2014

Consolidated Management Report and Financial Statements

Integrated Annual Report ferrovial

CONTENTS

Cover: Krakow International Congress Center, Poland

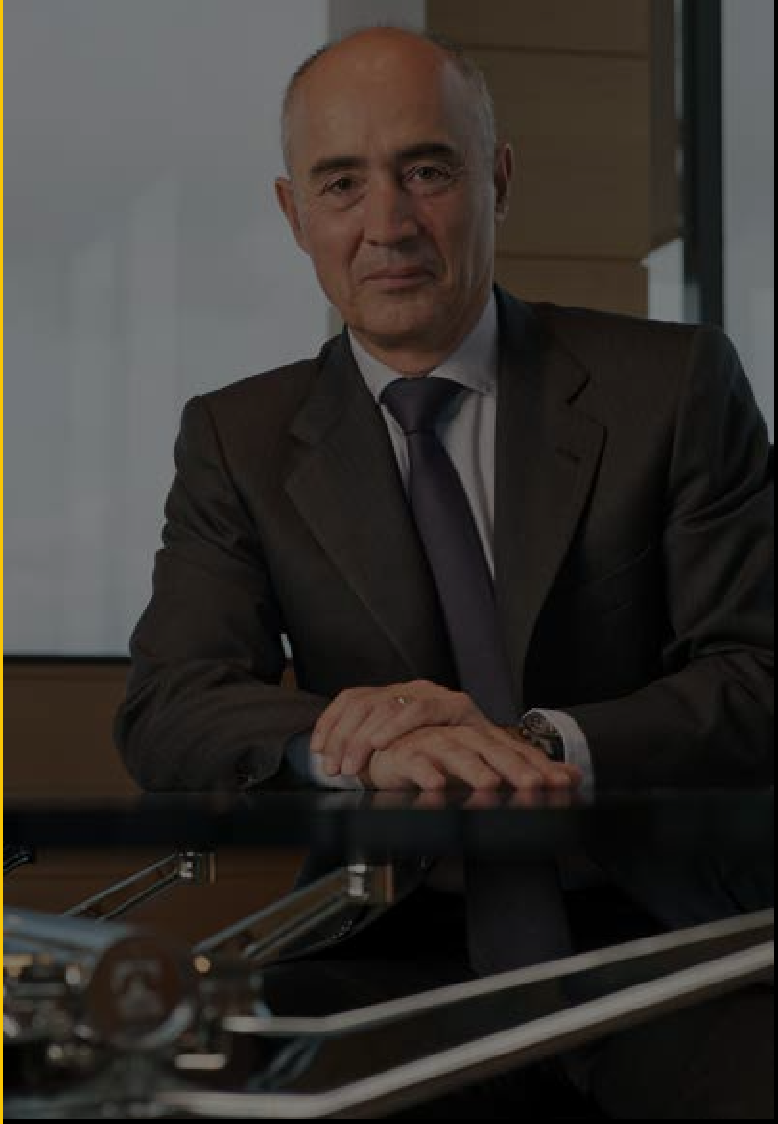
Roma-Areeiro train station, Lisbon, Portugal

I. MANAGEMENT REPORT

II. CONSOLIDATED FINANCIAL STATEMENTS

Notes:
1. The Management Report runs from page 4 to 105 and from page 188 to 190. It was drawn up by the Board of Directors on 24 February, 2015
2. The Consolidated Annual Financial Statements run from page 110 to 185 and were drawn up by the Board of Directors on 24 February, 2015.
3. Additional reports: Annual Corporate Governance Report (forms part of the Management Report) and Annual Board of Directors' Remuneration Report (all available at www.ferrovial.com).
4. Ferrovial has worked on an integrated model for reporting financial, social and environmental information, based on the "International Integrated Reporting Framework" from the International Integrated Reporting Committee (IIRC) and the CNMV "Guide for the preparation of management reports of listed companies". Corporate Responsibility information is provided according to the principles of standard AA1000 and pursuant to version 4 of the Global Reporting Initiative (GRI) guide.

1. LETTER FROM THE CHAIRMAN



Rafael del Pino

Dear shareholder:

In 2014 the company had a net income of 402 million euro, an operating cash flow excluding infrastructure projects of 1,076 million euro, and increased revenues by 8% and EBITDA by 5%. Ferrovial ended the year with a net cash position of 1,632 million euro -excluding infrastructure projects- and does not have significant debt maturities at the corporate level until 2018. This strong performance allowed the company to appropriately remunerate shareholders, which combined with the share price appreciation gave a total return of 22%. The company also introduced the "Ferrovial Flexible Dividend" option for shareholders.

As in recent years, these results reflect the good performance of Ferrovial's businesses in the international markets, which now account for almost 70% of consolidated revenues. During the year, the company obtained significant contracts in Services, Toll Roads and Construction, providing a sound basis for future activity and raising the backlog to a record 30,500 million euro. Our two main assets -Highway 407 ETR and Heathrow Airport- improved revenues and EBITDA, set new traffic records and achieved excellent levels of satisfaction among users. In addition in 2014 the company started operating the North Tarrant Express in Texas, a project that was delivered nine months ahead of schedule.

The credit rating upgrade to investment grade (BBB) with stable outlook by Fitch, in line with the rating granted by S&P almost two years ago, reflects the market confidence in the company. In 2014 Ferrovial completed its third bond issue: 300 million euro, 10 year maturity with a 2.5% annual coupon. Also during the year, the company arranged a new five-year liquidity line of 750 million euro at a cost of 80 basis points. The financial strength and liquidity position provides flexibility to seize investment opportunities, such as the acquisition of Aberdeen, Glasgow and Southampton airports.

For another year, Ferrovial was among the companies that met the demanding standards of the Dow Jones Sustainability Index, the FTSE4Good and the Carbon Disclosure Project. To provide greater transparency, this year the company presents the annual report in an integrated format that conforms to the standards of the International Integrated Reporting Council.

In summary, 2014 was another good year for the company. The commitment to grow in North America and the United Kingdom combined with the excellent performance of our professionals place Ferrovial in a more competitive, more international and stronger position. Ferrovial continues to focus on creating value for its shareholders, to whom once again I would like to express my gratitude for their support.

2. AN INTEGRATED VISION

Ferrovial's business model is focused on the entire infrastructure lifecycle: Design, Finance, Construction, Operation and Maintenance.

Through its four business divisions, Ferrovial develops its business model with the aim of being a benchmark in the infrastructure and services sectors, contributing to improve the future of society through its ongoing commitment to talent, integrity, safety, excellence and innovation.

The purpose of this Annual Report is to describe how in 2014 Ferrovial has worked towards creating value, which is not limited to financial return but goes beyond, having an impact on society, the environment, our customers and our employees. This report will attempt to offer a complete picture that goes beyond economic activity and presents the multiple ways in which the company creates value for its various stakeholders in the short, medium and long term.

To capture this reality, Ferrovial has used as a reference the framework recommended by the International Integrated Reporting Council (IIRC) for preparing integrated reports. Specifically, it seeks to present how Ferrovial manages the different factors, or "capitals" (financial, human, industrial, natural, intellectual and social) involved in its business model and what results it offers to each one in this value creation process.

To fulfill this aim, in addition to the Group's activity, this report also presents its key data, strategy, corporate governance and risk management, with a detailed description of both the development and the process of value creation in terms of "financial capital", and the other forms of "non-financial capitals" (human, industrial, natural, intellectual and social).

As regards the information on "non-financial capitals", and for this report to become a single annual report of the company, it is presented as a management report in accordance with all the requirements set out by Global Reporting Initiative (GRI 4) for sustainability reports.

Lastly, necessary information is also presented to cover all the requirements under Spanish legislation in relation to Management Report.

In short, through this integrated vision, Ferrovial seeks to present a single report that describes the process of creating value for its various stakeholders and fulfils all the reporting requirements on its annual activity in the different areas in which the company operates.

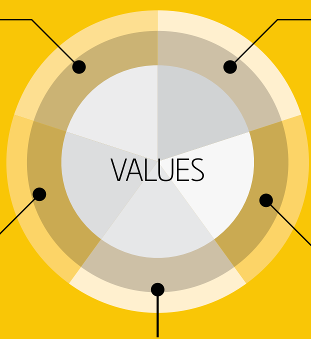
Iberia facilities maintenance, Madrid

FERROVIAL AT A GLANCE

Ferrovial´s Vision

Shaping the future through the development and operation of sustainable infrastructures and cities.
Committing to the highest level of operational excellence and innovation.
Creating value for society and for our customers, investors and employees.

Corporate Values



Structure

ferrovial

ferrovial services

- Municipal and environmental services
- Infrastructure maintenance
- Focus on smart cities, waste recycling and energy efficiency

cintra

- One of the leading private toll road developers
- Operating the 407 ETR and a further 26 toll roads in 7 countries

ferrovial agroman

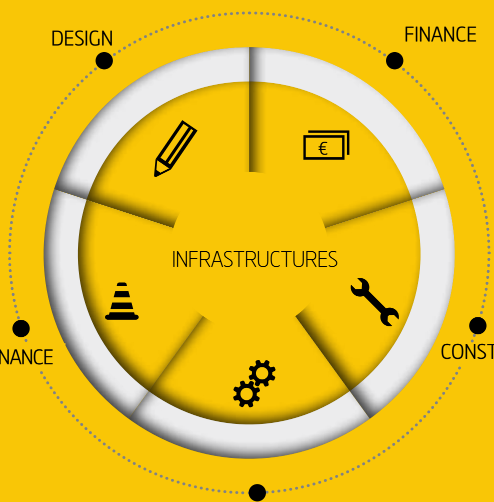
- Civil engineering
- Building
- Industrial
- Water

ferrovial airports

- One of the largest private investors in airports
- Operating Heathrow, Aberdeen, Stansted, Southampton and Glasgow
- More than 86.7 M passengers

Business Model

Development of the entire infrastructure lifecycle



Capitalization FER

12,029
million euros

Shareholder return FER

+22%
Total Shareholder return in 2014

Dow Jones Sustainability Indices In Collaboration with RobecoSAM

FTSE4Good

CDP

Integrated Scorecard

	2014	2013	2012
FINANCIAL CAPITAL			
Revenues (M€)	8,802	8,166	7,630
Shareholder return (M€)	510	477	917
Operating cash flow after taxes (M€) [1]	1,076	1,048	914
Total gross dividend received (M€) [1]	615	489	387
INTELLECTUAL CAPITAL			
R+D investment (M€)	42.6	32.9	32.6
Investment in training per employee (€)	258	195	285
INDUSTRIAL CAPITAL			
Backlog by businees (M€)			
Services backlog (+JV)	22,369	18,624	13,288
Construction backlog	8,091	7,867	8,699
Gross investments (M€) [1]	581	754	320
ENVIRONMENTAL MANAGEMENT AND NATURAL CAPITAL			
Direct and indirect emissions of greenhouse gases (T CO_2 equ) (Scope1+Scope2)	577,870	594,752	617,403
Water consumption (m^3)	1,751,878	1,933,592	2,615,816
HUMAN CAPITAL			
Average workforce (employees)	67,968	61,587	55,962
Staff costs (M€)	2,575	2,351	2,102
Workforce variation (%)	10.3	10.0	-6.7
Turnover rate (%)	3.6	2.9	2.7
Frequency rate (%)	23.4	21.1	25.7
SOCIAL AND RELATIONSHIP CAPITAL*			
Economic contribution to the community (M€)	6.9	3.7	4.4

* Includes voluntary and compulsory contributions according to LBG methodology (London Benchmarking Group).
(1) Excluded infrastructure projects

Events 2014

FINANCIAL CAPITAL

- ✓ Credit rating upgraded to BBB by Fitch.
- ✓ Purchase of Aberdeen, Glasgow and Southampton airports in the UK.
- ✓ Issue of 10-year corporate bond for € 300 M.

INDUSTRIAL CAPITAL

- ✓ All-time order backlog high 30bn €, + 15% (international up 71%).
- ✓ Award of I-77 highway in North Carolina (U.S.).
- ✓ Entry into new markets (Australia and Middle East).

INTELLECTUAL CAPITAL

- ✓ 32% increase in investment in employee training.
- ✓ Ministry of Economy National Innovation and Design Award.
- ✓ Multiple awards for the construction of Terminal 2A at Heathrow.

ENVIRONMENTAL MANAGEMENT AND NATURAL CAPITAL

- ✓ 28% reduction in emissions, in absolute terms, in 2014 over 2009 figures.
- ✓ 9% reduction in water consumption over 2013 figures.
- ✓ Focus on Smart Cities, urban restoration and waste management.

HUMAN CAPITAL

- ✓ Average workforce increase of 10%.
- ✓ 1.3 million hours in training.
- ✓ Updating of the Code of Business Ethics and new Human Rights Policy.

SOCIAL AND RELATIONSHIP CAPITAL

- ✓ 10 cooperation projects in Africa and Latin America.
- ✓ More than 425,000 beneficiaries.
- ✓ 14% increase in long-term social investment.

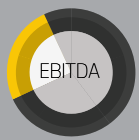
GLOBAL PRESENCE

United States and Canada

Revenue	EBITDA	Employees	Backlog	Assets	Managed Investment	Toll Roads
1,410 million euros	215 million euros	2,450	2,760 million euros	10,243 million euros	15,629 million euros	578.6 km managed

Contribution to Ferrovial

16%



22%

FERROVIAL AGROMAN WEBBER
CONSTRUCTION

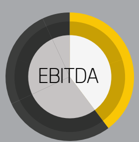
CINTRA
TOLL ROADS

Spain

Revenue	EBITDA	Employees	Backlog	Assets
2,709 million euros	343 million euros	37,093	8,710 million euros	7,771 million euros

Contribution to Ferrovial

31%



35%

FERROVIAL SERVICES
SERVICES

CINTRA
TOLL ROADS

FERROVIAL AGROMAN
CONSTRUCTION

Rest of markets

Revenue	EBITDA	Employees	Backlog	Assets
451 million euros	120 million euros	6,418	1,416 million euros	2,400 million euros

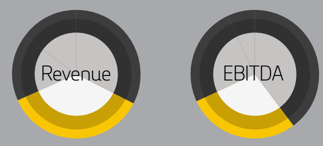
Operating cash flow after taxes

United Kingdom	USA and Canada	Spain	Poland
48%	22%	15%	10%

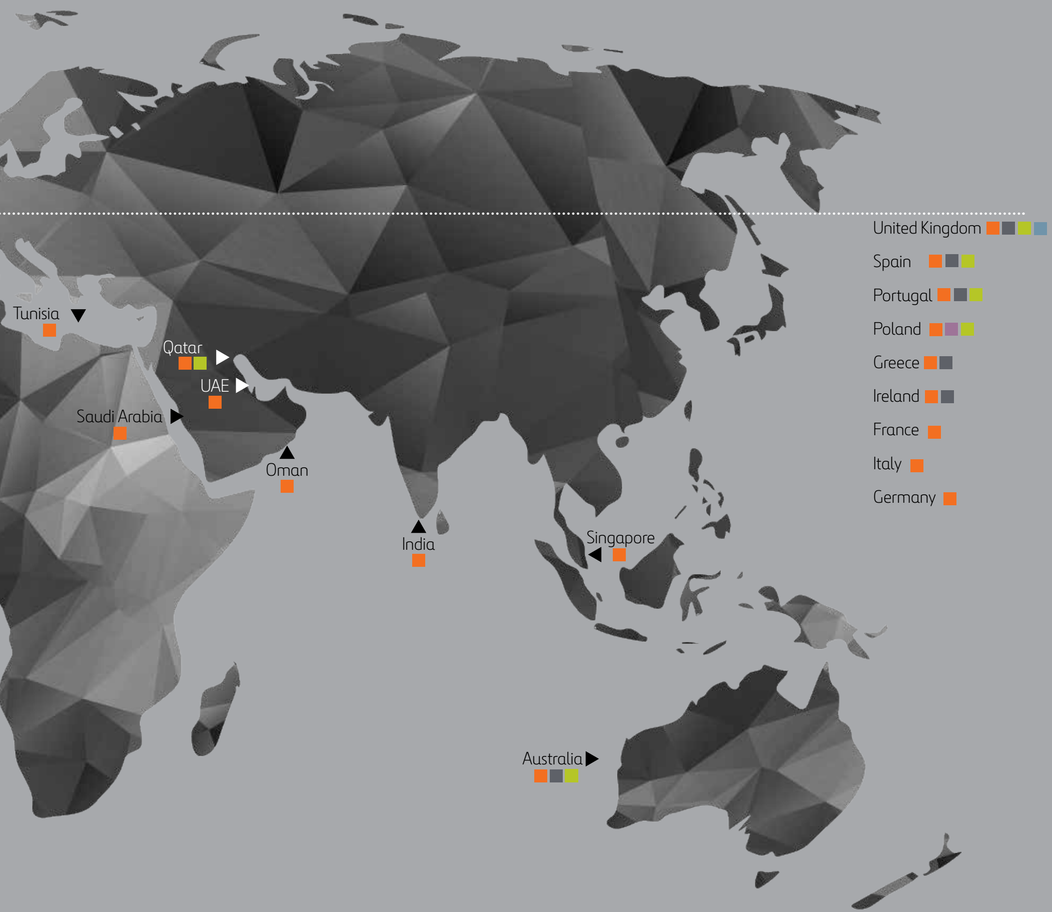
United Kingdom and Ireland

Employees	Backlog	Assets	Passengers	HAH	Revenue	EBITDA
18,989	16,080 million euros	4,037 million euros	86.7 millones 4 aeropuertos	25% Airports	3,030 million euros	242 million euros

Contribution to Ferrovial



34% 25%



AMEY
SERVICES

FERROVIAL AGROMAN
CONSTRUCTION

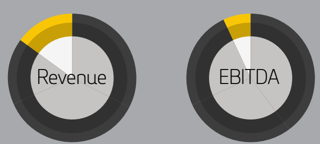
HAH Y AGS
AIRPORTS

CINTRA
TOLL ROADS

Poland

Revenue	EBITDA	Employees	Backlog	Assets
1,203 million euros	63 million euros	4,138	1,495 million euros	1,022 million euros

Contribution to Ferrovial



14% 6%

BUDIMEX
CONSTRUCTION

FBSERWIS
SERVICES

BUDIMEX NIERUCHOMOŚCI
REAL ESTATE

3. SCENARIO, STRATEGY AND OPPORTUNITIES

Renfe access control, Atocha station. Madrid

3.1 CHALLENGES AND OPPORTUNITIES

Prevailing demographic trends, market globalization and the growing importance of environmental issues are all factors influencing the construction, management and operation of transport infrastructure and municipal services.

Population growth and aging is driving demand for social infrastructure and transport, as well as for new services. All the while, the lion's share of global population growth is happening in emerging countries. Market globalization is conducive to expanding international trade and increasingly fierce competition, thus driving the development of new information technologies. Environmental concerns and the scarcity of natural resources are also accelerating the use of clean technologies. Energy efficiency and sustainable solutions are becoming increasingly prominent in the markets.

These issues have a direct impact on the infrastructure industry, including the following:

- Cities as a growth hub: a gradual increase of population living in urban areas, as well as the number of megacities of more than 10 million inhabitants.
- Increased interest in infrastructure development: new national infrastructure plans, new investors, support from financial institutions.
- Driving project viability and improved selection, based on profitability and efficiency.
- Increased competition among infrastructure companies in international markets.

This environment generates opportunities for companies engaged in infrastructure development, construction and services, including the following:

- The concentration of the population around urban centers has led to the need to develop efficient infrastructures that address challenges such as saturation or sustainability. Ferrovial has contributed to the development of outstanding solutions in cities such as Madrid, London, Birmingham and Toronto.
- The concern over the viability of infrastructure projects in an environment of selective liquidity has led local authorities to look for managers that provide experience in the selection of projects that make economic sense. In this context, Ferrovial provides infrastructure planning services, such as the contract with the Texas Department of Transportation in the U.S.
- A growing demand for the development of environmentally sustainable solutions enables companies like Ferrovial to set themselves apart by expanding their catalog of products and services toward activities such as energy efficiency. Terminal T2A at Heathrow Airport, built by Ferrovial Agroman, the winner of the Sustainability Leaders Award in the Sustainable Building category, is an example in this respect.
- Ferrovial focuses its innovation work on developing technologies applied to infrastructure construction, operation and services, to help manage complex operations and offer outstanding solutions to its clients. For example, dynamic toll projects (managed lanes) have enabled Ferrovial to position itself, through innovation, as a benchmark, in the U.S. highway market.

Ferrovial is closely following developments in market trends, getting fully ready to respond to the challenges they pose and make the most of the opportunities that arise in the medium and long term.

3.2 STRATEGY AND ORGANIZATION

Ferrovial's strategy is based on four key pillars:

1. Profitable growth through a combination of organic growth and selective acquisitions, aimed at bolstering the firm's competitive position and increasing its capabilities.

2. Ferrovial has established a significant and stable presence in five geographical areas: Spain, the United States, the United Kingdom, Canada and Poland. The aim is to continue driving operations in these countries while also developing new markets.

3. Operational excellence and innovation are essential to improving complex operational management and developing outstanding solutions for clients. Fostering employee talent via centers of excellence and innovation will improve the company's competitive position in each market, all governed by best practices in project management, sustainability, corporate responsibility and personnel safety.

4. Ferrovial's financial discipline, via the diversification of sources of finance and liquidity management, has allowed for improved credit risk ratings and greater solvency. Asset rotation has unlocked the value of investments, while also financing further growth.

Finally, one key element to optimizing value creation is the integrated approach adopted by business units, based on cross-selling. This supports Ferrovial's involvement throughout the infrastructure cycle and allows the design of outstanding solutions.

Services

Ferrovial Services is a leader in the efficient provision of urban and environmental services and infrastructure maintenance and operation. It offers an extensive catalog of innovative solutions for public and private customers in a number of sectors, based on the whole-life asset management model.

With a practical value proposition that is based on long-term collaboration with customers and service integration, Ferrovial Services provides high added-value solutions that contribute to more efficient management of public and private infrastructure. The Asset Management, Environment, Infrastructure Maintenance and Cities competence centers ensure that expertise and best practices can be shared efficiently within the organization, while also fostering service innovation by developing the kinds of capabilities that distinguish Ferrovial from its competitors.

As of year-end 2014, Ferrovial Services has a very significant presence in Spain and the UK, as well as a stable presence in Chile, Poland, Qatar, USA and Australia.

Ferrovial Services strategic priorities are threefold: driving growth in Spain and the UK, continued margins improvements and greater geographic diversification. A customer-centered strategy and the expansion of our service range are key to strengthening the firm's presence in our key markets. Continued margins improvement will be achieved by focusing on operational excellence and greater added-value services.

In terms of regions, the aim is to consolidate the firm's position in countries in which it currently operates and to develop business in new selected regions.

Bridge over the River Erne, N3 Butlersbridge to Belturbet, Ireland.

Toll Roads

Cintra is a world leader in terms of investment in and management of transport infrastructure. As of year-end 2014, it has a portfolio of 26 concessions in 7 countries: Canada, United States, Spain, United Kingdom, Portugal, Ireland and Greece, where it manages 2,185 kilometers of toll roads, with a managed investment totaling more than 23 billion euro, including the Serranopark parking garages in Madrid.

Cintra's growth strategy is based on seeking out the best investment opportunities and optimal management efficiency; introducing innovative solutions that often become the sector standard. 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 to optimize efficiency, while guaranteeing quality service provision for users.

Cintra operates in countries where economic conditions are stable with demonstrated legal security. As well as developing projects in markets where it already operates, Cintra's strategic priorities include expansion into new regions, both OECD countries and countries with similar political and economic environments.

By asset types, the main focus is on complex projects that require construction (greenfield projects). A good example of this strategy is offered by managed lanes concessions, which began operations in Dallas, Texas, in 2014. These are variable toll lanes on congested urban highways located in prosperous areas. The company also seeks out opportunities that are already operational (brownfield projects), low complexity concession projects such as "availability payment" schemes and "private initiatives", as well as identifying opportunities in new concessionary sectors.

Financial risks are reduced by using local currency financing structures without recourse to shareholders. Construction risks are also minimized via contracts with fixed prices and set durations.

Construction

Ferrovial Agroman is internationally renowned for its design capabilities, for building exceptional projects of all kinds, and, primarily, for its major transport infrastructure. The company's track record includes projects featuring more than 500 kilometers of tunnels, 19,500 kilometers of roads (including 4,100 kilometers of toll roads) and 4,900 kilometers of railroad track (including 700 kilometers of high-speed railroad).

Its outstanding commitment to safety and the environment was reflected in the numerous awards won by Heathrow's Terminal T2A (Constructing Excellence, RoSPA, Green Apple), which, in 2013, broke the UK record for most consecutive accident-free hours.

Ferrovial Agroman's strategic priorities are threefold: selective organic growth, operation optimization and efficiency, and analysis of international inorganic growth opportunities.

Its international geographic positioning is founded on stable strategic markets, including North America, United Kingdom, Poland and Latin America, and was boosted last year by contract awards in new markets in the Middle East and Australia. Regions are selected based on their macro-economic stability, legal security and the growth potential offered by their infrastructure market.

Airports

Ferrovial Airports is one of the biggest private airport operators in the world. This division offers experience and management expertise, as well as innovative solutions to improve service quality for passengers and airlines, while maximizing operational efficiency. Ferrovial Airports is the largest shareholder and main industrial partner for London's Heathrow Airport, while it also holds 50% of capital in Glasgow, Aberdeen and Southampton airports in the UK.

In 2014, Heathrow Airport served 73.4 million passengers, representing an increase of 1.4% against the previous year. In 2014, the airport also become the top European hub in terms of passenger satisfaction – 78% rated their experience as "Very good" or "Excellent" in a prestigious survey conducted by the Airports Council International. Glasgow, Aberdeen, Edinburgh and Southampton airports served 13.3 million passengers in 2014.

In a market as competitive as the airport industry, continuously enhancing the passenger experience is essential for attracting more passengers and airlines. This is why excellence in service provision to customers is a hallmark of Ferrovial Airports and a cornerstone of its strategy.

Alongside the challenge of optimizing service quality, the airport infrastructure industry is seeing a number of privatizations. In this context, another strategic cornerstone of Ferrovial Airports is to expand and diversify businesses by actively seeking out opportunities, combined with sound asset rotation policies that aim to fund divisional growth.

The current strategic approach taken by Ferrovial Airports is consistent with the long-term investment required by airport infrastructure and the division's commitment to managing its asset portfolio. All of which promises strong growth potential going forward.

ORGANIZATION

The functioning of the group's managerial bodies and decision-making procedures are described in the Annual Corporate Governance Report (ACGR), which is part of this Management Report, with emphasis on the roles of the Annual General Meetings and the Board of Directors as the company's most senior governing body (for more information see the Corporate Governance section).

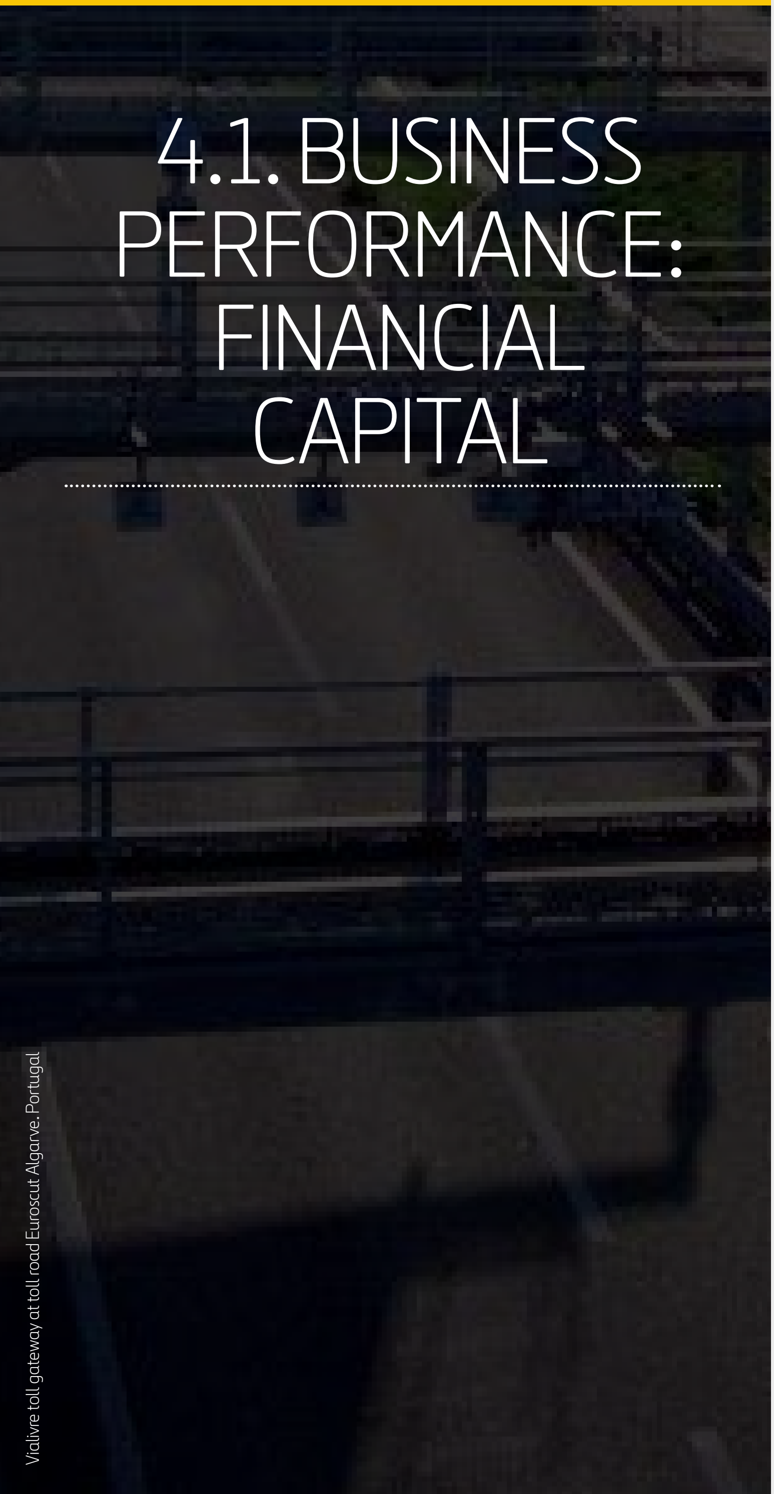
In terms of Group management, the functioning and composition of the Management Committee is particularly vital. Overseen by the CEO, this Committee brings together the different business divisions, such as the General Secretary's Office, Corporate IT and Innovation, Human Resources, Financial and Strategy Departments, thus ensuring an integrated approach to business and strategy.

Other key bodies include the Investment Committee, presided over by the Chairman and/or CEO. There are also procedures for new investment approval, featuring a number of authorization levels depending on the amount and operation type, with the most senior authorization granted by the Board of Directors.

A strategy procedure has also been established, involving the Chairman and members of the Management Committee, with all conclusions reported to and approved by the Board.

Alicante Control Tower. Region of Valencia, Spain

4. FERROVIAL IN 2014



4.1. BUSINESS PERFORMANCE: FINANCIAL CAPITAL

Vialivre toll gateway at toll road Euroscut Algarve, Portugal

Revenues
+8%
8,802 M€

Services backlog
+20.1%
22,369 M€ (includes JV's)

Construction backlog
+2.9%
8,091 M€

Net cash
1,632
(ex-infra projects) (M€)

New liquidity line
750
(M€)

Bond issue 2024
300M€
2.5% coupon

Non regulated airports acquisition agreement
Aberdeen, Glasgow, Southampton
in the United Kingdom

GENERAL OVERVIEW

In 2014, Ferrovial posted sales growth of 7.8%, reaching EUR8,802mn, mainly driven by the Services division as a reflection of its organic growth based on new contracts and the consolidation of Enterprise (for 12 months in 2014 vs. nine in 2013). Services thus consolidated its position as the largest division in the Group in terms of revenues, EBITDA and operating cash flow.

Operating cash flow excluding concession companies exceeded EUR1bn for the second year running, with 55% derived from dividends from the infrastructure projects. More than 70% of operating cash flow was derived from Canada, the UK and the US.

HAH and the 407ETR toll road both increased their dividend distribution to their shareholders. Heathrow paid out GBP1.075bn (EUR341mn of which to Ferrovial), including an extraordinary dividend for the sale of the non-regulated airports (GBP670mn), while the 407ETR distributed CAD730mn (EUR224mn of which to Ferrovial), vs. CAD680mn in 2013.

The net cash position, excluding infrastructure projects, reached EUR1,632mn at year-end.

Significant events include the issuance of Ferrovial's third corporate bond for EUR300mn (10 years, with a coupon of 2.5%), the rating upgrade on its corporate debt from BBB- to BBB with stable outlook by Fitch Ratings, and the negotiation of the new five-year EUR750mn line of liquidity for Ferrovial (April) at a cost of 80bp.

During 2014, Ferrovial implemented a new shareholder remuneration system, approved by the Annual General Meeting in June: "Ferrovial Flexible Dividend", such that it paid two dividends; in July the equivalent of the 2013 complementary dividend (EUR0.291 per share) and in November the equivalent to the 2014 interim dividend (EUR0.381 per share).

As part of its shareholder remuneration system, in the second half of 2014, Ferrovial purchased 15,067,543 Treasury stock which were subsequently cancelled.

In 2014, and as part of its strategy of profitable growth, Ferrovial Airports reached a 50/50 joint-venture agreement with Macquarie Infrastructure Fund 4, to buy 100% of Aberdeen, Glasgow and Southampton airports (AGS) in the UK. The acquisition was closed in December 2014.

In October, Ferrovial made a non-binding offer for the Australian company Transfield Services. The offer, which was subsequently increased, was rejected by the Board and the negotiations were abandoned.

Business performance

Services posted significant growth throughout its geographical footprint, with a continuing margin improvement (8.8% vs. 7.7% in the first 9 months of the year and 6.7% in the first quarter). The backlog reached a new high of more than EUR22bn (including JVs).

At Construction there was a slight fall in revenues due to the decline in activity in Spain and the UK, but maintaining profitability at high levels. We highlight Budimex, which turned in a notable performance, with double digit improvements in all magnitudes (revenues, margins and backlog). In 2014, Construction strengthened its presence in new countries (Australia).

The construction backlog grew by 2.9% to EUR8,091mn as of December 2014. Notable contract awards included the Northern Line Extension for London Underground, the section of motorway between Warrell Creek and Nambucca Heads in Australia, the construction of an electricity generating plant in Turow and that of the Los Cóndores hydroelectric plant in Chile.

Cintra was awarded the I-77 toll road in North Carolina, USA (41.7kms, estimated investment of USD655mn). On October 4th the NTE1-2 Managed Lanes opened to traffic, 9 months ahead of schedule. Traffic on the 407ETR increased 3.4%. The improving trends on the European toll roads seen since the last quarter of 2013 were confirmed, with growth in Spain vs. 2013 and solid increases in Portugal and Ireland. In the US, the improving trend continued after the negative impact of the snowstorms in the first quarter, with all the toll roads closing 2014 with growth vs. 2013.

At the Airports division, Heathrow traffic rose 1.4%, with notable growth in intercontinental flights. The non-regulated airports grew by 5.9% (Glasgow +4.8%, Aberdeen +8.0% and Southampton +6.2%).

