taxes paid	-67	-25		-92
Cash flows from operating activities	**510**	**228**	**-25**	**713**
Investments	-328	-780	135	-973
Disposals	1,264			1,264
Cash flows from investing activities	**936**	**-780**	**135**	**291**
Cash flows from operating and investing activities	**1,446**	**-552**	**109**	**1,004**
Interest cash flows	-114	-293		-407
Proceeds from capital and non-controlling interests	-1	263	-136	126
Dividends paid	-376	-32	25	-382
Exchange rate effect	-27	-97		-124
Decrease in net debt relating to assets held for sale/companies accounted for using the equity method		14,529		14,529
Other changes in borrowings (not giving rise to cash flows)	-53	-85	11	-127
Cash flows from financing activities	**-571**	**14,286**	**-100**	**13,614**
Change in NCP	**875**	**13,733**	**9**	**14,618**
2011 opening net position	**31**	**-19,836**	**16**	**-19,789**
2011 ending net position	**907**	**-6,102**	**25**	**-5,171**

Cash flows excluding infrastructure projects

CASH FLOWS FROM OPERATING ACTIVITIES

The changes in cash flows from operating activities in 2012 with respect to 2011, by business segment and ex-infrastructure projects, were as follows:

Cash flows from operating activities	Dec-12	Dec-11
Construction	100	298
Services	491	164
Toll road dividends	220	159
Airport dividends	145	0
Other	-16	-43
Cash flows from operating activities (before tax)	**939**	**578**
Income tax paid	-30	-67
Total	**909**	**510**

"Other" includes cash flows from operating activities corresponding to the corporate centre and the parents of the Airports and Toll Roads Divisions. The detail, by business, of the cash flows from the Construction and Services Divisions is as follows:

Construction	Dec-12	Dec-11
EBITDA	324	233
Reversal and adjustment of provisions due to completion of projects (not giving rise to cash flows)	-135	0
Adjusted EBITDA	**189**	**233**
Change in factoring discount	-86	60
Working capital ex. Budimex	114	-46
Working capital of Budimex	-116	51
Cash flows from operating activities (before income tax)	**100**	**298**

Services	Dec-12	Dec-11
EBITDA	273	274
Dividends received	22	24
Change in factoring discount	-65	-25
Payment of Amey pensions	-22	-20
Working capital of Amey	-31	-43
Working capital ex. Amey	313	-46
Cash flows from operating activities (before income tax)	**491**	**164**

The cash flows from operating activities of the Toll Roads division in 2012 include EUR 220 million of dividends and capital reimbursements from the toll road infrastructure concession operators, the detail being as follows:

Dividends and capital reimbursements	Dec-12	Dec-11
ETR 407	**198**	**133**
Serrano Park	1	0
Spanish toll roads	**1**	**0**
Norte Litoral	6	8
Algarve	0	1
Via Livre	1	0
Portuguese toll roads	**7**	**9**
Irish toll roads	**14**	**16**
Total dividends	**220**	**159**

CASH FLOWS FROM INVESTING ACTIVITIES

The following table shows, by business segment, the cash flows from investing activities, excluding infrastructure projects, detailing in each case the investments made and the proceeds received on disposal.

Dec-12	Investments	Disposals	Cash flows from investing activities
Construction	-33	7	-26
Services	-102	-6	-108
Toll roads	-173	0	-173
Airports	0	876	876
Other	-5	16	11
Total	**-313**	**893**	**580**

Dec-11	Investments	Disposals	Cash flows from investing activities
Construction	-92	9	-83
Services	-99	705	605
Toll roads	-134	224	90
Airports	0	326	326
Other	-3	0	-3
Total	**-328**	**1,264**	**936**

The cash flows from investing activities include most notably, on the one hand, the capital increases in the Toll Roads Division due to the investments in capital made in the infrastructure projects (principally in the US toll roads under construction), and in the Services Division (Amey projects) and, on the other, the investment in property, plant and equipment, principally in the Services Division (for the Murcia contract). The following table shows Cintra's Capex in infrastructure projects:

Toll road Capex	Dec-12	Dec-11
NTE	-39	-28
LBJ	-65	-47
SH-130	-62	-28
Spanish toll roads	-2	-16
M-3	0	-10
Azores	0	-5
Greek toll roads	0	0
Almanzora	-5	0
Total	**-173**	**-134**

The disposals in 2012 include most notably those in the Airports Division, with a net cash inflow of EUR 876 million due to the sale of 16.34% of HAH and the costs associated with the disposals made in 2012 (16.34%) and 2011 (5.88%). "Other" relates to the sale of land in Valdebebas (Madrid) for EUR 13.5 million.

The disposals in 2011 related mainly to the Services Division, corresponding to the disposal of Swissport (EUR 692 million) and the sale of machinery at Amey (EUR 12 million), to the Airports Division (disposal of 5.88% of HAH for EUR 326 million) and to the Toll Roads Division, relating to the disposal of the M-45 toll road (EUR 68 million) and the receipt of the delayed payment of 40% of the selling price relating to the Chilean assets (EUR 157 million).

Company Description
Management Report
Financial Information
Corporate Responsibility

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities include the flows of dividends paid in 2012 to the shareholders of Ferrovial, S.A. amounting to EUR 832 million and to the non-controlling shareholders of Budimex (EUR 26 million). It should also be noted that in January 2013 the outstanding account payable in relation to the tax withholdings made from the shareholders as a result of the distribution of these dividends was settled, giving rise to a payment of EUR 85 million.

Also noteworthy was the net payment of interest in the year (EUR -32 million), together with the exchange rate effect (EUR +6 million) and other changes in borrowings (not giving rise to cash flows) (EUR -54 million), which include accounting changes in the borrowings that do not affect the cash flows.

Cash flows of infrastructure projects

CASH FLOWS FROM OPERATING ACTIVITIES

The cash flows from operating activities of the infrastructure concession projects include mainly the inflow of funds of the companies which are operating, although they also include the VAT refunds and payments corresponding to those still in the construction phase. The detail of the cash flows from operating activities of infrastructure projects is as follows:

	Dec-12	Dec-11
Toll roads	210	200
Other	85	28
Cash flows from operating activities	**295**	**228**

Noteworthy in relation to the cash flows from operating activities not generated by the Toll Roads Division was the improvement in the cash flows generated by the Services Division, principally as a consequence of the entry into operation of 100% of the A2 Corridor and Can Mata in 2012.

CASH FLOWS FROM INVESTING ACTIVITIES

These flows include most notably those relating to the investments in concession assets under construction in the Toll Roads Division in 2012, the most noteworthy of which corresponded to the toll roads in the US (North Tarrant Express, SH-130 and LBJ) and in Portugal (Azores toll road).

Cash flows from investing activities	Dec-12	Dec-11
LBJ	-378	-257
SH-130	-169	-201
North Tarrant Express	-206	-111
Chicago	-4	0
Spanish toll roads	-5	-14
Portuguese toll roads	-12	-51
Other	0	0
Total Toll roads	**-774**	**-633**
Other	-24	-146
Total projects	**-798**	**-780**

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities include the payment of dividends and equity reimbursed by concession operators to their shareholders, as well as the disbursements relating to capital increases received by these companies. For the fully consolidated concession operators these amounts correspond to 100% of the amounts paid and received by the concession operators, irrespective of the percentage of ownership that the Group holds therein. No dividends or equity reimbursements are included for the companies that are accounted for using the equity method.

Interest flows relate to interest paid by the concession operators, plus other fees and commissions and costs closely related to the obtainment of financing. Cash flows in relation to these items correspond to the interest expense for the period and any other item entailing a direct change in net borrowings for the period. This amount does not coincide with the result on financing included in the income statement, mainly as a result of the differences between the accrual and payment of interest.

Interest cash flows	Dec-12	Dec-11
Spanish toll roads	-75	-110
US toll roads	-127	-105
Portuguese toll roads	-38	-41
Other toll roads	-16	-15
Total toll roads	**-256**	**-271**
Other	-30	-22
Total	**-286**	**-293**

Cash flows from financing activities also include the impact of exchange rate fluctuations on borrowings denominated in foreign currency, which in 2012 gave rise to a gain of EUR 56 million, largely as a consequence of the depreciation of the US dollar against the euro, which had a significant impact on the net debt of the US toll roads.

Lastly, "Other Changes in Borrowings (Not Giving Rise to Cash Flows)" includes items that represent a change in borrowings for accounting purposes but do not affect the actual cash flows, such as accrued interest payable, etc.

II. BUSINESS OUTLOOK

1. Macroeconomic variables:

The main uncertainties concerning the world economy in 2013 centre on the forecasts of negative growth in certain countries in the euro zone and on how the final decision on tax increases and public spending cuts might affect the recovery of the US economy.

The most recent IMF forecasts point towards a change of trend at the end of 2013. The IMF predicts world economic growth of 3.6% in 2013, as compared with 3.3% in 2012, and that this growth will not be spread evenly over all countries. Growth of 5.6% is forecast for the emerging economies, followed by the leading developed economies (US, UK, etc.), with growth of between 1% and 2%, while the euro zone will hardly experience any growth during this period (0.2%).

The euro zone plays a significant role when it comes to the performance of the world economy, and it may have a negative impact if the latest

measures proposed by European leaders regarding fiscal, banking and financial union are not expedited.

2. Main challenges for Ferrovial in 2013:

Ferrovial's strategies will be based mainly upon:

- Continuing at operating level with the cost containment and working capital management policy to maintain a low level of borrowings excluding project debt.
- Implementing a selective policy of investments in projects where is possible to retain the control, which and contribute to creat value and synergies for its respective lines of business.

The principal uncertainties in 2013 relate to the performance of the businesses in Spain as a result of pubic authority budgetary restrictions and progress will be made towards defining the new regulatory period for Heathrow, which will commence on 1 April 2014.

3. Ferrovial's outlook by business area:

The **Toll Roads** business is closely linked to mobility, which in turn is in line with the economic recovery of the various countries.

Positive GDP growth is not forecast for the euro zone countries, except for Ireland. 2013 is expected to continue to see a fall in traffic in terms of both short and long-distance trips as a result of higher unemployment and lower purchasing power arising from the fiscal adjustment measures being adopted by the related governments.

In the US there is a degree of uncertainty regarding the fiscal policies that the Government will adopt. The final decision regarding tax rises and public spending cuts may affect the US economy and the recovery of toll road traffic levels that commenced in 2012. In Canada in 2013 the increase in toll charges is expected to offset a slight reduction in traffic as a result of the completion of construction work on alternative roads.

In 2013 Cintra will implement a selective strategy, submitting bids mainly in green-field projects in the US and Europe with partners with significant holdings. Opportunities will also be explored in Latin America and Australia following the opening of offices in these markets.

As regards the **Construction** business, according to Euroconstruct 2012 will prove to be the worst year of the crisis for the industry in Spain, with a drop of -31% with respect to 2011, and although the negative growth will foreseeably be less significant in 2013 (-23%) and 2014 (-6%), the industry is not expected to witness positive growth until 2016. The decline in business is largely attributable to the adverse performance of the civil engineering business, as a result of the budgetary problems and spending cuts of the public authorities.

Poland -the market in which Budimex operates- continues to be one of the EU economies with the highest allocation of EU funds. However, Euroconstruct is predicting a reduction in the activity of the industry as a whole of -3.4% in 2013 and of -1.0% in 2014 following the end of the Euro 2012 football championship, due to the sharp drop principally in civil engineering work on roads and, to a lesser extent in 2013, in the building construction sector, which in 2014 will once again make a positive contribution. Euroconstruct expects the fall in civil engineering work on roads to end in 2015, as a result of which the industry as a whole will start to grow once again.

In 2013 the strategy of the Construction business is to continue growing in the international area primarily through contracts awarded by other Group activities (mainly Cintra) and through the direct submission of bids in tenders for construction contracts in the countries in which the Group has traditionally had a presence and in those in which offices have been opened in recent years. This international growth is expected to offset the negative performance of the business in Spain, which has been falling since 2008 and which in 2012 accounted for only 31% of the total revenue of the Construction business.

In the **Services** business in Spain, in 2012 invoices dating back to before 2011 receivable from the public authorities were collected thanks to the various mechanisms put in place by the Government, which gave rise to significant cash inflows and improved average collection periods to levels similar to those of 2008. In 2012 the fall in construction work and industrial activity had a direct impact on business areas such as that of Cespa, due to the reduction in the volume of waste generated.

In 2013 the main uncertainty concerns the budgetary restrictions of the public authorities, which could lead to a reduction in the volume of contracts for services awarded. Also, the need to improve public accounts could accelerate the process of service integration, making it possible to obtain significant savings through operating synergies, in a scenario in which the provision of services will be based on quality (measured using indicators) rather than on the availability of the resources offered.

Secondly, although a worsening of collection periods was not witnessed in the second half of 2012, there is a risk in 2013 of collections being delayed as a result of the financial restrictions placed on public authorities. However, this situation could be mitigated by the new liquidity lines that the Government has announced will be made available to municipal and regional governments.

In the UK, although the crisis has also been felt as a result of the reduction of public spending, Amey's growth in 2012 made it possible to offset the decline in business in Spain. A degree of reactivation of the market is expected in 2013, with tender processes for integrated service packages in which the companies with a proven capacity to integrate services and manage assets will have a clear advantage. As a result of fewer tenders and budget cuts to existing contracts, in 2013 sales and margins are expected to remain unchanged.

The strategy of the Services Division in 2013 will be to focus on achieving operating enhancements, offering integral service packages to local authorities in Spain and the UK and obtaining a geographical diversification of the business in Poland and Chile as the main target markets.

In the **Airports** business, Heathrow achieved a new all-time high in terms of traffic in 2012 (70 million passengers; +0.9%), and posted double-digit growth in the EBITDA margin (10.5%), all in a year in which

Company Description
Management Report
Financial Information
Corporate Responsibility

the London Olympics took place with Heathrow achieving the best overall rating in its history in terms of passenger satisfaction.

As regards the divestments triggered by the decision of the competition authorities, in April 2012 and January 2013 the sales of Edinburgh airport to GIP for GBP 807 million and of Stansted airport to Manchester Airport Group for GBP 1,500 million were announced.

In 2013 the Brent oil price is expected to be around USD 110 per barrel, down from the USD 130 reached in 2012. According to the International Air Transport Association (IATA) the outlook for world air traffic for 2013 is positive (+5.3%), based largely on a slight recovery of the world economy and on lower Brent oil prices.

The main uncertainties facing this business concern the new regulatory period that will commence in April 2014 and the possible development of a third runway at Heathrow. In 2013 progress will be made on the regulatory process with the CAA and the airlines.

In 2013 the strategy of the Airports Division will focus on growth, on increasing profitability and on improving passenger service at Ferrovial's airports. Also, having successfully completed the sales required by the UK competition authorities, the Group will continue to actively seek new investment opportunities.

III. INFORMATION ON: THE ENVIRONMENT, EMPLOYEES, RESEARCH AND DEVELOPMENT, TREASURY SHARES, EVENTS AFTER THE REPORTING PERIOD. 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 objective indicators and follow-up mechanism for environmental performance. The Annual Corporate Responsibility Report published by the Company includes a detailed breakdown of the evolution of all these indicators in 2012.

- Also, investment in R&D is considered to be a strategic objective at the Company, an in-depth analysis thereof being presented in the Annual Corporate Responsibility Report.

- 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 2012, along with the main indicators related thereto.

- At 31 December 2012 no treasury shares were held. In 2012 2,807,305 treasury shares were acquired (directly and indirectly), which were subsequently sold for a gain of EUR 21 thousand.

- In January 2013 HAH announced the sale of Stansted airport for GBP 1,500 million and the first corporate bond issue of Ferrovial, amounting to EUR 500 million, maturing in five years and with an annual coupon rate of 3.375%, was successfully completed. The purpose of the issue was to reduce exposure to bank financing by obtaining financing from the capital markets.

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

- The Group's activities are exposed to various types of financial risks, primarily interest rate risk, foreign currency risk and market risk. The principal hedging polices and the main derivatives arranged are described in Notes 3 and 11, respectively, to the Group's consolidated financial statements.

IV. CORPORATE GOVERNANCE REPORT

In accordance with Spanish corporate law, the Annual Corporate Governance Report forms part of this directors' report. The aforementioned document was formally prepared by the Board of Directors and sent to the Spanish National Securities Market Commission together with the text of this directors' report.

V. AUDIT AND CONTROL COMMITTEE REPORT

COMPOSITION

Pursuant to the applicable legislation and the bylaws and the Board of Directors Regulations of Ferrovial, S.A. (the Company), all the members of the Audit and Control Committee are non-executive directors and the Committee is presided over by an independent director.

The members of the Committee are as follows:

- Juan Arena de la Mora, *Chairman* (Non-Executive Independent Director)[1]
- Gabriele Burgio (Non-Executive Independent Director)
- Leopoldo del Pino y Calvo-Sotelo for PORTMAN BAELA, S.L. (Non-Executive Proprietary Director)
- Santiago Fernández Valbuena (Non-Executive Independent Director)

FUNCTIONS

The competencies of the Audit and Control Committee, which are governed by the Company's bylaws and by the Board of Directors Regulations, are summarised as follows:

- **In relation to external audit:**
  - Propose to the Board of Directors, for submission to the shareholders at the Annual General Meeting, the appointment of the external auditors, including the conditions of appointment; scope, dismissal or non-renewal.
  - Act as a channel of communication between the Board of Directors and the auditors, with whom it shall discuss any significant internal control system weaknesses detected in the course of the audit.
  - Verify compliance by senior management with the auditors' recommendations.
  - Oversee the independence of the external auditors. Exercise control over the additional services of any class provided to the Company. Issue, prior to the issuance of the auditors' report, a report expressing its opinion concerning the independence of the external auditors.

- **In relation to internal audit:**
  - Propose the selection, appointment, re-appointment or replacement of the director of internal audit; propose a budget for these services.

[1] Juan Arena de la Mora was appointed as the Chairman of the Committee, for the statutory four-year period, at the meeting held on 22 February 2012.

  - Approve and supervise the internal audit plan and verify its fulfilment.

- **In relation to financial reporting:**
  - Supervise the process for preparing the regulatory financial information and a report thereon prior to approval by the Board.
  - Supervise the effectiveness of the Company's internal control systems.

- **In relation to risk control:**
  - Periodically analyse and assess the main risks and the systems for identifying, managing and controlling them.

- **In relation to other matters:**
  - Supervise compliance with corporate governance legislation.
  - Establish and supervise the "Ombudsperson Process".
  - Give prior notification of transactions to incorporate or acquire companies domiciled in tax havens, and the special purpose companies referred to in the Board Regulations.

These competencies are described in greater detail in the Annual Corporate Governance Report.

ACTIVITIES PERFORMED

In 2012 the Committee held six (6) meetings. Prior to the approval of the financial statements by the Board of Directors, a meeting of the Audit and Control Committee was held on 18 February 2013 to review them.

As in preceding years, the Committee approved a work plan detailing the subjects to be addressed at each meeting.

The main activities performed in 2012 are summarised below.

Economic and financial information

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 regulatory financial information to be reported periodically by the Company to the market.

During the year, the Committee analysed that information before making it available to the Board of Directors and its being sent to the authorities or the markets, and the Committee was assisted in this analysis by the Economic and Financial Department.

Relations with the external auditors

Review of financial statements

The external auditors appeared before the Committee during the presentation of the financial statements for 2011.

The auditors of the Amey Group also appeared before the Committee in order to report on the most significant matters relating to the review of the financial statements.

The auditors of Ferrovial reported on the work performed in the limited review of the half-yearly financial statements at 30 June 2012 and on the most significant matters relating to the review of the financial statements at the September closing in preparation for the audit of the financial statements for 2012.

Auditor independence

Additional Provision Eighteen.4 of the Securities Market Law establishes that the auditors must send to the Audit Committee a written declaration stating their independence and informing on the services other than audit services provided during the year; and the Committee must express an opinion on both matters. In 2012 both obligations were complied with.

Based on the internal procedure that controls the provision of advisory and consulting services other than financial audit services, the Committee authorised the commissioning of certain services from external audit firms and received at each meeting a report on the volume of services of this nature commissioned.

Internal control procedures

The Committee was informed by the auditors of the main internal control recommendations made as a consequence of the audit of Ferrovial and of the follow-up of those made during the review of the financial statements for 2011.

The Economic and Financial Department informed the Committee of the process to implement the system of Internal Control over Financial Reporting (ICFR), based on the structure proposed by the Spanish National Securities Market Commission. The conclusions on the annual evaluation of the main financial reporting risks and on the controls established to mitigate them were presented, and the implementation of the improvements recommended and the action plan in this connection for 2013 were followed up.

In addition, an external audit firm presented its conclusions after having reviewed the ICFR system in the Services business area in the UK and in the Toll Roads business area in the US.

Internal audit

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

- The internal audit activity report for 2011.

- The stage of completion of the work scheduled at the closing of the first six-month period of 2012, checking that the plans approved had been fulfilled.

- The audit plan projected for 2013.

The Group has developed a system managed by the Internal Audit Department, the "Ombudsperson Process", through which all employees, and third parties over the Internet, can confidentially and, if so desired, anonymously, report any inefficient situations, inappropriate behaviour or breaches of agreement. In 2012, as in prior years, the Committee received two reports about the functioning of the Ombudsperson Process and fraud prevention, one relating to 2011 and the other relating to the first half of 2012.

Risk analysis and control systems

Personnel from Ferrovial's Risk Department appeared periodically before the Committee to report on the main risks and contingencies of the Company and its Group and on the systems established for identifying, managing and controlling them.

Actions in the area of Corporate Governance and compliance

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

- It examined the Annual Corporate Governance Report for 2011, prior to the presentation thereof to the Board of Directors.

- It was informed of legislative changes, either approved or at the draft stage in the year, in areas within the scope of its competencies.

- It analysed the amendments to the Bylaws and the Regulations of the Board of Directors in order to adapt them to changes in company law, prior to their presentation to the Board of Directors for subsequent submission to the shareholders at the Annual General Meeting.
- It proposed certain changes to the Regulations of the Board of Directors.
- Pursuant to Article 41 of the Regulations of the Board of Directors, the Committee issued a report on related party transactions prior to its submission to the Board of Directors.
- It examined the operating rules of the Electronic Shareholders' Forum applicable to the Annual General Meetings for 2012 and subsequent years, in accordance with Article 539.2 of the Spanish Limited Liability Companies Law, which provides for the obligation to create an Electronic Shareholders' Forum on the website when the Annual General Meeting is held.

The foregoing pages, initialled by the Secretary of the Board of Directors, contain the consolidated directors' report of FERROVIAL, S.A. (which includes in a separate section the Annual Corporate Governance Report together with the Appendix thereto) for the year ended 31 December 2012, which was authorised for issue by the Company's Board of Directors at the meeting held in Madrid on 19 February 2013, and which, pursuant to Article 253 of the Spanish Limited Liability Companies Law, all the directors sign below.

Rafael del Pino y Calvo-Sotelo Chairman	Santiago Bergareche Busquet Deputy Chairman
Joaquín Ayuso García Deputy Chairman	Íñigo Meirás Amusco CEO
Jaime Carvajal Urquijo Director	Leopoldo del Pino y Calvo-Sotelo for Portman Baela, S.L. Director
Juan Arena de la Mora Director	Gabriele Burgio Director
María del Pino y Calvo-Sotelo Director	Santiago Fernández Valbuena Director
José Fernando Sánchez-Junco Mans Director	Joaquín del Pino y Calvo-Sotelo for Karlovy, S.L. Director

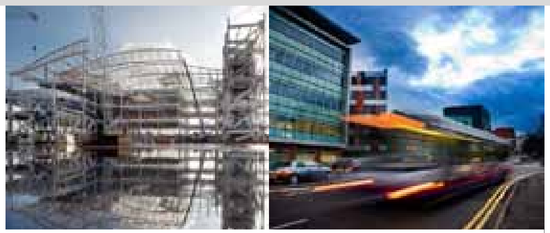
Photo: © José Manuel Ballester. Warsaw Mathematics Department. Poland

financial information

96 consolidated statements of financial position
97 consolidated income statements
98 consolidated statements of comprehensive income
98 Consolidated statements of changes in equity
99 consolidated statements of cash flows
100 notes to the consolidated financial statements
168 appendices
185 auditors' report

Company Description
Management Report
Corporate Responsibility

ferrovial



2012 consolidated financial statements

Ferrovial, S.A. and Subsidiaries

Board of Directors
19 February 2013

Company Description
Management Report
Financial Information
Corporate Responsibility

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR 2012 AND 2011 3
CONSOLIDATED INCOME STATEMENTS FOR 2012 AND 2011 4
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR 2012 AND 2011 5
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2012 AND 2011 5
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2012 AND 2011 6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2012 7
1 COMPANY ACTIVITIES AND SCOPE OF CONSOLIDATION 7
2 BASIS OF PRESENTATION AND ACCOUNTING POLICIES 7
3 MANAGEMENT OF FINANCIAL RISKS AND CAPITAL 13
4 SEGMENT REPORTING 18
5 GOODWILL AND ACQUISITIONS 23
6 INTANGIBLE ASSETS 25
7 INVESTMENTS IN INFRASTRUCTURE PROJECTS 25
8 PROPERTY, PLANT AND EQUIPMENT 26
9 INVESTMENTS IN ASSOCIATES 27
10 NON-CURRENT FINANCIAL ASSETS 33
11 DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE 34
12 INVENTORIES 37
13 TRADE AND OTHER RECEIVABLES 37
14 EQUITY 39
15 DEFERRED INCOME 42
16 PENSION PLAN DEFICIT 42
17 PROVISIONS 44
18 NET CASH POSITION 45
19 OTHER NON-CURRENT PAYABLES 51
20 TRADE AND OTHER PAYABLES 51
21 TAX MATTERS 52
22 CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS 56
23 FAIR VALUE ADJUSTMENTS 59
24 IMPAIRMENT AND DISPOSALS OF NON-CURRENT ASSETS 59
25 OPERATING INCOME 60
26 STAFF COSTS 61
27 FINANCIAL RESULT 61
28 NET PROFIT FROM DISCONTINUED OPERATIONS 62
29 EARNINGS PER SHARE 62
30 CASH FLOW 63
31 REMUNERATION OF DIRECTORS 64
32 SHARE-BASED PAYMENT 68
33 RELATED PARTY TRANSACTIONS 69
34 DIRECTORS' OWNERSHIP INTERESTS IN AND POSITIONS OR FUNCTIONS AT COMPANIES ENGAGING IN AN ACTIVITY THAT IS IDENTICAL, SIMILAR OR COMPLEMENTARY TO THE COMPANY OBJECT OF FERROVIAL 73
35 FEES PAID TO AUDITORS 74
36 EVENTS AFTER THE REPORTING PERIOD 74
37 COMMENTS ON APPENDICES 74
38 EXPLANATION ADDED FOR TRANSLATION TO ENGLISH 90

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Translation 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 38). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR 2012 AND 2011

Assets (Millions of euros)	Notes	2012	2011
Non-current assets		**16,638**	**17,500**
Goodwill	5	1,487	1,482
Intangible assets	6	116	103
Investments in infrastructure projects	7	6,755	5,960
Investment property		35	64
Property, plant and equipment	8	507	627
Investments in associates	9	4,304	5,199
Non-current financial assets	10	1,668	1,912
Accounts receivable relating to infrastructure projects		1,334	1,279
Available-for-sale financial assets		1	0
Restricted cash		148	390
Other receivables		186	243
Deferred tax assets	21	1,609	2,018
Non-current derivative financial instruments at fair value	11	158	134
Current assets		**5,580**	**5,452**
Assets classified as held for sale		2	2
Inventories	12	394	427
Trade and other receivables	13	2,203	2,673
Trade receivables for sales and services		1,647	2,083
Other receivables		436	539
Current tax assets		120	50
Cash and cash equivalents	18	2,972	2,349
Infrastructure project companies		237	188
Restricted cash		25	24
Other cash and cash equivalents		212	164
Other companies		2,735	2,161
Current derivative financial instruments at fair value	11	8	1
TOTAL ASSETS		**22,217**	**22,951**

Equity and liabilities (Millions of euros)	Notes	2012	2011
Equity	14	**5,762**	**6,246**
Equity attributable to the equity holders		**5,642**	**6,113**
Equity attributable to non-controlling interests		121	133
Deferred income	15	**356**	**292**
Non-current liabilities		**11,117**	**10,806**
Pension plan deficit	16	105	110
Long-term provisions	17	1,166	1,010
Borrowings	18	6,996	6,695
Debt securities and bank borrowings of infrastructure projects		5,825	5,503
Bank borrowings of other companies		1,171	1,192
Other payables	19	203	179
Deferred tax liabilities	21	1,080	1,298
Derivative financial instruments at fair value	11	1,567	1,514
Current liabilities		**4,982**	**5,606**
Borrowings	18	1,229	1,214
Debt securities and bank borrowings of infrastructure projects		1,168	1,145
Bank borrowings of other companies		61	69
Derivative financial instruments at fair value	11	65	7
Trade and other payables	20	3,273	3,882
Trade payables		2,648	3,223
Current tax liabilities		75	51
Other non-trade payables		549	608
Operating provisions and allowances	17	415	502
TOTAL EQUITY AND LIABILITIES		**22,217**	**22,951**

The intangible assets, property, plant and equipment and investment property used in infrastructure projects are included under "Investments in Infrastructure Projects". The accompanying Notes 1 to 38 and Appendix I are an integral part of the consolidated statement of financial position at 31 December 2012.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Translation 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 38). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED INCOME STATEMENTS FOR 2012 AND 2011

		2012			2011		
Millions of euros	Notes	**Before fair value adjustments**	**Fair value adjustments (*)**	**Total 2012**	**Before fair value adjustments**	**Fair value adjustments (*)**	**Total 2011**
Revenue		7,686	0	7,686	7,446	0	7,446
Other operating income		17	0	17	15	0	15
Total operating income	25	**7,703**	**0**	**7,703**	**7,461**	**0**	**7,461**
Materials consumed		1,299	0	1,299	1,299	0	1,299
Staff costs	26	2,142	0	2,142	2,018	0	2,018
Other operating expenses		3,335	0	3,335	3,326	0	3,326
Total operating expenses		**6,776**	**0**	**6,776**	**6,643**	**0**	**6,643**
Gross profit from operations		**927**	**0**	**927**	**817**	**0**	**817**
Depreciation and amortisation charge		219	0	219	192	0	192
Profit from operations before impairment and non-current asset disposals		**708**	**0**	**708**	**625**	**0**	**625**
Impairment and disposals of non-current assets	24	115	-63	52	229	-130	99
Profit from operations		**823**	**-63**	**760**	**854**	**-130**	**724**
Financial result on financing		-298	*0*	-298	-265	0	-265
Result on derivatives and other financial results		-6	2	-4	-11	-3	-13
Financial result of infrastructure projects		-304	**2**	**-302**	**-276**	**-3**	**-279**
Financial result on financing		-26	0	-26	-82	0	-82
Result on derivatives and other financial results		-7	46	38	-2	60	58
Financial result of other companies		**-34**	**46**	**12**	**-84**	**60**	**-25**
Financial result	27	**-338**	**48**	**-290**	**-360**	**57**	**-303**
Share of profits of companies accounted for using the equity method	9	222	62	284	18	1	20
Consolidated profit before tax		**707**	**47**	**754**	**512**	**-72**	**440**
Income tax	21	-108	0	-108	-63	2	-61
Consolidated profit from continuing operations		**599**	**47**	**646**	**449**	**-70**	**379**
Net profit from discontinued operations	28	0	0	0	165	679	844
Consolidated profit for the year		**599**	**47**	**646**	**614**	**609**	**1,223**
Loss for the year attributable to non-controlling interests		60	3	64	0	20	19
Profit for the year attributable to the Parent		**660**	**50**	**710**	**614**	**629**	**1,243**

Net earnings per share attributable to the Parent	29		
Basic		0.97	1.69
Diluted		0.97	1.69

(*) 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 38 and Appendix I are an integral part of the consolidated income statement for the year ended 31 December 2012.

Company Description
Management Report
Financial Information
Corporate Responsibility

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Translation 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 38). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR 2012 AND 2011

	Millions of euros	
	2012	2011
a) Consolidated profit for the year	**646**	**1,223**
Attributable to the Parent	710	1,243
Attributable to non-controlling interests	-64	-19
b) Income and expense recognised directly in equity	**-228**	**-541**
Fully consolidated companies	**-185**	**-396**
Impact on reserves of hedging instruments	-100	-494
Impact on reserves of defined benefit plans (*)	-29	-73
Translation differences	-13	22
Tax effect	-43	149
Companies accounted for using the equity method/discontinued operations	**-43**	**-145**
Impact on reserves of hedging instruments	-37	-210
Impact on reserves of defined benefit plans (*)	-122	3
Translation differences	92	25
Tax effect	24	38
c) Transfers to profit or loss	**-24**	**433**
Fully consolidated companies	-21	-63
Companies accounted for using the equity method/discontinued operations	-2	497
a+b+c) TOTAL COMPREHENSIVE INCOME	**394**	**1,116**
Attributable to the Parent	464	1,288
Attributable to non-controlling interests	-70	-171

The accompanying Notes 1 to 38 and Appendix I are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2012.

(*) The impact on reserves of defined benefit plans is the only item of income and expense recognised directly in equity that cannot subsequently be transferred to profit or loss (see Note 14).

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2012 AND 2011

	2012								
Millions of euros	Share capital	Share premium	Merger premium	Treasury shares	Valuation adjustments	Retained earnings and other reserves	**Attributable to equity holders**	**Attributable to non-controlling interests**	**Total equity**
Balance at 31/12/11	**147**	**1,202**	**1,821**	**0**	**-638**	**3,582**	**6,113**	**133**	**6,246**
Consolidated profit for the year						710	**710**	-64	**646**
Income and expense recognised in equity					-246		-246	-6	**-252**
Total recognised income and expense	**0**	**0**	**0**	**0**	**-246**	**710**	**464**	**-70**	**394**
Dividends paid			-183			-734	-917	-28	**-945**
Capital increases/reductions						0	0	125	**125**
Transactions with shareholders	**0**	**0**	**-183**	**0**	**0**	**-734**	**-917**	**97**	**-820**
Changes in the scope of consolidation							0		**0**
Other changes						-18	**-18**	-40	**-58**
Balance at 31/12/12	**147**	**1,202**	**1,637**	**0**	**-884**	**3,540**	**5,642**	**121**	**5,762**

	2011								
Millions of euros	Share capital	Share premium	Merger premium	Treasury shares	Valuation adjustments	Retained earnings and other reserves	**Attributable to equity holders**	**Attributable to non-controlling interests**	**Total equity**
Balance at 31/12/10	**147**	**1,202**	**1,821**	**0**	**-679**	**2,705**	**5,195**	**1,434**	**6,629**
Consolidated profit for the year						1,243	**1,243**	-19	**1,223**
Income and expense recognised in equity					45		45	-152	**-107**
Total recognised income and expense	**0**	**0**		**0**	**45**	**1,243**	**1,288**	**-171**	**1,116**
Dividends paid						-367	-367	-30	**-396**
Capital increases/reductions						0	0	77	**77**
Transactions with shareholders	**0**	**0**		**0**	**0**	**-367**	**-367**	**47**	**-320**
Changes in the scope of consolidation							**0**	**-1,144**	**-1,144**
Other changes					**-3**	**0**	**-3**	**-33**	**-36**
Balance at 31/12/11	**147**	**1,202**	**1,821**	**0**	**-638**	**3,581**	**6,113**	**133**	**6,246**

The accompanying Notes 1 to 38 and Appendix I are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2012.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Translation 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 38). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2012 AND 2011

Millions of euros	Notes	December 2012	December 2011
Net profit attributable to the Parent		**710**	**1,243**
Adjustments for:		**217**	**-425**
Non-controlling interests		*-64*	*-19*
Tax		*108*	*61*
Result of companies accounted for using the equity method		*-284*	*-20*
Financial result		*290*	*303*
Impairment and gains or losses on disposals of non-current assets		*-52*	*-943*
Depreciation and amortisation charge		*219*	*192*
Income taxes paid		-50	-92
Changes in receivables, payables and other		-60	-170
Dividends from infrastructure project companies received		363	157
Cash flows from operating activities	**30**	**1,180**	**713**
Investments in property, plant and equipment and intangible assets		-118	-96
Investments in infrastructure projects		-798	-780
Investments in non-current financial assets		-26	-96
Divestment of infrastructure projects		0	0
Divestment of non-current financial assets		893	1,264
Cash flows from investing activities	**30**	**-50**	**291**
Cash flows before financing activities		**1,130**	**1,004**
Proceeds from capital and non-controlling interests		135	126
Dividends paid		-827	-382
Other changes in shareholders' equity		0	0
Cash flows from shareholders and non-controlling interests		**-692**	**-256**
Interest paid		-342	-436
Interest received		25	29
Increase in bank borrowings		650	918
Decrease in bank borrowings		-403	-1,141
Change in borrowings held for sale		0	0
Cash flows from financing activities	**30**	**-762**	**-886**
Change in cash and cash equivalents	**18**	**368**	**117**
Cash and cash equivalents at beginning of year		2,349	2,701
Cash and cash equivalents at end of year		2,972	2,349
Effect of foreign exchange rate changes on cash and cash equivalents		-255	-19
Change in cash and cash equivalents held for sale		0	0
Change in cash and cash equivalents relating to discontinued operations		0	488
Discontinued operations			
Cash flows from operating activities			1,160
Cash flows from investing activities			-765
Cash flows from financing activities			-555
Net cash flows from discontinued operations			**-161**

The accompanying Notes 1 to 38 and Appendix I are an integral part of the consolidated statement of cash flows for the year ended 31 December 2012.

Translation 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 38). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2012

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 IFRS 8:

-Construction: design and performance of all types of public and private works, including most notably the construction of public infrastructure.

-Services: maintenance and upkeep of infrastructure, facilities and buildings; waste collection and treatment and rendering of other kinds of public services.

-Toll roads: development, financing and operation of toll roads.

-Airports: development, financing and operation of airports.

For a more detailed description of the various areas of activity in which the consolidated Group conducts its business operations, please consult the Group's website: www.ferrovial.com.

In addition, and for the purposes of understanding these financial statements, it should be noted that a part of the activity carried on by the Group's business divisions consists of the performance of infrastructure projects, primarily in the toll road and airport areas, but also in the Construction and Services Divisions.

These projects are conducted through long-term arrangements with public authorities under which the concession operator, in which the Group generally has an ownership interest together with other shareholders, finances the construction or upgrade of public infrastructure, mainly with borrowings secured by the cash flows from the project and with the shareholders' capital contributions, and subsequently maintains the infrastructure. The investment is recovered by means of the collection of tolls or regulated charges for the use of the infrastructure or through amounts paid by the grantor public authority based on the availability for use of the related asset. In most cases the construction and subsequent maintenance of the infrastructure is subcontracted by the concession operators to the Group's Construction and Services Divisions.

From the accounting standpoint, most of these arrangements fall within the scope of application of IFRIC 12.

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 ("Investments in Infrastructure Projects" includes the property, plant and equipment, intangible assets and investment property assigned to these projects) and non-current financial assets and, mainly, the net cash position and the cash flow disclosures, in which the cash flow called "ex projects", which comprises the flows generated by the construction and services businesses and the dividends from the capital invested in infrastructure projects, is presented separately from the cash flow of the projects themselves, which includes the flows generated by the concession operators.

It is also important to highlight that two of the Group's main assets are its investments of 33.65% in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London and other airports in the UK, and of 43.23% in ETR 407, the concession operator of the ETR 407 toll road in Toronto (Canada), which have been accounted for using the equity method since 2011 and 2010, respectively. In order to provide detailed information on the two companies, Note 9 on investments in companies accounted for using the equity method includes information relating to the changes in the two companies' balance sheets and income statements, and this information is completed in other Notes with data considered to be of interest.

1.2 Changes in the scope of consolidation

The main change regarding the fully consolidated companies was the exclusion from the scope of consolidation of PNI, a subsidiary of Budimex (head of the Group's construction business in Poland), following the institution of insolvency proceedings that led to the loss of control over this subsidiary, as discussed in greater detail in Note 5-b on goodwill.

With regard to the companies accounted for using the equity method, in 2012 the indirect ownership interest held by Ferrovial in HAH was reduced from 49.99% to 33.65% as a result of the sale in August 2012 of 10.62% of HAH (formerly BAA Ltd.) to Qatar Holding LLC for GBP 478 million (approximately EUR 607 million). Subsequently, in October 2012 a further 5.72% of the shareholding was sold to Stable Investment Corporation, a subsidiary of CIC International Co., Ltd., for GBP 257.4 million (EUR 319.3 million).

2. Basis of presentation and accounting policies.

2.1. Basis of presentation

The accompanying consolidated financial statements were obtained from the Group companies' accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Group and, accordingly, present fairly the Group's equity, financial position and results of operations. The regulatory framework consists of International Financial Reporting Standards (IFRSs) approved by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

As a result of new information obtained in 2012 about facts and circumstances that existed at the time of the acquisition of PNI, the Budimex subsidiary, and within the twelve months following the acquisition date, the purchase price of the assets and liabilities included in the acquisition transaction was reallocated and, in this connection, the comparative balance sheet for 2011 included in the financial statements in accordance with IFRS 3 was restated (see Note 5 for further information).

2.2. Materiality principle used for the purpose of the required disclosures

It should also be noted that in preparing these consolidated financial statements the Group omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered not to be material in accordance with the concept of *materiality* defined in the IFRS Conceptual Framework.

2.3. New accounting standards

2.3.a) New standards, amendments and interpretations adopted by the European Union mandatorily applicable in 2012

The new accounting standards adopted by the European Union that were mandatorily applicable for the first time in 2012 are as follows:

New standards and amendments		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the EU		
Amendments to IFRS 1	First-time Adoption of IFRSs - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
Amendments to IFRS 7	Disclosures - Transfers of Financial Assets	1 July 2011
Amendments to IAS 12	Income Taxes - Deferred Tax. Recovery of Underlying Assets	1 January 2012

None of these new rules had a significant impact on the preparation of these consolidated financial statements.

2.3.b) New standards, amendments and interpretations mandatorily applicable in annual reporting periods subsequent to 2012:

The new accounting standards approved by the IASB but which are not yet mandatorily applicable are as follows:

New standards, amendments and interpretations	Obligatory application in annual reporting periods beginning on or after:	
Approved for use in the EU		
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	1 July 2012
IFRS 13	Fair Value Measurement	1 January 2013
Amendments to IAS 19	Employee Benefits	1 January 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to IAS 32	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 10	Consolidated Financial Statements	1 January 2014 (*)
IFRS 11	Joint Arrangements	1 January 2014 (*)
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014 (*)
IAS 27 (Revised)	Separate Financial Statements	1 January 2014 (*)
IAS 28 (Revised)	Investments in Associates and Joint Ventures	1 January 2014 (*)

(*) The effective date approved by the IASB for all these standards was 1 January 2013. However, the European Union has postponed their entry into force until 1 January 2014. Early application is permitted, provided they are applied en bloc.

Not yet approved for use in the EU		
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2015
Amendments to IFRS 1	Government Loans	1 January 2013
Amendments to IFRS 10, 11 and 12	Transition Guidance	1 January 2013 (**)
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	1 January 2014
Improvements to IFRSs 2009-2011		1 January 2013

(**) Or, alternatively, on the date of first-time application of IFRS 10, 11 and 12, which enter into force on 1 January 2014, as mentioned above.

Company Description
Management Report
Financial Information
Corporate Responsibility

At the date of preparation of these consolidated financial statements, Group management was assessing the impact that the application of these standards and amendments might have on the Group's consolidated financial statements. In principle, the standards which may have a significant impact for the Group are the amended IAS 19, as a result of the limit on the return on plan assets, which will be calculated using the same interest rate as that used to discount plan liabilities; and IFRS 13, which requires the credit risk of the two contracting parties to be included in the measurement of derivatives. Had the amendments to IAS 19 been applied early, their impact on these consolidated financial statements would have been to reduce net profit by EUR 17 million (of which EUR 6 million relate to HAH, in proportion to Ferrovial's ownership interest, and EUR 11 million to Amey). As regards IFRS 13, the Group is currently assessing the possible impact that this standard might have on the measurement of its derivatives portfolio.

The only standard, amendment or interpretation that was applied early was the amendment to IAS 1, in relation to the disclosure in the consolidated statement of comprehensive income of the items which in the future can be reclassified from equity to profit or loss (see Note 14).

2.4. Basis of consolidation

In 2012 and 2011 the reporting dates of the separate financial statements of all the companies included in the scope of consolidation were either the same as, or were temporarily brought into line with, that of the Parent.

As indicated in Note 2.1 above, the consolidated Group applied the consolidation criteria in accordance with IFRSs as adopted by the European Union (EU-IFRSs).

In this connection, set forth below is a detail of only those consolidation criteria adopted by the consolidated Group in preparing these financial statements with respect to which there is an option permitted by IFRSs or, as the case may be, on the basis of the specific nature of the industry in which it operates:

- in accordance with the alternative provided for in IAS 31, the companies over which Ferrovial , S.A. exercises joint control are accounted for using the equity method. In this case, the Group considers that the equity method is the method that best ensures fair presentation, since in these cases of joint control the Group 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 IFRS 11, Joint Arrangements, which will come into force on 1 January 2014, also takes this stance in relation to joint ventures.

- the contracts 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. Operations of this nature contributed to the consolidated Group assets, profits and sales of EUR 1,240 million, EUR 121 million and EUR 1,479 million, respectively, in 2012 (2011: EUR 1,119 million; EUR 88 million and EUR 1,255 million, respectively). The method used in accounting for contracts of this kind is similar to that established in IFRS 11, Joint Arrangements for what it calls "joint operations".

- intra-Group balances and transactions are eliminated on consolidation. However, the transactions recognised in the income statement in relation to construction contracts performed by the Construction Division for infrastructure project concession operators 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 controls the asset from inception and grants the above-mentioned right in exchange for the work performed, and, therefore, the conclusion may be reached that at Group level the work is performed for third parties. This is in line with IFRIC 12. The detail of the transactions not eliminated on the basis of the foregoing is shown in Note 33, Related Party Transactions.

Appendix I contains a list of subsidiaries and associates.

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

In line with the disclosures in Note 2.2 above, set forth below is a detail of only those accounting policies adopted by the consolidated Group in preparing these financial statements with respect to which there is an option permitted by IFRSs or, as the case may be, on the basis of the specific nature of the industry in which it operates:

2.5.1 Property, plant and equipment, investment property and intangible assets

- Subsequent to initial recognition, the items included under "Intangible Assets", "Investment Property" and "Property, Plant and Equipment" are measured at cost less any accumulated depreciation or amortisation and any accumulated impairment losses. The Group does not apply, therefore, the fair value alternative for measuring property, plant and equipment and investment property.

- The Group uses the straight-line method to calculate the depreciation and amortisation charge for the assets included under "Intangible Assets", "Investment Property" and "Property, Plant and Equipment", except in the case of certain machinery in the construction business, which is depreciated using the diminishing balance method.

- The consolidated companies depreciate their various items of property, plant and equipment basically within the following ranges of years of useful life:

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

	Years of 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

2.5.2. Investments in infrastructure projects

This line item includes the investments made in infrastructure projects by concession operators within the scope of IFRIC 12 (mainly toll roads), for which the intangible asset model is applied and whose remuneration consists of the right to collect the related charges based on the extent to which the public service is used.

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 in this line item because they are not returned to the concession grantor. Assets of this nature are classified under "Property, Plant and Equipment" and are depreciated over their useful life, using a method that reflects their economic use.

<u>IFRIC 12 - Intangible asset model</u>

All initial investments relating to the infrastructure that is subsequently returned to the grantor, including compulsory purchase costs and borrowing costs capitalised during construction, are amortised on the basis of the expected pattern of consumption applicable in each case (e.g., forecast vehicle numbers in the case of toll roads) over the term of the concession.

The investments contractually agreed on at the start of the concession on a final and irrevocable basis to be 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 initial investments. For investments of this nature, an asset and an initial provision are recognised for the present value of the future investment, applying a discount rate to calculate the present value that is equal to the cost of the borrowings associated with the project. The asset is amortised based on the pattern of consumption over the entire 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 grantor 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 replacement becomes operational. The provision is recognised on the basis of the pattern of consumption over the period in which the obligation arises, on a time proportion basis.

Infrastructure upgrade investments are those that increase the infrastructure's capacity to generate revenue or reduce its costs. In the case of investments that will be recovered over the concession term, since the upgrade investments increase the capacity of the infrastructure, they are treated as an extension of the right granted and, therefore, they are recognised in the consolidated statement of financial position when they come into service. They 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, on the basis of the terms and conditions of the concession, these investments will not be offset by the possibility of obtaining increased revenue from the date on which they are made, a provision is 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 by the possibility of obtaining increased revenue from the date on which the investments are made. The balancing item is a higher acquisition cost of the intangible asset.

In the case of the proportional part of the upgrade or increase in capacity that is expected to be recovered through the generation of increased future revenue, the general accounting treatment used for investments that will be recovered in the concession term will be applied.

Due to their nature, the aforementioned calculations are subject to significant judgements and estimates, including most notably estimates of the future number of vehicles and the volume of projected replacement investments. These estimates are systematically updated and reviewed by the relevant technical departments.

Set forth below is a detail of the main toll road concessions in force, showing their duration and the accounting method applied:

<u>Toll road concessions:</u>

Concession operator	Country	Concession term (years)	First year of concession	Consolidation/ accounting method
Skyway Concession Co.	US	99	2005	Full
SH 130 Concession Co. (1)	US	50	2007	Full
North Tarrant Express (2)	US	52	2009	Full
LBJ Express (2)	US	52	2009	Full
Autopista del Sol	Spain	55	1996	Full
M-203 Alcalá O'Donnell	Spain	30	2005	Full
Autopista Madrid Sur	Spain	65	2000	Full
Autopista Madrid-Levante (3)	Spain	36	2004	Full
Euroscut Algarve	Portugal	30	2000	Full
Euroscut Azores	Portugal	30	2006	Full
Eurolink Motorway Operations	Ireland	30	2003	Full
407 ETR International Inc. (4)	Canada	99	1999	Equity method
Indiana Toll Roads	US	75	2006	Equity method
Nea Odos	Greece	30	2007	Equity method
Central Greece	Greece	30	2008	Equity method
Autopista de Almanzora	Spain	30	2012	Equity method
A66 Benavente - Zamora	Spain	30	2012	Equity method

Company Description
Management Report
Financial Information
Corporate Responsibility

(1) Concession term of 50 years as from completion of the construction work (November 2012).
(2) Concession term of the shorter of 50 years of operation and 52 years as from the contract execution date.
(3) The concession term may be extended by four years if certain service quality parameters are achieved.
(4) Concession outside the scope of IFRIC 12, since the operator has substantial freedom to set prices.

2.5.3 Accounts receivable relating to infrastructure projects - 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 operator 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 due from the grantor is accounted for as a loan or receivable in assets in the consolidated statement of financial position.

To calculate the amount due from 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 (mainly construction and maintenance) provided in each period increases the amount of the related receivables with a credit to sales. The interest on the consideration for the services provided also increases the amount of the receivables with a credit to sales. Amounts received from the grantor reduce the total receivable with a charge to cash.

Set forth below is a detail of the main toll road concessions in force to which the financial asset model is applied, showing their duration and the consolidation method applied:

Concession operator	Country	Concession term (years)	First year of concession	Consolidation method
Autopista Terrasa Manresa	Spain	50	1986	Full
Autopista Norte Litoral	Spain	30	2001	Full
Eurolink M3	Ireland	30	2003	Full

2.5.4. Other items in the statement of financial position

Inventories

Subsequent to initial recognition, the items included under "Inventories" are measured at the lower of weighted average cost and net realisable value.

Cash and cash equivalents of infrastructure project companies: Restricted cash

"Cash and Cash Equivalents - Infrastructure Project Companies - Restricted Cash" includes short-term, highly liquid investments assigned to the financing of certain infrastructure projects, the availability of which is restricted under the financing contracts as security for certain obligations relating to the payment of debt principal and interest and to the maintenance and operation of the infrastructure.

Pension plan deficit

For defined benefit plans, the liability recognised in the statement of financial position is the present value of the accrued obligation at the end of the reporting period, minus the fair value of the plan assets and any unrecognised past service cost. The accrued defined benefit obligation is calculated by actuaries each year by discounting the 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.

For the aforementioned defined benefit plans, the Group has elected to apply the option of recognising actuarial gains and losses in full in equity in the period in which they arise, in keeping with the approved amendment to IAS 19, mandatorily applicable from 1 January 2013, which eliminated the alternative "corridor" approach.

2.5.5 Revenue recognition

Set forth below are specific details of the methods applied to recognise revenue in each of the segments in which Ferrovial operates.

2.5.5.1 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. Any expected loss on the construction contract is recognised as an expense immediately.

The Company habitually uses the units-of-production method, 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 the units of output are recognised as an expense and those that might be incurred in the future have to be allocated to the project units completed. The general policies described above do not apply to construction projects carried out by Budimex, in which revenue is recognised on the basis of the stage of completion measured in terms of the costs incurred. Under this method, the proportion that contract costs incurred bears to the estimated total contract costs determines the revenue to be recognised, by reference to the estimated margin for the entire term of the contract.

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 incurred.

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 units of output are recognised when incurred.

Unlike the method used to recognise contract revenue, the amounts billed to the customer are based on achievement of the various milestones established in the contract and on acknowledgement thereof by the customer, which takes the form of a contractual document called "certificate of completion" ("progress billings"). Thus, the amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In contracts for which the amount of revenue recognised exceeds the amount billed or certified, the difference is recognised in an asset account called "Amounts to be Billed for Work Performed" under "Trade Receivables for Sales and Services", while in contracts for which the amount of revenue recognised is less than the amount billed or certified, the difference is recognised in a liability account called "Amounts Billed in Advance for Construction Work" under "Trade Payables".

Initial contract costs incurred in the formalisation of the principal contract, costs of moving plant to the contract site, costs incurred in design, technical assistance and studies, building insurance costs, perimeter fencing costs and other initial contract costs are recognised as prepaid expenses. These costs are recognised under "Inventories" 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 its amount can be measured reliably.

Due to the very nature of contracts of this kind, and as can be inferred from the preceding paragraphs, the main factors affecting revenue and cost recognition are subject to significant judgements and estimates, such as the expected outcome of the contract, the amount of costs to be incurred at the end of the construction work, the measurement of work completed in the period and the reasonableness of the recognition of a variation in the initial contract. All these judgements and estimates are made by the persons in charge of performing the construction work, are subsequently reviewed at the various levels of the organisation, and are submitted to controls designed to ensure the consistency and reasonableness of the criteria applied.

2.5.5.2 Toll road business

The arrangements included in this line of business are accounted for in accordance with IFRIC 12, which provides for the classification of the assets assigned to such arrangements on the basis of the intangible asset model and the financial asset model (bifurcated arrangements can also exist) (see Notes 2.5.2 and 2.5.3).

It should be noted in this connection that in the case of IFRIC 12 financial assets, the income from the concessions that apply this model is classified in these financial statements as revenue, in accordance with paragraph 7 of IAS 18, Revenue. Under IAS 18, revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity. In this regard, it can be considered that the income from concessions of this type should be classified as revenue, since it forms part of the ordinary concession activity and is earned on a regular and periodic basis.

At 31 December 2012, the consideration recognised as revenue amounted to EUR 144 million (31 December 2011: EUR 155 million). Also, the borrowing costs associated with the financing of concessions to which the financial asset model is applied amounted to EUR 80 million in 2012 (2011: EUR 75 million).

2.5.5.3 Service business

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 products, 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 (see Note 2.5.5.1). 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 in the case of certain contracts performed by Amey in the UK which fall within the scope of IFRIC 12, revenue is recognised using the financial asset model provided for in that IFRIC.

2.6 Accounting estimates and judgements

In the consolidated financial statements for 2012 estimates were made to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Note 5, Goodwill and Acquisitions, and Note 9, Investments in Associates).
- Business performance projections that affect the estimates of the recoverability of tax assets (see Note 21, Tax Matters).
- The assumptions used in the actuarial calculation of pension and other obligations with employees (see Note 16, Pension Plan Deficit).
- The measurement of stock options and share award plans (see Note 32, Share-based Payment).
- The budget-related estimates taken into consideration when recognising the results of contracts by reference to the stage of completion in the Construction and Services segments (see Note 2.5.5.1 on revenue recognition in the construction business).

- The assessment of possible legal and tax contingencies (see Note 21, Tax Matters, Note 22, Contingent Liabilities and Note 17, Provisions).

- Estimates relating to the valuation of derivatives and the related expected flows in cash flow hedges (see Note 11, Derivative Financial Instruments at Fair Value).

- Estimates taking into account the future vehicle numbers on toll roads for the purpose of preparing financial information for toll roads pursuant to IFRIC 12 (see Note 2.5.2, Note 7, Investments in Infrastructure Projects, Note 10, Non-Current Financial Assets and Note 17 on long-term provisions).

Although these estimates were made using the best information available at 31 December 2012 and 2011 on the events analysed, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively in accordance with the requirements of 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 finances its business activities with fixed or floating-rate borrowing products. In managing risk it seeks to optimise the cost of financing and income statement volatility, thereby guaranteeing the fulfilment of its business plans.

3.1.a.- Risk management at ex project level (Other companies)

The Ferrovial Group aligns its debt with its income by keeping a percentage of the debt tied to fixed rates, either arranged at inception or hedged by means of derivative financial instruments. The portion of the debt tied to floating rates is managed pro-actively, paying particular attention to changes in market rates.

3.1.b.- Risk management at project level (Infrastructure projects)

As regards infrastructure project financing, the finance-providers and rating agencies set criteria to minimise the exposure of projects to interest rate fluctuations, resulting in a higher percentage of debt tied to fixed rates, which is usually between 70% and 90% of the total project financing.

Occasionally, in certain infrastructure projects whose revenue is tied to inflation through an explicit contractual formula, financing structures are designed the cost of which is indexed to observed changes in inflation, thus obtaining a natural hedge between income and expenses. This structuring can be set up directly with the debt or through derivative financial instruments.

3.1.c.- Detail of debt exposed to interest rate risk and sensitivity analysis

The relatively higher or lower proportion of debt tied to fixed rates at ex project or project level is achieved by issuing fixed-rate debt or by arranging hedging financial derivatives, a detail of which is provided in Note 11, Derivative Financial Instruments at Fair Value.

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 (unhedged items include, inter alia, cash and cash equivalents and long-term restricted cash associated with the debt).

Millions of euros	2.012			
Borrowings	Total gross debt	% of debt hedged	Net debt exposed to interest rate risk	Impact on results of + 100 b.p.
Construction	31	31%	21	0
Services	183	8%	168	2
Airports	0	0%	0	0
Toll roads	0	0%	0	0
Corporate and other	1,018	19%	821	8
Other companies	**1,233**	**0%**	**1,010**	**10**
BAA	0	0%	0	0
Other airports	0	0%	0	0
Toll roads (*)	6,567	87%	851	9
Construction	153	92%	13	0
Services	273	84%	42	0
Infrastructure projects	**6,993**	**0%**	**906**	**9**
Total borrowings	**8,225**	**0%**	**1,916**	**19**

Millions of euros	2.011			
Borrowings	Total gross debt	% of debt hedged	Net debt exposed to interest rate risk	Impact on results of + 100 b.p.
Construction	64	20%	51	1
Services	182	10%	164	2
Airports	0	0%	0	0
Toll roads	0	0%	0	0
Corporate and other	1,015	0%	1,015	10
Other companies	**1.261**	**2%**	**1,230**	**12**
BAA	0	0%	0	0
Other airports	0	0%	0	0
Toll roads (*)	6,222	74%	1,621	16
Construction	155	92%	13	0
Services	271	56%	119	1
Infrastructure projects	**6,649**	**74%**	**1,753**	**18**
Total borrowings	**7,909**	**62%**	**2,983**	**30**

(*) In calculating the percentage of debt hedged in toll road infrastructure projects, the borrowings of the R4 and OLR toll roads were not taken into consideration because the respective concession operators are currently involved in insolvency proceedings and most of the derivatives relating to these borrowings have been terminated.

As shown in the foregoing table, 77% of the Group's debt is hedged against the risk of changes in interest rates. 87% of the project borrowings are hedged (2011: 74%).

Also, it must be borne in mind that the results relating to companies accounted for using the equity method include the results corresponding to the 33.65% ownership interest in HAH and the ownership interest of 43.23% in 407 ETR. As indicated in Note 9, the two companies have a significant volume of debt, of which 80% (HAH) and 100% (407 ETR) is hedged against interest rate risk.

Based on the foregoing, at the fully consolidated companies, a linear variation of 100 basis points in the market yield curves at 31 December 2012 would increase the finance costs in the income statement by an estimated EUR 19 million, of which EUR 9 million relate to infrastructure projects and EUR 10 million to the other companies, with a net impact on the profit attributable to Ferrovial of EUR -14 million.

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 recognised mainly in reserves in the case of derivatives that are effective hedges, as required by International Financial Reporting Standards.

As regards these interest rate hedging instruments, a linear variation of 100 basis points in the market yield curves at 31 December 2012 would, in the case of the effective hedges, have a net impact of EUR -463 million on the equity attributable to the Parent (EUR -222 million at companies accounted for using the equity method and EUR -241 million at fully consolidated companies).

3.2 Foreign currency risk

Foreign currency risk management is generally centralised through the global policies of the Group Finance Division, which seeks to minimise, by means of hedging mechanisms, the impact caused by fluctuations in the euro exchange rates of the currencies in which Ferrovial operates.

Ferrovial has significant investments in developed countries with currencies other than the euro, including most notably those in pounds sterling, US dollars, Canadian dollars and Polish zlotys.

3.2.a.- Risk management at ex project level (Other companies)

Ferrovial manages its exposure to foreign currency cash flows on a global basis, including:

- Investments or divestments in projects.

- Returns on the income obtained at foreign subsidiaries, in the form of dividends or capital reimbursements expected to be received from those subsidiaries.

- Intra-Group loans to foreign subsidiaries.

- Payment of dividends and repayment of debt.

Ferrovial ensures that the net flows for the coming years are optimally hedged by establishing strategies that optimise finance costs, safeguard capital against adverse fluctuations and stabilise the income statement.

Also, 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.

3.2.b.- Risk management at project level (Infrastructure projects)

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.

3.2.c.- Exposure of items in the statement of financial position to exchange rate fluctuations

The following table shows, by type of currency, the values of assets, liabilities, non-controlling interests and equity attributable to the Parent at December 2012:

Millions of euros	2012			
Currency	Assets	Liabilities	Equity of the Parent	Non-controlling interests
Euro	10,453	10,722	-371	102
Pound sterling	2,916	525	2,390	1
US dollar	4,969	4,228	763	-22
Canadian dollar	2,763	58	2,706	0
Polish zloty	970	816	113	40
Chilean peso	74	31	43	0
Other	66	68	-2	0
Total Group	**22,211**	**16,448**	**5,642**	**121**

An analysis of the table above shows that the Group's equity is particularly exposed to the Canadian dollar and to the pound sterling.

Ferrovial has estimated that 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 -601 million, of which 40% would relate to the impact of the pound sterling and 45% to that of the Canadian dollar. This fluctuation in the value of the euro would have an impact on total assets of EUR -1,176 million, of which 42% would relate to the investments in US dollars, 25% to the investments in pounds sterling and 24% to the investments in Canadian dollars.

Also, the detail of the net profit attributable to the Parent by type of currency in 2012 is as follows:

Millions of euros	Net profit	
Currency	**2012**	**2011**
Euro	245	1,145
Pound sterling (*)	394	93
US dollar	15	-36
Canadian dollar	43	27
Polish zloty	14	11
Chilean peso	5	5
Other	-8	-3
Total Group	**710**	**1,243**

(*) The profit in pounds sterling includes the pre-tax gains obtained on the divestments in BAA in the year.

In this regard, the impact of a 10% appreciation of the euro on the income statement would have amounted to EUR -39 million.

As indicated above, in terms of net assets Ferrovial has a strong foreign currency position, particularly in the Canadian dollar and the pound sterling. The value of the euro depreciated against the Canadian dollar (0.34%) and the pound sterling (2.72%).

The table below shows the closing rates at 2012 and 2011 year-end of the main currencies in which the Group operates, which were used to translate the statement of financial position items to euros:

	Exchange rate at year-end		
	2012	**2011**	**CHANGE 12/11 (*)**
Pound sterling	0.8130	0.8357	-2.72%
US dollar	1.3200	1.2960	1.85%
Canadian dollar	1.3130	1.3175	-0.34%
Polish zloty	4.0850	4.4627	-8.46%
Chilean peso	632.09	673.28	-6.12%

	Average exchange rate		
	2012	**2011**	**CHANGE 12/11 (*)**
Pound sterling	0.8107	0.8690	-6.71%
US dollar	1.2911	1.3998	-7.77%
Canadian dollar	1.2896	1.3787	-6.46%
Polish zloty	4.1675	4.1380	0.71%
Chilean peso	628.20	674.94	-6.92%

(*) A negative change represents a depreciation of the euro against the reference currency and a positive change represents an appreciation.

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) (see Note 18)

b) Non-current financial assets (see Note 10)

c) Derivative financial instruments (see Note 11)

d) Trade and other receivables (see Note 13)

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 minimum credit ratings for counterparties (based on the ratings awarded by prestigious international agencies) which are subject to periodic review.

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 meet 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 is a wide variety of customers, a large proportion of which are public-sector entities, as indicated in Note 13.

3.4 Liquidity risk

In the current market environment, still beset by a major financial crisis that prompted a widespread contraction of bank lending, Ferrovial has continued to adopt 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.

3.4.a.- Liquidity risk management at ex project level (Other companies)

Liquidity risk at ex project level is managed centrally. Ferrovial has a liquidity policy in place that is based on five 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 credit lines, particularly long-term lines, that guarantee the availability of cash and the payment of obligations in the event of any abnormal or stress scenario in relation to collections and available balances.

Company Description
Management Report
Financial Information
Corporate Responsibility
Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

5.- Sourcing funds from capital markets as an alternative to bank financing (Ferrovial has been awarded BBB- investment grade ratings by S&P and Fitch).

Liquidity risk management focuses on closely monitoring debt maturities (also explained in Note 18) and on proactive management and maintenance of credit lines to cover forecast cash needs.

The main liquidity metrics for 2012 were as follows:

- At 31 December 2012, total cash and cash equivalents amounted to EUR 2,735 million (2011: EUR 2,161 million).

- Also, at that date, undrawn credit lines totalled EUR 1,017 million (2011: EUR 1,108 million).

- The Group's business areas have the capacity to generate significant and recurring cash flows from operating activities.

- 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.

3.4.b.- Liquidity risk management at project level (Infrastructure projects)

Liquidity risk is analysed separately for each individual infrastructure project, since each project has a specific financing arrangement and, therefore, the projects are independent units for liquidity purposes.

In general, debt maturities are monitored carefully for each project. Note 18 contains a breakdown showing that most of the project financing falls due after more than five years.

Projects of this kind have foreseeable flows, allowing for the arrangement of financing structures linked to estimated project flows.

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 relating to the payment of debt principal and interest and to the maintenance and operation of the infrastructure.

These accounts constitute an additional guarantee with respect to liquidity risk (see breakdown in Note 18).

The borrowings falling due in 2012 relating to infrastructure projects are detailed in Note 18.

The Group seeks to cover all commitmentsto make new investments by means of specific-purpose financing before the investment is made. Note 18 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 2012 is explained below:

- At 31 December 2012, total cash and cash equivalents (including short-term restricted cash) amounted to EUR 237 million (2011: EUR 188 million).

- Also, at that date, undrawn credit lines amounted to EUR 930 million (2011: EUR 1,333 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.

- The capacity to increase the volume of debt in certain projects, based on growth in operating variables.

Lastly, as regards liquidity risk management, both at 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 the risk relating to the evolution of its share price.

This exposure arises specifically in equity swaps linked to share-based remuneration schemes:

As indicated in Note 11, Derivative Financial Instruments at Fair Value, 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 the uncertainty with respect to the exercise price of the remuneration systems in the event that the share price rises above the option grant price; 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. Accordingly, a EUR 1 increase/decrease in the Ferrovial share price would have a positive/negative impact of EUR 22 million on the net profit of Ferrovial.