The main equity-accounted assets continue to show strength, with EBITDA growth of 10.3% at Heathrow and 10.6% at the 407ETR toll road.

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	8,802	8,166	7.8%	7.2%
EBITDA	983	934	5.2%	3.5%
EBIT	738	701	5.3%	3.2%
Net result	402	727	-44.7%	
Cash flow ex-projects				
Operating cash flow	1,076	1,048		
Investment	-581	-754		
Divestment	24	564		
Net debt	Dec-14	Dec-13		
Net Debt Ex-Infrastructure Projects	1,632	1,675		
Total net debt	-6,230	-5,352		

	Dec-14	Dec-13	Var.
Construction Backlog	8,091	7,867	2.9%
Services Backlog	22,369	18,624	20.1%
Traffic	Dec-14	Dec-13	Var.
ETR 407 (VKT´ 000)	2,436,888	2,356,343	3.4%
Chicago Skyway (ADT)	41,332	41,251	0.2%
Ausol I (ADT)	11,711	11,307	3.6%
Ausol II (ADT)	13,989	13,629	2.6%
M4 (ADT)	26,606	25,591	4.0%
Heathrow (million pax.)	73.4	72.3	1.4%
AGS (million pax.)	13.3	12.6	5.9%

TOLL ROADS

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	432	429	0.6%	0.5%
EBITDA	257	276	-7.0%	-4.7%
EBITDA Margin	59.5%	64.4%		
EBIT	182	202	-9.6%	-6.4%
EBIT Margin	42.2%	47.0%		

The most significant event of 2014 was the opening of the NTE 1-2 toll road, one of the three Managed Lanes that the Company is developing in Texas (USA). This took place on October 4th.

At the Toll Roads division, revenue growth was positive (+0.6%) vs. 2013, mainly due to the solid traffic growth throughout the year in the majority of concessions and the entry into operation of the NTE 1-2 in the last quarter of the year.

Assets in operation

Traffic performance

In 2014, traffic increased at practically all the group's toll roads. We highlight the strong performance of heavy traffic on nearly all the group's toll roads (Canada, the US, Ireland, Portugal and Spain), confirming the economic recovery in the second half of 2014.

By country:

In Canada, traffic growth reached 3.4% (and the same in the fourth quarter standalone), with positive growth in all four quarters of the year. This reflected lane closures on alternative routes, a greater number of working days and the better weather conditions.

In North America, there was particularly strong growth on the SH130 toll road, +18.5% vs. 2013 (+22.3% in the fourth quarter standalone), due to the fact that the toll road is in the ramp-up phase, with an increasing number of users become familiar with the route and choosing to use it. Chicago Skyway closed the year with positive growth (+0.2%) after progressive improvements in traffic throughout the year (from -5.2% in the first quarter and +2.7% in the fourth).

In Spain, the positive trend observed since the third quarter of 2013 continued, with traffic growth on the principal toll roads. There was a notable increase in the second half at Ausol, where after strong growth in the summer driven by the upturn in tourism and very favourable weather conditions, the autumn continued with a very positive tone. The fourth quarter closed with growth of 4.7% and 3.3% at Ausol I and II respectively. The only negative growth was posted by the R4, which continues to give no signs of recovery, reflecting the high prices after the tariff compensation increase in January 2014.

The Portuguese concessions (Algarve and Azores) reported solid traffic growth, confirming the trend initiated at the end of 2013 on the back of the recovery in the Portuguese economy and the good weather conditions. This was particularly the case on the Algarve, which closed the year with cumulative traffic growth of close to 10%. The growth rates remained stable in the fourth quarter in spite of the end of the peak tourism season (Algarve +8.3% and Azores +2.0%).

In Ireland, traffic has continued to post consistent growth since the second quarter of 2013 when the trend inverted. The traffic registered on the M4 in 2014 reflects the ongoing improvement in the levels of employment in Ireland, and the fourth quarter standalone saw a marked uptick in growth vs. that of the third (+5.1%).

Finally, in Greece, the drop in traffic on the Ionian Roads toll road is due to the 60% increase in tariffs applied since February 2014.

€ million	Traffic			Revenues			EBITDA			EBITDA Margin		Net Debt 100%	
Global consolidation	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Dec-14	Share
Intangible assets													
Chicago Skyway	41,332	41,251	0.2%	62	61	1.8%	54	53	1.4%	86.9%	87.3%	-1,228	55%
SH-130	6,771	5,713	18.5%	19	14	34.5%	6	6	10.8%	33.9%	41.2%	-1,037	65%
Ausol I	11,711	11,307	3.6%	46	46	-0.2%	36	32	10.7%	78.0%	70.3%	-454	80%
Ausol II	13,989	13,629	2.6%										
M4	26,606	25,591	4.0%	23	22	4.4%	16	15	4.5%	69.0%	68.9%	-107	66%
Algarve	9,564	8,719	9.7%	46	35	32.1%	42	30	37.9%	90.5%	86.7%	-139	85%
Azores	8,138	7,993	1.8%	22	21	2.4%	14	10	41.2%	63.8%	46.3%	-329	89%
Financial assets													
Autema				92	90	2.1%	82	80	3.5%	89.7%	88.5%	-626	76%
M3				21	22	-4.7%	16	17	-6.9%	75.0%	76.7%	-192	95%
Norte Litoral				41	56	-28.0%	34	49	-29.4%	84.6%	86.2%	-192	84%
Via Livre				14	15	-6.9%	1	2	-20.8%	11.0%	12.9%	4	84%

€ million	Traffic			Revenues			EBITDA			EBITDA Margin		Net Debt 100%	
Equity accounted	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Dec-14	Share
407 ETR (VKT´ 000)	2,436,888	2,356,343	3.4%	607	582	4.3%	503	483	4.2%	82.9%	83.0%	-4,250	43%
Intangible assets													
Central Greece	17,583	18,382	-4.3%	8	8	-5.2%	5	-0.5	n.s.	65.3%	-6.0%	-388	33%
Ionian Roads	23,650	27,301	-13.4%	73	56	30.8%	52	20	159.7%	72.0%	36.3%	116	33%
Serrano Park				5	5	2.7%	3	3	0.7%	64.1%	65.4%	-47	50%

Financial Assets

In the application of IFRIC 12, concession contracts are classified as one of two types: intangible assets or financial assets.

Intangible assets (where the operator assumes the traffic risk) are those where remuneration comprises the right to charge the corresponding tariffs depending on the level of use.

Financial assets are concession agreements where the remuneration comprises an unconditional contractual right to receive cash or other financial assets, either because the entity awarding the concession guarantees the payment of agreed sums, or because it guarantees it will cover the gap between the sums received from the users of the public service and the said agreed amounts. In this type of contract, the demand risk is assumed by the entity awarding the concession.

Assets in operation classified as financial assets, where there is no traffic risk to some kind of guarantee mechanism are the Norte Litoral, Eurolink M3, Autema and Via Libre.

Assets under development

Assets under construction

€ million Global consolidation	Invested Capital	Pending committed capital	Net Debt 100%	Share
Intangible assets	252	189	-1,217	
LBJ	222	44	-1,110	51%
NTE 35W	30	145	-107	50%
Equity accounted				
Financial assets	10	11	-449	
407 East		11	-339	50%
A-66 Benavente Zamora	10		-110	25%

LBJ: The project advances in line with schedule, with the construction works 95% complete in December 2014 and expected to be completed in the second half of 2015.

NTE 35W: The financing of this project was closed in September 2013 and the project is on track and expected to open in mid-2018.

407 East phase I: The construction work started in March 2014 and construction is 58% complete. The rating agencies DBRS and S&P have confirmed the project's rating at A- with stable outlook.

A-66 Benavente - Zamora: The project is 76% complete.

Contract awards

I-77 (Carolina del Norte): Ferrovial, through the consortium led by its subsidiary Cintra Infraestructuras, in June closed a contract with the North Caroline Department of Transport (NCDOT) for the design, construction, financing, operation and maintenance of the extension of the I-77 toll road for a total of USD655mn (around EUR478mn). The period of the concession for this new infrastructure is 50 years from the date of opening.. At present the consortium is working on the financial closure.

Cintra will be responsible for the development of this project, whose design and construction will be carried out by a JV which includes Ferrovial Agroman and the US construction company W.C. English. The design comprises widening the lanes of the I-77 toll road in both directions for 26 miles (41.8kms) in the metropolitan area to the north of Charlotte, between the junctions with the I-277 (Charlotte) and the NC-150 (Iredell County). In three sections, the existing toll road will be rebuilt, increasing capacity by creating variable electronic tolled lanes that will improve the functioning of the corridor.

407 East Extension Phase II (Canada): on 21 January 2015, it was announced that Ferrovial, through its subsidiary Cintra Infraestructuras, in a 50/50 consortium with Holcim Inc. (Canada) had been selected by Ontario Infrastructure and the Ontario Ministry of Transport as preferred bidder for the design, construction, financing and maintenance of the 407 East Phase II toll road, which will be extended to the east across the Greater Toronto area.

The 32kms concession will have a 30-year life from the time the first section opens to traffic, which is expected to be towards the end of 2017. The project includes:

- A 22kms extension, two lanes in each direction, of the 407ETR, from Harmony Road (Oshawa), to the 35/115 toll road (Clarington).
- The connection with the 401 toll road in a new 10kms junction.

This project will be an explicit toll motorway (as was Phase I), for which the Ontario administration will take responsibility for fixing the tariffs and collecting the tolls, while the concession company will be remunerated via an availability payment formula for the maintenance.

Cintra, together with Holcim, will be responsible for the development, while the design and construction will be carried out by Ferrovial Agroman and Dufferin.

Tenders in progress

There has been a degree of recovery in development activity in some of Ferrovial's target international markets (North America, Europe and Australia).

SH 288 Toll Lanes (Houston, Texas): Cintra was prequalified on 25 September 2013 for the design, construction, financing, operation and maintenance of 10.3 miles of 2 toll lanes in each direction (new construction) in the section of the SH 288 toll road between the US59 and Beltway 8 in Houston, under a real toll regime. The contract also includes the operation and maintenance of the existing toll-free lanes and service roads on the section.

Bids were presented at the beginning of 2015.

Illinois Portion of the Illiana Corridor - (Illinois, USA): Cintra was prequalified on 17 January 2014. The project comprises the design, construction, financing, operation and maintenance of 57kms of toll road with 2 lanes in each direction, under an availability payment scheme.

Indiana Portion of the Illiana Corridor - (Indiana, USA): Cintra team was prequalified on 28 February 2014. The project comprises the design, construction, financing, operation and maintenance of 20kms of toll road, with two lanes in each direction, under an availability payment regime. The contract has a duration of 35 years from the completion of construction.

Toowoomba Second Range Crossing (Queensland, Australia): Cintra is participating in a bid for the Toowoomba Second Range Crossing project. This is a 25-year concession for the design, construction, financing, operation and maintenance of 41kms of new-build toll road.

Assets in insolvency proceedings

€ million	Traffic			Revenues			EBITDA			EBITDA Margin		Net Debt 100%	
Global consolidation	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Dec-14	Share
Intangible assets													
Ocaña-La Roda	2,965	2,889	2.7%	12.9	12.5	3.7%	1.9	4.2	-55.3%	14.4%	33.4%	-556	54%
Radial 4	4,581	4,719	-2.9%	13.3	13.2	0.8%	4.7	5.5	-14.0%	35.4%	41.5%	-622	55%
Equity accounted													
Indiana Toll Road	28,512	27,924	2.1%	167.2	155.5	7.6%	120.0	118.5	1.3%	71.7%	76.2%	-4,976	50%

Radial 4

On 14 September 2012, the Board of the Radial 4 agreed to request protection from its creditors through the courts. On 4 October, this request for court-ordered insolvency proceedings was granted.

Impairments have been recognised for all the investments and guarantees relating to this project, such that the resolution of the insolvency process should have absolutely no negative impact whatsoever on Ferrovial's accounts.

As a result of the filing for insolvency, the standstill agreements with the creditor banks were terminated.

Ocaña - La Roda

The Ocaña-La Roda toll road filed for creditor protection on 19 October 2012. On 4 December 2012 this request for court-ordered insolvency proceedings was granted. The Creditor Committee meeting was set for 19 September 2014, but subsequently delayed again with a new date for 4 March 2015 as a consequence of the modifications introduced by the government to insolvency legislation, which among other measures, allows the Administration to present its own proposals.

Impairments have been recognised for the entire investment in this project, and Ferrovial does not expect there to be any negative impact whatsoever on its accounts from the resolution of the insolvency proceedings.

Indiana Toll Road

The consensual creditor protection process (Chapter 11 pre-packaged) began with the request for the same on 22 September and had the necessary support from creditors. The debtors and shareholders of ITR Concession Company LLL ("ITRCC") reached an agreement to restructure the company's debt. The agreement contemplates the sale of the company or the recapitalisation of the balance sheet.

On 28 October, judicial approval was received for the restructuring agreement ("*Restructuring Support Agreement*"). At present the company is working on the sale of the asset, which should be concluded before August 2015.

407ETR

Profit & Loss Account

CAD million	Dec-14	Dec-13	Var.
Revenues	888	801	10.8%
EBITDA	736	665	10.6%
EBITDA Margin	82.9%	83.0%	
EBIT	657	602	9.1%
EBIT Margin	74.1%	75.2%	
Financial results	-355	-265	-33.9%
EBT	303	338	-10.3%
Corporate income tax	-80	-89	10.2%
Net Income	223	249	-10.4%
Contribution to Ferrovial equity accounted result (€)	54	65	-16.6%

Note: after Ferrovial's disposal of 10% in 2010, the toll road switched to being consolidated by the equity method, in line with Ferrovial's stake (43.23%).

407 ETR reported strong growth in revenues (+10.8%) and EBITDA (+10.6%) in local currency terms. This positive growth reflects the combination of the toll increase on 1 February 2014, an increase in the number of journeys and an increase in the average distance travelled, positively impacted by lane closures on the alternative routes. Average revenues per journey increased by 6.9% vs. 2013.

The financial result increased due to higher interest expenses (CAD18mn), which in turn reflected the issue of the two CAD200mn bonds in June and October 2013, respectively; and the bond issue of CAD250mn in May 2014, as well as higher-cost lines of credit. CAD37mn of financial expenses are explained by the increase in inflation expectations (vs. a fall in 2014), although this had no cash impact. Finally, the actual inflation increase had an impact of CAD25mn.

407 ETR made a contribution to Ferrovial's equity-accounted results of EUR54mn, after the annual amortisation of the goodwill generated by the sale of 10% of the asset in 2010, which is amortised over the life of the asset as a function of the traffic forecast.

Dividends

In 2014, 407ETR distributed a total of CAD730mn (EUR680mn in 2013). Of these, EUR224mn were distributed to Ferrovial (EUR217mn in 2013).

CAD million	2014	2013	2012
T1	175.0	100.0	87.5
T2	175.0	130.0	87.5
T3	175.0	200.0	87.5
T4	205.0	250.0	337.5
Total	730.0	680.0	600.0

Traffic

Traffic (total kilometres travelled) increased 3.4% due to a 2.9% increase in the number of journeys, and a 0.5% increase in the average distance travelled. Traffic benefited from maintenance works and lane closures on the parallel roads.

Net debt

407ETR's net debt as at 31 December stood at CAD5,973mn, at an average cost of 4.89%. 407ETR issued EUR250mn in bonds in May; this issue matures in May 2024 and has a coupon of 3.35%. With this issuance, 40% of the company's debt will have a maturity of over 20 years. The debt maturing in 2015 and 2016 amounts to CAD511mn and CAD730mn respectively.

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 Tariffs

The table below compares the 2013 and 2014 tolls (increased on 1 February) for light vehicles:

CAD	2014	2013
Regular Zone Peak Period: *Mon-Fri: 6am-7am, 9am-10am, 3pm-4pm, 6pm-7pm*	28.30¢ /km	26.20¢ /km
Peak Hours *Mon-Fri: 7am-9am, 4pm-6pm*	30.20¢ /km	27.20¢ /km
Light Zone Peak Period *Mon-Fri: 6am-7am, 9am-10am, 3pm-4pm, 6pm-7pm*	26.90¢ /km	24.90¢ /km
Peak Hours *Mon-Fri: 7am-9am, 4pm-6pm*	28.70¢ /km	25.85¢ /km
Midday Rate *Weekdays10am-3pm*	24.06¢/km	22.70¢/km
Midday Rate *Weekends & public holidays 11am-7pm*	22.25¢/km	21.00¢/km
Off Peak Rate *Weekdays7pm-6am,* *Weekends & public holidays 7pm-11am*	19.35¢/km	19.35¢/km
Transponder: Monthly rental	$3.40	$3.25
Transponder: Annual rental	$21.50	$21.50
Video toll per journey	$3.95	$3.80
Charge per journey	$0.80	$0.70

NTE (sections 1 and 2)

Profit & Loss Account

US million	Dec-14	Dec-13	Var.
Revenues	6.4	0	N/A
EBITDA	2.2	-0.6	N/A
EBITDA Margin	34.4%	-	N/A

After opening to traffic on 4 October, NTE's revenues reached USD6.4mn. The average tariff per journey was USD1.46. Monthly revenues have risen in double-digits since the opening, reaching USD2.7mn in December.

The EBITDA margin reflects all the costs of putting the toll road into operation.

Traffic

Traffic reached 4.4 million transactions in the first quarter of operations.

NTE Tariffs (October-December 2014)

Until 2 April 2015, when the dynamic system comes into operation, the NTE's tariffs are set every half hour in peak periods and every hour at off-peak times, depending on the levels of traffic. These are promotional tariffs to encourage use of the asset during the initial months. These tariffs also differ depending on the direction travelled and by section, with the possibility of review every week. The table below shows the average tariffs for the quarter calculated for light vehicles per segment:

USD	Segment 1, 6.4 miles	Segment 2, 6.86 miles
Peak Period *6:30am-9am, 3pm-6:30pm*	$2.07	$2.34
Off-Peak Period *0:00am-6:30am, 9am-3pm, 6:30pm-12pm*	$0.96	$1.06
Daily Average *Weekdays average 24hours.*	$1.14	$1.26

At year-end 2014, the tariff in the Peak Period in Section 1 was USD2.75 and USD3.35 in Section 2.

Net debt

On 31 December 2014, the toll road had net debt of USD992mn, with an average cost of 5.6%.

Credit ratings

The rating agencies have assigned the following ratings to NTE's debt:

	PAB	TIFIA
Moody's	Baa2	Baa3
FITCH	BBB-	BBB-

Financial structure

Financing for the project came from four sources: USD398mn of Private Activity Bonds (PABs)* issuance, a USD704mn long-term TIFIA** loan from the US Department of Transportation; and the contributions made by the consortium members (USD427mn) and the Texas Department of Transportation (USD573mn).

PAB issuance in 2009: NTE Mobility Partners LLC issued USD398mn (approximately EUR270mn) as part of the financing process for the toll road.

These tax-exempt bonds were issued in the US municipal bond market. The issuance, with an average coupon of 6.98% was the first time PABs had been used by a private toll road concession. It comprised two issues: one for USD60mn with a 7.5% coupon maturing on 31 December 2031, and the other for USD340mn with a 6.875% coupon maturing on 31 December 2039. The issuance was very well-received by the market, with demand exceeding supply by 2.4x.

The equity invested in this project by Ferrovial reached 237.5 million USD.

Sources & Uses Funds (USDmn)		
Total Sources	2,102	% total
Equity	427	20%
Subsidies	573	27%
PABs *	398	19%
TIFIA **	704	33%
Total Uses	2,102	% total
Construction, opex, capex and insurance	1,807	86%
Interest costs capitalized	199	9%
Bidding costs	36	2%
Reserve account	60	3%

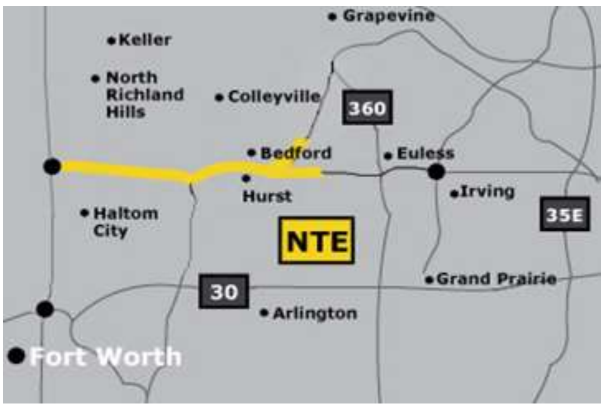
* PAB: Tax-exempt bonds issued by or in the name of the local or state government intended to provide special financing benefits for certain projects. This is a common form of financing for joint projects between private-sector entities and public authorities.

** Transportation Infrastructure Finance and Innovation Act (TIFIA) is a programme that provides Federal credit (including direct loans, guarantees, lines of credit) to finance transport infrastructure with a regional or national impact. TIFIA loans have the following characteristics:

- Subordinated debt, long-term, low fixed cost
- Joint public/private investment

Description

On 4 October the NTE toll road (sections 1 and 2) in Texas (USA) was opened to traffic; this 21.4km toll road is on the Dallas-Fort Worth axis and provides a solution to the problem of congestion on a group of key toll roads in the area, such as the Interstate 820 and the State 121/183.



The managed lanes have a dynamic toll system, which gives the operator the flexibility to determine the tariff depending on the level of congestion. The sensors installed along the toll road transmit data continuously on traffic conditions (volumes, speeds, weather, level of congestion, etc.), which are used to determine the tariff with the aim of maintaining the traffic at a minimum speed of 50mph (80kmph) in the managed lanes. The toll charge can be updated every five minutes.

Initial toll regime (for the first 180 days, to 1 April 2015): the tolls are fixed for half-hour intervals in the peak periods and every hour in off-peak times and can be changed weekly. During this period the maximum toll is 75 cents per mile.

Definitive tariff regime (after the first 180 days, from 2 April 2015): the tolls can be modified every five minutes. The maximum toll is 84 cents per mile (adjusted for inflation every year). The 84 cents/mile cap has to be exceeded under the following conditions:

- * The traffic speed in the managed lanes falls below 50mph
- and/or traffic exceeds 1,650 cars per hour and per lane.

Type	Description
Concessionaire	NTE Mobility Partners
Location	Dallas/Fort Worth, North Texas
Customer	Texas Department of Transportation
Equity structure	56.7% Cintra Infraestructuras S.A. 33.3% Meridiam 10% Dallas Police and Fire Pension System
Opening day	Oct-14
Concession start date	2009
Concession end date	2061
Duration	52 years
Purpose	Plan, design, finance, construct, maintain and enhance.
Managed Investment	1,592.3 M € 21.4 Km (13.5miles) 2 tolled lanes and 2-3 free lanes each way
Toll System	Open (free flow)
Payment methods	Transponder & video

Other

The NTE project was a winner of the 'Project of the Year 2010' award from the most respected association of transport infrastructure in the USA (ARTBA) for being one of the most innovative, complete and complex toll roads planned in the USA. The magazine Infrastructure Journal also selected this toll road for its 'Best Global Transport Deal of 2009' award.

For more information on the concession, please click on the following related links:

http://www.youtube.com/user/TheNTExpress

http://www.youtube.com/watch?v=6f_uR_o5lil&list=UU1Y_aM6QdTQzL-4CROeRPnQ

SERVICES

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	4,401	3,656	20.4%	16.5%
EBITDA	387	322	20.5%	13.7%
EBITDA Margin	8.8%	8.8%		
EBIT	260	195	33.4%	21.8%
EBIT Margin	5.9%	5.3%		
EBITDA at Ferrovial % in equity accounted businesses	22	14	61.9%	55.4%
Backlog	20,354	17,749	14.7%	9.7%
JVs Backlog	2,016	875	130.4%	119.7%
Global Backlog+JVs	22,369	18,624	20.1%	14.9%

The revenue growth vs. 2013 was partly a consequence of the increased contribution from Enterprise (12 months in 2014 vs. 9 months in 2013). Excluding this impact, the organic growth in the Services division was 8.7% (which breaks down by activities as +12.5% in Spain, +6.1% in the UK and +27.3% International).

The P&L for 2014 includes the costs incurred in the process of integrating Amey and Enterprise in the UK (EUR18mn), and of the two businesses in Spain (EUR1mn); in December 2013, these costs reached EUR26mn in the UK and EUR5mn in Spain. The Like for Like column reflects the variation vs. 2013 excluding merger costs and the FX impact, and shows revenue and EBITDA growth of 16.5% and 13.7% respectively.

In the fourth quarter the backlog maintained the same rate of growth as in previous quarters, reaching EUR22,369mn, or +20.1% vs. 2013 (+14.9% excluding the FX impact).

Spain

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	1,599	1,421	12.5%	12.5%
EBITDA	172	177	-2.7%	-4.2%
EBITDA Margin	10.7%	12.4%		
EBIT	90	91	-0.6%	-3.4%
EBIT Margin	5.6%	6.4%		
EBITDA at Ferrovial % in equity accounted businesses	5	2	111.8%	111.8%
Backlog	6,392	6,330	1.0%	1.0%
JVs Backlog	344	351	-2.0%	-2.0%
Global Backlog+JVs	6,736	6,681	0.8%	0.8%

Revenues increased 12.5% as a consequence of work starting on new contracts awarded in 2013, such as maintenance services for Valdecilla Hospital in Cantabria, and passenger services on long-distance trains for Renfe; the positive performance was also influenced by the contracts awarded over the course of 2014, such as the new contracts with the Madrid local authorities for the maintenance of public lighting and traffic lights, and waste collection.

LfL EBITDA was 4.2% lower than in 2013. This was because in 2013, EBITDA received a c.EUR9mn boost from the release of provisions after the collection of past-due receivables. On the other hand, 2014 EBITDA reflected a EUR10mn negative impact of regulatory changes which principally involved an increase in Social Security payments (EUR6mn). Excluding the impacts of both the provisions released in 2013 and the regulatory changes in 2014, EBITDA growth would have been approximately 7%, in line with the increase in turnover.

UK

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	2,717	2,163	25.6%	18.6%
EBITDA	210	137	53.1%	34.0%
EBITDA Margin	7.7%	6.3%		
EBIT	169	102	65.5%	40.5%
EBIT Margin	6.2%	4.7%		
EBITDA at Ferrovial % in equity accounted businesses	13	10	33.8%	26.4%
Backlog	13,682	11,188	22.3%	14.1%
JVs Backlog	1,616	441	266.3%	241.8%
Global Backlog+JVs	15,298	11,629	31.6%	22.7%

The 2013 P&L included nine months of Enterprise, given that the company was acquired in April. On the other hand, merger costs in 2014 amounted to EUR18mn vs. EUR26mn in 2013. No further integration costs are expected in 2015. The accumulated costs of the integration thus amount to EUR44mn, slightly less than the GBP40mn initially estimated. The LfL column shows the variation vs. 2013 excluding in both these years these non-recurrent merger costs, as well as the FX impact.

Revenue and EBITDA growth vs. 2013 were partly driven by the three additional months of Enterprise in 2014, which implied additional revenues and EBITDA of some EUR270mn and EUR13mn respectively (at the December 2014 exchange rate).

Excluding the impact of these three additional months, revenue growth would have been 6.1%, largely due to the contribution of new contracts won in 2013, notably the maintenance of municipal buildings in London, the waste treatment plant in Milton Keynes and the contract for highway maintenance and cleaning in Liverpool.

In addition to the three extra months from Enterprise, LfL EBITDA growth (+34%) fundamentally reflected three factors: the higher turnover thanks to the new contracts in the backlog, as mentioned above, the cost-savings derived from the merger of Amey and Enterprise, and a non-recurrent EUR15mn gain related to the pension funds (with the agreement of the participants in these pension plans, some of the terms and conditions have been changed, which inter alia reduce Amey's future obligations; this is reflected in the 2014 results as a gain).

Regarding the synergies derived from the merger, the volume achieved to December 2014 was more than GBP40mn annualised, in excess of the target for annual savings estimated at the time of the acquisition.

International

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	86	72	18.9%	27.3%
EBITDA	5	8	-31.6%	-20.8%
EBITDA Margin	6.1%	10.6%		
EBIT	0	2	-87.4%	-80.3%
EBIT Margin	0.2%	2.2%		
EBITDA at Ferrovial % in equity accounted businesses	5	2	138.8%	137.1%
Backlog	279	231	20.7%	21.6%
JVs Backlog	56	83	-32.3%	-40.6%
Global Backlog+JVs	335	314	6.7%	3.5%

Revenues from the International area were mainly derived from Chile (EUR47mn), Portugal (EUR26mn) and Poland (EUR10mn). Both activity and results from these countries was positive, with the principal negative variation vs. 2013 reflecting the consolidation in 2014 of the structure required to manage this new activity, created in 2013.

The business in Qatar is also included in the International segment, although the results are equity-accounted. In 2013 three infrastructure maintenance contracts at Doha airport came into operation; the principal magnitudes on Ferrovial's share in these contracts for revenues, EBITDA and backlog pending execution amounted to EUR29mn, EUR5mn and EUR56mn respectively in December 2014.

Backlog

In December 2014 the backlog reached a new all-time high of EUR22,369mn, 20% higher than in December 2013 (or +14.9% excluding the FX impact).

By business area, in Spain the backlog pending execution amounted to EUR6,736mn (+0.8% vs. December 2013). In the fourth quarter, the highlights were the renewal for the contracts for highway cleaning and waste collection for Huelva, worth EUR140mn over 10 years, and also in Alcobendas (EUR74mn, 10 years).

In the UK, the backlog amounted to EUR15,298mn (+31.6% vs. 2013, +22.7% LfL). In the fourth quarter standalone, we highlight the award of a new project for the construction and management of a waste treatment plant in North Yorkshire (EUR783mn, 28 years), and a new maintenance contract for a water distribution network and measurement systems for Affinity Water (EUR166mn, five years). In equity-accounted companies, the highlights were the award of three contracts for the maintenance of military bases in the UK, together worth (the % for Ferrovial) EUR723mn over five years.

In International, at December 2014 the backlog amounted to EUR335mn (+6.7% vs. 2013, or +3.5% LfL). In the last quarter, the significant event was the renewal of a maintenance contract for mining installations in Chile worth EUR26mn over five years, and a new contract for highway conservation in Poland (Warsaw-Zwolen) worth EUR5mn over five years.

Corporate transactions

On 20 October 2014, Ferrovial communicated in the form of a significant event to the CNMV that it had presented a non-binding indicative offer to the Board of Transfield Services for the acquisition of 100% of the company at a price of AUD1.95 per share in cash (a premium of 45% to the VWAP of the last six months) for a total consideration of AUD999mn (c.EUR680mn).

This offer was subsequently increased to AUD2.00 per share. Ferrovial's revised offer was rejected by the Board, and as a consequence on 22 December 2014, and in line with Ferrovial's profitable growth and financial discipline strategy, negotiations were abandoned.

Ferrovial Services still plans to expand internationally, but always in line with its criteria for returns on investment.

CONSTRUCTION

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	3,942	4,064	-3.0%	-1.0%
EBITDA	349	343	1.7%	0.2%
EBITDA Margin	8.8%	8.4%		
EBIT	312	314	-0.8%	-2.7%
EBIT Margin	7.9%	7.7%		
Backlog	8,091	7,867	2.9%	-2.7%

There was a slight decline in revenues in LfL terms (-1.0%), mainly due to lower production in the UK and Spain, which was partly offset by the contributions from new countries where Ferrovial established a presence in 2014, such as Australia. International turnover represented 76% of the division's sales, with the bulk of this focused on the group's traditional strategic markets (North America (33%), Poland (29%), UK (8%)).

EBITDA improved by 1.7% vs. 2013, with strong profit growth at Webber and Budimex, well in excess of revenue growth.

Budimex

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	1,152	1,099	4.8%	13.7%
EBITDA	55	45	24.0%	50.2%
EBITDA Margin	4.8%	4.1%		
EBIT	50	38	32.0%	63.4%
EBIT Margin	4.3%	3.4%		
Backlog	1,426	1,044	36.5%	40.7%

The figures to December 2014 do not include the contribution made by Danwood, which was sold at the end of 2013 and whose contribution as of December 2013 amounted to EUR91mn (revenues) and EUR8mn (EBITDA). In comparable terms, note both the revenue growth (+14%) and more importantly, the improved profitability (+50%), principally due the reduction in cost of materials and subcontractors.

The backlog reached EUR1,426mn or an increase of 40.7% in LfL terms vs. December 2013. 2014 was a record year for Budimex, with new contracts worth more than EUR1,500mn (vs. an average of EUR800mn in 2012-13). There were notable increases in new contracts both for Building and (more particularly) Civil Works, derived both from the combination of the New Highway Plan 2014-20 with European funding, and from an improvement in the success ratio. Also of note in 2014 was Budimex's debut in the Energy sector, with the significant contract award for the expansion of a power station in Turow.

Webber

There was a slight decline in revenues in comparable terms (-3.1%) but a very considerable improvement at the EBITDA level, principally due to good execution and the progressive mitigation of risks on the concession projects in Dallas, particularly the NTE toll road. This contract execution has reduced the local currency backlog by 29%.

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	673	690	-2.5%	-3.1%
EBITDA	59	27	120.8%	119.1%
EBITDA Margin	8.7%	3.9%		
EBIT	52	20	164.1%	161.9%
EBIT Margin	7.7%	2.8%		
Backlog	880	1,095	-19.6%	-29.4%

Ferrovial Agroman

	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	2,116	2,274	-7.0%	-7.0%
EBITDA	235	272	-13.6%	-17.5%
EBITDA Margin	11.1%	11.9%		
EBIT	211	257	-18.1%	-22.2%
EBIT Margin	9.9%	11.3%		
Backlog	5,785	5,728	1.0%	-4.5%

Ferrovial Agroman's revenues dropped by 7.0% in LfL terms, mainly driven by lower production in the UK due to the completion of Heathrow's Terminal II, inaugurated last June, and the Spanish market, where revenues declined 5.8%. Contract awards to Ferrovial Agroman in the year to December in new countries (mainly Brazil, Australia and Saudi Arabia), as well as the substantial new contracts in the UK (Northern Line and M8) are still in their initial phases.

Profitability remains at high levels although slightly below 2013, reflecting the margins generated on the US projects and the net release of provisions for the completion of projects reaching EUR67mn vs. EUR73mn in 2013.

Backlog

	Dec-14	Dec-13	Var.
Civil work	6,345	6,164	2.9%
Residential work	260	182	43.0%
Non-residential work	732	768	-4.8%
Industrial	755	753	0.2%
Total	8,091	7,867	2.9%

The backlog was 2.9% higher vs. December 2013 (-2.7% in comparable terms), with the civil works segment representing a 78% of this and maintaining very selective bidding criteria for new contracts. In 2014, Ferrovial won some very significant contracts in its traditional markets, such as the Northern Line Extension in the UK. In addition we are consolidating our positioning in Australia thanks to an important contract (the Pacific Highway toll road), and starting to expand into the Middle East, with the award of a new motorway access to Riyadh.

The International backlog amounted to EUR6,117mn, much more than the Domestic backlog (EUR1,974mn), and represented 76% of the total.

AIRPORTS

The contribution made by HAH to Ferrovial's equity-accounted results was EUR74mn, vs. EUR297mn in 2013.

The 2013 result included the EUR137mn capital gain on the sale of Stansted airport and the profit generated by the change in the UK tax rate (EUR73mn). In addition, Ferrovial's stake in HAH was reduced by 25% in October 2013.