3.6. Inflation risk

Most of the revenue from infrastructure projects arises from prices tied directly to inflation. This is the case of the prices of both the toll road concession contracts and the HAH airports accounted for using the equity method.

Therefore, an increase in inflation would increase the value of the assets of this nature.

However, in the case of HAH, due to its financing needs, there are long-term derivatives with a notional value of EUR 6,718 million (GBP 5,462 million) on total borrowings of more than EUR 16,000 million (GBP 13,000 million), the purpose of which is to convert fixed-rate debt into index-linked debt. Unlike the company's assets, from the accounting standpoint these derivatives are measured at fair value through profit or loss, since they are considered to be ineffective derivatives. In this regard, an increase of 100 b.p. throughout the inflation curve would have an adverse effect on the net profit of Ferrovial (in proportion to its percentage of ownership) of EUR -198 million.

Also, in the case of the toll road concession operator Autema, there is a derivative tied to inflation that is deemed to qualify for hedge accounting, in which an increase of 100 b.p. throughout the inflation curve would have a negative effect on reserves of EUR 132 million.

3.7. Capital management

The Group's objective in capital 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 in order 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 cash 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 make it possible to create value while continuing to finance investments in new projects.

Ferrovial's objective with regard to financial debt is to maintain a low level of indebtedness, at ex project level, such that it can retain its investment grade credit rating. In order to achieve this target it has established as a yardstick a maximum ratio of net debt ex projects to gross profit from operations plus dividends from projects of 2:1.

For the purpose of calculating this ratio, "net debt ex projects" is defined in Note 18 and "gross profit from operations plus dividends" is the profit from operations before impairment losses, disposals and depreciation and amortisation of the Group companies other than infrastructure concession operators, plus the dividends received from infrastructure projects.

4. Segment reporting

Set forth below are the consolidated statements of financial position and consolidated income statements for 2012 and 2011, broken down by business segment. The "Other" column 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 current Polish real estate business, and inter-segment adjustments.

Segment statement of financial position: 2012 (millions of euros)

Assets	Construction	Toll roads	Airports	Services	Other	Total
Non-current assets	**750**	**12,178**	**1,586**	**2,025**	**98**	**16,638**
Goodwill	177	391	0	919	0	1,487
Intangible assets	4	6	0	99	6	116
Investments in infrastructure projects	4	6,958	0	248	-455	6,755
Investment property	0	0	0	0	35	35
Property, plant and equipment	106	18	0	361	21	507
Investments in associates	6	2,668	1,585	44	0	4,304
Non-current financial assets	220	1,193	0	244	11	1,668
Deferred tax assets	231	789	0	110	479	1,609
Non-current derivative financial instruments at fair value	2	156	0	0	0	158
Current assets	**4,033**	**1,046**	**76**	**1,266**	**-841**	**5,580**
Assets classified as held for sale	0	0	0	2	0	2
Inventories	186	10	0	18	180	394
Trade and other receivables	1,102	452	25	1,036	-413	2,203
Cash and cash equivalents	2,745	582	51	209	-615	2,972
Receivable from Group companies	1,664	0	36	3	-1,703	0
Other	1,081	582	16	206	1,087	2,972
Current derivative financial instruments at fair value	0	1	0	0	7	8
TOTAL ASSETS	**4,784**	**13,224**	**1,662**	**3,291**	**-743**	**22,217**

Equity and liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	**631**	**3,217**	**1,579**	**1,080**	**-744**	**5,762**
Equity attributable to the equity holders	**657**	**3,140**	**1,579**	**1,075**	**-809**	**5,642**
Equity attributable to non-controlling interests	-26	77	0	5	65	121
Deferred income	**5**	**312**	**0**	**38**	**0**	**356**
Non-current liabilities	**875**	**8,052**	**79**	**992**	**1,118**	**11,117**
Pension plan deficit	1	0	0	104	0	105
Other provisions	174	627	0	196	169	1,166
Borrowings	547	5,416	0	399	635	6,996
Payable to Group companies	376	9	0	0	-385	0
Other	171	5,407	0	399	1,020	6,996
Other payables	20	149	29	35	-29	203
Deferred tax liabilities	118	472	51	198	240	1,080
Derivative financial instruments at fair value	15	1,388	0	62	103	1,567
Current liabilities	**3,272**	**1,643**	**4**	**1,181**	**-1,117**	**4,982**
Borrowings	-16	1,309	6	426	-496	1,229
Payable to Group companies	-29	149	6	369	-495	0
Other	13	1,160	0	57	-1	1,229
Current derivative financial instruments at fair value	0	60	0	0	5	65
Trade and other payables	2,897	274	-2	730	-626	3,273
Operating provisions and allowances	391	0	0	24	0	415
TOTAL EQUITY AND LIABILITIES	**4,784**	**13,224**	**1,662**	**3,291**	**-743**	**22,217**

Segment statement of financial position: 2011 (millions of euros)

Assets	Construction	Toll roads	Airports	Services	Other	Total
Non-current assets	**830**	**11,828**	**2,354**	**2,141**	**347**	**17,500**
Goodwill	187	393	0	903	0	1,482
Intangible assets	9	0	0	92	3	103
Investments in infrastructure projects	0	5,982	0	250	-273	5,960
Investment property	0	0	0	0	64	64
Property, plant and equipment	143	25	0	391	68	627
Investments in associates	14	2,814	2,353	19	0	5,199
Non-current financial assets	215	1,353	0	329	16	1,912
Deferred tax assets	262	1,140	1	158	458	2,018
Non-current derivative financial instruments at fair value	0	123	0	0	11	134
Current assets	**4,396**	**1,307**	**59**	**1,511**	**-1,822**	**5,452**
Assets classified as held for sale	0	0	0	2	0	2
Inventories	202	12	0	19	194	427
Trade and other receivables	1,413	528	5	1,223	-497	2,673
Cash and cash equivalents	2,780	766	55	267	-1,519	2,349
Receivable from Group companies	1,697	150	51	145	-2,042	0
Other	1,084	617	3	122	523	2,349
Current derivative financial instruments at fair value	1	0	0	0	0	1
TOTAL ASSETS	**5,226**	**13,135**	**2,413**	**3,652**	**-1,475**	**22,951**

Equity and liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	**460**	**3,650**	**2,365**	**1,236**	**-1,464**	**6,246**
Equity attributable to the equity holders	**405**	**3,578**	**2,365**	**1,231**	**-1,467**	**6,113**
Equity attributable to non-controlling interests	54	71	0	4	3	133
Deferred income	**7**	**254**	**0**	**31**	**0**	**292**
Non-current liabilities	**846**	**7,776**	**28**	**1,196**	**959**	**10,806**
Pension plan deficit	4	0	0	107	0	110
Other provisions	140	665	0	149	56	1,010
Borrowings	564	5,090	0	637	404	6,695
Payable to Group companies	371	0	0	234	-605	0
Other	192	5,090	0	403	1,010	6,695
Other payables	26	118	28	35	-28	179
Deferred tax liabilities	100	623	0	219	356	1,298
Derivative financial instruments at fair value	13	1,280	0	50	171	1,514
Current liabilities	**3,913**	**1,456**	**19**	**1,189**	**-970**	**5,606**
Borrowings	19	1,173	15	380	-372	1,214
Payable to Group companies	3	1	6	317	-327	0
Other	16	1,172	10	63	-46	1,214
Current derivative financial instruments at fair value	0	7	0	0	0	7
Trade and other payables	3,413	276	4	788	-598	3,882
Operating provisions and allowances	481	0	0	21	1	502
TOTAL EQUITY AND LIABILITIES	**5,226**	**13,135**	**2,413**	**3,652**	**-1,475**	**22,951**

Segment income statement: 2012

(Millions of euros)	Construction			Toll roads			Airports			Services			Other			Total		
	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total
Revenue	4,326	0	4,326	381	0	381	8	0	8	2,951	0	2,951	20	0	20	7,686	0	7,686
Other operating income	7	0	7	0	0	0	0	0	0	9	0	9	1	0	1	17	0	17
Total operating income	**4,332**	**0**	**4,332**	**381**	**0**	**381**	**8**	**0**	**8**	**2,960**	**0**	**2,960**	**21**	**0**	**21**	**7,703**	**0**	**7,703**
Materials consumed	1,044	0	1,044	4	0	4	0	0	0	230	0	230	21	0	21	1,299	0	1,299
Staff costs	627	0	627	55	0	55	4	0	4	1,395	0	1,395	61	0	61	2,142	0	2,142
Other operating expenses	2,324	0	2,324	51	0	51	2	0	2	1,022	0	1,022	-64	0	-64	3,335	0	3,335
Total operating expenses	**3,995**	**0**	**3,995**	**110**	**0**	**110**	**7**	**0**	**7**	**2,646**	**0**	**2,646**	**18**	**0**	**18**	**6,776**	**0**	**6,776**
Gross profit from operations	**337**	**0**	**337**	**272**	**0**	**272**	**2**	**0**	**2**	**314**	**0**	**314**	**3**	**0**	**3**	**927**	**0**	**927**
Depreciation and amortisation charge	38	0	38	67	0	67	0	0	0	110	0	110	3	0	3	219	0	219
Profit from operations before impairment and non-current asset disposals	**298**	**0**	**298**	**204**	**0**	**204**	**2**	**0**	**2**	**203**	**0**	**203**	**0**	**0**	**0**	**708**	**0**	**708**
Impairment and disposals of non-current assets	0	-11	-11	0	0	0	115	0	115	0	-30	-30	0	-23	-23	115	-63	52
Profit or loss from operations	**298**	**-11**	**288**	**204**	**0**	**204**	**117**	**0**	**117**	**203**	**-30**	**174**	**0**	**-23**	**-22**	**823**	**-63**	**760**
Financial result on financing of infrastructure projects	-10	0	-10	-270	0	-270	0	0	0	-18	0	-18	0	0	0	-298	0	-298
Result on derivatives and other financial results, infrastructure projects	0	0	0	-5	2	-3	0	0	0	0	0	0	0	0	0	-6	2	-4
Financial result of infrastructure projects	**-10**	**0**	**-10**	**-275**	**2**	**-273**	**0**	**0**	**0**	**-19**	**0**	**-19**	**0**	**0**	**0**	**-304**	**2**	**-302**
Financial result on financing of other companies	40	0	40	9	0	9	4	0	4	-12	0	-12	-68	0	-68	-26	0	-26
Result on derivatives and other financial results, other companies	-5	0	-5	-5	0	-5	-2	0	-2	0	0	0	6	46	52	-7	46	38
Financial result of other companies	**35**	**0**	**35**	**4**	**0**	**4**	**2**	**0**	**2**	**-13**	**0**	**-13**	**-62**	**46**	**-16**	**-34**	**46**	**12**
Financial result	**25**	**0**	**25**	**-271**	**2**	**-269**	**2**	**0**	**2**	**-32**	**0**	**-32**	**-62**	**46**	**-16**	**-338**	**48**	**-290**
Share of results of companies accounted for using the equity method	-1	0	-1	45	-3	42	166	65	231	12	0	12	0	0	0	222	62	284
Consolidated profit or loss before tax	**322**	**-11**	**311**	**-22**	**0**	**-22**	**285**	**65**	**349**	**184**	**-30**	**154**	**-61**	**23**	**-38**	**707**	**47**	**754**
Income tax	-94	2	-92	-50	0	-50	69	0	69	-39	7	-32	5	-9	-3	-108	0	-108
Consolidated profit or loss from continuing operations	**228**	**-9**	**219**	**-71**	**-1**	**-72**	**354**	**65**	**418**	**145**	**-23**	**122**	**-56**	**14**	**-42**	**599**	**47**	**646**
Net profit or loss from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Consolidated profit or loss for the year	**228**	**-9**	**219**	**-71**	**-1**	**-72**	**354**	**65**	**418**	**145**	**-23**	**122**	**-56**	**14**	**-42**	**599**	**47**	**646**
Profit or loss for the year attributable to non-controlling interests	-19	4	-15	82	0	82	0	0	0	0	0	0	-3	0	-3	60	3	64
Profit or loss for the year attributable to the Parent	**209**	**-5**	**204**	**11**	**-1**	**10**	**354**	**65**	**418**	**145**	**-23**	**122**	**-59**	**14**	**-45**	**660**	**50**	**710**

(*) Relating to gains and losses arising from changes in the fair value of derivatives (see Note 11), other financial assets and liabilities and asset impairment (see Note 24).

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Segment income statement: 2011

(Millions of euros)	Construction			Toll roads			Airports			Services			Other			Total		
	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total	Before fair value adjustments	Fair value adjustments (*)	Total
Revenue	4,244	0	4,244	390	0	390	10	0	10	2,821	0	2,821	-19	0	-19	7,446	0	7,446
Other operating income	4	0	4	0	0	0	0	0	0	9	0	9	1	0	1	15	0	15
Total operating income	**4,248**	**0**	**4,248**	**390**	**0**	**390**	**10**	**0**	**10**	**2,830**	**0**	**2,830**	**-17**	**0**	**-17**	**7,461**	**0**	**7,461**
Materials consumed	1,099	0	1,099	3	0	3	0	0	0	199	0	199	-2	0	-2	1,299	0	1,299
Staff costs	600	0	600	53	0	53	4	0	4	1,308	0	1,308	53	0	53	2,018	0	2,018
Other operating expenses	2,302	0	2,302	51	0	51	17	0	17	1,011	0	1,011	-55	0	-55	3,326	0	3,326
Total operating expenses	**4,001**	**0**	**4,001**	**107**	**0**	**107**	**21**	**0**	**21**	**2,518**	**0**	**2,518**	**-4**	**0**	**-4**	**6,643**	**0**	**6,643**
Gross profit or loss from operations	**246**	**0**	**246**	**283**	**0**	**283**	**-11**	**0**	**-11**	**312**	**0**	**312**	**-13**	**0**	**-13**	**817**	**0**	**817**
Depreciation and amortisation charge	32	0	32	53	0	53	1	0	1	104	0	104	2	0	2	192	0	192
Profit or loss from operations before impairment and non-current asset disposals	**214**	**0**	**214**	**230**	**0**	**230**	**-11**	**0**	**-11**	**207**	**0**	**207**	**-15**	**0**	**-15**	**625**	**0**	**625**
Impairment and disposals of non-current assets	0	-44	-44	34	-87	-52	0	0	0	195	0	195	0	0	0	229	-130	99
Profit or loss from operations	**214**	**-44**	**170**	**265**	**-87**	**178**	**-11**	**0**	**-11**	**402**	**0**	**402**	**-15**	**0**	**-15**	**854**	**-130**	**724**
Financial result on financing of infrastructure projects	-9	0	-9	-243	0	-243	0	0	0	-16	0	-16	2	0	2	-265	0	-265
Result on derivatives, other fair value adjustments and other financial results, infrastructure projects	0	0	0	-10	-2	-12	0	0	0	0	-1	-1	0	0	0	-11	-3	-13
Financial result of infrastructure projects	**-10**	**0**	**-10**	**-253**	**-2**	**-255**	**0**	**0**	**0**	**-16**	**-1**	**-17**	**2**	**0**	**2**	**-276**	**-3**	**-279**
Financial result on financing of other companies	51	0	51	12	0	12	2	0	2	-29	0	-29	-118	0	-118	-82	0	-82
Result on derivatives, other fair value adjustments and other financial results, other companies	-11	0	-11	7	0	7	0	0	0	-14	0	-14	15	60	75	-2	60	58
Financial result of other companies	**40**	**0**	**40**	**19**	**0**	**19**	**3**	**0**	**3**	**-43**	**0**	**-43**	**-103**	**60**	**-43**	**-84**	**60**	**-25**
Financial result	**31**	**0**	**31**	**-234**	**-2**	**-236**	**3**	**0**	**3**	**-59**	**-1**	**-60**	**-101**	**60**	**-41**	**-360**	**57**	**-303**
Share of results of companies accounted for using the equity method	0	0	0	31	-4	28	-20	10	-10	7	-5	2	0	0	0	18	1	20
Consolidated profit or loss before tax	**245**	**-44**	**201**	**62**	**-92**	**-30**	**-29**	**10**	**-19**	**350**	**-6**	**344**	**-116**	**60**	**-56**	**512**	**-72**	**440**
Income tax	-73	0	-73	12	19	31	2	0	2	-24	0	-23	20	-18	2	-63	2	-61
Consolidated profit or loss from continuing operations	**172**	**-44**	**128**	**73**	**-72**	**1**	**-27**	**10**	**-17**	**327**	**-6**	**321**	**-96**	**42**	**-54**	**449**	**-70**	**379**
Net profit from discontinued operations	0	0	0	0	0	0	165	679	844	0	0	0	0	0	0	165	679	844
Consolidated profit or loss for the year	**172**	**-44**	**128**	**73**	**-72**	**1**	**138**	**689**	**827**	**327**	**-6**	**321**	**-96**	**42**	**-54**	**614**	**609**	**1,223**
Profit or loss for the year attributable to non-controlling interests	-24	18	-6	26	2	28	0	0	0	0	0	0	-2	0	-2	0	20	19
Profit or loss for the year attributable to the Parent	**148**	**-26**	**122**	**99**	**-71**	**29**	**138**	**689**	**827**	**326**	**-6**	**320**	**-98**	**42**	**-56**	**614**	**629**	**1,243**

(*) Relating to gains and losses arising from changes in the fair value of derivatives (see Note 11), other financial assets and liabilities and asset impairment (see Note 24).

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

The detail, by segment, of the asset additions, 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 to associates	
	2012	2011	2012	2011	2012	2011	2012	2011
Construction	6	0	41	40	0	40	0	0
Airports	0	0	0	0	0	0	0	2,426
Toll roads	896	685	26	13	0	0	4	0
Services	32	102	66	85	7	10	0	0
Other	0	0	0	13	0	0	0	0
Total	**935**	**787**	**133**	**150**	**7**	**50**	**4**	**2,426**

The additions to infrastructure projects are broken down by business segment in Note 7.

The detail, by segment, of revenue in 2012 and 2011 is as follows:

	Millions of euros					
	2012			2011		
	External sales	Inter-segment sales	Total	External sales	Inter-segment sales	Total
Construction	3,560	765	4,326	3,508	736	4,244
Airports	380	1	381	388	2	390
Toll roads	8	0	8	9	1	10
Services	2,944	7	2,951	2,810	11	2,821
Other and adjustments	77	-57	20	66	-85	-19
Total	**6,970**	**717**	**7,686**	**6,781**	**665**	**7,446**

The inter-segment sales that are not eliminated in the Group's consolidated financial statements are the sales made by the Construction Division to the infrastructure concession operators, as discussed in Notes 2.4 and 33.

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		Sales	
	2012	2011	2012	2011	2012	2011
Spain	8,556	8,927	112	240	2,903	3,369
UK	2,923	3,631	15	2,429	1,924	1,554
US	4,969	4,371	912	585	1,095	746
Canada	2,763	2,825	0	0	9	0
Poland	970	1,192	0	53	1,460	1,394
Chile	74	50	0	0	36	45
Portugal	1,140	1,133	0	102	127	196
Rest of Europe	758	815	1	0	59	80
Other	66	7	0	3	72	61
Total	**22,217**	**22,951**	**1,040**	**3,413**	**7,686**	**7,446**

In addition to the information by geographical segment included in this Note, further information is provided in the following notes:

- Note 7 contains a detail of infrastructure projects by business segment and, for the main groups of projects, by geographical segment.
- Note 30 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 table below details the changes in goodwill in 2012:

	Millions of euros				
CHANGES IN 2012	**Balances at 01/01/12**	**Exchange difference**	**Investment/Disposal /Other**	**Impairment**	**Balances at 31/12/12**
Services	**903**	**13**	**4**	**0**	**919**
Amey	453	13	4	0	470
Cespa	421	0	0	0	421
Other services	29	0	-2	0	27
Construction	**186**	**7**	**-15**	**0**	**178**
Webber	107	-1	0	0	106
Budimex	79	8	-15	0	72
Toll roads	**393**	**-2**	**0**	**0**	**391**
Europe	291	0	0	0	291
US	102	-2	0	0	100
Total	**1,482**	**18**	**-13**	**0**	**1,487**

No significant acquisitions affecting goodwill took place in 2012.

Also, the Group did not recognise any material impairment losses, except for those relating to PNI, a company forming part of the construction business in Poland, as described in more detail in Note 5.B below.

The following section describes the methodology and assumptions used in the impairment tests, as well as the impairment losses recognised in the year.

A. Services Division goodwill (Amey and Cespa):

The goodwill of these two business areas, amounting to EUR 470 million and EUR 421 million, respectively, at 31 December 2012 (31 December 2011: EUR 453 million and EUR 421 million, respectively), is tested for impairment 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 assets of this nature. In order to value companies, Ferrovial uses a risk-free rate usually taking as a reference a ten-year bond based on the location of the company in question and a market premium of 5.5%, based on recent studies of long-term premiums. Additionally, in order to reflect each company's exposure, portfolios 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 ranged from 7.3% to 8.9% (compared with the prior year rates which ranged from 8.1% to 8.4% in December 2011) and perpetuity growth rates (g) ranged from 2.0% to 3.0% (same perpetuity growth as in December 2011).

The value of Amey resulting from application of this impairment test model is 195.6% higher than its carrying amount. In the case of Cespa, the difference is 26.2%.

In addition, 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 Group considers that there have not been any reasonable changes in the main assumptions that would give rise to the need to recognise an impairment loss.

B. Construction Division goodwill (Webber and Budimex):

The goodwill of Webber and Budimex amounted to EUR 106 million and EUR 72 million, respectively, at 31 December 2012 (31 December 2011: EUR 107 million and EUR 79 million, respectively).

Budimex:

On 17 November 2011, Budimex, a Polish subsidiary of Ferrovial Agromán, acquired the construction company Przedsiebiorstwo Napraw Infrastruktury (PNI), which specialises in civil engineering work and railway infrastructure. The inclusion of this company in the scope of consolidation resulted in a EUR 28 million increase in goodwill at 31 December 2011. As a result of new information obtained in 2012 about facts and circumstances that existed at the acquisition date, and since less than twelve months had elapsed since that date, the value of the assets acquired and liabilities assumed in the acquisition was adjusted. This adjustment gave rise to a further increase of EUR 30 million in goodwill at December 2011. Also, the value of the equity interest was re-estimated, giving rise to the recognition of an impairment loss of PLN 180 million (EUR 43 million), which, pursuant to IFRS 3.49, was not recognised in profit or loss but rather in consolidated reserves. As a result of the value adjustment performed, the comparative information presented in the 2011 financial statements in relation to the aforementioned company was restated.

In addition, in August 2012 the Board of Directors of Budimex S.A. resolved to discontinue the financial support provided by it to its subsidiary PNI, and filed a petition for insolvency proceedings with the Polish authorities. Consequently, on 4 December the Polish courts appointed an insolvency manager and revoked the powers of attorney of the Board of Directors of Budimex. As a result, due to the inviability of the company in question, the Group wrote off the remaining amount of the related goodwill (EUR 15 million).

Accordingly, the goodwill existing at December 2012 relates in full to that initially generated on the acquisition of Budimex.

In the case of Budimex, since it is listed on the Warsaw Stock Exchange, the goodwill was tested for impairment by ascertaining whether the closing market price of the Budimex share was higher than its carrying amount plus the allocated goodwill. The test did not evidence the existence of any impairment.

The quoted market price of the Budimex share at 31 December 2012 was 115% higher than its carrying amount.

Webber:

The impairment test method used for Webber was similar to that described above for the services companies and included a discount rate (WACC) of 9.0% (compared with 10.0% in December 2011) and a perpetuity growth rate of 2.0% (2.5% in December 2011). The Company considers that the aforementioned WACC is the maximum discount rate at which Webber should be valued as the market value of the ten-year US bond has been adjusted upwards.

The projected 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.

The value of Webber resulting from application of this impairment test model is 58% higher than its carrying amount.

A sensitivity analysis was 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 Group considers that there have not been any reasonable changes in the main assumptions that would give rise to the need to recognise an impairment loss.

C. Toll Road Division goodwill:

The Toll Road Division goodwill amounted to EUR 391 million at 31 December 2012 (31 December 2011: EUR 393 million), of which EUR 100 million relate to US toll roads and EUR 291 million to European toll roads. 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 the cash flows expected to be received by shareholders until the end of the concession term. The Group 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 (in particular, the adverse trend in traffic during the year was taken into account, adjusting the future projections) and specific features of each asset, using sophisticated, long-term modelling tools to estimate traffic, extraordinary maintenance, etc.

These traffic forecasting models and tools 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 were discounted at an estimated cost of capital ranging from 9.1% to 11.8% (10.3% to 11.2% in December 2011) 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%.

Company Description
Management Report
Financial Information
Corporate Responsibility

For toll road concessions where there is goodwill, 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.

The carrying amount of two toll road concession operators was negative, while the value in use of the remaining concessions was between 24.5% and 47.4% higher than their carrying amount.

No evidence of the impairment of this goodwill was identified. The Group considers that there have not been any reasonable changes in the main assumptions that would give rise to the need to recognise an impairment loss.

6. Intangible assets

"Intangible Assets" includes basically contractual rights that arose from the acquisition of certain services companies; specifically, the two main items relate to:
- The right that arose in 2005 at the Amey Group as a result of a contract to provide management and technical assistance services in relation to the London Underground, amounting to EUR 35.9 million; and
- The right that arose in 2010 to operate a waste treatment plant in the United Kingdom as a result of the acquisition of Donarbon, amounting to EUR 46.4 million.

The changes in "Intangible Assets" in 2012 were not material.

No impairment losses were recognised or reversed in relation to these intangible assets in 2012.

7. Investments in infrastructure projects

The detail, by project, of "Investments in Infrastructure Projects" and of the changes therein in 2012 is as follows:

CHANGES IN 2012	Balances at 01/01/12	TOTAL additions	TOTAL disposals	Transfers	Exchange rate effect	Balances at 31/12/12
Spanish toll roads	2,577			-92	--	2,485
US toll roads	2,854	894		--	-80	3,668
Other toll roads	981	2	-21	--	--	962
Investment in toll roads	**6,412**	**896**	**-21**	**-92**	**-80**	**7,115**
Amortisation - Toll roads	-688	-21	14	85	1	-609
Net investment in toll roads	**5,724**	**875**	**-7**	**-7**	**-79**	**6,506**
Investment in other infrastructure projects	268	38	-7	2	0	301
Amortisation - Other infrastructure projects	-32	-18	-2	0	0	-52
Total net investment - Other infrastructure projects	**236**	**20**	**-9**	**2**	**0**	**249**
TOTAL INVESTMENT	**6,680**	**934**	**-28**	**-90**	**-80**	**7,416**
TOTAL AMORTISATION	**-720**	**-39**	**12**	**85**	**1**	**-661**
TOTAL NET INVESTMENT	**5,960**	**895**	**-16**	**-5**	**-79**	**6,755**

The most significant changes in 2012 were as follows:

As regards the toll roads in the US, there were significant increases in the assets of the SH 130 toll road, in operation since November 2012 (EUR 253 million -2011: EUR 246 million-), and in those of the North Tarrant Express (EUR 302 million -2011: EUR 233 million-) and LBJ (EUR 339 million -2011: EUR 96 million-) toll roads, currently under construction.

Exchange rate fluctuations resulted in a decrease of EUR 79 million (2011: increase of EUR 117 million) in the balance of these assets, the full amount of which is attributable to the change in the euro/US dollar exchange rate at the US toll roads.

In the case of the infrastructure projects, all the concession assets have been pledged as security for the borrowings of the concession operators. The borrowing costs capitalised in this connection in 2012 are detailed in Note 27.

The changes in these assets in 2011 were as follows:

CHANGES IN 2011	Balance at 31/12/10	Exclusion from consolidation of BAA	Changes in the scope of consolidation	Additions	Disposals and transfers	Exchange rate effect	Balance at 31/12/11
Spanish toll roads	2,481		0	9	89		2,579
US toll roads	2,163		0	574	-5	119	2,852
Other toll roads	885			102	-6	0	981
Investment in toll roads	**5,529**		**0**	**685**	**78**	**119**	**6,412**
Amortisation/Impairment	-669		0	-7	-10	-2	-688
Net investment in toll roads	**4,860**		**0**	**678**	**68**	**117**	**5,723**
Total investment in airports	**22,679**	**-22,670**	**-9**	**0**	**0**	**0**	**0**
Total amortisation - Airports	-6,158	6,149	9	0	0	0	0
Net investment in airports	**16,521**	**-16,521**	**0**	**0**	**0**	**0**	**0**
Investment in other infrastructure projects	**130**	**0**	**0**	**102**	**3**	**1**	**236**
Amortisation - Other infrastructure projects	1	0	0	0	0	-1	0
Total net investment - Other infrastructure projects	**131**	**0**	**0**	**102**	**3**	**0**	**236**
TOTAL INVESTMENT	**28,338**	**-22,670**	**-9**	**787**	**81**	**120**	**6,648**
TOTAL AMORTISATION	**-6,826**	**6,149**	**9**	**-7**	**-10**	**-3**	**-688**
TOTAL NET INVESTMENT	**21,512**	**-16,521**	**0**	**780**	**71**	**117**	**5,960**

8. Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated statement of financial position were as follows:

CHANGES IN 2012	Millions of euros			
	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	TOTAL
Investment: Balance at 01/01/12	**187**	**782**	**660**	**1,629**
Additions	2	45	60	**108**
Disposals	-1	-52	-36	**-88**
Changes in the scope of consolidation and transfers	-59	-6	-10	**-75**
Exchange rate effect	2	3	2	**7**
Balances at 31/12/12	**131**	**773**	**678**	**1,581**
Accumulated depreciation: Balances at 01/01/12	**-23**	**-569**	**-410**	**-1,002**
Charge for the year	-5	-61	-52	**-117**
Disposals	-	47	27	**75**
Changes in the scope of consolidation and transfers	-1	1	-25	**-25**
Exchange rate effect	-	-3	-1	**-4**
Balances at 31/12/12	**-28**	**-585**	**-461**	**-1,074**
Carrying amount at 31/12/12	**104**	**188**	**215**	**507**

Additions:

The most significant additions in 2012, totalling EUR 62 million, related to the Services Division, specifically those at the Cespa Group in relation to the construction and fitting-out of the container and waste transfer plants and the renewal of cleaning and transport equipment associated with contracts in force. Also, Ferrovial Agromán acquired specific construction machinery for EUR 28 million.

Disposals or reductions:

The disposals arose mainly in the Construction Division, specifically at the Webber Group, amounting to EUR 24 million in relation to obsolete or fully depreciated assets, and at the Services Division, amounting to EUR 25 million.

Changes in the scope of consolidation and transfers:

The most significant changes in the scope of consolidation in 2012 arose as a result of the exclusion from consolidation of the property, plant and equipment of Przedsiebiorstwo Napraw Infrastruktury (PNI) amounting to EUR 35 million, as described in Note 5. None of the other changes, considered individually, were material.

Other disclosures relating to property, plant and equipment

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 policies provide adequate coverage for such risks.

The property, plant and equipment in the course of construction amounts to EUR 39 million (2011: EUR 86 million), corresponding mainly to the items under construction at the Cespa Group (EUR 30 million).

At 31 December 2012, the Amey-Cespa Group had items of property, plant and equipment totalling EUR 49 million that had been pledged as security for bank borrowings amounting to EUR 18 million.

	Millions of euros			
CHANGES IN 2011	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	TOTAL
Investment:				
Balance at 01/01/11	**139**	**783**	**573**	**1,495**
Additions	31	31	88	150
Disposals	-8	-55	-36	-99
Changes in the scope of consolidation and transfers	26	28	38	92
Exchange rate effect	-1	-5	-2	-8
Balance at 31/12/11	**187**	**782**	**660**	**1,629**
Accumulated depreciation:				
Balance at 01/01/11	**-18**	**-557**	**-368**	**-943**
Charge for the year	-5	-56	-69	-130
Disposals	3	48	51	102
Changes in the scope of consolidation and transfers	-3	-8	-24	-35
Exchange rate effect	0	4	0	4
Balance at 31/12/11	**-23**	**-569**	**-410**	**-1,002**
Carrying amount at 31/12/11	**163**	**213**	**250**	**627**

9. Investments in associates

The detail of the investments in companies accounted for using the equity method at 2012 year-end and of the changes therein in 2012 is shown in the table below. Due to their significance, the investments in 407 ETR (43.23%) and Heathrow Airport Holdings (HAH) (33.65%) are presented separately.

2012 Millions of euros	407 ETR (43.23%)	HAH (33.65%)	Other	TOTAL
Balance at 31/12/11	**2,823**	**2,353**	**23**	**5,199**
Changes in ownership interest	0	-791	0	**-791**
Share of results	45	231	8	**284**
Dividends received and equity reimbursed	-201	-143	0	**-345**
Translation differences	21	72	0	**92**
Other	-10	-135	10	**-136**
Balance at 31/12/12	**2,678**	**1,585**	**41**	**4,304**

The main reasons for these variations are:

- The main change relates to the reduction of the ownership interest in Heathrow Airport Holdings (HAH) following the 16.34% divestment carried out in the year, which is described in Notes 1.2 and 24. As a result of this sale, the Group owns 33.65% of the share capital of HAH, down from 49.99% at 2011 year-end. Also noteworthy among the changes relating to HAH are the dividends received from this investee, amounting to EUR 143 million, and the inclusion of the share in its profit for the year, EUR 231 million, as well as the positive impact of EUR 72 million resulting from the appreciation of the pound sterling against the euro. The other changes relate mostly to the effects of changes in the value of derivatives and pension funds recognised in reserves.

- The change in the value of 407 ETR was due basically to the dividends of EUR 201 million received in the year, the EUR 45 million share in its profit, and the translation differences amounting to EUR 21 million at 31 December 2012.

9.1 Information relating to HAH

a. Impairment test

An impairment test was performed on this investment at year-end. The main assumptions used were as follows:

- For the Heathrow business plan, the Group uses the "building blocks" approach applied by the Civil Aviation Authority (CAA), the UK airports regulator, in which revenue yields are determined by reference to the existing regulatory asset base (RAB), the future capital expenditure plan and the return on assets.
- The value of the investment is calculated by discounting the future cash flows per the business plan, using the adjusted present value (APV) method until 2038 and a multiple for that year of 1.15 x RAB.
- It is assumed that from 1 April 2014 there will be a slight improvement in the return on assets used by the regulator for the purpose of calculating airport tariffs. The improvement in returns is based on the parameters set in other regulated sectors in the UK.
- In the long term, the development of a third runway at Heathrow is considered.
- The deleveraged discount rate (Ku) is 7.6% and the tax shield generated by the debt is discounted at the cost of the debt.

Sensitivity analyses were performed on the main assumptions (non-development of the third runway at Heathrow, maintenance of current remuneration, liquidation of assets in divestment process, etc.) and no reasonable changes were disclosed that would give rise to the need to recognise an impairment loss on the investment. It should also be noted that the sales of HAH shares conducted by Ferrovial in 2012 described in Note 1.2 are a further indication that that this investment is not impaired. In this regard, the price of these sale transactions was approximately 19% higher than the carrying amount of the asset and is in line with the average of the various valuation sensitivities analysed in the impairment test.

b. Changes in the balance sheet and income statement 2012-2011

In view of the importance of this investment, following is a detail of the balance sheet and income statement for this group of companies, adjusted to bring them into line with Ferrovial's accounting policies, together with comments on the changes therein in 2012.

The balance sheet figures shown relate to the full balances of HAH and are presented in pounds sterling. The exchange rates used in 2012 are EUR 1=GBP 0.8130 (2011: GBP 0.8357) for the balance sheet figures and EUR 1=GBP 0.8107 (2011: GBP 0.8690) for the income statement.

33.65% of the equity of the investee does not correspond to the carrying amount of the investment, since the carrying amount also includes the amount of the gain arising from the remeasurement at fair value of the investment retained following the sale of a 5.88% ownership interest in this company in October 2011. The gain was recognised as an addition to goodwill.

Company Description
Management Report
Financial Information
Corporate Responsibility

Balance sheet

HAH (100%) GBP (millions)	12/12	12/11	Change
Non-current assets	**16,551**	**18,241**	**-1,690**
Goodwill	2,914	3,065	-151
Investments in infrastructure projects	13,276	14,545	-1,269
Non-current financial assets	39	40	-1
Pension surplus	0	39	-39
Deferred tax assets	0	0	0
Financial derivatives	322	552	-230
Other non-current assets	0	0	0
Assets classified as held for sale	**1,436**	**0**	**1,436**
Current assets	**456**	**481**	**-25**
Trade and other receivables	305	311	-7
Cash and cash equivalents	143	160	-17
Other current assets	8	9	-1
TOTAL ASSETS	**18,443**	**18,722**	**-279**

HAH (100%) GBP (millions)	12/12	12/11	Change
Equity	**1,841**	**1,933**	**-92**
Equity attributable to Ferrovial	*620*	*966*	*-347*
Deferred income	0	1	-1
Non-current liabilities	**14,871**	**14,992**	**-120**
Pension plan deficit	133	29	105
Bank borrowings	12,359	11,920	439
Deferred tax liabilities	1,209	1,739	-530
Financial derivatives	1,158	1,298	-140
Other non-current liabilities	12	6	6
Liabilities classified as held for sale	**263**	**0**	**263**
Current liabilities	**1,467**	**1,796**	**-329**
Bank borrowings	715	1,102	-387
Trade and other payables	653	679	-26
Financial derivatives	91	0	91
Other current liabilities	9	16	-7
TOTAL EQUITY AND LIABILITIES	**18,443**	**18,722**	**-279**

- *Investments in infrastructure projects*

The balance of "Investments in Infrastructure Projects" fell by GBP 1,269 million in 2012. This decrease was due mainly to the reclassification of the Stansted Airport assets, amounting to approximately GBP 1,268 million, to "Assets Classified as Held for Sale", and the sale of Edinburgh Airport in May 2012, which gave rise to a reduction of GBP 761 million in assets. Also, the depreciation and amortisation charge for the year reduced the balance of this heading by approximately GBP 583 million.

The aforementioned reductions were offset by additions of approximately GBP 1,282 million, recognised mainly in "Assets in the Course of Construction" (GBP 1,235 million) and relating largely to the investments made in Heathrow Terminal 2 and its satellite building, as well as the baggage handling system.

- *Assets and liabilities classified as held for sale*

Following the decision of the UK Competition Commission, which obliged the Group to dispose of Stansted Airport, this heading includes the assets (GBP 1,436 million) and liabilities (GBP 263 million) relating to this airport. This asset was ultimately sold on 18 January 2013, as indicated in Note 36, Events after the Reporting Period.

- *Equity*

Equity amounted to GBP 1,841 million at 31 December 2012, down GBP 92 million with respect to 2011 due mainly to the dividends paid (GBP 240 million), the profit for the year (GBP 375 million) and the adverse impact of GBP 224 million recognised in reserves in relation to effective derivatives and pension plans.

- *Pension plan surplus/deficit*

At 31 December 2012, HAH had a pension plan deficit of GBP 133 million, as compared with a net surplus of GBP 10 million at the end of 2011 (at 31 December 2011, one plan had a surplus of GBP 39 million while two plans had deficits totalling GBP 29 million). This negative change was due mainly to, among other factors, an actual return on plan assets that was lower than expected and a reduction in the rate used to discount the plan liabilities. The impact on equity resulting from the updating of actuarial assumptions was GBP -169 million, as mentioned in the preceding section.

- *Bank borrowings*

In 2012 bond issues with a nominal value of approximately GBP 3,300 million were launched, in various formats and currencies, including most notably the first issue in Canadian dollars (CAD 400 million), as well as new issues in US dollars (USD 500 million), euros (EUR 800 million), Swiss francs (CHF 400 million) and pounds sterling (GBP 1,850 million).

The financing raised was used mainly to repay short-term debt, alter the debt mix, replacing bank debt with bonds in various currencies, and extend scheduled maturities. Noteworthy in this regard was the redemption of the bonds that matured in February 2012 (EUR 1,000 million/GBP 835 million), which accounted for most of the change in short-term borrowings. Also, in 2012 GBP 1,395 million of the Capex Facility were repaid; GBP 475 million of the Class B loan maturing in 2014 were repaid early; and GBP 698 million of the senior term loan were repaid.

It should also be noted that in June 2012 HAH completed the refinancing of its credit and liquidity facilities. The refinancing amounted to GBP 2,750 million (GBP 2,000 million of revolving credit facility -structured into a tranche A of GBP 1,500 million, a tranche B of GBP 400 million and a working capital facility of GBP 100 million- and GBP 750 million of liquidity facilities.) The new debt matures in June 2017 and replaces the debt that matured in August 2013. Tranches A and B have spreads of 150 and 225 basis points, respectively.

The table below shows the net debt position (financial debt less cash) of HAH following the aforementioned transactions:

GBP (millions)	12/12	12/11	Change (%)
Senior loan facility	588	684	-97
Subordinated debt	717	538	179
Securitised Group borrowings	11,315	10,663	652
Unsecuritised Group borrowings	337	1,036	-698
Other	-26	-60	33
Total	**12,931**	**12,862**	**69**

Of the total debt of HAH recognised for accounting purposes at 31 December 2012, GBP 10,980 million relate to bond issues (31 December 2011: GBP 8,526 million).

- *Derivative financial instruments at fair value*

The notional principal amount of HAH's derivatives portfolio totals GBP 11,752 million, including interest rate swaps (IRSs) with a notional amount of GBP 2,611 million, cross currency swaps (hedging bonds issued in foreign currency) (GBP 3,503 million), index-linked securities (ILSs) (EUR 5,462 million), equity swaps (GBP 142 million) and exchange rate derivatives (GBP 34 million).

The change in the net value (asset/liability position) of these financial instruments gave rise to a GBP 180 million increase in liabilities in 2012. Of this change, GBP -55 million related to a negative impact on reserves, and fair value adjustments were also made, including mainly the income generated by the index-linked securities (GBP 107 million) as a result of the fall in the UK inflation rate and the impact relating to the cross currency swaps (GBP -228 million), although these last-mentioned derivatives barely have an impact on profit or loss since they are offset by the fair value adjustments of the foreign currency bonds hedged by these instruments.

- *Deferred tax liabilities*

The decrease in HAH's deferred tax liabilities was due mainly to the effect of the reduction of the tax rate in the UK in 2012 from 25% to 23%, which reduced liabilities by GBP 151 million (positive impact on the income statement). Also noteworthy is the decrease in the balance of "Deferred Tax Liabilities" resulting from the sale of Edinburgh Airport (GBP 160 million) and the reclassification of Stansted Airport as held for sale (GBP 234 million).

Income statement 2012-2011

The following table shows the changes in HAH's income statement in 2012 with respect to 2011.

HAH (100%) GBP (millions)	12/12	12/11	Change
Operating income	2,646	2,524	122
Operating expenses	-1,291	-1,227	-63
Gross profit from operations	1,355	1,297	59
Depreciation and amortisation charge	-583	-653	70
Profit from operations before impairment and non-current asset disposals	772	644	129
Impairment and disposals of non-current assets	151	0	151
PROFIT FROM OPERATIONS	**924**	**644**	**280**
Financial result	-670	-933	263
Profit or loss before tax	254	-289	543
Income tax	121	268	-147
Net profit or loss	**375**	**-21**	**396**
Profit or loss attributable to Ferrovial (millions of euros)	**231**	**-13**	**243**

The last heading in the foregoing table shows the profit or loss attributable to Ferrovial. Pursuant to IFRS 5, in 2011 the loss for the first ten months of the year (EUR 3 million) was reported as a loss from discontinued operations and the loss for the last two months (EUR 10 million) was shown under "Share of Results of Companies Accounted for Using the Equity Method". The full amount of the profit for 2012 is reported under "Share of Results of Companies Accounted for Using the Equity Method".

It should be borne in mind that the profit attributable to Ferrovial for 2012 does not correspond to the 33.65% equity interest at year-end, since it is calculated by reference to the various percentages of ownership held by the Company during the year based on the successive disposals carried out. Thus, the attributable profit for first ten months of the year was calculated at 49.99%, that for November at 44.27% and that for December at 33.65%.

Noteworthy in relation to the profit for 2012 were certain non-recurring positive effects, including most notably the impact of fair value adjustments on derivatives (GBP 101 million after tax -effect of EUR 65 million on the net profit attributable to Ferrovial-) and the impact of the change of tax rate in the UK, which had an effect of GBP 151 million on the balance of deferred tax liabilities (effect of EUR 90 million on the net profit attributable to Ferrovial). Profit for 2012 also includes the gain obtained on the disposal of Edinburgh Airport in May 2012, which resulted in a net gain of GBP 159 million (EUR 98 million attributable to Ferrovial).

9.2 Information relating to 407 ETR

a. Impairment test

An impairment test was performed on this investment at year-end. The methodology used is described in Note 5 in relation to Toll Road Division goodwill. The expected flows for the shareholders were discounted at an estimated cost of capital of 8.0% (December 2011: 8.7%). No indications of impairment were detected and there were no reasonable changes in the main assumptions that would have led to the recognition of an impairment loss on the investment. The value of 407 ETR resulting from application of the impairment test model is more than 50% higher than the carrying amount of the asset.

b. Changes in the balance sheet and income statement 2012-2011

In view of the importance of this investment, following is a detail of the balance sheet and income statement relating to this group of companies at 31 December 2012 and 2011.

These figures relate to the full balances of 407 ETR and are presented in millions of Canadian dollars. The exchange rates used in 2012 are EUR 1=CAD 1.3130 (2011: CAD 1.3175) for the balance sheet figures and EUR 1=CAD 1.2896 (2011: CAD 1.3787) for the income statement.

43.23% of the equity does not correspond to the carrying amount of the investment, since the carrying amount also includes the amount of the gain arising from the remeasurement at fair value of the investment retained following the sale of a 10% ownership interest in 407 ETR in 2010. This increase in value was recognised as an intangible asset associated with the concession and is being amortised over the term of the concession.

Balance sheet 2012-2011

407 ETR (100%) CAD (millions)	12/12	12/11	Change	407 ETR (100%) CAD (millions)	12/12	12/11	Change
Non-current assets	**5,878**	**5,814**	**64**	**Equity**	**63**	**458**	**-395**
Goodwill	1,319	1,294	24	*Attributable to Ferrovial*	*27*	*198*	*-171*
Investments in infrastructure projects	3,966	3,939	27	**Non-current liabilities**	**6,160**	**5,692**	**467**
Non-current financial assets	301	270	31	Bank borrowings	5,766	5,349	*417*
Deferred tax assets	285	303	-18	Deferred tax liabilities	385	334	*51*
Other non-current assets	7	7	0	Other non-current liabilities	9	9	*0*
Current assets	**472**	**460**	**11**	**Current liabilities**	**127**	**124**	**3**
Trade and other receivables	140	134	6	Bank borrowings	76	72	3
Cash and cash equivalents	322	320	1	Trade and other payables	40	41	-1
Other current assets	9	6	4	Other current liabilities	11	11	1
TOTAL ASSETS	**6,350**	**6,275**	**75**	**TOTAL EQUITY AND LIABILITIES**	**6,350**	**6,275**	**75**

Set forth below is a description of the main changes in the balance sheet of 407 ETR at 31 December 2012 with respect to the preceding year-end:

- *Equity*

Equity dropped by CAD 395 million with respect to 2011, basically as a result of a profit for the year of CAD 174 million and the payment of a dividend of CAD 600 million to the shareholders.

- *Bank borrowings*

Bank borrowings increased by CAD 419 million from CAD 5,422 million at 2011 year-end to CAD 5,841 million at 31 December 2012. 99.8% of the total debt relates to bond issues. This is due mainly to the launch of two new bond series (12-A1 and 12-A2) with nominal values of CAD 400 million and CAD 200 million, respectively. These bonds mature in 2042 and 2052 and bear interest at 4.19% and 3,98%, respectively. Conversely, bond series 09-A2, with a nominal value of CAD 200 million and originally maturing in 2014, was redeemed early.

Company Description
Management Report
Financial Information
Corporate Responsibility

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Income statement 2012-2011

The following table shows the changes in the income statement of 407 ETR in 2012.

407 ETR (100%) CAD (millions)	12/12	12/11	Change
Operating income	734	675	59
Operating expenses	-126	-121	-5
Gross profit from operations	608	554	54
Depreciation and amortisation charge	-61	-58	-2
Net profit from operations	548	495	52
Financial result	-304	-326	21
Profit before tax	244	170	74
Income tax	-69	-42	-28
Net profit	**174**	**128**	**46**
Intangible asset amortisation (millions of euros)	-13	-13	0
Profit attributable to Ferrovial (millions of euros)	**45**	**27**	**18**

The income statement above includes, in addition to the profit earned by the concession operator, the amortisation of the intangible asset recognised as a result of the remeasurement at fair value of the investment retained after the sale of a 10% ownership interest and the loss of control in 2010, as indicated earlier.

9.3 Other companies accounted for using the equity method

Appendix I includes a list of the investments in 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 proportion of ownership interest, the aggregate assets and liabilities, revenue and the profit or loss for the year.

This list includes certain associates with a carrying amount of zero. Under IAS 28, if an entity's share of losses of an associate equals or exceeds its interest in the associate, the entity discontinues recognising its share of further losses, unless the entity has incurred legal or constructive obligations that make it necessary to recognise a liability for additional losses after the entity's interest is reduced to zero. The main company with an equity deficit that is not recognised in the Group's consolidated financial statements is the Indiana Toll Road concession operator, which had a deficit of EUR 834 million attributable to Ferrovial's percentage of ownership at 2012 year-end. This toll road reported a loss, proportional to Ferrovial's equity interest, of EUR 77 million for the year ended 31 December 2012 (not recognised). The equity deficit arose mainly as a result of the drop in fair value of the derivative arranged for the concession. This derivative, which was arranged by the concession operator, had a total value of EUR -1,841 million at 2012 year-end and a notional amount of EUR 2,807 million. It expires in 2026.

Lastly, at 31 December 2012 Indiana Toll Road had total borrowings of EUR 2,835 million, maturing in 2015, total assets of EUR 3,136 million and revenue totalling EUR 152 million.

9.4 Other disclosures relating to companies accounted for using the equity method

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 the 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.

The only company accounted for using the equity method in which the ownership interest is below 20% is Madrid Calle 30. The equity method is used because, although Ferrovial only has an indirect ownership interest of 10%, it has the power to appoint one member of the Board of Directors.

There are no significant companies in which the ownership interest exceeds 20% that are not accounted for using the equity method.

The changes in "Investments in Associates" in the consolidated statement of financial position in 2011 were as follows:

2011 Millions of euros	407ETR (43.23%)	HAH (49.99%)	Other	TOTAL
Balance at 31/12/10	**2,919**	**0**	**191**	**3,110**
Exclusion from consolidation of HAH	0	2,365	0	**2,365**
Changes in the scope of consolidation	0	0	-159	**-159**
Share of results	27	-10	2	**20**
Dividends received and equity reimbursed	-144	0	-6	**-151**
Translation differences	22	76	0	**98**
Other	0	-78	-4	**-83**
Balance at 31/12/11	**2,823**	**2,353**	**23**	**5,199**

10. Non-current financial assets

The changes in "Non-Current Financial Assets" in the year ended 31 December 2012 were as follows:

CHANGES IN 2012	Millions of euros Long-term accounts receivable relating to infrastructure projects	Available-for-sale financial assets	Restricted cash	Other non-current financial assets	TOTAL
Balance at 01/01/12	**1,279**	**0**	**390**	**243**	**1,912**
Additions	58	0	14	61	**133**
Disposals	-6	0	-256	-111	**-373**
Changes in the scope of consolidation	0	0	0	-8	**-8**
Exchange rate effect	2	0	-1	1	**3**
Balance at 31/12/12	**1,334**	**1**	**148**	**186**	**1,668**

Note: balances presented net of allowances.

- "**Long-Term Accounts Receivable relating to Infrastructure Projects**" includes financial assets arising from the application of IFRIC 12 (see Note 2.5.3) and relates mainly to amounts receivable at long term (more than twelve months) from governments in return for services rendered or investments made under a concession arrangement. The existing financial assets relate basically to the Toll Road Division concession operators Autopista Terrasa Manresa, Auto-Estradas Norte and Eurolink M3, amounting to EUR 490 million, EUR 305 million and EUR 223 million, respectively (2011: EUR 467 million, EUR 285 and EUR 218 million, respectively).

They also include the accounts receivable relating to concession operators in the Construction Division (amounting to EUR 196 million -December 2011: EUR 194 million-) and the Services Division (amounting to EUR 120 million -December 2011: EUR 115 million-).

The additions in 2012 relate mainly to the increases in the accounts receivable from the following toll roads: Autema (EUR 22 million), Auto-Estradas Norte (EUR 20 million) and Eurolink M3 (EUR 6 million).

- "**Restricted Cash**" includes basically the deposits securing bond issues associated with the financing of infrastructure currently under construction, corresponding mainly to Chicago Skyway (EUR 58 million -2011: EUR 52 million-), LBJ (EUR 18 million at 31 December 2012 -2011: EUR 178 million-) and North Tarrant Express (EUR 2 million at 31 December 2012 -2011: EUR 81 million-). In this connection, the most significant change in this heading corresponded to the LBJ and North Tarrant Express toll roads in Texas, whose restricted cash decreased by EUR 241 million, due basically to the payments made to the construction company based on the stage of completion of the construction work (see Note 7, Investments in Infrastructure Projects).

- Lastly, "**Other Non-Current Financial Assets**" includes:
  - o loans to associates of the Services Division amounting to EUR 55 million (2011: EUR 88 million)
  - o trade accounts receivable by the Services Division from various public authorities, mainly municipal councils and autonomous community governments, which had been renegotiated at long term, amounting to approximately EUR 16 million (2011: EUR 75 million) The change in this item is explained basically by the collections totalling EUR 72 million made pursuant to Royal Decree Laws 4/2012 and 7/2012, as described in Note 13, Trade and Other Receivables.
  - o other trade receivables, mainly from various public authorities in connection with long-term contracts, amounting to EUR 86 million (31 December 2011: EUR 57 million)
  - o long-term deposits and guarantees amounting to EUR 14 million (December 2011: EUR 17 million)

Company Description
Management Report
Financial Information
Corporate Responsibility
Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

The changes in these items in 2011, for information purposes, were as follows:

CHANGES IN 2011	Millions of euros Long-term accounts receivable relating to infrastructure projects	Available-for-sale financial assets	Restricted cash	Other non-current financial assets	TOTAL
Balance at 01/01/11	1,344	34	551	255	2,184
Exclusion from consolidation of BAA		-34		-45	-79
Additions	107		35	36	178
Disposals	-77		-197	-28	-302
Transfers	-97			37	-60
Allowance				-12	-12
Exchange rate effect	2		1		3
Balance at 31/12/11	**1,279**	**0**	**390**	**243**	**1,912**

11. Derivative financial instruments at fair value

a) Breakdown by type of derivative, changes, maturities and main features

The table below includes a detail of the fair values of the derivatives arranged at 31 December 2012 and 2011, as well as the maturities of the notional amounts to which the derivatives relate (maturities of notional amounts are shown as positive figures and already-arranged future increases are presented as negative amounts):

Millions of euros	Fair value		Notional maturities					
Type of instrument	Balances at 31/12/12	Balances at 31/12/11	2013	2014	2015	2016	2017 and subsequent years	TOTAL
ASSET BALANCES	**166**	**135**	**348**	**-2**	**-3**	**-2**	**53**	**394**
Index linked swaps, Toll Roads	157	123	-3	-2	-3	-2	53	43
Interest rate swaps, Corporate	0	3	0	0	0	0	0	0
Exchange rate derivatives, Corporate	7	8	321	0	0	0	0	321
Other derivatives	2	1	30	0	0	0	0	30
LIABILITY BALANCES	**1,633**	**1,521**	**572**	**97**	**172**	**105**	**3,644**	**4,590**
Equity swaps (*)	89	135	150	67	134	1	37	389
Interest rate swaps, Toll Roads	1,446	1,287	83	16	22	30	3,108	3,259
Interest rate swaps, Corporate	14	35	0	0	0	0	300	300
Exchange rate derivatives, Corporate	5	0	260	0	0	0	0	260
Other derivatives	79	64	79	14	16	75	199	383
NET BALANCES (LIABILITY)	**-1,467**	**-1,386**	**920**	**95**	**169**	**103**	**3,697**	**4,985**

The cash flows composing the fair value of the derivatives mature as follows:

Millions of euros	Fair value		Cash flow maturities					
Type of instrument	Balances at 31/12/12	Balances at 31/12/11	2013	2014	2015	2016	2017 and subsequent years	TOTAL
ASSET BALANCES	**166**	**135**	**10**	**1**	**1**	**2**	**152**	**166**
Index linked swaps, Toll Roads	157	123	1	1	1	2	152	157
Interest rate swaps, Corporate	0	3	0	0	0	0	0	0
Exchange rate derivatives, Corporate	7	8	7	0	0	0	0	7
Other derivatives	2	1	2	0	0	0	0	2
LIABILITY BALANCES	**1,633**	**1,521**	**180**	**156**	**157**	**123**	**1,017**	**1,633**
Equity swaps (*)	89	135	33	21	30	5	0	89
Interest rate swaps, Toll Roads	1,446	1,287	117	120	116	109	984	1,446
Interest rate swaps, Corporate	14	35	10	3	1	0	-1	14
Exchange rate derivatives, Corporate	5	0	5	0	0	0	0	5
Other derivatives	*79*	*64*	*14*	*12*	*10*	*9*	*33*	*79*
NET BALANCES (LIABILITY)	**-1,467**	**-1,386**	**-170**	**-155**	**-156**	**-121**	**-865**	**-1,467**

(*) The items indicated are the main derivatives arranged by the Group that do not qualify for hedge accounting, as explained in this Note.

Following is a description of the main types of derivatives and of the most significant changes therein in 2012:

Toll Road Division derivatives

Interest rate swaps -Toll Roads

In order to hedge the interest rate risk in infrastructure projects, the concession holders have arranged interest rate hedges on the projects' debt, establishing a fixed or increasing interest rate for a total notional amount of EUR 3,259 million at 31 December 2012.

Taken as a whole, the fair value of these hedges fell from EUR -1,287 million at 31 December 2011 to EUR -1,446 million at 2012 year-end, due to the overall drop in long-term interest rates.

Since these derivatives are considered to be effective, the changes in their fair value had a negative impact on reserves of EUR -128 million (EUR -75 million after tax, attributable to the Parent), while the changes in settlements and accruals gave rise to an impact of EUR -121 million on the financial result and a net cash outflow of EUR 86 million.

Index linked swaps -Toll Roads

This item relates exclusively to Autema, which in 2009 arranged an index linked swap to hedge income variability, by means of which an annual CPI of 2.50% was fixed. This hedge, which was considered effective, had an impact of EUR 34 million on reserves (EUR 18 million after tax, attributable to the Parent).

Corporate derivatives

Interest rate swaps - Corporate

These derivatives were arranged in order to hedge the interest rate risk exposure of the corporate borrowings. These swaps, which had a notional amount of EUR 300 million at 2012 year-end, have a fixed interest rate of between 0.6630% and 0.8080%, equivalent to an effective rate of between 3.363% and 3.508%, and expire in 2017.

Equity swaps

In order to hedge against the possible losses resulting from the exercise of the share option plans granted to its employees, Ferrovial arranged equity swaps on the grant date of each plan. These swaps ensure that Ferrovial will receive an amount equal to the rise in the share price when the options are executed by employees.

Also, the bank undertakes to pay Ferrovial cash amounts equal to the return on Ferrovial's shares, in return for a payment by Ferrovial. The main features of the equity swaps are as follows:

- The number of shares used to calculate the returns is equal to the number of options granted under each plan.
- The share price used to calculate the returns coincides with the exercise price employed to calculate the increase in the share's value.
- Ferrovial will pay a return to the bank calculated by applying EURIBOR plus a margin to the result of multiplying the number of shares by the exercise price.
- The bank will pay Ferrovial an amount equal to all the dividends generated by those shares.

These equity swaps do not qualify for hedge accounting and the related gains or losses are recognised as fair value adjustments under "Financial Result". The change in value in 2012 was due to the increase in the Ferrovial share price from EUR 9.33 at 31 December 2011 to EUR 11.20 at 31 December 2012, which gave rise to income of EUR 46 million (net result of EUR 32 million). The change in 2011 gave rise to income of EUR 58 million (net result of EUR 41 million).

At 2012 year-end, these derivatives had a notional amount equivalent to 27 million shares, which, based on the exercise price of the plans, amounted to EUR 389 million.

Exchange rate derivatives - Corporate

These derivatives relate to corporate hedges of foreign currency risk, the main aim of which is to protect against the volatility of the deposits held by the Group in foreign currencies (basically the pound sterling and the US dollar). Their notional amount totalled EUR 581 million at 31 December 2012 and they mature in the short term.

Company Description
Management Report
Financial Information
Corporate Responsibility

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Other derivatives

"Other Derivatives", with an aggregate notional amount of EUR 413 million, includes mainly interest rate hedges of the Construction and Services Divisions, as well as certain exchange rate derivatives of the Toll Roads and Construction Divisions.

In addition to the derivatives described in this Note, it should be noted that HAH, which is accounted for using the equity method, has arranged derivatives with a notional amount of EUR 14,455 million (GBP 11,752 million), as described in greater detail in Note 9.

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 2012 and 2011, and the impact on reserves, profit or loss and other statement of financial position items are as follows:

Millions of euros	Fair value			Impacts						
Type of instrument	Balance at 31/12/12	Balance at 31/12/11	Change	Impact on reserves (I)	Impact on profit or loss of fair value changes (II)	Impact on financial result (III)	Cash (IV)	Exchange rate (V)	Other impacts on equity or profit or loss (VI)	TOTAL
Index linked swaps, Toll Roads	157	123	34	34	0	0	-1	0	1	34
Interest rate swaps, Toll Roads	-1,446	-1,286	-160	-128	2	-121	86	18	-17	-160
Interest rate swaps, Corporate	-14	-32	18	-4	-1	-1	24	0	0	18
Equity swaps	-89	-135	46	0	46	-8	8	0	0	46
Exchange rate derivatives, Corporate	2	8	-6	0	23	0	-26	-4	0	-6
Other derivatives	-76	-63	-13	-2	1	-6	2	-1	-7	-13
TOTAL	**-1,467**	**-1,386**	**-80**	**-100**	**72**	**-136**	**93**	**14**	**-23**	**-80**

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 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 Group profit or loss (column II) and are reflected separately in the income statement.
- "Impact on Financial Result" (column III) reflects the impact on "Financial Result on Financing" arising from the interest flows 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 2012 and 2011 is also presented separately (column V).
- Lastly, "Other Impacts" shows the impacts on profit or loss from operations or other impacts not considered in the other columns (column VI).

The fair value adjustments shown in the consolidated income statement also include a negative impact of EUR 24 million relating to exchange differences arising on the investments held in currencies other than the euro that is considered to be hedged in a fair value hedge associated with the exchange rate derivatives. Including this impact, the total fair value adjustment under "Financial Result" amounted to EUR 48 million.

c) Hedge measurement methods

All the Group's derivative financial instruments and other financial instruments carried at fair value are included in LEVEL 2 of the fair value measurement hierarchy, since although they are not quoted on regulated markets, the inputs on which their fair values are based are observable, either directly or indirectly.

Although the fair value measurements are performed by the Company using an internally developed valuation tool, in any event they are 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 cash inflows and outflows, discounted to 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.

- Index linked swaps: these future cash flows are estimated by projecting the future behaviour implicit in the market yield curves on the measurement date, for both reference interest rates and for reference inflation rates. As in the cases described above, the flows are discounted using the discount rates obtained at the measurement date for each settlement period of the flows and currencies.

12. Inventories

The detail of inventories at 31 December 2012 and 2011 is as follows:

	Balance at 31/12/12	Balance at 31/12/11	Change 2012-2011
Commercial inventories	228	243	-15
Raw materials and other supplies	123	146	-23
Precontract expenses and general fixtures	43	38	5
Total	**394**	**427**	**-32**

Of the commercial inventories recognised at 31 December 2012, EUR 177 million relate to the Real Estate business in Poland, comprising land and building lots (EUR 107 million) and property developments at various stages of completion (EUR 70 million).

EUR 108 million of raw materials and other supplies relate to the Construction Division, mainly at Webber (EUR 51 million) and Budimex (EUR 31 million).

Lastly, the balance of "Precontract Expenses and General Fixtures" corresponds mainly to the Construction Division (EUR 40 million).

At 31 December 2012, there were no inventories of a significant amount, other than those associated with property developments (amounting to EUR 31 million), that were subject to ownership restrictions or had been pledged to secure liabilities.

13. Trade and other receivables

a) Trade receivables for sales and services

The detail of "Trade Receivables for Sales and Services" at 31 December 2012 and 2011 is as follows:

	Millions of euros		
	Balances at 31/12/12	Balances at 31/12/11	Change 2012-2011
Trade receivables	1,409	1,847	-438
Amounts to be billed for work performed	542	490	53
Retentions as guarantees	90	89	1
Provisions	-394	-342	-52
Total trade receivables for sales and services	**1,647**	**2,083**	**-436**

"Trade Receivables for Sales and Services" decreased by EUR 436 million from EUR 2,083 million at 31 December 2011 to EUR 1,647 million at 31 December 2012. This change was due mainly to two factors. Firstly, the most significant change in this line item relates to collections arising from Royal Decree-Law 4/2012 and Royal Decree-Law 7/2012 establishing special financing mechanisms so that local authorities and autonomous community governments could meet their outstanding payment obligations to their suppliers. The Group received payments as a result of these Royal Decree-Laws totalling EUR 690 million, of which EUR 500 million related to the Services Division and EUR 190 million related to the Construction Division. In relation to that amount, a portion of the collections received relate to customers which had refinanced their debts to long term and, therefore, the related amounts, totalling EUR 72 million, were recognised under "Non-Current Financial Assets - Other Receivables" (see Note 10) in the consolidated statement of financial position at 31 December 2011. Accordingly, the net impact of the aforementioned collections on the balance of trade receivables amounted to EUR 618 million.

Also, at 31 December 2012, a total of EUR 148 million (31 December 2011: EUR 299 million) had been deducted from "Trade Receivables" relating to assets derecognised as a result of factoring arrangements, since it was considered that they met the conditions stipulated in IAS 39.20 regarding the derecognition of financial assets.

Following is a detail, by type of debtor, of the main trade receivables. This information does not coincide with the balance of "Trade Receivables" because it does not include the allowance for doubtful debts.

	Construction		Services		Other and adjustments		Total	
Public authorities	498	39%	807	80%	31	n/a	1,336	65%
Private-sector customers	394	31%	169	17%	3	n/a	566	28%
Group companies and associates	377	30%	31	3%	-268	n/a	140	7%
Total	**1,269**	**100%**	**1,007**	**100%**	**-235**	**n/a**	**2,041**	**100%**

This detail shows that 65% of the Group's customers are public authorities and the rest are private-sector customers.

In order to manage credit risk relating to private customers, the Group has implemented pre- and post-contracting measures. Pre-contracting measures include the consultation of debtor registers, ratings and solvency studies, etc., while post-contracting measures during the execution of construction work include the follow-up of contractual incidents, non-payment events, etc.

The changes in operating provisions and allowances were as follows:

	Millions of euros	
Changes in provisions and allowances	2012	2011
Beginning balance	342	225
Amounts charged to profit or loss	49	137
Reductions/Amounts used	0	-1
Exchange rate effect	3	-4
Transfers	0	-14
Ending balance	**394**	**342**

Group management considers that the carrying amount of trade receivables approximates their fair value.

b) Other receivables

The detail of "Other Receivables" at 31 December 2012 and 2011 is as follows:

	Millions of euros		
	Balances at 31/12/12	Balances at 31/12/11	Change 2012-2011
Advances paid to suppliers	41	36	5
Sundry accounts receivable	99	157	-58
Infrastructure project receivables	167	174	-8
Receivable from public authorities	130	172	-41
Total other receivables	**436**	**539**	**-102**

"Sundry Accounts Receivable" includes mainly receivables not relating to normal business activities amounting to EUR 81 million (2011: EUR 113 million). There are no items included in the change that are material taken individually.

Also, "Infrastructure Project Receivables" includes current financial assets arising from the application of IFRIC 12 relating mainly to amounts receivable from public authorities in return for services rendered or investments made under a concession arrangement. These financial assets relate mainly to the concession operators Auto-Estrada Norte, Autopista Terrasa Manresa and Eurolink M3, amounting to EUR 47 million, EUR 75 million and EUR 29 million, respectively.

"Receivable from Public Authorities" includes tax receivables from public authorities other than income tax receivables.

c) Other supplementary information on construction contracts and other contracts under which the related revenue and costs are recognised by reference to the stage of completion

Contract revenue associated with construction contracts and certain services contracts is recognised by reference to the stage of completion pursuant to IAS 11, as described in Note 2.5.5 on summarising the accounting policy for revenue recognition.

As indicated in that Note, the difference between the revenue recognised and the amounts actually billed to the customer is analysed systematically on a contract-by-contract basis. If the amount billed is lower than the revenue recognised, the difference is recognised as an asset under "Trade Receivables for Sales and Services - Amounts to Be Billed for Work Performed" (see Note 13-a), whereas if the amount of revenue recognised is lower than the amount billed, a liability is recognised under "Trade Payables - Amounts Billed in Advance for Construction Work" (see Note 20).

Company Description
Management Report
Financial Information
Corporate Responsibility

Also, in certain construction contracts advances are agreed upon that are paid by the customer when work is commenced on the contract, the balance of which is offset against the various progress billings as the contract work is performed (these balances are recognised under "Trade Payables" on the liability side of the consolidated statement of financial position (see Note 20).

In exchange for the advances, in certain construction contracts the customer retains a portion of the price to be paid in each progress billing to guarantee the satisfaction of certain obligations under the contract. These retentions are not reimbursed until the contract is definitively settled (these balances are recognised under "Trade Receivables for Sales and Services" on the asset side of the consolidated statement of financial position (see Note 13-a).

Unlike "Amounts to Be Billed for Work Performed" and "Amounts Billed in Advance for Construction Work", the advances and retentions are balances that will have an impact on future cash flows, since in the case of the advances a lower amount will be collected in the future as the advances are discounted from the progress billings, whereas the retentions will give rise to higher collections in the future, since the customer will reimburse the related amounts as and when the contract work is settled.

The detail of the amounts recognised in this connection at 31 December 2012 and 2011 is as follows:

	Millions of euros		
	Balances at 31/12/12	Balances at 31/12/11	Change 2012-2011
Amounts to be billed for work performed (Note 13-a)	542	490	53
Amounts billed in advance for construction work (Note 20)	-509	-658	149
Construction contracts, net	**34**	**-168**	**202**
Retentions (Note 13-a)	90	89	1
Advances (Note 20)	-128	-158	30
Advances net of retentions	**-39**	**-70**	**31**

14. Equity

a) General changes in equity

The detail of the main impacts net of taxes that affected the changes in equity in 2012 and which explain the changes in equity in the period from December 2011 to December 2012 is as follows:

	2012		
	Attributable to equity holders	Attributable to non-controlling interests	**Total equity**
Equity at 31/12/11	**6,113**	**133**	**6,246**
Consolidated profit for the year	710	-64	646
Income and expense recognised in the equity of fully consolidated companies	*-179*	*-6*	*-185*
Impact on reserves of hedging instruments	*-59*	*-5*	*-64*
Impact on reserves of defined benefit plans	*-28*	*0*	*-28*
Translation differences	*-92*	*-1*	*-93*
Income and expense recognised in the equity of companies accounted for using the equity method	*-43*	*0*	*-43*
Impact on reserves of hedging instruments	-38	0	-38
Impact on reserves of defined benefit plans	-97	0	-97
Translation differences	92	0	92
Amounts transferred to profit or loss of fully consolidated companies	-21	0	-21
Amounts transferred to profit or loss of companies accounted for using the equity method	-2	0	-2
Total income and expense recognised directly in equity	**464**	**-70**	**394**
Dividends paid	-917	-28	-945
Capital increases/reductions	0	125	125
Transactions with equity holders	**-917**	**97**	**-820**
Changes in the scope of consolidation	**0**	**0**	**0**
Other changes	**-18**	**-40**	**-58**
Equity at 31/12/12	**5,642**	**121**	**5,762**

Following is a description of the main changes in shareholders' equity in 2012, which gave rise to a reduction of EUR 471 million in the balance attributable to the equity holders.

- The profit for the year attributable to the Parent totalled EUR 710 million.

- Hedging instruments: recognition of the changes in value of the effective portion of derivatives qualifying for hedge accounting (see Note 11), the negative impact of which was EUR 59 million net of taxes attributable to the Parent in the case of the fully consolidated companies and EUR 38 million in the case of the companies accounted for using the equity method (mainly Heathrow Airport Holdings).

- Defined benefit plans: this item includes 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 16, which had an impact for the Parent of EUR -125 million net of taxes (EUR -28 million at fully consolidated companies (Amey) and EUR -97 million at the companies accounted for using the equity method (HAH)).

- 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. The impact for the companies accounted for using the equity method (mainly 407 ETR and Heathrow Airport Holdings) amounted to EUR 92 million. The impact of the appreciation of the euro against the US dollar in the case of the fully consolidated companies amounted to EUR -33 million. The remainder of the change in this line item relates to the impact of the other currencies and to certain adjustments to deferred taxes associated with translation losses.

- Amounts transferred to profit or loss: these relate to the transfer to profit or loss of valuation adjustments associated with derivatives cancelled as a result of the sale of Edinburgh Airport (EUR -3 million) and with the translation differences and derivatives corresponding to the sale of 16.34% of HAH (EUR -21 million).

- Dividends: dividend payments reduced the Group's total equity by EUR 917 million, of which EUR 183 million relate to the dividend approved by the shareholders at the Annual General Meeting and EUR 734 million relate to the interim dividend approved by the Board of Directors in November 2012.

- Capital increases relating to non-controlling interests: increase of EUR 125 million in the equity attributable to non-controlling interests, principally at the US companies of Cintra, LBJ, North Tarrant and SH-130.

b) Share capital

At 31 December 2012, the share capital amounted to EUR 147 million and had been fully subscribed and paid. The share capital is represented by 733,510,255 ordinary shares of a single class and with a par value of twenty euro cents (EUR 0.20) per share. There were no changes with respect to 31 December 2011.

At 31 December 2012, the only shareholder holding more than 10% of the share capital of Ferrovial, S.A. was Portman Baela, S.L., with 43.61%. The shares of the Parent are listed on the Spanish Stock Market Interconnection System and they all carry the same voting and dividend rights.

c) Share premium and merger premium

At 31 December 2012, the Company's share premium amounted to EUR 1,202 million, and the merger reserve, which arose as a result of the merger of Grupo Ferrovial S.A. with Cintra in 2009 totalled EUR 1,637 million. Both line items are considered to be unrestricted reserves.

d) Treasury shares

There were no treasury shares at 31 December 2012. In 2012, 2,807,305 shares were acquired (directly and indirectly), which were sold with an impact on equity of EUR 21 thousand.

e) Valuation adjustments

"Valuation Adjustments" in the consolidated statement of changes in equity, the balance of which at 31 December 2012 was EUR -884 million, includes mainly the cumulative amount in reserves of the valuation adjustments made to derivatives (EUR -935 million), pension plans (EUR -297 million) and translation differences (EUR 96 million).

As regards the requirements of IAS 1 in relation to the disclosure of "income and expense recognised directly in equity", it is important to note that the only items that under the related accounting legislation may not be transferred in a future period to profit or loss are the valuation adjustments relating to pension plans.

f) Restricted reserves of the Parent

The restricted reserves of the Parent, included under "Retained Earnings and Other Reserves" relate to the legal reserve amounting to EUR 29 million.

g) Proposed distribution of profit: the Board of Directors will propose to the shareholders at the Company's duly convened Annual General Meeting that the profit of FERROVIAL, S.A. be distributed as follows:

Profit of FERROVIAL, S.A. (euros)	739,354,361.44
Distribution (euros)	
To voluntary reserves (euros)	5,844,106.44
Interim dividend (euros)	733,510,255.00

The legal reserve has reached the legally stipulated level.

Liquidity statement and interim dividend: at its meeting held on 29 November 2012, the Board of Directors resolved to:

- Pay an interim dividend for 2012 of EUR 1 per share, equal to a total interim dividend of EUR 734 million.
- Prepare the following accounting statement supporting the Company's liquidity, pursuant to Article 277 of the Spanish Limited Liability Companies Law, evidencing sufficient liquidity (cash and cash equivalents and credit lines).

Liquidity summary	2012
(Millions of euros)	
Available cash (Corporate + FA + FS + Cintra)	857
Available credit Ferrovial, S.A.	742
Available credit Ferrovial Agroman, S.A.	88
Other credit lines of subsidiaries	14
Total liquidity available for distribution	**1,701**

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 the estimated income tax payable on such profit and the amounts that must be appropriated to legal reserves.

The interim dividend was paid on 13 December 2012. The amount shown in the statement of cash flows in relation to dividends paid (EUR 832 million) does not match the amount shown in the statement of changes in equity (EUR 917 million) since the figure in the statement of cash flows is presented net of tax withholdings. The account payable in this connection amounts to EUR 85 million and was recognised at year-end under "Other Payables" (see Note 20-b). The related tax withholdings were paid in January 2013.

h) Non-Group companies with significant ownership interests in subsidiaries

At 31 December 2012, the non-controlling interests with holdings of 10% or more in the share capital of the most significant fully consolidated Group companies were as follows:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP EQUITY HOLDER
Construction		
Budimex S.A.	41%	Listed company
Toll roads		
Autopista del Sol	20%	Unicaja
Autopista Terrassa-Manresa	23.72%	Acesa (Autopista Concesionaria Española, S.A.)
Eurolink Motorway Operation N4/N6 LTD.	34%	Siac Infrastructure Fund Limited
Inversora de Autopistas de Levante, S.L.	40%	Sacyr Concesiones, S.L.
Inversora de Autopistas del Sur, S.L.	35% - 10%	Sacyr Concesiones, S.L. - Inversiones Corporativas, S.A.
LBJ Infrastructure Group Holding LLC	42.40%-6.60%	Meridiam Infrastrucuture S.a.r.l.- Dallas Police and Fire Pension System
NTE Mobility Partners Holding LLC	33.33% - 10%	Meridiam Infrastrucuture S.a.r.l.- Dallas Police and Fire Pension System
SH 130 Concession Company, LLC	35%	Zachry Toll Road 56 LLP
Skyway Concession Company Holding LLC	45%	MIG Chicago Holdings LLC
CZ GP, LLC	15%	Zachry Infrastructure Investments Inc.
Cintra Zachry, LP	14.85%	Zachry Development LLC

15. Deferred income

Of the total balance of this heading at the end of 2012 (EUR 356 million), EUR 340 million correspond to grants related to assets received from the toll road infrastructure concession grantors (2011: EUR 260 million), relating specifically to Eurolink Motorway Operation (N4-N6) Ltd. Ireland (EUR 134 million) and to the concession operator NTE Mobility Partners (EUR 176 million). The increase in the year was due to the fact that the concession operator NTE Mobility Partners received an additional EUR 87 million.

16. Pension plan deficit

This line item reflects the deficit relating to pension and other employee retirement benefit plans, including both defined benefit and defined contribution plans. At 31 December 2012, the provision recognised in the consolidated statement of financial position amounted to EUR 105 million (31 December 2011: EUR 110 million). Of this amount, EUR 104 million (31 December 2011: EUR 107 million) relate to defined benefit plans of the Amey Group in the UK.

DEFINED BENEFIT PLANS	Millions of euros 2012	2011
Liability recognised in consolidated statement of financial position		
Obligation at end of year	748	670
Fair value of plan assets at end of year	643	563
Amey Group pension plan deficit	**105**	**107**

The Amey Group has 9 defined benefit plans covering a total of 6,882 employees and 24 defined contribution plans covering 4,499 employees. The most significant changes in 2012 that led to a EUR 3 million improvement in the deficit were as follows:

- A net impact of EUR -28 million arising from actuarial losses and gains which increased the pension plan deficit (an increase in the related liability): in relation to the obligations, there was a worsening of the actuarial assumptions used such as a decrease in the discount rate and an increase in the inflation rate. This adverse effect was offset by the increased returns on the pension plan assets as a result of the positive evolution of the markets associated with them. More details are provided in section a) of this Note.
- Contributions of EUR 28 million made by the company to the pension plans, which reduced the pension plan deficit (a decrease in the related liability). The ordinary contributions amounted to EUR 6 million, while the extraordinary contributions aimed at improving the pension plan deficit totalled EUR 22 million.
- A positive impact of EUR 7 million on profit or loss, which reduced the pension plan deficit (a decrease in the related liability), as detailed in section b) of this Note.

Also, although they did not have any effect on the pension plan deficit, there were curtailments and settlements as a result of the payment of the obligations with employees, which therefore reduced the related obligation at year-end and gave rise to a reduction of the same amount in the plan assets. In 2012 these curtailments and settlements totalled EUR 22 million.

a) Actuarial losses and gains recognised in reserves:

The effects of changes in the actuarial assumptions relating to the defined benefit pension plans of the Amey Group are recognised directly in equity and are summarised (before taxes) in the following table:

	Millions of euros 2012	2011
Actuarial gains/losses on obligations	-45	-37
Actuarial gains/losses on plan assets due to the difference between the expected return at the beginning of the year and the actual return	17	-35
Other impacts on equity	0	0
Impact on equity recognised	**-28**	**-72**

The main actuarial assumptions used to calculate the defined benefit pension plan obligations are summarised as follows:

DEFINED BENEFIT PLANS	2012	2011
Main assumptions		
Salary increase	4.00%	2.5% / 3.95% / 4.45%
Discount rate	4.60%	4.70%
Expected inflation rate	3.00%	2.95%
Expected returns on assets	2.6%-8.0%	2.7%-8.0%
Mortality (years)	84.0-91.0	84.2-90.9

The mortality assumptions used by the Amey Group to calculate its pension obligations are based on the actuarial mortality tables, entailing an estimated life expectancy of between 84 and 91 years.

The summary of the defined benefit pension plan assets by type stated at their fair value and including the expected percentage return thereon for 2012 and 2011 is as follows:

	Amey Ltd Group			
	Euros	%	Euros	%
Plan assets (fair value)				
Equity instruments	335	8.00%	336	8.00%
Debt instruments	209	2.7%-4.6%	175	2.8%-4.7%
Buildings	35	7.50%	29	7.50%
Cash and other	65	2.60%	22	2.70%
Total plan assets	**643**		**563**	

To assess the expected returns on the Amey Group plan assets, the actuaries used the following criteria:

<u>Equity instruments</u>: expected returns of 8.00%.

<u>Debt instruments</u>: 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.

<u>Buildings</u>: forecast returns 0.5% below returns on equity instruments.

<u>Cash and other</u>: long-term returns available for swaps.

There are no financial assets issued by the company or buildings occupied by it.

b) Impact on profit or loss:

The detail of the impact of the defined benefit pension plans on profit or loss is as follows:

	Millions of euros	
DEFINED BENEFIT PLANS	2012	2011
Impact on profit before tax		
Current service cost	-7	-10
Interest cost	-32	-33
Expected return on assets	38	38
Other	7	18
Total amount recognised in profit or loss	**7**	**13**

"Other" in the table of the impact on profit or loss before tax includes income of EUR 7 million due to the re-estimate of the pension obligations under one of the Group's plans at 31 December 2011 effective from 1 January 2012 onwards, assuming an increase in pensions of an RPI of 1% instead of an RPI of 1.5%.

c) Complete actuarial reviews:

The Amey Group performs complete actuarial valuations every three years, depending on the plan, and the most recent reviews were completed in April 2011. Based on these reviews, the extraordinary contributions to be made in the coming years have been reduced.

For 2013 the ordinary contributions agreed upon with the trustees amount to EUR 5 million. Also, the extraordinary contributions will be reduced from EUR 22 million in 2012 to EUR 17 million in 2013.

d) Sensitivity analysis:

Set forth below is a sensitivity analysis showing the impact on the income statement and on equity of a change of 50 basis points in the discount rate.

Sensitivity analysis discount rate (+ / - 50 b.p.)	Annual impact on profit or loss		Annual impact on equity	
	Before tax	After tax	Before tax	After tax
+ 50 b.p.	3	3	86	66
- 50 b.p.	-3	-3	-86	-66

17. Provisions

The detail of the long- and short-term provisions in 2012 and 2011 is as follows:

	Millions of euros						
Changes	Provision for landfills	Provision for compulsory purchases	Provision for replacements and upgrades pursuant to IFRIC 12	Provisions for litigation and taxes	TOTAL LONG-TERM PROVISIONS	SHORT-TERM PROVISIONS	TOTAL PROVISIONS
Balance at 1 January 2012	83	421	73	434	**1,010**	**501**	**1,511**
Charged/(Credited) to profit or loss	4	-33	16	94	81	-85	-5
Transfers and other	1	0	0	75	76	0	76
Provisions used during the year	0	0	0	-2	-2	-15	-17
Translation differences	0	0	0	1	1	14	16
Balance at 31 December 2012	**88**	**388**	**89**	**601**	**1,166**	**415**	**1,581**

Provision for landfills

"Provision 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.

Provision for compulsory purchases

This provision relates mainly to the provision for compulsory purchases recognised by the Spanish toll roads amounting to EUR 388 million (primarily the R4, amounting to EUR 345 million), as explained in Note 22.

Provision for replacements pursuant to IFRIC 12

This line item relates to all the provisions for investments in replacements established by IFRIC 12 (see Note 2.5.2). At 31 December 2012, the balance of this line item was EUR 89 million, of which EUR 76 million relate to the Toll Road Division.

Provisions for litigation and tax-related claims

This line item relates mainly to the provisions for litigation and lawsuits (EUR 164 million in 2012) (31 December 2011: EUR 142 million) and for tax-related claims (EUR 269 million in 2012) (31 December 2011: EUR 174 million).

The provisions for litigation and lawsuits relate mainly to those recognised in the Construction Division, amounting to EUR 157 million in 2012 (2011: EUR 134 million), to cater for possible liability arising from construction contracts.

The most significant change in the provisions for tax-related claims arose as a result of the recognition by Ferrovial S.A. of a provision for income tax audit assessments for 2006 amounting to EUR 95 million.

Also, "Long-Term Provisions" includes provisions amounting to EUR 168 million at 31 December 2012 (31 December 2011: EUR 116 million) relating mainly to impairment losses on certain assets.

Short-term provisions

These relate mainly to the Construction Division, consisting of provisions for construction work completion, site removals and losses amounting to EUR 368 million (2011: EUR 440 million).

18. Net cash position

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the net cash position, distinguishing between infrastructure project companies and the other companies. The net cash position is understood to be the balance of items included in cash and cash equivalents (including short-term restricted cash) and long-term restricted cash of infrastructure projects, less current and non-current borrowings (bank borrowings and bonds).

NET CASH POSITION	Borrowings	Cash and cash equivalents	Total net borrowing position	Intra-Group balances	TOTAL
NON-INFRASTRUCTURE PROJECT COMPANIES	-1,233	2,735	1,503	-13	1,489
INFRASTRUCTURE PROJECT COMPANIES	-6,993	385	-6,608	13	-6,595
TOTAL	**-8,225**	**3,120**	**-5,106**	**0**	**-5,106**

18.1. Infrastructure projects

A) 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 short-term or long-term 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 earning 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.

Short-term balances are recognised under "Cash and Cash Equivalents" in the consolidated statement of financial position whereas long-term balances are classified as financial assets.

There was an overall decrease of EUR 242 million in restricted cash with respect to December 2011. The main changes in restricted cash arose at both LBJ Infrastructure Group and NTE Mobility Partners in relation to the pledge of funds arising from the bond issues the proceeds from which have been used to finance construction (see Note 10). The long-term restricted cash of these companies dropped from EUR 178 million to EUR 18 million and from EUR 81 million to EUR 2 million, respectively, in the period from 31 December 2011 to 31 December 2012.

The other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

B) Infrastructure project borrowings

B.1) Breakdown by project, significant changes in the year and main characteristics of the borrowings

Following is a breakdown of the borrowings by project, distinguishing between bonds and bank borrowings and short- and long-term debt, and of the changes in the year.

	31/12/12			31/12/11			Change 2012 - 2011		
Amounts in millions of euros	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total
LONG TERM	**1,899**	**3,926**	**5,825**	**1,918**	**3,585**	**5,503**	**-19**	**341**	**322**
US toll roads	1,800	1,316	3,117	1,819	974	2,793	-19	342	324
Spanish toll roads		1,139	1,139		1,135	1,135		4	4
Portuguese toll roads	99	716	815	99	713	812		3	3
Other toll roads		337	337		350	350		-13	-13
Construction		152	152		154	154		-2	-2
Services		266	266		259	259		7	7
SHORT TERM	**0**	**1,167**	**1,167**	**2**	**1,143**	**1,146**	**-2**	**24**	**22**
Spanish toll roads		1,115	1,115		1,085	1,085		30	30
Other		52	52	2	59	61	-2	-7	-9
TOTAL	**1,899**	**5,093**	**6,992**	**1,920**	**4,729**	**6,649**	**-21**	**364**	**344**

Infrastructure project borrowings increased by EUR 344 million with respect to December 2011, mainly at the US toll roads, for the following reasons:

- An additional amount of EUR 364 million drawn down against the facilities already arranged at 2012 year-end, of which EUR 146 million relate to the LBJ toll road; EUR 124 million to the SH-130 toll road; and EUR 94 million to North Tarrant Express Managed Lanes - NTE, which have, inter alia, TIFIA debt tranches to finance a portion of the construction work in progress.

- The higher drawdowns were offset by the appreciation of the euro against the US dollar, which reduced borrowings by EUR 57 million at 31 December 2012.

The main characteristics of the borrowings of each of the projects are summarised as follows:

US toll roads

<u>Chicago Skyway</u>
This concession operator is financed by a senior bond issue underwritten by Assured Guaranty, 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 borrowings maturing in 2035, against which USD 166 million had been drawn down at 31 December 2012.

<u>SH-130</u>
Syndicated bank financing in three tranches: tranche A of USD 686 million to finance a portion of the construction work, which had been drawn down in full at 31 December 2012 and has final maturity in 2038; tranche B of USD 35 million to provide liquidity, against which USD 12 million have been drawn down; and tranche C of USD 29.1 million (not drawn down), both with final maturity in 2038. There is also a TIFIA debt tranche of USD 482.6 million, drawn down in full at 31 December 2012, to finance part of the construction work, with final maturity in 2047.

<u>North Tarrant Express Managed Lanes - NTE</u>
This project is financed through the issue of PABs (Private Activity Bonds) amounting to USD 400 million with final maturity in 2039. There is also a TIFIA loan granted by the US Federal Government of USD 650 million with a repayment profile of 35 years from the entry into service of the infrastructure, against which USD 186 million had been drawn down at 31 December 2012.

Company Description
Management Report
Financial Information
Corporate Responsibility

LBJ

This concession operator is financed through the issue of PABs (Private Activity Bonds) amounting to USD 615 million. The final maturity of these bonds is in 2040. There is also a TIFIA loan granted by the US Federal Government of USD 850 million with a repayment profile of 35 years from the entry into service of the infrastructure, against which USD 275 million had been drawn down at 31 December 2012.

Spanish toll roads

Ausol I and II
The debt is structured in two syndicated loans: (i) AUSOL I with a notional amount of EUR 360 million; and (ii) AUSOL II with a notional amount of EUR 126 million, both maturing in 2016.

Inversora Autopistas de Cataluña / A. Terrasa Manresa
Following the refinancing transaction in 2008 through a syndicated structuring arrangement, the company is now financed through a credit facility with a tranche A and a tranche B with limits of EUR 300 million and EUR 316 million, respectively. Both tranches have been drawn down in full, with final maturity in 2035 which eliminates the future financing risk as the debt is repayable in full at maturity. The company has also been granted a liquidity line of EUR 92 million, against which EUR 52 million have been drawn down.

Inversora A. Sur / A. R-4 Madrid Sur
The net debt associated with this asset amounts to EUR 582 million. Since 14 September 2012 this company has been involved in insolvency proceedings, as indicated in Note 22 on contingent liabilities.

Inversora A. Levante / A. Madrid Levante
The net debt associated with this asset amounts to EUR 532 million, of which EUR 9 million relate to interest added to the principal amount of the borrowings. Since 19 October 2012 this company has been involved in insolvency proceedings, as indicated in Note 22 on contingent liabilities.

Portuguese toll roads

Euroscut Algarve
This company has structured debt in two tranches secured by Syncora Guarantee Inc, one of which comprises bonds totalling EUR 101 million maturing in 2027 and the other comprises EIB borrowings of EUR 120 million maturing in 2025.

Euroscut Azores
Syndicated bank financing amounting to EUR 358 million maturing in 2033, against which EUR 347 million had been drawn down at 31 December 2012.

Euroscut Norte Litoral
Financing structure based on a syndicated loan for an outstanding amount of EUR 282 million, with final maturity in 2016.

Other toll roads

Eurolink M4-M6
The financing of this toll road is structured in the form of an EIB loan with an outstanding balance of EUR 91 million and with final maturity in 2027, and bank financing totalling EUR 48 million with final maturity in 2027. It has also been granted various credit lines totalling EUR 14 million to finance VAT payments, operating costs and interest payments, against which no amounts have yet been drawn down.

Eurolink M3
A syndicated bank loan maturing in 2025 against which EUR 221 million had been drawn down at 31 December 2012. Its financial structure is based on financing of EUR 265 million with final maturity in 2025. There are also credit facilities totalling EUR 29 million, against which no amounts have yet been drawn down.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

B.2) Maturities by currency and fair value of infrastructure project borrowings

	Currency	Fair value 2012	Fair value 2011	Carrying amount 2012	2013	2014	2015	2016	2017	2018 and subsequent years	Total maturities
Infrastructure project bonds		**2,069**	**1,968**	**1,899**	**0**	**0**	**1**	**0**	**333**	**1,597**	**1,931**
Toll roads		**2,069**	**1,968**	**1,899**	**0**	**0**	**1**	**0**	**333**	**1,597**	**1,931**
	USD	1,949	1,867	1,800	0	0	0	0	333	1,497	1,830
	EUR	120	101	99	0	0	1	0	1	100	101
Bank borrowings of infrastructure projects		**5,117**	**4,764**	**5,093**	**42**	**60**	**64**	**583**	**62**	**3,231**	**4,042**
Toll roads		**4,692**	**4,337**	**4,668**	**30**	**39**	**48**	**541**	**52**	**2,915**	**3,624**
	USD	1,325	983	1,325	0	0	0	0	0	1,361	1,361
	EUR	3,366	3,355	3,342	30	39	48	541	52	1,554	2,263
Construction		**153**	**155**	**153**	**2**	**2**	**3**	**5**	**2**	**127**	**141**
	EUR	153	155	153	2	2	3	5	2	127	141
Services		**273**	**271**	**273**	**10**	**19**	**14**	**37**	**8**	**189**	**277**
	GBP	70	202	70	1	1	2	2	3	63	71
	EUR	203	70	203	9	18	12	35	6	127	206
Total financial debt of infrastructure projects		**7,186**	**6,732**	**6,993**	**42**	**60**	**65**	**583**	**395**	**4,828**	**5,973**

The maturities of the toll road bank borrowings denominated in euros shown in the foregoing table do not include the balances relating to R4 and Madrid Levante (amounting to EUR 581 million and EUR 522 million, respectively) because, as indicated above, these companies are involved in insolvency proceedings and their borrowings matured in 2012.

The differences between the total maturities of bank borrowings and the carrying amounts of the debt at 31 December 2012 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 standards (especially accrued interest payable and the application of the amortised cost method). The debt maturities do not include interest. The fair value reflected in the table above is calculated as follows:

- For fixed-rate bonds, subject to changes in value due to fluctuations in market interest rates: since they are quoted in an active market, the related market value is used.

- For fixed-interest bank borrowings, also subject to changes in value due to fluctuations in rates: future cash flows are discounted using a market interest rate, calculated using an internal valuation model.

- Lastly, for floating-rate 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.

B.3) Exposure to interest rate risk of infrastructure project borrowings

As indicated in Note 3, Management of Financial Risks and Capital (section 3.1, Interest Rate Risk), the Ferrovial Group tends to keep a percentage of the debt tied to fixed interest rates, either arranged at inception or hedged by means of derivative financial instruments. The detail of the percentage of borrowings exposed to interest rate fluctuations is shown in that Note. At 31 December 2012, 87% of the infrastructure project borrowings was hedged against interest rate fluctuations.

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).

Company Description
Management Report
Financial Information
Corporate Responsibility

B.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:

	2012				2011			
	Debt limit	Amount drawn down	Amount drawable	Carrying amount of debt	Debt limit	Amount drawn down	Amount drawable	Carrying amount of debt
Toll roads	**7,579**	**6,658**	**920**	**6,567**	**7,644**	**6,332**	**1,311**	**6,222**
US toll roads	4,017	3,191	826	3,126	4,073	2,888	1,185	2,802
Spanish toll roads	2,298	2,258	40	2,253	2,270	2,225	45	2,219
Other toll roads	1,263	1,209	54	1,188	1,301	1,220	81	1,202
Construction	**141**	**141**	**0**	**153**	**146**	**146**	**0**	**155**
Services	**287**	**277**	**9**	**273**	**299**	**277**	**22**	**271**
Total financial debt	**8,006**	**7,076**	**930**	**6,993**	**8,089**	**6,756**	**1,333**	**6,649**

The differences between the total bank borrowings drawn down and the carrying amount of the related debts at 31 December 2012 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 standards (especially accrued interest payable and the application of the amortised cost method).

Of the EUR 930 million drawable (31 December 2011: EUR 1,333 million), EUR 826 million relate mainly to amounts not drawn down against borrowings that were obtained to finance toll roads under construction in the US.

B.5) Guarantees and covenants for toll road borrowings

The toll road borrowings are without recourse to the shareholders of the projects or with recourse limited to the guarantees provided. The guarantees provided by subsidiaries of Ferrovial in connection with these projects are described in Note 22 on contingent liabilities.

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 policy receivables, current accounts, concession receivables, etc.), forming a package of guarantees for lenders. In certain cases there is also a security interest in the concession operator's shares.

Also, most agreements include certain conditions the infringement of which gives rise to obligations for the borrower. These covenants are used by banks to ensure that the concession operators fulfil their debt obligations.

At 31 December 2012, all the toll road concession operators were achieving the covenants in force, except for those relating to the R4 and Madrid Levante toll roads because the related debt has matured since the operations are subject to insolvency proceedings, as indicated in Note 22.

18.2. Net cash position excluding infrastructure projects

A) Bank borrowings of non-infrastructure project companies

A.1) Breakdown between current and non-current borrowings, changes in the year and main characteristics

Millions of euros	2012			2011			Change 2012 - 2011
	Non-current	Current	TOTAL	Non-current	Current	TOTAL	
Corporate debt	1,008	0	1,008	1,004	3	1,007	1
Other	164	63	226	187	67	254	-28
Total bank borrowings excluding infrastructure projects	**1,171**	**63**	**1,234**	**1,191**	**70**	**1,261**	**-27**

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Corporate debt

The main component of the borrowings excluding infrastructure projects relates to the syndicated loan of Ferrovial, S.A. from 32 Spanish and foreign banks amounting to EUR 1,020 million and maturing in 2015. The loan bears interest at EURIBOR plus a spread and is exposed to fluctuations in interest rates. However, 29% of these borrowings are hedged with an interest rate derivative with a notional value of EUR 300 million.

In connection with these borrowings, 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 purpose of achieving the above-mentioned ratios, the Group is deemed to include the consolidated Group companies excluding infrastructure projects and other companies (mainly Amey, Budimex, Webber and BNI).

The Parent was achieving both ratios at 31 December 2012.

As indicated in Note 36, Events after the Reporting Period, on 30 January 2013 a corporate bond for an effective amount of EUR 496 million was issued. The proceeds from this bond issue were used in full to partially repay the syndicated loan (for the same amount).

Other

The borrowings shown under "Other" in the foregoing table relate mainly to bank loans granted to Amey and Cespa in the Services Division and to loans and obligations under finance leases of the Construction Division.

A.2) Maturities by currency and fair value of borrowings excluding infrastructure projects

Bank borrowings	Currency	Fair value 2012	Carrying amount 2012	2013	2014	2015	2016	2017	2018 and subsequent years	Total maturities
Corporate debt		**1,006**	**1,006**	**0**	**90**	**929**	**0**	**0**	**0**	**1,020**
	EUR	1,006	1,006	0	90	929	0	0	0	1,020
Other		**226**	**226**	**58**	**21**	**98**	**16**	**11**	**6**	**210**
	EUR	87	87	24	9	11	9	11	5	70
	GBP	118	118	33	0	86	0	0	0	120
	USD	1	1	0	0	0	0	0	0	0
	PLZ	20	20	0	12	1	7	1	0	21
Total bank borrowings excluding infrastructure projects		**1,233**	**1,233**	**58**	**111**	**1,028**	**16**	**11**	**6**	**1,230**

The differences between the total maturities of bank borrowings and the carrying amounts of the debt at 31 December 2012 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 accrued interest payable and the application of the amortised cost method).

The fair value of bank borrowings excluding infrastructure projects coincides with the related carrying amount because the borrowings are tied to a floating market interest rate and, therefore, changes in the benchmark interest rates do not affect their fair value. The total fair value of bank borrowings excluding infrastructure projects at 31 December 2012 was EUR 1,233 million (31 December 2011: EUR 1,261 million).

The EUR 58 million maturing in 2013 relate mainly to Amey and Cespa in the Services Division. The debt maturities do not include interest.

Company Description
Management Report
Financial Information
Corporate Responsibility

A.3) Information on credit limits and drawable credit

Set forth below is a comparative analysis of borrowings not drawn down at year-end:

	2012			
	Debt limit	Amount drawn down	Amount drawable	Consolidated debt
Corporate debt	1,792	1,020	772	1,006
Other	456	210	245	226
Total financial debt	**2,247**	**1,230**	**1,017**	**1,233**

The differences between total bank borrowings and the carrying amount thereof at 31 December 2012 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 standards.

The drawable balance of the corporate debt includes the renewal of the working capital credit line of EUR 541 million, which has not been drawn down, maturing in 2015, and two bilateral credit facilities totalling EUR 220 million arranged with two different banks, against which no amounts have been drawn down and which mature in December 2013 and September 2014.

In 2011 the balance of the available financial debt was very similar to that for 2012 (EUR 1,109 million).

A.4) Corporate rating

The financial rating agencies Standard & Poor's and Fitch issued their opinion on the credit rating of credit Ferrovial at December 2012, which in both cases was BBB- with a stable outlook and, therefore, was in the category of "**investment grade**".

19. Other non-current payables

"Non-Current Liabilities - Other Payables" includes mainly the participating loans granted by the State to several infrastructure project concession operators amounting to EUR 155 million at 31 December 2012 (31 December 2011: EUR 163 million), of which EUR 111 million relate to the Toll Roads Division and EUR 33 million to the Services Division.

20. Trade and other payables

a) Trade payables

The detail of "Trade Payables" at 31 December 2012 and 2011 is as follows:

	Balances at 31/12/12	Balance at 31/12/11	Change 2012 - 2011
Trade payables	1,777	2,188	-411
Amounts billed in advance for construction work (Note 13-c)	509	658	-149
Customer advances (Note 13-c)	128	158	-30
Retentions made from suppliers	234	219	15
Total trade payables	**2,648**	**3,223**	**-575**

The most significant change arose in trade payables, which dropped by EUR 411 million with respect to December 2011, of which EUR 327 million relate to the Construction Division and EUR 38 million to the Services Division. Both decreases were due mainly to the fall in activity in Spain (by EUR 302 million in Construction and EUR 38 million in Services).

The carrying amount of the trade payables approximates their fair value.

The table below presents the disclosures on the payment periods to suppliers as provided for in the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 December 2010, implementing the disclosure obligation provided for in Additional Provision Three of Law 15/2010, of 5 July, on measures to combat late payment in commercial transactions.

	Millions of euros		
	31/12/12	31/12/11	Change
Paid in the maximum payment period	1,462	1,797	-335
Remainder	74	67	7
TOTAL	1,535	1,863	-328
Weighted average period of late payment	47	70	-23
Amount deferred	8	7	0

"Weighted Average Period of Late Payment" is considered to be the amount calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

"Remainder" includes the payments that exceed the maximum payment period.

"Amount Deferred" includes the balance payable to suppliers past due by more than the maximum payment period at 31 December 2012.

b) Other non-trade payables

The detail of "Other Non-Trade Payables" is as follows:

	Balances at 31/12/12	Balance at 31/12/11	Change 2012 - 2011
Remuneration payable	154	167	-13
Other accounts payable to public authorities	290	303	-13
Other payables	105	139	-33
Total other non-trade payables	**549**	**608**	**-59**

"Remuneration Payable" relates to the employee remuneration earned but not paid during the year amounting to EUR 154 million. Also, "Other Accounts Payable to Public Authorities" includes tax payables other than income tax, mainly VAT and employer social security taxes.

Lastly, "Other Payables" relates mainly to withholdings from income from movable capital relating to the dividend paid in December, amounting to EUR 85 million, which were paid in January 2013 (see Note 14).

21. Tax matters

21.1 Reconciliation of the income tax expense to the profit before tax:

Set forth below is the reconciliation of the income tax expense to the profit before tax for 2012 and 2011.

In view of the significance of the Group's activities in Spain, the UK and the US, the following detail shows the above-mentioned reconciliation for those countries:

	Millions of euros 2012				
	Spain	UK	US	Other countries	Total
Tax rate	**30%**	**25%**	**38%**	**25%**	
Profit before tax	**204**	**447**	**-10**	**113**	**754**
Results of companies accounted for using the equity method	-6	-236	0	-41	-284
Adjusted profit deducting the result of companies accounted for using the equity method	**198**	**211**	**-10**	**71**	**470**
Permanent differences	-8	-120	33	2	-92
Other	58	8	0	17	83
Taxable profit	**248**	**99**	**23**	**91**	**461**
Current income tax expense	74	24	9	23	130
Effective tax rate	**37%**	**11%**	**N/A**	**32%**	**28%**
Adjustment of prior years' taxes					-23
Total tax expense					**108**
Total effective tax rate applicable to profit adjusted by results of companies accounted for using the equity method					**23%**

The income tax expense recognised by Ferrovial in its income statement amounted to EUR 108 million, representing an effective tax rate of 23% of the accounting profit earned, after having adjusted the figure for the result of companies accounted for using the equity method (which pursuant to accounting legislation is already presented net of the related tax effect).

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:

1. - Permanent differences: permanent differences relate to either profits or losses which are not subject to taxation or which do not generate a deductible expense.

- UK: relates mainly to the exemption of the capital gain of EUR 115 million arising from the sales in August and October 2012 of 10.62% and 5.72%, respectively, of the ownership interest in HAH for EUR 607 million and EUR 319 million, respectively, as indicated in Note 1.2 in relation to changes in the scope of consolidation.

- US: the profit or loss attributable to non-controlling interests of certain companies taxed under the pass-through tax rules is adjusted. Under these rules, the parents settle the taxes of their subsidiaries in proportion to the related percentages of ownership.

2. Other items: these relate mainly to the impact in Spain of not recognising the tax asset corresponding to the losses incurred in the year by the R4 and Ocaña-La Roda toll roads amounting to EUR 54 million.

With these adjustments, the taxable profit amounted to EUR 461 million and, applying the effective rate of each country, the income tax expense totalled EUR 130 million, with an average effective tax rate of 28%.

The following table shows the reconciliation of the income tax expense for 2011:

	Millions of euros 2011				
	Spain	UK	US	Other countries	Total
Tax rate	**30%**	**27%**	**40%**	**24%**	
Profit before tax	**241**	**113**	**0**	**87**	**440**
Result of companies accounted for using the equity method	2	7	0	-29	-20
Adjusted profit deducting the result of companies accounted for using the equity method	**242**	**119**	**0**	**58**	**421**
Permanent differences	-190	-7	-4	51	-150
Other	11	-14	26	34	57
Taxable profit	**64**	**99**	**21**	**143**	**327**
Current income tax expense	19	26	8	35	88
Effective tax rate applicable to tax base	**8%**	**22%**	**N/A**	**60%**	**27%**
Adjustment of prior years' taxes					-27
Total tax expense					**61**
Total effective tax rate applicable to profit adjusted by results of companies accounted for using the equity method					**15%**

21.2 Difference between deferred tax and current tax:

The breakdown of the accrued tax for 2012 and 2011, differentiating between current tax and deferred tax is as follows:

	Millions of euros	
	2012	2011
Income tax expense for the year	130	88
Deferred tax expense	*83*	*39*
Current tax expense	*47*	*49*
Adjustment of prior years' taxes	-23	-27
TOTAL tax expense	**108**	**61**

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

21.3 Changes in deferred tax assets and liabilities

The detail of the changes in the deferred tax assets and deferred tax liabilities in 2012 is as follows:

Millions of euros	Balance at 01/01/12	Transfers	Adjustments and other	Charge/ Credit to profit or loss	Charge/ Credit to equity	Exchange rate effect	Balance at 31/12/12
Deferred tax assets							
Tax assets	**807**	-160	3	29	0	-2	**677**
Differences between tax and accounting income and expense recognition methods	**508**	79	-82	-72	-12	9	**431**
Deferred tax assets arising from valuation adjustments	**658**	-144	-18	-28	9	-4	**474**
Other	**46**	4	-25	6	0	-2	**28**
Total	**2,018**	**-221**	**-122**	**-65**	**-3**	**2**	**1,609**

Millions of euros	Balance at 01/01/12	Transfers	Adjustments and other	Charge/ Credit to profit or loss	Charge/ Credit to equity	Exchange rate effect	Balance at 31/12/12
Deferred tax liabilities							
Deferred tax liabilities relating to goodwill	**171**	7	0	4	0	2	**184**
Deferred tax liabilities arising from valuation adjustments	**37**	-13	0	1	11	0	**36**
Differences between tax and accounting income and expense recognition methods	**934**	-79	-173	9	107	-2	**795**
Other	**156**	-111	16	5	0	0	**66**
Total	**1,298**	**-197**	**-157**	**18**	**118**	**-1**	**1,080**

The deferred tax assets and liabilities recognised at 31 December 2012 arose mainly from:

a) Tax assets

These relate to tax assets which have not been used by the Group companies. This item does not include all the existing tax assets, but rather only those that, based on company projections, are expected to be used before they expire. The balance recognised totalled EUR 677 million, of which EUR 618 million related to recognised tax losses and the remainder to unused tax credits. The detail of the total tax losses, distinguishing between the maximum tax asset and the tax asset recognised based on the projected recoverability thereof, is as follows:

	Millions of euros			
Country	Tax losses	Last years for offset	Maximum tax asset	Tax asset recognised
Spanish consolidated tax group	1,538	2026-2030	462	462
Rest of Spain	763	2019-2030	229	4
US	1,229	2026-2033	488	136
Other	193	2013-No expiry date	41	16
Total	**3,723**		**1,220**	**618**

Additionally, Ferrovial had unused double taxation, reinvestment and other tax credits of EUR 217 million at 31 December 2012 (2011: EUR 166 million), of which EUR 59 million have been recognised.

A model has been created in order to analyse the recoverability of the tax assets of the Ferrovial consolidated tax group in Spain and to be able to compare them with those that have been recognised for accounting purposes. This model takes into account the changes in Spanish tax legislation announced in recent months and the future projections have been updated. Based on this model, all the tax loss carryforwards and EUR 59 million of the tax credits will be recovered before they expire and, accordingly, they have been retained in the statement of financial position.

In addition, a model has been created in order to analyse the recoverability of Cintra's tax assets in the US. It should be noted that all the toll roads are taxed under the pass-through rules with Cintra US Corp. for the payment of federal and state income tax and taxes on the repatriation of funds. The model uses the tax information of each toll road (mainly the taxable profit or tax loss in proportion to the percentage of ownership) and analyses the recoverability of the tax assets based on the future taxable profits and the statute-of-limitations periods. After performing several sensitivity analyses, in certain scenarios not all the tax assets will be recovered and, therefore, for the purposes of calculating their recoverability, the most conservative scenario was used and an asset of EUR 136 million was recognised.

b) Assets and liabilities arising from timing differences between the accounting and tax income and expense recognition methods

Company Description
Management Report
Financial Information
Corporate Responsibility

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.

The deferred tax assets include most notably:
- Provisions recognised for accounting purposes which do not have a tax effect until they are materialised (EUR 212 million).
- Deferred tax assets arising as a result of differences between the tax and accounting methods used to recognise income, mainly in the Construction Division (EUR 97 million).
- Differences arising in relation to the capitalisation of borrowing costs (EUR 64 million).

The balance of the deferred tax liabilities relates mainly to:
- Accelerated depreciation and amortisation for tax purposes (EUR 149 million).
- Differences between tax and accounting criteria in relation to the recognition of provisions (EUR 394 million).
- Deferred tax liabilities arising as a result of differences between the tax and accounting methods used to recognise income, mainly in the Construction Division (EUR 48 million).
- Differences between the tax base and carrying amount of associates (EUR 142 million).

c) Deferred taxes arising from the revaluation of derivatives, pension funds and translation differences (valuation adjustments)

This reflects the cumulative tax impact resulting from valuation adjustments recognised in reserves. This impact appears as an asset or liability since there is generally no direct tax effect 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. Noteworthy is the deferred tax asset relating to financial derivatives, amounting to EUR 462 million.

d) Deferred taxes relating to goodwill:

These relate to deferred tax liabilities arising as a result of the amortisation of goodwill for tax purposes amounting to EUR 183 million.

The detail of the changes in the deferred tax assets and deferred tax liabilities in 2011 is as follows:

Millions of euros	Balance at 01/01/11	Exclusion from the scope of consolidation of HAH	Transfers	Adjustments and other	Charge/Credit to profit or loss	Charge/Credit to equity	Exchange rate effect	Balance at 31/12/11
Deferred tax assets								
Tax assets	**1,127**	-213	-2	-93	-17	0	5	**807**
Differences between tax and accounting income and expense recognition methods	**496**	-112	98	25	2	1	-2	**508**
Deferred tax assets arising from valuation adjustments	**93**	-93	0	0	0	0	0	**0**
Other	**751**	-153	-67	-4	-15	129	16	**658**
Total	**59**	113	-133	-32	48	0	-9	**46**
Deferred tax assets	**2,526**	**-458**	**-104**	**-104**	**18**	**131**	**10**	**2,018**

Millions of euros	Balance at 01/01/11	Exclusion from the scope of consolidation of HAH	Transfers	Adjustments and other	Charge/Credit to profit or loss	Charge/Credit to equity	Exchange rate effect	Balance at 31/12/11
Deferred tax liabilities								
Deferred tax liabilities relating to goodwill	**1,003**	-777	0	-74	12	0	7	**171**
Deferred tax liabilities arising from valuation adjustments	**130**	0	-69	0	0	-20	-3	**37**
Differences between tax and accounting income and expense recognition methods	**989**	-649	294	-3	17	0	4	**652**
Indust. Building Allow.	**1,392**	-1,392	0	0	0	0	0	**0**
Other	**895**	-58	-344	-82	29	-3	1	**439**
Total	**4,409**	**-2,876**	**-119**	**-158**	**57**	**-23**	**8**	**1,299**

21.4 Years open to tax audit

Contingent tax liabilities which cannot be objectively quantified may arise from the criteria that tax authorities may adopt in relation to the years open for review. The main tax audits in progress currently affect Ferrovial Servicios, S.A. and Amey UK Plc (partial audit of income tax for 2006) and Ferrovial Agromán, S.A. (audit of personal income tax withholdings for the years from 2008 to 2011).

22. Contingent liabilities, contingent assets and commitments

a) Contingent liabilities

a.1) Guarantees

In carrying on its activities the Group is subject to possible contingent liabilities -uncertain by nature- relating to the liability arising from the performance of the various contracts that constitute the activity of the various business divisions.

A portion of these risks is covered by insurance policies such as third-party liability or construction-defect insurance policies.

In order to cover the aforementioned liability, the Group has provided guarantees primarily to customers. At 31 December 2012, the balance of guarantees provided amounted to EUR 4,044 million (2011 EUR 4,240 million).

The following table contains a breakdown of guarantees by business area. The most significant item relates to the Construction Division (EUR 2,881 million), consisting basically of guarantees required in bidding processes to cover the liability of construction companies for the performance and completion of construction work contract.

Millions of euros	2012	2011
Construction	2,881	3,226
Toll roads	322	328
Services	586	543
Airports	6	7
Other	248	136
Total	**4,044**	**4,240**

a.2) Litigation

On certain occasions these contingent liabilities lead to lawsuits or litigation in relation to which a provision is recognised based on the best estimate of the foreseeable disbursements required to settle the obligation (see Note 17). Therefore, it is not expected that any significant liabilities will arise, other than those for which provisions have already been recognised, that might represent a material adverse effect.

The detail of the most significant litigation, in terms of amount, in the Group's various business divisions is as follows:

Litigation in relation to the Toll Road business

R-4 toll road

The companies that manage this project are involved in various lawsuits relating to the valuation of land subject to compulsory purchase required to build the toll roads. There was a provision amounting to EUR 345 million in this connection at 31 December 2012.

In addition to the problems relating to compulsory purchases, the R-4 toll road was affected by significant reductions in vehicle numbers in recent years. The evolution of the two factors meant that it was impossible to refinance the borrowings of EUR 345 million corresponding to this project. In this situation the obligation to pay compensation for certain compulsory purchases fell due, which meant that the two companies managing the project (Autopista Madrid Sur and Inversora de Autopistas del Sur) became insolvent and prompted them to resolved to petition for the initiation of the related voluntary insolvency proceedings on 14 September 2012. Madrid Commercial Court no. 4 order of 4 October 2012 declared the two companies to be in a state of voluntary insolvency.

At 31 December 2012, Ferrovial had recognised a provision for the full amount of the investment in the aforementioned project.

Madrid-Levante toll road

On 19 October 2012, due to the adverse changes in traffic and faced with the impossibility of meeting the repayments on their financial debt -which at 31 December 2012 amounted to EUR 532 million and was going to mature at the end of that year- the two companies managing this project, Autopista Madrid Levante and Inversora Autopistas de Levante, petitioned for voluntary insolvency proceedings to be initiated. On 4 December 2012, this petition was accepted by Madrid Commercial Court no. 2 and the companies were officially declared to be in a state of voluntary insolvency.

At 31 December 2012, Ferrovial had recognised a provision for the full amount of the investment in the aforementioned project.

M-203 toll road

The M-203 toll road is an administrative concession for a road in the Madrid Autonomous Community, the construction project for which has been on hold for several years and which also exhibits risks relating to compulsory purchase cost overruns. After implementing various measures to restore the economic and financial equilibrium of the concession, on 31 October 2012 the concession operator requested the termination of the arrangement for reasons attributable to the grantor, although a decision has not yet been adopted in this regard. If there is no response from the Madrid Autonomous Community Government within three months, the request will be deemed to have been dismissed due to administrative silence and, therefore, an appeal for judicial review will have to be filed.

Litigation relating to the Construction business

The Group's Construction Division is involved in various lawsuits relating primarily to possible defects in the construction of completed projects and claims for third-party liability.

The provisions recognised in relation to these risks at 31 December 2012 totalled EUR 157 million (2011: EUR 134 million) and relate to a total of approximately 160 lawsuits.

The most significant litigation, in terms of amount, in this business area is as follows:

Muelle del Prat: This corresponds to a claim relating to the construction project for the new container terminal at the Port of Barcelona. The work was performed by Ferrovial Agromán as part of an unincorporated temporary joint venture (UTE) with other companies. The claim -for an amount of EUR 97 million- was lodged by the Port of Barcelona in September 2011 against all the companies involved in the performance of the project and arose as a result of the damage caused by an accident during construction work.

Torre Woermann: This corresponds to a claim amounting to EUR 15 million filed in May 2011 by the owners of a building in Tenerife in relation to various construction defects.

Arbitration in relation to the construction project for Warsaw Airport: This corresponds to a claim filed against the UTE made up of Ferrovial Agromán and Budimex in relation to the termination of the contract to construct Terminal 2 of Warsaw Airport. In 2007 the client executed the guarantee provided amounting to EUR 13.5 million and filed a claim against the UTE construction company for a total of EUR 67 million. In turn, the UTE construction company filed claims against the client for the unlawful execution of the guarantee and for uncollected amounts totalling EUR 54.5 million. In September 2012, after the favourable award of the Arbitration Court, the client returned the executed guarantee and paid the interest accrued from when the guarantee was executed. The Arbitration Court has not yet handed down an award on the core issue.

Arbitration in relation to the claim of a subcontractor with respect to work performed in Tunisia: This corresponds to a claim amounting to EUR 22.5 million filed against Ferrovial Agromán by Electra Essid, a subcontractor in the project to construct the Tunisia Olympic Stadium, in relation to work amounting to just EUR 2.25 million with respect to which the subcontractor had stated its conformity when the amount was settled.

Litigation relating to the Services business

The Group's Services Division is involved in various lawsuits relating primarily to claims for third-party liability arising from the services provided. The provisions recognised in relation to these lawsuits at 31 December 2012 totalled EUR 2 million.

The most notable lawsuit is a claim amounting to EUR 27 million in relation to the Guadalajara landfill for breach of contract and non-compliance with environmental legislation. This claim will be subject to an Arbitration Court award.

Tax audit assessments

As indicated in Note 17, the Group companies are involved in various tax-related claims that arose from tax assessments issued by the Spanish tax authorities mainly in relation to income tax and VAT for the years from 2002 to 2006.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Other litigation

In addition to the litigation discussed above, of particular note are certain claims that 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. These claims are currently pending resolution or payment and a provision for the amount thereof has been duly recognised in the financial statements.

a.3) Financing guarantees

As mentioned in Note 18, Net Cash Position, the borrowings for infrastructure projects are without recourse to the shareholders. However, there are certain guarantees of a limited nature in relation to the borrowings of these projects. The guarantees that Ferrovial and its subsidiaries have provided in relation to the financing of certain projects in which they have ownership interests are listed below:

- **Norte Litoral.-** Guarantee limited to the compulsory purchase cost overruns during the compulsory purchase period.
- **R4 Madrid Sur.-** There is a guarantee that covers EUR 15 million in the event that the concession is terminated.
- **Ausol.-** Guarantee limited to EUR 28 million for debt service and recognition of a debt service reserve fund in the event of a cash shortfall on the project.
- **Azores.-** Guarantee limited to EUR 10 million until 2017 as required by Article 35 of the Portuguese Companies Law.
- **SH130.-** Guarantee limited to USD 19 million for compulsory purchase cost overruns during the compulsory purchase period.
- **Serrano Park**.- Guarantee for the recalculation of the base case for a maximum of EUR 4 million, executable in 2014.
- **Inagra.-** Guarantee limited to the amount of this company's credit facilities (EUR 11 million at 31 December 2012).
- **Projects at Amey.**- Guarantees provided by Amey in relation to the subordinated debt of certain projects, amounting to GBP 2 million.
- **Other small infrastructure projects in the Services Division.-** Totalling EUR 6.5 million.

The amounts relating to the guarantees correspond to the Ferrovial Group's percentage interest in the various projects.

Additionally, in some projects and construction work, there are technical guarantees applicable up to the entry into service of the project or completed construction work, which are the standard guarantees demanded from shareholders in the framework of the financing transactions.

b) Contingent assets

The Group had not received any significant guarantees from third parties at 31 December 2012 or 2011.

c) Investment commitments

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 are allocated, without recourse to the shareholders, under the terms set forth in Note 18. From the management viewpoint, therefore, Ferrovial takes into account only the investment commitments relating to the capital of the projects, since the investment in the assets is financed by the borrowings of the projects themselves.

The investment commitments of the Group in relation to the capital of its projects are as follows:

	Maturities					
Millions of euros	2013	2014	2015	2016	2017 and subsequent years	TOTAL
Investments in fully consolidated infrastructure projects	**140**	**47**	**51**	**2**	**1**	**240**
Toll roads	139	46	50	2	1	238
Services	1	1	1	1	--	3
Investments in infrastructure projects accounted for using the equity method	**43**	**13**	**39**	**20**	**--**	**116**
Toll roads	41	13	11	--	--	65
Services	2	--	28	20	--	50
TOTAL INVESTMENTS IN INFRASTRUCTURE PROJECTS	**183**	**59**	**90**	**22**	**1**	**356**

There are also property, plant and equipment purchase commitments amounting to EUR 253 million in connection with the acquisition of machinery or the construction of treatment plants in the Services Division, the maturity schedule being as follows:

Company Description
Management Report
Financial Information
Corporate Responsibility

Millions of euros	Maturities 2013	2014	2015	2016	2017 and subsequent years	TOTAL
Services	54	51	20	15	114	**253**

d) Commitments under operating and finance leases

The expense recognised in relation to operating leases in the income statement for 2012 totals EUR 211 million.

The future total minimum lease payments for non-cancellable operating leases are shown below:

Millions of euros	CORPORATE	CONSTRUCTION	2012 TOLL ROADS	SERVICES	AIRPORTS	TOTAL
Within one year	3	28	3	40	0	73
Between one and five years	10	20	7	68	0	105
After five years	35	4	0	12	0	51
LESSEE	**48**	**52**	**10**	**120**	**0**	**230**

Millions of euros	CORPORATE	CONSTRUCTION	2011 TOLL ROADS	SERVICES	AIRPORTS	TOTAL
Within one year	2	28	4	39	0	**73**
Between one and five years	10	20	5	80	0	**115**
After five years	37	4	0	16	0	**58**
LESSEE	**49**	**52**	**9**	**135**	**0**	**246**

The Group does not have any significant commitmentsas a lessor under operating leases.

e) Environmental commitments

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

Costs incurred to protect and improve the environment are taken to the income statement in the year in which they are incurred, irrespective of when the monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding commitments of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises. These provisions include most notably the provisions for landfill closure discussed in Note 17 the balance of which at 31 December 2012 was EUR 88 million.

23. Fair value adjustments

The “Fair Value Adjustments” column in the income statement relates to gains or losses arising from changes in the fair value of derivatives that are not considered effective (see Note 11, Derivative Financial Instruments at Fair Value) and impairment of assets and liabilities (see Note 24, Impairment and Disposals).

24. Impairment and disposals

The detail of the main gains and losses relating to impairment and disposals is as follows:

Gains and losses recognised in 2012:

Millions of euros	Impact on profit or loss before tax: Before fair value adjustments	Fair value adjustments	Total 2012	Impact on net profit or loss
Gains from disposals:	**115**	**0**	**115**	**186**
Heathrow Airport Holdings	*115*	*0*	*115*	*186*
Impairment losses	**0**	**-63**	**-63**	**-40**
Impairment and gains and losses on disposals of non-current assets	**115**	**-63**	**52**	**145**

Gains

In 2012 there were two partial disposals of the ownership interest held by the Group in HAH (Heathrow Airport Holdings, formerly BAA). Effective from 31 October 2012, Hubco Netherlands sold a 5.72% ownership interest held by it in HAH to Stable Investment Corporation, giving rise to the recognition of a gain of EUR 41 million (EUR 65 million in the net profit attributable to the Parent). Also, effective from 20 December 2012, the Group completed the process to sell an additional 10.62% of HAH to Qatar Holding LLC. The gain on this transaction amounted to EUR 74 million (EUR 121 million in the net profit attributable to the Parent).

As a result of these transactions Ferrovial's indirect ownership interest in HAH stands at 33.65%.

Impairment

In 2012 several impairment losses were recognised, relating mainly to the Services business due to the impairment of a waste treatment plant in the UK amounting to EUR -30 million (impact on net profit of EUR -23 million), and to the impairment of certain plots of land amounting to EUR -23 million (impact on net profit of EUR -18 million). This heading also includes the impairment of the goodwill of PNI amounting to EUR -11 million (EUR -5 million in the net profit attributable to Ferrovial), described in Note 5, Goodwill.

Gains and losses recognised in 2011

The breakdown of the main gains and losses recognised in 2011 in relation to sales and impairment of significant assets and of their impact on the net profit or loss recognised is as follows:

Millions of euros	Impact on profit or loss before tax: Before fair value adjustments	Fair value adjustments	Total 2011	Impact on net profit or loss
Gains from disposals:	229	0	229	220
Swissport	*195*	*0*	*195*	*200*
Trados 45	*41*	*0*	*41*	*27*
Chilean toll roads	*-6*	*0*	*-6*	*-6*
Impairment losses	0	-130	-130	-92
Impairment and gains and losses on disposals of non-current assets	**229**	**-130**	**99**	**129**

25. Operating income

The detail of the Group's operating income at 31 December 2012 is as follows:

	Millions of euros 2012	2011
Revenue	7,686	7,446
Other operating income	17	15
Total operating income	**7,703**	**7,461**

"Revenue" includes the interest on the consideration for the services provided by the concession operators that apply the financial asset model, amounting to EUR 235 thousand (2011: EUR 260 thousand), as described in Note 2.5.3.

"Other Operating Income" includes mainly grants related to income received in 2012 (EUR 13 million).

26. Staff costs

The detail of the staff costs is as follows:

	Millions of euros 2012	2011
Wages and salaries	1,743	1,647
Social security costs	359	333
Pension plan contributions	7	10
Share-based payments	12	7
Other employee benefit costs	21	22
Total	**2,142**	**2,018**

At 31 December 2012 and 2011, the detail of the number of employees, by professional category and gender, is as follows:

	2012			2011			Change
	Men	Women	Total	Men	Women	Total	
Directors	11	1	**12**	11	1	**12**	0.00%
Senior executives	11	1	**12**	11	1	**12**	0.00%
Executives	365	56	**421**	378	56	**434**	-3.00%
University and further education college graduates	5,618	1,867	**7,485**	5,904	2,046	**7,950**	-5.85%
Clerical staff	995	2,277	**3,272**	1,091	2,322	**3,413**	-4.13%
Manual workers and unqualified technicians	30,944	13,023	**43,967**	32,974	13,402	**46,376**	-5.19%
Total	37,935	17,224	**55,159**	40,369	17,828	**58,197**	-5.22%

The average number of employees, by business division, is as follows:

	2012			2011			Change
	Men	Women	Total	Men	Women	Total	
Construction	12,238	1,717	**13,956**	10,843	1,649	**12,492**	12,238
Corporate	193	140	**333**	186	135	**321**	193
Real estate	25	41	**66**	30	54	**85**	25
Services	26,760	15,227	**41,987**	30,322	16,956	**47,278**	26,760
Toll roads	606	301	**907**	733	423	**1,156**	606
Airports	17	10	**27**	5,259	3,399	**8,658**	17
Total	39,839	17,437	**57,276**	47,374	22,616	**69,990**	39,839

27. Financial result

The table below shows the detail of the changes in the financial result in 2011 and 2012: The result of projects is presented separately from the result of other companies and in each of them a further distinction is made between the financial result on financing -which includes the finance costs on credit facilities and loans arranged with banks and other entities, and the returns on financial assets and loans granted- and the financial result on derivatives and other items, which includes the impact of the fair value measurement of ineffective hedges and other income and expenses not related to financing.

Millions of euros	2012	2011	Change %
Finance income on financing	3	19	-86%
Finance costs on financing	-301	-284	6%
Financial result on financing of infrastructure projects	**-298**	**-265**	**12%**
Result on derivatives and other fair value adjustments	2	-3	-196%
Other financial results	-6	-11	-43%
Other financial results of infrastructure projects	**-4**	**-13**	**-72%**
Total financial result of infrastructure projects	**-302**	**-279**	**8%**
Finance income on financing	31	38	-20%
Finance costs on financing	-57	-120	-53%
Financial result on financing of other companies	**-26**	**-82**	**-68%**
Results on derivatives and other fair value adjustments	46	60	-24%
Other financial results	-7	-2	274%
Other financial results of other companies	**38**	**58**	**-34%**
Total financial result of other companies	**12**	**-25**	**-148%**
Financial result	**-290**	**-303**	**-5%**

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

The financial result on the financing of the infrastructure project companies amounted to EUR -298 million (31 December 2011: EUR -265 million). Of this net result, EUR -301 million relate to these companies' borrowing costs, which were offset slightly by the interest earned on cash and cash equivalent and non-current financial asset balances (mainly restricted cash) amounting to EUR 3 million.

The financial result on financing also includes the effect of capitalised borrowing costs relating to construction projects, the detail being as follows:

Millions of euros	2012			2011		
Financial result on financing of infrastructure projects	Accrued finance income and costs	Borrowing costs capitalised during construction period	Finance income and costs recognised in profit or loss	Accrued finance income and costs	Borrowing costs capitalised during construction period	Finance income and costs recognised in profit or loss
Total	**-405**	**107**	**-298**	**-363**	**98**	**-265**

The other financial results of infrastructure projects include mainly the effect of derivatives, exchange differences, the interest cost relating to provisions for pensions and the returns on pension plan assets.

The financial result on the financing of the other companies amounted to EUR -26 million (31 December 2011: EUR -82 million), corresponding to borrowing costs (EUR -57 million) net of the interest obtained mainly from financial investments (EUR 31 million). The improvement in this financial result was due mainly to the repayment of borrowings by the Parent of the Group, Ferrovial, S.A., in 2011, as described in the consolidated financial statements at 31 December 2011, and the improved cash position in 2012.

The other financial results of other companies relate mainly to the impact of the derivatives considered to be ineffective, including most notably the equity swaps arranged by the Group to hedge the impact on equity of the share option plans (see Note 11), with a positive impact in 2012 of EUR 46 million due to the increase in the share price. "Other Financial Results of Other Companies" also includes the impact of certain foreign currency derivatives that are fair value hedges of the deposits held by the Group in foreign currency. Thus, the variation caused by the changes in the exchange rates affecting these investments (EUR -24 million) was offset by the fluctuation in the value of these derivatives (EUR 24 million).

28. Net profit from discontinued operations

At 31 December 2012 there was no profit or loss from discontinued operations. At 31 December 2011, "Net Profit from Discontinued Operations" included mainly the gain from the sale of a 5.88% interest in BAA held by the Group at 31 December 2010, which reduced its holding to 49.99% at 31 December 2011. Of the total EUR 844 million, EUR 142 million related to the net amount of the gain arising on this sale while EUR 706 million related to the gain arising from remeasuring the fair value of the investment retained following the loss of control. This gain was not subject to tax since it related to the reversal of an impairment loss recognised in prior years. No gain was obtained with respect to the historical tax base of the Group's ownership interest in this subsidiary.

In 2011 the loss of BAA was included under this heading until October (EUR -3 million) at which time it began to be recognised under "Share of Profits of Companies Accounted for Using the Equity Method".

29. Earnings per share

a) Basic earnings per share:

The calculation of basic earnings per share attributable to the Parent is as follows:

	2012	2011
Net profit attributable to the Parent (millions of euros)	**710**	**1,243**
Weighted average number of shares outstanding (thousands of shares)	733,510	733,510
Less average number of treasury shares (thousands of shares)	0	0
Average number of shares to calculate basic earnings per share	**733,510**	**733,510**
Basic earnings per share (euros)	**0.97**	**1.69**

b) Diluted earnings per share:

At 31 December 2012 and 2011, the Group did not have any dilutive potential ordinary shares, since no convertible debt instruments were issued and the share-based or stock option remuneration plans discussed in Note 32 will not give rise to any capital increases at the Group, as explained in that Note. Consequently, no dilutive impact is envisaged when employee rights under the plans are exercised.

30. Cash flow

The consolidated statement of cash flows was prepared in accordance with IAS 7. This Note provides an additional breakdown in this regard. 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 the cash generated, the Group separates cash flows into "Cash Flows Excluding Infrastructure Projects" where infrastructure project concession operators are treated as financial assets and the investments in the capital of these companies are therefore included in cash flows from investing activities and the yields from 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 the operating and financing activities of infrastructure project concession operators.

- The treatment given to interest received on cash and cash equivalents differs from that of the statement of cash flows prepared in accordance with IAS 7, since this interest is included in cash flows from financing activities as a reduction of the amount recognised under "Interest Cash Flows".