Corporate transactions

In October 2014, a consortium (50% Ferrovial Airports and 50% Macquarie Infrastructure Fund 4), reached an agreement to acquire 100% of the airports of Aberdeen, Glasgow and Southampton (AGS) at an EV of GBP1,048mn (EUR1,317mn). The deal was closed on 18 December 2014.

Ferrovial presented last October a firm offer (with a maximum price) for a stake in Aena, in the context of its privatisation and subject to the result of its IPO. The maximum price set by the company was below the final IPO price. This implied the Company did not acquire said stake.

Heathrow

Heathrow traffic

During 2014, the number of passengers passing through Heathrow reached a record level of 73.4 million, 1.4% higher than in 2013. This positive traffic growth reflects the combination of an increase in the number of seats per aircrafts (larger aircraft) as well as a higher passenger load-factor per aircraft. Load-factors reached 76.6% in 2014 vs. 76.4% in 2013, and the average number of seats per flight stood at 204.5 vs. 202.8 in 2013. Heathrow is operating at 98.1% capacity.

Domestic traffic increased by 5.5%, due to the increase in passenger load-factors on Virgin Atlantic Little Red (on routes launched in the summer of 2013). Long-haul traffic rose 1.9%, with an increase of 1.7% in traffic to North America (reflecting both new destinations and increased frequency), and by 3.4% on routes to the Middle East (an increase in the number of flights and higher passenger load-factors).

The new Terminal 2 at Heathrow (The Queen´s Terminal) opened to traffic on 4 June. The transition period was completed on 23 October and the 23 airlines of the Star Alliance are now operating from this terminal, together with Aer Lingus, Virgin Atlantic Little Red and Germanwings. Some 350 flight arrivals and departures a day are managed in the new terminal.

Traffic growth by destination

Million pax	Dec-14	Dec-13	Var.
UK	5.3	5.0	5.5%
Europe	30.0	29.9	0.2%
Long Haul	38.1	37.4	1.9%
Total	73.4	72.3	1.4%

Heathrow revenues

Heathrow posted revenue growth of 8.8%, as a consequence of the 12.0% increase in aeronautical revenues, which was principally driven by tariff increases (+10.4% in April 2013 and 11.3% in July 2014). The 11.3% tariff increase results from the application of the revision formula, including: a 3.3% RPI, a higher increase as it has taken place in July instead of in April, and the recovery of previous years' yield dilution.

The average aeronautical revenue per passenger increased by 10.4% to GBP23.25 (vs. GBP21.06 in 2013).

Revenue breakdown

GBP million	Dec-14	Dec-13	Var.	Like-for-Like
Aeronautic	1,706	1,523	12.0%	12.0%
Retail	503	491	2.4%	2.4%
Others	483	460	5.0%	5.0%
TOTAL	2,692	2,474	8.8%	8.8%

Retail revenues increased by 2.4% as a reflection of a good performance from the car parks (tariff increase), car hire, advertising (new space) and the increase in passenger numbers. However, there was a negative impact from the works carried out to extend the luxury retail area at Terminal 5, airlines changing terminals after the opening of Terminal 2 and the strength of sterling vs. other currencies during 2014. Net retail revenues per passenger reached GBP6.53, an increase of 1.5%. Other Revenues increased by 5.0% mainly on the back of the demand increase for VIP services, increased re-billing for utilities and higher number of rentals post the opening of T2.

GBP million	Traffic (million passengers)			Revenues			EBITDA			EBITDA Margin		
	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var.	Dec-14	Dec-13	Var. (pbs)
Heathrow SP	73.4	72.3	1.4%	2,692	2,474	8.8%	1,567	1,421	10.3%	58.2%	57.4%	79
Exceptionals & adjs				0	0	n.a.	-27	-52	n.a.	n.a.	n.a.	n.a.
Total HAH	73.4	72.3	1.4%	2,692	2,473	8.8%	1,541	1,369	12.5%	57.2%	55.4%	188
Non Regulated Airports (AGS)												
Glasgow	7.7	7.4	4.8%	95	91	5.0%	36	32	12.5%	37.8%	35.2%	253
Aberdeen	3.8	3.5	8.0%	65	62	3.9%	25	25	-1.4%	38.3%	40.3%	-207
Southampton	1.8	1.7	6.2%	27	26	4.3%	7	8	-4.3%	26.3%	28.6%	-238
Total non regulated	13.3	12.6	5.9%	187	179	4.5%	68	65	5.2%	36.3%	36.0%	22

* Non-regulated consolidated as Discontinued Activities at HAH in 2014 and 2013. AGS EBITDA does not include GBP4.5m of separation costs.

Heathrow EBITDA

EBITDA improved by 10.3% as a consequence of an increase in the EBITDA margin, in spite of the higher costs as a reflection of the opening of Terminal 2, the activity generated by Heathrow so that its option to increase capacity be the option selected by the Airports Commission and the cost to reduce noise for the property owners in the local community.

Note the efficiencies achieved in the first year of Q6 such as the restructuring of central services and changes in hiring conditions of new security guards.

User satisfaction

User satisfaction reached record levels during 2014, with 78% of passengers rating their level of satisfaction as very good or excellent, reflecting the improvements in punctuality, security and immigration.

For the third year running, Heathrow Terminal 5 was selected as the best airport terminal in the world, and Heathrow was nominated as the "best airport for shopping" for the fifth consecutive year by "Skytrax World Airports Awards".

Regulatory aspects

Regulatory Asset Base (RAB): In 2014, the RAB reached GBP14,860mn (vs. 14,585 in 2013). This reflects the investments made (GBP725mn) and the inflation impact (GBP240mn), offset by depreciation during the period (GBP660mn). Finally, the CAA disallowed GBP32mn of the investment made in Q5 and discounted it from the Q6 RAB.

New Regulatory Period: The new regulatory period (Q6) runs from 1 April 2014 to 31 December 2018. The CAA approved an annual maximum tariff increase per passenger of RPI -1.5%.

Airports Commission:

At the end of 2013, the Airport Commission led by Sir Howard Davies included Heathrow's proposal for a new runway to the NorthEast of the airport as one of the possible alternatives to increase capacity in the southeast of the UK.

With this proposal the airport's capacity would increase to 130 million passengers per year, vs. the present 80 million. The investment required is estimated at GBP16bn over 15 years.

In May 2014, HAH presented a more detailed proposal. In the last few months it has held talks with the various stakeholders, including a consultation on noise and a property compensation plan. The conclusions obtained have enabled HAH to minimise the impact of the new runway on the local community.

The Airport Commission launched a public consultation in November 2014 encouraging participants to send commentaries and conclusions on the three options and the process to date.

The Commission is expected to publish its conclusions at the end of the summer of 2015

Net debt

At 31 December 2014, the average cost of Heathrow's external debt was 5.8%, including the cost of the hedges against interest-rate, foreign-exchange and inflation risk (vs. 6.1% in 2013).

GBP million	Dec-14	Dec-13	Var.
Senior loan facility	497	496	0.2%
Subordinated	898	752	19.5%
Securitized Group	11,598	11,119	4.3%
Non-Securitized Group		325	-100.0%
Other & adjustments	-16	-9	71.1%
Total	12,978	12,683	2.3%

Non-Regulated Airports (AGS)

AGS Traffic

During 2014, the number of passengers passing through the AGS airports reached 13.3 million, an increase of 5.9%.

Traffic at Aberdeen reached 3.8 million, up by 8.0%. This reflected to the recovery in helicopter traffic after the incidents in 2013, a good performance on the routes to European hubs and charter flights, the introduction of Virgin Atlantic Little Red and the increase of capacity and passenger load-factors on the Flybe routes.

Traffic at Glasgow reached 7.7 million, 4.8% higher. This was mainly due to the increased capacity of Jet 2 and KLM, and the entry of Ryanair in October 2014, with the introduction of seven new routes.

Traffic at Southampton reached 1.8 million, an increase of 6.2%. This was thanks to the growth of the routes to the Channel Islands, Dublin and Manchester.

AGS Revenues

Revenue growth of 4.5% was as a consequence of the increase of aeronautical and retail revenues (+3.2% and +6.6% respectively), driven by the 5.9% increase in passenger traffic; the Other Revenues line rose by 5.1% as a reflection of the success of the firefighter training given by Aberdeen, the increase in costs passed through to the airlines, the incorporation of Fast Track at Southampton and the good results posted by Skylounge at Glasgow.

AGS EBITDA

EBITDA improved by 5.2%, with an increase in the margin in spite of the higher costs as a consequence of wage increases, marketing costs (agreements with airlines) and maintenance costs.

The increased costs were offset by the good weather conditions and the negotiation of the contract with Glasgow Police.

HAH Profit & Loss Account

GBP million	Dec-14	Dec-13	Var.	Like-for-Like
Revenues	2,692	2,473	8.8%	8.8%
EBITDA	1,541	1,369	12.5%	12.5%
EBITDA margin %	57.2%	55.4%		
Depreciation	616	484	27.4%	27.4%
EBIT	925	885	4.4%	4.4%
EBIT margin %	34.3%	35.8%		
Impairments & disposals	0	0	n.s.	n.a.
Financial results	-860	-730	17.9%	-12.6%
EBT	64	156	-58.9%	-19.9%
Corporate income tax	-21	141	-115.0%	-50.0%
Result from discontinued operations	358	482	-25.8%	141.5%
Net income	401	779	-48.5%	-27.0%
Contribution to Ferrovial equity accounted result **(€)**	74	297	-75.0%	-26.7%

The concept "Result from discontinued operations" includes mainly the capital gains from the sale of Aberdeen, Glasgow and Southampton airports (GBP318mn for 100% of HAH). The impact in Ferrovial's accounts for this transaction, included in the concept "Equity accounted affiliates", reaches €51mn once adjusted for the 25% stake Ferrovial holds in HAH and after the elimination of the 50% assigned to the stake Ferrovial holds in the new company which has acquired these airports.

Depreciation

The increase in depreciation was principally a reflection of the opening of Terminal 2 in May 2014.

Financial result

The deterioration in the financial result was mainly due to lower capitalised interest, as in 2013 these included Terminal 2 as an asset under construction.

Corporate tax

The higher figure for taxation was mainly a reflection of the extraordinary gain as a consequence of the cut in the tax rate in the UK, from 23% to 20% in 2013.

Dividends

In 2014, HAH distributed GBP1,075mn, including an extraordinary dividend on the sale of the Non-Regulated Airports for GBP670mn). The ordinary dividend distributed thus increased from GBP255mn to GBP270mn, and in addition HAH paid a non-recurrent dividend of GBP135mm

In 2013, HAH distributed GBP555mn, including an extraordinary dividend of GBP300mn on the sale of Stansted.

HAH has announced that the recurrent dividend in 2015 will amount to GBP300mn.

CONSOLIDATED PROFIT & LOSS ACCOUNT

	Before Fair value Adjustments	Fair value Adjustments	Dec-14	Before Fair value Adjustments	Fair value Adjustments	Dec-13
Revenues	8,802		8,802	8,166		8,166
Other income	9		9	10		10
Total income	8,811		8,811	8,176		8,176
COGS	7,828		7,828	7,242		7,242
EBITDA	983		983	934		934
EBITDA margin	11.2%		11.2%	11.4%		11.4%
Period depreciation	244		244	233		233
EBIT (ex disposals & impairments)	738		738	701		701
EBIT margin	8.4%		8.4%	8.6%		8.6%
Disposals & impairments	0	5	5	108	18	126
EBIT	738	5	743	809	18	827
EBIT margin	8.4%		8.4%	9.9%		10.1%
FINANCIAL RESULTS	-421	44	-377	-412	79	-333
Financial result from financings of infrastructures projects	-373		-373	-337		-337
Derivatives, other fair value adjustments & other financial result from infrastructure projects	-11	-9	-20	-7	7	0
Financial result from ex infra projects	-33		-33	-53		-53
Derivatives, other fair value adjustments & other ex infra projects	-4	53	49	-15	72	57
Equity-accounted affiliates	159	-20	138	396	-21	375
EBT	476	28	504	793	76	869
Corporate income tax	-138	-14	-152	-127	-41	-168
Net Income from continued operations	337	15	352	666	35	701
Net income from discontinued operations						
CONSOLIDATED NET INCOME	337	15	352	666	35	701
Minorities	49	0	50	22	5	26
NET INCOME ATTRIBUTED	387	15	402	688	39	727

Revenues

	Dec-14	Dec-13	Var.	Like-for-Like
Construction	3,942	4,064	-3.0%	-1.0%
Airports	9	8	12.7%	12.7%
Toll Roads	432	429	0.6%	0.5%
Services	4,401	3,656	20.4%	16.5%
Others	18	9	94.5%	89.1%
Total	8,802	8,166	7.8%	7.2%

EBITDA

	Dec-14	Dec-13	Var.	Like-for-Like
Construction	349	343	1.7%	0.2%
Airports	-12	-8	-49.7%	6.3%
Toll Roads	257	276	-7.0%	-4.7%
Services	387	322	20.5%	13.7%
Others	2	2	0.1%	-67.9%
Total	983	934	5.2%	3.5%

Depreciation

This figure was higher than in 2013 (+4.4% in LfL terms) at EUR244mn.

EBIT (before impairments and fixed asset disposals)

	Dec-14	Dec-13	Var.	Like-for-Like
Construction	312	314	-0.8%	-2.7%
Airports	-13	-9	-47.8%	6.8%
Toll Roads	182	202	-9.6%	-6.4%
Services	260	195	33.4%	21.8%
Others	-3	-1	-124.8%	-222.2%
Total	738	701	5.3%	3.2%

For comparative purposes, all comments regarding EBIT are before impairments and fixed asset disposals.

impairments and Fixed Asset Disposals

In 2013 the main items under this heading included capital gains on the sale of various assets: Danwood, which was owned by Budimex (EUR46mn), JVs owned by Amey (EUR20mn) and the sale of 8.65% of HAH to USS (EUR40mn).

Financial Result

	Dec-14	Dec-13	Var.
Infrastructure projects	-373	-337	-10.6%
Ex infra projects	-33	-53	37.9%
Net financial result (financing)	-406	-390	-4.1%
Infrastructure projects	-20	0	n.s.
Ex infra projects	49	57	-14.7%
Derivatives, other fair value adj & other financial result	28	57	-50.6%
Financial Result	-377	-333	-13.5%

The financial expense increased by 13.5%, as a reflection of the following:

- Higher expenses on infrastructure projects due to the start of assets in operation (principally the NTE 1-2, which represented an additional cost of EUR10.7mn) and LBJ partially opened segments (EUR 17mn) .
- Lower financing costs excluding infrastructure projects (37.9%), due to the positive impact of reduced amortisation of commissions (EUR3mn vs. EUR16mn in 2013) given the debt retirement carried out in 2013, and the lower cost of debt due to the lower rates. These were offset by the high interest expense due to the increase in debt as a reflection of the corporate bond issuance in July 2014.
- Lower income from derivatives (-EUR39mn) fundamentally corresponding to a reduced impact of the company's stock option hedges, as although the share-price performance was positive during the financial year (the share price rose from EUR11.20/share in December 2012 to EUR14.07/share in December 2013 and EUR16.43/share in December 2014), some of the stock option plans were closed out during the year at a price below the closing price. At year-end the number of hedged shares reached 12.6 million shares vs. 23 million in 2013.

Equity-accounted Results

	Dec-14	Dec-13	Var.
Construction	-12	-1	n.s.
Services	20	14	44.4%
Toll Roads	60	65	-8.6%
Airports	70	297	-76.3%
Total	138	375	-63.1%

The companies consolidated by the equity method made a contribution of EUR138mn net of tax (vs. EUR375mn in 2013). The 2013 result included a series of non-recurrent gains at HAH, principally the capital gain on the sale of Stansted (EUR137mn) and the profit generated by the change in the tax rate in the UK (EUR114mn).

Taxation

The tax rate stood at 30.1%.

Net Result

Net profit reached EUR402mn (vs. EUR727mn in 2013). The lower result is due to the inclusion in 2013 of non-recurrent items such as the sale of Stansted and the capital gains on the Amey JVs, on Danwood and on the sale of 8.65% of HAH to USS.

BALANCE SHEET & OTHER MAGNITUDES

	Dec-14	Dec-13
FIXED AND OTHER NON-CURRENT ASSETS	19,426	17,212
Consolidation goodwill	1,982	1,893
Intangible assets	223	229
Investments in infrastructure projects	9,290	7,639
Property	6	37
Plant and Equipment	451	483
Equity-consolidated companies	3,317	3,562
Non-current financial assets	2,324	1,880
Receivables from Infrastructure assets	1,467	1,341
Long term investments with associated companies	375	71
Restricted Cash and other non-current assets	405	377
Other receivables	76	92
Deferred taxes	1,438	1,344
Derivative financial instruments at fair value	395	144
CURRENT ASSETS	6,048	5,628
Assets classified as held for sale	2	2
Inventories	357	325
Trade & other receivables	2,244	2,212
Trade receivable for sales and services	1,716	1,645
Other receivables	454	470
Taxes assets on current profits	74	98
Cash and other temporary financial investments	3,439	3,070
Infrastructure project companies	396	279
Restricted Cash	59	41
Other cash and equivalents	337	238
Other companies	3,043	2,791
Derivative financial instruments at fair value	5	18
TOTAL ASSETS	25,473	22,840
EQUITY	6,021	6,074
Capital & reserves attributable to the Company´s equity holders	5,672	5,719
Minority interest	349	355
Deferred income	987	503
NON-CURRENT LIABILITIES	13,030	11,230
Pension provisions	101	107
Other non current provisions	1,378	1,350
Financial borrowings	8,707	7,496
Financial borrowings on infrastructure projects	7,331	6,403
Financial borrowings other companies	1,375	1,093
Other borrowings	202	208
Deferred taxes	1,310	1,117
Derivative financial instruments at fair value	1,332	952
CURRENT LIABILITIES	5,435	5,033
Financial borrowings	1,368	1,303
Financial borrowings on infrastructure projects	1,276	1,228
Financial borrowings other companies	92	75
Derivative financial instruments at fair value	100	67
Trade and other payables	3,493	3,245
Trades and payables	2,979	2,657
Liabilities from corporate tax	56	60
Other non comercial liabilities	458	528
Trade provisions	475	417
TOTAL LIABILITIES & EQUITY	25,473	22,840

Net Debt

At 31 December 2014, the net cash position excluding infrastructure projects stood at EUR1,632mn (vs. EUR1,675mn in December 2013).

In 2014 Ferrovial made investments (excluding infrastructure projects) for a net EUR581mn, including the acquisition of 50% of AGS: Aberdeen, Glasgow and Southampton airports, for EUR359mn.

In terms of dividend payments, the figure reached EUR565mn (vs. EUR523mn in 2013, principally comprising the cash payment of the scrip dividend in July (EUR119mn) and in November (EUR156mn), the buy-back of share (EUR235mn), the January payment of the withholding tax applied to the shareholders for the dividend paid in December 2013 and the dividend payment to Budimex minorities.

On the other hand, dividends received from projects amounted to EUR615mn in 2014, comprising EUR341mn in the Airports division, of which EUR214mn related to the AGS deal, EUR255mn to Toll Roads and EUR19mn to Services.

Net project debt stood at EUR7,862mn (vs. EUR7,027mn in December 2013), principally reflecting the negative impact of foreign exchange movements (EUR518mn), the investments made in the construction of the various projects in progress (EUR365mn) and interest payments (EUR263mn). This net debt includes EUR1,217mn of net debt related to toll roads under construction (LBJ and NTE 35W). It also includes EUR1,178mn related to the link motorways (R4 and OLR), which have sought creditor protection.

The Group's consolidated net debt stood at EUR6,230mn.

	Dec-14	Dec-13
NCP ex-infrastructures projects	1,632	1,675
Toll roads	-7,509	-6,710
Others	-353	-317
NCP infrastructures projects	-7,862	-7,027
Total Net Cash Position	-6,230	-5,352

	Dec-14	Dec-13
Gross financial debt	-10,079	-8,807
Gross debt ex-infrastructure	-1,471	-1,176
Gross debt infrastructure	-8,608	-7,631
Gross Cash	3,848	3,455
Gross cash ex-infrastructure	3,103	2,851
Gross cash infrastructure	745	604
Total net financial position	-6,230	-5,352

Credit rating

In August 2011, the rating agencies Standard & Poor's and Fitch rated Ferrovial's debt for the first time; in both cases in the Investment Grade category.

Standard & Poor's upgraded Ferrovial's rating from BBB- to BBB in May 2013, with Stable outlook.

In July 2014, Fitch upgraded Ferrovial's rating from BBB- to BBB, with Stable outlook.

Agency	Rating	Outlook
S&P	BBB	Stable
FITCH	BBB	Stable

Corporate Bond Issuance

In July 2014, Ferrovial issued a new EUR300mn 10-year bond that was closed at 113 basis points over mid-swap, with a coupon of 2.5%.

Together with the issues undertaken in 2013, Ferrovial has now optimised the maturity profile of its corporate debt and reduced its cost.

In January 2013, Ferrovial made its inaugural issuance with a EUR500mn five-year bond that closed at a price of 240 basis points over mid-swap, with a coupon of 3.375%.

In May 2013, it issued another EUR500mn with a coupon of 3.375%, this time at eight years, which closed at a price of 200bp over mid-swap.

Year	Corporate debt maturity
2015	51
2016	32
2017	10
2018	502
2019	8
2020	0
2021 - 2030	802
2031 - 2040	8
2041 - 2050	0

2013 Dividend

At its meeting on 28 October 2013, Ferrovial's Board agreed to distribute a dividend, against 2013 financial year profits, of EUR0.40 gross per share. Payment of said dividend was made on 10 December 2013.

Ferrovial Flexible Dividend

At Ferrovial's AGM on 26 June 2014, the shareholders approved a capital increase charged to reserves.

The capital increase was approved by the AGM as a means of implementing a new shareholder remuneration system, the so-called "Ferrovial Flexible Dividend" (Scrip dividend), substituting the traditional complementary dividend payment charged to the 2013 results.

The purpose of this programme is to offer all the company's shareholders the option, at their choice, of receiving free new shares in the company, without altering the company's policy of remunerating its shareholders in cash, as they could opt to receive an amount in cash instead by selling their allocated rights back to the company (or in the market).

The price fixed at which Ferrovial guaranteed to buy the rights was EUR0.291 gross per right. The number of rights required to receive one new share was 55.

Once the trading period for the rights was closed, the number of new shares issued was 5,911,393, which took the number of shares in issue to 739,421,648 with a nominal value of EUR0.20 per share. The number of shares will subsequently be modified by the second Flexible Dividend and by the buy-back and later cancellation of treasury stock, described below.

2014 Dividend

In line with the above Flexible Dividend, and based on the same AGM approval on 26 June 2014, in November a second Scrip Dividend was set in motion, equivalent to what would have been the 2014 interim dividend.

The fixed price at which Ferrovial guaranteed to buy the rights was EUR0.381 gross per right. The number of rights required to receive one new share was 41.

Once the trading period for the rights was closed, the number of new shares issued was 8,035,069, which took the number of shares in issue to 747,456,717 with a nominal value of EUR0.20 per share. The number of shares will subsequently be modified by the buy-back and later cancellation of treasury stock, described below.

Share buy-back and cancellation

At the AGM held on 26 June 2014, the shareholders also approved a capital reduction by means of the buy-back and subsequent cancellation of treasury stock. The purpose of the share buy-back scheme is to support the company's shareholder remuneration policy by increasing earnings per share.

On completion of this programme, the company had acquired a total of 15,067,543 of its own shares, or 2.02% of its capital. On 18 December Ferrovial communicated as a significant event the cancellation of this treasury stock. The company's capital after this reduction now stands at 732,389,174 shares with a nominal value of EUR0.20 per share.

CONSOLIDATED CASH FLOW

Dec-14	Ex-infrastructure projects	Infrastructure projects	Adjustments	Total
EBITDA	594	388		983
Dividends received	615		-33	582
Working capital	-134	18		-116
Operating flow (before taxes)	1,076	406	-33	1,449
Tax payment	-42	-20		-62
Tax return from previous exercises	42			42
Operating Cash Flow	1,076	386	-33	1,429
Investments	-581	-365	77	-870
Divestments	24		-13	11
Investment cash flow	-557	-365	63	-859
Activity cash flow	518	21	30	570
Interest flow	-32	-263		-295
Capital flow from Minorities	1	121	-63	59
Scrip dividend	-275			-275
Treasury share repurchase	-235			-235
Other shareholder remmuneration	-55	-41	33	-62
Shareholder remuneration	-565	-41	33	-572
Forex impact	85	-518		-433
Variation of Bridge Loans (project financing)	-14			-14
Other debt movements (non cash)	-38	-155		-193
Financing cash Flow	-562	-856	-30	-1,448
Net debt variation	-43	-835		-878
Net debt initial position	1,675	-7,027		-5,352
Net debt final position	1,632	-7,862		-6,230

Dec-13	Ex-infrastructure projects	Infrastructure projects	Adjustments	Total
EBITDA	569	365		934
Dividends received	489		-24	465
Working capital	39	-59	0	-20
Operating flow (before taxes)	1,097	306	-24	1,379
Tax payment	-48	-34		-82
Operating cash flow	1,048	272	-24	1,296
Investment	-754	-704	152	-1,307
Divestment	564			564
Investment cash flow	-191	-704	152	-743
Activity cash flow	858	-433	128	553
Interest flow	-11	-286		-297
Capital flow from Minorities	0	269	-152	117
Shareholder remuneration	-523	-26	24	-525
Forex impact	-47	151		104
Deconsolidated Debt of assets classified as held for sale/ Perimeter changes/ Equity acc.				
Other (non-cash)	-85	-108	0	-193
Financing Cash Flow	-666	0	-128	-794
Net debt variation	192	-433	0	-241
Net debt initial position	1,484	-6,595		-5,111
Net debt final position	1,675	-7,027	0	-5,352

Cash Flow ex-Infrastructure Projects

Operating flow

The operating flow ex-infrastructure projects by division for 2014 vs. 2013 is shown in the table below:

Operating cash flow	Dec-14	Dec-13
Construction	236	304
Services	302	359
Dividends from Toll roads	255	242
Dividends from Airports	341	219
Other	-58	-27
Operating flow (before taxes)	1,076	1,097
Tax payment	0	-48
Total	1,076	1,048

The Other line includes the operating flow corresponding to the Corporation and the parent companies of the Airports, Toll Roads and Real Estate divisions.

During the year, the Supplier Payment Plan paid out EUR51mn to the Construction division and EUR26mn to the Services division, compared to the EUR129mn paid out in 2013.

The Corporation Tax line includes tax payments of -EUR42mn in 2014, which corresponded to the tax owing for 2013 plus the payments on account for 2014, as well as the tax refunds on previous year that amounted to +EUR42mn.

Table below with the Construction and Services flow in more detail:

Construction	Dec-14	Dec-13
EBITDA	349	343
EBITDA from projects	14	14
EBITDA Ex projects	335	329
Settlement of provisions from completed works	-67	-73
Adjusted EBITDA	267	256
Changes in factoring	-41	12
Ex Budimex Working Capital	-36	23
Budimex Working Capital	46	13
Operating Cash Flow before Taxes	236	304

Services	Dec-14	Dec-13
EBITDA	387	322
EBITDA from projects	66	58
EBITDA Ex projects	321	264
Dividends received	19	28
Changes in factoring	0	0
Pensions payments UK	-18	-17
Ex UK Working Capital	24	91
UK Working Capital	-45	-6
Operating Cash Flow before Taxes	302	359

The EBITDA of Services and Construction included in the Cash Flow calculation is lower than the one considered in the P&L, as it excludes the part of the EBITDA generated by these divisions through projects which are financed with typical infrastructure financing structures (a part which is therefore included in the cash flow of infrastructure projects)

The detail by business area for the Services division is shown in the following table:

	Spain	UK	Rest of Services	Services
EBITDA Ex-infrastructure	124	194	3	321
Dividends	10	8	2	19
Pension scheme payments	0	-18	0	-18
Working capital	19	-45	5	-21
Op. cash flow ex-Taxes	153	139	10	302

At the Toll Roads division, the 2014 operating flow includes an amount of EUR255mn derived from dividends and capital repayments from the concession companies for the toll road infrastructure companies, the detail of which is shown in the table below:

Dividends and Capital reimbursements	Dec-14	Dec-13
ETR 407	224	217
Irish toll roads	8	10
Portuguese toll roads	20	10
Greek toll roads	0	3
Spanish toll roads	2	1
Other	0	0
Total	255	242

Note the inflow of dividends from Airports (EUR341mn), principally due to the receipt of an extraordinary dividend on the sale of the non-regulated airports (EUR214mn).

investment flow

The following table shows the detail by division of the investment flow excluding infrastructure projects, distinguishing between outflows for investments made and inflows from disposals:

Dec-14	Investment	Divestment	Investment Cash Flow
Construction	-37	5	-32
Services	-107	14	-92
Toll roads	-79	0	-79
Airports	-359	-2	-361
Others	-1	7	6
Total	-581	24	-557

Dec-13	Investment	Divestment	Investment Cash Flow
Construction	-35	60	25
Services	-579	51	-528
Toll roads	-135	0	-135
Airports	0	453	452
Others	-5	0	-5
Total	-754	564	-191

In 2014 note the acquisition of 50% of AGS for EUR359mn, as well as the investment made in the infrastructure projects (US toll roads under construction and the investment in Services (EUR22mn in the UK and EUR68mn in Spain). The disposals in 2014 were mainly at the Services division, plant at the Construction division and land sales.

The investments in 2014 were below the 2013 level due to the acquisition in that year of the British company Enterprise for EUR474mn, and the Chilean company Steel Ingeniería, for EUR29mn, both at the Services division. In terms of disposals in 2013, those of note included the sale of 8.65% of HAH at the Airports division and the divestment of 40% of Amey's JVs for EUR44mn and Ecocat by the Services division.

Equity investment in toll roads	Dec-14	Dec-13
LBJ	-12	-68
NTE	-32	-41
NTE 35W	-17	-13
SH-130	-2	-13
Spanish toll roads	-10	0
Portuguese toll roads	-4	0
Greek toll roads	0	0
Others	-2	0
Total	-78	-135

Financing flow

The financing flow principally reflects shareholder remuneration (EUR565mn), the cash payment for the scrip dividend in July (EUR119mn) and November (EUR156mn), the buy-back of treasury stock (EUR235mn), the dividends paid to Budimex minorities (EUR30mn) and payment of the tax withheld from shareholders relating to the dividend payment in December 2013 (EUR36mn vs. EUR85mn in June 2013).

Meanwhile, the flow also includes net interest payments (EUR32mn), being the payment on the annual coupons on the bonds issued in January and June, together with the positive exchange-rate impact (EUR85mn) and other non-flow debt movements (-EUR38mn).

Cash Flow from Infrastructure Projects

Operating flow

In terms of the operating flow at the infrastructure concession companies, these basically reflect inflows into the companies in operation, although they also include the VAT payments and refunds corresponding to the projects in the construction phase. The table below shows the breakdown of the operating flow for infrastructure projects:

	Dec-14	Dec-13
Toll roads	300	215
Other	87	57
Operating flow	386	272

Investment flow

Note the investment in assets under construction at the Toll Roads division in 2014, particularly the toll roads in the USA (NTE and LBJ).

Investment cash flow	Dec-14	Dec-13
LBJ	-314	-420
North Tarrant Express	-270	-367
North Tarrant Express 35W	-76	-71
SH-130	-2	-5
Portuguese toll roads	-2	-4
Spanish toll roads	-7	-3
Chicago	-2	-2
Other	-4	0
Total toll roads	-677	-874
Other	-94	-5
Projects total	-771	-879
Equity Subsidy	406	175
Total investment cash flow (projects)	-365	-704

Financing flow

The financing flow includes dividend payments and capital repayments made by the concession companies and the application of capital increases received by these companies. The concessions consolidated by global integration include 100% of the amounts paid out and received, independent of the percentage stake Ferrovial holds in them. No dividends or capital repayments are included for the equity-accounted subsidiaries.

The interest flow corresponds to the interest paid by the concession companies, and other commissions and costs related to obtaining financing. It includes interest expense relative to the period and any other concept that implies a direct variation in net debt. This amount does not coincide with the financing result that appears in the profit and loss account, fundamentally due to the differences between interest payment and accrual.

Interest Cash Flow	Dec-14	Dec-13
Spanish toll roads	-64	-64
US toll roads	-118	-137
Portuguese toll roads	-40	-41
Other toll roads	-14	-15
Total toll roads	-237	-257
Other	-26	-29
Total	-263	-286

In addition, the financing flow includes the impact of exchange-rate movements on the foreign-currency denominated debt (EUR518mn at December 2014), fundamentally for the appreciation of the US dollar against the euro.

Finally, the "Other non-flow variations in debt" includes the items that imply a variation in accounting debt, but that do not imply any actual cash movements, such as accrued unpaid interest, etc.

SIGNIFICANT EVENTS

- ✓ Ferrovial announces the motions adopted at the 2014 AGM. (26 June 2014)
- ✓ The rating agency Fitch upgraded its long-term rating on Ferrovial, S.A. from BBB- to BBB with stable Outlook. (7 July 2014)
- ✓ Ferrovial successfully completes a EUR300mn bond issuance maturing on 15 July 2024. (8 July 2014)

  Ferrovial Emisiones, S.A., a Ferrovial subsidiary, successfully concluded the pricing for a EUR300mn bond issuance maturing on 15 July 2024, guaranteed by Ferrovial. The bonds pay an annual coupon of 2.5%. The bonds were priced at 99.459% of par value. Ferrovial expects net proceeds of approximately EUR297mn, which it expects to apply to general corporate needs.
- ✓ Ferrovial announced the subscription and payment of its EUR300mn bond issuance maturing 15 July 2024. (15 July 2014)

  As a continuation of the information published on 8 July 2014, Ferrovial announced that, on 15 July 2014, it had proceeded with the subscription and payment of the above-mentioned bonds, and requested that they be listed for trading in the AIAF fixed-income market. The bonds started trading on 22 July 2014.
- ✓ Ferrovial announced the end of the trading period for the free allocated rights corresponding to the scrip issue for shareholder remuneration as part of the Ferrovial Flexible Dividend plan. (17 July 2014)

  At the end of the rights trading period, 44.32% of rights holders (325,126,615 rights) had opted to receive new Ferrovial shares. The definitive number of ordinary shares with a par value of EUR0.20 issued as part of this capital increase was 5,911,393. The holders of 55.68% of the free rights sold their rights to Ferrovial, which acquired a total of 408,383,606 rights (EUR118,839,629). The capital increase was closed on 17 July 2014.
- ✓ Ferrovial and Macquarie agree to buy 100% of the companies that own Aberdeen, Glasgow and Southampton Airports in the UK. (16 October 2014)

  A 50/50 consortium of Ferrovial Aeropuertos, a subsidiary of Ferrovial, and Macquarie Infrastructure Fund 4 (MEIF4) reached agreement to buy 100% of NDH1, a company that in turns owns 100% of the owners of Aberdeen, Glasgow and Southampton Airports.

  The price agreed implies an EV of GBP1,048mn (EUR1,317mn).

  Among other conditions, the deal is subject to the approval of the EU competition authorities. The transaction is expected to close no later than January 2015.
- ✓ Ferrovial Services makes an indicative, non-binding offer for the acquisition of Transfield Services in Australia. (20 October 2014)

  Ferrovial Services, a wholly-owned subsidiary of Ferrovial, S.A., has made an indicative, non-binding offer to the Board of the Australian Transfield Services Ltd to acquire 100% of the company at a cash price of AUD1.95/share.