- Lastly, these flows endeavour to present the changes in the net cash position as the net amount of borrowings, cash and cash equivalents and restricted cash. This method also departs from that established in IAS 7, which explains the changes in cash and cash equivalents.

December 2012

	December 2012 (figures in millions of euros)			
	Cash flow excluding infrastructure projects	Cash flow of infrastructure projects	Eliminations	CONSOLIDATED CASH FLOW
EBITDA	569	358	0	927
Dividends received	387	0	-24	363
Taxes paid	-30	-19	0	-50
Changes in receivables, payables and other	-16	-44	0	-60
Cash flows from operating activities	**909**	**295**	**-24**	**1,180**
Investments	-313	-798	168	-942
Disposals	893	0	0	893
Cash flows from investing activities	**580**	**-798**	**168**	**-50**
Cash flows from operating and investing activities	**1,489**	**-503**	**145**	**1,130**
Interest cash flows	-32	-286	0	-317
Proceeds from capital and non-controlling interests	0	303	-168	135
Dividends paid	-826	-25	24	-827
Exchange rate effect	6	56	0	62
Decrease in net debt relating to assets held for sale/companies accounted for using the equity method	0	0	0	0
Other changes in borrowings (not giving rise to cash flows)	-54	-62	-1	-117
Cash flows from financing activities	**-906**	**-13**	**-146**	**-1,065**
Change in net cash position	**583**	**-516**	**-1**	**65**
Opening position	907	-6,102	25	-5,171
Closing position	1,489	-6,618	24	-5,106

December 2011

	December 2011 (figures in millions of euros)			
	Cash flow excluding infrastructure projects	Cash flow of infrastructure projects	Eliminations	CONSOLIDATED CASH FLOW
EBITDA	463	356	0	819
Dividends received	182	0	-25	157
Taxes paid	-67	-25	0	-92
Changes in receivables, payables and other	-68	-103	0	-171
Cash flows from operating activities	**510**	**228**	**-25**	**713**
Investments	-328	-780	135	-973
Disposals	1,264	0	0	1,264
Cash flows from investing activities	**936**	**-780**	**135**	**291**
Cash flows from operating and investing activities	**1,446**	**-552**	**109**	**1,004**
Interest cash flows	-114	-293	0	-407
Proceeds from capital and non-controlling interests	-1	263	-136	126
Dividends paid	-376	-32	25	-382
Exchange rate effect	-27	-97	0	-124
Decrease in net debt relating to assets held for sale/companies accounted for using the equity method	0	14,529	0	14,529
Other changes in borrowings (not giving rise to cash flows)	-53	-85	11	-127
Cash flows from financing activities	**-571**	**14,286**	**-100**	**13,614**
Change in net cash position	**875**	**13,733**	**9**	**14,618**
Opening position	31	-19,836	16	-19,789
Closing position	907	-6,102	25	-5,171

The directors' report includes detailed disclosures on the changes in cash flows.

31. Remuneration of directors

31.1.- Bylaw-stipulated directors' remuneration

The table below shows the itemised bylaw-stipulated emoluments of the members of the Board of Directors earned in 2012 and 2011. This table does not include the remuneration received by the executive directors for the discharge of their executive functions at the Company, which are detailed in section 31.2.

	(Amounts in thousands of euros)							
	2012				2011			
DIRECTOR (a)	Fixed remuneration	Attendance fees	Remainder	Total	Fixed remuneration (a)	Attendance fees	Remainder	Total
Rafael del Pino y Calvo-Sotelo	35.0	86.0	105.0	226.0	35.0	98.0	94.4	227.4
Santiago Bergareche Busquet	35.0	48.5	91.9	175.4	35.0	48.5	82.6	166.1
Joaquín Ayuso García	35.0	43.0	65.6	143.6	35.0	53.0	59.0	147.0
Iñigo Meirás Amusco	35.0	43.0	52.5	130.5	35.0	49.0	47.2	131.2
Jaime Carvajal Urquijo	35.0	47.5	52.5	130.5	35.0	49.5	47.2	131.7
Portman Baela, S.L.	35.0	45.0	52.5	132.5	35.0	39.0	47.2	121.2
Juan Arena de la Mora	35.0	62.5	52.5	150.0	35.0	44.5	47.2	126.7
Gabriele Burgio	35.0	55.0	52.5	142.5	35.0	52.5	47.2	134.7
María del Pino y Calvo-Sotelo	35.0	40.0	52.5	127.5	35.0	51.0	47.2	133.2
Santiago Fernández Valbuena	35.0	41.0	52.5	128.5	35.0	51.0	47.2	133.2
José Fernando Sánchez-Junco Mans	35.0	40.0	52.5	127.5	35.0	49.0	47.2	131.2
Karlovy, S.L.	35.0	33.0	52.5	120.5	35.0	33.0	47.2	115.2
TOTAL	**420.0**	**584.5**	**735.2**	**1,739.7**	**420.0**	**618.0**	**660.9**	**1,698.9**

(a) Period in office. Full year, unless otherwise stated.

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.

Company Description
Management Report
Financial Information
Corporate Responsibility

The shareholders at the General Meeting held on 22 October 2009 [1] set annual fixed remuneration for the Board of Directors as a whole at EUR 1,772.7 thousand in consideration of the number of Board members at the date of approval (thirteen). As per the resolutions of that same 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 General Meeting also decided that, for financial years after 2009 this amount would be automatically reviews in accordance with the changes in the Consumer Price Index.

In accordance with these resolutions[2] the fixed annual amount for 2012 was set at EUR 1,739.7 thousand for the twelve members of the Board of Directors.

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 thousand for the twelve members of the Board of Directors at the end of 2012. This total did not change with respect to 2011.

(ii) Fees for actual attendance at meetings of the Board of Directors and its committees or advisory bodies.

Attendance fees for 2012 totalled EUR 584.5 thousand. The amounts per meeting are the same in 2012 and 2011: 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 chairman of each of these bodies is twice the sum indicated.

(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 2012, 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 735.2 thousand is to be distributed. The resulting amount is distributed by dividing it into 14, and the following factors are applied to the quotient in allocating the individual amounts: 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 for this third item must be invested in shares of the Company. 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 the 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.

With regard to 2012, the Board of Directors of Ferrovial S.A. intends to prepare and make available to shareholders the "Annual Report on Directors' Remuneration" required by Article 61 ter. of the Spanish Securities Market Law.

This report will describe the matters relating to the Company's remuneration policy for 2012, the policy planned for future years, an overview of how the remuneration policy was applied in 2012 and a detail of the individual remuneration earned by each of the directors.

[1] Under the name of Cintra Concesiones de Infraestructuras de Transporte, S.A.
[2] The year-on-year increase in the Consumer Price Index (CPI) in December 2011 was 2.4%, the percentage that was applied to the automatic revision of the remuneration of the Board of Directors.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

31.2.- Individual remuneration of the Executive Directors

a) Remuneration earned in 2012

In 2012 the three executive directors earned the following remuneration for the discharge of their functions, in addition to the remuneration discussed in the preceding section.

(Amounts in thousands of euros)

	2012 (*)						2011 (*)					
REMUNERATION OF EXECUTIVE DIRECTORS	Fixed remuneration	Variable remuneration	Relating to boards of other subsidiaries	Exercise of share options	Life insurance premiums	Total 2012	Fixed remuneration	Variable remuneration	Relating to boards of other subsidiaries	Exercise of share options	Life insurance premiums	Total 2011
Rafael del Pino y Calvo-Sotelo	1,150.00	1,970	0.00	318.61	4.67	3,443.28	1,150.00	1,679.02	0.00	0.00	4.06	2,833.08
Joaquín Ayuso García (1)	900.00	848.02	46.87	318.20	5.65	2,118.70	900.00	702.05	51.98	285.67	5.32	1,945.02
Iñigo Meirás Amusco	950.00	1,770	0.00	127.44	2.97	2,847.44	950.00	1,543.82	0.00	0.00	2.58	2,496.40
TOTAL	3,000.00	4,588.02	46.87	764.23	13.29	8,412.41	3,000.00	3,924.89	51.98	285.67	11.96	7,274.50

(1) In addition to the information disclosed above, as compensation for the loss of the position of senior executive at the Company and the concomitant annulment of the senior executive relationship EUR 8,100 thousand gross were paid (an amount subject in full to personal income tax). Joaquín Ayuso ceased to discharge his executive functions on 29 November 2012.

b) Share-based payment systems in 2012

The detail of the outstanding share option plans and performance-related share award plans for executive directors at 31 December 2012 is as follows:

SHARE OPTION PLANS EXECUTIVE DIRECTORS Situation at 31/12/12	Share options		No. of equivalent shares	Exercise price (euros)	% of share capital
Rafael del Pino y Calvo-Sotelo	2006 Plan	786,400	786,400	16.48	0.107
	2008 Plan	1,179,600	1,179,600	12.12	0.161
Joaquín Ayuso García	2006 Plan	786,400	786,400	16.48	0.107
	2008 Plan	1,179,600	1,179,600	12.12	0.161
Íñigo Meirás Amusco	2006 Plan	400,000	400,000	16.48	0.055
	2008 Plan	660,000	660,000	12.12	0.09

PERFORMANCE-RELATED SHARE AWARD PLAN EXECUTIVE DIRECTORS Situation at 31/12/12	Units		No. of voting rights	% of voting power
Rafael del Pino y Calvo-Sotelo	2010 Allocation	150,000	150,000	0.020%
	2011 Allocation	132,000	132,000	0.018%
	2012 Allocation	122,000	122,000	0.017%
Joaquín Ayuso García	2010 Allocation	50,000	50,000	0.007%
Íñigo Meirás Amusco	2010 Allocation	150,000	150,000	0.020%
	2011 Allocation	132,000	132,000	0.018%
	2012 Allocation	122,000	122,000	0.017%

The general characteristics of the two plans are detailed in Note 32, Share-based Payment.

31.3. Remuneration of the members of the Board of Directors due to membership of other managing bodies of Group companies 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 or associates earned EUR 46.9 thousand in this respect in 2012 (EUR 52.0 thousand in 2011).

Company Description
Management Report
Financial Information
Corporate Responsibility

31.4.- Pension funds and plans or life insurance premiums

As in 2011, no contributions were made in 2012 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 13.3 thousand in 2012 (EUR 12.0 thousand in 2011), of which the executive members are beneficiaries.

No contributions were made and no obligations were incurred in respect of pension funds or plans for the directors of Ferrovial, S.A. who are members of other boards of directors and/or senior executives of Group companies or associates. No life insurance premiums were paid in this regard. The situation has not changed since 2011.

31.5.- Advances and loans

At 31 December 2012, no advances or loans had been granted by the Company to the directors in their capacity as such or as members of other boards of directors and/or as senior executives of Group companies or associates.

31.6.- Remuneration of senior executives

The joint remuneration earned by the Company's senior executives in 2012 was as follows:

REMUNERATION OF SENIOR EXECUTIVES	*(thousands of euros)*	
	2012	2011
Fixed remuneration	4,431.7	4,305.6
Variable remuneration	5,348.6	4,508.3
Exercise of share options and/or other financial instruments [see description]	1,386.8	573.7
Remuneration as members of managing bodies of other Group companies, jointly controlled entities or associates	[24.5]	18.8
Contributions to pension funds or plans, or similar obligations	[-]	(-)
Insurance premiums	19.7	15.0

No loans were granted to the senior executives.

The aforementioned remuneration corresponds to the following posts: General Secretary, Chief Financial Officer, General Director of HR, General Director of Construction, General Director of Real Estate, General Director of Services, General Director of Airports, General Director of Toll Roads, General Director of Information Systems and Innovation, Director of Internal Audit, Director of Communications and Corporate Responsibility and Director of Corporate Strategy.

This does not include remuneration for senior executives who were also executive directors, which was addressed previously. Lastly, it should be noted that in 2012 EUR 2,274.3 thousand were paid in termination benefits.

The Company has also introduced a flexible remuneration system called the Flexibility Plan, which provides employees with the possibility of voluntarily modifying their remuneration package based on their personal needs, replacing a portion of their remuneration with the award of certain payments in kind. These products include a group life and retirement-related savings insurance plan whereby participants may request that a portion of their gross annual remuneration is paid by the Company in the form of a premium for a group life and retirement-related savings insurance policy. In this connection the senior executives requested contributions amounting to EUR 301.5 thousand from the Company, instead of the equivalent remuneration shown in the foregoing table.

31.7.- Relationship between remuneration obtained and profit/loss of the Company

In keeping with the best practices for director and senior executive remuneration, a portion of the Ferrovial directors' remuneration is linked to the consolidated profit for the year attributable to the Company. Similarly, the variable remuneration of the executive directors and senior executives of the Company is linked to various profit- and return-metrics at both corporate and business/ area level.

Ferrovial's variable remuneration scheme is therefore linked closely to the Company's performance metrics.

Since the consolidated profit attributable to the Company in 2012 amounted to EUR 710 million, the members of the Board of Directors were paid remuneration of EUR 735.2 thousand in respect of the remainder of their annual emoluments

Having achieved the objectives for profit and return established at the beginning of 2012, the members of the Board of Directors who perform executive duties received total aggregate variable remuneration of EUR 4,588.02 thousand.

31.8.- Other disclosures on remuneration

The 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 order to encourage loyalty and long-service, deferred remuneration was recognised for eleven senior executives, including two executive directors. The deferred remuneration consists of extraordinary remuneration that will only be paid when one of the following circumstances occurs:

- Removal of the senior executive by mutual agreement upon reaching a certain age.
- Unjustified dismissal or termination by the company at its discretion without any justification for dismissal, prior to the senior executive reaching the age initially agreed upon, if the amount of this remuneration on exceeds that resulting from applying the Workers' Statute.
- The death or disability of the senior executive.

To cover this incentive, each year the Company makes contributions to a group savings insurance policy, of which the Company is both policy-holder and beneficiary. These contributions are quantified on the basis of a certain percentage of the total monetary remuneration of each senior executive. The contributions made in 2012 amounted to EUR 2,580.6 thousand (2011: EUR 2,653.7 thousand), of which EUR 1,060.7 thousand correspond to executive directors.

Individuals are occasionally hired to hold executive positions, mainly abroad, in areas unrelated to senior management. The contracts of these individuals include certain clauses that provide for indemnities in the event of unjustified dismissal.

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.

32. Share-based payment

a) Share option plans

Until 2008 Ferrovial used a remuneration system based on the delivery of share options. The share option plans outstanding at 31 December 2012 were as follows:

Participants	Approval date	Exercise deadline	Exercise price	Outstanding options (2012)
Executives 03 - Ferrovial (additional)	11/03/05	10/03/13	EUR 11.40	56,000
Executives 05 - Ferrovial	31/10/05	30/10/13	EUR 15.88	4,421,360
Executives 05 - Ferrovial (additional)	01/08/06	31/07/14	EUR 15.42	180,000
Executives 05 - Ferrovial (additional)	30/10/06	29/10/14	EUR 16.60	115,200
Executives 05 - Ferrovial (additional)	25/01/07	24/01/15	EUR 18.21	73,600
Executives 05 - Ferrovial (additional)	03/07/07	02/07/15	EUR 18.38	14,400
Executives 05 - Cintra	31/10/05	30/10/13	EUR 8.98	316,134
Executives 05 - Cintra (additional)	25/07/07	24/07/15	EUR 10.90	94,178
Senior executives 06 - Ferrovial	04/05/06	03/05/14	EUR 16.48	2,952,000
Senior executives 06 - Ferrovial (additional)	03/07/07	02/07/15	EUR 18.38	228,000
Senior executives 06 - Cintra	22/11/06	21/11/14	EUR 10.54	67,720
Executives 07 - Ferrovial	23/11/07	22/11/15	EUR 14.99	5,366,800
Executives 07-Cintra	23/11/07	22/11/15	EUR 10.72	447,670
Senior executives 08 - Ferrovial	26/04/08	25/04/16	EUR 12.12	5,603,200
Senior executives 08 - Cintra	26/04/08	25/04/16	EUR 9.09	85,509
	Number of shares at end of year			**20,021,771**

All share option plans have a three-year vesting period as from the grant date followed by a five-year exercise period, provided that certain minimum returns on consolidated equity or certain ratios of returns on productive assets are achieved.

The detail of the changes in the Company's share option plans in 2012 and 2011 is as follows:

Company Description
Management Report
Financial Information
Corporate Responsibility

	2012	2011
Number of options at beginning of year	**25,533,963**	**30,496,105**
Plans granted	-	-
Options not taken up and other	-490,800	-1,276,762
Options exercised	-5,021,392	-3,685,380
Number of options at end of year	**20,021,771**	**25,533,963**

Since the aforementioned plans are in the exercise period, they do not give rise to staff costs on a regular basis. However, in 2012 cost adjustments were recognised amounting to EUR -1 million due to the reversal of staff costs incurred in prior years for options that were surrendered by the beneficiaries (EUR -1 million in 2011).

b) Performance-based share award plan

In 2009 the Company decided to implement a remuneration system based on the performance related award of shares.

Thus, on 17 December 2009 the Company decided to use as a remuneration system a three-year plan consisting of the award of shares of Ferrovial, S.A.

The total number of shares to be granted each year under the plan may not exceed 2,420,000, representing 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.

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 executive directors, senior executives and other executives. The application of this programme to senior executives was authorised by the Annual General Meeting held on 29 June 2010.

The changes in the aforementioned remuneration schemes in 2012 and 2011 are summarised as follows:

	2012	2011
Number of shares at beginning of year	**4,117,600**	**2,302,300**
Plans granted	1,854,969	2,050,478
Shares surrendered and other	-94,671	-168,134
Shares exercised	-47,924	-67,044
Number of shares at end of year	**5,829,974**	**4,117,600**

The main requirements established for the award of shares to the employees under the plan are as follows:

- Service at the Company for three years from the date of execution, barring certain exceptional circumstances.
- Achievement of certain objectives based on cash flows from operating activities and the ratio of EBITDA to net productive assets during that period.

In 2012 the staff costs recognised in relation to these remuneration systems amounted to EUR 13 million (2011: EUR 8 million). These costs were measured as futures and, therefore, the foreseeable dividends up to the delivery date is discounted to the value of the shares at the grant date, using a rate of return equal to the average cost of borrowings over the share award period.

In relation to the remuneration systems based on the performance related award of shares related to performance, on 19 December 2012 the Board of Directors approved a new three-year remuneration plan consisting of the award of shares of Ferrovial, S.A. The total number of shares granted annually under the plan may not exceed 1,900,000, representing 0.26% of Ferrovial, S.A.'s share capital. The terms and conditions concerning award and duration are similar to those of the plan granted previously explained above, with the inclusion of an additional condition related to total shareholder return in relation to a comparable group. The plan will be formally executed in 2013.

33. Related party transactions.

Approval of transactions.
In accordance with the Board of Directors Regulations, all professional or commercial transactions of the persons referred to below with Ferrovial, S.A. or its subsidiaries 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, S.A. the general approval of the Board of Directors for the related line of transactions will suffice. This authorisation is not necessary, however, for transactions that simultaneously fulfil the following three conditions:

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

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.
- Such other executives as might be designated individually by the Board of Directors.
- Persons related to the persons listed above, as defined in the Board of Directors Regulations.

Related party transactions
The most significant arm's length transactions with related parties carried out in 2012 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 1/2008, of 30 January.

Where the profit or loss from a transaction cannot be stated, as it pertains to the entity or individual supplying the related good or service, the transaction has been marked with an asterisk (*).

Significant shareholders
The following table contains a breakdown of the transactions carried out in 2012 with significant shareholders, with members of the "controlling family group" (except for the natural persons who are in turn directors or representatives of directors of the Company, included in the following section) or entities related through shareholdings to persons from the "controlling family group" (1):

TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS				2012			2011		
Name/ Company name	Ferrovial Group company	Nature of transaction	Type of transaction	Amount	Profit or loss	Balance	Amount	Profit or loss	Balance
Members of "controlling family group" / their related entities	Ferrovial Agromán, S.A. / subsidiaries	Commercial	Construction work	137	14	0	423	38	0
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Integrated management of services at Madrid offices	459	122	143	434	127	145
	Ferrovial Conservación, S.A.	Commercial	Lease to Ferrovial of offices in Madrid owned by shareholders	(-)	(-)	(-)	136	(*)	0
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Integrated management of services at Madrid offices	2	2	0	84	2	0

(1) According to the "Notification of Voting Rights" form submitted to the Spanish National Securities Market Commission (CNMV) and the Company on 22 May 2012, ´the family group formed by María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo controls, as defined in Article 4 of the Spanish Securities Market Law, through Karlovy, the majority of the share capital of Portman. Portman holds an ownership interest of 43.614% in the share capital of Ferrovial. In turn, Karlovy, S.L. directly holds 0.00158% of the share capital of Ferrovial. The family group formed by the persons listed above controls, through Karlovy and Portman, 43.615% of the share capital of Ferrovial´. Based on this notification the sum of the direct and indirect shares of all the members of the family group, i.e. María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo, as well as Karlovy, S.L. and Portman Baela, S.L., amounted to 329,328,707 shares, representing 44.898% of the share capital of Ferrovial.
(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

Transactions with directors, senior executives and related companies
The transactions performed with the Company's directors, representatives of directors and senior executives in 2012 are shown below. The table also includes the transactions performed with companies considered to be related to the foregoing (if they were so considered during a portion of the year, the transactions performed in that period are indicated):

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

TRANSACTIONS WITH DIRECTORS, SENIOR EXECUTIVES AND RELATED COMPANIES (1 of 2)				(thousands of euros)					
				2012			2011		
Name/ Company name	Ferrovial Group company	Nature of transaction	Type of transaction	Amount	Profit or loss	Balance	Amount	Profit or loss	Balance
Rafael del Pino y Calvo-Sotelo	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Maintenance and cleaning services	15	5	1	61	7	1
Person related to Iñigo Meirás	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Maintenance and gardening services	31	0	0	(-)	(-)	(-)
Álvaro Echániz and related person	Ferrovial Inmobiliaria, S.A.	Commercial	Sale of buildings/land	396	0	114	(-)	(-)	(-)
Santiago Olivares and related person	Ferrovial Inmobiliaria, S.A.	Commercial	Sale of buildings/land	260	1	76	(-)	(-)	(-)
Person related to Jaime Aguirre de Cárcer	Ferrovial Inmobiliaria, S.A.	Commercial	Sale of buildings/land	129	1	38	(-)	(-)	(-)
Almirall Laboratorios	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	122	10	17	122	10	20
Universidad de Deusto	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	180	54	45	168	31	56
Aviva	Ferrovial Group companies	Commercial	Arrangement of insurance policies	2,581	(*)	149	2,653	(*)	0
Maxam Europe and Group companies	Ferrovial Agromán / subsidiaries	Commercial	Receipt of supplies of explosives and detonators	32	(*)	46	104	(*)	-100
Banesto	Ferrovial Group companies	Commercial	Payment of bank commissions and fees and settlements arising from derivative instrument transactions	(-)	(-)	(-)	11,254	(*)	0
		Commercial	Interest received	338	338	0	2,171	2,171	0
		Commercial	Payment of interest	2,019	(*)	0	12,179	(*)	0
		Commercial	Balance drawn down against guarantee facilities	(-)	(-)	(-)	256,400	(*)	-256,400
		Commercial	Balance drawn down against reverse factoring and documentary credit facilities	(-)	(-)	(-)	28,400	(*)	-28,400
		Commercial	Balance drawn down against credit facilities	(-)	(-)	(-)	302,900	(*)	302,900
		Commercial	Payment for cleaning and maintenance services	0	(*)	70	0	(*)	70
Cepsa	Ferrovial Agromán / subsidiaries	Commercial	Construction work	45	0	0	227	15	20
	Ferrovial Group companies	Commercial	Receipt of fuel supplies	16,933	(*)	-1,250	16,160	(*)	-1,525
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	3	3	0	53	6	8
ESADE	Corporate	Commercial	Receipt of training services	(-)	(-)	(-)	222	(*)	0
Everis and group companies	Cintra	Commercial	Receipt of advertising services	16	(*)	0	5	(*)	0
	Corporate	Commercial	Receipt of IT-project services	(-)	(-)	(-)	198	(*)	-80
Asea Brown Bovery	Ferrovial Group companies	Commercial	Receipt of electrical equipment repair and maintenance services / spare parts	21	(*)	0	8	(*)	0
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	12	1	4	19	2	8

(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

TRANSACTIONS WITH DIRECTORS, SENIOR EXECUTIVES AND RELATED COMPANIES (2 of 2)				(thousands of euros)					
				2012			2011		
Name/ Company name	Ferrovial Group company	Nature of transaction	Type of transaction	Amount	Profit or loss	Balance	Amount	Profit or loss	Balance
Telefónica	Ferrovial Group companies	Commercial	Receipt of telecommunications services	8,449	(*)	-2,095	12,309	(*)	-1,733
	Corporate	Commercial	Rebilling of cancellation costs	704	0	99	(-)	(-)	(-)
Meliá Hotels and group companies	Ferrovial Group companies	Commercial	Receipt of hotel and catering services	5	(*)	-1	43	(*)	-1
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance and waste collection services	26	0	22	9	0	9
Bimarán and group companies	Ferrovial Agromán, S.A. / subsidiaries	Commercial	Construction work	(-)	(-)	(-)	1,439	89	0
Empark and group companies	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	28	2	7	21	2	5
	Ferrovial Servicios, S.A. / Ferrovial Agromán / subsidiaries	Commercial	Receipt of parking-space rental services	19	(*)	-125	19	(*)	-106
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	1	1	0	21	4	21
	Cintra	Commercial	Rebilling of expenses, trade receivable balances and inventories yet to be sold	1,223	0	1,947	17	(*)	3,094
	Ferrovial Agromán, S.A. / subsidiaries	Commercial	Construction work	2,816	0	1,842	847	55	336
	Corporate	Commercial	Sale of computer hardware	0	0	4	(-)	(-)	(-)
Acerinox	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	-1	0	0	7	1	1
Dornier	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of upkeep services	4	0	2	41	0	2
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	(-)	(-)	(-)	4	2	2
	Corporate	Commercial	Sale of computer hardware	0	0	1	(-)	(-)	(-)
Holcim	Ferrovial Agromán / subsidiaries	Commercial	Purchase of cement	1	(*)	0	1	(*)	0
Bankia	Ferrovial Group companies	Commercial	Arrangement of financial services	7,078	(*)	0	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Financing agreements. Guarantee	301,200	(*)	0	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Interest received	731	731	0	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Payment of interest	5,511	(*)	0	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Balance drawn down against guarantee facilities	268,600	(*)	268,600	(-)	(-)	(-)
Fundación Seres	Corporate	Commercial	Donation	6	(*)	0	(-)	(-)	(-)
La Rioja Alta	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Receipt of food services	1	(*)	0	(-)	(-)	(-)
Marsh	Ferrovial Group companies	Commercial	Receipt of insurance services	993	(*)	-378	(-)	(-)	(-)
Spencer Stuart	Ferrovial Agromán / subsidiaries	Commercial	Receipt of consultancy services	66	(*)	0	(-)	(-)	(-)
Zurich Insurance	Ferrovial Group companies	Commercial	Arrangement of insurance policies	216	(*)	-3	(-)	(-)	(-)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	2	-2	0	(-)	(-)	(-)

(*) No profit or loss is stated as the relevant amount pertains to the entity or person providing the service.

Corporate Responsibility | Financial Information | Management Report | Company Description

In addition to the aforementioned transactions, four arm's length transactions were performed in 2012 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 38 thousand (EUR 44 thousand in 2011), comprising collections for/performance 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 EUR 0 thousand (EUR 3 thousand in 2011) and the balance was EUR 20 thousand (EUR 17 thousand in 2011).

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 eliminated on consolidation for the following reason:

As explained in detail in Note 2.4., the balances and transactions relating to construction work performed by the Construction Division for the Group's infrastructure concession operators are not eliminated on consolidation since, at consolidated level, contracts of this type are classed as construction contracts in which, during the performance of the contract, the work is deemed to be performed for third parties, as the ultimate owner of the work is the grantor both from a financial and legal viewpoint.

In 2012 Ferrovial's Construction Division billed those companies for EUR 746,854 thousand (EUR 668,368 thousand in 2011) for work performed and related advance payments and, in this respect, recognised sales totalling EUR 716,511 thousand (EUR 664,820 thousand in 2011).

In 2012 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 23,813 thousand. In 2011 it was EUR 32,148 thousand.

34. Directors' ownership interests in and positions or functions at companies engaging in an activity that is identical, similar or complementary to the company object of Ferrovial

Article 229 of the Spanish Limited Liability Companies Law requires the directors to notify the Company of the following information:

- Conflicts of interest that they may have with the Company.
- Any ownership interests they may have in the share capital of a company engaging in an 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 of the Spanish Limited Liability Companies Law establishes that directors may not engage, as independent professionals or as employees, in activities that are identical, similar or complementary to the activity that constitutes the Company's object, except in the event of receiving express authorisation to do so from the Company, through a resolution by the Annual General Meeting, which shall require notice to be given as required under Article 229 of the law.

In this regard, the information furnished to the Company by those persons who served on the Board of Directors of Ferrovial, S.A. in 2012 is as follows:

Conflicts of interest:
There were no conflicts of interest.

Ownership interests in the share capital:
The directors do not have any ownership interests in the share capital of companies as provided for in Article 229 of the Spanish Limited Liability Companies Law.

Positions or functions:
For information purposes, the directorships held at the Group's subsidiaries are as follows:

- Joaquín Ayuso García: Chairman of 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 director of Inversora de Autopistas del Sur, S.L. and Autopista Madrid Sur Concesionaria Española, S.A.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

- Iñigo Meirás Amusco: Chairman of Ferrovial Agromán, S.A., Ferrovial Aeropuertos, S.A., Cintra Infraestructuras, S.A., Ferrovial Servicios, S.A. and Ferrovial Fisa, S.L.; Chairman and CEO of Finecofer, S.L., and director of Ferrovial Qatar LLC.

35. Fees paid to auditors

Pursuant to Spanish Audit Law 12/2010, of 30 June, following is a disclosure of the total fees relating to the "audit services" and "other consultancy services" provided by the auditors of the 2012 and 2011 financial statements of the Group companies, including both the principal auditor of Ferrovial S.A. and the other auditors of all its investees, both in Spain and abroad.

"Fees for Audit Services" includes the following items:

- "Audit Services" relates to statutory audit services in the true sense of the term.
- "Audit-Related Services" relates to services other than statutory audit which by law or by regulation can only be provided by the Company's auditor, for example the review of financial information in bond issues.
- "Other Attest Services" includes services that because of their nature are normally performed by the Company's auditor, for example the review of tax returns.

The total of "Other Consultancy Services" provided by the main auditor represented 18% of the total audit services in 2012.

	Millions of euros	
	2012	2011
Fees for audit services	**4.1**	**3.3**
Principal auditor	3.4	2.7
Audit services	2.6	2.3
Audit-related services	0.5	0.2
Other attest services	0.3	0.2
Other auditors	0.7	0.6
Audit services	0.7	0.6
Audit-related services	0.0	0.0
Other attest services	0.0	0.0
Other consultancy services	**0.8**	**1.0**
Principal auditor	0.6	1.0
Other auditors	0.2	0.0

36. Events after the reporting period

On 30 January 2013, Ferrovial completed its first corporate bond issue, amounting to EUR 500 million and maturing on 30 January 2018, with the guarantee of Ferrovial and of some of its subsidiaries. The bonds bear an annual rate of interest of 3.375% payable annually. The issue will be traded on the secondary market of the London Stock Exchange once the habitual conditions precedent for bonds of this kind have been met. The net funds obtained (approximately EUR 496 million) were used to repay existing corporate debt.

In addition, on 18 January 2013 HAH announced the completion of the sale of London Stansted Airport to Manchester Airports Group for approximately GBP 1,500 million (around EUR 1,800 million). This sale came about as a result of the decision of the UK Competition Commission, which in 2009 ruled that HAH had to sell three of its seven airports in the UK in order to break its monopoly. After the sale of Gatwick (December 2009) and Edinburgh (May 2012) and several appeals against the sale of Stansted, in August 2012 HAH announced its decision not to appeal against the Competition Commission ruling at the Supreme Court of the United Kingdom and to put this airport up for sale.

37. Appendix I

Appendix I contains a list of Group companies, making a distinction between fully consolidated companies and companies accounted for using the equity method.

The net cost of the ownership interest presented relates to that recognised at the individual company which holds the direct ownership interest in each subsidiary.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

APPENDIX I

Ferrovial, S.A. and Subsidiaries

SUBSIDIARIES (fully and proportionately consolidated companies)

Individual information

CORPORATE

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
SPAIN						
Ferrovial, S.A. (a)	Deloitte				Spain	Príncipe de Vergara, 135, 28002, Madrid
Can-Am, S.A. (Sole-Shareholder Company) (a)		Ferrovial, S.A.	100.0%	2	Spain	Príncipe de Vergara, 135, 28002, Madrid
Ferrovial Inversiones, S.A. (a)		Ferrovial, S.A. (i)	100.0%	0	Spain	Príncipe de Vergara, 135, 28002, Madrid
Ferrofin, S.L. (a)	Deloitte	Ferrovial, S.A. (iii)	67.0%	903	Spain	Príncipe de Vergara, 135, 28002, Madrid
Betonial, S.A. (a)		Ferrovial, S.A. (i)	99.0%	32	Spain	Príncipe de Vergara, 135, 28002, Madrid
Burety, S.L. (a)		Ferrovial, S.A. (i)	99.1%	9	Spain	Príncipe de Vergara, 135, 28002, Madrid
Frin Gold, S.A. (a)		Ferrovial, S.A. (i)	99.0%	0	Spain	Príncipe de Vergara, 135, 28002, Madrid
Inversiones Trenza, S.A. (a)		Ferrovial, S.A. (i)	99.0%	1	Spain	Príncipe de Vergara, 135, 28002, Madrid
Promotora Ibérica de Negocios, S.A. (a)		Ferrovial, S.A. (i)	99.0%	0	Spain	Príncipe de Vergara, 135, 28002, Madrid
Remtecolex, S.A. (a)		Ferrovial, S.A. (i)	99.0%	0	Spain	Príncipe de Vergara, 135, 28002, Madrid
Sotaverd, S.A.		Ferrovial, S.A. (ii)	49.0%	0	Spain	Calvet, 30, 08021, Barcelona
Triconitex, S.L. (a)		Ferrovial, S.A. (i)	99.0%	7	Spain	Príncipe de Vergara, 135, 28002, Madrid
Finecofer (a)	Deloitte	Ferrovial, S.A. (i)	99.0%	3,026	Spain	Príncipe de Vergara, 135, 28002, Madrid
Ferrovial Emisiones, S.A. (a)		Ferrovial, S.A. (i)	99.0%	0	Spain	Príncipe de Vergara, 135, 28002, Madrid
Ferrovial Corporación, S.L. (a)	Deloitte	Ferrovial, S.A. (i)	99.0%	27	Spain	Príncipe de Vergara, 135, 28002, Madrid
Ferrovial Telecomunicaciones, S.A. (a)		Ferrovial, S.A. (i)	99.0%	0	Spain	Príncipe de Vergara, 135, 28002, Madrid
UNITED KINGDOM						
Ferrocorp UK	BDO	Ferrovial, S.A.	100.0%	1	United Kingdom	Edmund Halley Road, Oxford OX4 4DQ
IRELAND						
Alkes Reinsurance Limited	Deloitte	Ferrovial, S.A.	100.0%	3	Ireland	13-17 Dawson Street, Dublin 2

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

CONSTRUCTION

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
SPAIN						
Ferrovial Agromán, S.A. (a)	Deloitte	Finecofer, S.L.	100.0%	3,094	Spain	Ribera del Loira, 42, 28042, Madrid
Aplicación Recursos Naturales, S.A. (a)		Ferrovial Agromán, S.A. (i)	100.0%	0	Spain	Ribera del Loira, 42, 28042, Madrid
Cadagua, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (i)	100.0%	119	Spain	Gran Vía 45, 48011 Bilbao/Vizcaya
Compañía de Obras Castillejos (a)	Deloitte	Ferrovial Agromán, S.A. (i)	100.0%	7	Spain	Ribera del Loira, 42, 28042, Madrid
Encofrados Deslizantes y Técnicas Especiales, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (i)	99.1%	2	Spain	Ribera del Loira, 42, 28042, Madrid
Ditecpresa, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (i)	100.0%	1	Spain	Ribera del Loira, 42, 28042, Madrid
Ferrovial Conservación, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (i)	99.0%	20	Spain	Ribera del Loira, 42, 28042, Madrid
Urbaoeste, S.A. (a)		Ferrovial Agromán, S.A. (i)	99.0%	1	Spain	Ribera del Loira, 42, 28042, Madrid
Ferrovial Medio Ambiente y Energía, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (i)	99.0%	1	Spain	Ribera del Loira, 42, 28042, Madrid
Discota XXI, S.L. (Sole-Shareholder Company) (a)	Deloitte	Ferrovial Agromán, S.A.	100.0%	98	Spain	Príncipe de Vergara, 135, 28002 Madrid
Norvarem, S.A.U. (a)	Deloitte	Ferrovial Agromán, S.A.	100.0%	4	Spain	Príncipe de Vergara, 135, 28002 Madrid
Técnicas del Pretensado y Servicios Auxiliares, S.L. (a)	Deloitte	Edytesa, S.A. (i) (a)	100.0%	3	Spain	Ribera del Loira, 42, 28042, Madrid
Concesionaria de Prisiones Lledoners, S.A. (a)	Deloitte	Ferrovial Agromán, S.A.	100.0%	16	Spain	Santaló 10, 08021 Barcelona
Concesionaria de Prisones Figueres (a)	Deloitte	Ferrovial Agromán, S.A. (i)	100.0%	11	Spain	Provenza 392, 08025 Barcelona
Ferrovial Railway, S.A. (a)		Ferrovial Agromán, S.A. (ii)	98.8%	0	Spain	Ribera del Loira, 42, 28042, Madrid
Ferrovial Railway, S.A. (a)		Técnicas del Pretensado y Servicios Auxiliares, S.L. (a)	1.2%	0	Spain	Ribera del Loira, 42, 28042, Madrid
MEXICO						
Cadagua Ferr. Indust. México		Ferrovial Medio Ambiente, S.A.	24.9%	0	Mexico	Cataratas 3, 1 Jardín Del Pedreg, 01900, Mexico City
Cadagua Ferr. Indust. México		Cadagua, S.A. (a)	75.1%	0	Mexico	Cataratas 3, 1 Jardín Del Pedreg, 01900, Mexico City
INDIA						
Cadagua Ferrovial India Pr Ltd.		Ferrovial Medio Ambiente, S.A.	5.0%	0	India	214, Vigyapan Lok Apartments, 110091, New Delhi
Cadagua Ferrovial India Pr Ltd.		Cadagua, S.A. (a)	95.0%	0	India	214, Vigyapan Lok Apartments, 110091, New Delhi
PUERTO RICO						
COCSA Puerto Rico	VGMM	Compañía de Obras Castillejos, S.A.	100.0%	0	Puerto Rico	Ponce De León Ave, 711
POLAND						
Budimex, S.A.	Deloitte Audit Sp. z.o.o.	Valivala Holdings B.V.	59.1%	98	Poland	01-040 Warsaw ul. Stawki 40
Budimex Danwood, Sp. z.o.o.	Deloitte Audit Sp. z.o.o.	Budimex, S.A.	100.0%	8	Poland	17-100 Bielsk Podlaski ul. Brańska 132
Budimex Sygnity, S.j.	Deloitte Audit Sp. z.o.o.	Budimex, S.A.	67.0%	0	Poland	01-040 Warsaw ul. Stawki 40
Mostostal Kraków, S.A.	Deloitte Audit Sp. z.o.o.	Budimex, S.A.	100.0%	3	Poland	31-752 Kraków ul. Mrozowa 5
Budimex Nieruchomości Sp. z.o.o. (PC)	Deloitte Audit Sp. z.o.o.	Budimex, S.A.	100.0%	176	Poland	01-040 Warsaw ul. Stawki 40
Budimex S.A. Ferrovial Agromán S.A. Sp.j.	Deloitte Audit Sp. z.o.o.	Budimex, S.A.	50.0%	0	Poland	01-040 Warsaw ul. Stawki 40
Budimex S.A. Ferrovial Agromán S.A. Sp.j.	Deloitte Audit Sp. z.o.o.	Ferrovial Agromán, S.A.	50.0%	0	Poland	01-040 Warsaw ul. Stawki 40
Tecpresa-Techniki Sprezan		Técnicas del Pretensado y Servicios Auxiliares, S.L. (a)	70.0%	0	Poland	01-040 Warsaw ul. Stawki 40
Tecpresa-Techniki Sprezan		Budimex, S.A.	30.0%	0	Poland	01-040 Warsaw ul. Stawki 40

Corporate Responsibility | Financial Information | Management Report | Company Description

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

CHILE						
Ferrovial Agromán Chile, S.A.		Ferrovial Agromán, S.A.	13.4%	4	Chile	C/ Mac Iver, 225, Dpto 20101, Santiago de Chile
Ferrovial Agromán Chile, S.A.		Ferrovial Agromán Empresa Constructora Ltda.	86.6%	10	Chile	C/ Mac Iver, 225, Dpto 20101, Santiago de Chile
Ferrovial Agromán Empresa Constructora Ltda.		Ferrovial Agromán, S.A.	100.0%	0	Chile	Avda San Andrés Bello 2711
Constructora Agromán Ferrovial Limitada		Ferrovial Agromán, S.A.	56.9%	0	Chile	Avda San Andrés Bello 2711
Constructora Agromán Ferrovial Limitada		Ferrovial Agromán Chile, S.A.	2.8%	0	Chile	Avda San Andrés Bello 2711
Constructora Agromán Ferrovial Limitada		Ferrovial Agromán Empresa Constructora Ltda.	40.4%	0	Chile	Avda San Andrés Bello 2711
Ferrovial Agromán Compañía Constructora Ltda.		Ferrovial Agromán, S.A.	99.95%	0	Chile	C/ Mac Iver, 225, Dpto 20101, Santiago de Chile
Ferrovial Agromán Compañía Constructora Ltda.		Ferrovial Agromán Chile, S.A.	0.05%	0	Chile	C/ Mac Iver, 225, Dpto 20101, Santiago de Chile
Ferrovial Agromán Latinoamérica, Ltda.		Ferrovial Agromán Empresa Constructora Ltda.	50.0%	0	Chile	C/ Mac Iver, 225, Dpto 20101, Santiago de Chile
Ferrovial Agromán Latinoamérica, Ltda.		Constructora Agromán Ferrovial Limitada	50.0%	0	Chile	C/ Mac Iver, 225, Dpto 20101, Santiago de Chile
CANADA						
Ferrovial Agromán Canada, Inc.	Deloitte	Constco Holdings B.V.	100.0%	1	Canada	100 King St West 41st Floor
NETHERLANDS						
Valivala Holdings B.V.		Discota XXI, S.L. (Sole-Shareholder Company) (a)	100.0%	99	Netherlands	Naritaweg 165, 1043 BW Amsterdam
Constco Holdings B.V.		Ferrovial Agromán, S.A. (i)	100.0%	3	Netherlands	Naritaweg 165, 1043 BW Amsterdam
UNITED STATES						
Ferrovial Agromán US Corp.	Deloitte	Ferrovial Agromán, S.A.	100.0%	11	US	7700 Chevy Chase Drive Suite 500
Ferrovial Agromán Indiana, LLC	Deloitte	Ferrovial Agromán US Corp.	100.0%	0	US	5960, Evergreen Av
Indiana Toll-Roads Contractors, LLC	Deloitte	Ferrovial Agromán Indiana, LLC	75.0%	0	US	1531 South Calumet Road, Chesterton, US
Ferrovial Agromán Texas, LLC	Deloitte	Ferrovial Agromán US Corp.	100.0%	0	US	7700 Chevy Chase Drive Suite 500
Ferrovial Agromán 56, LLC	Deloitte	Ferrovial Agromán Texas, LLC	100.0%	0	US	7700 Chevy Chase Drive Suite 500
Central Texas Highway Constructors, LLC	Deloitte	Ferrovial Agromán 56, LLC	50.0%	0	US	Lockhart, Texas 78644
W.W.Webber, LLC	Deloitte	Norvarem	100.0%	49	US	14333 Chrisman Road, Houston, Texas, 77039
Webber Management Group, Inc.	Deloitte	Norvarem	100.0%	41	US	14333 Chrisman Road, Houston, Texas, 77039
Southern Crushed Concrete, Inc.	Deloitte	Norvarem	100.0%	88	US	14333 Chrisman Road, Houston, Texas, 77039
Webber Barrier Services, LLC	Deloitte	Norvarem	100.0%	0	US	14333 Chrisman Road, Houston, Texas, 77039
Bluebonnet Contractors, LLC	Deloitte	Ferrovial Agromán Texas, LLC	60.0%	0	US	14333 Chrisman Road, Houston, Texas, 77039
Bluebonnet Contractors, LLC	Deloitte	DBW Construction, LLC	40.0%	0	US	14333 Chrisman Road, Houston, Texas, 77039
Trinity Infrastructure, LLC	Deloitte	Ferrovial Agromán Texas, LLC	60.0%	0	US	14333 Chrisman Road, Houston, Texas, 77039
Trinity Infrastructure, LLC	Deloitte	DBW Construction, LLC	40.0%	0	US	14333 Chrisman Road, Houston, Texas, 77039
DBW Construction, LLC	Deloitte	W.W. Webber, LLC	100.0%	0	US	14333 Chrisman Road, Houston, Texas, 77039
IRELAND						
Ferrovial Agromán Ireland Ltd.	Deloitte	Ferrovial Agromán, S.A.	100.0%	0	Ireland	Monastery Road, Clondalkin

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

NORTHERN IRELAND						
Ferrovial Agromán Irlanda del Norte, Ltda.	Deloitte	Ferrovial Agromán Ireland Ltd.	100.0%	0	Northern Ireland	N1 Road Carrickcarnan County Louth, Ireland
UNITED KINGDOM						
Ferrovial Agromán UK, Ltd.	Deloitte	Ferrovial Agromán, S.A.	100.0%	20	United Kingdom	1st Floor Raynham House, Capital Park West,
Ferrovial Agromán Airports UK, Ltd.	Deloitte	Ferrovial Agromán, S.A.	100.0%	0	United Kingdom	Heathrow Building, 4
GERMANY						
Budimex Bau		Budimex, S.A.	100.0%	0	Germany	50968 Köln (Niemcy) Pferdmengesstrasse 5
AUSTRALIA						
Ferrovial Agromán Australia Pty Ltd.		Ferrovial Agromán UK, Ltd.	100.0%	2	Australia	Level 12 95 Pitt Street, Sydney, NSW 2000

AIRPORTS

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
SPAIN						
Ferrovial Aeropuertos, S.A. (a)	Deloitte	Ferrovial, S.A.	100.0%	171	Spain	Príncipe de Vergara, 135, 28002, Madrid
CHILE						
Aeropuerto Cerro Moreno Sociedad Concesionaria, S.A. (Concession operator)	Price Waterhouse Coopers	Ferrovial Aeropuertos, S.A.	99.9999%	0	Chile	Avda. Andrés Bello 2711, Las Condes, Santiago
NETHERLANDS						
Aeroco Netherlands B.V.		Ferrovial Aeropuertos, S.A.	100.0%	-0	Netherlands	Naritaweg 165, 1043 BW Amsterdam, the Netherlands
Hubco Netherlands, B.V.	Deloitte	Finecofer, S.L.	100.0%	189	Netherlands	Naritaweg 165, 1043 BW Amsterdam, the Netherlands

Corporate Responsibility | Financial Information | Management Report | Company Description

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

TOLL ROADS

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
SPAIN						
Cintra Infraestructuras, S.A. (a)	Deloitte	Ferrovial, S.A.	100.0%	1,782	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
Autopista del Sol, C.E.S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	80.0%	199	Spain	Área de Peaje San Pedro - Ctra. del Pantano Roto, s/n, 29670, San Pedro de Alcántara (Málaga)
Autopista Terrasa Manresa, S.A. (a)	Deloitte	Inversora Autopistas de Cataluña, S.A.	76.3%	445	Spain	Autopista C - 16 Km. 41 Castellbell i El Vilar, 08296, Barcelona
Cintra Inversiones, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.	100.0%	320	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
Cintra Servicios, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.	100.0%	19	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
Inversora de Autopistas del Sur, S.L.	Deloitte	Cintra Infraestructuras, S.A.	55.0%	0	Spain	Salida 4 Parla-Pinto Edificio de Oficinas, 28320, Pinto (Madrid)
Autopista Madrid Sur C.E.S.A.	Deloitte	Inversora de Autopistas del Sur, S.L.	100.0%	633	Spain	Salida 4 Parla-Pinto Edificio de Oficinas, 28320, Pinto (Madrid)
Inversora de Autopistas del Levante, S.L.	Deloitte	Cintra Infraestructuras, S.A.	51.8%	0	Spain	Autopista Radial 4, Salida 4 Parla-Pinto, Edificio de Oficinas, Apartado de Correos nº 50, 28320, Pinto (Madrid)
Autopista Madrid Levante, C.E.S.A.	Deloitte	Inversora de Autopistas del Levante, S.L.	100.0%	460	Spain	Autopista Radial 4, Salida 4 Parla-Pinto, Edificio de Oficinas, Apartado de Correos nº 50, 28320, Pinto (Madrid)
Laertida, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.	100.0%	531	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
Cintra Autopistas Integradas, S.A. (a)		Cintra Infraestructuras, S.A.	100.0%	0	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
M-203 Alcalá-O'Donnell (a)	Deloitte	Cintra Autopistas Integradas, S.A.	100.0%	60	Spain	Autopista Radial 4, Salida 4 Parla-Pinto, Edificio de Oficinas, Apartado de Correos nº 50, 28320, Pinto (Madrid)
Cintra Inversora Autopistas de Cataluña, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	100.0%	0	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
Inversora Autopistas de Cataluña, S.A. (a)	Deloitte	Cintra Inversora Autopistas de Cataluña, S.A.	100.0%	0	Spain	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
PORTUGAL						
Euroscut Norte Litoral, S.A.	Deloitte	Cintra Infraestructuras, S.A.	75.5%	57	Portugal	Rua de Agra Nova 704, 4485 - 040 Aveleda - Vila do Conde
Euroscut -Sociedade Concessionaria da Scut do Algarve, S.A.	Deloitte	Cintra Infraestructuras, S.A.	77.0%	20	Portugal	Sitio da Franqueada, Apartado 1087, P8101-1904 Loulé
Euroscut Azores, S.A.	Deloitte	Cintra Infraestructuras, S.A.	89.0%	0	Portugal	Rua Hintze Ribeiro, 39, 1º andar, 9500-049 Ponta Delgada, the Azores
Via Livre, S.A.	Deloitte	Cintra Infraestructuras, S.A.	84.0%	0	Portugal	Rua de Agra Nova 704, 4485 - 040 Aveleda - Vila do Conde
NETHERLANDS						
Algarve International B.V.	Deloitte	Cintra Infraestructuras, S.A.	77.0%	0	Netherlands	Naritaweg 165, 1043 BW Amsterdam
407 Toronto Highway B.V.		Cintra Infraestructuras, S.A.	100.0%	369	Netherlands	Naritaweg 165, 1043 BW Amsterdam
POLAND						
Autostrada Poludnie, S.A.	Deloitte	Cintra Infraestructuras, S.A.	93.7%	0	Poland	Stawki 40, 01-040 Warsaw
CANADA						
4352238 Cintra Canada Inc.	Deloitte	407 Toronto Highway B.V.	100.0%	0	Canada	Operation Centre 6300 Steels Avenue West, Woodbridge, ON L4H 151
IRELAND						
Eurolink Motorway Operation (M4-M6), Ltd.	Deloitte	Cintra Infraestructuras, S.A.	66.0%	3	Ireland	Toll Plaza Cappagh Nicholastown, Co. Kildare
Financinfrastructures	Deloitte	Cintra Infraestructuras, S.A.	100.0%	65	Ireland	Toll Plaza Cappagh Nicholastown, Co. Kildare
Cinsac, Ltd.	Deloitte	Cintra Infraestructuras, S.A.	100.0%	0	Ireland	Administration Building Blackbull Toll Plaza, Quarryland, Dunboyne Co. Meath
Eurolink Motorway Operation (M3), Ltd.	Deloitte	Cinsac, Ltd.	95.0%	6	Ireland	Administration Building Blackbull Toll Plaza, Quarryland, Dunboyne Co. Meath

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
UNITED STATES						
Cintra Zachry, LP		Cintra Texas Corp	84.2%	2	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
Cintra Zachry, GP		Cintra Texas Corp	85.0%	0	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
Cintra Texas Corp.		Cintra Holding US Corp	100.0%	2	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
Cintra US, LLC		Cintra Texas Corp	100.0%	0	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
Cintra Skyway LLC		Cintra Holding US Corp	100.0%	192	US	233 North Michigan Avenue, Suite 1980, Chicago, Illinois 60601
Cintra Holding US Corp		Laertida	100.0%	839	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
SCC Holdings LLC	Deloitte	Cintra Skyway LLC	55.0%	192	US	233 North Michigan Avenue, Suite 1980, Chicago, Illinois 60601
Skyway Concession Co. LLC	Deloitte	SCC Holding LLC	100.0%	424	US	233 North Michigan Avenue, Suite 1980, Chicago, Illinois 60601
Cintra ITR LLC		Cintra Holding US Corp/Cintra Texas Corp	68% / 1%	132	US	52551 Ash Road, Granger, Indiana 46530
Cintra Texas 56, LLC		Cintra Holding US Corp	100.0%	155	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
SH-130 Concession Company, LLC	Deloitte	Cintra Texas 56, LLC	65.0%	155	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
Cintra NTE, LLC		Cintra Holding US Corp	100.0%	106	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
Cintra LBJ, LLC		Cintra Holding US Corp	100.0%	139	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
LBJ Infrastructure Group Holding, LLC		Cintra LBJ, LLC	100.0%	139	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
LBJ Infrastructure Group	Deloitte	LBJ Infrastructure Group Holding, LLC	51.0%	273	US	4100 McEwen Road Suite 500, 75244 Dallas, Texas
NTE Mobility Partners Holding, LLC	Deloitte	Cintra NTE, LLC	56.7%	106	US	Chevy Chase One, 7700 Chevy Chase Drive, Suite 500, 78752 Austin, Texas
NTE Mobility Partners, LLC	Deloitte	NTE Mobility Partners Holding, LLC	100.0%	187	US	9001 Airport Freeway Suite 600 North Richland Hills, 76180 Texas
NTE Mobility Partners Segment 2 - 4 LLC		Cintra NTE, LLC	75.0%	0	US	Chase Park Building 1, 7700 Chevy Chase Dr, Suite 500, Austin (Texas)
Tex Toll Services, LLC		Cintra Holding US Corp	100.0%	0	US	Chase Park Building 1, 7700 Chevy Chase Dr, Suite 500, Austin (Texas)
AUSTRALIA						
Cintra Developments Australia PTY Ltd.		Cintra Infraestructuras, S.A.	100.0%	0	Australia	Level 5, 95 Pitt Street, Sydney, NSW 2000

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

SERVICES						
Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
SPAIN						
Ferrovial Servicios, S.A. (a,i)	Deloitte	Ferrovial, S.A.	99.9%		Spain	Príncipe de Vergara, 135. Madrid
Ferroser Servicios Auxiliares, S.A. (a,i)	Deloitte	Ferrovial Servicios, S.A.	99.0%	10	Spain	Príncipe de Vergara, 135. Madrid
Ferroser Infraestructuras, S.A. (a)	Deloitte	Ferrovial Servicios, S.A.	100.0%	18	Spain	Príncipe de Vergara, 135. Madrid
Viales de Castilla y León S.A. (a)	Deloitte	Ferroser Infraestructuras, S.A.	100.0%	0	Spain	Polígono Industrial Hervencias, Fase 4, Parcela 2, Ávila
Andaluza de Señalizaciones S.A. (a)	Deloitte	Ferroser Infraestructuras, S.A.	100.0%	1	Spain	San Cristóbal, 16, Antequera (Málaga)
Autovía de Aragón, Sociedad Concesionaria, S.A. (a,ii)	Deloitte	Ferroser Infraestructuras, S.A.	60.0%	8	Spain	Príncipe de Vergara, 135. Madrid
Compañía Española de Servicios Públicos Auxiliares, S.A. (a,i)	Deloitte	Ferrovial Servicios, S.A.	99.9%	561	Spain	Avda. Catedral 6-8. 08002-Barcelona
Cespa Conten, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100.0%	13	Spain	Avda. Catedral 6-8. 08002-Barcelona
Oñeder, S.A.	Deloitte	Cespa Conten, S.A.	51.6%	0	Spain	Egino Berri s/n. Azkoitia (Guipúzcoa)
Cespa Gestión Residuos, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100.0%	75	Spain	Avda. Catedral 6-8. 08002-Barcelona
Contenedores Reus, S.A. (a)	Deloitte	Cespa Gestión Residuos, S.A.	75.5%	0	Spain	Camí Mas de Can Blasi s/n, Partida Mas Calbó. Reus (Tarragona)
Cespa Gestión Tratamientos de Residuos, S.A. (a)	Deloitte	Cespa Gestión Residuos, S.A.	100.0%	21	Spain	Avda. Catedral 6-8. 08002-Barcelona
Econenergía Can Mata AIE	Deloitte	Cespa Gestión Residuos, S.A.	70.0%	0	Spain	Avda. Catedral 6-8. 08002-Barcelona
Econenergía Can Mata AIE	Deloitte	Cespa, S.A.	30.0%	0	Spain	Avda. Catedral 6-8. 08002-Barcelona
Tratamientos, Residuos y Energías Valencianas, S.A.		Cespa Gestión Residuos, S.A.	55.0%	1	Spain	Antonio Suarez, 48 Escalera 1, Entresuelo - Valencia
Albaida Residuos, S.L. (a)	Deloitte	Cespa Gestión Residuos, S.A.	100.0%	2	Spain	Avda. Catedral 6-8. 08002-Barcelona
Técnicas Medioambientales Avanzadas, S.L.		Albaida Residuos, S.L.	55.0%	0	Spain	Playa de las Almadrabillas, 17 Edificio Presidente, Fase B - Almería
Tratamiento de Residuos Medioambientales, S.L.		Albaida Residuos, S.L.	54.9%	0	Spain	Playa de las Almadrabillas, 17 Edificio Presidente, Fase B - Almería
Cespa Inversiones Ambientales S.A. (a)		Compañía Española de Servicios Públicos Auxiliares, S.A.	60.0%	4	Spain	Avda. Catedral 6-8. 08002-Barcelona
Cespa Inversiones Ambientales, S.A. (a)		Cespa Conten, S.A.	40.0%	2	Spain	Avda. Catedral 6-8. 08002-Barcelona
Cespa Jardinería, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100.0%	7	Spain	Henao, 20. Bilbao (Vizcaya)
Sitkol, S.A. (a,i)		Compañía Española de Servicios Públicos Auxiliares, S.A.	99.0%	5	Spain	Príncipe de Vergara, 135. Madrid
Emp. Mixta Almendralejo, S.A.		Compañía Española de Servicios Públicos Auxiliares, S.A.	51.0%	0	Spain	Mérida, 4. Almendralejo (Badajoz)
Ingeniería Ambiental Granadina, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	80.0%	3	Spain	Plaza de los Campos, 4 - 1ª planta 18009. Granada
Gestión Medioambiental de Toledo, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	60.0%	8	Spain	Plaza de la Merced, 4. Toledo
Ayora Gestión Biogás, S.L. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	80.0%	0	Spain	Rosario, 6 planta 4ª Albacete
Ecoparc de Can Mata, S.L.U. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100.0%	11	Spain	Avda. Catedral 6-8. 08002-Barcelona
Cespa Servicios Urbanos de Murcia, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100.0%	10	Spain	Avda. Catedral 6-8. 08002-Barcelona
PORTUGAL						
Cespa Portugal, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100.0%	12	Portugal	Avda. Severiano Falçao, Lote 2. Edificio Ambiente. Prior Velho (Loures). Portugal
Citrup Lda	Deloitte	Cespa Portugal, S.A.	100.0%	1	Portugal	Lugar do Sendal, Freguesia de Moreira. Maia (Portugal)
Ferrovial Construcoes Gestao e Manutencao, S.A.	BDO	Ferrovial Servicios, S.A.	97.5%	0	Portugal	Av. 24 de Julho. 102-E Lisbon
Novipav Investimentos SGES, S.A.	BDO	Ferroser Infraestructuras, S.A.	100.0%	1	Portugal	Rua Gil Vicente, Lote 33. Quinta do Serpa. (Vialonga)
Sopovico Soc. Port. Vías de Com- Cons. Infraestructuras	BDO	Novipav Investimentos SGES, S.A.	100.0%	19	Portugal	Rua Gil Vicente, Lote 33. Quinta do Serpa. (Vialonga)
UNITED KINGDOM						
Amey UK Plc (a)	BDO LLP	Ferrovial Servicios, S.A. (iv)	100.0%	311	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Amey UK plc	BDO LLP	Ferrovial, S.A.	0.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey plc	BDO LLP	Amey UK plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey plc	BDO LLP	Ferrovial, S.A.	0.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey 1321 Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Airports Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Building Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Community Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Construction Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Datel Group Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Datel Ltd.	BDO LLP	Amey OW Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Datel Security and Communications Ltd.	BDO LLP	Amey Datel Group Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Datel Technology Ltd.	BDO LLP	Amey Datel Group Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Facilities Partners Ltd.	BDO LLP	Comax Holdings Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Fleet Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Group Information Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Group Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Highways Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Holdings Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Information Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Insurance Company PCC Ltd.	BDO Guernsey	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Insurance Company PCC Ltd.	BDO Guernsey	Sherard Secretariat Services Limited	holds 1 share	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Investments Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey IT Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey LG Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey LUL 2 Ltd.	BDO LLP	Amey Tube Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey LUL Ltd.		Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Mechanical & Electrical Services Ltd.	BDO LLP	Amey Community Limited	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey OW Group Ltd.	BDO LLP	Amey UK plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey OW Ltd.	BDO LLP	Amey OW Group Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey OWR Ltd.	BDO LLP	Amey OW Group Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Procurement Solutions Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Programme Management Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Properties Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Property Ltd.		Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Rail Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Railtech Ltd.		Amey OW Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Railways Holding Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Roads (North Lanarkshire) Ltd.	BDO LLP	Amey LG Ltd.	66.7%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Technology Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Amey Tramlink Ltd.	BDO LLP	Amey Technololgy Services, Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Tube Ltd.	BDO LLP	JNP Ventures Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Ventures Asset Holdings Ltd.	BDO LLP	Amey Investments Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Ventures Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Ventures Management Services Ltd.	BDO LLP	Amey Investments Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Wye Valley Ltd.	BDO LLP	Amey LG Ltd.	80.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Bushclose Ltd.	BDO LLP	Treasurepark Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Comax Holdings Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
JNP Ventures 2 Ltd.	BDO LLP	Amey Tube Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
JNP Ventures Ltd.	BDO LLP	Amey Ventures, Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Sherard Secretariat Services Ltd.	BDO LLP	Amey plc	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Treasurepark Ltd.	BDO LLP	Amey Technololgy Services, Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Wimco Ltd.	BDO LLP	Amey Railways Holding Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Public Services LLP	BDO LLP	Amey LG Ltd.	66.7%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
TPI Holdings Limited	BDO LLP	Amey OW Limited	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Transportation Planning International Limited	BDO LLP	TPI Holdings Limited	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Nationwide Distribution Services Limited	BDO LLP	Amey LG Ltd.	100.0%	0	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Cespa UK, Ltd.	BDO LLP	Cespa, S.A.	100.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford
Cespa Ventures, Ltd.	BDO LLP	Cespa UK, S.A.	100.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford
Amey Cespa Ltd.	BDO LLP	Cespa UK, S.A.	50.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford
Amey Cespa Ltd.	BDO LLP	Amey LG Ltd.	50.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford, OX4 4DQ
AmeyCespa (East) Holdings Limited	BDO LLP	AmeyCespa, Ltd.	100.0%	59	United Kingdom	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
AmeyCespa (East) Limited	BDO LLP	AmeyCespa (East) Holdings Limited	100.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford, OX4 4DQ
AmeyCespa Services (East) Limited	BDO LLP	AmeyCespa (East) Limited	100.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford, OX4 4DQ
AmeyCespa WM (East) Limited	BDO LLP	AmeyCespa Services (East) Limited	100.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford, OX4 4DQ
Allerton Waste Recovery Park Interim SPV Limited	BDO LLP	AmeyCespa Limited	100.0%	0	United Kingdom	Sherard Building. Edmund Halley Road. Oxford, OX4 4DQ
CHILE						
Grupisa Chile, S.A.		Ferroser Infraestructuras, S.A.	66.0%	0	Chile	Andrés Bello 2711 P18 Las Condes-Santiago
Ferrovial Servicios Chile, S.L.		Ferrovial Servicios, S.A.	99.9%	0	Chile	Andrés Bello 2711 P18 Las Condes-Santiago
Ferrovial Servicios Chile, S.L.		Ferroser Infraestructuras, S.A.	0.1%	0	Chile	Andrés Bello 2711 P18 Las Condes-Santiago
Ferrovial Servicios Antofagasta, S.L.		Ferrovial Servicios, S.A.	99.9%	0	Chile	Andrés Bello 2711 P18 Las Condes-Santiago
Ferrovial Servicios Antofagasta, S.L.		Ferroser Infraestructuras, S.A.	0.1%	0	Chile	Andrés Bello 2711 P18 Las Condes-Santiago
POLAND						
FBSerwis, S.A.	Deloitte	Ferrovial Servicios, S.A.	51.0%	2	POLAND	Ul. Stawki 40, 01-040 Warsaw
FBSerwis, S.A.	Deloitte	Budimex, S.A.	49.0%	2	POLAND	Ul. Stawki 40, 01-040 Warsaw
MOROCCO						
Cespa Nadafa, S.A.R.L.		Compañía Española de Servicios Públicos Auxiliares, S.A.	98.8%	-1	Morocco	Siège Social Villa Daryam, Lot 23 Golf, Cap Spartel - Tangiers
Cespa Nadafa, S.A.R.L.		Cespa Gestión Residuos, S.A.	0.7%	0	Morocco	Siège Social Villa Daryam, Lot 23 Golf, Cap Spartel - Tangiers
IRELAND						
Landmille, Ltd.	BDO LLP	Ferrovial Servicios, S.A.	100.0%	76	Ireland	Eurolink Motorway Toll Plaza, Cappagh, Nicholastown, Kilcock, Co. Kildare

(i) The remaining percentage is owned by Can-am, S.A.
(ii) The remaining percentage is owned by Ferrovial Agromán, S.A. (25%) and Ferrovial, S.A. (15%)

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

REAL ESTATE

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Country	Registered office
SPAIN						
Grimalinvest, S.L. (a)		Ferrovial, S.A. (i)	99.5%	14	Spain	Naritaweg 165, 1043 BW, Amsterdam
Ferrovial FISA, S.L. (a)		Ferrovial, S.A. (i)	99.0%	202	Spain	Príncipe de Vergara, 135, 28002, Madrid

(i) Remaining ownership interest through Can-am, S.A. (Sole-Shareholder Company)

(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 de Levante, S.L.
(PC) Proportionate consolidation

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

APPENDIX I (continued)

ASSOCIATES (companies accounted for using the equity method)

(Millions of euros)

AIRPORTS

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Registered Office	Assets	Liabilities	Revenue	Profit/Loss	Address
UNITED KINGDOM										
Heathrow Airport Holdings, Ltd.	Deloitte	Hubco Netherlands	34%	1,592	United Kingdom	18,443	16,602	2,646	375	The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW
Goya Airports S.a.r.l.		Ferrovial Aeropuertos	30%	0	Luxembourg	0	0 -	0 -	0	Rue Eugène Ruppert 19, L-2453 Luxembourg

TOLL ROADS

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Registered Office	Assets	Liabilities	Revenue	Profit/Loss	Address
CANADA										
407 International Inc. (a)	Deloitte	4352238 Cintra Canada Inc.	43%	254	Canada	3,827	4,788	569	135	Operation Center 6300 Steels Avenue West Woodbridge, ON L4H 151
407 East Development Group General Partnership	Deloitte	Toronto Highway, BV	50%	0	Canada	442	441	63	1	400 Dundas Street East, Unit 2, Whitby Ontario L1N 0K1
OMR and R407 East Development Group General Partnership		Toronto Highway, BV	50%	0	Canada	1	0	1	1	401 Dundas Street East, Unit 2, Whitby Ontario L1N 0K1
SPAIN										
Serrano Park, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.	50%	0	Spain	108	101	5	-4	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
A-334 Autovía del Almanzora	Ernst & Young	Cintra Infraestructuras, S.A.	24%	3	Spain	10	6	5	0	Méndez Núñez, 8, 2º.1 - 04001 Almería
A66 Benavente - Zamora	Deloitte	Cintra Infraestructuras, S.A.	25%	10	Spain	10	0	0	0	Plaza Manuel Gómez Moreno, 2. Edificio Alfredo Mahou, 28020, Madrid
UNITED STATES										
Statewide Mobility Partners LLC (PC) (a)	Deloitte	Cintra ITR LLC / Cintra Holding US Corp	49% / 1%	262	US	532	0	0	0	52551 Ash Road, 46530 Granger, Indiana
ITR Concession Company Holdings (PC) (a)	Deloitte	Statewide Mobility Partners LLC	100%	532	US	532	0	0	0	52551 Ash Road, 46530 Granger, Indiana
ITR Concession Company (PC) (a)	Deloitte	ITR Concession Company Holdings	100%	532	US	2,906	4,746	152	0	52551 Ash Road, 46530 Granger, Indiana
GREECE										
Nea Odos, S.A.	Deloitte	Ferrovial, S.A.	33.3%	0	Greece	559	189	58	0	Nea Odos Themistokleous, 87, bajo dcha, 10683
Central Greece Motorway	Deloitte	Ferrovial, S.A.	33.3%	0	Greece	523	366	8	0	1st Km Lamia, Athens

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

CONSTRUCTION

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Registered Office	Assets	Liabilities	Revenue	Profit/Loss	Address
SPAIN										
Urbs Iudex et Causidicus, S.A.		Ferrovial Agromán, S.A.	22.0%	8	Spain	370	458	33	-4	c/ Tarragona 161, 08014 Barcelona
Boremer, S.A.	Deloitte	Cadagua, S.A.	50.0%	2	Spain	25	20	26	0	Ribera del Loira, 42, 28042, Madrid
Dirgenfin, S.L.	Deloitte	Aplicación Recursos Naturales, S.A. (a)	20.0%	0	Spain	51	53	3	-3	Paseo de la Castellana, 103, 28046 Madrid
Tecnológica Lena, S.L.	Attest Consulting	Ferrovial Agromán, S.A.	50.0%	0	Spain	0	1	0	0	c/ La Vega 5, 33620 Campomanes, Asturias
Sociedade Concesionaria Baio		Ferrovial Agromán, S.A.	50.0%	2	Spain	4	0	0	0	Polígono Industrial LALIN 2000, PAR C 26, 36430 Pontevedra
POLAND										
Elektromontaż Poznań, S.A.	Deloitte	Budimex, S.A.	30.8%	5	Poland	20	10	26	-2	60-166 Poznań ul. Wieruszowska 12/16
PPHU PROMOS Sp. z.o.o.		Budimex, S.A.	26.1%	0	Poland	2	0	2	0	31-750 Kraków ul. Kocmyrzowska 13A

SERVICES

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Registered Office	Assets	Liabilities	Revenue	Profit/Loss	Address
SPAIN										
Empresa de Mantenimiento y Explotación M-30, S.A.	Deloitte	Ferrovial Servicios, S.A.	50.0%	0	Spain	229	222	29	1	Calle Méndez Alvaro, 95, Madrid
Concesionaria Madrid Calle 30, S.A.	KPMG	Empresa de Mantenimiento y Explotación M-30, S.A.	20.0%	77	Spain	557	134	122	55	Calle Méndez Alvaro, 95, Madrid
Aetec, S.A.		Ferroser Infraestructuras, S.A.	9.2%	0	Spain	0	0	0	-0	c/ Isaac Peral, 1 Nave 44 - Leganés-28914 Madrid
Ferronats Air Traffic Services, S.A.	Deloitte	Ferrovial Servicios, S.A.	50.0%	-	Spain	3	5	0	-3	Príncipe de Vergara, 135. Madrid
Valdedominguez 2000, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	20.0%	1	Spain	12	8	6	0	Albarracín, 44 28037 Madrid
Ingeniería Urbana, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	35.0%	4	Spain	38	21	41	3	Pol. Ind. Pla de la Vallonga, Parcela 92. 03006 Alicante
Recollida de Residuos D´Osona, S.L.		Compañía Española de Servicios Públicos Auxiliares, S.A.	45.0%	0	Spain	4	3	6	0	Historiador Ramon d'Abadal i de Vinyals, 5. Edifici Sucre. Vic (Barcelona)
Reciclados y Compostaje Piedra Negra, S.A.	Moore Stephens Ibergrup, S.A.P.	Cespa Gestión Residuos, S.A.	49.0%	2	Spain	17	9	8	1	Partida El Feliu. Pasaje Piedra Negra s/n. Ctra Nacional 340, Km. 761.75. Xixona (Alicante)
Companya Especial de Recuperacions i Recondicionaments, S.L.		Cespa Gestión Residuos, S.A.	42.1%	1	Spain	1	3	0	-0	Avda. Catedral 6-8. 08002- Barcelona

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Ecocat, S.L.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	50.0%	7	Spain	30	22	25	-1	Camí Can Bros, 6. Martorell (Barcelona)
Sogarisa, S.A.	Deloitte	Ecocat, S.L.	50.0%	1	Spain	16	14	9	-1	Parque Empresarial Somozas, s/n. 15565-As Somozas (A Coruña)
Ecocem, S.A.		Ecocat, S.L.	51.0%	0	Spain	1	1	1	-0	Camí Can Bros, 6. Martorell (Barcelona)
Gestó de Residuos Especials de Catalunya, S.A.	Deloitte	Ecocat, S.L.	33.3%	-	Spain	8	13	25	3	Avda. Europa s/n. Pol Ind de Constantí. 43120-Constantí (Tarragona)
Novalis Medioambiente, S.A.		Cespa Gestión Residuos, S.A.	50.0%	-	Spain	5	5	2	0	Avda. Alfonso El Sabio, 36. Alicante
MOVITEC		Ecocat, S.L.	50.0%	0	Spain	0	0	0	-0	Francesc Macià, 1. Martorell (Barcelona)
Ecoparc del Mediterrani, S.A.	Deloitte	Cespa Gestión Residuos, S.A.	48.0%	3	Spain	15	5	11	1	Avda. Eduard Maristany, s/n. 08930-Sant Adrià del Besós (Barcelona)
Nora, S.A.		Compañía Española de Servicios Públicos Auxiliares, S.A.	40.0%	0	Spain	9	8	9	0	Passeig de Sant Salvador, 25-27. Santa Coloma de Forners (Girona)
Vialnet Vic., S.L.	BDO Auditores, S.L.	Compañía Española de Servicios Públicos Auxiliares, S.A.	49.0%	0	Spain	1	1	2	0	Mataró, 18. Pol Ind Sot dels Pradals. Vic (Barcelona)
Nevasa	BDO Auditores, S.L.	Sitkol, S.A.	49.0%	3	Spain	16	8	3	1	Plaza Mayor 1, Valladolid
PORTUGAL										
Valorhospital, S.A.		Cespa Portugal, S.A.	35.3%	0	Portugal	1	0	0	0	Rua Quinta d'Alem, 79. Fregesia de Pedroso. Vila Nova de Gaia (Portugal)
Ecobeirao	Martins Pereira & Associados	Cespa Portugal, S.A.	20.0%	0	Portugal	11	11	0	-0	Carregal do Sal. Portugal
Valor-Rib Industrial Residuos	Martins Pereira & Associados	Compañía Española de Servicios Públicos Auxiliares, S.A.	45.0%	0	Portugal	6	4	0	-0	Avda. Carlos Bacelas, 174. Vila Nova de Famalicao. Portugal
Cespa Portugal - Ecoambiente ACE	Deloitte	Cespa Portugal, S.A.	50.0%	-	Portugal	1	1	0	0	Rua Sousa Aroso, 352, 1º andar, sala 12. 4450-286 Matosinhos (Portugal)
ANDORRA										
Centre de Tractament de Residus d´Andorra	Gaudit, S.L.	Cespa Gestión Residuos, S.A. (a)	29.0%	2	Andorra	140	134	0	0	Ctra. De La Comella, s/n. Andorra la Vella
UNITED KINGDOM										
Amey Ventures Investments Ltd.	BDO LLP	Amey Investments Ltd.	49.834%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Ventures Investments Ltd.	BDO LLP	Amey Fleet Services Limited	0.332%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
AHL Holdings (Manchester) Ltd.	Deloitte LLP	Amey Ventures Investments Ltd.	50%	-	United Kingdom	11	12	0	-2	1 Kingsway, London WC2B 6AN
Amey Highways Lighting (Manchester) Ltd.	Deloitte LLP	AHL Holdings (Manchester) Ltd.	100%	-	United Kingdom	0	0	0	0	1 Kingsway, London WC2B 6AN
AHL Holdings (Wakefield) Ltd.	Deloitte LLP	Amey Ventures Investments Ltd.	50%	-	United Kingdom	7	8	0	-1	1 Kingsway, London WC2B 6AN
Amey Highways Lighting (Wakefield) Ltd.	Deloitte LLP	AHL Holdings (Wakefield) Ltd.	100%	-	United Kingdom	0	0	0	0	1 Kingsway, London WC2B 6AN
ALC (Superholdco) Ltd.	KPMG LLP	Amey Ventures Investments Ltd.	50%	-	United Kingdom	51	44	6	7	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
ALC (FMC) Ltd.	KPMG LLP	ALC (Superholdco) Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

ALC (Holdco) Ltd.	KPMG LLP	ALC (Superholdco) Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
ALC (SPC) Ltd.	KPMG LLP	ALC (Holdco) Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Belfast Schools Partnership HoldCo. Ltd.	BDO LLP	Amey Ventures Investments Ltd.	100%	-	United Kingdom	72	82	-1	-11	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Belfast Schools Partnership PFI Co. Ltd.	BDO LLP	Amey Belfast Schools Partnership HoldCo. Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Birmingham Highways Holdings Ltd.	BDO LLP	Amey Ventures Asset Holdings Ltd.	33.334%	-	United Kingdom	74	90	-0	-16	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Birmingham Highways Ltd.	BDO LLP	Amey Birmingham Highways Holdings Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey FMP Belfast Strategic Partnership Holdco. Ltd.	BDO LLP	Amey Ventures Management Services Ltd.	70%	-	United Kingdom	0	0	-0	-0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey FMP Belfast Strategic Partnership SP Co. Ltd.	BDO LLP	Amey FMP Belfast Schools Partnership Holdco. Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Lagan Roads Holdings Ltd.	BDO LLP	Amey Ventures Investments Ltd.	50%	-	United Kingdom	94	94	-0	-1	Rosemount House, 21-23 Sydenham Rd, Belfast BT3 9HA
Amey Lagan Roads Financial plc	BDO LLP	Amey Lagan Roads Holdings Ltd.	99.997%	-	United Kingdom	0	0	0	0	Rosemount House, 21-23 Sydenham Rd, Belfast BT3 9HA
Amey Lagan Roads Financial plc	BDO LLP	Amey Ventures Investments Limited	0.002%	-	United Kingdom	0	0	0	0	Rosemount House, 21-23 Sydenham Rd, Belfast BT3 9HA
Amey Lagan Roads Ltd.	BDO LLP	Amey Lagan Roads Holdings Ltd.	100%	-	United Kingdom	0	0	0	0	Rosemount House, 21-23 Sydenham Rd, Belfast BT3 9HA
Amey Lighting (Norfolk) Holdings Ltd.	BDO LLP	Amey Ventures Investments Ltd.	100%	-	United Kingdom	22	27	0	-5	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Lighting (Norfolk) Ltd.	BDO LLP	Amey Lighting (Norfolk) Holdings Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
E4D & G Holdco. Ltd.	BDO LLP	Amey Ventures Investments Ltd.	85.0%	-	United Kingdom	66	73	0	-6	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
E4D & G Project Co. Ltd.	BDO LLP	E4D & G Holdco. Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
EduAction (Waltham Forest) Ltd. (PC)	PKF (UK) LLP	Amey plc	50%	-	United Kingdom	0	-0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford Hold. Co. One Ltd.	KPMG LLP	Amey Ventures Investments Ltd.	25.167%	-	United Kingdom	20	23	0	-3	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford Hold. Co. One Ltd.	KPMG LLP	Integrated Bradford LEP Ltd.	8.0%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford PSP Ltd. (PC)	KPMG LLP	Amey Ventures Asset Holdings Ltd.	50%	-	United Kingdom	3	2	0	1	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford Hold. Co. Two Ltd.	KPMG LLP	Amey Ventures Asset Holdings Ltd.	2%	-	United Kingdom	14	15	0	-1	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford Hold. Co. Two Ltd.	KPMG LLP	Integrated Bradford LEP Ltd.	4%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford LEP Ltd.	KPMG LLP	Integrated Bradford PSP Ltd.	80%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford LEP Fin. Co. One Ltd.	KPMG LLP	Integrated Bradford LEP Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Integrated Bradford SPV One Ltd.	KPMG LLP	Integrated Bradford Hold. Co. One Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ

Corporate Responsibility | Financial Information | Management Report | Company Description

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

Company	Auditor	Parent	% of ownership	Net cost of ownership interest (millions of euros)	Registered Office	Assets	Liabilities	Revenue	Profit/Loss	Address
Integrated Bradford SPV Two Ltd.	KPMG LLP	Integrated Bradford Hold. Co. Two Ltd.	100%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
RSP (Holdings) Ltd.	KPMG LLP	Amey Ventures Investments Ltd.	35.0%	-	United Kingdom	25	31	0	-6	Capella Bldg (10th floor), 60 York Street, Glasgow G2 8JX
The Renfrewshire Schools Partnership Ltd.	KPMG LLP	RSP (Holdings) Ltd.	100%	-	United Kingdom	0	0	0	0	Capella Bldg (10th floor), 60 York Street, Glasgow G2 8JX
Services Support (Avon & Somerset) Holdings Ltd.	Deloitte LLP	Amey Ventures Investments Ltd.	20.004%	-	United Kingdom	8	9	0	-2	1 Kingsway, London WC2B 6AN
Services Support (Avon & Somerset) Ltd.	Deloitte LLP	Services Support (Avon & Somerset) Holdings Ltd.	100%	-	United Kingdom	0	0	0	0	1 Kingsway, London WC2B 6AN
Yarls Wood Immigration Ltd.	KPMG LLP	Amey Programme Management Ltd.	50%	-	United Kingdom	0	0	0	0	Southside, 50 Victoria Street London SW1E 6QT
GEO Amey PECS Limited	Grant Thornton	Amey Community Limited	50%	-	United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Hallam Highways Holdings Limited	BDO LLP	Amey Ventures Asset Holdings Ltd.	33.333%	-	United Kingdom	19	22	0	-2	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
Amey Hallam Highways Limited	BDO LLP	Amey Hallam Highways Holdings Ltd.	100%		United Kingdom	0	0	0	0	The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
QATAR										
Ferrovial Qatar LLC	Deloitte	Ferrovial Servicios, S.A.	49.0%	1	Qatar	1	2	0	-1	Address: PO Box 19517 Doha - Qatar

REAL ESTATE										
Company	**Auditor**	**Parent**	**% of ownership**	**Net cost of ownership interest (millions of euros)**	**Registered Office**	**Assets**	**Liabilities**	**Revenue**	**Profit/Loss**	**Address**
SPAIN										
Promociones Hábitat (i)		Ferrovial FISA	20.0%	0	Spain	0	0	0	0	Avenida Diagonal, 458, 08006 Barcelona

(i) Information on auditor not available

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

38. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Consolidated financial statements at 31 December 2012
Ferrovial S.A. and Subsidiaries

The foregoing pages, initialled by the Secretary of the Board of Directors, contain the consolidated financial statements of FERROVIAL, S.A. -i.e. the consolidated statement of financial position, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements- for the year ended 31 December 2012, which were authorised for issue by the Company's Board of Directors at the meeting held in Madrid on 19 February 2013 and which, pursuant to Article 253 of the Spanish Limited Liability Companies Law, all the directors sign below.

Rafael del Pino y Calvo-Sotelo Chairman	Santiago Bergareche Busquet Deputy Chairman
Joaquín Ayuso García Deputy Chairman	Íñigo Meirás Amusco CEO
Jaime Carvajal Urquijo Director	Leopoldo del Pino y Calvo-Sotelo for Portman Baela, S.L. Director
Juan Arena de la Mora Director	Gabriele Burgio Director
María del Pino y Calvo-Sotelo Director	Santiago Fernández Valbuena Director
José Fernando Sánchez-Junco Mans Director	Joaquín del Pino y Calvo-Sotelo for Karlovy, S.L. Director

auditors' report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of 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 38). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
FERROVIAL, S.A.:

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 2012 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. As indicated in Note 2.1 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. 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.

In our opinion, the accompanying consolidated financial statements for 2012 present fairly, in all material respects, the consolidated equity and consolidated financial position of FERROVIAL, S.A. and Subsidiaries at 31 December 2012, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2012 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 2012. 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

19 February 2013

Company Description
Management Report
Financial Information
Corporate Responsibility

Photo: © José Manuel Ballester. Warsaw Mathematics Department. Poland

corporate responsibility

188 corporate responsibility
198 ethical integrity
206 commitment to stakeholders
212 environment
240 human capital
252 human rights
258 health and safety
266 quality
274 innovation
282 supply chain
292 social commitment
306 about this report
310 independent assurance
314 content index
316 management approach and performance indicators
320 directory

Company Description
Management Report

Volunteers reviewing the water supply project plans in the sierra of Cajamarca, Peru

corporate responsibility

Ferrovial has been a member of the United Nations Global Compact since 2002. The company ratifies its commitment to the institution every year and adopts these principles as its standard for its operations around the world.

The 20.13 Plan

The 20.13 Plan (the strategic Corporate Responsibility plan) aims to improve competitiveness, develop Ferrovial's sustainability and protect its reputation, thus contributing long-term value for the company and its stakeholders.

The aim of this plan is to bind Corporate Responsibility to Ferrovial's defining position in Smart Infrastructures: efficient, accessible, clean and human infrastructures that improve the quality of life of society. To do so, an analysis was carried out to guide the objectives and lines of action to be included in the plan:

Investors

- Review of the institutional investor policies used when adopting social, environmental and corporate governance criteria in the investment portfolio building process

Sustainability Indices

- Analysis of strengths and weaknesses identified in the assessments made by the main indices.

Review of Best Practices

- Analysis of significant CR practices in the sector.

The 20.13 Plan sets objectives to help define Ferrovial's positioning in three key markets:

Capital:

- Head the sustainability indices.
- Reinforce the appeal of the ESG criteria among institutional investors and position the company with respect to SRI.

Society:

- Representation in CR initiatives.
- Promote dialog with stakeholders.

Employment:

- Raise awareness of the importance of CR among employees and potential candidates.

For Ferrovial, its Corporate Responsibility is a strategic function that can create long-term value for all its stakeholders and for society as a whole. The creation of its Corporate Responsibility Policy is integrated into the company's business culture and the way it operates. It cuts across all Ferrovial's activity in its relations with the outside world.

Company Description
Management Report
Financial Information
Corporate Responsibility

Six priority areas for action were defined following this analysis:

1. **Corporate Governance:** The efforts are focused on transparency, with improved communication to investors and analysts of information on non-financial performance. The goal is to achieve business objectives while guided by the interest of society.
2. **Codes of Good Conduct:** Ferrovial is aware of the need to promote respect for human rights across the value chain and to foster the principles of the United Nations Global Compact. In addition, emphasis is placed on processes and measures to combat corruption, extortion and bribery.
3. **People:** Policies of equality, diversity and work-life balance, as well as occupational safety, are of particular importance to Ferrovial. Also key are issues of safety and risk prevention.
4. **Society and the Environment:** Ferrovial's environmental management, a benchmark in the sector, works to monitor and reduce the carbon footprint and improve energy efficiency. Of particular interest are the programs to encourage mobility, cut the amount of raw materials used and promote the use of recycled materials.

   On the social front, the company's employees carry out infrastructure projects in developing countries. Efforts also focus on accessibility and research and innovation projects based on the Smart Infrastructure concept.
5. **Innovation:** The aim is to contribute to Ferrovial's competitiveness via sustainable R&D&i projects.
6. **Stakeholders:** Ferrovial designs actions to measure the perception of stakeholders and the company's ranking in the main sustainability indices.

> Ferrovial reports on economic, social and environmental management jointly to give a comprehensive vision of the company and show the impact of its activity on its stakeholders.

CR Committee

This Group is responsible for developing, implementing and supervising the company's CR policies.

The Committee acts as a liaison between the businesses and corporation and senior management, reporting results and putting forward CR initiatives. It is made up of the different areas in the company linked to corporate responsibility and with one representative for each line of business:

Corporate areas:

- HR
- Quality and Environment
- Innovation
- Risks
- General Secretary's Office
- Communications & Corporate Responsibility

Businesses:

- Services
- Toll Roads
- Construction
- Airports

Scorecard

Ferrovial reports on economic, social and environmental management jointly to give a comprehensive vision of the company and show the impact of its activity on its stakeholders, according to the International Integrated Reporting Committee (IIRC) guidelines for an integrated report.

The Scorecard is made up of the key status, management and perception indicators that measure economic, social and environmental impacts, together with Ferrovial's performance in relation to the relevant issues and lines of action set in its master plan for Corporate Responsibility.

The information included in this panel has been collected according to the rules for consolidation and traceability, and integrates the different areas of Corporate Responsibility.

	2012	2011	2010
FINANCIAL[1]			
Revenues (M€)	7,686	7,446	9,384
EBITDA (M€)	927	817	1,247
Employee remuneration (M€)	2,142	2,018	2,815
ENVIRONMENTAL[2]			
Direct and indirect emissions of greenhouse gases (T CO_2 equ) (Scope 1 + Scope 2)	594,010	1,063,677	1,906,089
Carbon intensity (T CO_2 equ/sales) Scope 1 and 2)	77.92	90	nd
Avoided emissions (T CO_2 equ)	1,310,289	1,044,264	925,296
Water consumption (m^3)	2,615,816	6,291,898	5,397,374
Recycled waste (kg)	13,952,753	81,492,746	23,390,101
Activity certified to the ISO 14001 standard (%)	81	70	70
SOCIAL[2]			
ETHICAL INTEGRITY			
Investigations prompted by reports regarding Code of Ethics	31	63	112
HUMAN CAPITAL			
Average workforce	57,276	69,990	100,995
Workforce at close of year	55,159	68,008	101,404
International workforce (%)	38	48	62
Employment stability Staff on permanent contract (%)	79	78	83
Turnover rate (%)*	2.7	2.3	6.7
Investment in training / revenue (%)	0.21	0.16	0.34
Investment in training per employee (€)	285	230	406
Employees given performance reviews (%)**	91	96	97
Employees with variable remuneration (%)	20	12	13
Workforce variation (%)***	-7	-30	-6.60
Investment in OECD countries (%)	99	99	100
Employees protected by collective bargaining agreements (%)	79	79	74.5
Women in the workforce (%)	31	31	33
HEALTH AND SAFETY			
Incidence rate	60.02	65.37	81.44
Frequency rate	39.19	38.30	45.30
Severity rate	0.91	0.94	0.95
Training in safe work practices (hours)	202,523	374,721	445,564
OHSAS certification (%)	91	nd	nd
QUALITY			
Activity certified to the ISO 9001 standard (%)	81	71	67
Customer satisfaction (0 to 5)	4	4	4.1
SUPPLY CHAIN			
Number of suppliers	57,458	60,795	96,724
Suppliers evaluated	8,402	8,360	9,876
Suppliers rejected	773	685	735
Supplier incidents	508	607	303
INNOVATION			
R+D+i investment	32.6*****	51.2	45.0
INVESTMENT IN THE COMMUNITY			
Economic contribution to the community (M€)****	4.4*****	47.8	56.9
Community support projects	346	853	574
Beneficiaries in social projects	51,816	1,696,938	934,985

1. Due to the sale of a 5.88% stake in BAA in October 2011, the 2010 financial statements have been re-expressed, see note 2.3 to the consolidated financial statements for 2011.
2. 2012 and 2011 are not comparable due to the exclusion of Heathrow Airport Holdings, HAH (formerly BAA) from the consolidation perimeter.

* This data refers to voluntary leaves.
** Only Spanish structure employees in 2011 and 2010. In 2012, Ferrovial Agroman UK, Ferrovial Agroman USA and Webber are included.
*** This data is calculated considering a like-to-like perimeter for 2011 and 2012.
**** Data includes voluntary and mandatory contributions according to the LBG Metholodogy. 2010 and 2011's data include PMBS land expropriation as compulsory contributions.
*****For both indicators, the amount of 769,000 € corresponding to Ferrovial and MIT collaboration are included

Company Description
Management Report
Financial Information
Corporate Responsibility

Materiality

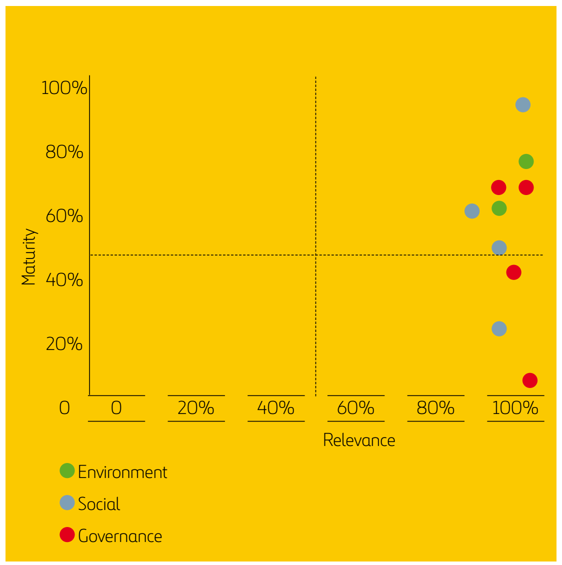
The project to identify material issues for Ferrovial in the area of Corporate Social Responsibility began in 2011. The second phase of research was completed in 2012.

The material issues for Ferrovial have been analyzed to define the information to be presented in the Annual Report, and a matrix has been prepared based on the conclusions. This analysis helps identify what is very important for the company, manage critical points, establish objectives and action plans and prioritize issues that are of interest to the different stakeholders.

This definitive matrix uses the nexus between the vision of a select group of the company's internal stakeholders and the perceptions of external stakeholders: suppliers, labor unions, NGOs, experts in corporate responsibility, the academic community and the media.

In an initial phase a materiality matrix for the infrastructure management sector was created by analyzing:

- The ESG criteria followed by institutional investors.
- Issues related to Corporate Responsibility at the AGMs of companies in the sector.
- Relevant documents and reports issued by international organizations.
- Monitoring by the media at both local and international level of Corporate Responsibility issues.



The second phase, developed in 2012, consisted of a series of interviews with: 10 internal and 15 external opinion leaders, who gave their opinion on the different aspects of Corporate Responsibility and how they affected Ferrovial.

The Annual Corporate Responsibility Report addresses, prioritizes and highlights the material issues that guide the content of the document. The matrix provides the basis for preparing the content of this publication, as it covers the expectations of stakeholders according to the AA1000APS standard.

The 78 issues identified have been classified into 15 groups. The following were chosen as the 10 most relevant issues:

- Have a global system of occupational health and safety in place.
- Include sustainability in innovation project investment.
- Follow international standards on ethics and integrity.
- Link executive remuneration to the company's ESG performance.
- The Board must have the ultimate responsibility for ESG issues.
- Provide a comprehensive training for all personnel in ethics and anti-corruption.
- Analyze risks and opportunities for all operations in questions of:
  - Climate change
  - Human Rights
  - Sustainability
- Include ESG issues at meetings with investors and other stakeholders.

The Materiality Matrix is considered a very useful tool, not only for listening actively to stakeholder groups but also for defining and communicating the company's priorities and commitments.

Progress in 2012

- **Corporate Governance**: The DJSI score for Corporate Governance has improved by 10% since 2010. This represents a major step forward in Ferrovial's commitment to transparency in market reporting and its recognition by accredited third parties.
  - Next steps: Complete the Equity Story document available to investors and analysts with the company's non-financial performance.

- **Codes of Conduct:** Classification of suppliers using a methodology based on the Global Compact principles. Ferrovial has adopted the risk-based model of supplier analysis proposed by the United Nations Global Compact. This analysis aims to give Ferrovial a clear idea that its commitments extend to the supply chain and that it has the tools required to value them based on: market, country or product risk. Currently this model of analysis is in the process of internal assessment, and has already been presented to the Global Procurement Committee.
  - Next steps: Completion of the period of analysis of the methodology for assessing suppliers according to CR criteria.

- **People:** Monitoring of the 65 initiatives already implemented, based on action plans established according to the results of the last Employee Satisfaction Survey of Ferrovial employees.
  - Next steps: The 2013 Employee Satisfaction Survey.

- **Innovation:** Ferrovial continues to develop sustainable innovation projects. The company invests a significant proportion of its capital in innovation projects. It is a member of various organizations and participates in the main public and private initiatives developed around the world related to innovation, promoting exchange of experiences and good practices between experts in this area.
  - Next steps: Continuity of the sustainable innovation projects.

Company Description
Management Report
Financial Information
Corporate Responsibility

- **Society and the Environment:** Ferrovial building up a position for itself as a supplier of low-emission infrastructures and services. It continues to measure and manage its carbon footprint, establishing public commitments for reducing emissions. The Mobility Plan, which began in 2008, has gradually been extended to the group's main corporate areas.
  - Next steps: Follow the strategic lines established by the Environment Department in monitoring and complying with the targets set for the 2013-2020 framework.

- The corporate volunteer plan and measurement of the impact of social action: Through its Social Infrastructure Program, Ferrovial has consolidated a model of professional volunteering that includes advice to NGOs, both at its main offices and on the ground. The Ferrovial professionals are selected for their technical profile to support the company's international cooperation projects. Thus Ferrovial not only finances these initiatives but also participates in their implementation from the start by being present throughout all the phases of their development. It is also working on different methodologies for measuring the impact of its social action, and participates actively toward their creation by contributing its experience and way of understanding social impact.
  - Next steps: Present Ferrovial's action plan and commitment targets with its supply chain. Design an information platform with everything related to social action and corporate volunteering. With respect to the measurement of impact, select the platform that combines the characteristics and guarantees needed to procure a credible and traceable measurement.

- **Stakeholders**: Program of encounters with stakeholders and a study of relevant issues for Ferrovial, which has given rise to the Materiality Matrix.
  - Next steps: 3rd Stakeholders' Forum and update of the 20.13 Plan according to the conclusions of the analysis of material issues, the results of the sustainability indices and the final revision of the 20.13 Plan.

Awards and distinctions

Ferrovial valora ser reconocida por sus grupos de interés. así como por sus propios empleados. como una compañía innovadora y sostenible, Prueba de ello son los premios y reconocimientos que la empresa ha obtenido a lo largo del año:

February

Two awards for Ferrovial Agroman projects. Ferrovial Agroman received the "Region of Murcia Architecture Award 2011" at the 16th Region of Murcia Architecture Awards, for the refurbishment of the former navy instruction barracks in Cartagena for the Politécnica University of Cartagena.

In addition, the International Swimming Pool Salon at the Fira de Barcelona and the Institut de Tecnología de la Construcció de Catalunya grated the "2011 BCN Swimming Pool Award for Recreational Sports Facility" award to the Municipal Toro Swimming Pool constructed by Ferrovial Agroman.

March

Budimex received a second prize as Constructor of the Year 2011 in the General Contractor category, as well as a special second prize for "Personality of the Sector", presented to Dariusz Blocher, the chairman of the company, for the effective management of the company and its market success in 2011.

"The Builder" magazine awards for construction, architecture and business, recognize the best construction companies, institutions, organizations and universities that operate in the construction sector or support it through their knowledge, technology and services.

Cespa received the "Ecofira Innovación" award. The joint Environment and Energy Fairs have granted awards for the most innovative projects of the year: The "Biofuel Project" presented jointly by Cespa, Ambiensys and Imecal, received an award for its new method of handling urban solid waste (USW) by turning it into second-generation bio-ethanol using the organic component of USW.

A reduction of more than 35% of the plant waste destined for landfill has been achieved in the waste treatment process using the "Biofuel Project". The project was subsidized by the Ministry of Agriculture, Tourism and Trade under the aid program called "Strategic Action and Climate Change - 2008".

Ferrovial has been included in the "Anuario de Arquitectura Española 2011" (2011 Annual of Spanish Architecture). Among the 24 most notable architectural works of the year is the business park for religious art and the Pablo Olavide University lecture building. The business park is a response to the needs of a sector with a great tradition in the Andalusian capital, that of religious craftwork; and the lecture room was constructed due to the increasing demand for new rooms and residences at the university.

Ferrovial receives an award for its environmental actions. Ferrovial received an Honorable Mention at the 5th Segovia Aqueduct Awards for its environmental actions carried out on the M3 Clonee North of Kells Motorway scheme in Ireland.

The environmental work consisted of activities such as archeological projects, including the preservation of the Hill of Tara, of great historical significance for the Republic of Ireland; actions to protect the water system, quality of water and habitats of Community interest; and environmental training given to all the personnel responsible for the project.

Ferrovial, "Best Stock Market Performer 2011". Ferrovial was chosen by readers of the magazine "Inversión" as the best stock-market performer of 2011. This prize recognizes the stock-market strength of the company, whose shares increased in value by 25.4% in 2011, and shows its good financial situation in the current market context.

The "Inversión" awards are now in their twentieth year. They are granted by readers of this publication specialized in the world of savings and investment through a four-week voting process.

April

Ferrovial has received an award from the Consorcio de Transportes de Madrid for promoting sustainable mobility at its main offices. In the first year of its Transport Promotion and Sustainable Mobility Awards, the Consorcio de Transportes de Madrid granted Ferrovial an award in the category of Private-Sector Companies for its implementation of mobility plans at all its main offices. This award recognizes the mobility plan, which covers employees, the company (fleets, business trips and subcontracts), as well as the mobility of the users of the infrastructures it manages (highways and airports).

May

Ferrovial a winner at the 2012 Human Capital Awards. Ferrovial was a winner in the category of Strategic Training and Development Policy for its pioneering role in the sector with the creation of Universitas Ferrovial Summa and for establishing a career training plan for the whole management hierarchy linked to the results of the 360º feedback.

The magazine "Capital Humano" published by Wolters Kluwer grants these prestigious awards, which this year celebrated their 16th year.

Ferrovial has received the "Salmón" award as best stock market performer of 2011. Ferrovial was selected for the fourth time by readers of the financial daily "Expansión" as the company with the best stock-market performance in Spain in 2011.

In its 23rd year, the "Salmón" award not only recognized Ferrovial's exceptional share price over the last year, with an overall rise of 25.4% (38.5% against the Ibex-35 index), but also for its business performance, financial strength, management and transparency.

The "Expansión" readers who voted for Ferrovial also recognized its leading position in the transport infrastructure market, and its international strategy and presence.

Ferrovial has been the first company to receive the "Empresa más Igual" (Most equal company) seal from the regional government of Madrid. As part of the 8th "Madrid Empresa Flexible" (Madrid, flexible company) awards, the President of the Autonomous Region of Madrid, Esperanza Aguirre, granted Ferrovial the "Empresa Más Igual" award at an event held at the Ferrovial headquarters.

This is the first time that the regional government of Madrid has granted this recognition to a company for the promotion and implementation of equal opportunity initiatives, specifically Ferrovial's IGUALA + Plan.

This new recognition aims to boost the commitment of the regional government of Madrid to equal opportunity as an element that is necessary for constructing a fairer, more balanced and healthier society, and a more productive, profitable and competitive business structure. sana. y un tejido empresarial más productivo. rentable y competitivo,

June

Ferrovial has received the CLARES Award for Social Responsibility in the category of "International Development Cooperation". The President of Mexico, Felipe Calderón, recently granted the Social Responsibility and Latin American Social Responsibility Center (CLARES) Awards for Social Responsibility 2012 at the 5th International CR Congress held at Anáhuac México Norte University. The work of Ferrovial in the field of cooperation and development was recognized and rewarded within the category of "International Development Cooperation, where Gonzalo Sales received the award granted to the Ferrovial-Amref alliance.

July

Ferrovial was finalist at the British Business in the Community awards for Corporate Responsibility. Ferrovial's Social Infrastructures program was selected by Business in the Community as finalist at the International Awards for Excellence. The advisory committee highlighted the integration of finance, resources and monitoring of the projects developed under the program. The Awards for Excellence are the most influential and prestigious British Corporate Responsibility awards.

Ferrovial receives the Corporate Social Responsibility award from FCM of Comisiones Obreras. Ferrovial received the award from the Fundación de Construcción y Madera (FCM) of Comisiones Obreras (CCOO) in the "Community Involvement" category in the second year of these awards, in recognition of Ferrovial's work on a variety of projects that are leading to a fairer and more equitable society. This is being done in collaboration with a number of organizations in the third sector, and is thus contributing toward the achievement of the Millennium Goals by undertaking specific practices for each of them.

Ferrovial again receives "IR" award for its investor relations. Ferrovial has been recognized best company for Investor Relations in the European transport infrastructure sector for the second year in a row by "IR" Magazine (Investor Relations Magazine). Only 25% of the companies that received awards last year did so again in 2012.

The IR Magazine awards, the most prestigious in the Investor Relations sector, highlight the actions and abilities of the winners when it comes to improving communication with their shareholders and investors. The selection of the winners is carried out through a rigorous process that includes interviews with 500 investors and analysts throughout Europe.

August

Amey receives the "Investors in People" (IiP) Gold accreditation. This accreditation is an independent standard that recognizes good practices in Human Resources. It is a fantastic achievement and a testament to Amey's progress: the company received the Silver accreditation at the last evaluation in 2009.

The evaluation process includes interviews with more than 300 employees. The IiP evaluators noted Amey's progress and highlighted the company's internal values, which are a profound and positive influence on its good performance.

Cespa receives an award at the National Parks and Gardens Conference. Cespa has received an award from PARJAP Magazine for the best article it published last year, at the National Public Parks and Gardens Conference in Leon. The subject of the article, which was written jointly by Cespa, Patrimonio Nacional and two experts from a Cespa subcontractor, was treating plant health problems within the contract Cespa has with Patrimonio Nacional for the conservation of historical gardens.

November

Ferrovial receives the Internationalization Award for its outstanding international expansion. At the 10th Internationalization Awards held by the Club of Exporters and Investors, Ferrovial received an award in the Large Spanish Company category, thanks to its outstanding international expansion. The ceremony, hosted by the Secretary of State for Trade Jaime García-Legaz, recognized the work of companies such as Ferrovial in expanding Spanish products and services abroad.

Ferrovial receives United Nations' Global Compact Award in Australia for its social investment programs. The Principles for Social Investment Secretariat of the United Nations' Global Compact has given the Social Investment Pioneer

Award to Ferrovial's "Social Infrastructure" Corporate Responsibility program, in the Strategic Corporate Philanthropy category. Through the Social Infrastructure program, Ferrovial provides technical knowledge and financial support for the development of basic social water and sanitation infrastructures in Africa and Latin America. Every year the company chooses water supply and sanitation initiatives in vulnerable communities and participates in their financing, management and development.

Manuel Costa, CR and Institutional Relations manager, receiving the Pioneer award

Responsible Investment indices and ratings

Ferrovial is recognized as a sustainable, innovative and socially responsible company through the following sustainability indices and ratings of which it forms part:

- Dow Jones Sustainability Index. Ferrovial has been included, for the eleventh year in a row, in the European and world indices of sustainable companies drawn up by Dow Jones: Dow Jones Stoxx Sustainability and Dow Jones Sustainability World Index., in the "Heavy Construction" category. This index is evaluated by the Sustainable Assessment Management (SAM) agency.
- FTSE4Good. Ferrovial has been included for the eighth year in a row in the FTSE4Good Global Index, following the latest review carried out in September. This index is evaluated by Ecodes (Fundación Ecología y Desarrollo), a partner of the analyst Ethical Investment Research Services (EIRIS) in Spain.
- Carbon Disclosure Project (CDP). Ferrovial is listed, for the third year in a row, on the Carbon Disclosure Leadership Index (CDLI). The CDLI is the main CDP rating.
- OEKOM. Ferrovial has obtained the "Prime" rating granted by Oekom Research, a German sustainability rating agency.
- Sustainability Yearbook 2013: Ferrovial has been awarded a bronze medal in the study prepared by RobecoSAM and KPMG, which recognizes companies with the best Corporate Responsibility practices.

Infrastructure maintenance at the Guggenheim Museum. Bilbao, Spain.

ethical integrity

Commitment
- Ethics, professionalism and transparency in all Ferrovial activities.

Lines of Action
- Combat corruption, bribery and extortion
- Promote the Global Compact principles
- Improve reporting of non-financial performance to analysts and investors
- Include ESG risks in the Risk Management Model
- Integrate respect for Human Rights in all the areas of activity
- Establish relations with suppliers according to a methodology that includes Corporate Responsibility criteria
- Monitor the Principles for Sustainable Development

2012 Milestones
- Extended the operation of Ferrovial Risk Management (FRM)
- Analyzed high-risk suppliers according to the Global Compact principles

2013 Goals
- Identify and analyze the information requested and valued by SRI analysts
- Identify ESG risks
- Analyze the FTSE4Good and UN Human Rights requirements

The business and professional activities of Ferrovial and its employees are based on the value of integrity, and are 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.

Ferrovial's Code of Ethics prohibits bribes to public authorities and civil servants and 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 be thought to alter the commercial, administrative or professional relations of its companies.

In addition, it 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 prevention is the responsibility of each one of the managers, and Internal Audits supervises compliance with the Code of Ethics. It also manages the Complaints Box. In 2010 a new whistleblowing channel was created for reports related to the Code of Ethics.

Based on the information available for 2012, 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.

The Code of Ethics, as well as the corporate procedures for "Protection of Ferrovial Assets Through Prevention of Internal Fraud" and the "Corporate Procedure for the Complaints Box", must be complied with by all employees and subsidiaries that make up the company in Spain and abroad.

Ethical integrity	2012	2011	2010	Change 12/11
Complaints received through the Whistle-blowing Channel	31	63	112	-51%
Training given on the Code of Ethics* (hours)	69	273	4,250	-75%*

*Training given to new hires and employees who did not take the course in previous years.

Company Description
Management Report
Financial Information
Corporate Responsibility

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 in which it has 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 force 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 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, and which form the basis of its Corporate Responsibility policy.

At present, the Code is enforced in all the countries where Ferrovial operates and applies to the whole workforce. In addition, some companies recently acquired by Ferrovial 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 the Code through the corporate intranet or website.

Courses linked to the Code of Business Ethics continued in 2012, with the aim of spreading the basic principles of behavior for Ferrovial professionals and the procedures that the company makes available for all its employees:

- Harassment Prevention Protocol
- Equal Opportunity Plan
- Work/Life Balance Plan
- Fraud Prevention Procedures
- Health and Safety Policy
- Information Security Policy
- Quality and Environment Policy

In 2012, the online Business Ethics course was taken by 78 employees (people who had not taken it before and new hires), with an access time of 69 hours. This course is aimed at structural personnel in Spain. This amounts to 4,465 employees, who have taken the course over 4,592 hours since it began to operate in 2010.

As a result of the entry into force of the latest reform of the Penal Code in Spain, the Board of Directors of Ferrovial approved a Crime Prevention Protocol in 2011 that includes a Catalog of Prohibited Conduct. Ferrovial encourages employees and gives them all the means necessary to be familiar with this document, by creating an online Crime Prevention course. A total of 506 users took this course in 2012 (those who did not take it in 2011) over 197 hours. This amounts to 3,855 employees, who have taken the course over 2,278 hours since 2011.

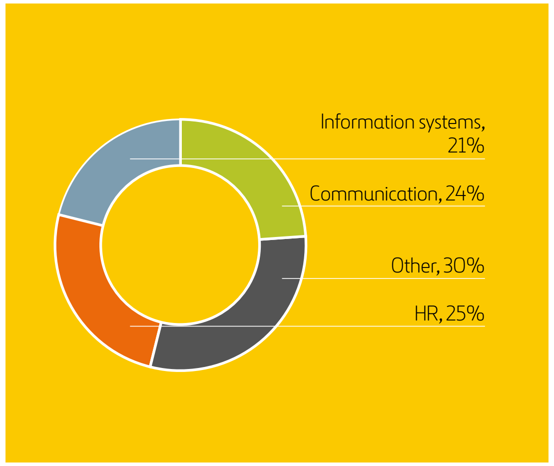
The Protocol is obligatory for Ferrovial workers. It includes a non-exhaustive list of prohibited conduct, aimed at preventing criminal lawsuits being filed against the company, its directors and employees.

As part of its 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.

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 accessed via the corporate intranet.

A total of 71 suggestions were received in 2012. The breakdown by type of suggestions made is as follows:



As of the date of publication of this report, 89% of the communications had been closed (processed or rejected).

Whistleblowing Channel

With the aim of ensuring compliance with the Code of Ethics, procedures and protocols, reports are channeled through the Whistleblowing Channel introduced in 2009. Employees (internal stakeholders) and external stakeholders can use this channel to report any issues, irregularities, non-compliance, or unethical or illegal conduct. In other words, any person with a well-founded suspicion or knowledge of a violation of the Code of Ethics can file a report (anonymous or not) via the corporate website.

All the complaints give rise to an investigation by the Complaints Box Managing Committee.

The committee is made up of the Director of Internal Audits and the General Director of Human Resources. It meets at least once a month at the request of the Director of the Internal Audit Department. When the situation calls for it, urgent meetings may also be convened by any member of the Managing Committee, or any other Ferrovial department. This committee is responsible for taking measures to improve compliance and resolve incidents or doubts as to interpretation.

An emergency procedure has also 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 whether an urgent meeting of the Managing Committee is required, or whether to set in motion the procedures that the company has established for addressing the reported problem.

In 2012 there were 31 complaints (51% down on the figure for the previous year). Of these, 84% of the people gave their names and 16% were anonymous, compared with 54% and 46%, respectively, in 2011.

Broken down by category of complaint:

- Third-party commitments: 23%
- Harassment: 16%
- Appropriation: 10%
- Working conditions: 6%
- Issued not related to breaches of the Code of Ethics: 45%

The Complaints Box procedure is available to third parties on the intranet and the corporate website. It is approved by the Chairman and accepts all associated liabilities, as well as guaranteeing absolute confidentiality and anonymity if the whistleblower so requests.

Purchasing

According to the Code of Ethics, employees involved in purchasing must not have any personal, financial, family or other interest, whether direct or indirect, in the suppliers. If such an interest does exist, the employee must notify his or her immediate supervisor. Since 2008, the personnel in Ferrovial's Purchases Department have also been 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 purchasing are prohibited from accepting special discounts or gifts valued at over 90 euro. 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 from 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.

> Ferrovial prepares an Annual Good Governance Report that covers all essential aspects of good governance, aligned with the values of integrity, transparency and responsibility.

Good governance

Ferrovial's operations are based on a commitment to good governance, transparency and integrity. The business and conduct of Ferrovial and its employees are founded on the key value of integrity, and are managed in accordance with the principles of honesty, prevention of all forms of corruption and respect for the specific circumstances and needs of all parties involved.

Ferrovial prepares an Annual Good Governance Report that covers all essential aspects of good governance, aligned with the values of integrity, transparency and responsibility. It also prepares an Annual Board of Directors' Remuneration Report, which contains the individual remuneration of each of the board members, as well as clear and comprehensible information on the Company's remuneration policy for the current and following years.

Annual Good Governance Report.
Annual Board of Directors' Remuneration Report.

Preventing fraud and corruption

Ferrovial has had an internal fraud prevention procedure in place since 2005 to protect its business assets by preventing conduct that may involve internal fraud. It was updated in 2009 to keep it in line with the reality of the companies and countries in which Ferrovial operates.

The procedure is applicable 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 control.

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 to it 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 person's immediate superior or through the Complaints Box, anonymously

Company Description
Management Report
Financial Information
Corporate Responsibility

or not. The employee must try to make available all the information and/or documentation necessary so that a superior or the Complaints Box Managing Committee has sufficient evidence to make a correct analysis and assessment of the facts.

Risk Management

Since 2009, Ferrovial has been implementing the new process of integrated risk management, called Ferrovial Risk Management (FRM), led by the company's Risk Management Department. This process identifies and assesses risks that threaten the achievement of business goals set by Management, whether financial or non-financial (Corporate Responsibility).

The whole organization takes part in the FRM process, with its main objectives being:

- risk identification and assessment, through a prioritization and standardized valuation exercise.
- adoption of corrective measures needed to mitigate the impact of risks and/or the probability of their occurring.

The process operates at different levels of the organization. Identification, assessment and comprehensive management of risks is carried out bottom-up, starting with managers working directly in the businesses at local level through to higher levels of the company.

The definition of the FRM and its components, the risk universe (strategic, operational, compliance and financial risks) and a uniform rating scale for the entire organization, is based on Ferrovial's Control and Risk Management policy, which is established by the Board of Directors and organized into a set of principles. FRM does not consider Corporate Responsibility to be a risk but a business goal to be achieved by the organization, which means that the company managers must identify and assess the risks to achieving the Sustainability goals set by Management.

The exercise of identifying risks is carried out at the same time throughout the organization, taking into account the geographical diversity of Ferrovial's activities. To carry out this exercise, 109 different business realities have been distinguished for carrying out the risk identification and assessment, and for designating the managers responsible for carrying out the analysis.

In the FRM process, the organization's risks are identified and assessed (this takes into account the potential impact on the benchmark objectives, the probability of their occurrence and the exposure of the businesses to this situation). Risk events (called contingencies in the FRM) that may have occurred in the organization are also identified and assessed.

Risk Management and Control policy

A policy on Control and Risk Management was approved in 2011. It is applicable to all those companies in which Ferrovial has a majority holding and/or management control. The policy is based on respect for Ferrovial's Code of Conduct.

The Procedure to identify and assess risks and contingencies was formalized in 2012, with the aim of harmonizing criteria regarding methodology, information, supervisors, etc.


Aerial view of the Ocaña-La Roda highway, Spain

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 affect the company's reputation. These risks are identified in catalogs that are specific to each business activity. They are permanently updated and accessible at the organization levels where such situations may occur.

The crisis communication model enables Ferrovial to deal effectively with any contingency that may affect the company's reputation negatively and significantly because of its importance and interest to the media and public opinion. The first measures that deal with possible contingencies are key elements for managing a crisis.

That is why an internal and external communication protocol is in place to ensure that in a crisis situation the decision-making organizational levels are provided with reliable and appropriate information in the shortest 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, and to reduce the economic impact of the crisis and help the business activity recover in the shortest possible time.

The crisis communication model enables Ferrovial to deal effectively with any contingency that may affect the company's reputation negatively and significantly because of its importance and interest to the media and public opinion.

Information Security

In March 2012, Ferrovial's Information Security Management System was certified according to standard ISO/IEC 27001.

Ferrovial has an internal information security regulatory framework, stored on the corporate intranet, to safeguard the integrity, confidentiality and availability of the information produced and handled by and for Ferrovial.

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 kind of information that is generated, regardless of its nature and the means and supports used for storing and transmitting it (in written or printed form, or contained in any other physical medium, digital information managed through information systems, information transmitted orally, etc.).

Ferrovial recognizes the strategic importance of its information assets and considers that the policies and procedures used to create, collect, handle, store, use, control and safeguard Ferrovial's information are key factors for the development of its activity and for its reputation.

Ferrovial also 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 and control mechanisms applicable both to Ferrovial's information assets and to the systems that process and support them.

Ferrovial periodically carries out training, awareness-raising and communication actions to spread awareness of the need to protect business information.

Controlling investments and expenses

Procedure governing investments

This procedure establishes the systems of checks and approval required to carry out large transactions of one million euro or more. On an rising scale that depends on the amount, the operations must be approved by the CEO, the Chairman or 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 irregularities in connection with travel expenses, regulations require that all airline and train tickets, rental car fees and hotel reservations have 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, regulations control requests for cash advances through the computerized expense management system. The maximum sum allowed for travel expenses is 1,200 euro for domestic trips and 3,000 euro for travel abroad. If the amount of the current request plus the previous advances that have not yet been justified exceeds 1,200 euro, the request requires authorization from the immediate superior.


Justice City, Barcelona, Spain

Company Description
Management Report
Financial Information
Corporate Responsibility

Passengers at Heathrow Airport T5

commitment to stakeholders

Commitment

- Transparency in the information provided to the market.

Lines of Action

- Improve continuously the communication channels with all stakeholders on the basis of innovative corporate information that takes into account financial aspects and also environmental and social behavioral variables.
- Notify all stakeholders of the company's principles of sustainable development and corporate responsibility, and encourage employee participation in charitable projects.
- Develop a mechanism for formal dialog in order to measure the perception of those "whose opinion counts".
- Become an international benchmark for commitment to stakeholders, obtaining recognition in the main indices (DJSI, FTSE4Good, CDP).

2012 Milestones

- Completed the study on material issues for Ferrovial through personal interviews with external and internal stakeholders.
- Carried out continuous monitoring of social networks.

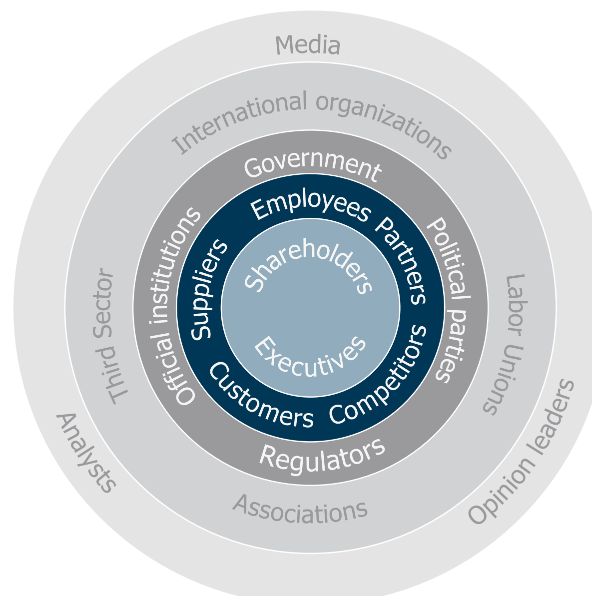
2013 Goals

- Organize the Third Stakeholders' Forum, to be attended by representatives from various organizations.
- Formulate the stakeholder dialog model.

The guiding principle of Ferrovial's business conduct is to transmit accurate, complete and transparent information that expresses a true picture of the company and its business activities and strategies.

Ferrovial's relations with its stakeholders take place within a context of transparency, honesty and professionalism. Ferrovial considers stakeholders to be those individuals or social groups with a legitimate interest who are affected by the company's current or future activity.

This definition includes both internal stakeholders, who are part of the company's value chain (shareholders, employees, investors, customers and suppliers) and are considered partners by the company in its business activity, and external stakeholders, which include public authorities, governments, the media, analysts, the business sector, labor unions, the Third Sector and society at large, starting with the local communities in which the company operates.



Company Description
Management Report
Financial Information
Corporate Responsibility

Transparency

Transparency and dialog are exercised within legal limits (according to established rules and time frames), and with respect for the rights of all stakeholders. In the financial area, Ferrovial has in place an information control procedure for relevant transactions that regulates the measures provided for by the Spanish Securities Market Law.

In communications related to users and employees, Ferrovial guarantees the right to data security, confidentiality and privacy. Ferrovial demands that its employees make discreet 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.

The professionalization of relations between the company and its stakeholders has led to the establishment of a proactive and two-way dialog between Ferrovial and its stakeholders. The evolution of new technologies has also enabled more transparency while adding value to the company.

Ferrovial has a variety of multi-stakeholder channels:

- Corporate website: Which provides up-to-date information in Spanish and English on the company, its activities and its Corporate Responsibility.
- Blogs: In Spanish, "Infraestructuras Inteligentes" (Smart Infrastructures), Ferrovial's blog on innovation, transport and the cities of the future; and in English, "Innovation, Connecting Cities, Intelligent Infrastructure". Each aims to become a benchmark forum for the transport infrastructure and service sector.
- Social media and the Internet: Presence on the most popular social media, such as Twitter, LinkedIn, YouTube, Facebook, Flickr, Google + and Instagram. And presentations and information on websites such as Wikipedia, SlideShare and Pinterest.
- Online Annual Report: Its aim is to present the company's annual results to the stakeholders, with information on business activity, earnings, milestones and goals, based on specific subjects that have been identified as of interest to the different stakeholders.

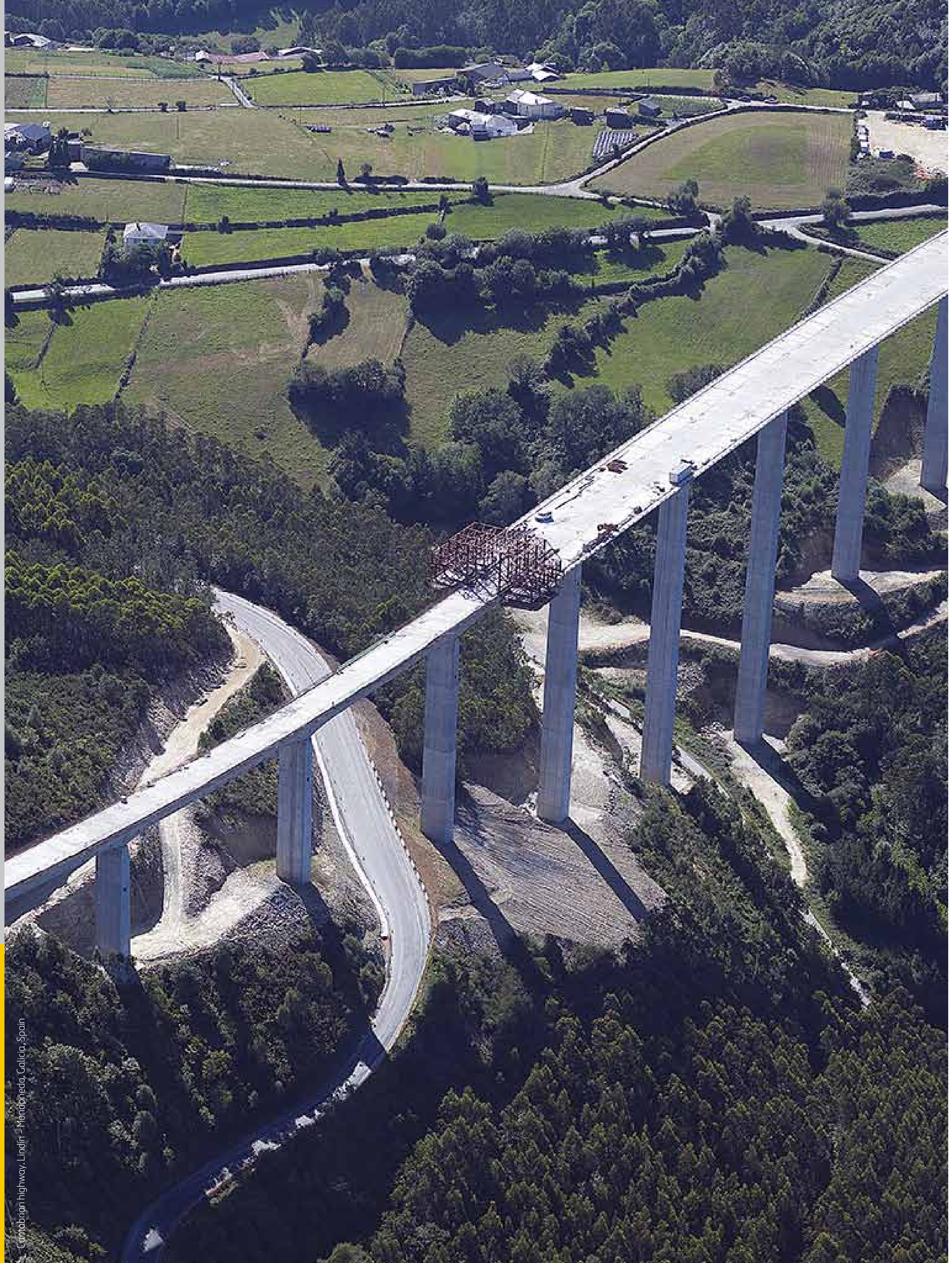
Indiana Toll Road. United States

Company Description
Management Report
Financial Information
Corporate Responsibility

Stakeholder relations

The relations with each stakeholder are detailed in the table below:

	Relationship with Ferrovial	Activity	Indicators	Contact
Shareholders and investors	Adoption of best practices for Corporate Governance. Strict compliance with the rules.	Specific microsite for shareholders, constantly updated.	274 investors. 449 activities. 26 roadshows (11 at seminars) 116 meetings with investors in Madrid. 24 conference calls.	Shareholder Relations Office Tel: 91 586 2565 (toll-free in Spain) Fax: +34 91 586 26 89 accionistas@ferrovial.es www.ferrovial.com
Analysts	Transparent and reliable financial reporting.	Quarterly meetings with analysts to present the results of the company.	Coverage of 27 analysts. 23 meetings. 362 notes released.	Investor Relations Department Tel: +34 91 586 27 30 Tel: +34 91 586 27 60 Tel: +34 91 586 27 81 Fax: +34 91 586 26 89 ir@ferrovial.es www.ferrovial.com
Employees	Respect for privacy and information confidentiality Intranet		Employee Satisfaction Survey (every two years). 18 communication campaigns. Inforvial: 10,000 copies (bilingual)	Human Resources Department Apartado de Correos 2160, 28080 Madrid www.ferrovial.com
Customers and Users	To meet their expectations as far as possible and make every effort to anticipate their needs. Protection of their privacy.		Complaint registration and management Satisfaction survey	Quality & Environment Department dca@ferrovial.com www.ferrovial.com
Suppliers	Relationship based on reliability, quality and customer-centric mutual benefits. Training and awareness raising for key aspects of responsible management.	• Surveys • Training • Regular meetings • Communication of incidents		Purchases Department Tel: +34 91 300 85 37 www.ferrovial.com
Government and Public Authorities	Permanent dialog. Commitment to social initiatives. Explicit prohibition of accepting payments or gifts in any form.		Participation in industry associations and employers' organizations	Management of Corporate Responsibility and Institutional Relations Tel: +34 91 586 28 93 Fax: +34 91 586 26 59 www.ferrovial.com
Business sector	Active participation in employers' organizations and industry organizations related to Ferrovial's activities.	• Active participation in employers' organizations and/or industry organizations.		Management of Institutional Relations Tel: +34 91 586 28 93 Fax: +34 91 586 26 59 www.ferrovial.com
Labor Unions	Party interested in the application of Ferrovial corporate responsibility policies.	• Fluid dialog. • Joint participation in various initiatives.		Human Resources Department Tel: +34 91 586 25 00 www.ferrovial.com
Media	Efforts to improve media relations.	• Sponsorship of and involvement in conferences and forums. • Event organization.	91% positive or neutral news compared with 9% negative news. Balanced impact at the business level, with increased news from all. 60 press releases. 35 meetings held with media. Organization of the SH130 inauguration. Participation in events on CR, Innovation, HR.	Communication & Corporate Responsibility Department Tel: +34 91 586 25 15 Fax: +34 91 586 26 59 comunicacion@ferrovial.com www.ferrovial.com
Comunidad local	Papel fundamental de la compañía en en el desarrollo de las economías locales,	• Fluid dialog with local communities. • Permanent contact with the parties.	Presence in 26 countries. Sustaining job creation in the main markets where Ferrovial operates.	Management of Corporate Responsibility and Institutional Relations Tel: +34 91 586 28 93 Fax: +34 91 586 26 59 rsc@ferrovial.com www.ferrovial.com
Third sector	Creation of long-term value for society.	• Participation in institutions: Spanish Association for the Global Compact, Fundación Lealtad, Fundación SERES, LBG Spain, etc. • Strategic alliances: Massachusetts Institute of Technology. • Agreements with NGOs: ONGAWA; Plan España, Intermón Oxfam, AMREF-Flying Doctors, Ayuda en Acción. • Institutional meetings. • Participation in events.	237 requests submitted via the Corporate Responsibility e-mail address.	Management of Corporate Responsibility and Institutional Relations Tel: +34 91 586 28 93 Fax: +34 91 586 26 59 rsc@ferrovial.com www.ferrovial.com



Cantabrian highway. Lindín - Mondoñedo, Galicia, Spain

environment

Commitment

- To reduce our environmental impact, follow a preventive pro-environment approach and cut the group's carbon footprint.

Lines of Action

- An approach focused on risk management and environmental responsibility.
- Anticipation of regulatory trends, based on a close and mutually beneficial relationship with legislators and regulators, and a fluid and collaborative relationship with relevant stakeholders.
- Proactive carbon footprint management.
- Eco-efficiency and energy efficiency as means of reducing environmental impacts in an economically viable manner.
- A proactive approach to preserving biodiversity.

2012 Milestones

- Reduced the carbon footprint by 16.64% against the previous year and 21.89% against 2009.
- Verified 100% of global emissions.
- Consolidated the business models for energy efficient services, SmartCities and power generation using biogas.
- Developed the "SmartForest" business model and carried out a large scale renewal of housing and commercial buildings.
- Developed "green purchasing policies", with the inclusion of new stipulations.

2013 Goals

- Cut greenhouse gas emissions in line with the targeted 21.3% reduction by 2020.
- Launch the new corporate platform to calculate and monitor Ferrovial's carbon footprint.
- Develop analysis of environmental risks in the corporate Ferrovial Risk Management (FRM) tool.
- Implement an urban renewal demo project in Spain and a pilot sustainable forestry management project (SmartForest).
- Progress in the "Ferrovial, Natural Capital" initiative and consolidation of green purchasing policies.

Introduction

Ferrovial's commitment

Ferrovial is committed to reducing the environmental impacts of its activities, taking a preventive approach that will benefit the environment and reduce the group's global carbon footprint. This commitment is embodied in one of the principles making up the "ground rules" that all decision-makers at Ferrovial and its subsidiaries around the world must abide by:

- Satisfy client and user expectations.
- Everyone participates.
- Mutual benefit in relations with suppliers and partners.
- Eco-efficiency and reduction of greenhouse gas emissions.
- The value of commitment.
- Continuous improvement.
- Intelligent dialog with stakeholders, in particular with governments and regulators.

The full text of the company's quality and environment policies, as well as amendments to the principles, can be found on the Quality and Environment section of Ferrovial's website.