  The total amount of the indicative, non-binding offer for 100% of the shares of Transfield Services Ltd is approximately AUD999mn (c.EUR680mn).

  As well as the usual conditions, the offer is subject to a satisfactory due diligence review by Ferrovial Services. Transfield is a quoted Australian company.
- ✓
- ✓ Ferrovial communicates an accelerated book building of 23 million shares (3.11% of the capital) by Rijn Capital B.V., a company whose majority shareholder is the Chairman of the Board of Ferrovial, Rafael del Pino y Calvo-Sotelo. (12 November 2014)

  Rijn Capital announced that it has arranged a forward sale with Mediobanca on a block of 23 million Ferrovial shares, or 3.11% of the latter's capital. This coverage is being executed by Morgan Stanley & Co. International plc (Morgan Stanley) and Mediobanca as joint bookrunners by means of an accelerated book building of the same number of Ferrovial shares, previously borrowed from the market by Mediobanca, to qualified institutional investors, communicated to the market on the same date.

  This transaction involves the forward sale of the bulk of the Ferrovial shares held indirectly by a family member who does not sit on Ferrovial's Board, and that Rijn Capital has acquired today. As a result of these transactions, Rafael del Pino y Calvo-Sotelo's total investment in Ferrovial has increased, while the investments of the other members of Ferrovial's Board remain unchanged.

  Rafael del Pino y Calvo-Sotelo has committed to Morgan Stanley, with the usual terms and exceptions in this type of transaction (including the possible loan to Mediobanca) not to sell, or allow Rijn Capital or any of the other companies he controls, to sell Ferrovial shares in the 90 days following the date of the transaction.
- ✓ Changes in the Board. (18 December 2014)

  On account of the resignation of D. Gabriele Burgio, the Board agreed the appointment of the American D. Howard L. Lance as an independent member of the Board.
- ✓ Ferrovial communicates the completion of the Share Buy-back Programme. (15 December 2014)

  Ferrovial announces the completion of its Share Buy-back Programme, under which the company has acquired a total of 15,067,543 of its own shares, or 2.02% of the share capital.

  This amount of treasury stock is sufficient to fulfil the objectives of the capital reduction described in the Buy-back Programme.
- ✓ Ferrovial reduces capital by cancelling treasury stock. (18 December 2014)

  Ferrovial agrees to execute a capital reduction of EUR3,013,508.60 by cancelling 15,067,543 of its own shares acquired under the auspices of the Share Buy-back Programme.

  After the reduction, the share capital now stands at EUR146,477,834.80, corresponding to 732,389,174 shares with a nominal value of EUR0.20 per share.

  The purpose of the capital reduction is the cancellation of treasury stock, and thus this did not involve the repayment of any amounts, as the company itself owned the shares cancelled.

  The capital reduction was charged to free reserves, by setting up a reserve for cancelled share capital for an amount equal to the nominal value of the shares cancelled.
- ✓ Ferrovial breaks off negotiations with Transfield Services after increasing its offer to AUD2.00 per share. (22 December 2014)

  Ferrovial Services has broken off talks with Transfield Services regarding the acquisition of 100% of the company. Ferrovial Services has reviewed the limited due diligence documentation available, and concluded that there are a series of matters that have an impact on the company's valuation.

  With the intention of seeking a recommendation by the Board of Transfield, and based on a long-term vision of the company's valuation, Ferrovial Services raised its offer to AUD2.00 per share. This offer was rejected by the Board, and as a consequence, the negotiations have been suspended. Ferrovial Services still plans to expand its activities internationally, as long as the returns on investment meet its criteria.

PRINCIPAL CONTRACT AWARDS

Construction

Spain

- ✓ New accesses to the Port of Barcelona from the southern expressway.
- ✓ Construction and operation of a waste management plant in Utebo, Zaragoza.
- ✓ New hospital in Granada, Sanatorio Nuestra Señora de la Salud.
- ✓ Construction of 112 residential units in Madrid.
- ✓ Works on the Autovía del Olivar, Andalusia.
- ✓ Works in the district of San Fernando en Lorca, Murcia.
- ✓ 75 single family dwellings in Prado Sierra, Tres Cantos, Madrid.

Budimex

- ✓ Power generation plant in Turow.
- ✓ S5 ring road, Gniezno, Krakow.
- ✓ S19 expressway, Lubartow, Krasnik.
- ✓ A4 expressway, Rzeszow-Jaroslaw.
- ✓ S7 expressway, Jedrzejow - Granica.
- ✓ Works on section III of the A1 dual carriageway, Strykow-Tuszyn.
- ✓ S11 ring road, Jarocina.
- ✓ S7 expressway Milomlyn - Ostroda.
- ✓ S5 expressway Korzensko-Widawa.
- ✓ Completion of the S5 expressway, Poznan-Wroclaw.
- ✓ Residential development, AVIA, Krakow.
- ✓ "Business Garden" office complex in Wroclaw.
- ✓ Production and storage sheds - Ferrero Poland.
- ✓ Railway station, Bydgoszcz.
- ✓ Belchatow ring road, Lodz.
- ✓ Office complex for the IT research centre, Poznan.
- ✓ Conference centre in Lublin.
- ✓ Takeoff area at Szymany airport.
- ✓ National road N 21 Slupsk.
- ✓ Airport expansion, Szczecin-Goleniów.

International

- ✓ Works on the I-77 toll road in North Carolina, USA.
- ✓ Northern Line extension for London Underground, UK.
- ✓ Design and construction of Warrell Creek - Nambucca toll road, Australia.
- ✓ Civil works for Endesa at the Los Cóndores hydroelectric complex, Chile.
- ✓ Road widening and improvement works on the Abi Bakr as Siddique expressway, Arabia Saudí.
- ✓ Airport installation works in Heathrow Q6.
- ✓ Building construction for the ITER TB-06 project in France.
- ✓ Line 6 for the Santiago de Chile Metro.
- ✓ Serra do Cafezal toll road, between Miracatú and Juquitiba, Sao Paulo, Brazil.
- ✓ Annex to Line 3, Plaza Armas, Santiago de Chile Metro.

Webber

- ✓ FM 423 expressway, Denton.
- ✓ Works on US 62 toll road.
- ✓ SH-99 - Harris.
- ✓ FM 2499 - Denton.
- ✓ 14/0122 toll road, Houston / Harris County area.

Services

Spain

- ✓ Contract for energy supply, maintenance, cleaning and security for the hospitals of Orense Nosa Señora do Cristal, Santa María Nai and Santo Cristo de Piñor.
- ✓ Contract for cleaning, waste collection and maintenance of green spaces in Huelva Capital.
- ✓ Highway cleaning, selective waste collection and urban waste collection in Barcelona.
- ✓ Integrated energy and lighting management for the districts of Puente de Vallecas, Moratalaz, Ciudad Lineal, Hortaleza, Villa de Vallecas, Vicálvaro, San Blas and Barajas, in Madrid.
- ✓ Solid urban waste collection and highway cleaning in Alcobendas, Madrid.
- ✓ Industrial waste collection in Mollet, community of Penedes-Garraf, Barcelona.
- ✓ Highway cleaning and urban waste collection in municipality of Getxo, Vizcaya.
- ✓ Highway cleaning and urban waste collection in Santa Coloma de Gramanet, Barcelona.
- ✓ Integrated energy management for the Príncipe de Asturias de Alcalá de Henares hospital, Madrid.
- ✓ Waste collection and transportation services for the Madrid periphery.
- ✓ Highway and municipal building cleaning and waste collection in Orotava, Tenerife.
- ✓ Cleaning, solid urban waste collection and conservation of parks and green spaces in Tomares, Sevilla.
- ✓ Highway cleaning and urban waste collection in Almendralejo, Badajoz.
- ✓ Maintenance of offices and headquarters of the Office for Harmonization in the Internal Market, Alicante.

UK

- ✓ Treatment plant in North Yorkshire.
- ✓ Highway maintenance in the County of Staffordshire.
- ✓ Three contracts for maintenance and improvement of military bases in the southeast, southwest and centre of England (50/50 Amey/Carillion).
- ✓ Refurbishment of railway crossings and points in Scotland, North Wales, East Midlands, London North East and London North West.
- ✓ Motorway maintenance in Central Scotland (M8).
- ✓ Maintenance of military quarters in the UK.
- ✓ Contract for the review and evaluation of Network Rail infrastructure.
- ✓ Maintenance of the motorways in southeast Scotland (STRU SE).
- ✓ Maintenance of the Docklands Light Railway (DLR).
- ✓ Maintenance, modernisation and measurement for the pipe network for Affinity Water.
- ✓ Maintenance of military infrastructure in Scotland and Northern Ireland.

International

- ✓ Cleaning and maintenance of installations in *División Andina*, in Chile.
- ✓ Maintenance services for Doha Airport, Qatar.
- ✓ Maintenance and cleaning services for sulphur extraction equipment in Chuquicamata, Chile.
- ✓ Integrated mining services for the mines in the municipality of Talabre, Chile.
- ✓ Conservation of the S7 toll road, Poland.
- ✓ Maintenance of the electricity system in Chuquicamata, Chile.
- ✓ Urban waste collection and treatment in Poznan, Polonia.

Icod de los Vinos – El Tanque road, Tenerife, Spain

4.2. HUMAN CAPITAL:
PEOPLE, HEALTH AND SAFETY, HUMAN RIGHTS

Maintenance and improvement of military houses and grounds in the United Kingdom

PEOPLE

A combination of talent and commitment from Ferrovial employees has been a cornerstone of the company's success. Its strategic priorities include promoting the professional development of all people making up the company, together with cross-sector talent management and the internationalization of employee profiles. This provides a framework capable of guaranteeing equal opportunities on the basis of merit.

For the fourth year running, the company earned Top Employer certification from the CRF Institute, a distinction awarded annually. The Top Employer certification proves that the company has implemented policies and processes that are guaranteed to attract and retain the finest talent, while promoting a good work environment.

77% of employees who completed the satisfaction in 2013 survey said they would recommend Ferrovial as a good company to work for, meaning 8 out of every 10 employees. The average percentage of favorable responses for Ferrovial stood at 70%.

Employee Satisfaction Survey
(Favourable Response)

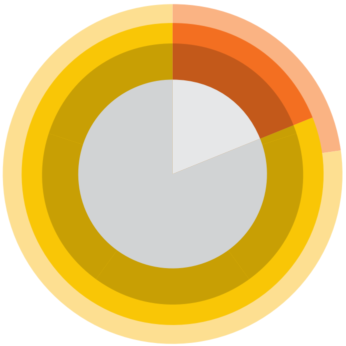
Ferrovial's personnel selection procedures are geared toward hiring the best candidate for the job under equal conditions, regardless of gender, origin or nationality. For this reason, all employees hired in their country of residence are considered local staff, regardless of their nationality. 88% of all executives (Boards of Directors and Management Committees) are local personnel.

Training

	2014	2013	2012
Number of hours	1,281,414	1,298,579	1,135,614
Hours per employee	19	21	20
Investment per employee (euro) *	258	195	285
% revenue allocated to training	0.20	0.15	0.21

(*) In 2014 the investment subsidised by FTFE (Fundación Tripartita para la Formación en el Empleo) is included in training investment. If applied to 2013 figure, the ratio would have been 227 euros.

Breakdown by contract category



Distribution of international assignments

Equality based on merit

Ferrovial works to ensure that all employees are **given equal opportunities to advance their professional careers on the basis of merit.** Evidence of this commitment can be seen in the following milestones:

- Distinction in equality award for Ferrovial (2010-2016).
- 30% of the workforce are women, 15% of the Management are women
- During 2014, the Director of Strategy joined the Management Committee (see Committee composition).
- Voluntary agreement with the Ministry of Health, Social Services and Equality to increase the presence of women in executive positions to 20% within four years.
- The Appointments and Remunerations Committee ensures that all director selection procedures are free of any bias that might hinder the selection of a given director on the grounds of personal circumstances. As part of Board renewal, the said Committee deliberately sets out to seek women matching the required professional profile.

Internationalization of talent

The diversity, dynamism and international nature of the organization offer staff unparalleled career and development opportunities:

- International job vacancies: all vacancies are advertised via specific supervisors for each business (Global recruiters). This year, a total of 6,742 job vacancies were advertised, with 302,220 applications received.
- Secondment Programs: promoting exchanges for internal staff over determined periods of time.
- International assignments: 332 in 21 countries.
- Ferrovial internal social network: a channel for sharing knowledge and partnership between employees, featuring 5,747 posts and 6,950 comments.

Talent management

The company has consolidated talent development and management policies in place, covering practically the entirety of the structural workforce. The **assessment and development process** is applicable to 24,713 employees worldwide, representing 36% of the total workforce and 100% of the structural workforce.

These are universal processes that make no distinction between employees. They are supplemented by other management policies for key strategic groups, such as executive and high potential individuals, using processes such as feedback 360°.

Succession planning includes talent identification among more than 700 individuals, resulting in 264 successors being identified for 133 executive positions.

For non-executive positions, the company runs a **Talent Identification Program** designed to create a pool of employees and identify staff with particularly strong potential. More than 800 professionals have participated in this program since its launch.

This year, a **Mentoring Program** was launched, seeking to develop critical talent and create intellectual capital for the company, generating a valuable tool for developing the future leaders of the organization.

Knowledge: Training

Since its foundation in 2007, the **Ferrovial Corporate University** has been a firm exponent and leader in knowledge sharing:

- 3,375 participants in 2014, up 14% against 2013.
- Close to 60,000 hours of training in 2014, 11% more than in 2013.
- Inauguration of a training week in the USA covering around 700 employees in the country.
- Programs intended to boost business development skills and expertise, such as the 3rd edition of the Building Relationships at the Boardroom initiative, which has the key aim of generating high value relationships with clients.
- Executive development programs aimed both at middle management and new managers. These include the 11th edition of the Executive Management Program, which has trained close to 350 managers and seen 80 innovation projects submitted.

Close to **1.3 million hours of training** for the company as a whole, with investment representing 0.20% of company turnover.

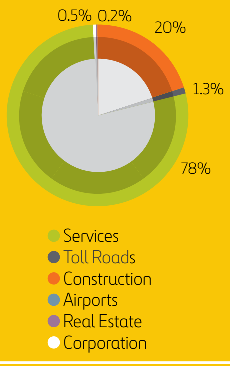
HUMAN CAPITAL

69,088 WORKFORCE AT CLOSE OF YEAR

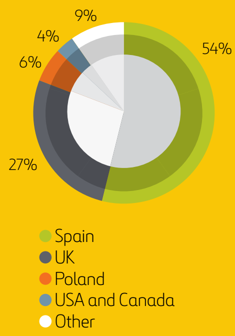
70%	MEN	30%	WOMEN
43.3	AVERAGE AGE (YEARS)	43.8	AVERAGE AGE (YEARS)
8.9	YEARS OF SERVICE	9.5	YEARS OF SERVICE
77%	ON PERMANENT CONTRACTS	81%	ON PERMANENT CONTRACTS
85%	EXECUTIVES	15%	EXECUTIVES
2.9%	TURNOVER RATE	0.6%	TURNOVER RATE
67%	NEW APPOINTMENTS	33%	NEW APPOINTMENTS

67,968 AVERAGE WORKFORCE

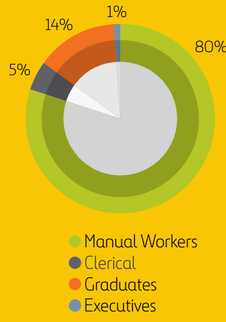
By business



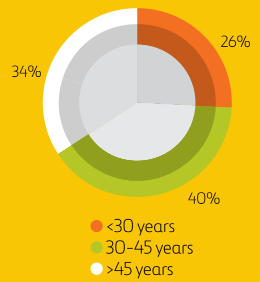
By country



By category



New recruitments

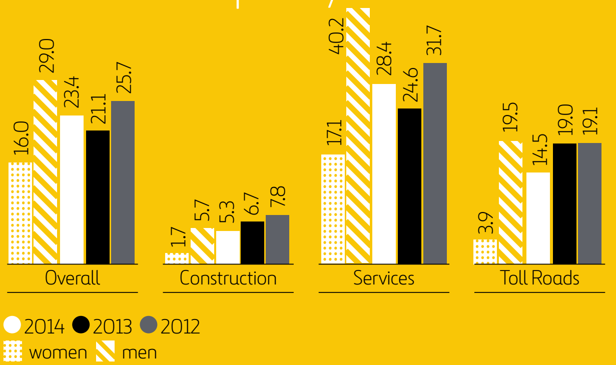


Turnover rate

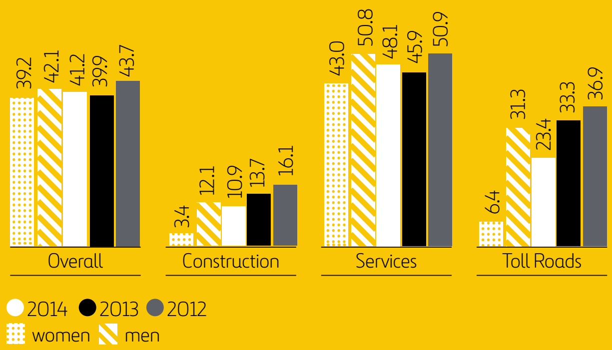
3.6%	1.09%	1.54%	0.94%
total	<30 years	30-45 years	>45 years

Health and safety

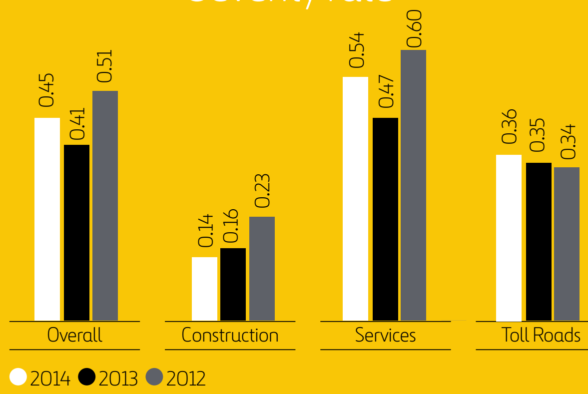
Frequency rate



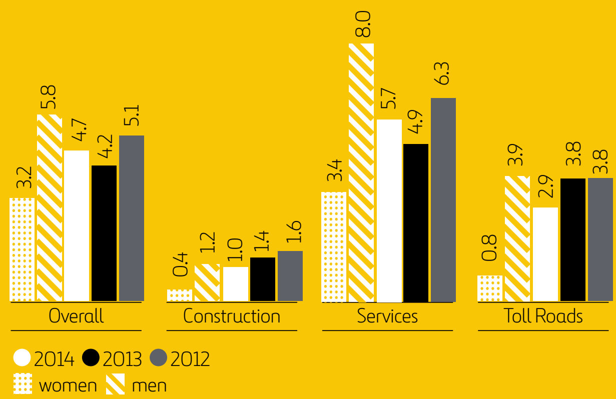
Incidence rate



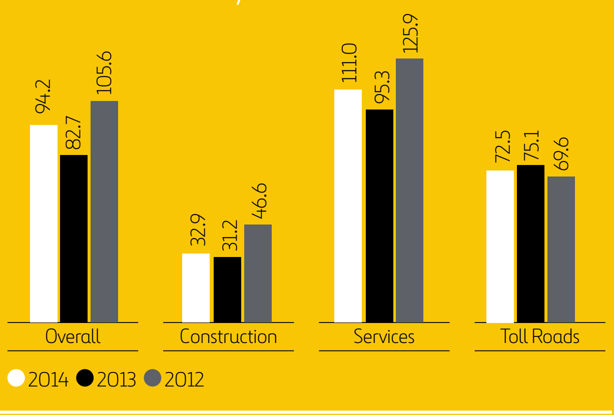
Severity rate



Accident rate



Days Lost Rate



Frequency Rate: The number of accidents leading to days lost that occur during working hours, for every million hours worked.
Incident Rate: The number of accidents leading to days lost that occur during working hours, for every thousand people exposed.
Severity Index: The workdays lost as a result of accidents per thousand hours worked.
Accident Rate: The number of accidents in relation to total time worked for all workers. (The result is expressed as a rate per 200,000).
Rate of days lost due to occupational pathology: This compares total days lost with real hours worked. (The result is expressed as a rate per 200,000).

Commuting accidents were excluded and only workdays were included in the calculation of days lost for Ferrovial's statistical accident rate indices. To calculate the absenteeism rate, all days lost were taken into account including those caused by commuting accidents. In the case of construction, the absenteeism rate only includes Spain.

HEALTH AND SAFETY

Committed to permanently enhancing health and safety for workers via the design and implementation of efficient occupational hazard prevention systems at Ferrovial companies.

Ferrovial is extremely active in the field of health and safety, which represents an important issue for the company. The incorporation of occupational safety policies in all activities run by the company remains a strategic objective. As a result, a proportion of salary remuneration received by management personnel is linked to a health and safety target.

Ferrovial has health and safety management systems in place that have been designed to satisfy international legal requirements and adapt to the different activities performed by each business unit. These management systems are periodically audited by accredited organizations to verify the degree of compliance with legal standards and efficiency levels. Moreover, these systems have been certified according to OHSAS 18001:2007.

The management systems deployed help to prevent and minimize occupational hazards identified by the company. The most common are: blows from objects or equipment in the workplace, postural injuries or injuries caused when handling loads, operating vehicles, same-level falls or falls from a height.

Ferrovial is in the process of developing a Corporate Security Policy. To this end, it is exhaustively evaluating the risks facing its global operations, with the aim of implementing all necessary security measures to provide maximum protection for its employees.

The company has a scorecard tool in place to support analysis and identification of critical aspects from three perspectives: financial, statistical and technical.

In 2014, the company set up a three-year plan to incorporate accident reporting from contractors. The initial phase included identifying the projects in which health and safety play a significant role. Ferrovial exerts the same level of control over contractors as it does over its own employees and centers.

Thus, Ferrovial informs and trains employees of the contractors it works with in terms of health and safety risks, as well as prevention measures that must be adopted when performing works. It demands the same level of compliance as from its own employees.

In 2014, information on contractors was requested for some of Ferrovial's most representative contracts in the services, construction and highway divisions, and the following estimated statistical data for health and safety was obtained: i) Frequency rate: 6.31 (6.52 for men and 1.93 for women); ii) Accident rate: 1.26 (1.3 for men and 0.39 for women); Severity rate: 0.10.

Occupational safety actions

	SERVICES			TOLL ROADS			CONSTRUCTION		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Occupational safety studies	1,929	1,338	952	47	45	19	2,959	1,359	1,426
Emergency plans	593	574	276	18	16	23	396	180	184
No. of visits by safety experts	29,309[1]	7,185	6,313	295	265	453	15,348	4,479	5,750
Training in safe work practices (hours)	515,231	503,352	186,252	6,789[1]	2,320	3,975	165,116	10,547	12,168
Training for safety experts (hours)	24,851	31,070	20,912	389[2]	2,244	1,448	9,438	2,760	5,385
Physical examinations for employees	21,738	21,355	20,912	432	388	513	7,853	3,041	3,048
Percentage of workers represented on Health and Safety Committees (%)	59.2	67.4	77.3	38.8	58.6	36.8	67.5	42.2	44.0
Percentage of workers under an internally/legally verified OHS management system (%)	97.2	96.9	97.6	46.7	75.7	77.9	70.5	63.7	69.7
Percentage of workers under an independently certified and verified OHS management system (%)	98.0	96.1	96.6	28.2	35.6	50.0	70.5	63.7	69.7

Note: Excluded from this table are the Airports and Corporate Divisions, due to their limited impact on accident rates and their low risk profile.

Construction: Increases in 2014 were mainly due to an expanded reporting scope, while in training they were due to the inclusion of training hours for staff and contractors provided at work centers.

Toll roads: (1) 2014 included all training provided at concessions, with corresponding refresher courses. (2) In 2013 two Master's in Occupational Safety were recognized.

Services: (1) Chiefly due to the inclusion of Enterprise visits, a company acquired by Amey. Meanwhile, Steel included line personnel remaining at the work center, as demanded by the client.

Numerous such agreements have been entered into with unions, while sector accords include specific regulations governing aspects such as training and information, collective protection, work equipment, etc. As well as the above, joint health and safety committees are set up at all centers where more than 50 employees work, thus ensuring efficient oversight of occupational hazards. This management model is conducive to minimizing the risk of workers contracting serious illness as a result of workplace exposure to biological agents, noise, etc. The overall rate of professional illness stood at 0.10 (0.12 and 0.07 for men and women, respectively).

Quantitative analysis of accident figures in 2014 shows a short-term increase, in contrast with the trend seen in recent years from the services division ratios. To improve said ratios, the Services Division implemented the following specific actions:

- Performing exhaustive studies with specialist companies to identify the centers where an uptick in accident rates has occurred and the causes of the same.
- Holding meetings with the affected centers in order to introduce specific controls over work absenteeism, including an increase in management engagement, training and information initiatives for management and employees, as well as monthly statistical monitoring of accident rates by regions and divisions.

The absence among the group's own workforce of any fatalities as a result of accidents with days lost is noteworthy. Regrettably, however, there was one fatality caused by an accident at Itínere.

The resulting absenteeism rate stood at 9,572.

Health and safety information and training campaigns

In 2014, Ferrovial ran numerous information and training campaigns, focusing on continuous improvements in order to ensure the safety and health of its employees and workplaces.

- Ferrovial Services launches its "Zero Accidents" campaign in Portugal.
- Amey continues its "Target Zero" campaign.
- Ferrovial Services España "2+: más conscientes, más seguros".

Recognition and participation in events

- Steel awarded health and safety recognition from Codelco División Andina.
- Ferrovial Agroman won 2014 Gold Award from "*The Royal Society for the Prevention of Accidents*".
- Ferrovial Agroman received 10 awards from the British Safety Council and the Considerate Constructors scheme.
- Ferrovial Agroman won the "Pillar" award for general contractor of the year from the Regional Hispanic Contractors Association.
- Ferrovial Agroman won recognition from the Association of General Contractors of America, Puerto Rico Chapter, for its excellent program and outstanding achievements in health and safety in 2013.
- Cadagua marked two million accident-free hours of work at the Al Ghubrach desalination plant in Oman.
- Ferrovial Agroman took part in the 4th Occupational Safety Congress held by the Madrid Occupational Health and Safety Institute.

407 ETR Toll Road, Toronto, Canada

HUMAN RIGHTS

Our comprehensive commitment to ensuring the ethics and integrity of those who work at Ferrovial has set the standard for the market in terms of reliable companies that engage with stakeholders.
Rafael del Pino, Chairman of Ferrovial.

In 2014, Ferrovial updated its Code of Business Ethics and introduced a new Human Rights Policy, thus making formal the company's commitment to upholding and safeguarding human rights.

The policy is coherent with Ferrovial's Code of Business Ethics, the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and International Labor Organization regulations. This policy is intended to raise awareness of human rights throughout the company and to improve its capacity to manage such issues Senior Management is committed to full compliance with this policy.

Ferrovial will ensure that employees are familiar with the policy and have access to all the tools necessary to comply with the same. This policy applies to Ferrovial and its subsidiaries, regardless of the business sector that they operate in, regional location or activities, to members of governing bodies (including the supervisory boards or equivalent bodies, and to employees of any companies that make up the company.

The Code 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."

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 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 the workplace.

Ferrovial is involved in the new National Plan for Business and Human Rights, which came into force in 2014, seeking to establish a series of human rights measures, policies, processes and controls that should be adopted by companies.

Responsible supply chain management

The company promotes adherence and compliance with the Global Compact Principles among vendors, as well as other corporate responsibility principles: health and safety, quality and environment.

Risk Management

The global corporate risk management system (FRM) covers risks of human rights violations. The area of compliance risks includes improper or poor functioning of the procedures implemented to ensure compliance with the ethical principles governing the company's relationship with its employees.

Labor unions and collective bargaining

Nearly the entire workforce is covered by collective labor regulations in each of the different countries. One noteworthy aspect is the framework agreement signed with the International Federation of Building and Wood Workers, FECOMA and MCA, which unites nearly 350 labor unions and represents around 12 million members in 135 countries. This is an agreement to respect and promote the principles enshrined in the Universal Declaration of Human Rights, the ILO Tripartite Declaration, the OECD guidelines for multinational companies and the United Nations' Global Compact. In each country where it operates, Ferrovial guarantees workers' rights, such as the right to strike, freedom of association and the right to collective bargaining by appointed workers' representatives and unions. 72% of the workforce is adhered to collective bargaining agreements.

Principles of the global compact

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.

Equality and non-discrimination

As a business, social and legal principle, Ferrovial is a supporter of diversity and complies with current equal opportunities legislation.

The Code of Business Ethics states that all employees shall be given equal opportunities to advance in their professional careers on the basis of merit, regardless of age, gender, civil status, race, nationality or beliefs. Ferrovial is committed to effective equal opportunities policies, ensuring that its employees are able to develop professionally on the basis of merit. Promotion decisions are always based on circumstances and objective evaluations.

This commitment is evidenced by the following:

- Ferrovial S.A. awarded the Corporate Equality distinction award, valid up to 2016.
- The equality plan signed with union leaders for industries in which the company operates.
- Regular meetings held by the Monitoring Committee overseeing equality plans at companies subject to such initiatives (Services, Construction and Corporate).
- Women represent 30% of the workforce, 15% of executives are women.
- Female representation on Ferrovial's governing bodies, the Board of Directors and Management Committee stands at 12%.
- Ferrovial and the Ministry of Health, Social Services and Equality signed a partnership agreement to work toward a balanced number of men and women in senior positions. The agreement includes 10 firm pledges to be implemented by 2017.

Respectful treatment and prohibition of discrimination

Ferrovial assumes responsibility for maintaining a working environment free from all discrimination and any conduct that might involve personal harassment. All employees must be treated fairly and with respect by their superiors, subordinates and colleagues. Any abusive, hostile or offensive conduct, be it verbal or physical, will not be tolerated.

Commitment to disadvantaged groups

The company's commitment to equal opportunities has led it to enter into a number of agreements to support the integration of people with disabilities and who face the risk of social exclusion: Fundación Adecco, Plan Familia, among others.

Last year Ferrovial joined the "Red de Empresas por una Sociedad Libre de Violencia de Género" (network of companies supporting a society without gender-based violence), further strengthening its engagement with awareness raising and supporting the labor insertion of abuse victims, as enshrined in the agreement signed with the Ministry of Health, Social Services and Equality, through the Integra Foundation.

Workplace harassment

In 2014, the company updated its Procedure for the Prevention of Workplace Bullying, Sexual Harassment and/or Gender-based Harassment. The approach is founded on the Code of Business Ethics and also draws on the stipulations 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 guarantees the right to discuss such matters and the persons involved in the utmost privacy and confidentiality.

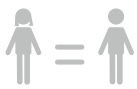
Child and forced labor

Ferrovial's Code of Ethics stipulates its commitment to refrain from the use of child labor and to exclude any goods or services produced using 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 Ferrovial's investments are located in OECD countries, where a legal framework for the protection of labor rights is already in place.

Training and awareness

Ferrovial, as a multinational company, employer and service contractor, is committed to awareness-raising within its sphere of influence, as well as promoting knowledge and good practices. All Code of Ethics courses taught to management and clerical level staff include a module on human rights. The online Code of Ethics training course has been completed by 4,675 employees, with 4,703 teaching hours. Ferrovial capitalizes on its involvement in international forums and training programs to urge the private sector to take an active role in safeguarding human rights. Evidence of this was the appointment of Ferrovial as Secretary of the Executive Committee of Forética in 2012 and its involvement on the Executive Committee of the Global Compact Network.

Principle 6



The elimination of discrimination in respect of employment and occupation.

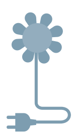
Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

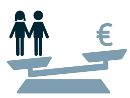
Undertake initiatives to promote greater environmental responsibility.

Principle 9

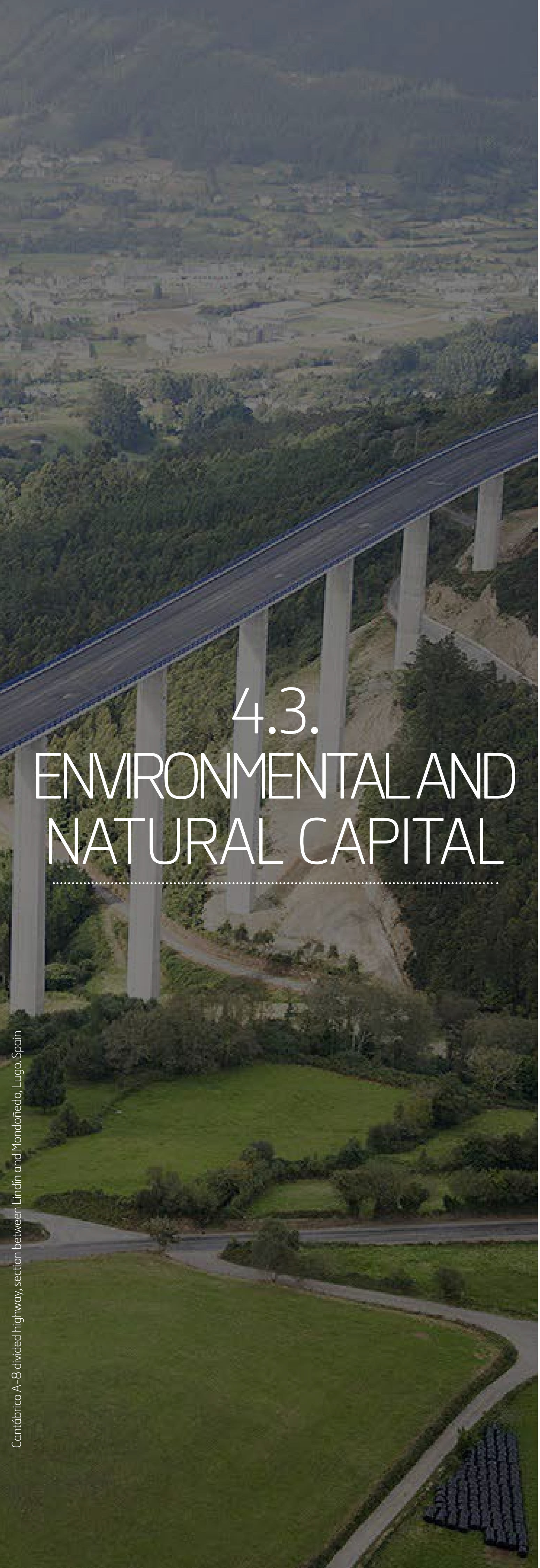


Encourage the development and diffusion of environmentally friendly technologies.

Principle 10



Businesses should work against corruption in all its forms, including extortion and bribery.



Cantábrico A-8 divided highway, section between Lindín and Mondoñedo, Lugo. Spain

4.3. ENVIRONMENTAL AND NATURAL CAPITAL

THE SCENARIO

The European Union aims to lead global environmental negotiations. Evidence of this was seen at the recent European Council meeting in October 2014, when it approved the 2030 Climate and Energy targets: a 40% reduction in emissions (against 1990), 27% penetration of renewable energy in the European energy mix and 27% energy efficiency.