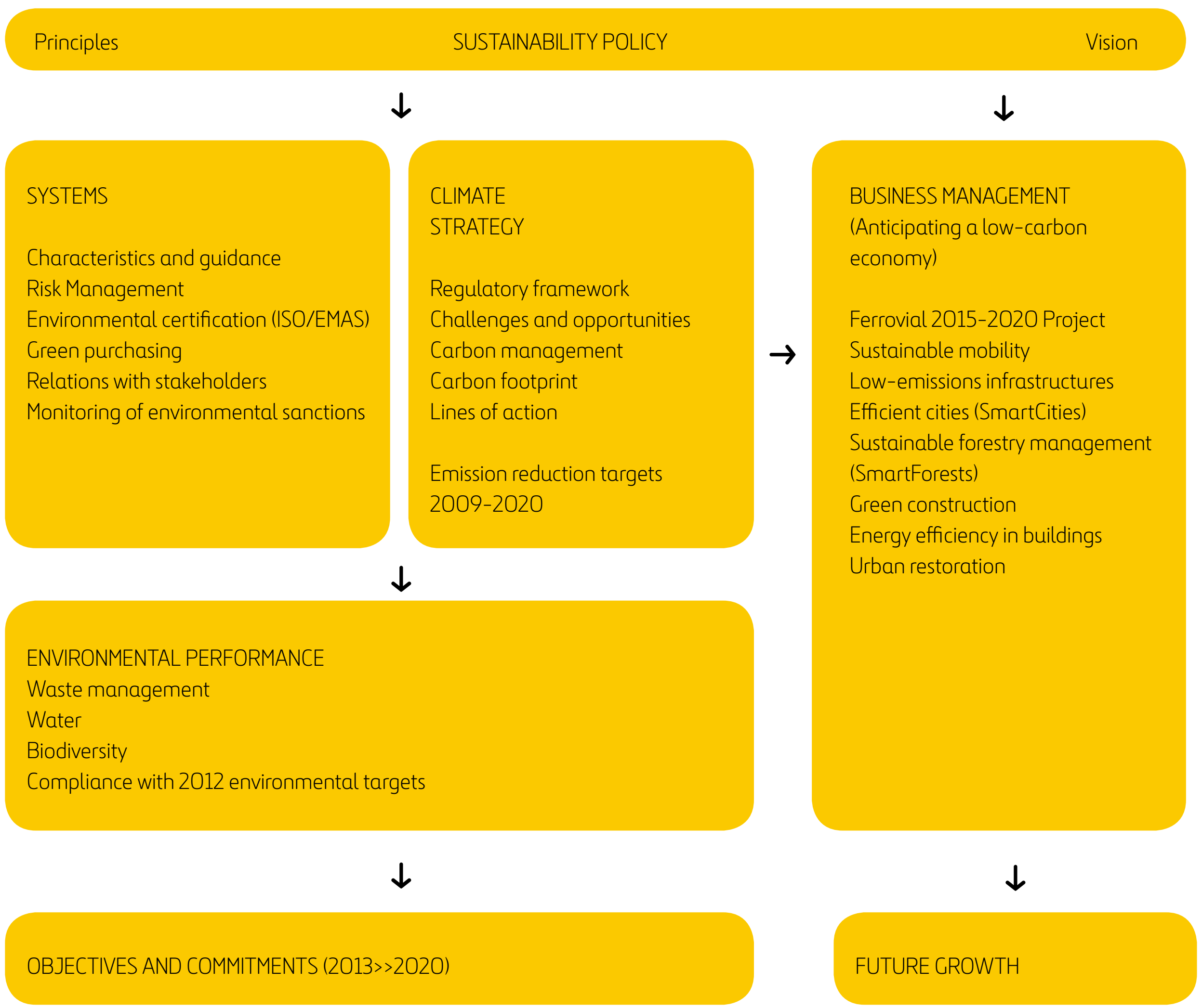
Environmental strategy

Environmental sustainability is an increasingly central part of Ferrovial's operations, not only in terms of corporate responsibility or as a means of efficiently managing certain types of risks, but also as a source for new ideas and business models in a context of global crisis. In recent years Ferrovial has bolstered its capacity to provide services and infrastructures that address global challenges such as climate change, the energy crisis and loss of biodiversity. Our objective is to create long-term value by positioning ourselves as strategic partners to governments in the countries where we operate and helping them to meet global environmental goals.

Ferrovial has established a strategy to tackle these challenges that focuses chiefly on two aspects:

- Responsible management of the environmental impacts produced by its activities.
- Optimization of the capacity to develop infrastructures and services for a “green” low-emission economy.

Deployment of Ferrovial’s environmental policy



Company Description
Management Report
Financial Information
Corporate Responsibility

Priorities

An approach that focuses on risk management and environmental responsibility.

All business areas are provided with management systems that exceed ISO 14001 and EMAS standards. They aim to control on-site impacts by using a preventative approach. Ferrovial has been a pioneer in environmental risk analysis and risk management systems, and it has adapted early to the demands of the European Environmental Liability Directive.

Anticipation of regulatory trends, based on a close and mutually beneficial relationship with legislators and regulators.

Ferrovial plays an active and transparent role in regulatory and legislative procedures, providing its experience and technical knowledge on regulated matters. This allows the company to anticipate any impacts on its activities and to capitalize on any opportunities that stricter environmental legislation might open to pioneering companies.

A fluid and collaborative relationship with relevant stakeholders with regards to sustainability.

Ferrovial is very satisfied with its close and stable relationships with spokespersons from civil society and leading environmental groups, with whom it actively seeks points of contact for partnership and mutual long-term benefit (WWF, FSC - Global Trade Forest, SEO BirdLife, etc.).

Likewise, it strives to maintain fluid and highly proactive relations with analysts and investors, anticipating their needs and responding to key sustainable development issues on the global agenda. This means retaining a leading position on the major sustainability indices (DJSI, CDP, etc.), as well as remaining a component of the top SRI (Socially Responsible Investment) portfolios.

Proactive carbon footprint management.

Ferrovial measures greenhouse gas emissions from 100% of its global activities, with the aim of reducing its carbon footprint via more efficient energy use. Global targets have been established for 2020, based on a bottom-up approach that identifies opportunities to reduce emissions from our production processes.

A thorough analysis of indirect emissions (Scope 3) is currently underway, including emissions generated by clients and users. The aim is to understand the global impact of our operations and to drive innovation in developing low-emission infrastructure and services.

Eco-efficiency and energy efficiency as means of reducing environmental impacts in an economically viable manner.

Ferrovial production centers prioritize efficient use of energy and natural resources, as well as cutting emissions and waste; but they are also acknowledged as sources of innovation and potential new services that Ferrovial can develop and subsequently offer its clients and users. Energy efficiency in buildings, integrated city management (SmartCities) and low-emission mobility are considered particularly key areas, all based on pioneering technology developments.

A proactive approach to preserving biodiversity.

Ferrovial is aware of the impact that some of its activities have on the natural environment. Innovative methods have been developed to mitigate such effects, capitalizing on the company’s technological and scientific advances in the environmental restoration of infrastructure. Likewise, exhaustive research is being conducted into how to compensate for damage that cannot be mitigated on site, using offsetting mechanisms in several countries where Ferrovial operates. In 2012 a project was launched that seeks to provide a better understanding of how habitat banks work at a global level and what Ferrovial’s role in this area should be.

Management systems

Ferrovial's management systems have been designed with the core aim of generating information that will be relevant to decision-making, both in terms of production processes and at executive and governing levels. "Useful and relevant information" means any information that:

- is based on quantitative data regarding the intensity of environmental impacts or risks, and that is gathered as close as possible to the processes that originate such impacts or risks;
- is associated with key processes, i.e. relevant environmental risks for the company;
- is reliable and can be integrated at senior levels of the organization.

In all instances, the systems and information flows will be supported by IT systems, which may vary in complexity, providing coverage to all documents, procedures and records deemed crucial to meeting targets.

When so required or deemed valuable by third parties (governments, clients and other stakeholders), systems shall be subject to accredited certification, based on the leading international standards (ISO, EMAS).

Ferrovial has been a pioneer in the implementation of specific procedures for managing environmental risk, thus anticipating the legal demand for having such procedures in place by several years.

Environmental risk management

There are specific procedures in place in the business areas of Construction and Services to manage environmental risks, aimed at identifying and evaluating the chief risks, as well as managing, mitigating and controlling them.

Ferrovial has been a pioneer in implementing such procedures. It adopted them several years before they become legal requirements. In Spain, legislation has included as Law 26/2007 on Environmental Liability, Royal Decree 2090/2008 that partially implements this Law and that requires environmental risk analysis for certain activities, as well as Order ARM/1783/2011, dated 22 June 2011, which establishes the schedule for such obligations to take effect (these regulations are currently under review).

Likewise, under the EU Environmental Liability Directive, Member States may demand financial guarantees from operators to cover environmental risks. Since 2007 Ferrovial has also held an insurance policy that covers such risks under the terms established by European regulations. The company ensures that this policy and coverage is fully up to date and appropriate to current risk levels.

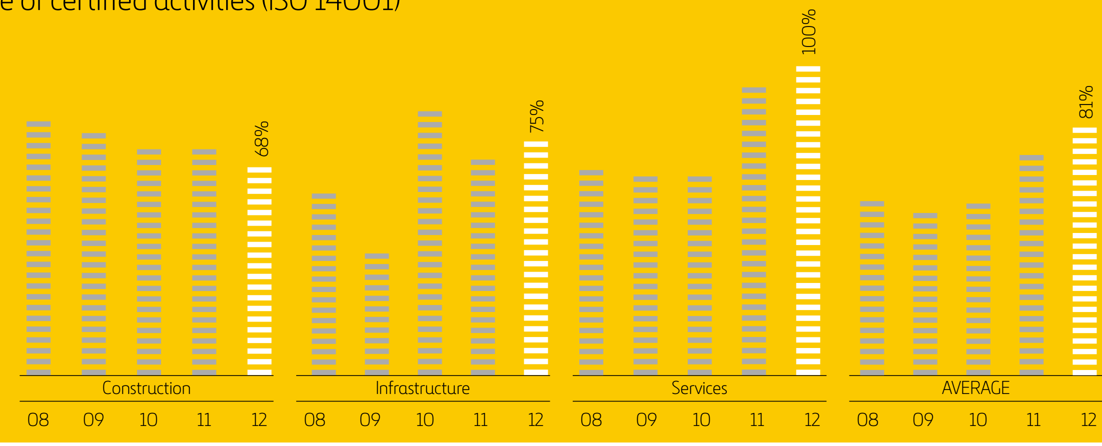
Maintenance in the La Granja gardens, Segovia, Spain

Environmental certification

Since 2008 the group has used the percentage of certified activity to identify how far each of companies' systems, and those of the group as a whole, have been certified. The calculation exclusively includes activities that fall under the scope of corresponding environmental management certificates, based on net turnover.

In the Services business area, 100% of operations use certified management systems.

Percentage of certified activities (ISO 14001)



In 2012, the average percentage of environmentally certified activity remained unchanged compared to 2011, at 81%. In some business areas, such as Services, 100% of operations use certified management systems.

Other certifications

In 2012 Ferrovial commissioned an external audit of its greenhouse gas emissions, under the ISAE 3000 standard. The audit covers all divisions and includes both direct and indirect emissions established under Scopes 1, 2 and 3. The company also verified that its internal "Carbon Footprint Calculation and Reporting" procedure complied with international ISO 14064-1 standard.

Cespa, Ferroser Infrastructure and Ferrovial Services have in place an Energy Management System certified under ISO 50001:2011.

Cadagua and Cespa have EMAS certification for a significant proportion of their industrial sites.

Green purchasing

Vehicle fleets and timber derivatives are two of the most critical product groups from the environmental point of view that are common to all the businesses, due to their impact on the global climate. Work is being carried out to this end to develop green purchasing lines within the global procurement policy. These commitments are explicitly laid out in Ferrovial's Sustainability Policy, as well as the Global Procurement Policy approved in 2012.

In particular, the company is increasingly committed to verifying the legal origin of any materials that may be critical to environmental sustainability in their areas of origin, or that may have a significant impact in terms of biodiversity loss in certain regions of the planet. One example is timber sourced from the tropics or other parts of the world where sustainable forestry management is not guaranteed (unless an independent certification mechanism is in place). With the aim of extending the procurement of certified forestry products, Ferrovial signed a partnership agreement with the World Trade & Forest Network (Red Ibérica de Comercio Forestal in Spain), run by the environmental group WWF, under the aegis of the Forest Stewardship Council (FSC). The aim of this agreement is to try to ensure that Ferrovial carries out a "responsible and efficient use of natural resources" through:

- The establishment of an action plan that extends the purchase of FSC certified timber across the supply chain.
- Improved traceability of wood-derived products.
- Publicizing the importance of products with guarantees of origin.

In a significant proportion of construction and public services contracts the company has no control over decisions regarding the materials that are used. The company is therefore committed to ensuring that all bids and proposals made to customers should include the greatest proportion possible of recycled and reused construction materials, or environmentally friendly materials, thus extending the use of such products.

In line with the company's climate change strategy, procurement criteria have been established for the following areas:

- Vehicle fleets held under ownership or via long-term leasing and renting contracts, as well as industrial and civil works machinery.
- Power supply contracts, promoting certified renewable sources. Some companies, such as Ferroser (operating in the area of services) have managed to establish 100% renewable energy supplies at all offices by adhering to these criteria.

Relations with stakeholders

Ferrovial has fluid relations with key stakeholders, meaning those affected by the company's main environmental risks across the globe, or those who may exert some influence over developing new business opportunities in the field of environmental sustainability. Analysis is conducted on these stakeholders as a whole, thus prioritizing relations with them and allocating the resources required to sustain fluent and two-way communications as part of an intelligent dialog.

As well as relations with product and service providers, Ferrovial has close links with analysts and investors specializing in Socially Responsible Investment (SRI), spokespersons from civil society (mainly NGOs and labor unions), governments and regulators, as well as local communities. The most appropriate channels of communication are established with each stakeholder group, which range from Ferrovial's environmental microsite (http://www.ferrovial.com/es/Calidad-y-Medio-Ambiente) to personal interaction, including medium and long term collaboration agreements.

Ferrovial seeks out projects of mutual interest it can run with some of the leading NGOs working in environmental conservation, such as the World Wildlife Fund (WWF) or the Forest Stewardship Council (FSC), which Ferrovial joined as a partner in 2012 supported by global environmental groups. The company also works closely with government bodies. One example is its long-term partnership with Spain's Observatorio de la Sostenibilidad (Sustainability Observatory), and the Fundación Biodiversidad.

> Ferrovial is studying projects of common interest with some of the most important NGOs dedicated to conservation, such as the World Wildlife Fund (WWF) and the Forest Stewardship Council.

Case study

A long-term agreement to advance our understanding of the impact of climate change on biodiversity: the climate change monitoring program in National Parks (Spain).

Since 2009 Ferrovial Agroman has been a supporter of a project run by Fundación Biodiversidad, the Spanish Climate Change Office, the National Meteorological Agency and the organization responsible for the National Parks. The pioneering initiative aims chiefly at generating a greater understanding of the implications of climate change for the best protected natural environments on the Iberian Peninsula. The agreement has been extended to 2016, with Ferrovial providing more than 1.6 million euro in funding.

More information at:

http://reddeparquesnacionales,mma,es/parques/rcg/index,htm

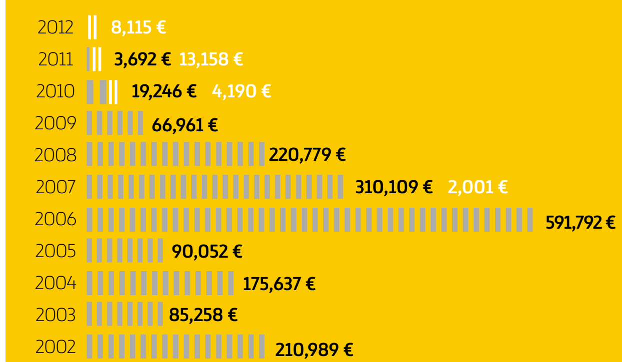
This relationship is just one small example of the fluid relations that Ferrovial has with regulators and governments in the countries where it operates. Expert personnel from various Ferrovial divisions meet regularly with officials responsible for regulations that could affect the company's operations worldwide, based on a relationship of collaboration and mutual trust. When regulatory amendments are far-reaching, specific working groups are convened that feature representatives from all potentially affected business areas and subsidiaries. These groups carry out careful monitoring and seek to anticipate the effects of new regulations (e.g. recent amendments to the climate change framework in the United Kingdom). Structured lobbying is also conducted at international level, always pursuant to the regulations governing such activities. Occasionally agreements may be struck with other companies or industries that share common interests (e.g. the recent European Energy Efficiency Directive).

Environmental administrative disciplinary proceedings

In 2012 the total number of open environmental disciplinary proceedings stood at 25, corresponding to the following companies: Ferroser (1), Cespa (8), Cadagua (1) and Ferrovial Agroman (15). A total of 8,115.5 euro has been paid as a result of these; fines from proceedings that began in previous years amounted to 3,692 euro. The largest proposed penalties refer to unsupervised depositing of excess earth from excavations, mainly from civil works.

As the following chart shows, control and monitoring mechanisms established some years ago at Ferrovial have helped progressively reduce and stabilize the number of disciplinary proceedings (there were 25 in 2012 and 24 in 2011), as well as total fines.

Environmental Penalties



Accumulated penalties corresponding to each year 2002-2011
Penalties paid corresponding to cases initiated in the year and regularization of cases from previous years

Climate strategy

Ferrovial's activities are closely associated with some of the main man-made sources of carbon emissions. Globally, passenger transport generates around 25% of total emissions and has also been the fastest growing source of emissions over the last two decades. Should the current trend remain unchecked, it is estimated that the various modes of transport (land, air and sea) will emit 9.2 gigatons of CO_2 by 2030. Cities and buildings consume nearly 70% of energy and generate more than 30% of global greenhouse gases. Progressive "global urbanization" appears unstoppable. It is calculated that by 2050 70% of the world's population will live in cities, which will undoubtedly aggravate the problem of carbon emissions, pollution and insufficient energy resources for the megacities of the future.

As a developer, operator and administrator of transport and city infrastructure, Ferrovial is aware of its responsibilities and the importance of its public commitments with regards to climate change. But we also understand that the major challenges society will have to address over the next few decades require innovative and complex solutions. Ferrovial has the capacity to put such solutions into practice, generating new services and infrastructure for the governments and clients that it works with.

The regulatory environment

International agreements signed under the Conference of the Parties (COPs) have only partially reduced uncertainty regarding the post-Kyoto era. At the Doha meeting in December 2012 a partial agreement was struck by the EU and Australia (among others) to extend protocol commitments to 2020. However, with countries such as Japan, Russia and Canada distancing themselves from the agreement, the combined emissions of the signatory countries amount to less than 15% of total global emissions. The practical effects of the agreements therefore fall short of the recommendations laid out by the scientific community to rein in man-made emissions.

Ferrovial's position is that a binding and global agreement is urgently required. Such an agreement needs to establish a roadmap for the forthcoming years, with sufficiently ambitious targets to support long-term investment and the development of low-emission technologies, services and infrastructure. However, the Doha agreements fail to provide the required certainty. Beyond a formal commitment to work on a basic agreement that should be signed in Paris in 2015, it seems unlikely that a more specific plan will be established in the near or medium term.

On the positive side, the Green Fund remains on track and should channel an annual 100 billion dollars starting in 2020. The fund will be used to pay for low-emission technologies in developing countries, as well as adaptation mechanisms in countries more vulnerable to climate change. While no formal funding agreements are in place, several countries have already established sufficient commitments to launch the Fast Start Finance system, which will remain active over the coming years. Such credit facilities support and accelerate development of so-called "climate industries", some of which are particularly appealing to Ferrovial's interests (e.g. water cycle management and low-emissions infrastructure).

Meanwhile, there has been increasing regulatory activity on a regional basis governing energy and climate change. Several mechanisms are currently emerging or have already been established in some countries where Ferrovial either operates or is beginning to operate. Particularly striking in this regard are recent statements from the US President calling for more ambitious regulations in the country, where Ferrovial has a strong position in the infrastructure industry and will seek to capitalize on any opportunities that emerge in terms of efficient cities and environmental services.

In this situation, it is obvious that energy regulation is one of the chief ways that countries can shift toward low-emission economies. We therefore believe that the Energy Efficiency Directive (Directive 2012/27/EU, approved in October 2012) must be implemented in the European Union. Ambitious implementation of this regulatory framework could significantly help reduce European energy dependency and limit greenhouse gas emissions, as well as activating the energy efficiency market, which has major economic, technological and job creation potential. Therefore, we at Ferrovial will be following the transposition of this directive by Member States very carefully, looking to identify future opportunities that the regulations might create.

Challenges and opportunities

Far from considering climate and energy regulations a threat to Ferrovial's activities, it appears that the emerging scenario could create major opportunities for the group, particularly in countries that have signed government commitments to cut emissions and where price signals on emissions have been identified. Thus, in 2010 and 2011 the company worked on its strategic positioning with respect to global climate change trends. As part of this project (known as "Ferrovial 2015-2020"), the group identified and evaluated the risks posed to its current activities and potential new business opportunities for the 2015 and 2020 time horizon.

As part of this strategy, in recent years Ferrovial has made firm commitments to long-term R&D investment, focused on developing low-emission solutions for the transport sector, carbon sinks (SmartForests) and integrated municipal services that allow cities to become resource and energy efficient (SmartCities). Such progress is creating new business areas in anticipation of low-emission economies.

Carbon Footprint management

Ferrovial cannot be credible as a potential low-emission infrastructure and service provider if it is not prepared to make ambitious commitments to reduce its own carbon footprint. To this end, as part of its climate strategy, in recent years Ferrovial has focused on the following lines of action:

- Measuring and monitoring greenhouse gas emissions, covering 100% of Ferrovial's activities worldwide, including both direct (scope 1) and indirect (scope 2 & 3) emissions. Since 2011 the group's global footprint has been verified by an independent auditor[1].
- Establishment of public commitments to reduce emissions. These targets were set on a bottom-up basis, i.e. starting with the production processes in each business area, and identifying and evaluating the "opportunity pools" for cutting emissions.

As a result of this process, Ferrovial has set a reduction of 21.3% for emissions by 2020 compared with the base year 2009, in terms of carbon intensity[2]. This target involves 100% of the activities, companies and subsidiaries at a global scale.

- The development of technology and processes aimed at improving the amount of emissions avoided.
- The progressive extension of the company's mobility plans. The Sustainable Mobility Plan for Ferrovial employees was introduced in 2008 and has progressively been extended to the group's main offices. It represents a pioneering initiative in the business world. As part of these plans, initiatives have been included to upgrade vehicle fleets and provide training in efficient driving practices (particularly in Construction and Services).

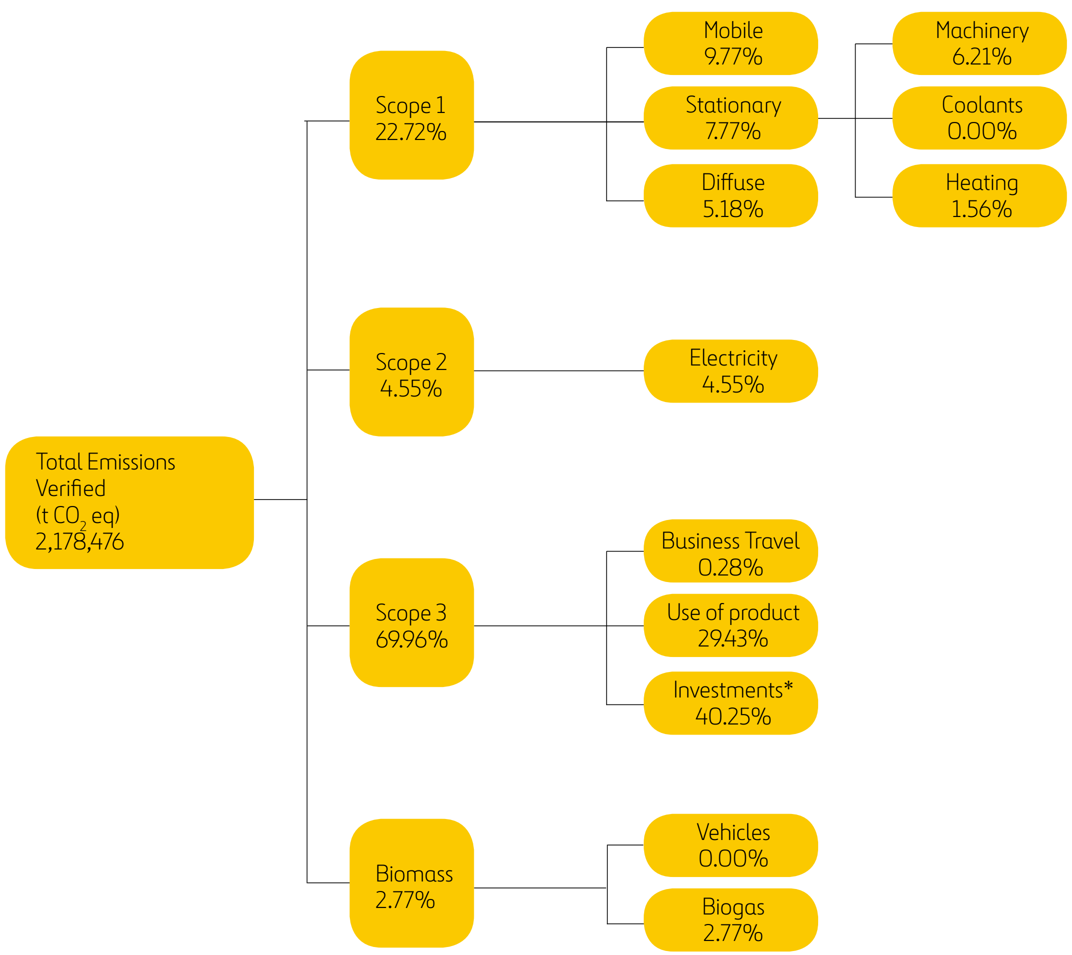
1. The figures published are those available as of February 2013. Any updates will be published on the Ferrovial website http://www.Ferrovial.com/es/Calidad-y-Medio-Ambiente.
2. The ratio being [emissions in t eq / revenue in millions of euro].

- Action plans aimed at improving energy efficiency in buildings. Several projects have sought to incorporate active energy efficiency measures in corporate office buildings. One striking example is Ferrovial's offices in Príncipe de Vergara, Madrid, where electricity consumption has been cut by 52% against the 2008 figure thanks to energy efficiency upgrades carried out over the last year.

Likewise, progress has been made in implementing energy efficiency systems in accordance with ISO 50001 standards, particularly in the services area. These systems ensure energy efficiency at both the facilities and buildings owned by Ferrovial and by third parties, including power supply and generation, the management and design of facilities, and processes associated with greater energy efficiency.

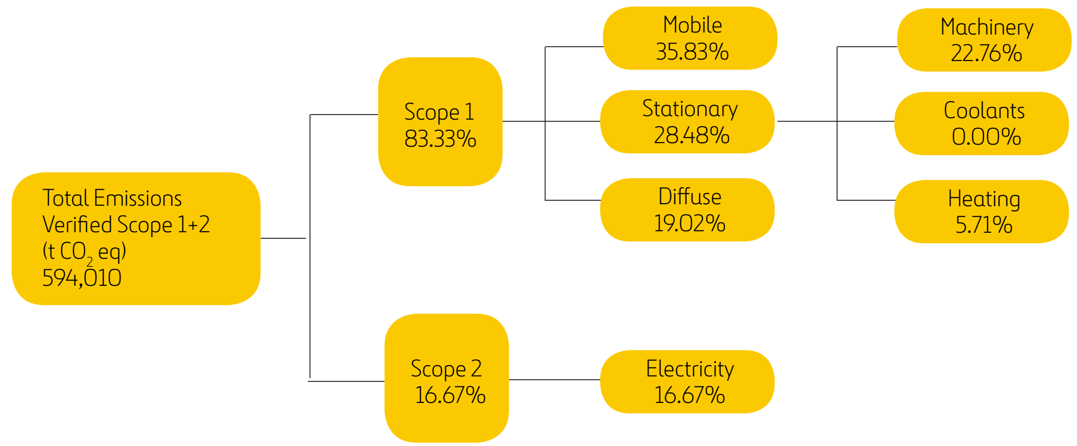
Emissions Inventory

Total greenhouse gas emissions (GHGE, 2012)



* The information on Investments refers to the emissions data for Heathrow Airports Holding Ltd. (formerly BAA) for 2011, the latest data available as of the date of this report, weighted by the percentage of Ferrovial's holding in HAH as of December 31, 2012.

Ferrovial GHG emissions (Scope 1 and 2) by company (t CO_2 eq)



Ferrovial GHG emissions evolution (Scope 1 & 2) by company (Tneq CO_2)

Company	2009	2010	2011	2012
Amey	49,453	52,980	60,563	52,729
Amey-Cespa*	33,763	33,763	33,763	11,265
Budimex	47,665	47,665	56,590	68,853
Cadagua	108,299	79,825	95,920	100,888
Cespa	383,236	360,132	295,256	245,587
Cintra	15,684	15,195	14,179	13,635
FASA	74,934	74,934	78,502	49,801
Ferroser	18,329	18,194	14,888	18,469
G. Ferrovial	896	860	724	711
Webber	30,301	30,301	36,300	32,072
TOTAL (SCOPE 1&2)	762,560	713,849	686,685	594,010

* The Amey-Cespa data for 2009 and 2010 are only included for comparison purposes

In 2012 Ferrovial reduced its emissions in absolute terms by 22.1 % compared to the benchmark year, and by 13.6% against 2011.

This is mainly the result of the following:

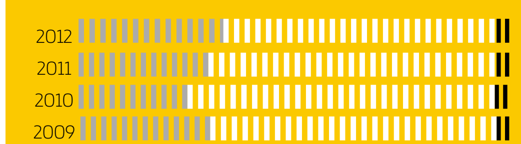
- A very significant reduction in diffuse emissions into the atmosphere from Amey-Cespa, in the waste management business.
- A decline in fuel consumption in the aggregate business, due to a drop in activity levels. This process is particularly energy intensive compared with other construction activities.

	Teq CO_2/Million €	2012vs2009 reduction (%)	2012vs2011 reduction (%)
TOTAL	77.92	-21.89	-16.64

In 2012 the Financial Intensity carbon intensity indicator was down 16.64% against 2011 and 21.89 % against 2009, which is enough to meet the targets set out in the emission cutting roadmap, beyond any cyclical aspects that may have substantially improved the indicator over the last year.

Among the companies that have increased their emissions in absolute terms are Budimex, Cadagua and Ferroser. In all cases the increases were due to activity growth. However, the Financial Intensity indicator for these companies held stable against previous years or even declined (e.g. Cadagua, which operates in water cycle management).

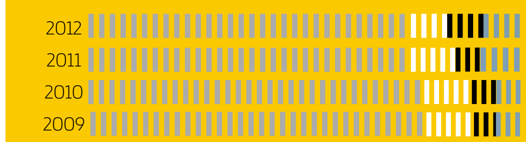
Scope 1&2 Business areas



	Construction	Services	Infrastructures
2009	34%	64%	2%
2010	33%	65%	2%
2011	39%	59%	2%
2012	43%	55%	2%

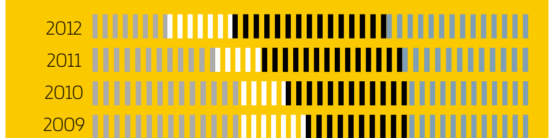
Over the years the Construction division has seen its weighting increase due to Ferrovial Agroman operating in more countries, and growth at Budimex and Webber. The growth in international operations can be seen clearly in the chart below.

Scope 1&2 by country



	Spain	United Kingdom	Poland	Others
2009	75%	11%	7%	6%
2010	73%	13%	7%	7%
2011	67%	14%	8%	10%
2012	66%	12%	12%	10%

Scope 1&2 by source



	Diffuse	Electricity	Stationary	Mobile
2009	34%	15%	24%	27%
2010	34%	11%	28%	28%
2011	28%	11%	32%	29%
2012	18%	15%	35%	32%

Extension of the scope of indirect emissions (Scope 3)

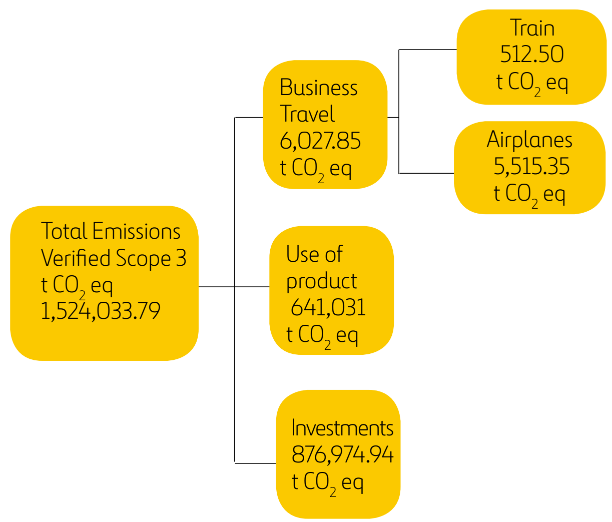
In 2012 Ferrovial made significant progress in calculating and managing the indirect emissions caused by its activities, in particular those included under Scope 3.

The two main sources of indirect emissions in quantitative terms are:

- Emissions from users of infrastructures managed by Ferrovial.
- Emissions from the group's holding in the British airports. These emissions have the largest impact across the value chain; they are therefore where the company will focus over the next few years.

In infrastructure, Cintra has developed a tool known as the "Tool for estimating the carbon footprint of road infrastructure", which provides an estimate of the greenhouse gas emissions (CO_2, CH4 and N2O) originated by traffic on linear infrastructure such as roads and highways. This tool uses the global warming guidelines established by the Intergovernmental Panel on Climate Change (IPCC), as well as the method used by the CORINE AIRE project. To look at one case as an example, the tool used to calculate GHG emissions in USA is called MOVES. The system simulates emissions generated by automobiles and was developed by the Environmental Protection Agency (US-EPA). The aim is to allow a precise estimate of emissions generated by mobile sources in a wide range of conditions, which can be established by the user. The calculation takes into account road length, ADT, the percentages of light and heavy vehicles and average traffic speeds.

GHG emissions (Scope 3, 2012)



Looking at Ferrovial's interests in British airports, Scope 3 includes the company's proportional share of direct emissions (scope 1) and indirect emissions (scope 2 and 3) from airports operated by HAH (the former BAA). Among other major emissions sources, Scope 3 includes aircraft traffic, transportation for passengers and visitors at the airport and airport operator's staff transport.

Quantitatively much less important, this scope also includes emissions generated by business travel at Ferrovial, Ferrovial Agroman, Cadagua, Cespa, Cintra, Ferrovial Services and Amey, which stands at 6,028 t CO_2 eq, 23.72% more than in the previous year, due to the company's growing international operations.

NO, SO and other significant emissions

Emissions of other gaseous pollutants are calculated on the basis of fuel consumption:

a) Emissions generated by the combustion of natural gas, diesel, fuel oil and propane boilers.

NOx (t)	CO (t)	COVNM (t)	SOx (t)	Particulates (t)
128	47	7	44	9

b) Diesel and gasoline combustion in motor vehicles

CO (t)	COVNM (t)	NOx (t)	Particulates (t)
1,355	177	759	96

c) Diesel combustion in mobile equipment used in construction

CO (g/Kg)	COVNM (g/Kg)	NOx (g/Kg)	Particulates (g/Kg)
110	35	336	21

Company Description
Management Report
Financial Information
Corporate Responsibility

d) Emissions caused by consumption of power acquired from the grid. The calculation takes into account the electricity mix of each country where Ferrovial operates.

NOx (t)	CO(t)	COVNM(t)	SOx (t)	Particulates (t)
123.37	48.10	0.95	227.87	9.69

Emissions caused by coolants (t CO_2 eq)

In Corporate operations, in 2012 41.8 kg of R22 coolant were recharged, representing 68 t CO_2 eq.

Emissions avoided

The emissions avoided by Ferrovial come from:

- Sorting activity in waste treatment plants and biogas capture in landfills.
- Generation of "green" electricity in biogas and natural gas cogeneration plants.
- Extension of green purchasing policies across the supply chain, as well as other sources.

a) Emissions avoided by sorting and biogas capture

Waste management operations prioritize reuse over elimination, thus reducing the volume of landfill waste and therefore potential GHG emissions. Furthermore, where emissions are eventually generated in a landfill they are captured to prevent direct methane (CH4) emissions into the atmosphere and to allow it to be used. In 2012 these processes avoided emissions of 1,220,225 metric tons of CO_2 equivalent.

b) Emissions avoided via power generation

Biogas captured at landfills is used to generate power at cogeneration plants. In 2012 Cespa generated 448,434 GJ using this technology (a 12.5% increase on 2011), thus avoiding emissions of 37,218.06 metric tons of CO_2 equivalent.

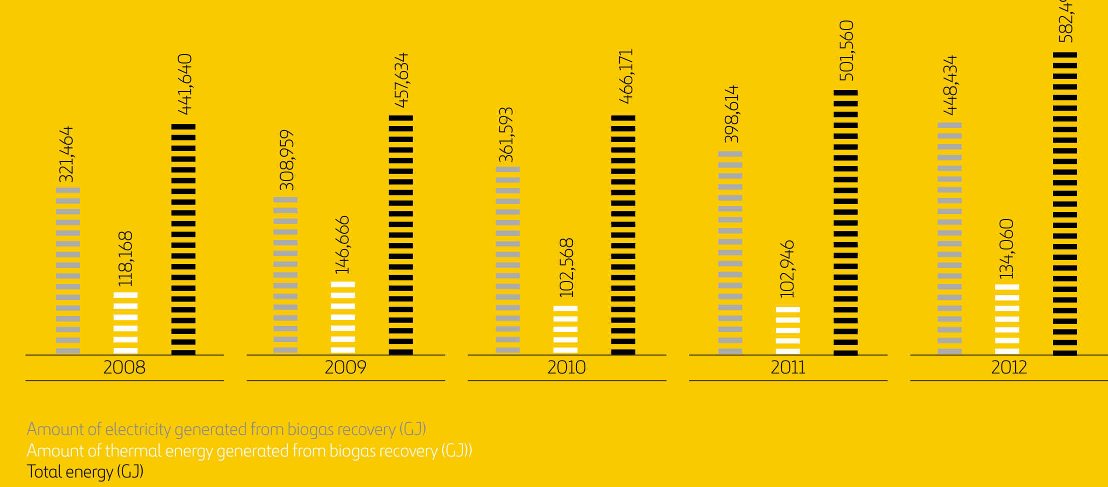
Along with thermal sludge drying procedures at sewage treatment plants managed by Cadagua, the company has set up natural gas cogeneration plants that produce thermal energy for drying and electrical power. In 2012 the company generated a total of 176,869,899.5 kWh using these processes, 12% more than in 2011. It thus avoided the emission of 52,845.90 metric tons of CO_2 equivalent.

> Waste management operations prioritize reuse over elimination, thus reducing the volume of landfill waste and therefore potential GHG emissions.

Emissions avoided by sorting and biogas capture at waste treatment facilities.

		2010	2011	2012
Cespa	GHGE avoided by sorting (t CO_2 eq)	212,186	253,826	282,405
	GHGE avoided by biogas capture (t CO_2 eq)	628,874	694,650	830,923
Amey-Cespa	GHGE avoided by sorting (t CO_2 eq)		8,522	53,797
	GHGE avoided by biogas capture (t CO_2 eq)		0	53,100

Energy generated by biogas from landfills



Electricity generated in sludge treatment

c) Emissions avoided through green purchasing policies and other sources

As detailed above, the extension of green purchasing policies across the entire organization has had an impact on the group's carbon footprint, in particular thanks to:

- Steady improvements to vehicle fleets held under leasing or long-term renting, as well as changes to the criteria for purchasing industrial machinery and civil works.
- A significant increase in the number of certified renewable energy supply contracts, which avoided the emission of 433 metric tons of CO_2 equivalent into the atmosphere.

Other sources of emissions reduction, which have been partially quantified, include efficient driving courses (mainly provided in Construction and Services) and changes to production models in the civil works area, such as shorter distances in the transport of earth and other waste, or the use of more energy-efficient temporary offices.

Feedback from analysts

Ferrovial's climate strategy has been well received by analysts in recent years. For the third successive year Ferrovial has been included in the Carbon Performance Leadership Index (CPLI), one of only five Spain-based companies to qualify for this prestigious index. The index is run by the Carbon Disclosure Project (CAP), an initiative that evaluates companies' climate strategies, emissions reporting and management. It also handles the interests of investment and analysis firms that together manage assets of 78 trillion dollars.

The Dow Jones Sustainability Index and FTSE4Good Index have also recognized Ferrovial's climate strategy and carbon footprint management.

Environmental performance

Meeting 2012 targets

Below is a look at how far Ferrovial complied with environmental targets set in 2012. Also presented are the new targets for 2013, set within the context of the 2020 roadmap.

Climate strategy:.

- Ferrovial has verified 100% of its Carbon Footprint globally with an independent auditor, within scopes 1, 2 and 3.
- Ferrovial has increased measurement of indirect emissions (Scope 3) to all categories that are significant and relevant.

Management systems:

- Progress has been made to implement green purchasing policies within the Procurement Departments of Ferrovial's business areas, in particular with regards to certified timber.

Business management:

- Two pilot energy rehabilitation projects have been created and are to be run in 2013 in Madrid and Zaragoza (Spain). Regulatory changes have not been conducive to work on the projects getting underway this year. Talks have begun with European bodies to support their development.
- The SmartForest business model was approved by the company in 2012, while pilot areas for the initiative have been identified and researched. Talks are ongoing with several government bodies to implement the model in a forest on the Iberian Peninsula some time in 2013.

Waste management

The waste management policy shared by all group companies is designed to minimize waste production, ensure proper waste management and emphasize recovery, reuse and recycling.

Non-hazardous waste

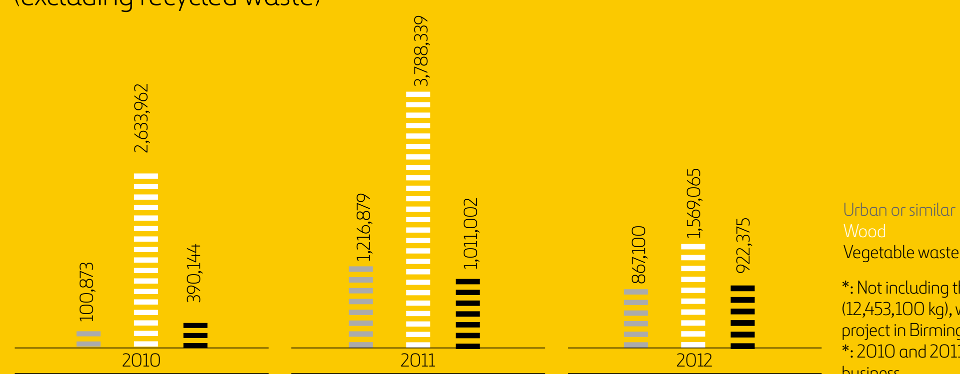
In 2012 Ferrovial generated a total of 3,358,540 kilos of non-hazardous waste sent to treatment plants (not including recycled waste), a fall of 44.2% on the 2011 figure. The significant difference is due to the major reduction in timber managed both by Amey and Ferrovial Agroman, as a result of a lower volume of concrete works and structures (using timber formwork) in 2012.

Aerial view of the 407 ETR highway, Toronto, Canada

Non-hazardous waste generated in each business area

	Urban or similar	Wood	Vegetable waste	Total
AMEY	N.A.	148,232	551,175	699,407
CADAGUA	84,443	4,419	52,342	141,204
CESPA	N.A.	N.A.	N.A.	N.A.
CINTRA	782,657	12,319	250,026	1,045,003
FASA	N.A.	1,404,095	N,D	1,402,401
FERROSER	N.A.	N.A.	68,832	68,832
TOTAL (Kg.)	867,100	1,569,065	922,375	3,358,540

Non-hazardous waste generated and sent to treatment plants (excluding recycled waste)



*: Not including the Amey timber figure for 2011 (12,453,100 kg), which was due to a one-off project in Birmingham and Hampshire.
*: 2010 and 2011 data do not include the airport business.

Hazardous waste

Hazardous waste generation.

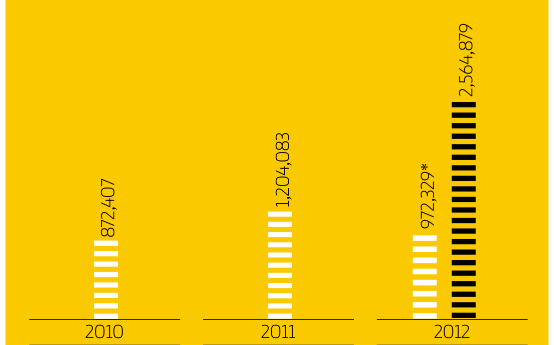
Hazardous waste included in the "non-characterized" category according to the European Waste Catalog (EWC) and generated mainly in countries outside the European Union has been reported for the first time in 2012.

	2010	2011	2012*
Total (kg)	872,407	1,204,083	3,537,208

* Value based on the sum of hazardous waste characterized and not characterized under the EWC.

Most of the hazardous waste is generated by the group's international subsidiaries, mainly Webber. This subsidiary specializes in civil works infrastructure and has been awarded several important road construction contracts in the state of Texas (United States). Hazardous waste as classified in the EWC amounted to 972,329 kilos, which means a fall of 19.3% compared with the previous year, due mainly to less waste such as contaminated soil and earth being generated from projects.

Hazardous waste (kg)



*Amey: data not available

Dangerous waste characterized according to the European List of Waste (ELW)
Dangerous waste not characterized according to the ELW

View of the waste treatment plant, Portugal

Recycling

Recycling of waste at each business area, by category

	Paper and card-board	Industrial plastics	Scrap metal	Other materials	Total
Amey	15,880	15,840	519,730	889,828	1,441,278
Cadagua	N.A.	N.A.	N.A.	N.A.	N.A.
Cespa	N.A.	N.A.	N.A.	N.A.	N.A.
Cintra	24,982	3,659	407,292	1,147	437,081
Ferrovial Agroman	149,091	N.A.	11,893,174	N.A.	11,895,086
Ferroser	14,430	N.A.	17,700	N.A.	32,130
Total (Kg)	204,383	19,499	12,837,896	890,975	13,952,753

In 2012 a total of 13,952,753 kilos of waste were recycled, which was in line with the trend seen in previous years. The largest contribution came from scrap metal recycling at Ferrovial Agroman, as part of its construction and demolition work.

Waste treatment

Company Description
Management Report
Financial Information
Corporate Responsibility

Water consumption

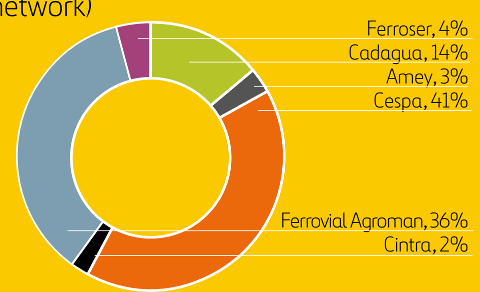
In 2012 total water consumption (2,615,816 m^3) showed a drop of 19.1% in like-for-like terms against the volume reported in 2011. This decline was mainly due to two factors:

- A reduction in the volume of projects contracted in the Construction division (Spain).
- Emphasis on water reuse practices (basically in Construction and Services activities).

Water consumption (m^3)

	2010	2011	2012
Cadagua	197,752	263,022	353,001
Amey	300,622	226,500	85,261
Cespa	1,096,660	1,098,252	1,051,423
Cintra	137,233	82,051	58,667
Ferrovial Agroman	628,838	1,438,466	950,517
Ferroser	116,825	119,643	113,583
Corporation	4,137	6,408	3,364
TOTAL (m^3)	2,482,068	3,234,343	2,615,816

Water consumption (supplied by the mains network)



Biodiversity

Environmental restoration

Ferrovial is aware that its construction and infrastructure operations can have a significant impact on biodiversity, not only because physical space is occupied by works, with the subsequent destruction or profound alteration of habitats, but also due to fragmentation of the ecosystems that the natural environment sustains. Linear infrastructure, such as roads or railroad, have a particularly significant impact, as do large public works. Although in general such operations must comply with demanding environmental legislation, Ferrovial seeks to adhere to baseline standards of conduct to ensure that such environmental hazards are mitigated.

To this end a two-pronged approach is adopted:

- Application of a risk assessment and management procedure designed specifically for these kinds of situations (see following section).
- Implementation of ecological restoration processes, which Ferrovial has developed over the last decade in partnership with various scientific institutions.

> Ferrovial aims to maintain a minimum standard of behavior that can mitigate environmental risks with a possible significant impact on biodiversity.

Case study

Technical manual on "Ecological restoration of areas affected by transport infrastructure"

Two decades ago Professor Jourdain wondered, "Why try to impose vegetation cover that projects our own imagination on an area where nature already has its own plans?" Ferrovial, one of the world's largest infrastructure companies, believes that an understanding of nature is required in order to design better environmental restoration that will help rebuild affected systems. There is no question that the most technically and economically efficient restoration projects will be those that, to some degree, help nature to recover on its own, capitalizing as far as possible on ecological processes.

To advance this understanding, for nearly ten years Ferrovial has been working closely with institutions such as the Spanish National Research Council, the Complutense University, Rey Juan Carlos University of Madrid, and more recently with Fundación Biodiversidad. The scientific results of this partnership, along with the conclusions drawn by the construction firm OHL and other research groups, have been "translated" into a technical language and become embodied in a text published by Spain's Ministry of Environment. The digital edition of the manual can be downloaded at http://www.Ferrovial.com/es/Calidad-y-Medio-Ambiente.

Activities in protected or ecologically valuable areas

Of all Ferrovial's activities, civil works construction poses the greatest risk to protected environments and ecologically valuable spaces. As sites are temporary, under certain conditions the company will be authorized to occupy such sites provided that a series or prevention, mitigation and control measures are implemented with regards to the environmental impact of occupying the site. With this risk in mind, Ferrovial Agroman has had a specific procedure in place for more than two years that is used to identify, evaluate and quantitatively monitor such situations and associated risks, as well as implementing measures to offset environmental impacts.

In 2012 this procedure was used to identify a total of 55 temporary sites in sensitive habitats, all in the construction business. Of these, the majority corresponded to civil and industrial works (95.5%), while the rest were building works. The risks procedure was activated when projects involved legally protected spaces (42% of sites), the presence of protected fauna populations (25%) or surface waters of high ecological value (the remaining 33%). For each of these sites specific "Environmental risk planning and monitoring measures" were prepared and overseen by the company's central services.

There is also one permanent site in the Services area, specifically an urban waste treatment center managed by Cespa in the province of Alicante. This site affects the habitat of the Trumpeter Finch (bucanetes githagineus), a species included in Appendix I of the European Birds Directive. To prevent this species from being affected in any way, an exhaustive monitoring and control program has been implemented to watch for any impacts on the vegetation communities that this species of bird inhabits. At the same time, several partnerships

Company Description
Management Report
Financial Information
Corporate Responsibility

have been set up with government research centers to monitor bird populations. Scientific studies resulting from these agreements have helped to develop a greater understanding of the ethology and ecology of this wild bird, in a context of global change.

Business management

A key aspect of the company's environmental strategy is to develop business models that are coherent with society's demands for a more environmentally sustainable approach to the planet, capitalizing on Ferrovial's technological expertise in areas such as energy efficiency, reducing greenhouse gas emissions, the sink effect of forests and eco-efficiency.

Since the "Ferrovial 2015" plan was launched in 2011, environmental challenges have inspired several business models. Some of them have already been established while others are under development. The project has involved an in-depth assessment of Ferrovial's strategic positioning with regard to global climate change trends, both economic and regulatory. Not only were risks facing current business lines identified and evaluated; new business opportunities for the group were also identified for the 2015 and 2020 time horizons. The key areas of development, largely identified as a result of such analysis, are detailed below.

Sustainable mobility

The shift to low-emission transport infrastructure will undoubtedly be based on convergence between infrastructure and information and communication technologies, helping to make for more flexible systems and reduced energy consumption and greenhouse gas (GHG) emissions. The idea is to create truly intelligent infrastructures that adapt to demand in real time, thus ensuring fluidly running transport and activating solutions for more sustainable mobility. Examples include systems for predicting traffic events, the SAVE advanced entry-lane system for toll roads and the DAVAO+ high-occupancy vehicle detection system. All of these have been developed by the Intelligent Infrastructures Center (CI3), which was set up in 2010. The deployment of these technologies has allowed Ferrovial to develop concepts such as managed lanes. Infrastructure of this kind is capable of reducing the carbon footprint caused by road travel, and is currently operating in countries such as the United States and Canada.

Efficient cities (SmartCities)

The Services area began developing the "SmartCity" concept more than two years ago, within the framework of its municipal and energy efficiency services. This highly practical approach means cutting costs for local governments, investment in technology, increased energy efficiency and improved quality of life for citizens.

The new model has already been deployed in several cities, such as Birmingham. It is also being launched in Sheffield, where Ferrovial Services has signed a 20-year contract and made sizeable investments. The project has been a success and warmly welcomed by the public, local unions and employees. According to preliminary estimates, a saving of around 20% on the current costs of urban services is feasible.

In Spain the first contracts of this kind have already been signed. They include the management of street lighting in the town of Soto del Real (Madrid, Spain). The project aims to reduce energy consumption and carbon emissions by around 80%. In 2012 alone there was a saving of 1,577,892 kWh, with more than 470 metric tons of CO_2 equivalent avoided.

Sustainable forestry management (SmartForests)

In 2012 Ferrovial stepped up its efforts to identify opportunities in the field of biodiversity conservation. In countries such as Spain woodlands are a source of natural resources, economic activity and jobs in rural areas. These jobs are crucial to sustaining local populations and helping to conserve habitats over the long term. However, the current economic crisis has substantially reduced public investment in protecting Spain's woodlands. The result could mean negative effects and risks for biodiversity and economic activity in rural areas.

In this difficult situation, Ferrovial's position can play a key role by replacing missing public investment, provided that sustainable and long-term management of the woodlands is ensured, as well as public use of the natural heritage, which belongs to everyone. To this end, in partnership with environmental associations, the Forest Stewardship Council (FSC) and the scientific community, Ferrovial is working actively with several public authorities in Spain on a pilot project for managing public woodlands. The SmartForest model is an innovative project designed to:

- Shift forestry management practices toward a more sustainable model, supported by FSC certification.
- Maintain the woodland ecosystem services and their biodiversity.
- Unlock the value of economic activities that could fund both the conservation of these assets, and fire prevention.
- Promote energy models that are alternatives to fossil fuel models, as a means of providing energy security and reducing greenhouse gas emissions.
- Attract private capital to provide long-term funding for such activities. Ferrovial is confident that in 2013 it will deploy a pilot forestry management model developed in partnership with FSC and public administrations.

A preliminary study is being conducted on the global viability of habitat banks and other forms of conservation markets, and particularly on the role that Ferrovial could play in this context (Ferrovial, Capital Natural Project).

Case study

Energy Efficiency in the City of Birmingham

Birmingham is one of Europe's largest cities and the second largest in the United Kingdom. It is hoping to become a global benchmark city by 2026. To this end, it has signed a 25-year partnership deal with Amey worth 3.2 billion euro, the largest contract of its kind in Europe. The project will include innovative energy efficiency improvements, such as the use of LED lighting in public areas and centralized street lighting control based on how each space is used. So far these improvements have helped to cut energy consumption by 50%, meaning an annual saving of 5 million euro and an annual CO_2 reduction of 35,000 tons.

SH-130 highway, Dallas, United States

Company Description
Management Report
Financial Information
Corporate Responsibility

Green construction

Bioclimatic buildings

In 2012 Ferrovial group companies constructed more than 25,000 m^2 of buildings and 132,531 m^2 of urban developments as part of its bioclimatic projects. Of the eight buildings constructed using such criteria, two have been granted BREEAM certification and six have been certified according to the LEED tool (Leadership in Energy and Environmental Design, developed by the U.S. Green Building Council). BREEAM and LEED certification systems correspond to a set of tools designed to measure, evaluate and adapt the sustainability levels of buildings, in the design, construction and maintenance stages.

Since 2009 Ferrovial has been an active member of the Green Building Council's regional Spanish chapter, working with the institution and the international World GBC on projects such as activating urban restoration pursuant to energy efficiency requirements or promoting "Green" and "LEED" credentials.

Urban restoration

In cities, the restoration of buildings based on energy efficiency criteria is becoming an increasingly important complement to new building construction. In recent years Ferrovial has worked to develop new financing models, based on public-private cooperation, which could help gradually rehabilitate the stock of buildings over the medium to long term.

This option offers several significant benefits. A report from the Working Group For Rehabilitation (Grupo Técnico de Rehabilitación - GTR), of which Ferrovial is a member, calls for an ambitious urban renewal and energy rehabilitation program, involving 10 million homes in Spain by 2050. The program is expected to bring major savings in terms of energy and greenhouse gas emissions, representing up to 390 billion euro by 2050, while also addressing the emerging EU energy-efficiency regulations.

The program would also constitute a major opportunity for the building sector, due to its potential in terms of generating economic activity and, in particular, creating an estimated 120,000 jobs. Other socioeconomic benefits include driving up home values and improving the quality of life and comfort for users.

The report can be found at the following link: http://www.gbce.es/es/GTR

> In recent years Ferrovial has worked to develop new financing models, based on public-private cooperation, which could help gradually rehabilitate the stock of buildings over the medium to long term.

Objectives and commitments (2013-2020)

In 2013 Ferrovial will continue to make progress on its main strategic lines, based on a roadmap for 2020:

- Measure and manage global greenhouse gases, including Scope 3 gases (emissions from third parties associated with the value chain).
- Continuously improve environmental risk management in areas where such risk is significant.
- Anticipate regulatory changes that might positively or negatively affect Ferrovial's activities.
- Carry out research and development of more sustainable and eco-efficient mobility technologies.
- Progressively extend the company's passenger mobility plans to other group offices.
- Extend energy efficiency in the urban environment, particularly in terms of building and city rehabilitation (SmartCities).
- Design innovative models for the sustainable management of natural resources and biodiversity (SmartForests).
- Progress in the green purchasing policy, in collaboration with the WWF and Global Forest & Trade.

2013 Goals

- Keep on track with the roadmap to cut greenhouse gas emissions from Ferrovial activities by 21.3% by 2020, compared with 2009 levels. This commitment covers direct emissions (Scope 1) and indirect emissions (Scope 2, electricity acquired from the grid).
- Implement a pilot energy rehabilitation and urban regeneration project in Spain, and develop a new framework for the energy renewal of commercial buildings.
- Implement a SmartForest pilot project, in partnership with the Forest Stewardship Council (FSC).
- Complete the "Ferrovial, Capital Natural" project, based on biodiversity markets.
- Maintain and improve Ferrovial's environmental index standings (particularly the Dow Jones Sustainability Index and Carbon Disclosure Project).

Specific objectives have also been established to improve internal control and management systems:

- Launch the new corporate platform to calculate and monitor Ferrovial's carbon footprint.
- Develop and implement a climate and environmental risks universe within the corporate management tool (FRM, Ferrovial Risk Management).

Table of environmental indicators

The table below includes the environmental indicators that have not been expressly mentioned in the text.

Indicator	2012	Un
Volume of tropical timber	39.3	m^3
Percentage of timber of guaranteed origin	61	%
Total volume of paper acquired	486,487	kg
Percentage of paper with FSC seal	24	%
Percentage of recycled paper	50	%
Percentage of paper bleached without chlorine	62	%
Procurement of key materials for the business		
Barriers	30,000	t
Asphalt	1,005,106	t
Concrete	2,515,258	t
Asphalt aggregate	97,635	t
Total vehicles in the fleet held under ownership	16,156	Nº
Percentage of company vehicles powered by alternative fuels	4	%
Consumption of reused water	1,756,819	m^3
Proposed penalties in the year due to disciplinary proceedings opened in the year	238,512	Euros
Waste produced from construction and demolition	8,854,996	t
Total soil from excavation	15,202,803	m^3
Total reused soil from excavation	12,830,069	t
Topsoil reused	14,900	m^3
Material sent to landfill outside the worksite	2,458,514	m^3
Materials reused at worksite	6,656,863	m^3
Materials sent to other worksite or authorized landfill	6,158,306	m^3
Accidental discharges to water*	50,070,028	m^3
Total number of significant accidental spillages	0	Nº
Total environmental investments and costs in the year	70,362,635	Euros

Indicator		2012	Un
Fuels used by stationary and mobile sources	Total	7,615,821	GJ
	Diesel	3,151,001	GJ
	Fuel oil	481,612	GJ
	Gasoline	372,563	GJ
	NG	3,605,058	GJ
	LPG	30	GJ
	Propane	1,309	GJ
Consumption of energy acquired by primary sources**	Coal	248,804	GJ
	Diesel	48,782	GJ
	Gas	300,899	GJ
	Biomass	14,498	GJ
	Waste	4,867	GJ
	Nuclear	135,302	GJ
	Hydraulic	78,597	GJ
	Geothermal	237	GJ
	PV Solar	13,250	GJ
	Thermal solar	52	GJ
	Wind	92,914	GJ
	Tidal	0	GJ
	Other	751	GJ
Electricity consumption	Amey	17,426,218	kWh
	Amey-Cespa	6,527,783	kWh
	Budimex	37,421,910	kWh
	Cadagua	75,794,642	kWh
	Cespa	66,367,664	kWh
	Cintra	29,292,122	kWh
	FASA	16,571,228	kWh
	Ferroser	7,996,398	kWh
	Ferrovial	1,463,952	kWh
	Webber	2,253,840	kWh

* The vast majority of accidental discharges to water are associated with flows beyond the control of the sewage treatment plants managed by Cadagua. Specifically, 43,093,330.9 m^3 were one-off events triggered by the start-up of the Bens sewage treatment plant (La Coruña, Spain).
** The calculation takes into account the electricity mix of each country where Ferrovial operates.

Company Description
Management Report
Financial Information
Corporate Responsibility

Maintenance of buildings at the La Muñoza industrial estate. Madrid, Spain

human capital

Commitment

- To develop an integrated model that guarantees the strength of the different businesses and boosts the skills of its professionals.

Lines of Action

- Integration: forming the common values and culture that define us as a company.
- Globalization: developing a model of Human Resources applicable in any of the divisions and countries.
- Leadership: improving the management skills of its professionals.
- Talent: establishing mechanisms for attracting, identifying, developing and retaining employees.

2012 Milestones

- Received the Top Employers certification for the second year in a row, for people management practices; the Human Capital Award for Strategic Training and Development Policy; and the "Empresa más Igual" (Most equal company) seal from the regional government of Madrid.
- Monitored the action plans associated with the 2011 Employee Satisfaction Survey, which has resulted in more than 65 initiatives already in place.
- Defined and implemented a 2.0 Employer Branding strategy.
- Consolidated the cross-cutting executive management model with the definition of the Individual Development Plan following the "360° Appraisal" feedback process.
- Around 400 professionals incorporated into the Talent Identification, Development and Management program.
- Extended the training offered in Internationalization Programs.
- Launched an internal social network open to all employees to exchange information, knowledge and best practices.
- Promoted a culture of innovation with new initiatives that encourage all employees to take part in the generation of ideas.
- Improved the efficiency of people management processes by promoting new technologies both in the field of social networks and in integrated human resource management systems.

2013 Goals

- Consolidate the 2013 Employee Satisfaction Survey as a lever for managing employee commitment.
- Extend the Global Talent Management Program to other subsidiaries and business units.
- Update the Succession Plan by boosting the professional development channels for the employees identified as capable of advancement.
- Make the most of Ferrovial Summa University as a way of generating value, leveraged on the generation of internal synergies and the creation of opportunities together with external experts.
- Create international communities within the internal social network to support knowledge transmission.

	2012	2011	2010
Average workforce	57,276	69,990	100,995
Workforce at close of year	55,159	68,008	101,404
International workforce at close of year (%)	38	48	62
Part-time workforce (%)	17	16	18
Staff on permanent contracts (%)	79	78	83
Staff on temporary contracts (%)	21	22	18
Women in the workforce (%)	31	32	33
Turnover rate (%)	2.7	2.8	6.7
Investment in training / revenue (%)	0.21	0.16	0.34
Employees subject to skills assessment (%)	97	96	97
Employees with variable remuneration (%)	20	12	13
Number of expatriates	300	242	260

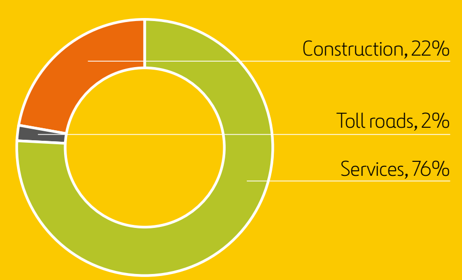
Company Description
Management Report
Financial Information
Corporate Responsibility

Characteristics of the workforce

Ferrovial's workforce as of December 2012 was 55,159. The profile of its human capital is international and diversified geographically by activities and businesses.

By areas of activity, 75.6% of employees work in the area of Services, 1.6% in Toll Roads, 22% in Construction, 0.1% in Airports, 0.1% in Real Estate and 0.6% in Corporate.

By geographical areas, 38% of employees work outside Spain, above all in three countries: the United Kingdom, with 21% of the total; Poland, with 10%; and the United States, with 4%. Ferrovial is present in 26 countries, and 99.8% of its workforce is in countries that are members of the OECD.



In terms of professional categories, 80% of employees are manual workers and line personnel, 13% university graduates, 6% clerical workers and 1% executives.

By type of contract, 79% of employees are on permanent contracts and most of them have service contracts subject to subrogation if the contract is awarded to another company. 83% are full-time.

Segmented by gender, female representation in each division is as follows: 36% in Services; 32% in Toll Roads; 13% in Construction; 36% in Airports; 62% in Real Estate; and 42% in Corporate.

Average age and length of service: The workforce has an average age of 43.20 years, with an average of 8.36 years in service. Executives have an average of 11.05 years in service and an average age of 48.25.

In line with the rotation of mature assets in 2012, worth highlighting in terms of the results is the concentration of the workforce in four countries: Spain, the UK, the U.S. and Poland (96.83% of the total workforce), where most of the company's assets are concentrated. This creates synergies that provide its professionals with opportunities for growth and development. The average workforce over the year was 57,276.

The situation of the labor market in the main countries in which Ferrovial operates, and particularly in Spain, explains the fall in the average turnover rate in the company to 2.7% in 2012. Of the total number of employees leaving voluntarily, only 16% were women, compared with 29% the previous year.

By divisions the turnover rate is as follows: 1% in Services, 9.1% in Toll Roads, 8.1% in Construction, 7.1% in Airports, 4.6% in Real Estate and 2.7% in Corporate. The company has an exit interview protocol for employees in structural positions who leave the company in order to find out the reasons for the decision.

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.

Ferrovial's workforce as of December 2012 was 55,159. The profile of its human capital is international and diversified geographically by activities and businesses.

Ferrovial, a company to follow

In 2012 Ferrovial has positioned itself as one the most notable companies in Human Resource management. It was awarded the annual Top Employers certification by the CRF Institute for the second year running.

The Top Employers certification proves that the company has implemented policies and processes that guarantee the attraction and retention of the best talent, while promoting a good work environment. The CRF Institute grants the certification following a four-step objective study: identification of the best employers in the country; a questionnaire on practices to be completed by the company; a review and additional external audit of the answers; and finally, a rating and selection of the companies deserving certification.

The company's subsidiaries are also benchmarks in the markets in which they operate: Amey, for example, has received the Investors in People Gold accreditation. This accreditation is an independent standard that recognizes good practices in Human Resources in the United Kingdom. Investors in People analyzes and measures the effectiveness of a company's different people management actions. It interviews more than 300 employees to collect information to determine whether the company's Human Resource policy is the best one to achieve the desired results.

The company uses the conclusions and recommendations of these certifications with the sole aim of continuing to improve for the future. In its concern that future employees to find the company an excellent place to work, Ferrovial has given new hires a variety of opinion surveys over the last five years. The company has used the information collected from a questionnaire to draft a report highlighting the main reasons for accepting a job at Ferrovial. In order of importance, the reasons given are as follows:

1. Professional development
2. Company prestige
3. Job description

The sample has the following characteristics: mainly employees aged 25-30 (48%), with less than 3 years of work experience before joining (52%) and with a technical degree (51%).

In April, Ferrovial extended its presence in the social media by incorporating tools designed to capture talent. This was done in two ways: by posting job offers on these networks, for which it received more than 15,500 applications; and by offering all the selection managers a new tool to search for talent all over the world.

This initiative is especially relevant in markets in which Ferrovial is clearly committed to growth, such as the U.S. and the UK, as well as in new markets such as Brazil. It

followers
+12,000

offers published
63

searches
979

gives the company the opportunity to look for talent in these countries, as well as for professionals and experts in the local labor market. The human resources selection staff have viewed 3,400 profiles in just over six months.

Since Ferrovial joined this network in April, its popularity has increased by 110%, with 12,000 followers and around 1,000 searches. This year, 4,205 job offers were published through a variety of media and channels, and more than 251,013 applications were received.

Ferrovial was present in various national and international employment forums in 2012. All the companies making up Ferrovial have the responsibility of contributing to the generation of employment among the young. All the divisions and subsidiaries include initiatives linked to the hiring, development and training of new talent.