There has been growth and consolidation of so-called “biodiversity markets” in regions where Ferrovial operates, following the pioneering format run for several decades in countries such as United States, Germany and Australia. United Kingdom, France and Spain are now developing their own regulations to help such environmental impact offset mechanisms gain a foothold. It is now a question of time before the EU establishes binding regulations for member states. We at Ferrovial are closely monitoring the evolution of such market mechanisms, readying ourselves to respond to the challenges that lay ahead and to capitalize on any opportunities that may emerge as a result in the medium term.

The “circular economy” concept seeks to drive efficiency in the economy and reduce the use of natural resources in productive activities. Aspects such as reuse, recycling and advanced waste management are all at the heart of this concept, with clear implications for a number of Ferrovial’s business areas (e.g. waste management).

SUSTAINABILITY STRATEGY

During 2014, Ferrovial remained at the forefront of its business sectors in terms of environmental responsibility and sustainability, according to the leading analysts and indices (e.g. Dow Jones Sustainability Index, Carbon Disclosure Project). One of the most highly valued aspects of the company is its ability to uphold strict environmental protection standards across all activities, while harnessing its know-how and technology to achieve its targets and helping to generate fresh ideas and new business models amid an environmental crisis on a global scale.

Aspects such as efficient use of energy and natural resources, as well as cutting emissions and waste, represent a priority in order to reduce the organization’s global impact. However, these are also recognized sources of innovation and for the development of potential new services that Ferrovial might subsequently offer to clients and users. In particular, energy efficiency in buildings, intelligent city management and low-emission mobility are all key areas for advanced societies, while they also have potential to generate sustainable value for Ferrovial. More recently, biodiversity preservation has also been recognized as a priority, supported by growing scientific and technical expertise on the subject.

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 been the fastest growing source of emissions over the last two decades. Meanwhile, cities and buildings generate more than 30% of global greenhouse gas emissions.

As a result, one particularly outstanding aspect of Ferrovial's sustainability strategy is the manner in which the organization has responded to the medium- and long-term challenges and opportunities presented by climate change. On the one hand, Ferrovial has maintained and comfortably complies with ambitious emission reduction targets (21.3% against 2009 levels). As a developer, operator and administrator of transport and city infrastructure, Ferrovial is well aware of its responsibilities and the importance of its public commitment to climate change. However, Ferrovial is also conscious of the major challenges facing society over the next few decades, which will require innovative and complex solutions. Ferrovial has the capabilities, expertise and technology to implement such solutions, while also opening the door to new business opportunities.

MEDIUM AND LONG-TERM OBJECTIVES (2014-2020)

Climate change: Global objectives have already been established for 2020. As a result, Ferrovial set a target for emissions reductions by 2020 of 21.3% against net turnover (tn CO_2 eq. / € million), with respect to the base year 2009. A reduction target of 9.6% has been set for 2014, relative to the baseline year. This would mean maintaining Scope 1&2 emissions and energy and electricity consumption at the same level as in 2009, despite turnover being 16.7% higher.

Thus, the 2014 target, in terms comparable to turnover, was to reduce Scope 1&2 emissions in absolute terms by 77,407 tCO_2eq against 2009, of which 67,344 tCO_2eq and 10,063 tCO_2eq would be Scope 1 and 2 respectively.

The 2014 target was achieved, with emissions cut by 228,606 tCO_2eq against the baseline year.

There are also initiatives in place to promote purchasing of electricity from renewable sources, with a target this year for 100% of electricity purchased by Amey to come from renewable sources.

Eco-efficiency: Development of a proven method to calculate the company's water footprint, achieving 100% global coverage by 2016. The water consumption reduction target for 2014 was set at 4.6% against 2013.

As for eco-efficient mobility, the company has decided to implement mobility plans at all Ferrovial head offices and subsidiaries by 2016.

Biodiversity and Natural Capital: By 2016 the aim is for 100% of Construction and Toll Road sales to be subject to a quantitative assessment of their impact on natural capital.

NTE Highway, Texas, United States

ENVIRONMENT

Principles

FERROVIAL'S ENVIRONMENTAL SUSTAINABILITY POLICY

MANAGEMENT SYSTEMS

Integrated management
- Quality
- Environment
- Health and Safety
- Environmental risks, etc.

Stakeholders
- NGOs
- Regulators
- Governments, etc.

CLIMATE STRATEGY

Carbon Management
- Carbon footprint
- Adaptation programs

Ferrovial 2020
Emission reduction targets 2009-2020 (-12.3%)

Sustainable Mobility

BUSINESS MANAGEMENT
("sustainable solutions")

Ferrovial 2020
- Urban restoration
- Smart cities
- Low-emissions infrastructures

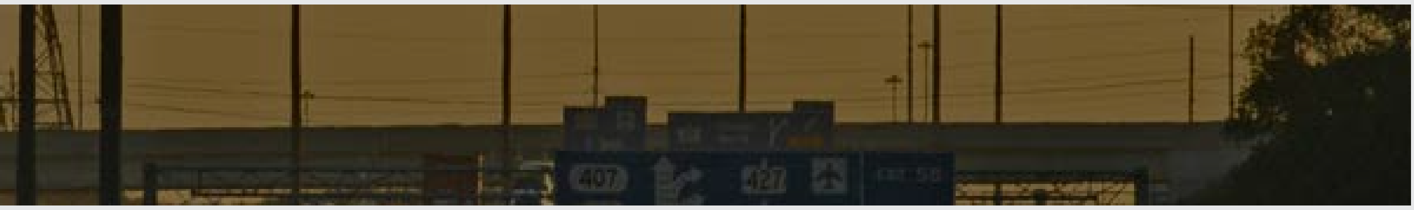
Ferrovial Capital Natural
- Habitat Banking
- Sustainable forestry management (SmartForests)

ENVIRONMENTAL PERFORMANCE

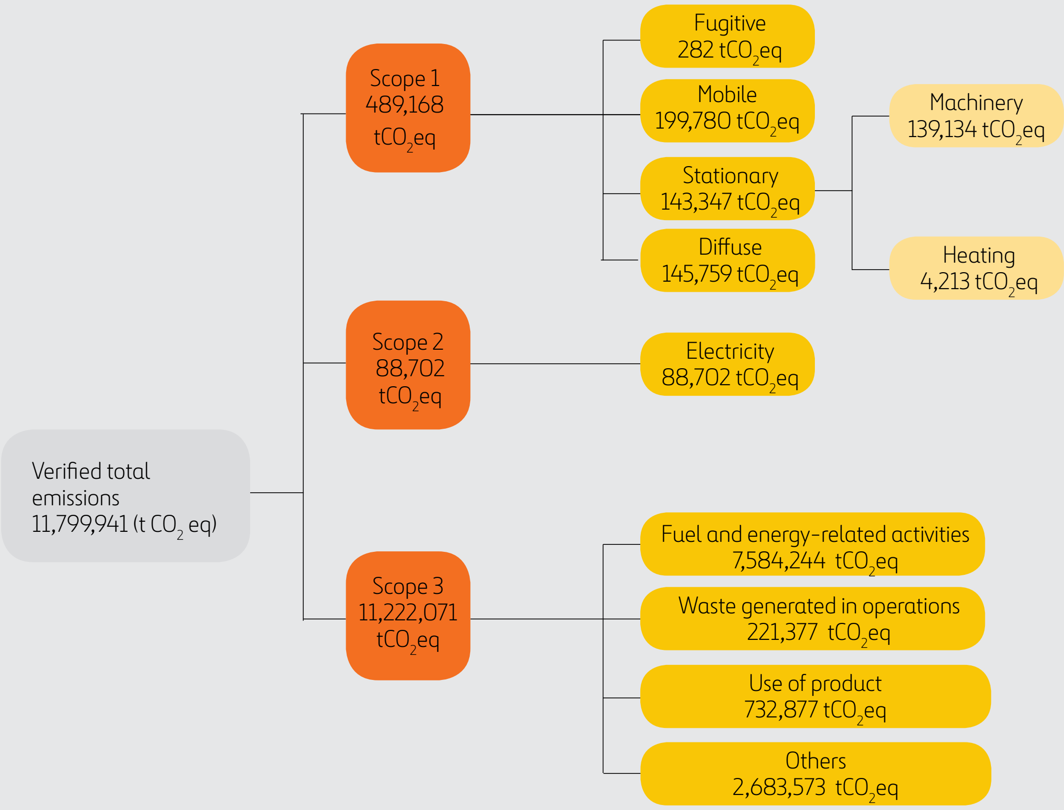
- Reduction of environmental impact - Integrated risk management (environmental risks)
- Operational efficiency (Eco-efficiency) - Meeting targets

OBJECTIVES and COMMITMENTS ("2020 Horizon")

FUTURE GROWTH



Greenhouse gas emissions (Scope 1 & 2 & 3 & Biomass) in absolute terms, by type of source



The calculation method is based chiefly on the GHG Protocol (WRI&WBCSD), the most widely accepted approach internationally, while also adhering to ISO14064-1 standards. However, other methods have been used to factor in aspects specific to each business, such as DEFRA and DECC guidance for operations in the United Kingdom, and EPER to estimate diffuse emissions from landfills. The calculation scope includes areas over which the Company has operational control.

ENVIRONMENTAL MANAGEMENT

Since 2009, Ferrovial has measured 100% of greenhouse gas emissions from its global activities. The aim is to reduce its carbon footprint, mainly through more efficient energy use. Targets have been set at a global scale for 2020, with a bottom-up approach that integrates opportunities for emission reductions based on production processes; in other words, based on the productive processes in each business area, where "pockets of opportunity" for reducing emissions are identified and assessed.

To meet this commitment, Ferrovial has developed and implemented emission reduction action plans, both general and specific to each business area:

- Inclusion of energy efficiency criteria in purchasing and service subcontracting, purchase of electricity from certified renewable sources, use of alternative fuels, and more alternative vehicles.
- Sustainable Mobility Plan for Ferrovial employees. Action has also been taken to improve vehicle fleets.
- The development of technology and processes aimed at maximizing levels of emissions avoided.
- Incorporation of energy efficiency measures in buildings used as corporate offices.

GHG emissions (Scope 1&2)

Business area	Company	2014	2013	2012	2009 (base)
Services	Amey	128,927	130,563	123,285	147,608
	Ferrovial Services	249,633	258,244	266,770	404,274
Toll Roads	Cintra	15,045	14,287	13,633	15,684
Construction	Budimex	55,749	62,394	68,853	47,665
	Cadagua	27,862	48,107	48,062	63,221
	Ferrovial Agroman	69,053	50,255	50,283	74,934
	Webber	30,820	30,263	45,805	52,194
Corporation	Ferrovial	781	638	711	896
Total CO_2 eq		**577,870**	**594,752**	**617,403**	**806,476**

Changes to the perimeter scope against last year are due to the inclusion under the Amey brand of emissions from Amey, Enterprise and Amey-Cespa.

Greenhouse gas emissions generated by Ferrovial activities are classified into:

- Diffuse: emissions not associated with a specific emission point, such as biogas emissions from landfills.
- Electricity: these indirect emissions are a result of consumption of electricity purchased from other companies that produce or control the same.
- Stationary equipment: these are emissions from fixed equipment, such as electricity generators, boilers, furnaces, burners, turbines, heaters, incinerators, motors, torches, etc., that use fossil fuel to generate heat, electricity or vapor, or that are used to run a company process. Machinery used on site is included within this group.
- Fugitive: arising from the consumption of coolants. These emissions are negligible compared with the others.
- Mobile: arising from fuel combustion in vehicles and motorcycles managed by the company..

In 2014, Ferrovial's emissions in absolute terms on a global scale were down by 28% with respect to the baseline year 2009 and 3% on the previous year.

In general, the companies continue to reduce emissions in absolute terms. The resulting reduction in emissions was due to curbing measures deployed at business units, such as:

- Establishing efficiency criteria for purchasing, renting or leasing vehicles or machinery.
- Increase in alternative vehicles.
- Use of alternative fuels.
- Business mobility plans.
- Energy efficiency in buildings. Incorporation of active energy efficiency measures in buildings used as corporate offices.
- Purchasing electricity from renewable sources. This year, 16.7% of electricity used came from renewable sources. Amey stands out, with all electricity consumed being generated from renewable sources.
- Decrease in thermal sludge drying, which requires high consumption of natural gas.

The exception is Ferrovial Agroman, which saw emissions increase due to the type of works implemented, requiring greater energy consumption. Meanwhile, Cintra emissions were up slightly due to recently incorporated toll roads becoming fully operational.

Greenhouse gas emissions over time (Scope 1&2) in relative terms. (Financial intensity)

t CO_2eq/ M€				Reduction 14/13	Reduction 14 /09
2014	2013	2012	2009 (base)		
66.25	73.84	80.57	107.94	-10.28	-38.62

The indicator in the table measures changes in absolute emissions against the volume of company activity, using net revenues as the best indicator of this. In 2014, Ferrovial reduced its "Financial intensity" carbon intensity indicator by 38.62% against 2009. This provides sufficient margin for compliance with the target reduction of 21.3 % established in the roadmap for emission reduction, not counting any temporary cyclical aspects that may have influenced the indicator (e.g. the serious economic crisis in Spain since the end of 2008).

The result is good; analysis of emissions and revenue show that despite revenue growing, emissions in absolute terms declined.

"Biogenic CO_2" emissions

According to the IPCC (Intergovernmental Panel on Climate Change) and the "Protocol for the quantification of greenhouse gas emissions from waste management activities", CO_2 from biogas combustion that is captured, channeled and burned in flares or cogeneration should be reported as zero.

This is because such gas is generated via the decomposition of products that contain organic matter of animal or vegetable origin that was previously captured by live organisms, and is part of a carbon neutral cycle.

However, the protocol recommends the quantification and reporting of "biogenic CO_2".

Biogenic CO_2 (t CO_2eq)	2014	2013	2012	2009 (base)
Cadagua	53,339	50,160	16,672	1,191
Amey	6,979	6,564	6,979	7,436
Ferrovial Services	36,693	38,005	34,936	25,672
Total	**97,011**	**94,728**	**58,587**	**34,299**

GHG emissions (Scope 3)

Ferrovial calculates Scope 3 following the guidelines enshrined in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the Greenhouse Gas Protocol Initiative, the WRI and the WBCSD.

Below are the activities, products and services subject to Scope 3 calculations:

- Purchased goods and services: Includes emissions related to the lifecycle of materials bought by Ferrovial that have been used in products or services offered by the company. This includes emissions derived from the purchase of paper, wood, water and other significant materials (concrete in the construction division, asphalt in Amey and asphalt aggregate in Budimex).
- Capital goods: Includes all upstream emissions (i.e. cradle-to-gate) from the production of capital goods bought or acquired by the company in the year, according to information included in 2014 Consolidated Financial Statements.

GHG emissions (Scope 3)

Category	2014	2013	2012
Investments	629,635	629,635	805,044
Fuel and energy related activities	7,584,244	8,842,849	9,434,307
Capital Goods	655,689	648,426	569,407
End of life treatment of sold products	171,155	53,617	52,703
Purchased goods and services	750,808	593,438	743,192
Upstream transportation and distribution	451,358	461,333	461,487
Waste generated in operations	221,377	306,389	212,976
Employee commuting	1,379	819	792
Business travel	11,539	7,015	6,606
Use of sold products	732,877	669,249	641,031
Upstream leased	2,009	1,022	1,405
Total t CO_2eq	**11,222,071**	**12,213,793**	**12,928,949**

- Fuel and energy-related activities: This section includes the energy required for producing the fuel and electricity consumed by the company and electricity lost during transport.
- Upstream transportation and distribution: Includes emissions from the transport and distribution of the main products acquired over the year.
- Waste generated in operations: Emissions under this heading are linked to waste generated by the company's activities reported in 2014.
- Business travel: Includes emissions associated with business travel: train, plane and taxi, reported by the main travel agency with which the group works in Spain.
- Employee commuting: This includes emissions from journeys made by employees commuting from their homes to central offices in Spain.
- Investments:This calculates emissions linked to investments in British airports. Data for 2014 is not available as of the report release date, so emission figures for 2013 are used.
- Use of sold products: Ferrovial calculates emissions generated by use of land transport infrastructure managed by Cintra.
- End-of-life treatment of sold products: This category includes emissions from the elimination of waste generated at the end of the useful lives of products sold by Ferrovial in the reporting year. Only emissions derived from products reported in the "purchased goods and services" category are taken into account.
- Upstream leased assets: Includes emissions related to the consumption of electricity at client buildings where maintenance and cleaning services, as well as consumption management, are provided by Amey.

Bridge over the River Vistula, Kwidzyn, Poland

ENVIRONMENTAL PERFORMANCE

Waste management

Non-hazardous waste

Non-hazardous waste generated in 2014 amounted to 622,588 tn. This figure includes the waste sent to treatment plants, while recycled waste is included in another category.

There was a slight decrease against the previous year under the same reporting scope and including waste generated by the machinery lot under construction. The remaining volume produced in this business unit is included in the construction and demolition waste figure.

	2014	2013	2012
Amey	422,154	577,982.14	699.41
Ferrovial Services	20,650.67	6,080.65	68.83
Cintra	1,160.73	680.2	1,045,002.84
Construction	72	0	1402.4
Cadagua	178,543.60	183,997.52	141.2
Corporation	7.09	7.02	N.D
Total (t)	**622,588**	**768,748**	**3,356.85**

The reduction target for non-hazardous waste production is closely linked with the targeted increase in recycled materials.

This is the fraction of waste over which managerial control is held, as production itself depends on the type and number of contracts.

A 5% increase in recycled material against the 2013 figure represents a reduction of waste generation in 2014 of 4,892 tn, a target that was met comfortably.

Hazardous waste

Most hazardous waste is generated by the Company's international subsidiaries, mainly the British company, Amey. Hazardous waste generated outside the European Union has been reported for the second year (this waste is included in the "unclassified" category according to the European Waste Catalogue (EWC)).

	2014	2013	2012
Total (t)	**73,245**	**14,557**	**3,542**

Waste produced from construction and demolition

Management of waste from construction and demolition has always been a relevant environmental aspect for all projects, while improvement objectives usually seek to enhance management of such waste while minimizing its generation. In recent years, Ferrovial Agroman and Amey have been targeting an increase in the percentage of waste reused and recycled.

Recovering construction waste on site has become the most effective and sustainable approach, achieving rates of construction waste recycling that were impossible under traditional waste processing methods.

The drop in volumes of construction and demolition waste managed is due to the natural development of construction projects. Demolition work takes place at the start of the projects, followed by subsequent management of the waste generated. A decrease is, therefore, normal when no new contracts have been started. The annual performance of construction and demolition waste managed is as follows:

	2014	2013
Total (m^3)	**1,182,555**	**10,882,869**

Recycling

The volume of recycled material increased significantly against 2013. Total recycled material amounted to 540,287 tn.

An annual target for increasing waste recycling was set at 5% compared to baseline year 2013.

	2014	2013	2012
Total (t)	**540,287.00**	**97,840.00**	**13,953.00**

Water consumption

There was a slight decrease in water consumption in 2014.

During the year, the company began to differentiate water flows by supply source. Over 2015, work will be ongoing to develop a methodology that will lay the foundations for a water footprint calculation system. This will mean improving the available information and supporting the development of compensation work and incorporating social aspects.

Water consumption	2014	2013	2012
Amey	104,617	51,600	85,261
Ferrovial Services	839,460.07	1,048,718	1,165,006
Cintra	53,339	62,092	58,667
Construction	519,056.14	531,008	950,517
Cadagua	232,030	236,877	353,001
Corporation	3,375	3,237	3,364
TOTAL (m^3)	**1,751,877.91**	**1,933,592**	**2,615,816**

Biodiversity

Ferrovial is aware of the impact that some of its activities have on the natural environment. In recent years, the company has developed innovative methods to mitigate such effects, capitalizing on the company's technological and scientific advances in the environmental restoration of infrastructure. Work is also ongoing to compensate damages that cannot be mitigated on site via offset mechanisms in countries that have well-established programs and sufficient experience (e.g. the United States).

In addition, in 2013 the company committed itself to the Spanish Companies and Biodiversity Initiative (IEEB), promoted by the Spanish Ministry of Agriculture, Food and the Environment (MAGRAMA). Ferrovial was one of the first companies to endorse the agreement. The initiative aims to “integrate natural capital into business policy and management, supporting large and medium-sized companies”.

Activities in protected or ecologically valuable areas

Linear infrastructure, such as highways or railroad, and large public works have a significant impact on local biodiversity, in terms of occupying space and destroying or profoundly altering natural habitats and causing territorial fragmentation.

With the aim of mitigating as far possible the environmental impacts and risks linked to our operations, work is ongoing to introduce ecological restoration, as well as risk management and evaluation procedures designed specifically for such situations. Nonetheless, such activities are subject to demanding environmental legislation, normally via an Environmental Impact Statement.

Regarding temporary sites, under certain conditions the company will be authorized to occupy such sites provided that a series of prevention, mitigation and control measures are implemented with regards to the environmental impacts due to occupation of such sites. With these risks in mind, Ferrovial Agroman has established a specific procedure to identify, evaluate and quantitatively monitor such situations and associated risks, as well as to implement measures in order to offset environmental impacts.

In 2014, work was performed at 26 sites subject to Environmental Impact Statements. Restrictions were imposed due to the presence of protected fauna in 12 of them; 19 were located in Protected Natural Areas and 15 had high-quality watercourses nearby.

Internationally, 5 work sites in protected zones were identified. None was subject to significant impacts and specific action plans were in place, in some cases developed alongside critical stakeholders such as Natural England and Wildlife Trust, Peterborough City Council and Sheffield University. For each of these sites specific “Environmental risk planning and monitoring measures” were prepared and overseen by the company’s central services.

Furthermore, in order to identify any effects on bodies of water as a result of water catchments created by Ferrovial, a project was launched to determine the water footprint of the company’s operations and identify any impacts in regions suffering high water stress.

As for spills, bodies of water and habitats have in some cases been affected by isolated and accidental discharges to water. These spills were chiefly sludge from building works causing turbidity, as well as leachates from landfills that exceeded their limits. Such isolated incidents have seen disciplinary proceedings opened, with apposite measures taken in all cases to rectify the incidents and mitigate their effects.

Endangered species

Anthus pratensis	*Red Status* (Birds of Conservation Concern in Ireland (BoCCI3))
Austropotamobius pallipes	Endangered (UICN red list)
Canis lupus	Endangered (Livro vermelho dos vertebrados in Portugal)
Caretta caretta	Endangered (UICN red list) Endangered (Livro vermelho dos vertebrados in Portugal)
Chersophilus duponti	Endangered (Red Book of Birds of Spain)
Chlidonias níger	Endangered (Red Book of Birds of Spain)
Coscinia romeii	Endangered (Red Book of Invertebrates of Spain)
Fusconaia askewi	*Endangered* (US Fish and Wildlife Service)
Lutra lutra	*Near threatened* (UICN red list) *Protected* (UK BAP priority species (JNCC))
Numenius arquata	*Red Status* (Birds of Conservation Concern in Ireland (BoCCI3))
Nyctalus azoreum	Endangered (UICN red list) Endangered Crítico (Livro vermelho dos vertebrados in Portugal)
Margaritifera margaritifera	Endangered (UICN red list)
Motacilla cinerea	*Red Status* (Birds of Conservation Concern in Ireland (BoCCI3))
Myotis daubentonii	*Protected* (UK BAP priority species (JNCC))
Oxyura leucocephala	Endangered (UICN red list) Endangered (Red Book of Birds of Spain) Endangered (National Catalog of Endangered Species (Sp))
Pipistrellus pygmaeus	*Protected* (UK BAP priority species (JNCC))
Pluvialis apricaria	*Red Status* (Birds of Conservation Concern in Ireland (BoCCI3))
Salmo Salar	*Critically endangered* (Livro vermelho dos vertebrados in Portugal)

4.4. INTELLECTUAL CAPITAL: INNOVATION

Traffic Control Center, Madrid. Spain

OBJECTIVE

Ferrovial believes that challenges such as demographic evolution, market globalization and environmental issues offer opportunities also. The firm believes that innovation is the appropriate tool to tackle these challenges, as well as one of the main sources of sustainable wealth creation for all stakeholders and society in general.

Million euro	2014	2013	2012
R+D investment	42.6	32.9	32.6

MODEL

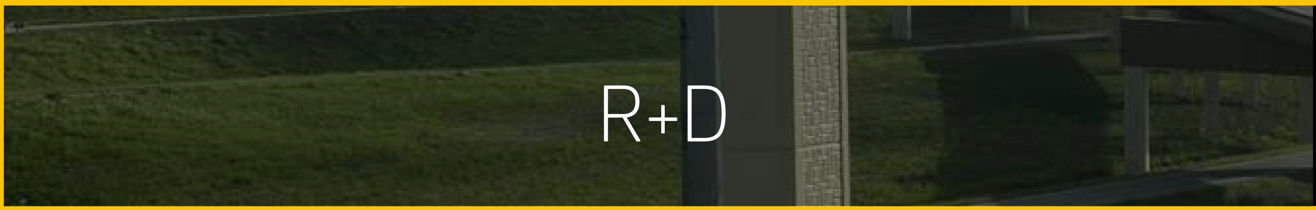
The Chief Information and Innovation Officer leads the Global Innovation Group. This group aims to develop strategies and coordinate global programs that help to consolidate the culture of innovation. It comprises representatives from all lines of business (innovation managers) and key human resources personnel.

Ferrovial implements programs aimed at promoting a culture of innovation across the entire organization. It supports the identification and implementation of innovative solutions for businesses and customers in accordance with the established strategies and priority areas. This year the company ran the second edition of the Zuritanken program, which invites employees to develop ideas that address any of the four challenges posed by Ferrovial's business units. Out of 677 ideas, 45% were submitted by teams, compared to 15% in the first year, demonstrating that employees are cooperating with each other to submit their proposals. In 2014, the corporate Shuttle entrepreneurship program was run, seeking to identify value propositions, test them in Ferrovial markets and convert them into businesses. This program fosters the development of entrepreneurial leadership within the company. By entrepreneurial leadership, we mean the ability to convert ideas into reality and support talent development.

In addition to in-house initiatives, Ferrovial interacts with third-party organizations to enrich its innovation processes through an ecosystem of partnerships, including companies, government institutions, universities and entrepreneurs, all via an open innovation model. Ferrovial focuses its attention on entrepreneurs, who drive innovation by means of disruptive high-risk technologies and business models, which are less likely to be developed within a company. These are some of the start-up initiatives the company took part in last year: Madrid smart Lab, Open Cities Challenge, Spain Startup, Pasion>ie and IBM Smartcamp.

Ferrovial forms part of international business networks and actively encourages research, development and innovation policies. This year, it also held the presidency of ENCORD and took part in Shift2Rail, the first European Joint Technology Initiative focused on railroad infrastructure, as well as a number of events as part of the 2020 Horizon program.

Ferrovial won the Spanish National Award for Innovation and Design in the internationalization category, awarded by the Secretary of State for R&D&i. Ferrovial was selected as the winner for the following reasons: innovation is present in several areas of its business activities; its open innovation model; its efforts to foster talent; and its leading position in European and worldwide projects.



R+D

Strategy

A common system of governance to establish the open innovation model and deal with challenges and opportunities.

An innovation community that seeks to identify relevant individuals and to foster an appropriate cultural climate.

A company that has all the necessary resources for development, such as information, funding, ecosystem and programs that support the model.

In 2014, Ferrovial managed total investment of 42.6 million euro in R&D, with more than 100 projects in progress.

Focus

Ferrovial focuses its R&D work on developing technologies applied to municipal services, water, energy efficiency, infrastructure construction, transportation and environmental sustainability, in order to manage complex operations and offer clients outstanding solutions.

Projects

Services

Efficient provision of urban and environmental services and infrastructure maintenance.

- **Living Lab Project in Guadalajara:** a space where new technologies are deployed and undergo performance tests via real interactions with the public.
- **Model for waste separation systems:** analysis and improvement of mechanical treatment plants for urban waste separation (in partnership with MIT).
- **City street scanning:** use of sensors and cameras located across the city and a fleet of vehicles to automatically evaluate conditions on urban infrastructure.
- **Madrid Smart Lab:** an acceleration program for entrepreneurs, testing solutions to improve life for inhabitants in a district of Madrid.

Construction

Using techniques to improve productivity, mobility and work quality and the health and safety of individuals, mitigating the environmental impact.

- **ÓPTICA:** use of drones for advanced topography and work monitoring.
- **BIM:** use of 3D models for the design and construction of buildings and civil engineering projects.
- **PRENDE:** digital service targeted at the public to raise awareness of the benefits of house energy rehabilitation (winner of 2014 Enerctic award).
- **Tunneling:** assessment of land movement caused by the construction of tunnels and its effects on adjacent buildings (in partnership with MIT).

Toll Roads

Development of new technologies to improve user profiling and make more precise traffic predictions, as well as developing new and easier payment methods.

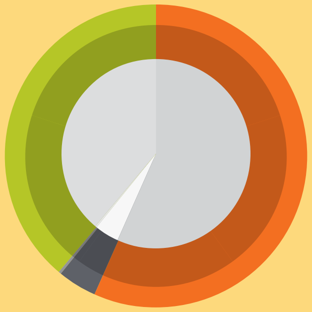
- **Big Data:** provides new mobility and transport habits data, to support decision-making and improve lane management.
- **SATELISE:** mobile application for paying tolls.
- **Managed Lanes:** optimizing toll revenue by means of real-time dynamic pricing.

Airports

Improving the passenger experience and operations.

- **Not a step wasted - Power Floor:** interactive panels at Heathrow Airport that light up as you walk and reduce energy use.
- **Mobile Display Units:** user information screens controlled centrally without power cables.
- **Airfield Asset Inspector:** supports the technification of air asset management, inspections of airfields and operations engineering equipment using a vehicle equipped with a tablet featuring highly accurate GPS systems.

Suppliers by division



Suppliers by origin

4.5. INDUSTRIAL CAPITAL:

SUPPLY CHAIN AND QUALITY

Crossrail. Construction work in London. United Kingdom

SUPPLY CHAIN

Ferrovial's supply chain follows the Principles of the Global Compact and FTSE4Good supply chain standards.

Ferrovial includes supply chain management as a priority of its 2016 Plan. Of its 62,612 suppliers, 95% operate in construction and services.

Ferrovial seeks to establish long-term relations with its suppliers (with suppliers meaning vendors, lessors and subcontractors).

Supply chain description

Most purchasing in the Construction division is for works underway at any given time, while a small proportion goes to the offices, departments and services supporting the same.

The supply chain is made up of the following supplier types:

- Suppliers (manufacturers and distributors): suppliers of materials and machinery.
- Subcontractors: implementing work units. These provide personnel and working equipment, and may or may not also provide materials.
- Companies renting machinery and auxiliary equipment (including operator personnel, depending on the machinery/equipment in question).
- Service providers other than work units (not considered subcontractors): companies providing engineering services, supervisory services, legal services, security services, transport, public services, etc.

The sector includes numerous suppliers that operate using a large number of subcontractors, depending on the type and size of the project and country where it is implemented. There is also a high percentage of local suppliers, as construction is closely associated with the location where each project is implemented, and sometimes requirements are tailored to each local market. Suppliers vary greatly by type, from large and technologically advanced multinationals with global reach, to small local suppliers (largely subcontractors) for less qualified work.

This division has undergone significant change due to operations getting underway in new countries (Australia, Oman and France), as well as growth in other markets where Ferrovial already had a presence.

It is also important to emphasize that international growth, via new large-scale projects, is often performed via joint ventures with local partners who contribute their local market expertise and provide quick access to suppliers from the outset. As a result of the above, Ferrovial's vendor quality assessment and monitoring system has been extended to cover these new markets, although the quality systems used by partners also have to be taken into account, which often means a specific and tailored monitoring system for each JV.

A plan for integrating the processes that make up the procurement cycle has been designed in the Services division. This plan considers the complete supply chain process, from managing the need to payment and transferring the purchase/subcontracting to the end client, with the aim of meeting their needs and demands.

The need's management is channeled through an automated system where, based on the product/family category and/or its amount, the orders are centralized in the Procurement Department or placed with suppliers with framework agreements negotiated previously. These agreements set out the best terms and conditions for both parties and regard the suppliers as long-term partners.

In the Services division, there have been no significant changes in the supply chain in 2014, except for a greater centralization of purchases and the establishment of common agreements for Spain. Substantial changes are planned in 2015 due to the technological project for integrating the procurement cycle.

Global Purchasing Policy

Applicable to all Ferrovial companies. This is based on certain mandatory principles that must be complied with before, during and after each purchase. Throughout the process, the principle of integrity will take precedence, founded on the Code of Business Ethics and Corporate Responsibility policies. Some businesses have specific purchasing policies in place that are supplemental to the corporate policy.

Global purchasing committee

In the Construction and Services divisions, this establishes the general guidelines for everyday procurement operations, based on rigorous, ethical and efficient relationships. This complements the Code of Business Ethics and is applicable to all staff working in the Purchasing Departments of said divisions, who are provided with due training and are required to comply with the same.

Buyer's Code of Ethics

In the Construction and Services divisions, this establishes the general guidelines for everyday procurement operations, based on rigorous, ethical and efficient relationships. This complements the Code of Business Ethics and is applicable to all staff working in the Purchasing Departments of said divisions, who are provided with due training and are required to comply with the same.

Corporate Responsibility Clause

Ferrovial includes a Corporate Responsibility Clause in supplier contracts that demands the following commitments from suppliers: compliance with the Principles of the Global Compact; compliance with all environmental and sector-based legislation applicable to any aspect of Ferrovial's activities or services; compliance with all health and safety rules and occupational safety commitments at Ferrovial workplaces; evaluation of potential for collaboration with Ferrovial to carry out joint aid projects for disadvantaged groups.

Supplier profile

In 2012, a system was introduced to classify high-risk suppliers in terms of corporate responsibility, based on product and country of origin, founded on the principles of the Global Compact and FTSE4Good standards. Most of Ferrovial's purchases are in OECD countries, or in upper-middle or high income countries (according to the World Bank classification).

Ferrovial predominantly hires local companies in all markets where it operates; approximately 97% are local suppliers in each country.

In Construction, the purchasing policy is based on a general organizational procedure with basic standards and guidelines, and is subsequently developed for each country to regulate the entire purchasing process. As for Services, both in Spain and the United Kingdom, most suppliers are local, keeping in mind the company's interests at all times. However, given that the company operates worldwide, in order to ensure competitive purchases globally, prices are checked internationally for key purchases, seeking to capitalize on the competitive advantages offered by other markets.

Selection and continuous evaluation of suppliers

The Construction Division controls and monitors the quality of its suppliers via assessments conducted by the site managers upon completion of the supply contracts or works. These may also be conducted annually for long-term supply contracts or works, or immediately when incidents are identified. The factors evaluated are: compliance with deadlines, product quality, technical capability, price compliance, occupational health and safety compliance and environmental conduct.

An incident is deemed to have occurred when the average evaluation score fails to meet the requirements established in agreed parameters. A "rejected supplier" is a supplier that incurs three incidents within a single year, or one "very serious" incident.

In Services, currently undergoing a transitional period, provisional supplier selection and assessment procedures have been drawn up. Basically, these are structured into two stages:

- Selection: suppliers must be registered in the Ferrovial Services communication portal. Each supplier must be demonstrably capable of providing the supplies or services in question.