- BEST-UPM Forum
- Induforum
- E Forum Valencia
- Nebrija University Forum
- Barcelona Chemistry Faculty Forum
- University of Murcia Forum
- IE
- 3U (Politécnica, Complutense and UNED)
- Employment Forum
- Comillas

> All the companies making up Ferrovial have the responsibility of contributing to the generation of employment among the young.

Employee commitment

The company has a number of different tools designed to receive feedback from its human capital. They allow it to discover its employees' general satisfaction level and identify strengths and areas of improvement that may require new initiatives.

A total of 65 initiatives were implemented in 2012 connected with the results of the satisfaction survey carried out in 2011. More than 10 surveys were carried out online in 2012, which gives business units and subsidiaries a tool to discover quickly and easily the opinion of certain groups on specific topics, ranging from their opinion on certain internal events to their satisfaction with specific projects. The tool, called Pulse Check, covered a total of 2,800 employees from different business units and countries, and has become a support tool for gauging employee opinions.

One of Ferrovial's main challenges as an international company is to have internal tools and new communication channels in place that carry information to all the groups in the organization.

The corporate intranet and its channels for business that cut across areas serve this purpose. They serve as a platform for publishing institutional and business information, and also allow employees to comment on the news that is published. A total of 240 corporate news articles have been published on this internal communication channel, and employees can post comments on these articles for others to read, and comment on whether they liked the article.

A new innovation channel has been created this year with all the information on this area with respect to projects, new collaboration agreements with other organizations, awards, etc. The aim is to promote innovation by informing and involving people in the process of generating ideas. An example of this is the first year of the Innovation Awards.

One of the achievements in 2012 was a new collaborative space for communities of experts to exchange information and knowledge, thus providing a major leap forward in innovative capacity. This project is Ferrovial's first step toward the necessary shift from traditional communication

> In 2012, 65 initiatives were implemented as a result of information provided by the Employee Satisfaction Survey carried out in 2011.

channels to the world of social networks, as a way of sharing knowledge and the best practices of each business. At year-end 2012 the pilot program has been completed with 340 users and four communities in operation, and 24% of active participation in conversations and document sharing.

As well as providing employees with communication tools and information campaigns that support the different projects affecting them, the company has launched a series of initiatives aimed at promoting networking between employees and improving the experience of each individual.

All the divisions organize corporate events that favor networking and promote healthy habits among the workforce. Some examples are the Ferrovial Olympics, organized in Spain for all the divisions and in the UK for the Services division, where more than 1,500 people take part in different sports for three weeks; the Wellness Week organized by Construction and Corporate, which offers employees at the headquarters the chance to attend health promotion workshops; and wellness workshops organized by the Services division in the UK.

Talent development

The combination of the talent and commitment of Ferrovial professionals is one of the pillars of its success as a world leader in infrastructure management. That is why promoting the internal mobility of talent and professional growth of all the people in the company is one of its strategic priorities.

The 360º Feedback process is aimed at all the company management. The process was extended for the first time to this group of professionals in 2012, with the aim of improving their value contribution to the business in their current positions, anticipating their future value contribution and fostering their promotion in executive positions within the organization. A total of 119 positions were appraised this time round, 23% more than last time; and 660 appraisals were received, 44% more than last time. The results give an overall score of 4.1/5, which is an improvement on the score of the previous appraisal, and shows the importance of the associated development plans.

The 360º appraisal is a systematic and uniform appraisal process of management abilities, in line with Ferrovial's culture, with four objectives:

- To ensure there is a single executive profile for the entire company.
- To clarify what the company expects from executives' performance.
- To create a general development framework for all Ferrovial executives.
- To identify executives' strengths and areas for improvement from different points of view.

INFINITAS POSIBILIDADES DE DESARROLLO

Company Description
Management Report
Financial Information
Corporate Responsibility

Following the 360° appraisal, executives have feedback sessions with a coach, after which an Individual Development Plan is drafted with the Director of Human Resources to establish self-development, networking, training and coaching actions. These development processes have led to the identification of 215 skills development actions and 269 requests for skills development.

The Management Skills Development Guide was updated in 2012 to include new resources for improvement.

The process of evaluating skills and planning development is a comprehensive assessment model, as it appraises skills, knowledge, performance and potential, using self-evaluation and assessment by a superior. The process is completed with a feedback interview which, according to more than 5,000 employees who go through the process, is one of the most important moments of the year. It provides them with the chance to take stock, highlighting the most valuable aspects and the areas which they need to improve on.

A total of 5,185 employees took part in this process in 2012, 11% more than the previous year. It is worth noting how the process has become more international, as it includes structural personnel from Webber, Ferrovial Agroman UK and Ferrovial Agroman USA. Women account for 29% of all those appraised.

As well as the appraisal carried out by superiors, this year a self-assessment of nine skills was carried out, following a process of simplification and alignment with the management skills model. Potential is assessed as well as performance, and a technical knowledge assessment is also included in the process.

> The average result of this appraisal was 74.3%, which represents a clear return on the investment effort made by the organization.

This process is part of a tool that makes this information accessible both to the superiors and the subordinates throughout the year, enabling a follow-up to be carried out on the results.

The results of this appraisal were an average of 74.3%, which represents a clear return on the investment effort made by the organization. No significant gender differences were detected in the results of the appraisal.

A total of 9,036 training courses were identified through the development plans decided on jointly between superiors and collaborators, which means that the amount has increased compared to the previous year. These actions mainly focus on financial training (19%), language training and immersion programs (19%), and communication training (11%).

Development actions numbered 2,058, 31% more than the year before. Out of these, 29% are actions that involve new responsibilities and/or the management of a new project in the same area; 21% involve taking part in initiatives to get to know other areas and business practices better; and 20% involve employees learning on their own, e.g. by reading recommended books.

Internationalization of employees

Ferrovial has an increasing need to manage talent actively and, as a complement to this initiative, it has created the Critical Vacancy Filling Committee and the associated Guided Mobility procedure. The goals of this committee are to:

- Fill vacancies with the best available candidate in the organization.
- Promote the mobility of key professionals identified in other processes (Succession Plans, repatriates, etc.).
- Make sure that professionals with a high potential have to face testing experiences in order to be capable of taking the following step in their professional career with success.

Ferrovial's international growth strategy over recent years has promoted career development, transferred knowledge between countries and established synergies between the different business units and subsidiaries. The internationalization of its employees is therefore one of the company's priorities. To that end, mechanisms to identify professionals with potential are being introduced, to offer focused development opportunities, not only through training but also through national and international professional mobility.

In 2012, around 400 people took part in a Talent Identification Program designed to create a talent pool of employees and identify those professionals with the greatest potential. In this way, their professional development can be managed actively to ensure that they have the profile required to take up positions of greater responsibility within the company.

Currently the number of international assignments is 300 in 18 countries. International assignments provide employees with the experience of working in new expanding markets, where they can put into practice and improve their skills and knowledge to the benefit of the organization as a whole.

Ferrovial carries out its personnel selection processes with the aim of hiring the best available candidates for the job, under equal conditions, regardless of gender, origin or nationality. For this reason, all the employees hired in their country of residence are considered local staff, regardless of their nationality.

91% of all executives (Boards of Directors and Management Committees) are local.

Training and development

The company has solid experience in training, reflected in the total of 1,135,614 training hours given in 2012. Total investment in training accounted for 0.21% of the group's revenue, representing a training investment per employee of 285 euro.

One of the projects that makes the company's training and development policy different is the commitment to the training of future leaders. This is achieved through both technical and cross-disciplinary training, focusing especially on management abilities and individual career and skills development, not only at a professional but also a personal level. This training at Ferrovial Summa University involved a total of 52,464 training hours in 2012, 17% more than the previous year; 2,964 students attended, an 8% increase on the previous year.

The training hours at the corporate university in 2012 were distributed into 210 courses, structured as follows:

Leadership school
111 programs — 21,472 hours

Business School
68 courses — 19,776 hours

Cultural Integration School
27 courses — 10,512 hours

Outstanding training with a difference: Summa

The educational choices are different because of their wide scope. They are not limited to the workforce in Spain; many of the star programs are targeted at international positions. This project is outstanding because of its international scope and the programs carried out with the main international business schools.

This year it is worth highlighting the management training for both people in management positions and future leaders identified via the talent programs.

Executive programs based on the demand that was analyzed in the 360° executive appraisal:

- A Corporate Governance program that explains the functions, duties and responsibilities of directors, how the Board works and what its tasks involve, in accordance with Good Corporate Governance.
- The Leadership Development Program (PDL 360), which mainly aims to help executives to be aware of their leadership style and facilitate the development of the skills and abilities required in the leadership profile.
- Building Business at the Boardroom: the aim of this experiential program is to put into practice the business development cycle even before it is launched. It uses a case designed ad hoc for Ferrovial in order to promote a value relationship with clients, based on effective communication and on highlighting the company's strengths.

There are two major programs for training targeted at future leaders with international participation:

- The Global Management Program (GMP): It aims to combine theory and practice with the participation of trainees in specific change management and innovation projects applied to Ferrovial, as part of the academic modules of Finance, Strategy, Operations, Innovation and Change. It is developed through two residential modules: Madrid and London.
- The Leadership Development Program (Managers): It aims to optimize the style of leadership so that those taking part can go on to lead and develop high performance teams.

The main priority for 2013 is to extend the international scope of these programs.

Course at Ferrovial's Summa University, El Escorial, Spain

Meeting point: networking and collaboration

Thanks to the provision of physical headquarters for the University, Ferrovial has managed to gather together all the professionals from the different companies and countries in which it operates. This helps improve skills and also generates business synergies and knowledge exchange between the different areas, thus constructing a single corporate culture by integrating the company's diversity.

The idea of the University as a space to exchange experiences can be seen in the increase in the number of conferences and meetings held at the facilities in 2012, totaling 30 conferences with 685 participants.

A new feature this year has been the creation of the community of Summa students, to which all participants will be able to sign up. It forms part of the company's strategy of providing the necessary technological tools to promote teamwork and the exchange of experiences. This community has the following goals:

- Generate alumni communities.
- Give continuity to training beyond the classroom.
- Facilitate integration.
- Share knowledge.

This channel also strengthens the relationship between students and internal speakers. Today more than 150 experts share their knowledge and transmit the values and principles that make Ferrovial different.

The company also has an Online Campus that provides online training, both with a global scope and divided into business areas. The following online courses are currently active and compulsory for all Ferrovial employees: Code of Ethics (launched in 2010), Information Security (2010), Occupational Safety (2010) and Crime Prevention in Spain (2011).

One of the most popular and valued spaces in the Summa portal this year was the space offering summaries of business management books, with more than 7,000 downloads.

Indicators of Summa Corporate University	2012
Total training hours in Summa over the year*	52,464
Total training hours in Summa over the year per participant*	17.7
Number of employees who attended training in Summa over the year*	2,964
Overall satisfaction rates: Campus	7.5
Overall satisfaction rates: Trainers	9
Overall satisfaction rates: Contents and methodologies	8.5
Overall satisfaction rates: Organization	8.6
General satisfaction rate	8.6

* Includes both face-to-face and online training hours

Awards and Distinctions

The commitment to training Ferrovial professionals was recognized at the 16th Human Capital Awards for Human Resource Management. The awards value professionalism in this field, as well as the development of people management, organization and motivation tools and techniques inside companies. Ferrovial was a winner in the category of Strategic Training and Development Policy for its pioneering work in the sector with the creation of Ferrovial's Summa University and for establishing a career training plan for the whole management hierarchy linked to the results of the 360° feedback.

Goal-orientation through people

Ferrovial's remuneration policy is fair and competitive in the markets in which it is present. It includes fixed and variable remuneration adjusted to local markets, together with long-term incentive systems with a global focus.

The variable remuneration system is target-based. This target-based assessment process now covers 20% of the workforce, and taking into account the structural personnel, i.e. personnel not subject to contracts, it would account for 100% of the workforce. Targets connected with the company's results and cash flow are included in the target table according to the specific position.

> The commitment to training Ferrovial professionals was recognized at the 16th Human Capital Awards for Human Resource Management. The awards value professionalism in this field, as well as the development of people management, organization and motivation tools and techniques inside companies.

Targets were planned and set in 2012 through a platform that improves the use of information and management by the chain of command. It is a simple, intuitive and easily-accessed tool.

The company has continued to promote the flexible remuneration system through its Flexibility Plan, which provides employees with the chance to modify their current remuneration package in accordance with personal needs, by replacing part of the current fixed remuneration with products (day nursery vouchers; life, accident and health insurance; purchase of computers; or vehicle and computer leasing).

This program has been encouraged this year too, with the addition of a new product: the Transport Card , which allows employees to buy transport passes for their own use in commuting to and from work by public transportation.

All employees can access the Employee Club on the intranet. It offers easy ways to purchase products and services, as well as payment facilities that save money as well as time, while improving their quality of life.

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 (350 executives, middle-management and department heads or similar categories) with Ferrovial shares.

A long-term incentive program called the Performance Share Plan was set up in 2012 for 312 executives and middle-management, who receive shares after 3 years if they meet certain requirements.

The remuneration and benefits area monitors compliance with confidentiality requirements and to ensure its remuneration policy meets internal and external criteria of equality.

An integrated people management model

The company has appropriate technological systems in place so that the entire workforce's work processes are carried out safely, securely and efficiently. Among these systems is the Bridge project, which was created two years ago to integrate for the first time all the information from Ferrovial's Human Resources processes covering people management in the different business units and subsidiaries. It is a platform designed to create value and lead to better talent management within the company.

This program integrates the strategic Human Resources processes into the same platform. These processes are: Training, Evaluation and Development Planning, Targets and Remuneration. The tool is available in three languages (Spanish, English and Portuguese) and covers the entire Ferrovial workforce. This technology has made Ferrovial a pioneer in the execution of a project of this kind within the SaaS (Software as a Service) model.

The implementation of these systems creates value and integrates information between the organization's different business units. Using synergies arising from globalization it can adapt to the different needs of businesses, countries and languages.

Beneficiaries of the Social Infrastructure project with the NGO Plan, Cajamarca, Peru

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).

2012 Milestones

- Continued with the Code of Ethics course for all structural personnel in Spain.
- Participated in forums and dialogs on the implementation of Human Rights in the company.

2013 Goals

- Formalize the Human Rights policy.
- Follow up the recommendations of the Ruggie Report on Human Rights in Spanish companies.

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 is committed to supporting and respecting the protection of fundamental, internationally recognized Human Rights and ensuring 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.

Supply Chain

Ferrovial is also committed to respecting and promoting 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.

An analysis of the profile of suppliers, products and countries of origin carried out by the different company businesses does not reveal significant changes with respect to previous years. Most of Ferrovial's investments are in OECD countries or in upper-middle or high-income countries according to the World Bank classification. Their legislation recognizes and guarantees respect for Human Rights, which is why the risk of Ferrovial's supply chain has been rated as low.

Since 2008, the Construction division has had a specific Corporate Responsibility clause in its supplier-partner agreements. These agreements are made with major suppliers. In 2012, Services included the clause in its contracts, in order to extend Ferrovial's commitment to Corporate Responsibility to its supply chain. 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.

Finally, a new methodology to analyze high-risk suppliers has been implemented, based on the Global Compact Principles and FTSE4Good.

Risk 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 Human Rights rules to be followed by employees, as well as new instructions in this area for the different security departments.

Ferrovial maintains its commitment to promote Human Rights under the Millennium Development Goals, specifically with respect to target 7C: "Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation." Four projects dealing with this target were in operation in 2012 in Tanzania, Ethiopia, Colombia and Peru, in collaboration with the development NGOs ONGAWA, Intermón Oxfam, Ayuda en Acción and Plan España. These projects amount to total investment of almost one million euro, with some 50,000 beneficiaries and 15 volunteers.

Ferrovial prohibits any type of discrimination toward its customers and society in general, and undertakes to provide information on its operations in a fast, clear and secure way. Ferrovial is committed to complying with local legislation and to respecting the culture, customs and values of the people in the communities where the company operates. Ferrovial contributes to the promotion of human rights compliance, maintains an open dialog with its stakeholders and takes part in social activities with the community.

Labor unions and collective bargaining

Ferrovial recognizes the rights of its employees, in accordance with the Declaration on Fundamental Principles and Rights at Work established by the International Labor Organization, and is committed to non-discrimination, the promotion of equal opportunities and the furtherance of diversity, the prohibition of child and forced labor, freedom of association and the right to collective bargaining.

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 labor unions. Collective bargaining agreements currently govern the working conditions of 79% of employees.

Equality and non-discrimination

Through this commitment, included in its Code of Business Ethics, Ferrovial supports diversity as a business, social and legal principle, and complies with current legislation regarding equal opportunity.

As well as signing the Diversity Charter, Ferrovial has sponsored the second cycle of forums organized by the Diversity Foundation, called the Diversity Management Toolkit. The aim is to help generate a culture of non-discrimination and create a series of specific diversity management tools through four seminars with a practical and participative approach. The series comprised four forums in 2011 and 2012 with the aim of becoming a benchmark initiative for the analysis of effective and efficient people management models.

The Code of Business Ethics states that all employees shall be given equal opportunity to advance their professional careers on the basis of merit. This commitment has been recognized by Ferrovial S.A. receiving the Equality Award for Companies, valid until 2013. In 2012, the company was also awarded the "Empresa más Igual" (Most equal company) seal by the regional government of Madrid, for its promotion and implementation of equal opportunity initiatives, specifically its "IGUALA +" Plan.

The proportion of women in Ferrovial is 31%. Within each division, the numbers are as follows: 36% in Services, 32% in Toll Roads, 13% in Construction, 36% in Airports, 62% in Real Estate and 42% in Corporate.

The proportion of women on Ferrovial's governing bodies, i.e. the Board of Directors and management committees, and the management committees and corporate departments in the group's divisions and subsidiaries, amounts to 13%.

By professional category, women account for 13% of the total number of company executives, 25% of graduates (3- or 5-year degrees), 70% of clerical workers and 30% of manual workers and line personnel.

36% of the total number of women work part-time. In the countries in which Ferrovial has a significant presence, the number of women working in the company is as follows:

The Equality Plan includes 17 measures that have been implemented on a step-by-step basis since it was approved. One of them is the Work/Life Balance Plan, which includes measures such as the extension of maternity leave by two weeks, flexible reduced working hours in case of guardianship responsibilities when the person in question is caring for a child under 10, and special leave that adapts to employee needs.

Spain
12,473 36.44%
women

United States
232 9.54%
women

United Kingdom
3,456 30.30%
women

Other countries
309 17.65%
women

Poland
754 14.13%
women

Commitment to disadvantaged groups

The company's commitment to equal opportunities has led it to conclude a number of agreements that enable the integration of people with disabilities who are at risk of social exclusion.

Since 2006, the company has worked alongside Adecco Foundation in the launch of social responsibility initiatives involving hiring people with disabilities, and other initiatives that raise awareness and make a social contribution.

Of particular note here is the Familia Plan for Ferrovial employees. It aims to improve the quality of life and facilitate the social integration and employment of family members with disabilities.

Other results of the collaboration with Adecco Foundation are social integration initiatives for people with disabilities, such as Sailing Schools to practice adapted sports.

Through the Integra Foundation, the company organized a photography exhibition involving major photographers as part of its work to raise awareness of the need for employment inclusion. The exhibition showed portraits of executives and employees from different companies, side by side with photos of people at risk of social exclusion who have been integrated into the companies' workforce. The aim was to show that, if given the chance, people who have suffered or suffer social exclusion can become part of the labor market, and are impossible to distinguish from any other workers. The partnership with this foundation has so far led to the integration of 167 people at risk of social exclusion. A number of different training initiatives have also been started up in the area of services.

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. It is now in force throughout Spain. A Whistleblowing Channel was implemented in 2010 and is available to all Ferrovial's stakeholders, both internal and 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 Law 3/2007, passed by the Spanish government on March 22, 2007 to guarantee effective equality between 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 the utmost privacy and confidentiality in the handling of all such matters, including the identity of the persons involved.

In 2012, 16% of complaints for alleged harassment were made via 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.

Child and forced 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 child labor 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.

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. Framework agreements also include a clause requiring commitment to the Global Compact principles 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.

Training and awareness

As an international company, employer and service contractor, Ferrovial is aware of its capacity to influence many people and organizations. The company has therefore 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 executive and management levels include a module on human rights. An online training course was introduced in 2010 on the Code of Ethics. Since then, 4,592 training hours were given on the subject to 4,465 employees.

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 2012 as Secretary of the Executive Committee of Forética.

Corporate Volunteering

Ferrovial promotes corporate volunteering as a way of raising awareness and providing training in the area of Human Rights. In 2012, 1,079 employees were involved in social initiatives during their workday.

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 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: develop a global partnership for development.

The company has various ways of channeling its employees' charitable interests and promoting the culture of solidarity:

- **Volunteering for Development.** Ferrovial supports and funds development cooperation through the work of its employees. So far, 54 of the company's employees have traveled to countries in the South to provide their know-how in basic infrastructure access projects. International volunteering is specialized and professional. Currently volunteers are working through the Social Infrastructure Program (see the chapter on Community Investment).

  In 2012, 11 Ferrovial employees traveled to Peru and Tanzania for 15 days to work on water and sanitation projects being carried out by the NGOs Plan España (Peru) and ONGAWA (Tanzania). The volunteers were chosen from more than 50 candidates according to the needs identified by those responsible for the projects. 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 and helped train local technicians.
- **Volunteers at the 2012 London Olympic and Paralympic Games:** Ferrovial launched an initiative together with HAH for 50 family members of employees to participate as volunteers welcoming arrivals at Heathrow Airport for the 2012 London Olympics. The volunteers took part in a variety of actions to assist athletes, authorities and spectators arriving at the airport.

Amey employee. Glasgow, United Kingdom

health and safety

Commitment

- Ongoing improvements to employee health and safety.

Lines of Action

- Design and implementation of effective systems to prevent and reduce health and safety risks in Ferrovial companies.

2012 Milestones

- Maintained and improved established OHSAS certification levels.
- Ran several informational and training campaigns covering health and safety issues, including: “Play safe”, “Push the prevention button”, “Alcohol-free work” and “Safe use of cell phones”.

2013 Goals

- Extend the OHSAS 18001:2007 standard at the international level.
- Perform security audits at an international level.
- Provide specific training for employees responsible for health and safety, covering new procedures for investigating incidents and accidents and coordinating business activities.

Statistical indices of accident rates for all Ferrovial business areas in Spain

Statistical index	2012	2011	2010
Total Incidence Rate	60.02	65.37	81.44
Female Incidence Rate	43.78		
Male Incidence Rate	69.23		
Total Frequency Rate	39.19	38.30	45.34
Female Frequency Rate	26.02		
Male Frequency Rate	47.87		
Severity Rate	0.91	0.94	0.95
Total Accident Rate	7.84		
Female Accident Rate	5.20		
Male Accident Rate	9.57		
Days Lost Rate	0.09		
Absenteeism Rate	3.06		
Statistical indices of accident rates for Ferrovial at international level			
Incidence Rate	43.74	43.13	
Frequency Rate	25.7		
Accident Rate	5.14		
Days Lost Rate	0.06		
Absenteeism Rate	2.66		
No. of fatalities among employees	3	0	

Statistical indices of accident rates in the Construction Division in Spain

Index	2012	2011	Var, 12-11 (%)
Total Incidence Rate	20.92	37.68	-44.48
Female Incidence Rate	1.89		
Male Incidence Rate	24.32		
Total Frequency Rate	12.35	21.03	- 41.29
Female Frequency Rate	1.11		
Male Frequency Rate	14.36		
Total Severity Rate	0.29	0.44	- 34.09

Commuting accidents were excluded and only working days were included in the calculation of lost days when calculating Ferrovial’s statistical accident rate indices. To calculate the absenteeism rate, all days lost were taken into account including those caused by commuting accidents. The workforce used for the calculations was that covered by the Ferrovial Prevention Systems, which cover 94% of the average workforce.

Rates used in the report:

- Incidence rate: The number of accidents leading to days lost that occur during working hours, for every thousand people exposed.
- Frequency rate: The number of accidents leading to days lost that occur during working hours, for every million hours worked.
- Severity rate: The days lost as a result of occupational accidents per thousand hours worked.
- Accident rate: The number of accidents in relation to total time worked, per 200,000.
- Rate of days lost due to occupational pathology: This compares total days lost with real hours worked, as a percentage.
- Absenteeism rate: The real number of days lost due to absenteeism compared with real days worked, as a percentage.

Company Description
Management Report
Financial Information
Corporate Responsibility

Health and safety actions by Ferrovial worldwide*			
Type of Safety Action	**2012**	**2011**	**2010**
Occupational safety studies	2,412	2,749	2,743
Emergency plans	485	1,443	1,987
No. of visits by safety experts	12,571	15,271	15,870
Training in safe work practices (hours)	202,523	374,721	445,564
Training for safety experts (hours)	27,746	27,507	239,515
Medical check-ups of employees	23,311	29,687	34,120
No. of incident investigations	3,208		
Percentage of workers represented on Health and Safety committees	64.24%		
Percentage of workers under an internally/legally verified OHS Management System	91.58%		
Percentage of workers under an independently certified and verified OHS Management System	90.30%		

*These percentages have been calculated for the workforce covered by the Ferrovial Prevention Systems, which cover 94% of the average workforce.

There was a noteworthy improvement in the accident rate in the Construction division in 2012, with the incidence rate cut by nearly 45%. The frequency rate was down 41% to 12.35, while the severity rate declined 34% to 0.29.

At a national level, Ferrovial reduced the incidence rate by over 8% on the 2011 figures, to 60.02.

Health and Safety Policy

All Ferrovial business areas have health and safety policies in place that are customized to the demands of each business and are approved by senior management, in compliance with applicable domestic and international regulations.

One of Ferrovial's primary missions is to achieve consistent health and safety improvements at all of its work sites; this also represents a duty and a right for all Ferrovial employees.

Certified management systems and legal audits

Ferrovial has health and safety management systems in place in all business areas, allowing risks specific to each business to be closely controlled. These systems comply with all legal requirements and are subject to regular audits.

Services

Cespa, part of the services division, has renewed its OHSAS 18001:2007 certification, and added two new companies: Cespa Servicios Urbanos de Murcia and Inagra. The audit highlighted the incorporation of occupational safety systems, the hard work of all employees involved in the management system and the professional quality of the health and safety team.

By maintaining and extending the scope of OHSAS certification, Cespa has not only met all legal health and safety requirements; it has also been able to improve its working procedures and integrate health and safety across all operations.

The Cespa occupational health and safety management system is organized, structured and managed pursuant to OHSAS 18001:2007 safety standards, as detailed in the Occupational Safety Manual. The manual describes all general occupational safety procedures (GOSP), which can be revised and extended in response to any new requirements or changes to legislation, business policies, etc.

Both Ferroser and Amey have updated their OHSAS 18001:2007 certificates. Ferroser has been certified by an independent OHSAS auditor as the best rated company in its peer group. The company's health and safety management system covers all Ferroser business areas and details the procedures, practices and policies required to manage health and safety throughout the organization.

Ferroser has an occupational health and safety database and documentation on all risks and their prevention. It is consistently updated over the year to keep up with any changes in the business. Any "near misses" are recorded and included in the system procedures, pursuant to the OHSAS 18001 standard.

Amey has a safety management system (SMS) in place, which can be accessed by all employees via the Intranet. The SMS details occupational risk processes, procedures and support mechanisms.

The first stage of the system evaluates occupational risks for all operations before projects get underway, and establishes the most appropriate preventative measures.

A record is kept of these generic risk evaluations. Each place of work makes use of these evaluations and adds any safety measures necessary to meet local risk requirements. Risk evaluations are revised each year and whenever an accident occurs that leads to lost days.

All Amey accidents and incidents are recorded via an online data center known as Airsweb. They are assessed and categorized, keeping all data fully up to date for management use. All accidents leading to lost days are investigated, including safety measures employed, until the case is closed. Risks are also supervised by a team of health and safety officers, who conduct regular inspections and audits.

Toll Roads

The occupational safety management system for toll roads includes risk assessment reviews every two years, provided that both the work center and job positions are not subject to change over the period. However, if employee health is seen to be impaired, or in the event that any routine checks indicate that safety measures are inadequate or insufficient, or if there are significant changes to job positions or conditions at the work center, the assessment shall be updated as and when the changes occur. The consolidated group occupational safety data is used at corporate level as a managerial and decision-making tool, via the annual "Managerial Review report. An occupational safety database containing information and documentation on all occupational risks and their corresponding safety measures is available and updated annually at least. Cintra has an incident investigation procedure in place, which includes "near misses".

Construction

In Spain, Ferrovial Agroman successfully passed the annual independent review of its OHSAS 18001:2007 certification, which it was awarded in 2008. The certification applies to all work centers, including the mobile and temporary sites of Ferrovial Agroman's Safety Service.

In Ireland and the UK, the company also passed the first audit review of the OHSAS certification that it was granted in 2011 for Ferrovial Agroman UK and Ferrovial Agroman Ireland.

The goals of the OHSAS audit reviews were:

- To confirm that the management system meets applicable standards in the countries where it is applied.
- To confirm that the safety standard adopted is effective.
- To confirm that the management system is capable of complying with the organization's targets and policies, country requirements and the individual demands of clients.

Ferrovial Agroman Australia designed, established and certified its Health and Safety Management System according to the OHSAS 18001:2007 standard in July.

The construction business has established an International Internal Audit Procedure that is applicable to all the countries where it operates. The main objective is to supervise the health and safety standards established by the company and provide technical support to each type of project. Audits are performed by certified technical auditors, who issue reports to the company's management. An online application is available for inputting the audit data, filing documentary evidence and generating reports.

Airports and Corporation

Corporate and Ferrovial Airports have been subject to and successfully passed mandatory audits on Occupational Safety Systems, as required by Royal Decree 39/1997 of January 17. The management system includes the following procedures: health and safety policies, risk assessments, preventative planning, safety plans, investigation of health impairment, health monitoring, annual reporting, etc. The system is audited and verified for suitability by a certified independent auditor every four years.

Occupational safety actions

The health and safety actions taken by each business area are detailed below. Of particular note are the visits conducted by safety officers to work centers, specific health and safety studies, the proportion of employees represented on health and safety committees and the number of medical check-ups arranged by the company.

Services

The number of visits conducted by safety officers to work centers was 608 in Cespa,521 in Ferroser and 5,184 in Amey. The number of occupational safety studies carried out for Ferroser stood at 340, while those for Cespa stood at 627.

The emergency plans that companies in the Services division were required to take part in totaled 276, of which 173 were at Amey, 74 at Cespa and 29 at Ferroser. The percentage of employees represented on safety committees at Cespa stood at 77.7%, 48.5% at Amey and 100% at Ferroser.

The Services business area carried out 19,619 physical examinations, of which 10,336 were at Cespa, 6,967 at Ferroser and 2,316 at Amey.

Toll Roads

In the Toll Roads division, a total of 274 occupational safety visits were conducted in domestic work sites and 179 in international sites. A total of 4 domestic and 15 international health and safety studies were conducted.

23 emergency plans are in place, of which 14 are for international activities. In the Toll Roads division, 64.50% of domestic employees are represented on health and safety committees; the figure is 13.6% for employees outside of Spain.

The number of medical check-ups carried out stood at 325 in Spain and at 188 in international concessions.

Construction

Safety officers at the construction operator performed a total of 5,750 on-site control and monitoring inspections in 2012, proposing safety measures when required to improve on-site safety. Over the course of these visits the safety officers gather systematic data that is processed using the occupational safety IT application SERPRE, which is available via the intranet to anyone working with safety systems.

The Ferrovial Agroman Occupational Safety Service conducted 1,426 Occupational Safety Studies and established 184 specific emergency plans for the different business activities.

44.1% of Spanish employees at the construction operator are represented on health and safety committees, and a total of 3,048 underwent medical check-ups specific to their job positions.

Airports and Corporation

A total of 55 Safety Service visits were conducted at Corporate and Ferrovial Airports sites. Over the course of the inspections two accident investigations were carried out, with two emergency plans being updated and revised. The number of physical examinations performed stood at 18 for Ferrovial Airports and 113 for Corporation.

Health and safety information and training

Ferrovial considers employee training and information in health and safety to be extremely important as a means of inculcating safety at all hierarchical levels, reducing accident rates and boosting management efficiency.

Services

In 2012 Cespa provided a total of 92,966 hours of training in safe working practices to more than 4,000 employees. The safety division taught 198 courses to 1,370 employees.

Ferroser provided 59,398 training hours on health and safety and Amey 33,888 hours. With respect to training for staff with occupational safety responsibilities, a total of 10,648 hours of training were provided at Cespa, 8,600 at Ferroser and 1,664 at Amey.

The courses included the following topics:

- Ergonomics: caring for your back
- Safety in confined spaces
- Working at heights
- Working on median strips and roundabouts
- Safety when cleaning up excrement
- Emergency plans
- First aid

Loading and unloading chemicals

As well as the above, 208 Cespa line personnel received basic health and safety courses for staff responsible for "preventative resources".

In 2012 Cespa conducted its 5th occupational safety campaign, entitled "Play Safe", which consisted of filming and screening a documentary made by employees depicting the proper use of personal safety equipment and safe practices at work. The documentary required more than 100 hours of filming at 30 Cespa work centers, covering a wide range of activities performed by more than 15,000 staff at the company.

The campaign shows how the culture of occupational safety has become a hallmark of Cespa, and how safety innovation, combined with strict compliance with regulations, proves a great means of reducing workplace accidents. Further information is available via the link www.Cespa.es/playsafe.

In 2012 Cespa continued with its "Press the Prevention Button" campaign, which explains real accidents and incidents that have happened at work centers, their causes and what safety measures would have prevented them from happening. The aim is to raise awareness among employees of the importance of safe working practices.

Toll Roads

In the Toll Roads area, a total of 2,106 hours of health and safety training were provided in Spain and 1,869 hours in other countries. Special training for employees covering specific occupational safety actions totaled 1,055 hours in Spain and 337 hours outside of Spain.

Construction

In the Construction division, there were further training programs pursuant to the 2012-2016 Construction Sector Agreement. Each employee was provided training specific to their post, including certified training for middle management, such as the 60-hour Basic Course for Occupational Safety Staff. A total of 1,626 direct employees 4,274 employees of subcontractors were given training. The number of health and safety training hours provided was 12,168, of which 5,385 were specific to staff with direct safety responsibilities at work centers.

The courses provided included the following:

- First aid
- Working in confined spaces
- Working safely with machines
- Safe scaffold assembly
- Job-specific training
- Working at sewage treatment plants

Several awareness-raising campaigns have been run in the construction area, in particular an anti-alcohol campaign and another promoting safe use of cell phones at work to prevent potentially dangerous distraction or loss of concentration. Both campaigns were backed by specific posters, designed as part of the "Committed to Safety" campaign.

Airports and Corporation

A total of 15 hours of health and safety training were provided at Ferrovial Airports and 112 hours at Corporate. The training included refresher courses for emergency personnel in first aid and fire safety, with hands-on extinction practice.

Passengers at Heathrow Airport. London, United Kingdom

Awards and participation at events

Cespa took part in the following events in 2012:

- The 10th International Occupational Risk Prevention Conference (ORP 2012), held on May 23, 24 and 25 2012 in Bilbao (Spain), and organized by the Basque Health and Safety Institute (OSALAN).

Cespa is committed to continuously improving OHS and recognizes the importance of sharing its expertise in the field with society. For this reason, it took part in the 10th International Occupational Risk Prevention Conference with a presentation on two projects conducted by the Safety Division:

- Emotional management of occupational safety. (the Cespa experience).
- Simplified evaluation of exposure to biological agents during the collection of dog excrements in the course of street cleaning.

- The "Waste Management and Occupational Safety" course given by the National Institute for Occupational Health and Safety. For the fourth consecutive year, the Occupational Safety Department was involved in the course organized by the National Institute for Occupational Health and Safety. This year it gave a presentation on safety hazards at waste treatment plants, which was very well received by the audience.

The Cespa Safety Department's involvement in the course comes about through its partnership with the Institute, which has lasted for more than 10 years.

- The "6th Atlante Awards", where it was a finalist in the Awareness Raising, Information and/or Training category.
- "Business Activity Coordination Day" organized by Foment del Treball, Barcelona.
- "Law 31/2011, regulations for social jurisdiction" organized by Foment del Treball, Barcelona.
- "Repercussions in the Field of Occupational Safety", organized by Foment del Treball, Barcelona.
- "Responding Responsibly and Realistically to Psychosocial Factors", organized by Foment del Treball, Barcelona.
- "A comprehensive approach to preventing musculoskeletal disorders", organized by Foment del Treball, Barcelona.

Ferrovial Agroman has won several safety awards. Highlights include recognition of health and safety excellence as part of the "Voluntary OSHA Protection Program" in Puerto Rico. In the UK it was a winner in the Safety Leadership and Supervisor categories. It also received several awards for its role in the construction of the new terminal at Heathrow.

As a construction business, Ferrovial Agroman is a member of Seopan, AECOM, CNC and several regional associations, where it plays an active role in Health and Safety Committees.

Emergency Service in the Region of Madrid, Spain

quality

Commitment

- Satisfy client and user expectations.
- Continuous improvement.
- Intelligent dialog with stakeholders.

Lines of Action

- Preserve and increase user trust in the company, meeting their expectations for quality in our projects and services.
- Promote procedural improvements.

2012 Milestones

- Extended certification to new countries and contracts.
- Sustained the level of ISO 9001 certified operations as a percentage of revenue.
- Identified and updated applicable technical requisites.
- Sustained the level of client satisfaction and complied with user expectations.

2013 Goals

- Maintain the established quality management systems and extend their scope to new contracts.
- Sustain the level of client satisfaction and compliance with user expectations.
- Identify and update new technical requirements.
- Launch the new internal TIG channel (Ferrovial.thinkingreen) as a way of sharing know-how.

Quality Management

Ferrovial is firmly committed to quality and the environment. The contracts in all the business areas contain quality and environment systems.

On most occasions these systems are certified according to ISO 9001 and 14001 standards and by the main accredited certification companies, including AENOR (Spanish Association for Standardization and Certification), SGS, BVQi (Bureau Veritas Quality International), BSI Group and DNV.

Since 2008 the Percentage of Certified Activity has been used to calculate the scope of certification of each company's systems and those of the group as a whole. This method is based on calculating the activities certified by a quality or environment system and the net turnover from of each activity.

In 2012, the average percentage of quality certified activity remained unchanged compared to 2011, at 81%.

The scope of certification has been extended in the Construction division to Colombia, Canada, Australia, India, the United Kingdom, Chile, Oman, Dubai and Poland. However, the percentage of certified activity has fallen as a result of increased activity in new countries that are still not within the scope of the current certifications.

The Toll Roads area has maintained the same scope of quality certifications as in 2011. The percentage of certified activity has fallen as there are toll roads that are in the final phase of entry into service.

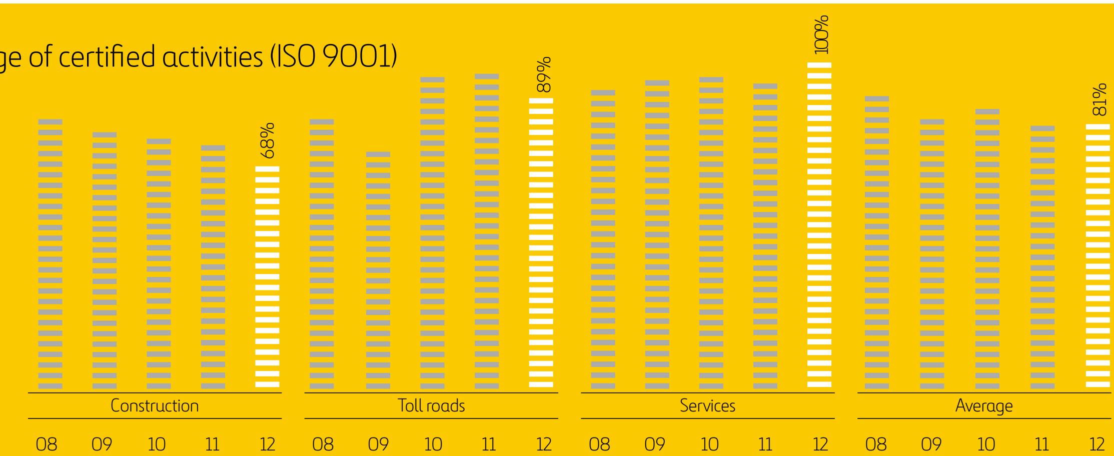
Nevertheless, 100% of the contracts are managed with quality systems.

In the Services area, 100% of activity is certified.

In 2012, the average percentage of environment-certified activity increased by 11% on 2011, to 81%.

The Construction division has extended the scope of certification to Colombia, Canada, Australia, India, the United Kingdom, Chile, Oman, Dubai and Poland. However, the percentage of certified activity has fallen as a result

Percentage of certified activities (ISO 9001)



Percentage of certified activities (ISO 14001)


Street cleaning, La Coruña, Spain

of the increased activity in new countries that are still not within the scope of the current certifications. Nevertheless, 100% of the contracts are managed with quality systems.

The Toll Road area has environmentally certified the Eurolink toll road. As a result, the certification percentage has increased.

In the Services area, 100% of activity is certified.

All systems are internally audited by qualified teams that are independent of the audited area. The Company continues to make progress in these processes, with more than 1,300 internal quality and environment audits carried out. A total of 1,135 production centers have been audited in this phase.

The technicians have made 2,601 visits to ensure and maintain the quality and environment systems in the production centers.

Other certificates

In 2012, Ferrovial carried out external verification of its issues of greenhouse gas emissions in accordance with the ISAE 3000 standard. This verification includes all the divisions and both direct and indirect emissions corresponding to scopes 1, 2 and 3. They also verified that the internal "Carbon Footprint Calculation and Reporting" complies with the international ISO 14064-1 standard.

As well as the quality and environment certifications, Amey-Cespa is certified under the PAS 99 Integrated Management System and PAS Specification for Composted Materials and Quality Compost.

Ferroser Infraestructuras has a UNE 166001 certification for "R&D&i Management: Requirements for R&D&I projects"; and UNE-EN 12899-1:2009 and UNE 135332:2005 product certifications.

Cadagua, Ferroser Servicios Auxiliares and Ferrovial Servicios have the UNE 166002 "R+D+i Management: Requirements for R&D&i Management Systems" certification.

Cespa, Ferroser Infraestructuras and Ferrovial Servicios have an Energy Management System certified under ISO 50001:2011.

Cespa has the PAS 100 certification for composted materials and Quality Compost Protocol and for the laboratories under the standard UNE-EN ISO 17025 "Evaluation of conformity: General requirements for the competence of test and calibration laboratories."

Cadagua and Cespa have EMAS certification for some of their contracts.

The Madrid Regional Government has renewed the Madrid Excelente seal for Ferrovial, Cintra Infraestructuras, Cadagua, Ferroser Servicios Auxiliares, Ferroser Infraestructuras, Ferrovial Agroman, Ferrovial Conservación, Ferrovial Servicios and Autopista Madrid Sur Concesionaria Española. Madrid Excelente is based on the EFQM model. It is the Madrid Regional Government's guarantee mark, which recognizes and certifies the quality and excellence in company management to promote business competitiveness.

Management indicators

Corporate scorecard

In 2012, calculation of Scope 3 of the carbon footprint and monitoring of the reduction targets was included within the scorecard of indicators. The Carbon Footprint is one of these indicators.

These indicators are a selection of those established by the divisions to control their main processes and are systematically sent to Ferrovial's Quality & Environment Department.

The following table highlights the most significant indicators measured on our corporate scorecard.

The monitoring of the indicators establishes targets for improvement based on specific actions.

> The technicians have made 2,601 visits to advise and maintain the quality and environment systems in the production centers.

Company Description
Management Report
Financial Information
Corporate Responsibility

AREA	Main aspects and processes measured by the indicators
Ferrovial	• Calculation of the Carbon Footprint (Scope 1, 2 and 3). • Monitoring of the reduction targets. • Energy efficiency in buildings.
Construction	• Effectiveness of worksite quality plans. • Incidents reported at building sites. • Close of complaints received by the end of the year.
Toll Roads	• 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. • Discharge incidents. • Response time for carrying out corrective work orders. • Customer satisfaction (through surveys).
Urban services	• Customer and user satisfaction (through surveys).
Amey	• Customer satisfaction.

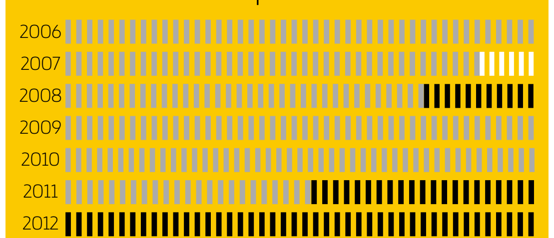
Quality-related complaints

All the businesses have internal procedures in place which establish the methodology for detecting, identifying, recording and monitoring complaints made by customers about products or services. When a complaint is received through the complaint forms or by post, e-mail, verbally, etc., a file is opened explaining the complainant's data, the reason for the complaint, and the actions needed for its 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.

In 2012, only one maintenance complaint was received, and it was closed within one week. Over the years the number of complaints have fallen because the complaints are now resolved within the businesses and because of the steady fall in real-estate development business, which a focus of complaints.

Reason for complaints



	Building	Airpt. servs.	Maintenance
2006	100%		
2007	83%	17.00%	
2008	67%		33%
2009	100%		
2010	100%		
2011	50%		50%
2012			100%

In 2012, the Ferrovial companies overall received a total of 8,960 complaints from clients and users. Of these, 98.5% were closed within the year.

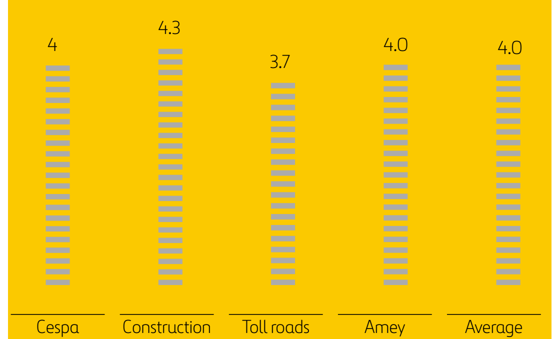
Complaints in the Construction division can be broken down as follows: 75% in residential construction, 14% in commercial construction and 11% in civil works.

Customer satisfaction

One of the objectives of the Company under Ferrovial's Quality and Environment Policy is to meet user and customer expectations. Customers and users are at the heart of everything the company does. The company strives to offer them the best experience possible as users of infrastructures and services.

All business areas conduct regular surveys of client and user 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



Customer satisfaction is very high across the different activities carried out by Ferrovial, with an average score of 4 points on a 1 to 5 scale at corporate level. The satisfaction level is similar to the previous year.

Ferrovial has an e-mail address where complaints, suggestions and comments can be sent (dca@ferrovial.com).

Cespa

Once again this year, Cespa has conducted a Customer Satisfaction Measurement Campaign in order to gauge the level of satisfaction of its customers with the services provided and to meet one of the requirements established by the ISO 9001:2008 standard. In the 2012 campaign, customers whose service was provided from any of the following operations were surveyed:

- Those which took part in the 2010 campaign.
- Those facilities where the quality system was implemented in 2012.

A total of 2,026 surveys were conducted.

The result of the Global Satisfaction analysis in Cespa was 8.01 points out of 10. This is the best result obtained in recent years, with 73.3% of customers satisfied and only 1% not satisfied.

The highest-rated activities were environmental services, manual workers, clerical and commercial teams, and the documentation provided.

In order to raise the client perception of the company there have to be improvements in the capacity to resolve incidents, provide value for money and information to clients and users, and in innovation.

Amey

Amey carries out satisfaction surveys among its customers. The aspects valued most are collaboration, innovation, creativity, capacity to resolve problems and the service in general. In 2012, it obtained a score of 8 out of 10, above the target.

Cintra

Satisfaction surveys have been carried out to gauge the satisfaction levels of users of the Irish toll roads M4 and M3 with respect to the general condition of the toll road and the service provided. In the case of the M3, 63.3% of users think the service is good and 36.7% think it is very good. In the case of the M4, 61% of users think the service is very good and 39% think it is good.

The Indiana Toll Road (United States) conducts surveys by a variety of methods: through the website, delivered at toll booths and via e-mail. The results in 2012 concluded that 90% of users value the user care center as excellent, very good or good, and 84% consider that the level of professionalism is excellent or very good. 94% of users value their experience with the E-ZPass ETC as “satisfactory”. E-ZPass ETC is a system of electronic toll collection used by the toll roads in Indiana (United States). It consists of a device fitted to cars that reads data as drivers approach a toll gate, so the amount is paid automatically from the bank account and no stopping is required, thus making the process quicker and easier.

Notable results in Spanish toll roads surveys were those carried out on the Radial 4 toll road, where 62% of people think that the quality of the toll road is good; and on the AP36, where 90% consider that the quality of the toll road is good.

Construction

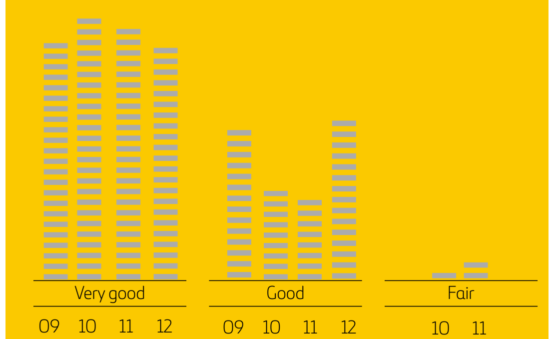
Ferrovial Agroman sends satisfaction surveys to its customers on an annual basis. The rate of replies received in 2012 was 43%. The questionnaires consist of two parts: one with specific assessment questions about important and precise aspects relating to the customer-company relationship; and another including questions with no specific assessment, open to customer opinions and comments. The questionnaire analyzes the customer’s perceived opinion of four aspects: commercial activity, bids, execution and after-sale.

Edytesa, Ditecpesa and Tecpresa have also carried out surveys with results of 8.67, 8.3 and 8.5 out of 10, respectively.

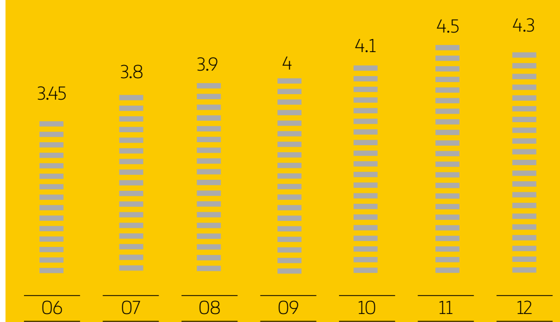
Others

Ferroser and Cadagua carry out surveys every two and three years, respectively. Given that the last was carried out in 2011, no data are provided here this year.

Customer satisfaction (Eurolink. M4)



Customer satisfaction (Ferrovial Agroman)



Customer service

Some 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.

The biggest toll road concessions have their own customer service departments. Chicago Skyway, Autema, Ausol, Radial 4, Madrid-Levante and Eurolink all have customer service websites and phone numbers.

Ferroser, Eurolimp and Ferroser Infraestructuras receive and manage customer breakdown notifications through their call center.

These departments are channels for ascertaining any opinions, doubts and/or complaints from users or clients.

When a close relationship exists with clients, as is the case of construction or water treatment, clients contact the person responsible for the contract directly.

Ferrovial has an e-mail address where customers can send their complaints, comments or doubts (dca@ferrovial.com).

Projects

Normateca and Ambienteca

Ferrovial uses its Normateca and Ambienteca applications and internal procedures to guarantee compliance with all current legislation, regulations and agreements entered into with clients, thus fulfilling one of its core principles: “The value of commitment: We are an organization that delivers on 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.”

This enables the Ferrovial business areas to guarantee the impact on user safety throughout all the phases of the product and service life cycle.

The intrinsic characteristics of each activity mean that the Toll Roads area considers this aspect in infrastructure design, construction and management; the Construction area in the infrastructure construction phase; the Services area in infrastructure maintenance and management; the Water Treatment area in the plant design, construction and operation phase; and the Waste Management area throughout the whole of its process.

Improvements were made to Normateca over the year to incorporate international technical regulations. The tool currently includes 19,591 standards, of which 1,135 were incorporated over the last year.

Ambienteca has a total of 1,866 provisions, of which 77 have been incorporated over the last year.

Coffee & TIG

One of our targets last year was to establish channels that could be used to share know-how. To this end, the Quality & Environment Department created the TIG (Ferrovial.thinkingreen) community, as part of the Coffee (COllaboration for Ferrovial Employees) application. It is designed to work as an in-house social network that can be used to share information and answer user queries regarding the environment, sustainability and quality.

Company Description
Management Report
Financial Information
Corporate Responsibility

Ecopark. Barcelona, Spain

innovation

Commitment

- Contribute to sustainable competitiveness and value creation through innovation practices.

Lines of Action

- Coordinate strategy and global policy on innovation.
- Foster innovation opportunities within priority business areas.
- Promote a culture of innovation among employees.
- Use the instruments of innovation to develop and apply new solutions to business challenges.
- Establish an innovation communication policy.

2012 Milestones

- Organized the 1st Edition of the Ferrovial Innovation Awards to recognize the employees' most innovative ideas
- Participated in innovation assistance programs at a national (INNPACTO, INNPRONTA), regional (ETORGAI in the Basque Country) and European level (7th Framework Program, LIFE, ICT).
- Developed a system of satellite toll payment and launched the seventh collaborative project with MIT.
- Participated in the Pasion>ie and IBM SmartCamp initiatives.
- Joined the Cotec Foundation.
- Launched the corporate intranet innovation channel.

2013 Goals

- Promote an external program of innovative ideas to meet the challenges of intelligent infrastructures.
- Boost innovation training via the Corporate University, to support the identification and development of new business opportunities, and to explore new practices for managing innovation.
- Define a program to identify and analyze innovative third-party solutions to the company's strategic challenges.
- Development of innovation projects in priority areas.

	2012	2011	2010	Chg. 12/11
Investment in innovation (€ M)	32.6*	51.2	45.0	-36.3%

*This figure includes 769,000 euro corresponding to Ferrovial's collaboration with MIT, which is accounted for as R&D&i and community investment.

Ferrovial identifies innovation as a strategic tool for addressing the global challenges facing the world of infrastructures. In 2012 the company redoubled its efforts in this area, focused on developing its vision of intelligent infrastructure.

Major challenges exist in infrastructure management (growing urban populations, congestion and pollution problems, energy efficiency issues, sustainability, etc.). Ferrovial therefore pursues constant and systematic innovation as a key to tackling these challenges and creating wealth in a sustainable fashion.

Innovation is not only a tool for improving productivity and competitiveness, but a key source of value creation for all its stakeholders and society at large. With this in mind, it has established its corporate strategy and launched an action plan based on:

- Customer focus.
- Emphasis on implementing solutions.
- Collaboration with industry, the public sector, universities and entrepreneurs, based on an open innovation model.
- Improvements to the innovation process.

Ferrovial pursues its innovation policy through an open innovation model. This involves creating an open process and ecosystem for partners to enhance innovation through the exchange of ideas outside the organization.

Aware of the importance of managing the innovation programs in all areas of the company and making the most of synergies, Ferrovial has created the Global Innovation Group with representatives from all company's business lines. Its mission is to develop the innovation strategy and to contribute toward consolidating the culture of innovation. The Ferrovial Innovation Awards were held in 2012 to recognize those employees who, above and beyond their normal work, have shown an interest in contributing new solutions and sharing them with the organization.

Company Description
Management Report
Financial Information
Corporate Responsibility

Ferrovial has defined seven areas of interest in innovation on which it focuses its efforts: energy efficiency, intelligent cities, waste recycling, water, innovative construction, toll roads and airports. Its aim is to position itself as a benchmark in Spain and around the world in the development of intelligent infrastructure products and services.

Ferrovial managed 81 innovation projects in 2012, with total investment in 32.6 million euro. Among them is the development of a system of satellite tolls that provide a new model of toll road services. It has also registered more than 100 patents to protect its intellectual property in strategic areas of research. In addition, Ferrovial is a member of various organizations and participates in major public and private innovation initiatives worldwide, where it promotes an exchange of experience and best practices among experts in the field.

Wind turbine, Barcelona, Spain

Innovation strategy

Innovation strategy covers three levels:

1. Common system of control to establish the open innovation model and tackle the challenges of the future.
2. An innovation community that seeks to identify relevant individuals and to foster an appropriate cultural climate.
3. The resources required: information, finance, ecosystems and programs to support the model.

Ferrovial uses an open innovation model that maintains an ecosystem which includes both the Ferrovial employees and partners/collaborators: the public authorities, public and private research centers, large companies, entrepreneurs and start-ups.

In terms of governance of the innovation process, each business line has an innovation manager who is responsible for establishing R&D and Innovation policies, allocating human and material resources as required, safeguarding and exploiting the results, and representing Ferrovial in dealings with R&D&i organizations and forums.

In 2012 the Global Innovation Group, which brings together the innovation managers of the business units, together with the key human resources managers, held a series of meetings to coordinate the existing programs, and provide a boost to new global initiatives such as the Ferrovial Innovation Awards.

Among the resources it has available, Ferrovial runs two of its own Competitiveness Centers (management of assets and intelligent transport systems), aimed at optimizing process management by identifying best practices and developing partnership projects.

The company also has two cutting-edge R&D&i departments: one dealing with water treatment (treatment of urban and industrial waste water and desalination via inverse osmosis) within its Cadagua construction subsidiary; and the other with waste management (controlled landfill processes, leachate treatment and recovery of materials and energy from waste) within the services company Cespa. Both also work closely with other research centers. Other companies in the group, such as Ferroser, Amey, HAH and 407 ETR, carry out this innovation activity in their own R&D&i departments.

In addition, the company has technical offices (Ferrovial Agroman, Cintra, etc.) that support its innovation strategy by designing and developing new technologies and processes, or by establishing partnerships with other research centers.

In 2010 Ferrovial created the Center for Intelligent Infrastructure Innovation (CI3), based on a "Triple Helix" organizational model in which private enterprise, universities and the public sector participate to create a natural ecosystem for open innovation.

Ferrovial Agroman and Ferroser have renewed their R&D management system, designed in accordance with the UNE 166002:2006 standard, as certified by AENOR. This system ensures the highest technical quality and profitability for the company's projects, while guaranteeing transparency in all R&D&i activities.

Innovation areas

Ferrovial concentrates its efforts on developing technologies applied to infrastructure construction, transportation, municipal services, water, 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 company has established seven areas of interest in innovation, in response to the challenges facing its business units:

- **Energy efficiency:** With the aim of reducing GHG emissions, helping to reduce energy costs and anticipating future regulations, projects are being developed in maintenance, auditing and energy efficiency optimization for buildings, reducing power consumption in public lighting, and expert energy management systems.
- **Waste recycling:** In response to concerns regarding climate change and environmental sustainability, projects are underway to recover energy from waste, both as a partial substitute for conventional fossil fuels and as a solution to treat or eliminate the growing volumes of waste generated by the consumer society, as well as recovering materials from this waste.
- **Intelligent cities:** Projects are underway as part of the integrated municipal services model, based on operational excellence, service quality and environmental sustainability. The aim is to satisfy the innovation needs of the city of the future, with public-private partnerships that can reduce costs and improve the quality of life for urban populations, while guaranteeing sustainable economic development.
- **Toll roads:** By applying the latest technologies to infrastructures and vehicles, projects are being developed focused on: research using complex algorithms to operate managed lanes; deployment of lighter and more secure architectures for processing operational and financial data; remote management of toll plazas through applications in mobile devices; prototype toll systems using GPS and mobile user interfaces; control of the management of critical assets; and the study of the elasticity of mobility.
- **Water:** As part of the incorporation of novel technologies in this area, new water treatment processes and improvements to existing ones are being developed for projects related to energy and process optimization, both in the field of seawater desalination via inverse osmosis and waste water purification.
- **Innovative construction:** A package of projects developing technologies, processes and products to improve the productivity and environmental sustainability of construction activity in all of its areas.

Company Description
Management Report
Financial Information
Corporate Responsibility

Ferrovial Innovation Awards

Aware that innovation can be generated in any part of the company, in 2012 Ferrovial organized the Ferrovial Innovation Awards. With the slogan "zuritanken", a combination of the Swahili term "nzuri", which means "good" and the Swedish term "tanken", or "idea", employees worldwide were invited to offer solutions to the four challenges set, one for each business area.

The company wanted to recognize those innovative ideas that could be implemented and were designed to increase process productivity and efficiency, improve the company's competitiveness and/or can generate new business opportunities. The aim was also to reward those employees who, above and beyond their day-to-day work, have an interest in contributing new solutions and sharing them with the organization.

The factors considered in selecting and evaluating the proposals (though not all had to be present) were that they should be new, attractive for the business, feasible in application and with a high potential impact.

The juries were made up of the Management Committees of the business units, which determined the best idea in each challenge, in accordance with the criteria. These ideas in turn entered the final phase in which the Ferrovial Management Committee chose the winner.

Over 500 proposals were received during the two months' application period, of which 15% came from groups, thus demonstrating the level of collaboration between the company's employees. In fact, the winning idea, "Power Floor: Not a Step Wasted" came from a group of four professionals from different company divisions: Amey, Ferrovial Services and Heathrow Airport Holdings.

Throughout 2013 pilot trials will be run on the ideas of the finalists and winners. There will also be feasibility studies on the more than 500 that were sent to assess their possible implementation.

The eight finalists for each of the challenges were as follows:

Services challenge: social initiatives for local service contracts.

- AmeyInSociety.org: the social face of Amey.
  Reconcile Amey's social initiatives with the needs of the communities in which it operates through a collaborative platform.
- Teaching skills to people with disabilities.
  Position the company as a benchmark for the job integration of the disabled through the creation of a professional skills center.

Toll Road challenge: increase toll road revenues.

- GSM technology for automatic tolls.
  Make toll collection easier on toll roads using a payment system based on mobile technology.
- Cintra, leader in road safety.
  Position Cintra as a leader in road safety and increase positive user experience.

Construction challenge: new methods in the area of construction.

- Allocation App: One-click document management.
  Use time more efficiently when managing project documentation through a smartphone application.
- Laying rail track without an auxiliary track.
  Develop a technology that reduces costs and time and increases safety when laying rail track.

Airport challenge: improve the passenger experience.

- Power Floor - Not a Step Wasted
  Creation of an intelligent floor surface that captures each passenger step at Heathrow Airport to generate energy and for use as a platform for analyzing information.
- Mobile chair for babies.
  Objective: To make it easier for parents with babies traveling alone to pass through the security checkpoint by using a mobile chair.

Agreements and collaboration

Massachusetts Institute of Technology (MIT)

In line with its open innovation strategy, in late 2010 Ferrovial signed a five-year agreement with the Massachusetts Institute of Technology (MIT) to work together on research projects aimed at transforming cities and developing the infrastructure of the future. Currently work is being done by groups of researchers from MIT working in coordination with workers from the Ferrovial business. The average duration of each project is two years, with total accumulated investment of more than two million dollars.

The six projects in collaboration with MIT launched in 2011 continued through 2012 and met with their targets for the year. One more project was launched in the water innovation area, headed up by Cadagua, called the "Energy Optimization of Reverse Osmosis Seawater Desalination Plants".

As well as the three projects that the Services business unit is working on with MIT, Ferrovial Services extended its collaboration in 2012 through an agreement with the Senseable City Lab to innovate in the integrated services or intelligent cities model. Specifically, this involves various projects such as CityEye, which provides data from sensors that at the same time can be used as indicators for service provision and for interactive applications with individuals; or Basurcambio, which will be a marketplace for citizens' involvement in the reuse of materials from waste collection points.

Universities and institutions

Among the universities with which the group's companies have concluded agreements are

Spain:

- Center for Intelligent Infrastructure Innovation (CI3)
- Politécnica University of Madrid
- Tecnalia Technological Center
- University of Cantabria (Waste Management)
- LEITAT Technological Center
- Alcalá de Henares University (CI3)
- Politécnica University of Catalonia
- CeDint Research Center for Smart Buildings and Energy Efficiency
- Autónoma University of Madrid
- University of Murcia
- University of Zaragoza
- Center for Environmental and Technological Energy Research
- Carlos III University of Madrid
- Institut Quimic de Sarriá
- Girona University
- Valladolid University
- Granada University
- CIEMAT

Europe:

- University of Surrey (UK)
- Aston University (UK)
- Fraunhofer University (Germany)
- University of Luxembourg (Luxembourg)
- Alexandra Institute (Denmark)
- University of Limerick (Ireland)
- Pro-Akademia Innovation Center (Poland)
- AALTO University (Finland)
- Center For Research And Technology Hellas (Greece)
- University of Birmingham (UK)
- University of Manchester (UK)
- Newcastle University (UK)

USA and Canada:

- Massachusetts Institute of Technology
- University of Texas

As well as the three projects that the Services business unit is working on with MIT, Ferrovial Services extended its collaboration in 2012 through an agreement with the Senseable City Lab to innovate in the integrated services or intelligent cities model.

Company Description
Management Report
Financial Information
Corporate Responsibility

In 2012 Ferrovial became a member of Cotec, a foundation rooted in business whose mission is to contribute toward Spain's development through the promotion of technological innovation in companies and Spanish society as a whole.

Cotec has the following objectives: promotion of a technological culture and innovative attitudes, analysis of the effects of innovation, and institutional presence.

Through the Innovation and Processes Division, Ferrovial participates in the three committees that organize the Foundation's activities:

- Innovation Bases Committee
- Innovation Management Committee
- Innovation Effects Committee

Support for entrepreneurs

In 2012 Ferrovial collaborated for the first time on the regional IBM SmartCamp in Spain. This initiative is part of IBM's Global Entrepreneur program, which aims to help start-ups and entrepreneurs to put into practice their projects and business ideas.

The winner in 2012 in Spain out of over 50 pre-selected candidates was PanamNav, a mobile solution that checks the geographical position of smartphone users to ensures secure payment transactions.

IBM SmartCamp provides participants with an opportunity to network and receive advice and support from venture capital businesses, local and international investors, industry executives and prestigious entrepreneurs.

In 2012, Ferrovial once more worked on the second "Pasion>ie, pasión por innovar y emprender" initiative that Accenture Spain and the IE Business School launched to create links between the "innovation community" and business in order to develop innovative projects that can contribute to economic and social development, within three categories: the city of the future; the health service of the future; and the retail distribution of the future.

After the initial selection, the 2nd Forum of Advisers of Pasion>ie will make a further selection of projects in order to choose the finalists. These will form part of a mentoring plan in which Ferrovial will take part. On May 8, 2013 the projects will be presented at the IE Business School's Investors' Day to investors from Spain and around the world.

Training in innovation and communication

Ferrovial has its own Summa Corporate University with a training program providing courses that range from specific training in creativity and innovation to the generation of new business opportunities and the development of the capacity of executives to innovate. This is done through workshops on the creative resolution of problems, and plans such as the Executive Management and Global Management Programs.

The Executive Management Program is based on study of business management methodologies via analysis of the various ways of approaching entrepreneurial management, its procedures and activities, looking at the entire entrepreneurial process from the identification of business opportunities through to the development of a business plan.

The Global Management Program is designed for executives who answer to the top level of the organization. It aims to extend their knowledge of change management in the organization and increase their skills, with the aim of maximizing the innovation and transformation capacity of their business areas. The program's innovation module includes an elevator sales pitch competition, consisting of a role play in which each participant tries to convince experts in innovation and risk capital innovation that the value proposal they present is the best.

In 2012 Ferrovial launched the new innovation channel on the intranet. This initiative is linked to the company's aim to boost innovation and is a meeting point where innovation strategy can be shared through knowledge of the policies, initiatives, news, projects, events and experiences of the projects underway.

Public innovation support programs

In 2012 Ferrovial participated in innovation support programs at a national (the INNPACTO, INNPRONTA, run by the Ministry of Economy and Competitiveness), regional (ETORGAI in the Basque Country) and EU level (the EU's 7th Framework Program, LIFE, ICT).

Specifically, in 2012 a start was made on the following projects that had received approval:

TEDS4BEE is a project that is part of the European Commission's "ICT Policy Support Program". The project demonstrates systems that can help energy efficiency in buildings where the EMMOS software is to be installed (pilot buildings in Spain, Portugal, the United Kingdom, Poland, Italy and Serbia). In this project, Ferrovial Services heads up a consortium formed by 12 participants, with CI3 being the technical coordinator. The project will be developed from 2013 to 2015.