- Assessment: In the event of breach of order/contract, or when significant problems are generated by the supplier during the course of the same, the center supervisor will evaluate the quality provided and complete the Supplier/Subcontractor Evaluation Form. Should the Procurement and Fleet Department receive three assessment forms for the same supplier within one year, starting from the date on which the first is submitted, certification for said supplier shall be revoked, rendering it impossible to work with said supplier for three years. The Procurement and Fleet Department may ban any supplier from being hired on the grounds of protecting the company's interests.

Finally, in the case of suppliers that hold framework agreements with the organization, as well as representative negotiations, the Purchasing Department evaluates aspects such as technical and financial solvency, other standard criteria and customer satisfaction when selecting the bidding suppliers.

	2014	2013	2012
Suppliers evaluated	6,724	6,038	8,402
Suppliers rejected	346	540	773
Suppliers with incidents	475	592	381

Purchasing process

- Identification of purchasing needs and planning.
- Identification of Suppliers and Request for Bids.
- Reception of bids, preparation of the comparative table, negotiation and selection the best bids.
- Award of the purchase approval and permits.
- Preparations of the order or contract.
- Acceptance of materials and work carried out by subcontractors.
- Invoicing and payments.
- Continous evaluation of suppliers.

Sustainable standards 2014

Controlling the origin of wood	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 does not constitute a critical element for its commercial operations, except in the case of housing construction (which is only a small part of its business).
Recycled material	Ferrovial continues with its commitment to promoting, as far as possible, the use of products manufactured using recycled materials, as well as products that can be recycled. With this aim in 2012, Ferrovial Agroman carried out a survey of its main suppliers, covering the activities in which these products are most likely to be included.
Green purchasing	Ferrovial pays attention to the environmental aspects of construction activity, particularly in terms of the use of recycled and recyclable materials. The Purchasing 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.

QUALITY

Management systems

All business areas include quality and environment systems in their contracts. Most of these systems are certified according to ISO 9001 and 14001 standards.

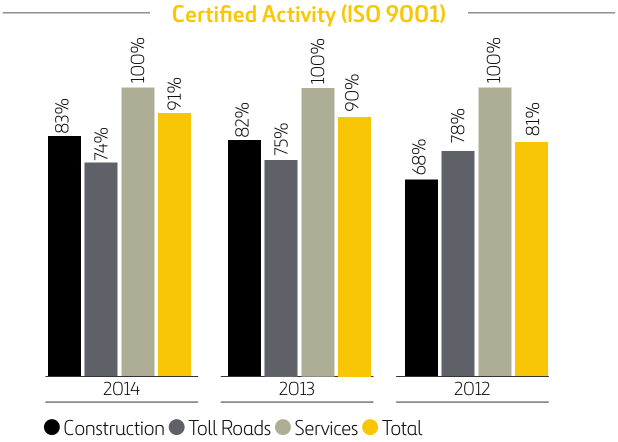
In 2014, the average percentage of activities run with quality and environmental certifications stood at 91% and 90% respectively.

With regard to contracts that are not included under certified systems, it is important to note that they all have quality and environment systems implemented.

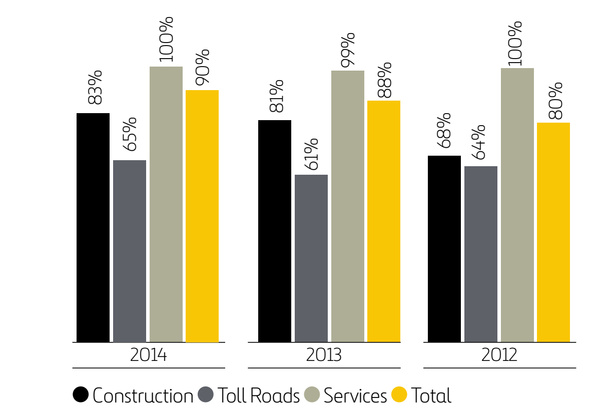
Other certificates

- Standard ISAE 3410 "Assurance Engagements on GHG Statements".
- "Integrated Management System PAS 99" and "Specification PAS for composted materials and Quality Compost".
- UNE-EN 12899-1:2009; UNE 135332:2005; UNE 166002; UNE 179002; ISO 50001:2011; ISO 22000, ISO 39001, BS 1100, EMAS and Madrid Excelente.

Certified Activity (ISO 9001)



Certified Activity (ISO 14001)



Complaints

All businesses have internal procedures in place, establishing a methodology for detecting, identifying, recording and monitoring complaints filed by customers with regard to products or services. All such complaints are subject to analysis, while action for improvement is also established.

The Ferrovial Quality & Environment Department handles any complaints submitted by clients to Ferrovial that are not satisfactorily addressed by the business areas and that demand a solution. In 2014, two complaints were received involving housing incidents (Building), both of which have been resolved.

In 2014, Ferrovial companies as a whole received a total of 1,436 complaints from clients and users. Of this total, 98% were closed within the same year.

Customer satisfaction

Ferrovial aims to continuously improve customer satisfaction levels. To this end, all Ferrovial divisions conduct customer satisfaction surveys. These are usually annual, every two years or every three years. Surveys were conducted during 2014 at Cintra, Amey and Ferrovial Agroman. The results are evaluated to identify and implement improvements.

Customer satisfaction

2014	2013	2012
4.0	4.1	4.0

Customer service

Channels are in place that allow clients and users to submit their opinions, queries and/or complaints. These are sometimes included in after-sale departments, customer service departments or call centers. In the construction and water treatment industries, clients can directly contact the individuals in charge of a specific contract. An email address is available for complaints, comments or queries (dca@ferrovial.com).

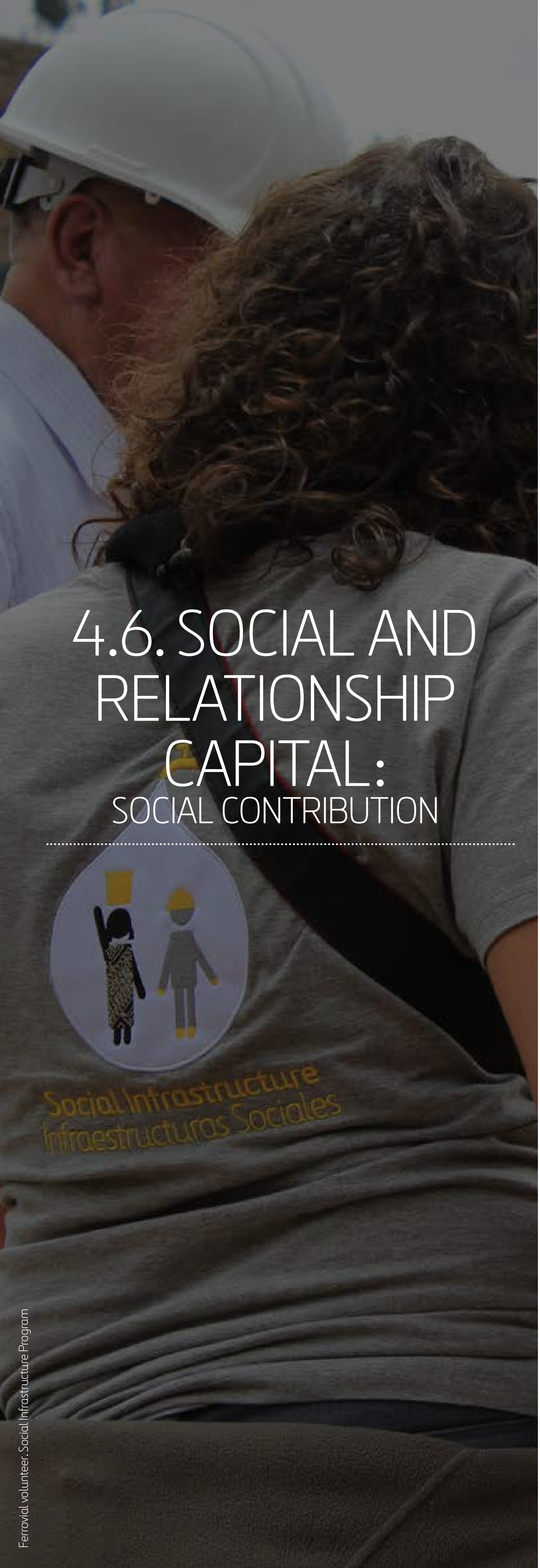
Normateca and Ambienteca

Ferrovial uses these applications and internal procedures to guarantee compliance with all current legislation, regulations and client agreements, thus delivering on one of its core principles. All business areas can offer user security guarantees throughout out the lifecycle of their products and services.

Normateca currently includes 20,906 standards. This year, 592 new standards were included. Ambienteca has a total of 1,901 provisions, of which 26 were incorporated over the last year.

All systems are audited internally by qualified teams that are fully independent of the audited area. 1,339 quality and environment audits were performed and 2,475 production centers were audited.

4.6. SOCIAL AND RELATIONSHIP CAPITAL:
SOCIAL CONTRIBUTION



Ferrovial volunteer. Social Infrastructure Program

SOCIAL CONTRIBUTION

As an infrastructure manager, Ferrovial plays a fundamental role in the development of the local economies where it operates.

The nature of its business makes Ferrovial a key player in reducing geographical imbalances, as the provision of infrastructure to a region is a determining factor for its economic development.

Local economic development

Generating employment
The company is active around the world, creating local jobs and optimizing sourcing from local suppliers. Ferrovial is currently present in 26 countries. Despite the economic situation, Ferrovial has continued to create jobs in the main markets where it operates.

Local sourcing
Ferrovial has a purchasing policy adapted to its international expansion, while maintaining the goal of strengthening long-term relations with suppliers and subcontractors. To this end, the centralized management required to supply all of the company's projects is combined with a decentralized approach to ensure that local project managers can establish strong ties with local subcontractors who, in general, have less global exposure.

Local investment (LBG)
The company runs social investment programs in the same areas where it operates. As a result, the countries most benefited from investment are Spain (38%), UK (23%) and USA (23%). These geographical regions also account for most of the company's activities.

Local contribution-Taxes paid
Ferrovial is aware that it makes an important contribution to local economies and maintains a strict policy regarding tax payments in the countries where it operates (see note 21 on Tax Situation in the Financial Statements).

Community Investment

Ferrovial's strategy is founded on an investment model fully coherent with its larger strategy and business model. Thus, Ferrovial is a proponent of social infrastructure: efficient, accessible, clean and humane, covering the full infrastructure cycle; through all phases, from design to construction, financing, operation and maintenance.

Three priority investment areas have been identified:

- **Social infrastructure**: Development and cooperation projects for water and sanitation, in partnership with a prominent NGO and involving Ferrovial employees, both in Latin America and Africa.
- **Accessibility to public spaces and buildings:** adapting public spaces and buildings for people with mobility problems.

· **Restoration of historic monuments:** reconstruction and restoration of heritage buildings.
· **Social action in Spain:** repurposing buildings for food distribution to those at risk of exclusion.

The company bases its investment decisions on the following criteria:

· **The continuity of projects through medium and long-term partnerships with third sector institutions** of demonstrable repute and transparency. Ferrovial is an active member of numerous cross-sector non-profit organizations.
· **Financial and institutional project sustainability,** preventing dependency in the communities that benefit from support.
· **The multiplier effect.** Sharing experience and good practices in social investment via forums, providing an example to other institutions. Running awareness campaigns for global issues, conducting case studies based on the social infrastructure program.
· **Encouraging employee involvement** in the company's social engagement, via corporate volunteering, as part of the Social Infrastructure Program (4th edition in 2014), and matching donation initiatives, such as the "Juntos Sumamos" (Stronger Together) program.

Main programs and initiatives:

Social Infrastructure Program

In 2011, Ferrovial launched the Social Infrastructure program, which now sets the standard for other companies in good social action practices. This came as continuation of the three-year project to build water and sanitation infrastructure in Tanzania, as part of the "Maji Ni Uhai" project ("Water is Life" in Swahili).

What distinguishes the Social Infrastructure Program is its approach to cooperation, based on a public-private partnership between a company, an NGO and regional or local governments. The company remains an active partner in cooperation projects, reaching beyond the standard funding role to provide technical assistance, technology support and specialists to help implement projects.

Projects are managed collectively by all parties involved in a Joint Committee, made up of two representatives appointed freely by Ferrovial and two representatives appointed freely by the NGO. The Committee usually meets four times a year and its responsibilities include: ensuring that the partnership agreement runs correctly, establishing liability in the event of non-compliance, approving any budget variation in excess of 10% and any technical amendments to the project.

During 2014, the program ran nine projects in Ethiopia, Colombia, Peru and Mexico, in partnership with the NGOs Intermón Oxfam, Plan España, Ayuda en Acción, Ecología y Desarrollo, Amref Flying Doctors, Cesal, Acción contra el Hambre and Asamblea Cooperación por la Paz. These projects amount to total investment of over 1.5 million euro, with 83,124 beneficiaries and 26 volunteers.

"Juntos Sumamos" donation program

Ferrovial has been running the "Juntos Sumamos" (Stronger Together) program since 2005. The aim is to share with employees its commitment to addressing global social needs and combating human rights violations. Under this initiative, Ferrovial employees can opt to donate a monthly amount to a social cause, which the company will then match.

This program has grown steadily since its launch. To date, the company and its employees have donated around 2 million euro to 22 projects.

In 2014, a total of 214 partnership proposals were submitted by different NGOs. After analyzing the technical aspects of said programs - the organizations' solvency and transparency levels, experience in the sector, and the sustainability of their proposals - six projects were selected. Employees then voted to choose the four winners.

See the website: www.ferrovial.com

Social Action Program in Spain

Inequality and social fragility in Spain has grown and intensified with the financial turmoil. Growing unemployment has seen a proportion of the population that previously enjoyed normal living standards impoverished, on the verge of social exclusion and competing for increasingly scarce social protection and support. As a result, social organizations urgently need to equip and repurpose a number of care premises in order to provide basic emergency aid, such as food distribution and social support centers.

As part of Ferrovial's social commitment in Spain, the company is dedicated to supporting the refurbishment and repurposing of NGO centers, to help alleviate the impact had by the financial crisis on society's underprivileged groups.

In 2014, Ferrovial supported a project aimed at improving the infrastructure and condition of food and care distribution centers run by the Spanish Food Bank Federation in Barcelona, Cantabria, Madrid and Murcia. The earmarked amount for the project is 100,000 euros.

SOCIAL COMMITMENT

MEXICO: 1 project
Water and Sanitation in Oaxaca with Cesal

COLOMBIA: 3 projects
Water and Sanitation in Chocó with Ayuda en Acción
Water and Sanitation in Córdoba with Acción contra el Hambre
Water and Sanitation in Antioquia with Asamblea de Cooperación por la Paz

PERU: 3 projects
Water and Sanitation in Cajamarca with Plan España
Water and Sanitation in Cuzco with ECODES
Water and Sanitation in Ica with Cesal

BOLIVIA: 1 project
Construction of schools in Machareti with World Vision

USA: 45 projects
Massachusetts Institute of Technology (MIT): 7 innovation projects
National Math & Science Initiative

BRAZIL: 1 project
Congress of DCD Converged Sao Paulo 2014

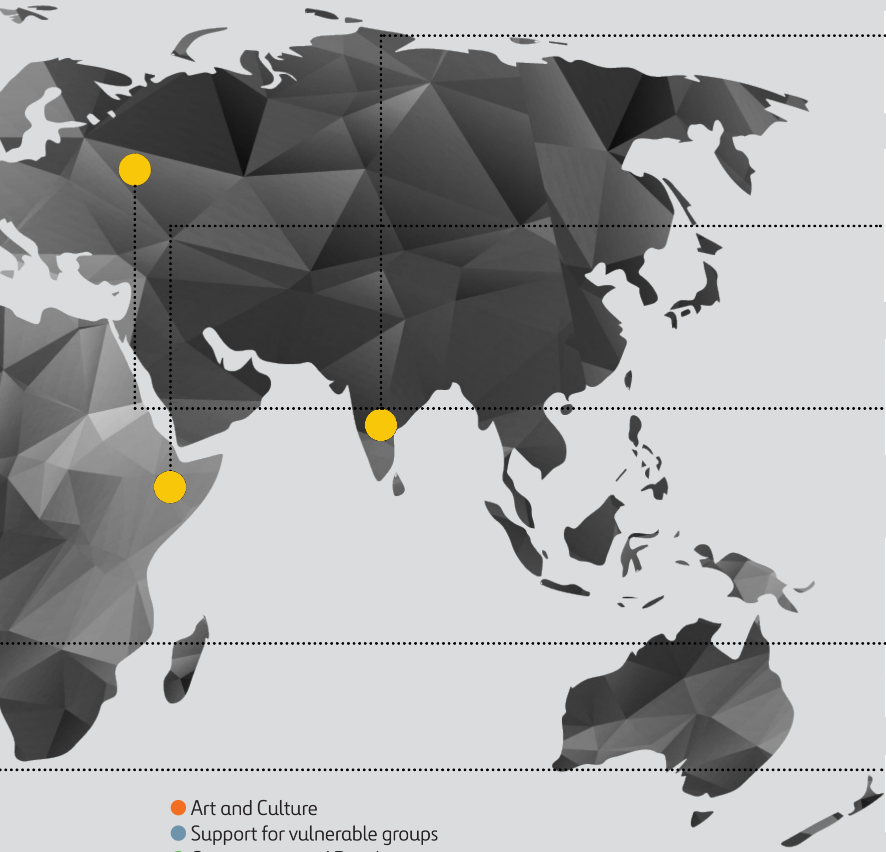
SPAIN: 123 projects
Participation in foundations: Teatro Real, Museo Guggenheim
Social Action Spain: Cáritas Española
Center for Intelligent Infrastructure Innovation Programs
Adecco Foundation, Integra Foundation, Special Employment Center, Ampans Foundation
Programs with WWF, Green Business Council
Biodiversity Foundation , Grefa y Conama
Wildlife Recovery Center
Patron of the Provincial Energy Agency of Alicante (environmental defense in the energy sector)

PORTUGAL: 2 projects
Support to adapted athletics

Community support projects
233

Social investment in the community
6.9
(million €)

Beneficiaries in social projects
426.278



INDIA: 1 project
- Construction of homes in Anantapur with Vicente Ferrer Foundation

ETHIOPIA: 3 projects
- Water and Sanitation in Woeyta with Oxfam Intermón
- Water and Sanitation in Afar with Amref
- Assistance to refugees in Addis Ababa with Entreculturas

POLAND: 2 projects
- Road safety courses for children
- Strefa Rodzica (Area for parents at children's hospitals)

UNITED KINGDOM: 45 projects
- Innovate sponsorship program
- Duke of Edinburgh Support (support to vulnerable young people)
- Community Involvement Days

IRLANDA: 2 projects
- Cycling Training in schools

- Art and Culture
- Support for vulnerable groups
- Cooperation and Development
- Young People and Education
- Childhood and Health
- Technological innovation
- Social and labor integration of vulnerable groups
- Environment

By areas

- Education and young people 20%
- Health 2%
- Socioeconomic development 38%
- Environment 14%
- Arts and culture 9%
- Social welfare 7%
- Other 10%

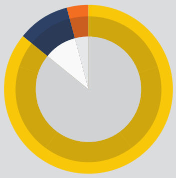
By business

- Services 36%
- Toll Roads 4%
- Construction 14%
- Corporate 46%

By country

- Spain 38%
- United Kingdom 23%
- USA.23%
- Peru 5%
- Other 11%

By contribution



- Money 87%
- In-kind 9%
- Time 4%

Data according to LBG. In 2011 the Dow Jones Sustainability Index recognized the London Benchmarking Group (LBG) methodology as good practice for reporting on corporate social action. Ferrovial has followed the 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.

VALUE CREATION	Million euros	Million euros	Million euros
ECONOMIC VALUE GENERATED	**2014**	**2013**	**2012 (*)**
a) Revenue:			
Turnover	8,802	8,166	7,686
Other operating revenue	9	10	17
Financial revenue	25	22	34
Disposal of fixed assets	0	108	115
Income by the equity method	159	396	222
	8,995	**8,702**	**8,074**
DISTRIBUTED ECONOMIC VALUE			
b) Consumption and expenses [1]			
Consumption	1,131	1,181	1,299
Other operating expenses	4,122	3,710	3,335
c) Payroll and employee benefits			
Personnel expenses	2,575	2,351	2,142
d) Financial expenses and dividends			
Dividends to shareholders [2]	278	476	734
Treasury share repurchase [4]	235	0	0
Financial expenses	430	412	371
e) Taxes			
Corporate income tax [3]	131	127	108
	8,899	**8,257**	**7,989**
RETAINED ECONOMIC VALUE	**96**	**445**	**85**

(*) 2012 data has been recalculated due to adjustments made to the information reported, for comparison purposes, in the Annual Financial Statements for 2013 with respect to that year.

(1) The Group's social action expenses, together with the Foundation's expenses, are set out in the Social Commitment chapter.
(2) In addition to the proposed payment against earnings that year, by agreement of the Annual General Meeting of March 2013 a dividend was paid, charged against the merger premium, for a total of 183 million euro.
(3) Corporate income tax charge against earnings before adjustment for fair value.
(4) Capital reduction through the redemption of treasury stock. (Note D. Consolidated statement of changes in net equity for the years 2014 and 2013)

DISTRIBUTED ECONOMIC VALUE

8,907

milion euros

ECONOMIC VALUE GENERATED

8,995

milion euros

TAX CONTRIBUTION

In 2004, the Board of Directors approved the Business Ethics Code, which was subsequently updated in 2014. This includes, as one of the fundamental principles of conduct for the company and its employees, adherence to applicable law.

The Policy of Tax Compliance and Good Practices was approved as a result of this principle, which: (i) expressly sets out the general commitment of Ferrovial, S.A. and its subsidiary companies (the "Group") to comply with fiscal regulations in Spain and other countries where they operate, and (ii) incorporates development and implementation of best practices in such matters as part of Ferrovial's Corporate Governance rules.

This Policy includes recommendations from the Good Taxation Practices Code promoted by Spain's Inland Revenue Service, which was adopted by the Company in November 2010 and adapted to the Group's specific circumstances.

1. Compliance with tax rules: The Group sets out to comply with its fiscal obligations in all countries where it pursues its business activities, and to maintain an appropriate relationship with the relevant tax authorities.

2. Good Taxation Practices: In order to include in Ferrovial's Corporate Governance its commitment to compliance, as well as the recommendations of the Good Taxation Practices Code, the Group undertakes to adhere to the following practices:

a) Fiscal risk prevention: Without prejudice to good company management, the Group will adhere to the principles of an ordered, diligent tax policy in the pursuance of its activities:

i) Promoting practices aimed at preventing and reducing significant fiscal risks.

ii) Reducing conflicts deriving from the interpretation of applicable regulations, by the use of instruments established to this effect by tax legislation (prior consultation with fiscal authorities, prior valuations agreements, etc.)

(iii) Avoiding the use of opaque structures for tax purposes. Such structures are understood to be those that, via the intervention of companies as instruments located in tax havens or countries that do not cooperate with the tax authorities, are designed to prevent the relevant tax authorities from identifying those who have end responsibility for the activities, or who are the ultimate owners of the assets or rights involved.

b) Relationships with tax authorities: The Company's relationships with the relevant tax authorities shall be governed by principles of transparency and mutual trust, with the Group undertaking to adhere to the following good taxation practices:

(i) To collaborate with the relevant tax authorities in detecting and finding solutions to fraudulent fiscal practices that may be present in the markets in which the Company operates, in order to eradicate them and prevent them from spreading,

(ii) To provide fiscally relevant information and documentation, as requested by relevant tax authorities, in the shortest time and fullest form possible,

(iii) To make use of all the possibilities arising from the conflictive nature of the inspection procedure, strengthening agreements with the relevant tax authorities in all procedural stages where possible.

c) Information to the Board of Directors: Prior to preparing the annual accounts and presenting its corporation tax return, Ferrovial's head of fiscal affairs will inform the Board of Directors, directly or through the Audit and Control Committee, of the fiscal policies adopted by the Company during the financial year, particularly regarding the level of compliance with the Policy of Compliance and Good Practices in Taxation.

In the case of operations or issues that must be submitted for approval to the Board of Directors, the Board will be informed of any relevant fiscal consequences these may have.

d) Reporting to the market regarding policy compliance: The Company's Annual Corporate Governance Report will indicate the Company's effective compliance with this Policy.

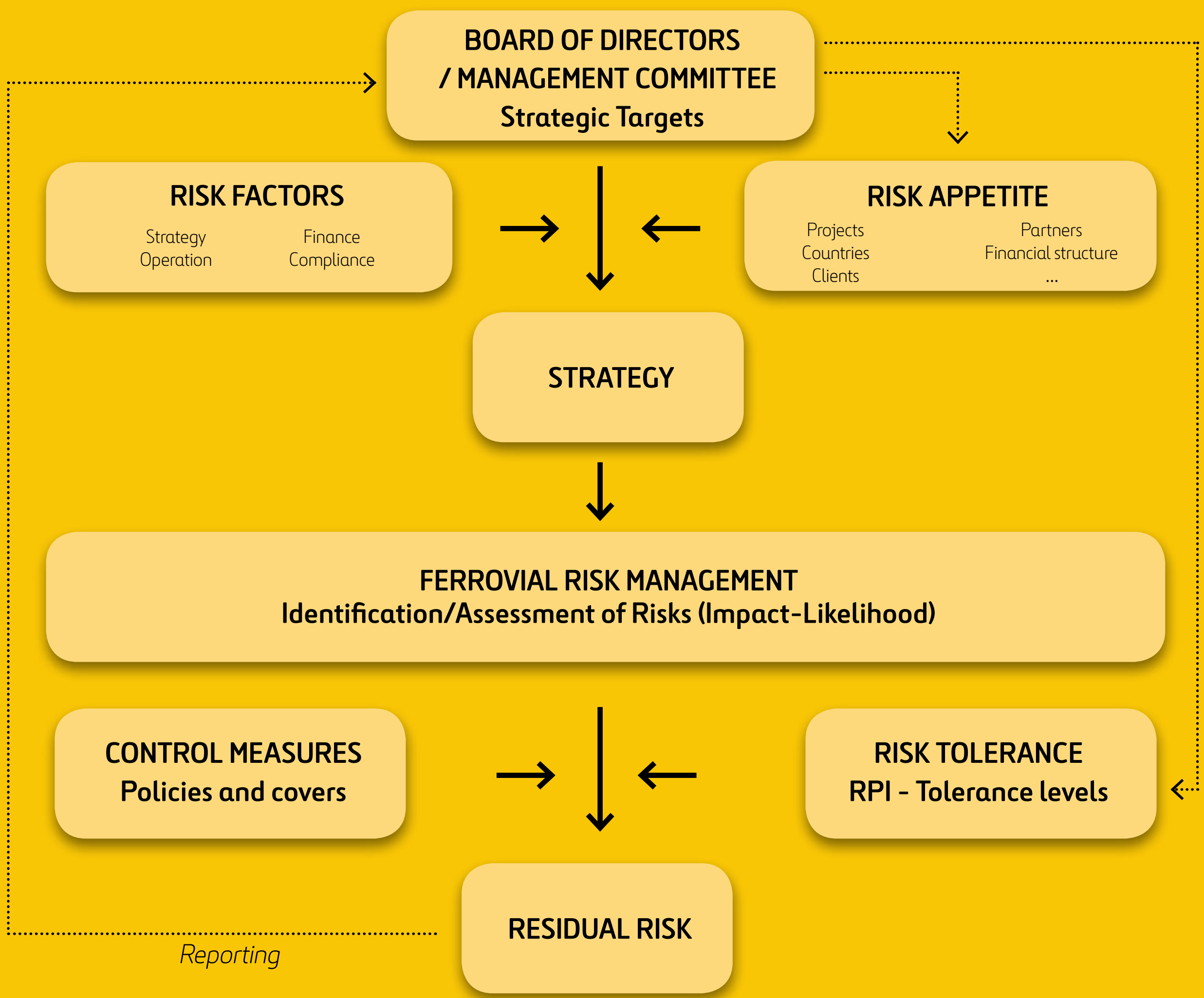
Dissemination of the Policy of Compliance and Good Practices in Taxation: The Company's Board of Directors is responsible for ensuring that the Group complies with all applicable laws and regulations, respects the customs and good practices of the sectors and countries where it operates, and observes the voluntary principles of social responsibility that it has adopted.

In the context of the above, the Company's Board of Directors, through its Chairman, CEO and Senior Management, will drive the Group to adhere to the principles and good practices with regards to taxation.

RISK MANAGEMENT

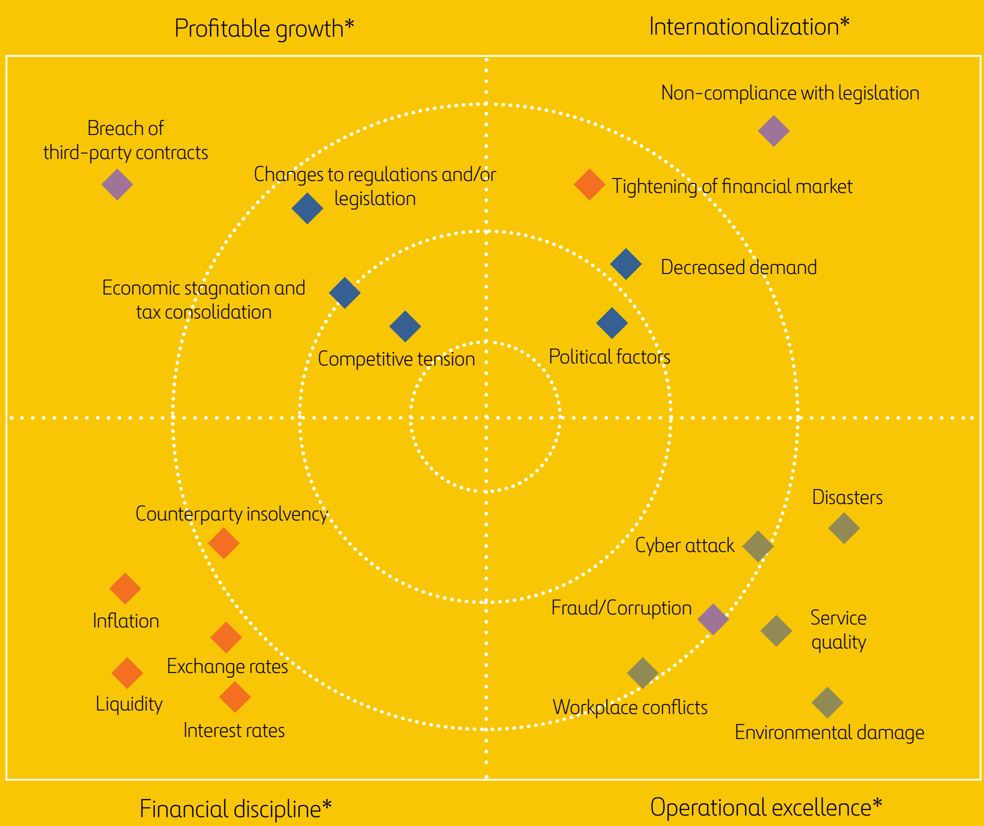
Ferrovial has a risk identification and assessment process, called Ferrovial Risk Management (FRM), supervised by the Board of Directors and the Management Committee, which is implemented in all business areas. This process makes it possible to forestall risks; once they have been analyzed and assessed based on their potential impact and likelihood, the most appropriate management and protection measures are taken, depending on the risk nature and location.

Ferrovial Risk Management



This analysis graph is based on a series of risk events shared by all business areas, making it possible to identify the most relevant risk events. Two evaluations of the identified risk events are conducted based on common metrics: an inherent assessment, prior to specific control measures being implemented to mitigate the risk, and a residual assessment, after specific control measures are implemented. In addition to determining the relative importance of each risk event in the risk matrix, it is possible to assess the efficiency of the risk control measures.

Risk event matrix
(Residual assessment)



* Strategic priorities

Please note: The closer a risk is to the diagram's center, the higher its relative importance. The circled areas indicate tolerance levels. Risk events that threaten several strategic priorities have been placed in the section with the highest relative importance.

Strategic risks
Analysis is performed on risk factors related to the market and the environment in which each business operates; those derived from applicable regulations and legislation; those derived from alliances with partners; and associated with the company's own organization, and its relationships with external agents.

Operational risks
Following the value chain of each business, an analysis is conducted for the potential occurrence of risks associated with product processes, service provision and revenue and expense generation. Particular attention is paid, among others, to risks linked with inadequate or delayed service provision to customers and users, and to occupational risks.

Compliance risks
Analysis of potential risks associated with compliance with obligations linked to applicable legislation, contracts with third parties and obligations self-imposed by the companies, mostly through their codes of ethics and conduct.

Financial risks
Analysis of risks associated with changes to financial data, access to the financial markets, cash management, the reliability of financial information and tax-related risks.

5. RISKS

Below is a description of the most relevant risk events, and a list of the main control measures implemented to mitigate their potential impact and/or likelihood. The areas of activity that would be most affected if the risk did occur are shown. For more information on the Risk Management Process and the most relevant risk events, see the section E of the ACGR and Financial Statements.

	Risk event
Strategic	Competitive tension
	Political factors
	Economic stagnation and tax consolidation
	Decreased demand
	Changes to regulations and/or legislation
Operational	Cyber-attack
	Workplace conflicts
	Service quality
	Disasters
	Environmental damage


Lighting in Madrid. Spain

Most relevant risk events

Description/Control measures	Construction	Services	Infrastructures	Airports
Actions of current competitors or emergence of new competitors that affect the company's competitive advantages, or squeeze the prices of goods and services provided by the company	*	*	*	*
Study of the competitive environment of target geographical areas. Procedure for approving investment and divestment operations. Limits on acceptable risk by activity and project type				
Political changes creating a political situation unfavorable to the company's interests and adversely affecting the management and implementation of business plans			*	*
Ferrovial's strategy is run mostly in OECD countries, which are considered to be stable and solvent in terms of political, socio-economic and legal conditions. Contract clauses safeguarding the company's rights in case of non-compliance by the counterparty				
Deteriorating macro-economic conditions in countries where Ferrovial operates, and increased tax pressure on companies and individuals	*	*	*	*
Ferrovial operates in geographical areas where socio-economic and tax regulation stability already exists and is expected to remain unchanged				
Reduced financial resources for customers and/or changes in customer needs for which the company is unprepared, and that have a negative impact on business continuity or profitability	*	*	*	*
Continued analysis of business opportunities by activity and geographical area, which makes it possible to predict changes and/or reductions in demand				
Changes to regulations or legislation that alter the legal and regulatory framework under which the company operates, and that affect the company's ability to manage and capitalize its business			*	*
Continued supervision of the regulatory and legislative procedures that affect the company's activity, with a view to predicting possible changes, addressing such changes and maximizing any potential opportunities				
Criminal acts that, whether or not they are committed against the company, can affect its assets and lead to long inactivity periods			*	*
Monitoring and assessment of the vulnerability of critical systems. Contingency and activity recovery plans. Access security policy				
Individual or group conflicts with employees that affect the company's productive capacity and/or its corporate reputation		*		*
Human Rights Policy. Code of Business Ethics that ensures compliance with labor laws and respect for the rights and liberties of workers. Occupational safety system in accordance with legal requirements. Periodic audits of prevention systems. Continuous contact with committees and organizations that represent company employees				
Non-fulfillment of quality levels and/or deadlines agreed with third parties. Inadequate quality assurance systems for goods and services provided by the company	*	*	*	*
Quality Policy. Quality management system by business area (ISO 9001), and implementation of key indicators to measure quality levels during project execution and service provision. Auditing Plan to ensure compliance with quality systems and fulfillment of contractual commitments (deadlines, service levels, etc.)				
Unexpected events that result in damages to individuals or property, and located in or caused by assets owned and/or managed by the company, including natural disasters and terrorist or criminal actions	*	*	*	*
Workplace health and safety system, implemented in all areas of activity. Contingency plans by event type. Insurance policy with coverage and compensation limits for accident liability, including accidents resulting from terrorist attacks or sabotage against company-managed facilities and infrastructure				
Company actions that can have a significant impact on the environment and area where the company operates	*	*		
All business areas have implemented management systems (ISO 14001 or EMAS) that aim to manage environmental risks and include specific procedures for industrial facilities. Every business area has a program of environmental assessment and audits; higher risk areas (Construction and Services) have integrated indicators for environmental conduct				

Construction
Services
Infrastructures
Airports


M4 highway, Kilcock. Ireland

	Risk event
Financial*	Tightening of financial market
	Counterparty insolvency
	Exchange rates
	Interest rates
	Inflation
	Liquidity
Compliance	Fraud/Corruption
	Non-compliance with legislation
	Breach of third-party contracts

* Financial Risk management is analyzed in more detail in the Consolidated Financial Statements: Note 3. Management of financial risks and capital; Note 17: Provisions; Note 18.1 Net cash position; Note 22. Contingent liabilities, contingent assets and commitments

Most relevant risk events

Description/Control measures	Construction	Services	Infrastructures	Airports
Difficulty in obtaining external financing for the company's operations and investment under reasonable terms. Company rating downgrade rendering it difficult and/or more expensive to obtain financing			*	*
Monitor Ferrovial's credit rating: currently, BBB by S&P and BBB- by Fitch; in both cases, there is a stable outlook in the "Investment grade" category. Financing from capital market as an alternative to banking. High liquidity position, lines of credit and cash, making it possible to capitalize on business opportunities				
Solvency problems in financial counterparties that make it difficult or impossible to freely use the financial resources deposited or invested by the company. Solvency or liquidity problems affecting customers or third parties after contracts have been signed, and that affect the company's collection conditions	*	*	*	
Definition of credit quality levels that guarantee the recoverability of financial counterparties, with the same subject to periodic review. Analysis of the financial solvency of commercial customers prior to contracting, thus guaranteeing the future recoverability of accounts receivable. Monitoring the quality of commercial debt, as well as the possibility of monetizing the same or, if applicable, allocating provisions				
Unfavorable exchange rate fluctuations vs. euro, affecting revenue/collection rights or expenses/payment obligations	*	*	*	*
Seeking to minimize the negative impact on cash flows and on the valuation of investments had by exchange rate fluctuations between the euro and other currencies that the company operates with, a forex cash flow risk management procedure is in place. Likewise, hedging mechanisms are used, prioritizing natural hedges.				
Unfavorable progression of interest rates associated with credit obligations taken on by the company		*	*	*
Definition of optimal hedging levels that ensure optimal financing costs and alignment of cost progression with revenue generation. 85% of company total debt is hedged, either at a fixed rate or by financial derivatives (interest rate swap)				
Unfavorable progression of inflation ratio with negative impact on operational profitability		*	*	*
Addition of contract clauses that ensure revenue progression in line with inflation. Subscription of hedging mechanisms if deemed necessary				
Insufficient liquidity to meet current investment and operational requirements	*	*	*	*
Efficient management of working capital. Monetization of financial assets (factoring and discount). Prioritization of long-term credit facilities and optimal management of short-term liquidity facilities. Comprehensive cash management. Financing from capital market as an alternative to banking. No significant debt maturities are due in 2015				
Fraudulent conduct by company employees who, with or without external help, wish to obtain benefits for the company or obtain personal benefits at the expense of the company's assets, the assets of its customers or the assets of third parties	*	*	*	*
Code of Business Ethics. Internal Rules of Conduct on Stock Markets. Crime Prevention Protocol. Corporate procedure for Asset Protection and Fraud Prevention. Whistleblowing Channel. Anti-Corruption Policy				
Non-compliance with trade, civil, labor or criminal law by the company or its directors. Breach of regulatory framework applicable to areas of activity	*	*	*	*
Basic principle of ethical conduct in relation to compliance with applicable legislation wherever Ferrovial operates. Process for identifying, assessing and reporting potential legal and regulatory non-compliance and adopting corrective measures				
Breaches of contractual obligations with third parties (customers, providers, financial institutions, government organizations, etc.) that may be subject to penalties or jeopardize project continuity and/or the company's financial position	*	*	*	*
The FRM process makes it possible to detect, assess and monitor risks of breach of obligations early enough to be able to take appropriate corrective measures				

The most relevant risks materialized during the year were as follows:
· Bankruptcy proceedings (Chapter 11) at the Indiana toll Road concession (United States), 50% owned by Ferrovial.
· Amendments to fiscal legislation applicable to businesses in Spain.
· Fiercer competition in international markets.

Construction
Services
Infrastructures
Airports

FINANCIAL RISKS

To complement the description of the control measures implemented to mitigate financial risks, the management goals and policies in relation to the main financial risks are highlighted below in greater detail: interest-rate risk, exchange-rate risk, share-price risk, liquidity risk and financial counterparty risk (credit risk). The analysis makes a distinction between the policies applied in infrastructure project companies and the other companies, in those cases where such a difference is relevant. An overview of Ferrovial's current exposure to such risks is also presented (note 3 to the consolidated Financial Statements provides more details on the level of exposure to those risks).

Interest-rate risk

Objective: To minimize variations in capital due to misalignment between the assets and liabilities on the balance sheet, combined with financial cost optimization.

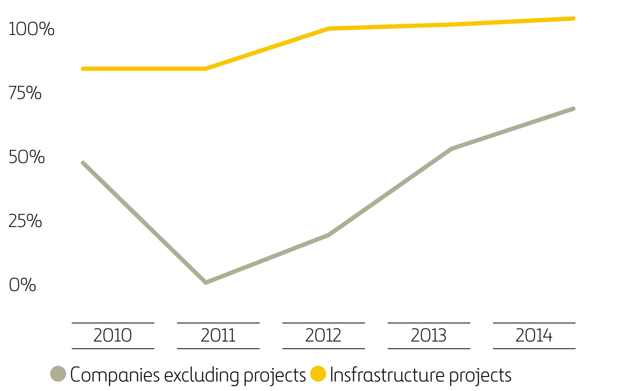
Policies: Ferrovial establishes two different interest rate strategies:

At ex Project level (companies excluding projects), the aim is to align cyclical flows of revenue, with a tendency to finance at variable rates.

At Project level, fixed-rate financing structures are established either through fixed-coupon debt instruments or through derivatives that set the interest rate, based on bank demand and rating agencies.

Details of the hedging contracts can be found in note 11 to the consolidated Financial Statements.

Performance % debt hedged



Exchange rate risk

Objective: To manage the flow in foreign currencies derived from business operations, the main currencies being:

- Dividends receivable (Canadian Dollar and Pound Sterling)

- Investments in new businesses (U.S., Canadian and Australian Dollar, Pound Sterling, Latin American currencies, etc.)

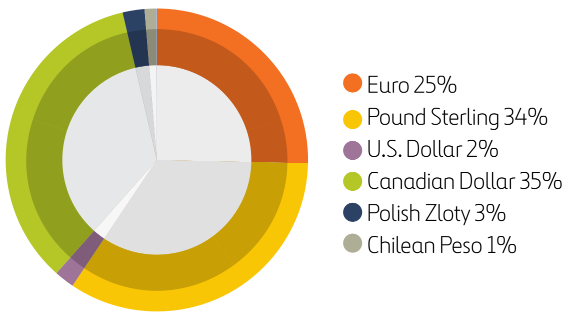
- Payment of share dividend and corporate debt (Euro)

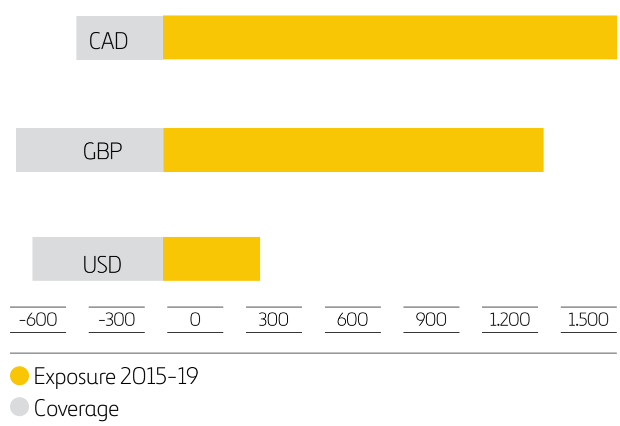
Policies: Ferrovial analyzes the development in currencies both in their fundamental components and in relation to the current situation, establishing two different currency strategies:

At ex Project level (companies excluding projects), Ferrovial establishes a hedging criterion for the coming years with respect to dividends receivable and contributions in stockholder funds.

At Project level, the bond issuance is structured in the currency of future revenue with pre-hedging of future contributions of stockholder funds if they are material or the risk of depreciation is high. Details of the hedging contracts can be found in note 11.

Shareholders equity attributable to the dominant entity





Share-price risk

Objective: To manage the hedging of option and share plans issued as an incentive to employees.

Policies: Ferrovial measures the risk as the value difference between the plans and the derivatives contracted for hedging (swaps on the Ferrovial share)

Any possible differences in the hedging level between the options and the swaps have been managed by applying the excess in hedging to new "performance share" issues and sales for a percentage on hedging. Details of the hedging contracts can be found in note 11 to the consolidated Financial Statements.

Liquidity risk

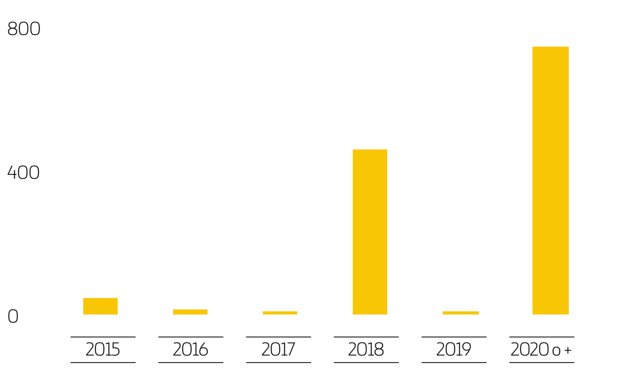
Objective: To ensure the company's solvency, both for short-term payments and for the significant medium and long-term obligations.

Policies: Ferrovial establishes a strict strategy for managing the Group's liquidity:

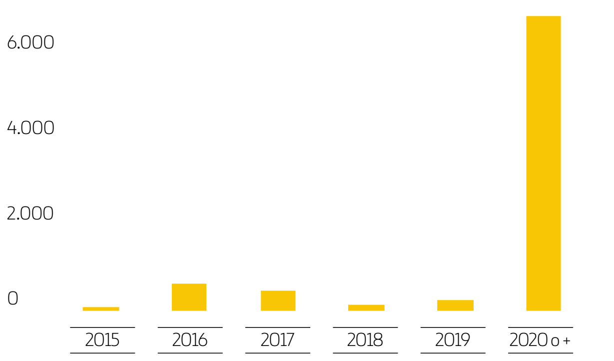
At ex Project level (companies excluding projects), Ferrovial regularly reviews its cash forecasts for the coming months with respect to advance collections and payments, maintaining significant lines of credit available (€ 750 M). Debt refinancing actions are also established under the most favorable market conditions.

At Project level, the project's solvency is ensured without the need for additional capital contributions, promoting the issuance of bonds and long-term bank financing, together with liquidity facilities. Advance refinancing actions are also established.

Maturity schedule ex. project debt



Maturity schedule project debt



Financial counterparty risk (credit risk)

Objective: To manage the risk arising from negotiation with financial institutions in two dimensions:

- The availability of financial products needed for business operations, such as funding instruments, liquidity facilities and banking products (guarantees) that entail a significant consumption of capital for the banks.

- The placement of cash in deposits and other products posing banking risk.

Policies: Ferrovial diversifies its exposure with financial institutions in both assets (placements) and liabilities (liquidity facilities, derivatives).

For liquidity facilities and derivatives, sound counterparties are used (domestic and international banks with high solvency and capitalization ratios).

The liquidity placement requirements are similar to those in place in international corporations (BBB or higher rating, avoiding concentration).

In addition, Ferrovial regularly monitors its aggregate exposure with the main financial institutions along with possible changes in their credit profile.

Exposure to counterparty insolvency risk (credit risk)

M€	Balance Sheet	Consolidated Financial Statements
Investments in financial assets included in the treasury and equivalents account (short term)	3.844	note 18
Non-current financial assets	2.315	note 10
Derivatives	1.415	note 11
Balances pertaining to clients and other accounts receivable	1.726	note 13

6. CORPORATE GOVERNANCE

Maintenance of Scottish Power premises in Falkirk, Scotland, United Kingdom

6.1. CORPORATE GOVERNANCE

In compliance with commercial law, the Annual Corporate Governance Report (ACGR) forms part of this management report. It was drawn up by the Board of Directors and has been filed with the Spanish Securities Commission. The ACGR details all aspects of Corporate Governance at Ferrovial. Without prejudice to the foregoing, below is a summary of the values underlying Ferrovial's Corporate Governance and the key aspects of the same.

Ferrovial regards efficiency, integrity and transparency as essential for building trust, managing potential risks and generating increasing value for shareholders. The following Corporate Governance events from the year are particularly noteworthy:

- Code of Business Ethics updated.
- Several policies of good conduct approved:
  - o Human Rights Policy.
  - o Corporate Responsibility Policy.
  - o Quality and Environmental Policy (update).
  - o Anti-Corruption Policy.
  - o Competition Policy.

All are available via www.ferrovial.com, except the Competition Policy and the Anti-Corruption Policy.

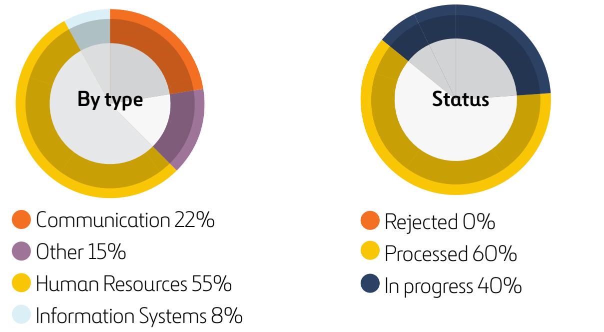
The ACGR details how the group's management bodies and the decision-making process work, with emphasis on the roles of the Annual General Meetings and Board of Directors as the company's most senior management bodies.

Ferrovial has a Code of Business Ethics, which was approved by the Board of Directors in 2004 and updated in 2014. It defines the basic principles and commitments that all companies of the group, its employees and executives must respect and comply with as a part of their daily activities.

With a view to ensuring compliance, the Company has set up:

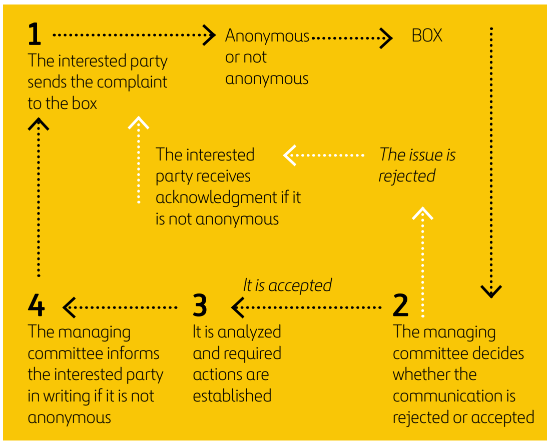
- A suggestion box: created in 2004 for comments, suggestions and/or criticisms. This box is for internal use and is available via the corporate intranet. All comments are reviewed by a Committee comprised of members of Ferrovial's Senior Management. The box was contacted 40 times in 2014.

Suggestions received in 2014



- A Whistleblowing Channel: set up in 2009 to complement other internal channels. Its aim is to ensure compliance with the Code of Ethics and internal procedures and protocols, and to report irregularities, non-compliance and unethical or illegal conduct. This channel is open to the public and allows anonymous or identified reporting via the corporate website. 87 reports have been received, 52 anonymously and 35 with names.

Functioning of the Whistleblowing Channel



Reports received in 2014

- Harassment 8%
- Working conditions 12%
- Appropriation 9%
- Third-party commitments 4%
- Unrelated issues 56%
- Not valid 11%

- Intranet 24%
- Internet 62%
- Mailbox 7%
- Other7%

All reports are investigated by the Whistleblowing Channel Managing Committee, which includes the Director of Internal Audits and the General Director of Human Resources. This Committee meets at least once a month. When a given situation so requires, urgent meetings may also be convened by any member of the Managing Committee, or any other Ferrovial department.

An emergency procedure has been established for any complaints that 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.

Additionally, Ferrovial has a corporate procedure in place to protect the company's business assets and prevent fraud. This document was updated in 2012 in order to prevent any illegal conduct that may harm the company.

The updated version of Ferrovial's Code of Business Ethics includes a specific commitment to complying with certain applicable laws, such as:

- **Relationships with the public sector:** Ferrovial's business is highly dependent on relationships with governments in the countries where it operates. Consequently, Ferrovial is committed to maintaining open and honest communications with its governmental partners. Employees who liaise with governments in representation of Ferrovial must ensure that all communications, both direct and via intermediaries, are precise and abide by all legal and regulatory requisites, including those concerning pressure groups and anti-corruption.
- **Anti-corruption laws:** Ferrovial demands compliance with all applicable laws that forbid bribery, especially bribes to government officials, including the Spanish Penal Code, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act or any other applicable anti-corruption legislation. This is bolstered by the new Anti-Corruption Policy approved by the company in 2014.
- **Use of privileged information:** Ferrovial demands that its employees make discreet and professional use of any information concerning the Group to which they have access, and only for the purposes of performing their duties. Employees affected by the Internal Code of Conduct on Securities Markets at Ferrovial S.A. and its Group of Companies may not acquire or sell (for their own benefit or that of a related individual), and may not recommend to third parties that they acquire or sell, securities in Ferrovial, S. A., its subsidiaries or any other company listed on any stock market, based on relevant unpublished information. This includes any information that an investor may consider relevant when buying, selling or retaining securities. Furthermore, these employees may not provide relevant unpublished information to third parties who may acquire or sell securities based on this information.
- **Anti-money laundering law:** Employees must comply with all legislation against money laundering, do business only with partners who have good reputations and receive funds only from legitimate sources. Employees must take all reasonable measures to detect and prevent unacceptable or suspicious means of payments, and report any suspicions or concerns that they might have directly to their manager or via the appropriate channels.
- **Accurate accounts and records:** Ferrovial subsidiaries across the world must implement accounting practices that ensure accurate accounts and record keeping.

The Ferrovial Competition Policy requires compliance with all applicable competition legislation, particularly that in Spain, the European Union and the United States of America.

Each employee is responsible for ensuring that they are not in breach of any such law. Should they be aware of or have grounds to suspect any violation of this policy, their superior must be notified immediately or the same must be reported via the whistleblowing channel or any other similar notification system available.

The main risk areas in terms of breaching competition laws in most countries are: price fixing between competitors; meetings of professional organizations; restraint of trade clauses; boycotts, mergers and acquisitions; allocation of markets; exclusivity clauses; abusive prices.

CORPORATE GOVERNANCE

Corporate Governance[1]

Ferrovial's corporate governance is underpinned by three key values: efficiency, integrity and transparency. All three are essential for building trust, managing potential risks and generating value for shareholders.

Efficiency

- Regular independent evaluation by the Board of Directors
- Periodic analysis of domestic and international good governance best practices and regulations.

Integrity

- 50% of Board of Directors are independent members.
- Compliance with recommendations of the Unified Code of Good Governance.

Transparency

- Publication of Annual Corporate Governance Report.
- Publication of Annual Board of Directors' Remuneration Report.
- Publication of Audit and Control Committee activities, including results (see appendix: Audit And Control Committee Report).

Structure

- General Meeting of Shareholders
- Board of Directors
  - Executive Committee
  - Audit and Control Committee
  - Appointments and Remunerations Committee

Ferrovial observes the standards and principles of domestic and international best practices in relation to good corporate governance, as adapted to the Company's nature, structure and evolution.

12 members

1 lead director

50% independents

3 years board members reelected

8.3% female Board members

95.8% board attendance to total votes

5 meetings of Audit and Control Committee in 2014

42.2% voting rights assigned to Board of Directors

[1] Describes the situation in the 2014 financial year up to the introduction of Law 31/2014 (December 3), amending the Spanish Corporations Act with a view to improving corporate governance.

Board of Directors

MAIN DUTIES: To supervise Ferrovial's activity with a view to ensuring that the business mission is achieved, while striving to protect the Company's general interests and create value for all shareholders.

Directly or through its committees, the Board of Directors remains abreast of a series of issues that require decisions on the same. These include:

- Approving strategic guidelines, management objectives and Ferrovial's annual budget.
- Approving policies on different issues.
- Appointing and dismissing the Company's CEO.
- Deciding on the remuneration of Executive Directors.
- Drawing up financial statements.
- Approving strategic investments or operations, except when these must be approved by the AGM.
- Approving the creation and acquisition of holdings in companies with registered offices in a tax haven, or special purpose entities that may affect the group's transparency.
- Granting exemptions and other permissions regarding the duties of board members.

Executive Committee

MAIN DUTIES

- Monitoring Ferrovial's financial, commercial and investment strategy.
- Has been delegated all powers corresponding to the Board of Directors, except for powers that cannot be delegated for legal or statutory reasons.

Appointments and Remunerations Committee

Comprised of Independent Members.

MAIN DUTIES

- To recommend the appointment of Independent Members and report on proposed appointments for other Members.
- To recommend the Lead Director and Members of each Committee.
- To analyze the process for orderly succession of Chairman and CEO.
- To notify of the appointment or dismissal of executives reporting to CEO.
- To propose the system and amount of annual remuneration for Directors.
- To report on contracts and remuneration of senior executives.

Audit and Control Committee

Comprised of four External Members.

MAIN DUTIES

- To recommend appointment of external financial auditors.
- To establish appropriate measures for controlling the provision of consultancy services by external auditors.
- To act as a communications channel between the Board of Directors and external auditors, and assess audit results.
- To recommend the selection, appointment, reelection or replacement of the Director of Internal Audits.
- To supervise internal audit services.
- To supervise information for approval by Board of Directors.
- To assist the Board in ensuring the correctness and reliability of periodic financial information.
- To analyze and assess main business risks and their management and control systems.
- To set up and supervise a system that allows any employee to confidentially and, if so desired, anonymously report inappropriate situations within Ferrovial.
- To report creation and acquisition of holdings in companies whose registered office is in a tax haven.
- To supervise compliance with internal regulations on corporate governance and conduct in securities markets.
- To understand and supervise the efficacy of internal control at the company.

6.2. REMUNERATION PRINCIPLES & POLICY FOR DIRECTORS

Ferreries bypass, Menorca. Spain

REMUNERATION PRINCIPLES & POLICY FOR DIRECTORS

A combination of talent and commitment has been a cornerstone of the company's success. Its remuneration policy aims to attract, retain and secure the commitment of the best professionals to achieve the company's long-term goals. The following were taken into account when establishing this policy: the economic climate, company results, group strategy, legal requirements and market best practices. The aim was to create a competitive remuneration policy in the benchmark markets where the company operates.

The remuneration policy is based on the following principles and criteria:

Principles :

- Creating long-term value by aligning remuneration systems with the Strategic Plan.
- Attracting and retaining the finest professionals:
    - o External remuneration competitiveness, referring to the market by means of analysis of comparable sectors and companies.
    - o Periodic involvement in plans linked to this activity and connected with achieving certain profitability metrics.

- Responsible objective compliance, pursuant to the risk management policy.
- Transparency;
- Reasonable balance between fixed remuneration components (short term) and variable components (annual and long term), reflecting appropriate risk assumption in combination with objective attainment.

Internal criteria for defining remuneration policies for Executive Directors:

- Breakdown of remuneration into fixed and variable elements.
- Associating variable elements with the achievement of corporate objectives.
- Alignment with Ferrovial's objectives via:
    - o Periodic involvement in plans linked to this activity and connected with achieving certain profitability metrics.
    - o In some cases, recognition of a deferred remuneration item.
    - o Not accepting pension commitments.
- Applicable regulations.
- Objectives enshrined in the Group's Strategic Plan, making it possible, for example, to define metrics that should be linked with annual variable remuneration and medium-/long-term remuneration.
- Market data: Ferrovial follows the market's best remuneration practices and refers to studies by prestigious firms.

Article 34 of the Board's Regulations states the following in relation to the remuneration policy for directors:

- Remuneration for External Directors shall be determined so as to adequately compensate for the dedication required by the position without comprising their independence.
- Variable formulas shall ensure a correlation with the professional performance of beneficiaries and shall not depend solely on external factors.
- Formulas comprising the delivery of shares, options, share-linked instruments or instruments linked to the Company's performance shall only apply to Executive Directors.
- The Board will draw up an annual report on the remuneration of its Directors, in compliance with applicable regulations; this report will be sent and submitted for advisory vote at the AGM, as a separate item on the agenda.

The Annual Board of Directors' Remuneration Report is available via www.ferrovial.com

GENERAL PRINCIPLES OF THE REMUNERATION POLICY FOR EMPLOYEES

Ferrovial's commitment to its employees and to retaining talent is evident in its remuneration policies. These are established in accordance with criteria regarding competitiveness in the leading markets in which it operates, and include fixed remuneration and short-term variable remuneration (annual) adjusted to local markets. Company management, in particular the Remuneration and Benefits Department, monitors compliance with confidentiality requirements and ensures that its remuneration policy is compliant with internal and external equality standards.

Ferrovial considers variable remuneration to be a key element of its remuneration policy, as this drives value creation in each of the company's divisions, rewarding individual, team and group contributions. The variable remuneration system covers 19% of the workforce. Including structural personnel, i.e. personnel not subject to contracts, it would account for 100% of the workforce.

Ferrovial believes that the current annual variable remuneration system is appropriate for the company's goals. These indicators are linked to performance and the achievement of specific financial, industrial and operational targets, which are pre-established, quantifiable and coherent with the company's strategy.

Quantitative targets: the weighting of these targets is established subject to the employee's level at the company and is comprised of metrics to guarantee a good fit between financial and operational aspects (net profit, cash flow) at the company, division and department in question.

Qualitative targets: this type of target has a set and less significant weighting in incentives, and is linked to individual performance appraisal.

In addition, work has been ongoing during the year on the "12,000 Plan", a remuneration package that pays a proportion of variable remuneration in company stock and which any employee with a variable remuneration system is eligible to join.

This year, the 2nd Long-term Remuneration Plan was approved, affecting 350 people globally. Ferrovial's policy on long-term variable remuneration is based on the following principles:

- Alignment with shareholder interests, through plans based on actions and metrics linked to value creation for the shareholder.
- Use of more than one metric, ensuring an overview of all results obtained.
- Use of a relative metric to allow the company's results to be compared against a group of similar companies.
- Measurement periods that last at least three years.

FLEXIBLE REMUNERATION

Ferrovial offers a Flexible Remuneration Plan, under which an employee's existing remuneration package can be voluntarily amended in accordance with personal needs, replacing a proportion of their remuneration with certain products in order to optimize cash flow, supporting the provision of certain services (computer equipment, health insurance, vehicle renting, nursery vouchers, life and accident insurance, transport pass) via the company, potentially at more competitive prices thanks to the company's size.

Executive Directors Remuneration (thousand €)	Fixed remuneration	Variable remuneration	Share option/award schemes [1]	Others[2]	Total
Rafael del Pino y Calvo-Sotelo	1,175	2,128	2,054	6	5,363
Joaquín Ayuso García [3]	0	0	1,372	5	1,377
Íñigo Meirás Amusco	970	1,910	2,187	3	5,070
TOTAL	2,145	4,038	5,613	14	11,810

(1) In March 2014, since the agreed conditions had been complied with in full, a number of shares equivalent to the units allocated in 2011 were delivered, after the relevant withholdings were performed. The CNMV was notified thereof on 18 March 2014.

(2) Directorships of other subsidiaries and insurance premiums

(3) Joaquín Ayuso has exercised rights on the 2008 Stock Options Plan. This plan, under which he still retains rights, was granted to him when he was Executive Director.

Senior Management Remuneration (thousand €)	2014
Fixed remuneration	4,472
Variable remuneration	5,360
Share option/award schemes	10,771
Others (*)	36
TOTAL	20,639

(*) Directorships of other subsidiaries and insurance premiums

6.3. BOARD OF DIRECTORS

Chairman

Rafael del Pino

Executive and Proprietary Director ●

Civil Engineer (Polytechnic University of Madrid, 1981). MBA (Sloan School of Management, MIT, 1986). Chairman of Ferrovial since 2000 and CEO since 1992. Chairman of Cintra from 1998 to 2009. Member of the MIT Corporation, member of the International Advisory Board of Blackstone, IESE and MIT Energy Initiative, and of the Harvard Business School and MIT Sloan European Advisory Boards. He has been Director of Banesto and Uralita.

Deputy Chairmen

Santiago Bergareche

Independent ● ●

Graduate in Economics and Law (Deusto University). Director of Ferrovial since 1999. He joined Ferrovial in 1995 as Chairman of Agroman; from February 1999 to January 2002 he was CEO of Ferrovial. Chairman of Dinamia Capital Privado and CEO of Vocento, Maxam, and Deusto Business School. Has been Chairman of Cepsa, Managing Director of Banco Bilbao Vizcaya Argentaria (BBVA), and Chairman of Metrovacesa.

Joaquín Ayuso

External ● ●

Civil Engineer (Polytechnic University of Madrid). He joined Ferrovial in 1982; appointed Managing Director of Construction in 1992. CEO of Ferrovial Agroman between 1999 and 2002. He was CEO of Ferrovial and Deputy Chairman of Cintra between 2002 and 2009. Director of Bankia and National Express Group. Member of the Advisory Board of the Benjamin Franklin University Institute for North American Research and member of the Advisory Board of A.T. Kearney for Spain and Portugal. Former Director of Holcim España, S.A.

CEO

Íñigo Meirás

Executive ●

Degree in Law from (Complutense University, Madrid), MBA from Instituto de Empresa. CEO of Ferrovial since 2009. Joined Ferrovial in 1992. Former Managing Director of Autopista del Sol and Director of Toll Roads for Cintra. CEO of Ferrovial Services from 2000 to 2007; after that, CEO of Ferrovial Airports. Formerly, he worked with the Holcim Group and Carrefour Group.

Directors

Jaime Carvajal

Independent ● ●

Graduate in Law (Complutense University, Madrid); Master's Degree in Economics from Cambridge University. Director of Ferrovial since 1999. Special Partner of Advent Internacional. Chairman of ABB (Spain); Director of Aviva (Spain) and Maxam. He has been Chairman of Ford España and Ericsson España and Director of Telefónica, Repsol YPF and Unión Fenosa.

Portman Baela, S.L.

External Proprietary ●

Proprietary Director represented by Leopoldo del Pino

Graduate in Civil Engineering (Politécnica University, Madrid); MBA from INSEAD. Representative of Portman Baela, S.L. on the Ferrovial Board since 2010. Sole Administrator of Estacionamientos Iberpark, S.A. and member of International Advisory Board of INSEAD. Among his previous positions are: Executive Vice-Chairman of Empark and Vice-Chairman of its Executive Committee; Director and member of the Executive Committee of Ebro Foods; Country Manager for Spain and member of the Management Committee of Cintra; Chairman of Ausol, Autema, Autopista Madrid Levant, Autopista Alcalá O'Donnell and Esli; Chairman of ANERE; Vice-Chairman of ASESGA; Vice-Chairman of Autopista Trados 45 and of EULSA; Director of AUSSA and EGUISA; Managing Director of Cintra Aparcamientos and Dornier, and Managing Director of Industry, Energy and Mining in the Madrid Regional Government.

Juan Arena

Independent ● ●

PhD in Engineering from ICAI, Graduate in Business Studies from ICADE, Degree in Psychology, Diploma in Fiscal Studies and the AMP at Harvard Business School. Director of Ferrovial since 2000. Director of Laboratorios Almirall, Everis, Meliá Hotels International, PRISA and PANDA. Chairman of Fundación SERES, Chairman of the Advisory Board of Consulnor and Marsh, Member of the Advisory Board of Spencer Stuart, the Professional Council at ESADE, and the European Advisory Board at Harvard Business School. Director of Deusto Business School and Senior Lecturer at Harvard Business School (2009-2010). Former CEO and Chairman of Bankinter and Director of TPI and Dinamia.

María del Pino

External Proprietary ●

Graduate in Economics and Business (Complutense University, Madrid); PDD from IESE. Director of Ferrovial since 2006. Chairwoman of the Rafael del Pino Foundation. Rotation Chairwoman/Vice-Chairwoman of the Board of Directors of Casa Grande de Cartagena, S.L.U. Princesa de Asturias Member of the Board of Trustees. Member of the Boards of Trustees of the Codespa Foundation and of the Scientific Foundation of the Spanish Association Against Cancer. Former member of Governing Board of the Association for Management Progress (APD).

Santiago Fernández Valbuena

Independent ●

Graduate in Law (Complutense University, Madrid) and PhD and Master's in Economics from Northeastern University of Boston. Director of Ferrovial since 2008. Strategy Manager at Telefónica; Chairman of Fonditel and Director of Telefónica S.A. since 2012. Former Chairman of Telefónica Latinoamérica; Managing Director of Strategy, Finance and Development at Telefónica, Managing Director of Société Générale Valores and Stock Market Manager at Beta Capital; Professor of Applied Economics at Complutense University and Professor at Instituto de Empresa.

José Fernando Sánchez-Junco

Independent ● ●

Lead Director

Graduate in Industrial Engineering from the Polytechnic University of Barcelona. ISMP graduate of Harvard Business School. Member of the State Industrial Engineer Service. Director of Ferrovial since 2009. Director of Cintra from 2004 to 2009. Chairman and Managing Director of Maxam Group. Former Director General for the Iron, Steel and Shipbuilding Industries and General Director for Industry at the Ministry of Industry and Energy.

Karlovy, S.L.

External Proprietary Director represented by Joaquín del Pino

Graduate in Economics and Business; MBA from IESE. Representative of Karlovy, S.L. on the Ferrovial Board since 2010. Rotating Chairman/Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.L.U. Legal representative of Soziancor, S.L.U. Chairman of the Board of Directors of Pactio Gestión, SGIIC, S.A.U. Member of the Executive Board of SECOT and member of the Board of Trustees of the Rafael del Pino Foundation and Plan España Foundation. Former Director of Banco Pastor.

Howard L. Lance

Independent

Graduate in Industrial Engineering from Bradley University. MBA from Krannert School of Management, Purdue University. Director of Ferrovial since 2014. Advisor to The Blackstone Group. Chairman of Summit Materials, Inc. Chairman of Emdeon, Inc. Former Chairman and CEO of Harris Corporation, Director of Stryker, Inc., and Director of Eastman Chemical Company.