PRENDE is a project in the national INNPACTO program. It consists of designing an information and services platform that boosts efficient energy use in large city neighborhoods. A pilot management model will be launched in a Madrid neighborhood. It will deploy advanced communication media together with contracting and management tools that use the Internet and mobile devices. The PRENDE consortium is headed up by Ferrovial Agroman and Ferconsa, with CI3 as the **project's technical coordinator.**

DINTRANS is another project in the INNPACTO program. Its aim is to research the structural behavior of transitions between ballast and plates in high-speed rail track. The DIANTRANS consortium is headed up by Ferrovial Agroman, with the participation of ADIF, the University of Cantabria and CI3.

ECODIS is a project in the ETORGAI program run by the regional government of the Basque Country, in which Ferrovial Servicios participates as a partner. Grants for activities in 2012 have been awarded.

Solar pyramid in the Juan Carlos I park, Madrid, Spain

Cespa has also presented two proposals for the European Commission's LIFE program on the environment and sustainable cities; and Ferrovial Agroman two further proposals for the 7th Framework Program in ecological labeling of roads and energy efficiency in urban buildings and infrastructure. As of the end of 2012, a decision on acceptance of the proposals is still pending.

In 2012 the execution of projects awarded in previous years belonging to the European Commission's 7th Framework Program continued. As part of the FOTsis project, on-site trials have been carried out on online services applied to traffic on toll roads. These trials will be carried out in 2013 by the Greek concessionaire Nea Odos, in which Cintra has a stake. The Center for Intelligent Infrastructure Innovation (CI3) has worked together with AMEY on the OUTSMART project in five European cities. The aim of the project is to define pilot services and Internet applications that optimize and improve the sustainability of urban areas. Work has been done on IT services that can promote the use of public transportation and non-polluting transportation in the city of Birmingham.

The development of the first phase of the CIUDAD 2020 project has also been completed. This is an initiative that is part of the CDTI INNPRONTA Program. Ferrovial Agroman, Ferconsa, CI3 and the University of Alcalá participate in the project, which is headed up by INDRA. It develops innovative actions for creating efficient and sustainable cities. The project was presented at the Congress on Green Cities and Sustainability in Malaga.

Construction of the Telefónica Data Processing Center. Madrid, Spain

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 adopt principles increasingly in line with the Corporate Responsibility policy.
- Base relations with suppliers on a methodology that includes Corporate Responsibility criteria.

2012 Milestones

- Introduced procedure to classify suppliers according to their risk in terms of Corporate Responsibility, in order to properly identify and manage high-risk suppliers in terms of these criteria.
- Developed a Purchasing Policy and a Code of Buyers for Ferroser.
- Launched a new Organizational Purchasing Procedure for Ferrovial Agroman, which establishes a new category of coordinated purchase management at international level. The Purchases Department must necessarily be involved in this management, regardless of the country in which the project for which the purchase is going to be made is located.

2013 Goals

- Extend the analysis of high-risk suppliers in terms of Corporate Responsibility criteria throughout the entire company.
- Extend Social Responsibility criteria to all incident and accident research and business activity coordination departments.

Supply chain	2012	2011	2010	Var 12-11
Number of suppliers*	57,458	61,354	60,911	-6%
Suppliers evaluated	8,402	8,415	9,876	-0.15%
Suppliers rejected	773	685	735	13%
Supplier incidents	508	607	303	-18%

*This figure has been obtained by using country-specific revenue data, so there are suppliers that have been counted more than once, although the impact of this is very limited.

Ferrovial considers its supply chain an essential stakeholder in the development of its business. Both sides seek mutual benefit by joining forces in order to offer customers 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. It encourages greater communication and collaboration with its suppliers and subcontractors.

In 2012 a procedure was introduced to establish the criteria for classifying suppliers and identifying those of high risk according to Corporate Responsibility criteria. It is based on the Principles of the Global Compact, Ferrovial's Corporate Responsibility Policy, and the FTSE4Good Supply Chain standards.

Profile of Ferrovial suppliers

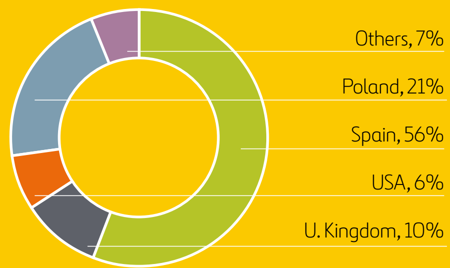
In 2012 Ferrovial had dealings with 57,458 suppliers, including not only suppliers, but also leasers and subcontractors. It is worth highlighting the fact that most Ferrovial suppliers belong to OECD countries, so they are considered low-risk in terms of Human Rights violations and compliance with labor and environmental regulations. At the same time, the sectors in which Ferrovial operates through its different divisions are related to activities in which there are no significant risks in the supply chain, according to the criteria of the aforementioned institutions.

By geographical area, 56% of all suppliers are contracted in Spain, 21% in Poland, 10% in the United Kingdom and 6% in the United States. Local suppliers represent the majority in all the markets in which Ferrovial operates.

Company Description
Management Report
Financial Information
Corporate Responsibility

Ferrovial's different businesses promote the use of local suppliers, and the number of local suppliers used in each country is 94% of the total on average.

However, given that the company operates worldwide, in the case of the most important purchases prices are checked internationally to take advantage of the competitiveness offered by other markets around the world.



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.

Global Procurement Committee

A new corporate-level committee called the Global Procurement Committee, was created in 2011. Its aim is to ensure the continued coordination, monitoring and control of global procurement activity in Ferrovial, in order to:

- Take advantage of synergies between businesses.
- Share good practices.
- Improve the global procurement function.
- Increase mutual knowledge.

The committee is headed up by Ferrovial's CIO, and is composed of all the purchasing managers of the different business divisions. It is responsible for approving procedures, guides and recommendations on purchasing in the company.

A manager is appointed for each purchasing project, making it easer to identify the synergies in the group and use volume aggregation in purchasing practices, thus saving costs. The Global Procurement Committee meets every four months. It also has other objectives, such as promoting studies of Best Practices within the industry, and participating in workshops and conferences with experts.

Sustainable standards

Controlling the origin of wood

In its contracts, Ferrovial requires its wood suppliers to provide information and guarantees on the origin of their materials. Since 2005, all orders and purchasing contracts include clauses setting out the contractual obligation that the material supplied must be of a guaranteed origin. Ferrovial uses wood as an auxiliary material, and it thus does not constitute a critical element for its commercial operations, except in the case of housing construction. In this case purchasing specifications establish the technical, quality, environmental etc. requirements that must be met by the materials supplied, among them wood and materials that use wood in the manufacturing process. Wood from the tropics, which poses the highest risk, has been managed since October 2011 by following very strict specifications to ensure that it is legally sourced and that its traceability is available until it is received on site.

Given that in most of the work executed by the construction business the projects are designed by another company (not Ferrovial) contracted by the client, the use of certified materials depends on the client, although if Ferrovial's advice is sought it always recommends the use of certified wood.

Recycled materials

Ferrovial undertakes to increase as far as possible the use of recycled materials or products manufactured using recycled materials in its operations. With this aim, in 2011 Ferrovial Agroman carried out a survey of its main suppliers, covering the activities in which these products are most likely to be included. This list will be supplemented on an ongoing basis.

The aim of these surveys was to have systematic information available on the use of these materials in its operations.

As a result of these surveys, a Supplier Database was created in 2012 to include certificates that prove that the suppliers use recycled materials in their construction products, and to identify to what extent these products can be recycled. Authorized personnel from the Purchases Department, Environment Services, Contracts Department and Line Management can access this database.

Green purchasing

Ferrovial pays attention to the environmental aspects of construction activity, particularly in terms of the use of recycled and recyclable materials. The Purchases Department has an IT knowledge management application called "icompras", which enables information to be exchanged between national and international production centers.

The Services Division has prepared its own green purchasing guide that includes specific products, equipment and manufacturers for its own needs.

The database is a useful tool for preparing construction bids for clients, and also after the project has been assigned. All the tender bids include the greatest proportion possible of construction materials that are recycled, reused or environmentally-friendly, backed up by the certificates that guarantee these characteristics. The database provides information quickly and simply and is constantly updated during the process of preparing the bids.

Once the project has been assigned, the information contained in the database is used to identify the best opportunities in terms of costs.

Buyers' Code of Ethics

Supplier management and relations in Ferrovial should be based on a rigorous, ethical and effective bond.

The Buyer's Code of Ethics for the Purchases Department in the Construction division was updated in 2009. Among the changes was the need to pay particular attention to 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 code was implemented in Ferroser in 2012, in the services business.

The document supplements Ferrovial's Code of Ethics and applies to all staff in the Purchases Departments in which it is in force. The staff 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 for trips and events, or payment of company 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 formal way by the purchaser. The purchaser must also maintain an appropriate level of professional training.
- Confidentiality. Confidentiality is required for commercial or technical information related to the purchase in question, and for any other aspects that may affect the company's position in the negotiation, or benefit a particular supplier over others.

Corporate Responsibility Clauses

In 2008, Construction introduced a specific Corporate Responsibility clause into its supplier-partner agreements. These agreements are made with major suppliers.

In 2012, Services included the clause in its contracts, in order to extend Ferrovial's Corporate Responsibility commitment to its supply chain.

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.

- The new Corporate Responsibility clause includes the following commitments for the supplier: Compliance with the Global Compact Principles.
- 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.
- 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.

It is also important to note that during 2012 a clause to require compliance with the Global Compact Principles was introduced into orders and contracts with suppliers worldwide.

Human Rights Compliance

An analysis of the profile of suppliers, products and countries of origin carried out by the different company businesses does not reveal significant changes with respect to previous years. Most of Ferrovial's investments are in OECD countries or in upper-middle or high income countries according to the World Bank classification. Their legislation recognizes and guarantees respect for Human Rights, which is why the risk of Ferrovial's supply chain has been rated as low.

Construction

Approximately 60% of all Ferrovial's suppliers are in the construction industry. In this business, the Purchases Department is responsible for managing relations with major suppliers so that customers 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 improve communication between suppliers and project managers, in order to help solve any problems that may arise.

The construction business, which is the Ferrovial business that deals with the largest number of suppliers, worked with a total of 34,719 in 2012, of which approximately 46% are Spanish.

The total number of suppliers with which Ferrovial Agroman (not including Webber and Budimex) worked in 2012 is 20,455, of whom about 79% are Spanish; but in the breakdown by countries the number of local suppliers is over 95% of the total, given that the nature of the construction business tends to encourage the use of local suppliers.

The Purchases Department is part of Ferrovial Agroman's Corporate Resources Department, which also includes Quality, Prevention and the Environment to ensure coordination between them. In addition, it coordinates purchasing policy at a global level and manages purchases in which global negotiation (through economies of scale) and/or international market knowledge contribute value.

The Purchasing Manager is one of the members of the new Global Procurement Committee.

Ferrovial's established purchasing principles, policies and processes aim to comply with customers' requirements by optimizing prices and meeting deadlines and the quality, prevention and environmental requirements specified, while at the same time maintaining the greatest possible profitability.

Purchasing policy and procedures

Purchasing policy is based on common basic operating standards and principles in all regions in which Ferrovial operates (organizational procedure), adapted to the particular features of each country and company by means of operational procedures that regulate the entire purchasing process, with the aim of optimizing it by:

- Taking advantage of economies of scale and centralized purchases when they add value.
- Coordinating purchasing between different countries.
- An international/global vision of the supplier market.
- Transparency in the purchasing process.
- Using company IT systems to manage purchasing knowledge and help control the purchasing process in itself.

Corporate Social Responsibility and Quality and Environmen policy are being increasingly mainstreamed into purchasing policy. In Ferrovial Agroman, the purchasing procedures form part of the Quality and Environment System, which is certified under ISO 9001 and ISO 14001 standards.

A new internationally applicable organizational purchasing procedure was approved and implemented in 2012, and Operational Procedures of different countries have been adapted to include the changes introduced by it. The most relevant changes include:

- The creation of a new Purchases category, called Coordinated Management at international level. It will be managed jointly between the purchasing managers of each country and the Purchases Department of Ferrovial Agroman.
- Changes to the criteria for scoring evaluation factors in the Supplier Quality Monitoring File. The idea is to establish more clearly the differences between the different score levels and thus simplify the evaluation by the project manager.

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2

Make sure that they are not complicit in human rights abuses.

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

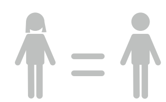
Principle 4

The elimination of all forms of forced and compulsory labour.

Principle 5

The effective abolition of child labour.

Principle 6



The elimination of discrimination in respect of employment and occupation.

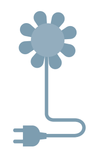
Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

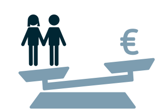
Undertake initiatives to promote greater environmental responsibility.

Principle 9



Encourage the development and diffusion of environmentally friendly technologies.

Principle 10



Businesses should work against corruption in all its forms, including extortion and bribery.

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 that are 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 for the most important products and services. 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:

- Wide range of bidders.
- Equal access to information and fair treatment of suppliers.
- Justified concession process, with established approval levels based on competitiveness.
- Strictly professional relationship with suppliers.
- The procedure regulates the complete process, as indicated above.

Purchasing Policy classifies purchases into four categories for management purposes:

1. Coordinated purchase management at international level: A list based on the Organizational Purchasing Procedure, which must be managed jointly by the site, the Purchases Department of the country in question and Ferrovial Agroman's Purchases Department.
2. Centrally managed purchases (at company/country level): These are for products or services that are uniform across different projects, with a reduced number of suppliers in the market and a high purchase volume. They are managed centrally in each country to obtain the best conditions by negotiating large volumes.
3. Purchases managed jointly between the Purchases Department and the corresponding country and project 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 purchasing volume: here the best conditions can be obtained by coordinated negotiation with the projects.
4. Decentralized purchasing management: The rest of the purchases are managed directly with the project sites, with the support of the Purchases Department of the country in question, at the request of the project managers.

In all cases, the purchasing system guarantees that the purchases and services comply with requirements regarding quality, environmental performance, safety and prevention, and delivery times, in the best possible purchasing conditions.

The purchasing process is as follows:

- Identification of purchasing needs and purchasing planning.
- Request for bids.
- Reception of bids, preparation of the comparative table, negotiation and selection of the best bid.
- Award of the purchase, approval and permits.
- Preparation of the order or contract.
- Acceptance of materials and work carried out by subcontractors.
- Invoicing and payments.
- Supplier evaluation: monitoring of supplier quality.

Selection and continuous evaluation of suppliers

The Construction Division controls and monitors the quality of suppliers through evaluations carried out by project managers when the supplies/projects are complete, or annually for long-term supplies or projects, or when incidents occur, as soon as they are detected.

The factors evaluated are:

- Meeting targets
- Product quality
- Technical capability
- Meeting price specifications
- Compliance with occupational health and safety
- Environmental performance

An incident is defined as when the average score of the evaluation carried out by the project manager (with Supplier Quality Monitoring Files) does not meet the requirements established by the parameters (equal to or under 2.5 out of 5), or when the score is 1 out of 5 for any of the evaluation factors. If a supplier has three incidents in a year, it becomes a "rejected supplier". However, suppliers can also be rejected if a very serious incident takes place, defined as such by the Purchasing Manager, with an analysis by the corresponding service when it concerns areas such as quality, health and safety, or the environment. Suppliers are rejected at international level centrally by the Purchases Department. The Purchasing Manager is responsible for making this decision.

When a supplier is rejected it cannot be contracted again for at least three years. The computer systems that issue orders and contracts do not allow the issue of any purchasing documents to rejected suppliers. If a contract with a rejected supplier is required for exceptional reasons, authorization is required from the Purchases Manager.

When a file with incidents is received, the supplier is informed of this situation and ordered to take appropriate measures to prevent the problem from recurring. The supplier is also informed that if it happens again it may become a "rejected supplier", with the consequences explained above. All the project managers working with the supplier are also informed, so the appropriate measures can be taken to prevent the incident from happening again, and to ensure the Purchases Department is made aware of the situation.

The Supplier Quality Monitoring Files and all the information on the supplier evaluation are recorded in the suppler quality monitoring computer application. This information is available to be checked in real time from any project site or center worldwide by authorized personnel.

In 2012, 300 supplier quality monitoring files were registered with incidents relating to suppliers in the Construction Division. Of all the incidents, 94 were related to the environment and/or health and safety.

Around 15% of all the suppliers and subcontractors working with the company in 2012 underwent an evaluation process. Of the total evaluated, 285 registered incidents and were therefore warned as indicated above.

Services

Approximately 35% of the suppliers belong to the Services division, 75% of them in Spain. Local suppliers tend to be used in the Services division as well, because of the nature of its activity. This business promotes stable bonds with its suppliers through the creation of framework agreements that strengthen communication and guarantee the purchasing and concession processes.

Ferroser, which operates mainly in Spain, uses Spanish suppliers due to the logistical costs involved, and because of the better service and response capacity. The supplier selection criteria are registered for each case in our purchasing portal, in which all the bidding processes are included. Ferroser implemented a purchasing policy and a mandatory Code of Buyers in 2012.

The rate of local contracts in Cespa, with 46% of the division's suppliers, is 78%.

Amey, Ferrovial's UK infrastructure and public service management subsidiary, considers its supply chain to be an essential element for the provision of efficient and profitable services, with the aim of being its suppliers' "customer of choice". Amey is highly committed to working proactively with its suppliers. It is concerned with protecting the environment and promoting innovation, offering its customers quality products and services that are reliable and respect the highest ethical standards.

In line with Ferrovial's philosophy, the Services Division maintains a policy of supplier diversity and promotes local purchases and contracts, thus supporting the societies where it operates. The Services Division carries out most of its business in Spain and the United Kingdom.

Since 2008, the Management Committee of the Services Division has unified its business with the main aim of increasing synergies between both units and increasing 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.

Company Description
Management Report
Financial Information
Corporate Responsibility

From then on, the Purchases Department set the following objectives for the NOA (negotiation + optimization = savings) project:

- Standard processes and support systems for the purchasing function.
- Implement full traceability throughout the purchasing cycle, from the source of the order to reception and payment.
- Optimize the authorization process, with information received in real time.
- Optimize supplier payment monitoring, thus reducing the number of invoices and improving efficiency.
- Improve control of documentation of the subcontracts and agreements within the organization.
- Obtain 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, and systems), as well as the Purchasing area. The team carried out an exhaustive analysis of all the contracting tools in the organization, in addition to the tools existing in the market.

The foundations for optimizing the procurement system and the Ferroser Purchasing Model were established with the participation of Ferrovial's Systems Department and an external agent.

The main levers for improvement were as follows:

- Strengthening and reorganizing the purchasing organization model.
- Unifying and standardizing authorization, procurement and the purchasing process throughout the whole organization.
- Implementing a standard support system for the new procedure.
- Establishing a negotiation plan for services and supply activities.
- Full e-management of the order-invoice cycle.

This design of an efficient purchasing model covers the whole process, from the detection of a need to payment. All purchases above a certain volume are now automatically referred to the new Purchases Department to be negotiated. There is also an online supplier communication portal, for which suppliers must be authorized by the purchasing heads before registration.

Given the diversity of suppliers and the need for local contracting, the Purchases 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 has been supplemented by negotiations with local suppliers for fire protection, equipment tools and electrical equipment.

Street lighting in Sheffield, United Kingdom

Selection and continuous evaluation of suppliers

Ferroser has in place a process by which all suppliers must enter their details and receive classification in the structure of materials. Once registration has been requested, the Purchases Department decides whether the registration should be granted, depending on whether there is an agreement already in place with an endorsed supplier or not, and whether the supplier is able to carry out the service. Once the supplier has been approved it will be authorized to work with Ferroser.

When the price is under € 10,000 there is no further supervision, but if the annual cost is higher than that, the Purchases Department organizes a bidding process and invites these suppliers, based on the criteria it considers necessary according to our bidding terms and conditions.

Ferroser developed a supplier quality application in 2012, which has defined basic supplier validation requirements from the standpoint of Administration, Health and Safety, Corporate Responsibility, Quality and Purchases. Each department must validate this information and if the supplier complies with these requirements, the Purchases Department can invite this supplier to tender. Otherwise, the supplier is not validated and must send the mandatory documentation within a certain period of time. Lastly, a supplier may be vetoed, based on the incidents that may have occurred: three incidents in a year and the supplier is blocked.

A total of 204 incidents relating to suppliers in the Services Division were registered in 2012. Of all the incidents, 70 were related to the environment and/or health and safety.

Around 12% of all the suppliers and subcontractors working with the company in 2012 underwent an evaluation process. Of the total evaluated, 77 registered incidents and were therefore warned as indicated above.

Company Description
Management Report
Financial Information
Corporate Responsibility

Volunteer in a Social Infrastructure program

social commitment

Commitment

- Support socioeconomic development wherever the company operates.
- Link Ferrovial's social action to its "Intelligent Infrastructures" positioning.

Lines of Action

- Plan community investment as a tool to assist in the development of societies and protect 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.

2012 Milestones

- Organized the 2nd Social Infrastructure Program, with two new projects selected, one in Ethiopia and the other in Colombia.
- Implemented a new methodology developed within the London Benchmarking Group (LBG) system to measure the impact of the company's social donations.
- Renewed the approach to local problems, resulting in an alliance with the Spanish Red Cross to improve its food distribution infrastructure.
- Set up a policy and procedure for sponsorship and social action.

2013 Goals

- Corporate Responsibility training plan for the businesses within the plan for making Ferrovial's positioning in "Smart Infrastructures" better known.
- Involve 5% of structural personnel in Spain in community social action and set up a Ferrovial corporate volunteer portal.

Social commitment	2012	2011 *	2010	CHG. 12-11
Community support projects	346	470	574	-26.38%
Social investment in the community (million €)	4.4**	5.1	56.9	-13.72%
Beneficiaries in social projects	51,816	1,619,358	934,985	-96.80%

* Not including BAA
**This figure includes 769,000 euro corresponding to Ferrovial's collaboration with MIT, which is accounted for as R&D&i and community investment.

Ferrovial invested 4.4 million euro in the community in 2012 through 346 social action projects that were directly beneficial to more than 51,816 people. One of the priority areas is the development of efficient, accessible, clean and caring infrastructures.

Voluntary contributions amounted to 3.8 million euro, while obligatory ones totaled 527,000 euro. The multiplier effect from contributions made by third parties has been of an additional 166,000 euro.

In 2011 the company launched the Social Infrastructure program, which is a model of good practice for other companies in the management of social-action projects. This program consolidates an innovative cooperation model for the development of basic social water and sanitation infrastructures, in partnership with reputable NGOs. In 2012, the program had four projects underway in Tanzania, Ethiopia, Colombia and Peru, in partnership with the NGOs ONGAWA, Intermón Oxfam, Ayuda en Acción and Plan España. These projects amount to total investment of almost one million euro, with 60,000 beneficiaries and 15 volunteers.

In 2011 the Dow Jones Sustainability Index recognized the London Benchmarking Group (LBG) methodology as a good practice for reporting on corporate 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 model classifies social action into eight areas (education and young people, economic development, social welfare, health, arts and culture, the environment, emergency relief and other); three types of contributions (cash, time and in-kind); and two types of motivations (voluntary and obligatory).

The model changed significantly in 2012: it included new tools that allow the achievements and impacts of social contributions to be evaluated as well as quantified.

The evaluation of results has now become an inherent part of the LBG model.

Ferrovial's voluntary contributions were allocated to the following areas:

Area	2012 contribution (% total vol.)
Education and young people	15
Health	3
Economic development	17
Environment	28
Arts and culture	9
Social welfare	5
Humanitarian aid	1
Others	21

Ferrovial aims to develop social action projects that are consistent with its business model and the societies in which it operates. 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.

The breakdown of voluntary contributions by country is as follows:

Country	Contribution (€)	% voluntary
Spain	2,530,720	67
United Kingdom	453,549	12
USA	226,772	6
Poland	64,789	2
Other*	486,483	13
Total	**3,762,314**	**100**

* Other: Ethiopia, Ireland, Peru, Portugal, Tanzania

The breakdown of voluntary contributions by business is as follows:

Businesses	Contribution (€)	% voluntary
Toll Roads	266,692	7
Services	1,017,087	27
Construction	696,783	19
Corporate	1,781,752	47
Total	**3,762,314**	**100**

Community Investment Policy

The 20.13 Plan includes Ferrovial's Corporate Responsibility strategy, and 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 Corporate Responsibility Committee, created in 2010, is the task force that ensures the correct application of the criteria of consistency and sustainability in social projects supported by the company. The Committee is composed of the directors of corporate areas and one representative from each business (12). In 2012 it approved 14 projects for which each contribution was more than 15,000 euro, 1,456,752 euro in total.

Three priority community investment areas have been defined that concur with the nature of Ferrovial's business and its possible impact:

- **Social infrastructures:** Two projects were selected from a total of 43 presented for basic water and sanitation infrastructure in collaboration with the NGOs Intermón Oxfam and Ayuda en Acción and with the participation of the company's professionals. The Intermón Oxfam project will operate in 2013 and 2014 in Ethiopia, and the Ayuda en Acción project will operate in 2013 in Colombia.
- **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 historic monuments:** The company's commitment to the arts and culture is manifested through reconstruction and restoration projects on buildings of historical interest.

Company Description
Management Report
Financial Information
Corporate Responsibility

The following criteria are also taken into account when selecting social projects:

- The continuity of the projects through medium and long-term alliances with entities in the Third Sector that have proven reputation and transparency: Ferrovial is active in numerous multi-sector organizations in the Third Sector. These include the Spanish Association for the Global Compact (ASEPAM), of which Ferrovial is founding partner and member of its Executive Committee; Fundación Lealtad; Fundación Seres, of which it is member of the board and Operational Committee; Forética, of which it is secretary general; and the London Benchmarking Group (LBG) Spain, of which it is founder. Ferrovial also takes part actively in the Corporate Responsibility committees of the employers' organization CEOE. It is involved in the National Higher CSR Board (CERSE) through various professional and Third-Sector associations.
- The financial and institutional sustainability of projects: the aim is to avoid generating dependency in the communities that receive assistance.
- The multiplier effect: Ferrovial communicates its social investment experiences and good practices through a variety of forums and media channels to serve as an example to other institutions. It encourages campaigns that raise awareness of global problems.
- Encourage employee participation in corporate social commitment: This is done through corporate volunteer work, as part of the 2nd Social Infrastructure Program (2012), and by involvement in matching-gift initiatives such as the "Juntos Sumamos" (Stronger Together) program. This program was in its eighth year in 2012, when two projects were chosen: one run by the NGO Rescate in the Somali region of Ethiopia; and the other in the Sant Joan de Déu Hospital in Barcelona.

Value creation (million euro)

Economic value generated	2012	2011	2010
a) Revenues:			
Sales	7,686	7,446	12,169
Other operating revenue	17	15	17
Financial revenue	34	181	172
Disposal of fixed assets	115	229	740
Income by the equity method	222	18	53
Net income from discontinued operations (BAA deconsolidation)	0	165	
Total	**8,074**	**8,054**	**13,151**
Distributed economic value			
b) Consumption and expenses (1)			
Consumption	1,299	2,366	1,486
Other operating expenses	3,335	2,258	4,588
c) Payroll and employee benefits			
Personnel expenses	2,142	2,018	3,422
c) Financial expenses and dividends			
Dividends to shareholders (2)	734	367	308
Financial expenses	371	542	1,818
e) Taxes			
Corporate income tax	108	63	44
Total	**7,989**	**7,614**	**11,666**
Retained economic value	85	440	1,485

(1) The expenses derived from Ferrovial's social action, registered under the heading Other operating expenses together with the expenses of the Foundation, are specified in the Social Commitment Chapter.

(2) An additional dividend was paid during the year of 0.25 euro per share, charged against the merger premium, for a total of 183,000 euro, as agreed at the General Meeting of Shareholders of March 30, 2012.

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.

Generation of local employment

The company is also active around the world, where it creates employment at the local level and promotes sourcing from local suppliers. Ferrovial is currently present in 26 countries. Despite the economic crisis, Ferrovial has maintained job creation in the main markets where it operates.

Local sourcing

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.

However, given that the company operates worldwide, in the case of the most important purchases prices are checked internationally to take advantage of the competitiveness offered by other markets around the world.

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.

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 (67% of total voluntary work) and the UK (12% of total voluntary work). These are the geographical areas that concentrate most of the company's activities.

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 21 "Tax Situation" in the Financial Statement).

Social Action

Ferrovial's Corporate Responsibility strategy confirms the company's strategic vision of community investment. One aspect that is common to all Ferrovial social action is the involvement of employees in its charitable projects, whether by volunteer work either on-site or at offices (the Social Infrastructure program), or by choosing the projects that they wish to support (the "Juntos Sumamos" program).

Through this strategy, Ferrovial structures its social action via open charity drives, thus ensuring transparency and quality in its community investment initiatives.

In addition to the "Juntos Sumamos" matching-gift program (running since 2005), the second call for social assistance projects was announced in 2012, giving organizations in the Third Sector the opportunity to partner Ferrovial and getting Ferrovial employees directly involved via the Social Infrastructure Program.

Ferrovial is also a responsible donor that bases its donations on 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.

The company has staff responsible for the monitoring and control of the quality of its social action projects to ensure that the funds are invested both appropriately and efficiently.

In 2012, Ferrovial carried out 346 social action projects, including the following:

Highlighted project	Business	Area of action	Total value of the contributions (€)
Social Infrastructure Program 2011. Establishment of sustainable and accessible water supply systems in the MAORE and KIHURIO katas. District of Same. Tanzania. ONGAWA	Corporate	Socioeconomic development	269,301
Patio 2.12 project as part of the Solar Decathlon Europe 2012 Competition. University of Seville	Construction	Environment	230,648
Services provided by Ferrovial PERSONNEL at the Center for Intelligent Infrastructure Innovation	Innovation	Other	181,794
Optimization of Electricity in Seawater Reverse Osmosis Desalination Plants. Massachusetts Institute of Technology	Innovation	Environment	123,077
Social Infrastructure Program 2011. Sanitation, drinking water coverage, quality and access in homes in San Marcos, Cajamarca region. Peru. Plan España.	Corporate	Socioeconomic development	111,708
Climate change monitoring in the National Park network. Fundación Biodiversidad.	Construction	Environment	100,648
Improvement in infrastructures and equipment in food distribution centers. Spanish Red Cross.	Corporate	Social welfare	100,000
Community Involvement Days	Services	Other	85,224
Teatro Real de Madrid. 2012-2013 season	Construction	Arts and culture	78,737
"Cintra in action!" Support for the "Ahora más que nunca" (Now more than ever) Red Cross campaign	Toll Roads	Education and young people	51,301

Cooperation and volunteer program
Social infrastructures

Ferrovial again showed active participation in cooperation projects, going beyond the traditional role of a mere funder and also providing technical assistance, technology and specialists to help carry out the projects.

In 2011 the company launched the Social Infrastructure program, which is a model of good practice for other companies in the management of social-action projects. This program consolidates an innovative cooperation model for the development of basic social water and sanitation infrastructures, in partnership with two reputable NGOs. In 2012, the program had four projects under way in Tanzania, Ethiopia, Colombia and Peru, in partnership with the NGOs ONGAWA, Intermón Oxfam, Ayuda en Acción and Plan España. These projects total an investment of almost one million euro, with 60,000 beneficiaries and 15 volunteers.

The Social Infrastructure Program offers the following opportunities for working together with development cooperation organizations:

- **Professional advice**

Ferrovial staff use their varied roles and skill sets (civil engineers, water engineers, architects and other professional categories) in making themselves available to work with development NGOs and share their knowledge to benefit the NGO projects, whether on-site or at their offices.

The first pilot program of this kind was with the Spanish Red Cross organization. It was completed successfully in 2012. Volunteers from the Ferrovial Technical Department have worked in Spain to support the Red Cross' reconstruction projects in Haiti, providing technical consultancy and checking the restoration designs for two schools in the Jacmel region. Three volunteers supervised the project to ensure that the designs met earthquake and hurricane resistance requirements and complied with appropriate quality standards.

- **Active cooperation projects**

Ferrovial will offer support and financial assistance to development NGOs for water and sanitation supply projects by non-profit organizations working in Africa and Latin America. It will also put its professionals at the service of international cooperation in projects in which they can add value.

In short, the Social Infrastructure Program will include projects that are:

- Funded by Ferrovial.
- Managed through a committee with representatives from the NGO and the company, with the company acting as a technical infrastructure adviser.
- Able to attract volunteers from Ferrovial in accordance with each project's needs.

Relationship with the Millennium Development Goals:

The projects that are carried out as part of this program aim to make use of development synergies with both local and global policies.

As the projects aim to provide access to water, they have a particular impact on Goal 7 of the Millennium Development Goals: "Ensure environmental sustainability", Target 7C: "Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation." All the projects are health-related, because the main consequence of consuming poor quality water is digestive diseases, and these are the main cause of child mortality in these regions. It thus also has an impact on Millennium Development Goal 4: "Reduce child mortality" and 6: "Combat HIV/AIDS, malaria and other diseases."

Indirectly, it also has an impact on goals number 1: "Eradicate extreme poverty and hunger" (having a source of clean water available is the main starting point to strengthen the economy of a community and manage to eradicate malnutrition); number 2: "Achieve universal primary education" (schools always have priority when deciding the location of water supply points); and number 3: "Promote gender equality and empower women" (girls and women are usually in charge of taking water to the home, and having a water supply point close by enables them to use that extra time to carry out productive tasks

or go to school. Furthermore, in all the projects there must be an equal amount of men and women present in the community water management committees).

Sustainable water supply systems in Maore and Kihuri, Tanzania

In the first 2011 Social Infrastructure call for proposals the ONGAWA project "Establishment of sustainable and accessible water supply systems in the counties of Maore and Kihurio, Same District, Tanzania" received a donation of € 199,716, and volunteers specializing in the management of this kind of project were also provided.

The project is an integrated intervention that is part of the water sanitation program being carried out by ONGAWA in the Same District, Tanzania, where 25,757 people will be supplied with drinking water. It mainly involves the improvement of water supply infrastructure, as well as providing the training needed to ensure the operation and maintenance of the two multi-town systems that make up the main part of the project.

So far four volunteers have taken part in the project by working both on-site and from their normal place of work to study the water purification alternatives and the design and sizing of the systems, and to analyze the quality of the water sources and training of local technicians.

At the end of 2012 the budget for the project was extended, with the aim of improving some of the supply systems that had been planned initially. The project will now be active until June 2013 and Ferrovial will continue to support it with volunteers


Volunteers in the Social Infrastructure program

Company Description
Management Report
Financial Information
Corporate Responsibility

Access to drinking water in San Marcos, Peru

The second project that benefited from the 2011 Social Infrastructure program was the Plan España initiative "Sanitation, coverage, quality and access to drinking water for homes in San Marcos, Peru," which will supply 2,280 people.

This project aims to meet the needs of the communities of Malcas, Nuevo Santa Rosa, El Ollero and Venecia Alta, in the province of San Marcos, which currently face serious problems of the water supply coverage, quantity and quality. The population in these communities has increased in recent years, but they are not benefiting from projects to extend the coverage of the supply.

The aim is to extend the coverage and quality of the drinking water services and promote healthy hygiene habits, in accordance with the National Poverty Eradication Plan. The project aims to provide families with access to drinking water using a gravity system, in line with relevant demands and requirements.

Up until now, seven volunteers from Ferrovial have traveled to the intervention area to support the project, including design engineers, project managers, and water treatment and environment specialists. The project will remain active until the end of 2013 and more volunteers are to participate on-site and from their places of work.

Water supply, promotion of sanitation and hygiene in Ethiopia

A donation of € 250,000 was given for the Intermón Oxfam project "Water supply, promotion of sanitation and hygiene in the woredas of Bolosso Sore and Sodo Zuriya, Ethiopia", as part of the 2012 Social Infrastructure program. The project will start in January 2013 and run for 2 years. The plans include building 20 wells to supply 3,200 people and creating management committees for these wells in each community. The local communities will also be given training in these functions. Good hygiene and sanitation practices will also be fostered through the deployment of a team of Community Health Promoters and the launch of Health Clubs in the schools.

Ferrovial volunteers will be involved in the project from the start, in the design of infrastructures, right through to the end, when these infrastructures will be put into service. All the actions will go hand in hand with training for local technicians.

Children in a kindergarten. Rutana, Burundi

Company Description
Management Report
Financial Information
Corporate Responsibility

Optimization and water treatment in the Pacurita aqueduct, Colombia

The 2012 Social Infrastructure call for projects also selected the proposal by Ayuda en Acción "Optimization and water treatment in the Pacurita aqueduct, in the Municipality of Quibdó, Department of Chocó, Colombia" for a donation of € 189,526.

Thanks to this project, which will be in operation during 2013, 1,290 people will experience an improvement to their quality of life through infrastructures that extend and improve water and sewage coverage, as well as being provided training on healthy habits and the sustainable community management of the system.

Because of its notable landscape, many people from neighboring communities come to the district of Pacurita in search of entertainment and recreational activities. This project will therefore not only benefit the residents of Pacurita, but also the visitors to this privileged natural environment. Its increased tourist value will in turn contribute to the local economy.

The technical solution to the problem will involve adapting the existing aqueduct, which is currently out of service; creating a water treatment plant; extending the distribution networks; and optimizing water fittings in the homes.

The Ferrovial volunteers will also play a key role in this project to ensure its quality and sustainability.

"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 put an end to 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 matches the amount donated.

Since its inception the program has grown steadily and so far the company and its employees have donated more than 850,000 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 in order to encourage the involvement of employees and increase the transparency of the whole process. It consists of a committee made up of Social Action experts from Ferrovial, who every year review the proposals put forward by NGOs and select the best projects. These are then submitted to the employees for their vote.

Peruvian family in the Social Infrastructure program

On completion of the project, the beneficiary is required to submit a final report on its financial and operational aspects, which is evaluated by the Ferrovial Social Action Team.

Period	Project	Organization	Project beneficiaries	Donation (€)
2005	Construction of a Hospital in Ambato, Ecuador	Intermón Oxfam	80,000	54,790
2006-2007	Water supply for the rural population of Chad	Intermón Oxfam	5,000	167,041
2008	Expansion of the Las Salinas school, Madagascar	Fundación Agua de Coco	700	44,129
2008	Construction of a school in Chandur, India	Fundación Madreselva	285	17,689
2008	Improving food safety in Mauritania	Intermón Oxfam	9,000	29,211
2008	Study of the governance of coopera-tion in Tanzania	Intermón Oxfam		42,988
2009	Improving food safety in war-torn areas of southern Lebanon	Acción Contra el Hambre	2,025	90,000
2010	Emergency relief and reconstruction in Haiti	Acción Contra el Hambre. Con-gregación Jesús María. Cruz Roja. Intermón Oxfam y Plan España	5,900	117,082
2010	Educational reconstruction in the post-conflict zone of Rutana, Burundi	Fundación Entreculturas	14,083	90,000
2011	Fight against malnutrition in Burkina Faso	Intermón Oxfam	2,544	70,000
2011	Maji ni Uhai (Water is Life) II, Tanzania	Amref Flying Doctors	5,178	26,635
2012	Support for impoverished families with hospitalized children, Spain	Hospital Sant Joan de Dèu	3,200	51,000
2012	Access to drinking water for children in Gode, Somali Region. Ethiopia	ONG Rescate Internacional	360	53,850
Total			**128,275**	**854,415**

Support for impoverished families with hospitalized children in Barcelona, Spain

The project "Support for impoverished families with hospitalized children" organized by the Sant Joan de Déu Hospital in Barcelona is one of the beneficiaries selected in the 2012 "Juntos Sumamos" program. The 50,000 euro donation will provide assistance to 3,200 people with financial problems who have dependent children in the hospital. It will provide financial support to families who have had to move outside the provinces where they live and have children in the ICU, in the form of assistance to pay for the cafeteria, pharmacy, prostheses, interpreting services, transport and accommodation.

- Financial assistance for the restaurant and cafeteria: The hospital asks for someone to be with the hospitalized children 24 hours a day as they are minors. This means that the companion has to eat at the hospital, thus adding to the cost.
- Financial assistance for transport: As the hospital is highly specialized, it cares for children from all over Catalonia, which means that transport costs, whether public or private, add to the expense, and sometimes the families find it hard to pay for them.
- Food for mothers who have just given birth and find it hard to meet their basic needs.
- Medicines for families who find it hard to cover the costs that CatSalut does not pay for medical treatment for chronic patients.
- Prostheses for families who find it hard to cover the costs that CatSalut does not pay for prescription prostheses (splints, insoles, technical help, etc.). These cases usually involve children with serious physical disabilities.
- Interpreting services: There is often a language barrier that hinders proper communication with the family and the patient. This means they may not understand what is wrong with their child and what treatment and/or instructions to follow.
- Orthodontics: Children who need orthodontic treatment strictly for health reasons may receive financial assistance toward the cost of their visits.
- Accommodation: The hospital may also arrange accommodation for families who have come from other provinces or autonomous regions if the child is in the ICU (which means that the family cannot stay in the hospital room), or if there is more than one companion (usually mother and father), and they cannot cover the costs of a hotel or guesthouse.

Company Description
Management Report
Financial Information
Corporate Responsibility

Access to drinking water for the children in Gode

The "Access to drinking water for children in Gode, the Somali Region of Ethiopia" was the second finalist of the 2012 "Juntos Sumamos" call for project aid. The NGO Rescate Internacional received a donation of € 51,920, which will help bring drinking water to the students and teachers at a school and nutrition center. The district of Gode, one of the nine districts in the Somali Region of Ethiopia, is one of the worst-hit by border wars and droughts, despite the natural resources available.

The Webi-Shebelle River flows through the whole area and is the cornerstone of the agricultural, social and economic development of its population. However, the people lack the means to use the water and the number with access to drinking water is very small (13.57% in the city of Gode).

This causes serious health and nutrition problems, especially amongst the most vulnerable segments of the population such as women and children.

The project includes the construction of a drinking water system for the 350 students and 10 teachers at a school and nutrition center that is being built in the city of Gode.

The system helps the center's nutritional goals by providing clean water resources, and at the same time benefits the general health of the population by mitigating the diseases (diarrhea, typhoid, infectious hepatitis, trachoma, etc.) that occur in the area due to drinking contaminated water.

Community environmental and social welfare programs

Ferrovial is involved in social action projects in all the communities where it operates. The aim is to improve the quality of life of people and care for their environment. The "Local Investment" section outlines the main projects undertaken in 2012.

The main environmental project carried out by the company in 2012 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.

Promoting the 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 also shows its support for the cultural activities of renowned institutions such as the Guggenheim Museum Foundation and the Teatro Real in Madrid.

Measurement and evaluation of Ferrovial's Social Action. London Benchmarking Group

In 2011 the Dow Jones Sustainability Index recognized the London Benchmarking Group (LBG) methodology as a good practice for reporting on corporate 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 model changed significantly in 2012: it included new tools that allow the achievements and impacts of social contributions to be evaluated as well as quantified.

The evaluation of results has now become an inherent part of the LBG model.

Volunteer with the project run with Ongawa in Same, Tanzania

Mapfre headquarters in Majadahonda, Spain

Company Description
Management Report
Financial Information
Corporate Responsibility

about this report

In preparing this year's Report, Ferrovial has been working to integrate its economic, social and environmental information in order to move toward integrated reporting in line with the recommendations of the International Integrated Reporting Committee (IIRC).

Reporting principles

The AA1000 Standard

For the fifth consecutive year, the Corporate Responsibility Report has applied the principles of the AA1000 Standard, a key tool for aligning information presented in the Report with stakeholder expectations. These are explained in a more extensive section on stakeholder relations.

The standard is based on three fundamental principles:

- Inclusivity: This principle analyzes the extent to which the reporting organization can identify and engage with the material aspects of its sustainable performance and present sufficient information in terms of quality and quantity.
- Materiality: The information included in the report must be the information required by the stakeholders. In other words, it ensures disclosure of all those material aspects whose omission or distortion could influence its stakeholders' decisions or actions.
- Responsiveness: This means reporting on the response to stakeholder expectations.

GRI 3.1 Guidelines

The Report follows Version 3.1 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 content and indicator index is presented in the final part of the Corporate Responsibility section of this report.

Ferrovial declares it has a GRI application level of A+.

The guidelines are based on two sets of principles:

Principles for defining the content:

- Materiality
- Stakeholder engagement
- Sustainability context
- Completeness

Principles for defining the quality of the Report:

- Balance: The report must reflect both the positive and the negative aspects of the company's performance.
- Comparability: The information must be presented in such a way that stakeholders are able to compare changes over time, as well as the company's performance with that of other companies.
- Accuracy: The published information must be accurate and detailed.
- Frequency: The report must be published periodically.
- Clarity: The information must be presented in a way that is clear and accessible to everyone.
- Reliability: The information must be high quality and it should establish the company's materiality.

The principles underpinning the content of the Report are described by Ferrovial in the specific sections on materiality, stakeholder engagement and principles for sustainable development.

A series of measures were applied throughout 2012 to ensure the quality of this Report:

The extension of the scope of the reporting system for Corporate Responsibility issues in the group (see the section on the Information Consolidation Process) to ensure that the information obtained is clear, reliable, regular, comparable and accurate.

Ferrovial has continued with a process of stakeholder engagement. The corporate responsibility reports of the competition were also analyzed to extract the most relevant matters for the sector; a perception study was conducted among different stakeholder groups; the 2nd Stakeholders' Forum was held; and lastly, the company's materiality matrix was updated.

Scope of the information

The scope of the information encompasses the companies and any other form of association in which Ferrovial is a majority shareholder or controls its management.

Ferrovial comprises the parent company Ferrovial, S.A. and its subsidiaries and associated companies.

In October 2011, Ferrovial sold 5.88% of Heathrow Airport Holdings Ltd. (formerly BAA Ltd.) to two investment vehicles managed by Alinda Capital Partners. As a result, Ferrovial became an indirect holder of 49.99% of BAA. In addition, in 2012 Ferrovial's indirect holding in this company was reduced to 33.65% as a result of the sale in August 2012 of 10.62% to Qatar Holding LLC, and in October 2012 of 5.72% to Stable Investment Corporation. This Report does not therefore take into account 2012 information for Heathrow Airport Holdings Ltd. (for more details, see Notes 1.2 Changes in the scope of consolidation" in the Ferrovial's 2012 Annual Consolidated Financial Statements and "Scope of information" in Ferrovial's 2011 Annual Corporate Responsibility Report).

Through these companies, Ferrovial conducts its business in the following divisions:

Airports

Of particular importance in this activity is Ferrovial Airports.

Toll Roads

This activity includes the development, financing, execution and operation of toll road projects through the company Cintra Infraestructuras, S.A. The following companies lie within this activity: Autopista del Sol, C.E.S.A., Autopista Terrasa Manresa, S.A., Autopista Madrid Levante, C.E.S.A. Autopista M-203 Alcalá-O'Donnell, S.A., Eurolink Motorway Operation, Ltd. N4/N6 (M4), Eurolink Motorway Operations (M3) Ltd., ITR Concession Company Indiana Toll Road, R4, Euroscut Norte, Euroscut Algarve, Euroscut Azores, North Tarrant Express, LBJ, Vialivre, SH-130, ETR Extension East.

Services

Ferrovial Servicios S.A. is the chief 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 Ferroser in Spain.

Urban services and waste treatment. This activity is mainly carried out through Cespa S.A. and Cespa Portugal S.A.

Construction

This division executes all kinds of public and private works in Spain and abroad, fundamentally through Ferrovial Agroman, S.A., this business division's flagship company. The following are responsible for some of this division's most salient activities: Construcción España (Ferrovial Agroman S.A., Compañía de Obras Castillejos S.A., Edytesa S.A., Tecpresa S.L, Ferconsa, 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 Canada Inc; Ferrovial Agroman Chile S.A; Ferrovial Agroman US Corp; Ferrovial Agroman Ireland Ltd; Ferrovial Agroman Portugal, S.A.; Ferrovial Agroman Grecia S.A.; Ferrovial Agroman Colombia S.A; Ferrovial Agroman República Dominicana S.A; Ferrovial Agroman Texas S.A; Ferrovial Agroman Italia S.A; Ferrovial Agroman Indiana S.A; Ferrovial Agroman Tunisia; 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 through Cadagua, S.A. and Boremer, 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.

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. The information is used for a variety of purposes, such as the Annual Report, management of the different 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 by Ferrovial.

This reporting process allows us to work on two levels: geographically, including all of Ferrovial's subsidiaries worldwide; and by business areas, which encompass the four company divisions: Services, Toll Roads, Construction and Airports. This scheme means that the data collected can be cross-referenced to obtain the information needed.

The collection of the information involves several phases: 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 162 users is collected from 50 companies (only active companies and excluding special-purpose vehicles). In total, consolidated information is collected on nearly 313 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 2012.

Reformulation of the information presented

The consolidated information included in this Report may display significant variations in terms of comparability, because of changes in the reporting scope.

The changes in the scope of consolidation in 2012 do not affect the comparability of information with respect to 2011, as a table has been provided without BBA to enable a comparison to be made between 2012 and the previous year. However, if a particular change in the scope has taken place in a specific indicator that affects this comparability, this is indicated in the text of the Report.

The principles of the GRI3 Guidelines and the AA1000AS. Standard have been used since 2009 as the basis for presenting the information.

Materiality and stakeholder participation

In 2012, several initiatives were undertaken to promote participation by stakeholders and identify their expectations:

- Stakeholders' Forum: The 2nd Stakeholders' Forum (a biennial event) took place in 2011. Its aim was to discuss with stakeholders the structure and content of the Annual Corporate Responsibility Report and Plan 20.13, and to hear their suggestions. The selection criteria for stakeholders attending the Forum were mainly their direct relationship with Ferrovial and relevant matters identified by the company. A workshop was held with 10 participants. The documents mentioned above were analyzed and a report with conclusions was drafted, from which the recommendations included in the 2011 Report and this year's were extracted.
- Materiality: In 2012, the second phase of the study of material issues was completed, based on a series of interviews in internal and external stakeholders. This formed the basis for establishing Ferrovial's materiality matrix.

The results of this analysis and relevant issues are explained under Corporate Responsibility Policy and Commitment to Stakeholders in this report.

- Media tracking: Ferrovial tracks news published about any part of the company. A total of 2,407 news articles in the Spanish newspapers were collected in 2012, especially concerning the Corporate area. Most of the articles have a neutral approach (72%), 19% are positive and 9% negative.

Company Description
Management Report
Financial Information
Corporate Responsibility

SH-130 highway, Dallas, United States

independent verification

This Corporate Responsibility Report aims to provide reliable and balanced information on Ferrovial's performance with respect to relevant issues raised by stakeholders.

The verifier's work has been carried out 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.

Company Description
Management Report
Financial Information
Corporate Responsibility

Deloitte.

Deloitte Advisory, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Independent Assurance Report on the 2012 Corporate Responsibility Annual Report of Ferrovial

Scope of our work

We have performed a review of the 2012 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 "*About this report – Scope of the information*". Our work consisted of the review of:

- The adherence of the content of the CRAR to the GRI Sustainability Reporting Guidelines version 3.1 and the core performance indicators, including the Construction and Real Estate Sector Supplement, proposed in the aforementioned guidelines for 2012.
- The information included in the CRAR relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard 2008 (AA1000APS).

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 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 CRAR, 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 2012 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 stakeholders' 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 stakeholders' requirements in relation to the material issues identified by the organisation and described under "Materiality".
- Review of the information related to the management approaches applied to sustainability.
- Analysis of the adherence of the contents of the CRAR to those recommended in the G3.1 Guidelines and verification that the core indicators included in the CRAR agree with those recommended by the GRI Guidelines.
- 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 Communication and Corporate Responsibility 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.
- 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).
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the CRAR.
- Our team consisted of a combination of professionals with assurance qualifications and professionals with social, environmental and sustainability assurance experience.

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 3.1, including the Construction and Real Estate Sector Supplement.

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 "*Corporate Responsibility*", "*Commitment to stakeholders*" and "*About this report*" in accordance with standard AA1000 2008 APS:

- Inclusivity: participation process for stakeholders that facilitates their involvement in the development of a responsible approach, as described in section "*Commitment to stakeholders*".
- Materiality: the process of determining materiality requires an understanding of the important or relevant issues for Ferrovial and its stakeholders, as described in section "*Corporate Responsibility - Materiality*".
- Responsiveness: specific actions and commitments related to the material issues identified previously, as described in section "*Corporate Responsibility – The 20.13 Plan*".

Observations and recommendations

In addition, we presented the Management of Ferrovial our recommendations relating to the areas for improvement in Corporate Responsibility (CR) management and in the application of the principles of inclusivity, materiality and responsiveness. The most significant recommendations, which do not modify the conclusions expressed in this report, are summarised as follows.

<u>Inclusivity</u>

Following the 2011 materiality study, in 2012 Ferrovial carried out a second phase in which it held interviews, mainly at national level, with internal and external stakeholders in order to discuss the results obtained. The information obtained through the normal communication channels of the various areas and businesses should be included in the materiality analyses undertaken in order to improve the inclusivity of the stakeholder groups in the development of the strategic focus on sustainability and to adapt as much as possible to these businesses' actual situation.

<u>Materiality</u>

The period covered by Ferrovial's CR strategy (Plan 20.13) ended in 2013 and, therefore, a new strategic plan must be defined. This a great opportunity to rethink or redefine the strategic lines and to establish specific objectives for the various areas and businesses in line with the material issues identified.

<u>Responsiveness</u>

Regarding the process of compiling, consolidating and reporting the CR information, in 2012 Ferrovial approved a procedure for preparing the CRAR, which defines key dates and responsibilities, among other matters. A Guide on Indicators was also prepared to define, unify and reach common consent on the reporting principles in the corporate toolkit for each of the indicators included in the CRAR. Ferrovial should continue along these lines of action and periodically update both documents while focusing its efforts on internal control and meeting the reporting deadlines. In addition, the reporting system should increasingly draw itself in line with the indicators for monitoring the strategic plan's objectives so that it becomes more useful for CR management purposes and enables Ferrovial to continue advancing in the integration of financial and non-financial information.

Deloitte Advisory, S.L.

Helena Redondo

Madrid, March 20th, 2013

AA1000
Licensed Assurance Provider
000-14

content index

STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	p. 4, 5
1.2	Description of key impacts, risks, and opportunities.	2012 Consolidated Annual Accounts. Note 3
ORGANIZATIONAL PROFILE		
2.1	Name of the organization.	Back cover
2.2	Primary brands, products, and/or services.	p. 19-66
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	p. 19-66 2012 Consolidated Annual Accounts, Note 1.1
2.4	Location of organization's headquarters.	2012 Consolidated Annual Accounts, Note 1.1 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. 12,13
2.6	Nature of ownership and legal form.	2012 Consolidated Annual Accounts, Note 1.1
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	p. 19-66
2.8	Scale of the reporting organization, including: • Number of employees; • Number of operations; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided.	p. 14 2012 Consolidated Management Report 2012 Consolidated Annual Accounts, Note 26
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	2012 Consolidated Management Report
2.10	Awards received in the reporting period.	p. 194-197
REPORT PARAMETERS		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	p. 307-309
3.2	Date of most recent previous report (if any).	p. 307-309
3.3	Reporting cycle (annual, biennial, etc.)	p. 307-309
3.4	Contact point for questions regarding the report or its contents.	Back cover
3.5	Process for defining report content, including: • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report.	p. 189-190,192, 207-211, 307-309
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	p. 307-309
3.7	State any specific limitations on the scope or boundary of the report.	p. 307-309
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. 307-309
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.	p. 309
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. 309
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	p. 308
3.12	Table identifying the location of the Standard Disclosures in the report.	p. 314-319
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	p. 312-313
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 (and, if so, their function within the organization's management and the reasons for this arrangement).	p. 6
4.3	For organizations that have a unitary board structure, state the number and gender 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. 200, 201
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. 245, 246, 250, 251
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	2012 Corporate Governance Report, p. 40-42
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	2012 Corporate Governance Report, p. 25-32
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. 199, 200
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.	2012 Consolidated Management Report, Note V 2012 Corporate Governance Report, p. 42-50
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	2012 Corporate Governance Report, p. 25-32
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	2012 Consolidated Management Report, Note V 2012 Corporate Governance Report, p. 42-50
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	p. 189,190,197
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. 210, 211, 265
4.14	List of stakeholder groups engaged by the organization.	p. 189,190, 207-211, 309
4.15	Basis for identification and selection of stakeholders with whom to engage.	p. 189,190, 207-211, 309
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	p. 189,190, 207-211, 309
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. 189,190, 207-211, 309

performance indicators

GRI G3.1 Indicator		Reference	Scope	Assurance
Economic				
Economic performance (220, 221, 295; 2012 Consolidated Annual Accounts. Notes 16, 19, 21 and 31.4)				
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. 295	Ferrovial	V
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues .	p. 220, 221	Ferrovial	V (1)
EC3	Coverage of the organization's defined benefit plan obligations.	2012 Consolidated Annual Accounts. Notes 16 and 31.4	Ferrovial	V
EC4	Significant financial assistance received from government.	2012 Consolidated Annual Accounts. Notes 19 and 21	Ferrovial	V
Market presence (p. 241,247, 284, 287 and 296)				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	p.284, 287	Ferrovial	V (2)
EC7	Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at locations of significant operation.	p. 241, 247, 284, 287 and 296	Ferrovial	V (3)
Indirect economics impacts (p. 293-297)				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	p. 293-297	Ferrovial	V
Environment				
Materials (p. 231 and 238)				
EN1	Materials used by weight, value or volume.	p. 238	See note (4)	V (4)
EN2	Percentage of materials used that are recycled and reused input materials.	p. 231 and 238	Ferrovial	V (5)
Energy (p. 217, 218, 226-228, 239)				
EN3	Direct energy consumption by primary energy source.	p. 239	Ferrovial	V (6)
EN4	Indirect energy consumption by primary source.	p. 239	Ferrovial	V (6) (7)
CRE1	Building energy intensity.	Not applicable. This indicator is related to real estate which is not a significant activity for Ferrovial.	Ferrovial	NV
EN5	Energy saved due to conservation and efficiency improvements.	p. 226-228	Ferrovial	V (8) (9)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	p. 217, 218	Ferrovial	V (1)
Water (p. 232)				
EN8	Total water withdrawal by source.	p. 232	Ferrovial (except for Budimex)	V (9) (10)
CRE2	Building water intensity.	Not applicable. This indicator is related to real estate which is not a significant activity for Ferrovial.	Ferrovial	NV
Biodiversity(p. 232-234)				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	p. 232-234	Ferrovial	V
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	p. 232-234	Ferrovial	V

Emissions, effluents and waste (p. 191, 221-231, 238)				
EN16	Total direct and indirect greenhouse gas emissions by weight.	p. 191, 221-224	Ferrovial	V (6) (9) (11)
EN17	Other relevant indirect greenhouse gas emissions by weight.	p. 221, 222, 224-225	See pages 224 and 225	V (6) (12)
CRE3	Greenhouse gas emissions intensity from buildings.	Not applicable. This indicator is related to real estate which is not a significant activity for Ferrovial.	Ferrovial	NV
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	Not applicable. This indicator is related to real estate which is not a significant activity for Ferrovial.	Ferrovial	NV
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	p. 226-228	Ferrovial	V (9)
EN19	Emissions of ozone-depleting substances by weight.	p. 226	Corporation	V
EN20	NOx, SOx, and other significant air emissions by type and weight.	p. 225, 226	Ferrovial	V (6) (13)
EN21	Total water discharge by quality and destination.	p. 238	Ferrovial	V (14)
EN22	Total weight of waste by type and disposal method.	p. 229-231, 238	Ferrovial	V (6) (9) (15)
EN23	Total number and volume of significant spills.	p. 238	Ferrovial	V (16)
Land degradation, contamination and remediation (p 232-233)				
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	p. 232-233	Ferrovial	V (1)
Products and services (p. 217, 218)				
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	p. 217, 218	Ferrovial	V (1)
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Ferrovial's activity does not include the production of goods for sale with packaging materials.	Ferrovial	V
Compliance (p. 219 and 2012 Consolidated Annual Accounts. Note 22)				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	2012 Consolidated Annual Accounts. Note 22. p. 219	Ferrovial	V
Social: Labor Practices and Decent Work				
Employment (p. 191, 241, 242, 255)				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	p.191, 241-242, 255	Ferrovial	V (3)
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	p.191, 241-242	Ferrovial	V (17)
LA15	Return to work and retention rates after parental leave, by gender.	Currently, the Company does not have systems to measure retention rates.	Ferrovial	NV
Company/Employee relations (p. 191 and 254)				
LA4	Percentage of employees covered by collective bargaining agreements.	p.191 and 254	Ferrovial	V
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Ferrovial fulfills stablished periods of notice included in the employement regulations or in collective agreements applicable to each business. Minimum stablished periods of notice have not been defined at corporate level.	Ferrovial	V
Health and safety (p. 191, 259 and 260)				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	p. 191, 259-260	Ferrovial	V (3)
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	p.191 and 260	Ferrovial	V (3)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	In 2012, this kind of programs were not developped.	Ferrovial	V

Company Description
Management Report
Financial Information
Corporate Responsibility

Training and education (p. 247-249)				
LA10	Average hours of training per year per employee by gender, and by employee category.	p. 247-249	Ferrovial	V (18)
Diversity and Equal Opportunity (p. 191, 241, 242, 251 and 255; 2012 Consolidated Annual Accounts, note 26. 2012 Corporate Governance Annual Report, p.10 and 11)				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	2012 Consolidated Annual Accounts. Note 26 Corporate Governance Annual Report 2012, p.10 and 11 p. 191, 241, 242, 255	Ferrovial	V (19)
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	p. 251	Ferrovial	V (20)
Social: Human Rights				
Investment and Procurement Practices (p. 191, 199, 200, 257, 285 and 286)				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	p. 285-286 In 2012, there were no investment agreements that include clauses incorporating human rights concerns. Nevertheless, human rights compliance is not considered a relevant risk since Ferrovial operates mainly in OECD countries.	Ferrovial	V
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	p. 285-286	Ferrovial	V (1)
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	p. 191, 199-200, 257	Ferrovial	V
No discriminación (p. 201, 254-256)				
HR4	Total number of incidents of discrimination and corrective actions taken.	p. 201 and 255-256	Ferrovial	V (21)
Freedom of association and collective bargaining (p. 191 and 254)				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	p.191, 254	Ferrovial	V
Child labor (p. 256 and 257)				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	p. 256-257	Ferrovial	V
Forced and compulsory labor (p. 256 and 257)				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	p. 256-257	Ferrovial	V
Assessment (p. 200 and 203)				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	p. 200 and 203. In 2012, Ferrovial has not undertaken specific reviews to assess human rights impacts, as no operations with human rights compliance related risk were identified.	Ferrovial	V
Remediation (p. 201 and 256)				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	p.201 and 256	Ferrovial	V (21)
Social: Society				
Community (p. 203)				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	p. 203	Ferrovial	V (1)
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	In 2012, no operations with this kind of impacts in local communities were identified.	Ferrovial	V
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	In 2012, no operations with this kind of impacts in local communities were identified.	Ferrovial	V
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	In 2012, no displacements and/or resettlements were identified.	Ferrovial	V

Corruption (p. 199, 200-203)				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	p. 199, 202-203	Ferrovial	V (1)
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	p. 200	Ferrovial	V
SO4	Actions taken in response to incidents of corruption.	p. 201-202	Ferrovial	V (20)
Public policy (p. 215 and 219)				
SO5	Public policy positions and participation in public policy development and lobbying.	p. 215 and 219 Ferrovial participates, when necessary, in regulatory and legislative procedures, providing its experience and technical knowledge on regulated matters either directly or through associations to which they belong.	Ferrovial	V
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Any financial contribution to third parties must overcome all approval levels stablished by Ferrovial and the Code of Ethics principles as well as fulfill applicable legal regulations in each country.	Ferrovial	V (20)
Compliance (2012 Consolidated Annual Accounts. Notes 17 and 22)				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	2012 Consolidated Annual Accounts. Notes 17 and 22.	Ferrovial	V
Social: Product Responsibility				
Customer health and safety (p. 203, 216 and 262; Corporate Governance Annual Report 2012, p. 42-50)				
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.	p. 203, 216 and 262. Corporate Governance Annual Report 2012, p. 42-50	Ferrovial	V (1)
Product and service labelling (p. 236 and 273)				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	p. 273	Ferrovial	V (1)
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.	p. 236	Ferrovial	V
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	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	V
Compliance (2012 Consolidated Annual Accounts. Notes 17 and 22)				
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	2012 Consolidated Annual Accounts. Notes 17 and 22.	Ferrovial	V

V: Verified
NV: Not verified

(1) Only qualitative information is provided.
(2) Locally-hired non-centralized suppliers are classified as local suppliers. Percentange of local suppliers is reported, but not the proportion of expending.
(3) No information about contractors and sub-contractors is included.
(4) Information about paper purchased by the group is reported (not including Corporation and Budimex), and about the most relevant material consumed by FASA (concrete), Ferroser (barriers), Amey (asphalt) and Budimex (asphalt aggregate).
(5) Information about recycled paper, paper with FSC seal and paper bleached without chlorine is reported.
(6) 2012 data includes estimations according to the best available information at the time of preparing this report.
(7) For the calculation by primary sources, electricity production efficiency rates and losses due to the the distribution system have not been taken into account.
(8) Energy savings have been estimated according to CO2 avoided emissions.
(9) The review of this information has consisted of checking the gathering process of the data reported by the different companies of the group and the analysis of trends in comparison with the previous year.
(10) Only information regarding water withdrawal from municipal water supplies is given.
(11) 2011 data has been re-calculated taking into account the best available information in 2012. This update has caused an increase of 4%.
(12) This year, for the first time, emissions related to HAH considering Ferrovial's participation percentage in 31.12.2012 (33%) have been included. Emissions from other associated entities, such as 407-ETR (43%), have not been included.
(13) NOx, SOx, and other significant air emissions data are those that correspond to direct energy consumption and electricity consumption.
(14) Only information regarding accidental spills is given. The total volume discharged is not reported.
(15) Not broken down by disposal method.
(16) Information about total volume of spills is not reported.
(17) Not broken down by region and age group. The rate of new employee hires is not reported. The employee turnover refers only to the number of employees who voluntarily leave the organization.
(18) Only information about global number of training hours is given.
(19) Not broken down by age group, minority group membership and other indicators of diversity.
(20) Only qualitative information about the existing Policy is given.
(21) Information about complaints received through Whistleblowing Channels is given.

Company Description
Management Report
Financial Information
Corporate Responsibility

Ferrovial Corporación, S.A.
Príncipe de Vergara, 135
28002 Madrid
Tel. +34 91 586 25 00
Fax +34 91 586 26 77

Airports (Ferrovial Airports)
Caleruega, 102-104 Planta 9
Edificio Ofipinar
28033 Madrid
Tel. +34 91 768 66 00

Toll Roads (Cintra)
Plaza Manuel Gómez Moreno, 2
Edificio Alfredo Mahou
28020 Madrid
Tel. +34 91 418 56 00
Fax +34 91 555 12 41

Services (Ferrovial Services)
Serrano Galvache, 56
Edificio Madroño - Parque Norte
28033 Madrid
Tel. +34 91 338 83 00
Fax +34 91 388 52 38

Construction (Ferrovial Agroman)
Ribera del Loira, 42
Parque Empresarial
Puerta de las
Naciones
28042 Madrid
Tel. +34 91 300 85 00
Fax +34 91 300 88 96

Shareholder Relations Office
Príncipe de Vergara, 135
28002 Madrid
Tel. +34 91 586 2565
accionistas@ferrovial.com

For more information on any aspects of the Annual Report:

Communications & Corporate Responsibility Department
Príncipe de Vergara, 135
28002 Madrid
comunicaciones@ferrovial.com
rsc@ferrovial.com
www.ferrovial.com

Prepared and produced by Ferrovial's Communications and Corporate Responsibility Department.
Design: **gosban** consultora de comunicación