Secretary

Santiago Ortiz Vaamonde

Spanish State Attorney; PhD in Law from Complutense University, Madrid. General Secretary of the Board of Directors of Ferrovial since 2009. Former partner in Trial Law, Public Law and Regulatory Law at Cuatrecasas and Ramón y Cajal; Agent for the Kingdom of Spain before the Court of Justice of the European Communities; professor at the Diplomatic School and at the Carlos III University.

COMMITTEES ● Executive Committee ● Audit and Control Committee ● Appointments and Remunerations Committee

6.4. MANAGEMENT COMMITTEE

1 Íñigo Meirás
CEO

Bachelor's Degree in Law and MBA from the Instituto de Empresa. He joined Ferrovial in 1992 and was Managing Director of the Autopista del Sol and Toll Roads Director at Cintra until November 2000. Between 2000 and 2007 he headed the expansion of Ferrovial Services as Managing Director, later as CEO, and in 2007 he was appointed CEO of Ferrovial Airports. He served as Group Managing Director of Ferrovial from April to October 2009, when he was appointed CEO.

* See CV on previous page

2 Jaime Aguirre de Cárcer
Chief Human Resources Officer

Graduate of Law and Business Management (ICADE-ICAI) Between 1990 and 2000, he held several positions of responsibility in Schweppes, S.A., including Joint General Director and Director of Human Resources. Prior to this, he was Director of Human Resources at Smithkline Beecham. He joined Ferrovial in 2000 as General Director of Human Resources

3 Alejandro de la Joya
CEO of Ferrovial Agroman

Civil Engineer. He joined the company in 1991. Over the course of his career, he has worked in Spain, Morocco, Italy and Portugal, and later as Director for Poland (Budimex). In 2005, he held the post of Foreign Business Director and in 2007 was Head of International Construction. In 2008, he was appointed CEO of Ferrovial Agroman.

4 Enrique Díaz-Rato
CEO of Cintra

Degrees in Civil Engineering and Economic Sciences, as well as an MBA from the EOI. He joined Ferrovial in 2001 as Managing Director of Cintra Chile. In 2004, he was appointed General Manager of 407 ETR Toll Road (Toronto, Canada) and, in April 2006, became Toll Road Director for USA, Canada, Chile and Ireland. In July 2006, he became CEO of Cintra.

5 Álvaro Echániz
CEO of Ferrovial FISA (real estate division)

Bachelor's Degree in Business Studies. He joined Ferrovial with the takeover of Agromán, where he held the position of Chief Financial Officer. Between 1999 and September 2002, he was Chief Financial Officer of Cintra. Since 2007, he has been CEO of Ferrovial FISA.

6 Federico Flórez
Chief Information and Innovation Officer (CIIO)

Naval Engineer; Master's Degree in Business Administration and IT Management, PAD IESE, INSEAD Advanced Management Program. Diplomas in Senior Management from Harvard, MIT and Cranfield. He has worked, companies including IBM, Alcatel and Telefónica. He is also CIO of the Bank of Spain. In April 2008, he was appointed Chief Information Officer.

7 Jorge Gil
CEO of Ferrovial Airports

Degree in Business and Law from ICADE University. He joined Ferrovial in 2001 through Cintra, where he led the Department of Corporate and Business Development, working as CEO of the 407-ETR, Chicago Skyway and Indiana Toll Road highways. In 2010, he was appointed Director of Finance and Capital Markets of Ferrovial. He began his career at The Chase Manhattan Bank, where he was part of the Corporate Finance and M&A divisions. In December 2012, he was appointed CEO of Ferrovial Airports.

8 Ernesto López Mozo
Chief Financial Officer

Civil engineer (Polytechnic University of Madrid) and MBA from The Wharton School of The University of Pennsylvania. In October 2009, he was appointed Chief Financial Officer of Ferrovial. Prior to joining Ferrovial, he was the CFO of Telefonica, S.A., General Manager for Finance and Management Control of Telefónica Móviles and the Control and General Resources Managing Director of Telefónica Latinoamérica. Previously ,he was Deputy Chairman in Fixed Income Sales & Trading at JP Morgan. Formerly, he worked for the Treasury Department at Banco Santander. He also worked in civil works prior to obtaining his MBA degree. In October 2009 he was appointed CFO.

9 Santiago Olivares
CEO of Ferrovial Services

Degree in Industrial Engineering (ICAI) and an MBA from MIT. He joined Ferrovial in 2002 as the Business Development Director for the Services Division. He later became the Director of the International division. In May 2007, he was appointed CEO of Ferrovial Services.

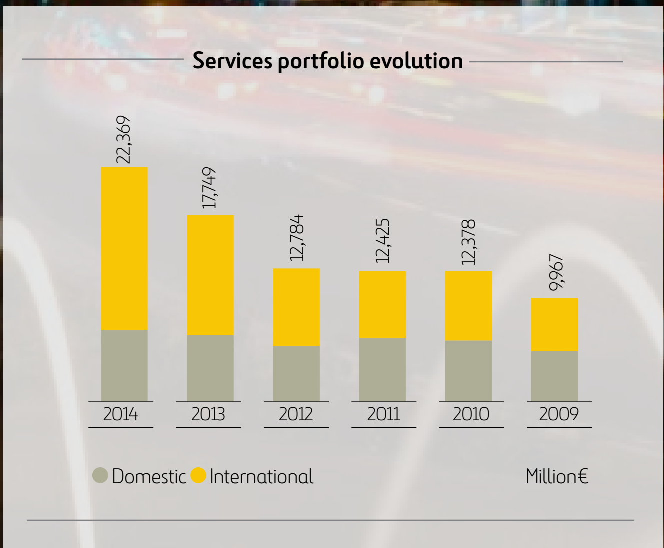
10 Santiago Ortiz Vaamonde
General Counsel

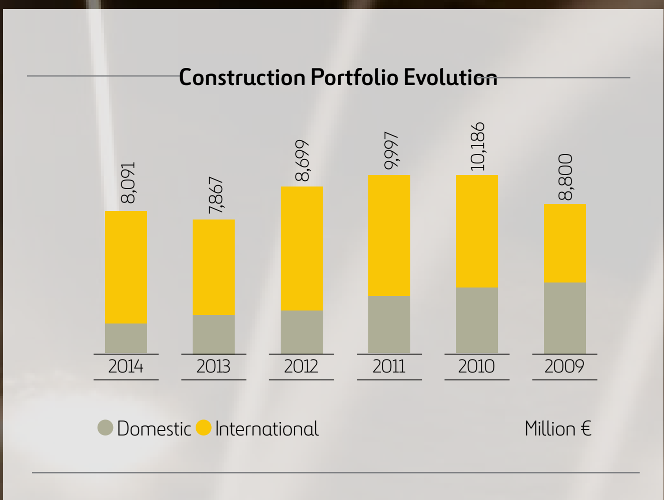
PhD in Law from Complutense University of Madrid and Spanish State Attorney. Prior to joining Ferrovial in 2008 he was a partner of the Cuatrecasas law firm. He has also worked at Ramón y Cajal and as professor at the Diplomatic School and at the Carlos III University.

11 María Teresa Pulido
Director of Corporate Strategy

Bachelor's degree in Economics from Columbia University and an MBA. She has vast experience in the field of strategic consulting (McKinsey) and also in investment banking and private banking (in banks such as Citigroup, Deutsche Bank and Bankers Trust). Member of MIT's Sloan EMSAEB Board. Joined Ferrovial in April 2011, as Director of Corporate Strategy. Since July 2014, she has been a member of the Management Committee of Ferrovial.

7. ANTICIPATED BUSINESS PERFORMANCE IN 2015





MACROECONOMIC VARIABLES

The global economy remains in recovery. According to the IMF, in 2014 global growth stood at 3.3%, the same level as in 2013. This forecast factors in a significant improvement from developed economies, where growth is expected to reach 1.8% in 2014 compared with 1.3% in 2013.

Additional impetus is anticipated in 2015, driving growth to 3.5%, although this forecast is subject to risks due to the fragility of certain advanced economies and prospects of low inflation rates.

The Eurozone has emerged from recession, posting growth of 0.8%, compared to the negative -0.5% growth seen in 2013.

Below are the latest growth estimates from the IMF for the main countries where Ferrovial currently operates:

	IMF growth forecasts 2015
United States	3.6%
United Kingdom	2.7%
Canada	2.3%
Spain	2.0%
Poland	3.3%

During 2015, the main uncertainties are set to concern stimulus measures from the European Central Bank and their impact on growth in the Eurozone, as well as accelerating growth in the United States and the effect of the gradual rolling back of Federal Reserve stimulus programs.

SERVICES

2015 is an electoral year in the United Kingdom, which will mean a slight downturn in the volume of contracts tendered in the year. However, the business success recorded in 2013 and more so in 2014 permits optimism over the coming year. Furthermore, the merger of Amey and Enterprise is set to be completed, with all operations planned as part of the merger coming to an end and all forecast synergies being generated, just as has been the case since Enterprise was acquired in April 2013.

In Spain, the year will be shaped by municipal, regional and general elections. These elections should have a limited impact on both the backlog and order intake, as no significant contract renewals are due to be tendered. In terms of key operating variables, in line with the improving macro prospects for the country, a recovery is expected from both urban and industrial waste volumes.

The focus in 2015 will remain on further driving regional diversification: on the one hand, driving and consolidating short-term growth in countries where the group already has critical mass, such as Chile and Poland; on the other, boosting the firm's presence in other regions, such as Australia and the USA, where the company is operating via road maintenance contracts and where work is ongoing to identify potential acquisitions.

TOLL ROADS

Toll road traffic is expected to perform well in 2015, thanks to an improved macro-economic scenario and growth prospects in most regions where Cintra operates. This evolution would drive up the profitability of the various assets in operation.

Regarding the 407ETR (Cintra's main asset), the company is working to sustain growth in terms of earnings, dividends and financial solvency. To this end, it will continue to concentrate its efforts on improving the foundations for such growth: the customer experience and perception of the toll road in the community that it serves, as well as enhancing the operational efficiency of the business.

The Managed Lanes projects in the United States will have a larger impact on Cintra results due to the first full-year of operations for the NTE toll road, and the launch of the LBJ toll road.

Progress is due to be made in 2015 to restructure the debt of the SH 130 toll road completion of the Indiana Toll Roads. In Spain, a definitive solution is still pending for the two Spanish toll road operators, R4 and Madrid Levante, which have been in bankruptcy since 2012. Cintra is currently evaluating the impact that said concession change might have.

In the short and medium terms, an uptick in development activity is expected in international target markets (North America, Europe, Australia and Latin America). During 2015, Cintra will bid for further projects in regions where it already operates, such as USA, Canada and Europe. Likewise, it will monitor any opportunities that may emerge in new markets such as Australia or specific Latin American countries (mainly Colombia, Peru, Mexico and Chile).

CONSTRUCTION

Looking at the Construction business, turnover is expected to hold stable in 2015, offsetting growth in the international business with a further decline from activity in Spain. The portfolio as of year-end 2014 was up to 8,091 million euro thanks to the international business, which represented 76% of the total, the highest percentage on record.

In Spain, activity levels are expected to decline in 2015, despite an economic recovery getting underway and an uptick from public tenders during 2014, as the market remains unstable. The company's portfolio as of year-end 2014 had decreased, with the emphasis now being placed on selective order intake, prioritizing profitability over volume.

Internationally, expectations are good for the company's strategic markets.

In North America, the third and final phase of construction for the LBJ toll road project in Texas is set be completed, following the successful inauguration of the NTE toll road, also in Texas, several months ahead of schedule in 2014. In 2015, new projects awarded in 2014 are set to get underway, such as the I-77 toll road in North Carolina, and the 2nd phase of the 407 ETR East toll road in Canada, for which we were designated as preferred bidder in early 2015.

In Poland, the company's turnover is set to grow thanks to good orders for roads in 2014, linked with the new European funds available in Poland in the 2014–2020 framework, and works on energy generation and industrial plants, which include the Turow power plant.

Activity levels are also set to grow in the United Kingdom, supported by projects as part of the new infrastructure plan, with the company's portfolio growing as of year-end 2014 thanks to projects such as the extension of the London Underground's Northern Line.

In Australia, toward the end of 2014, work began on the company's first major contract, the Warrell Creek stretch to Nambucca Heads of the Pacific Highway, which should ensure good production levels in 2015.

In these and other markets where Ferrovial has a stable presence, such as Latin America (Chile, Colombia, Brazil, Peru and Mexico) and the Middle East, there is a significant pipeline of complex infrastructure projects that are set to be tendered in 2015. Ferrovial's capabilities make it a strong candidate for such projects, in which the company may also benefit from partnership with investing divisions within the group, mainly Cintra and Ferrovial Airports.

AIRPORTS

The sector is seeing a number of airport infrastructure privatizations. Tender activity will continue in 2015.

The IATA's latest forecast for world passenger traffic indicates a 31% increase between 2013 and 2017, continuing the positive performance seen in recent years.

Looking at Heathrow, the main challenges in 2015 will be:

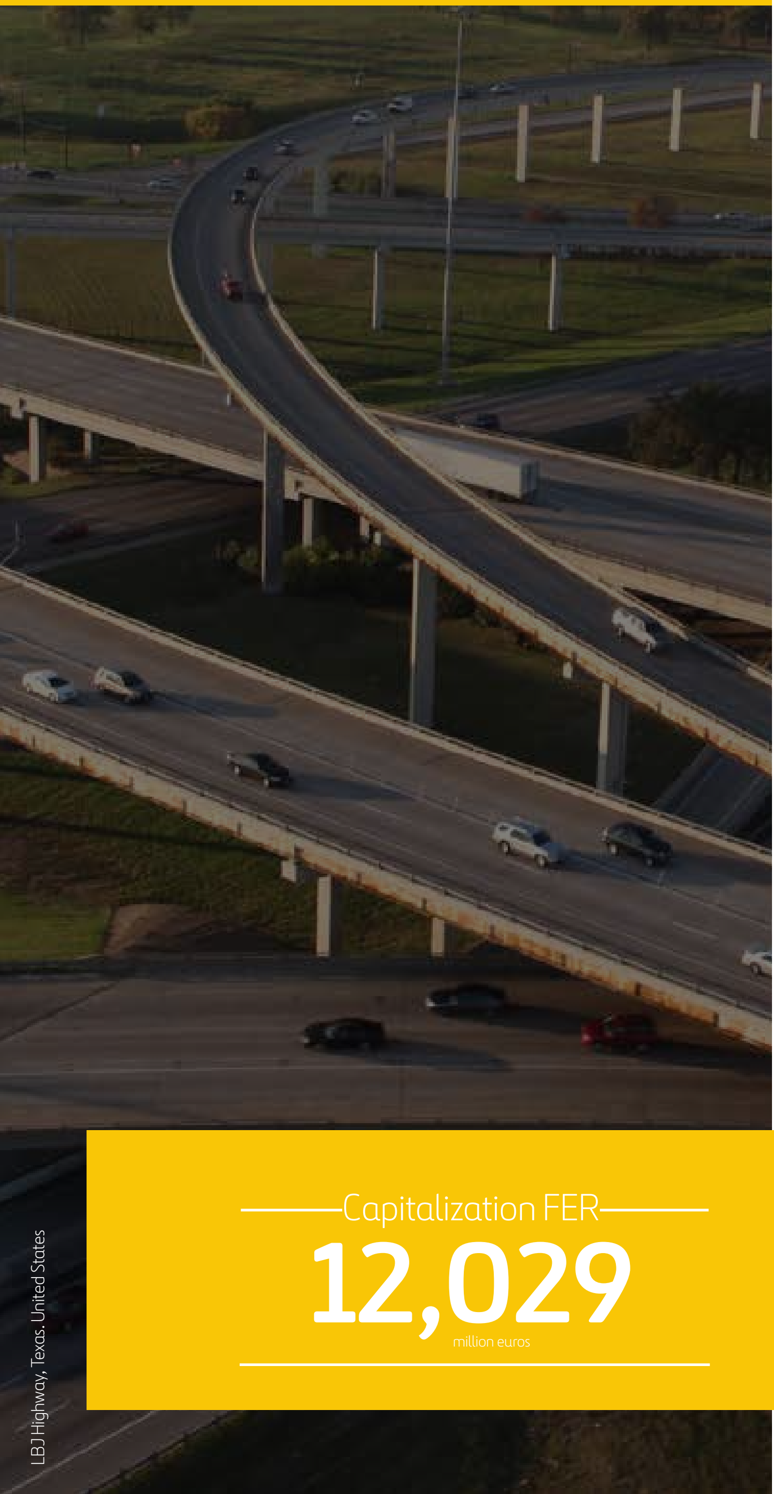
- Implementing a business plan to help overcome the demanding regulatory ruling from the Civil Aviation Authority (CAA) for the 2014-2018 regulatory period.
- Achieving continuous operational improvement and seeking excellence in passenger experience. This will help us further improve our ASQ scores (passenger satisfaction indicators).
- Increasing support and backing for the proposal to build a third runway at Heathrow.

In 2015, Ferrovial Airports will work on integrating the airports of Glasgow, Aberdeen and Southampton. Ferrovial now controls 50% of their capital directly, having previously controlled 25% indirectly, via Heathrow Airport Holdings (HAH).

8. ADDITIONAL INFORMATION

This section includes the information:

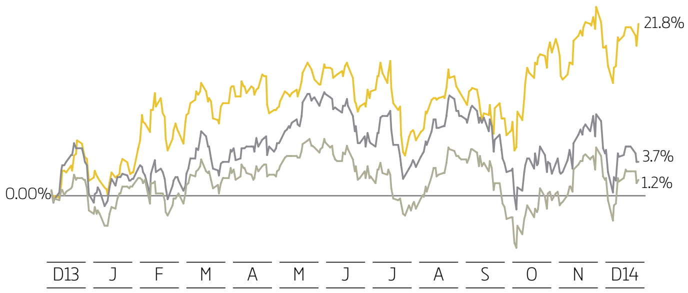
· Stock market performance (2014)
· Shareholder returns
· Subscribed capital stock and shareholding structure
· Treasury stock
· Average payment period
· Events after the close



LBJ Highway, Texas. United States

SHARE PRICE PERFORMANCE

Stock market performance (2014)



IBEX35 Eurostoxx-50 Ferrovial

Source: Bloomberg

This chart shows the percentage variations, both for the company and indices. It shows the Total Shareholder Return, including dividend yield.

Price summary 2014

	2014
Price as of December 31, 2014 (in €)	16.43
Maximum price: Jan.-Dec. 2014	16.72
Minimum price: Jan.-Dec. 2015	13.34
Stock Market capitalization (in millions of euro)	12,029
Weighted average price in 2014	15.06
Average daily volume in number of shares	2,720,462

Performance vs. benchmark indices

	1 year	3 years	5 years
Ferrovial	22%	118%	185%
IBEX - 35	9%	43%	15%
Eurostoxx-50	4%	49%	25%
Madrid, Basic Mat. and Construction	9%	25%	-1%
Eurostoxx-Construction & Materials	4%	54%	22%

*Data adjusted for dividend payments in all cases except for the Madrid, Construction and Materials Index

Capitalization FER

12,029

million euros

Share performance FER

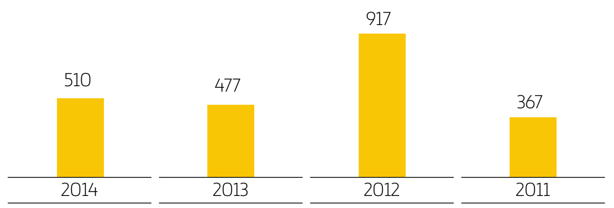
+22%

*Total al shareholder return in 2014

SHAREHOLDER RETURN (MILLION €)

Ferrovial is committed to a shareholder remuneration policy that allows the company to retain its corporate rating and maximize shareholder value.

Shareholder return (Million €)



In line with policies followed by national and international companies, Ferrovial offers its shareholders an alternative form of remuneration from the Company, a scrip dividend. While they may still receive their total annual return in cash, shareholders may also receive Company stock with all the tax rules applicable to paid-up shares.

On June 26, the Annual General Meeting agreed to replace the traditional final dividend for financial year 2013 with this new return system; € 0.291 per share were paid in July 2014. 44.32% of free allocation right holders chose to receive new Ferrovial shares.

Also approved at the AGM, the second "Ferrovial Scrip Dividend" program was implemented in November (2014 interim dividend), representing a € 0.381/share return. On this occasion, the holders of 44.55% of free allocation rights chose to receive new Ferrovial shares.

As part of its shareholder remuneration strategy, the Company also acquired 15,067,543 of its own shares in 2014 for subsequent cancelation.

In July 2014, the rating agency Fitch upgraded the corporate credit rating for Ferrovial, S.A. from "BBB-" to "BBB", with stable outlook.

Credit rating FER

BBB	BBB
Standard & Poor's	Fitch

SUBSCRIBED CAPITAL STOCK AND SHAREHOLDING STRUCTURE

The capital stock of € 146,477,834.80 is currently subscribed and paid up. It comprises 732,389,174 single class ordinary shares with a nominal value of twenty euro cents (€ 0.20) each.

As of December 31 2014, Karlovy, S.L. owned a stake of 41.118% in the capital stock of Ferrovial, S.A. (directly, 0.002% and indirectly, through Portman Baela, S.L., 41.116%). The Controlling Company's shares are traded on the Continuous Market (SIBE) and Spanish stock markets, with equal voting and economic rights.

As of December 31 2014, the company's share premium amounts to 1,202 million euros and the merger premium, from the merger between Grupo Ferrovial S.A. and Cintra in 2009, has a balance of 1,215 million euros.

Shareholding structure

43,01%	57,0%
Controlling shareholder	Free float

Controlling Company shares are traded on the Continuous Market (SIBE) and Spanish stock markets, with equal voting and economic rights.

Ferrovial valuation by region

83%	17%
International	Spain

*Based on the valuation of Ferrovial fundamental analysts as of December 31 2014, published in the last 90 days

TREASURY STOCK /SHARE REPURCHASE PROGRAM

Listed below are the main treasury stock operations carried out by the company in 2014.

I. Operation carried out/Target	Number of shares	% capital	Nominal (million euros)	Amount paid (million euros)	Number of shares applied to the target	Total number of shares 31.12.2014
Purchase of treasury stock for subsequent capital reduction through repayment approved by the Annual General Meeting held on June 26	15,067,543	2.05%	3.01	235 M	-15,067,543	-
Purchase of treasury stock to honor the scheme for remuneration through delivery of shares	3,583,801	0.49%	0.72	56 M	-3,583,801	-
Shares received as scrip dividend payment (*)	245,821	0.03%	0.05	-		245,821
II. CLOSING BALANCE DEC. 31 2014 245.821						**245,821**

(*) Shares received as scrip dividend payment for the treasury stock held by the company at the time of dividend payout.
The market value of the treasury stock at the close of 2014 amounts to € 4 M.

AVERAGE PAYMENT PERIOD

Reporting obligation set out in additional provision 3 of Act 15/2010 in relation to payment to suppliers

In compliance with the obligation to disclose the "average period of payment to suppliers" provided for in Additional Provision Three of Law 15/2010 (as amended by Law 31/2014), the Company hereby discloses that the average period of payment to suppliers of all the Group companies domiciled in Spain in 2014 was 53 days.

At the date of preparation of these Annual Financial Statements, and having not issued the Institute of Accounting and Audit the resolution required in paragraph 4 of the Additional Provision Three of Law 15/2010, for developing the methodology for calculating the average payment period, for the purposes of this calculation there have been considered the days since the date of issuance of the invoice and the payment date, without discounting any management days that usually goes by between the receipt of the invoice and its accounting record.

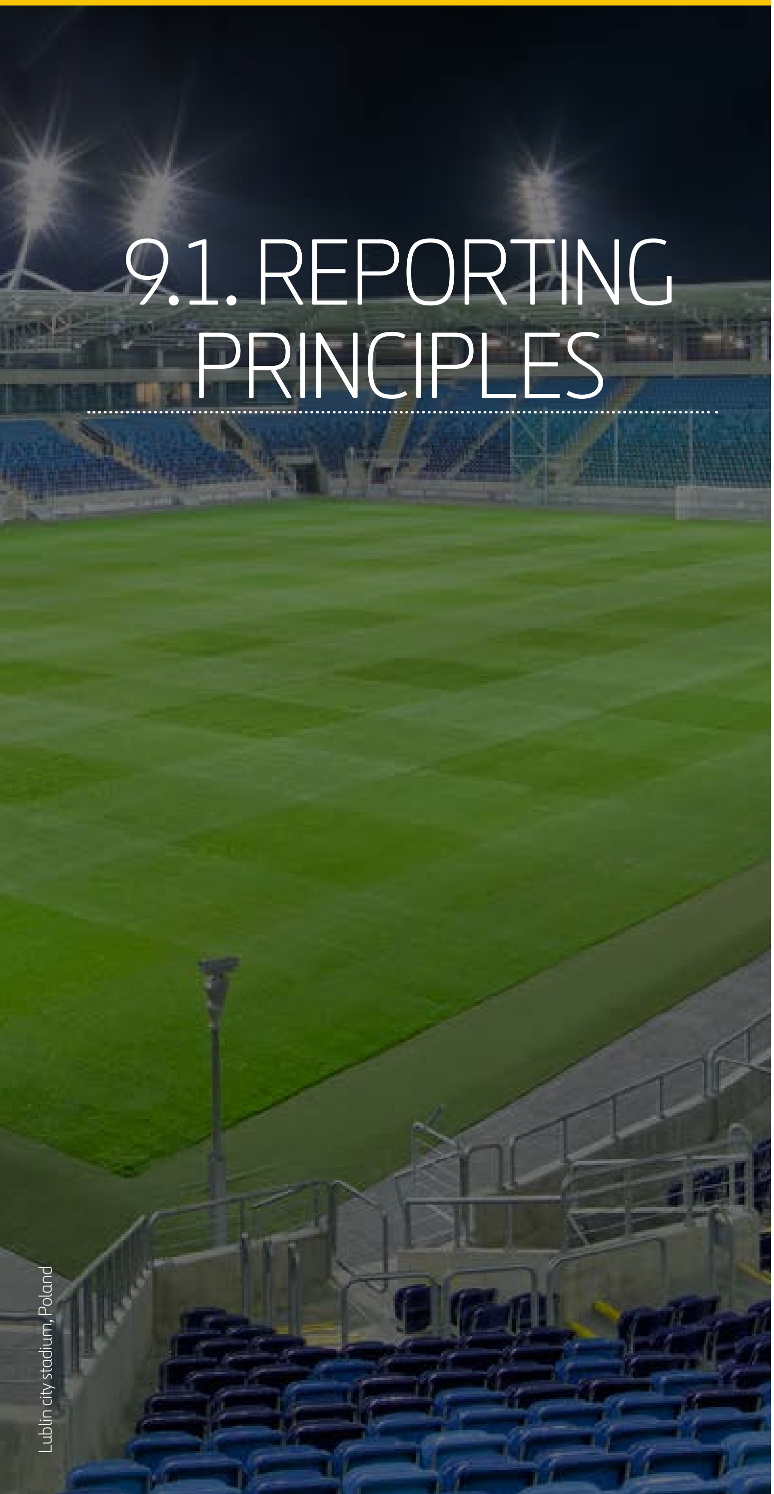
POST-YEAR-END EVENTS

On January 24 2015, the Catalan Government notified Autema of its intention to amend the concession framework for the project, established under Decree 137/1999. The reason for said amendment is explained in note 34 of the annual consolidated financial statements.

Toledo Ecopark, Spain

9. NON-FINANCIAL INFORMATION

9.1. REPORTING PRINCIPLES



Lublin city stadium, Poland

Ferrovial, seeking to follow all the latest reporting trends, generates its non-financial information based on a number of internationally recognized standards, such as the International Integrated Reporting Framework from the International Integrated Reporting Committee (IIRC), the CNMV "Guide for the preparation of management reports of listed companies", the AA1000 Standard and the latest version of the GRI guide (G4).

IIRC Conceptual Framework (International Integrated reporting Council)

Ferrovial has worked on an integrated model for reporting financial, social and environmental information, based on the "International Integrated Reporting Framework" from the International Integrated Reporting Committee (IIRC).

The AA1000 Standard

For the sixth consecutive year, the Corporate Responsibility information has applied the principles of the AA1000 Standard, a key tool for aligning information presented in the Report with stakeholder expectations and the company's materiality. These are explained in a more extensive section on stakeholder relations and the materiality study. The standard is based on three fundamental principles:

- Inclusiveness: This principle analyzes whether the company has identified and understood the relevant aspects of its sustainable performance and presents sufficient information in terms of quality and quantity. For more information, please refer to the "Material Issues" section in this chapter.
- Materiality: The information 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. For more information, please refer to the GRI-G4 Indicators Table.
- Responsiveness: This report includes the information relating to Ferrovial's response to stakeholder expectations.

GRI4 Guidelines

The Report follows Version 4 of the Global Reporting Initiative (GRI) Guidelines. These Guidelines include a series of principles and indicators that aim to establish the report's content, scope and coverage, as well as to ensure the quality of the information disclosed. A table of contents and GRI indicators is included. Ferrovial has declared itself as "In Accordance Comprehensive", based on GRI Guidelines requirements.

GRI Guidelines Principles

- Establishing report contents:
  - Materiality: Aspects that reflect the significant social, environmental and economic impacts had by the organization or those that could have a substantial influence on stakeholder decisions.
  - Stakeholder engagement: Identifying stakeholders and describing in the report how their expectations and interests have been addressed.
  - Sustainability context: Presenting the company's performance within the broader context of sustainability.
  - Completeness: Coverage should enable stakeholders to assess the performance of the reporting organization.

- Establishing the quality of the report:
  - Balance: The report must reflect both the positive and the negative aspects of the company's performance.
  - Comparability: Stakeholders should be able to compare the information over time and with other companies.
  - Accuracy: The published information must be accurate and detailed.
  - Clarity: The information must be presented in a way that is clear and accessible to everyone.
  - Reliability: The information must be of 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 and commitment to stakeholders.

INFORMATION SCOPE

Ferrovial comprises the parent company Ferrovial, S.A. and its subsidiaries and associated companies. Included in non-financial reporting are all companies over which Ferrovial exercises control, which is deemed to mean companies in which Ferrovial holds a stake in excess of 50% (for detailed information on the companies included in the direct scope, see the Consolidated Annual Financial Statements Scope, the appendices of which include a list of dependent companies). 100% of information is reported in such cases, i.e. not in proportion to the percentage held in each company.

Likewise, following the indications of the GRI guide, version G4, Ferrovial will provide information on all indicators and material aspects "external to the organization" to the fullest extent possible, provided that said information is of sufficient quality and always on a separate basis. Ferrovial considers that the more relevant impacts are related to 407 ETR Highway (Toronto, Canada) and on HAH (United Kingdom).

CONSOLIDATION PROCESS

Since 2007, Ferrovial has employed a system for reporting and consolidating Corporate Responsibility information (non-financial reporting).

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 and ratings, the UN Global Compact Progress Report and other observatories or barometers that are kept abreast of Ferrovial's activities.

This reporting process allows us to work on two levels:

- By business: Services, Toll Roads, Construction and Airports.
- Geographic: includes all Ferrovial subsidiaries worldwide.

This scheme means that the data collected can be cross-referenced to obtain the required information.

TRACEABILITY

The consolidation criteria used in the system are unchanged from previous years. All companies have provided their Corporate Responsibility information as of December 2014.

Company	Business Country	Business Country
Data imput (at source)	**Verification**	**Consolidation**
86 companies 291 users 410 indicators	Internal control	Total consolidation

REFORMULATION OF THE INFOR-MATION PRESENTED

The consolidated information included in this Report may show significant variations in terms of comparability, because of changes in the reporting scope.

Changes to the consolidation scope in 2014 do not affect the comparability of the information relative to 2013. Nevertheless, when there is a specific change of scope in any given indicator that affects said comparability, this will be stated in the text of the report.

The principles of the GRI Guidelines (currently in version G4) and the AA1000AS Standard have been used since 2009 as the basis for presenting the information.

Renfe on-board customer services on long-distance and AVE trains. Spain

STAKEHOLDERS

Ferrovial considers stakeholders to be any individual or social group with a legitimate interest in, and affected by the company's current or future activities. This definition includes both internal stakeholders, forming part of the company's value chain (shareholders, employees, investors, customers and suppliers) and considered partners by the company, and external stakeholders, including public authorities, governments, media, analysts, the business community, labor unions, the Third Sector and society in general, starting with the local communities in which the company operates. This relationship is dynamic, because the climate in which the company operates is now changing more rapidly than ever. The company is committed to transparent reporting to the market, by implementing continuous improvements to its communication channels with all stakeholders, on the basis of innovative corporate information that not only includes financial aspects, but also takes into account environmental and social conduct.

Ferrovial's relations with stakeholders are couched in a context of transparency, honesty and professionalism. These are bilateral and interactive relations, seeking to generate common value and mutual benefit.

Ferrovial focuses its efforts on conveying to stakeholders its own high standards of corporate responsibility, based on the principles of the Global Compact. The company is now an international benchmark in terms of commitment to stakeholders, as demonstrated by recognition from the leading sustainability indices, such as the DJSI, FTSE4Good and CDP.

A formal mechanism for dialog, allowing us to read the perceptions of those "whose opinions count", is of vital importance, helping the company to succeed in its operations and to lead in terms of sustainability.

Ferrovial's business is highly dependent on relationships with governments in the countries where it operates. With this in mind, in December 2014 the company's Board of Directors approved the new Code of Business Ethics, which includes a specific section on relations with government bodies. Ferrovial is committed to maintaining open and honest communication with its governmental partners. Employees who liaise with governments in representation of Ferrovial must ensure that all communications, both direct and via intermediaries, are precise and abide by all legal and regulatory requirements, including those concerning pressure groups and anti-corruption.

Ferrovial holds positions of responsibility in bodies promoting

CR at national and international level, such as: SERES, Foretica, Spanish Association for the Global Compact and AEC (Spanish Association for Quality), among others. **For more details, please visit: www.ferrovial.com.**

Regular monitoring of both internal and external stakeholders took place over 2014, enhancing the level of dialog with each and updating our materiality matrix via surveys. Relations with each stakeholder group are detailed in the following table. **For more details, visit: www.ferrovial.com.**

Heathrow's Terminal 5A, departures hall. London, United Kingdom

MATERIAL ISSUES

Ferrovial considers relevant any issue that may have a substantial influence on the opinions and decisions of stakeholder groups, affecting its ability to address existing needs without compromising future generations. In other words, those indicators that are considered priority for attaining the company's strategic goals and that are also relevant for stakeholders, insofar as they address their expectations and enable them to make decisions in relation to the organization.

Performing materiality analysis is one of the key requisites of version 4 of GRI sustainable reporting guidelines. Analysis is also required to monitor recommendations included in the IIRC's conceptual framework for integrated reporting. The purpose of both is to place stakeholders (internal and external) at the heart of the process.

Internal and external factors must be combined when determining the materiality of information:

- **External factors:** The key interests expressed by stakeholders; leading sector issues; domestic and international legislation; risks, impacts and opportunities affecting sustainability as assessed by experts.
- **Internal factors:** The organization's principle values, the opinions of employees, risks, key skillsets at the organization.

Ferrovial updates its materiality matrix every two years. Based on the nature of its operations, the company believes that the issues do not change quickly enough to warrant more frequent updates. Furthermore, the objectives of the Strategic Corporate Responsibility Plan (2016 Plan) are closely linked to the outcome of materiality analysis.

The process is divided into three stages that combine the aforementioned factors:

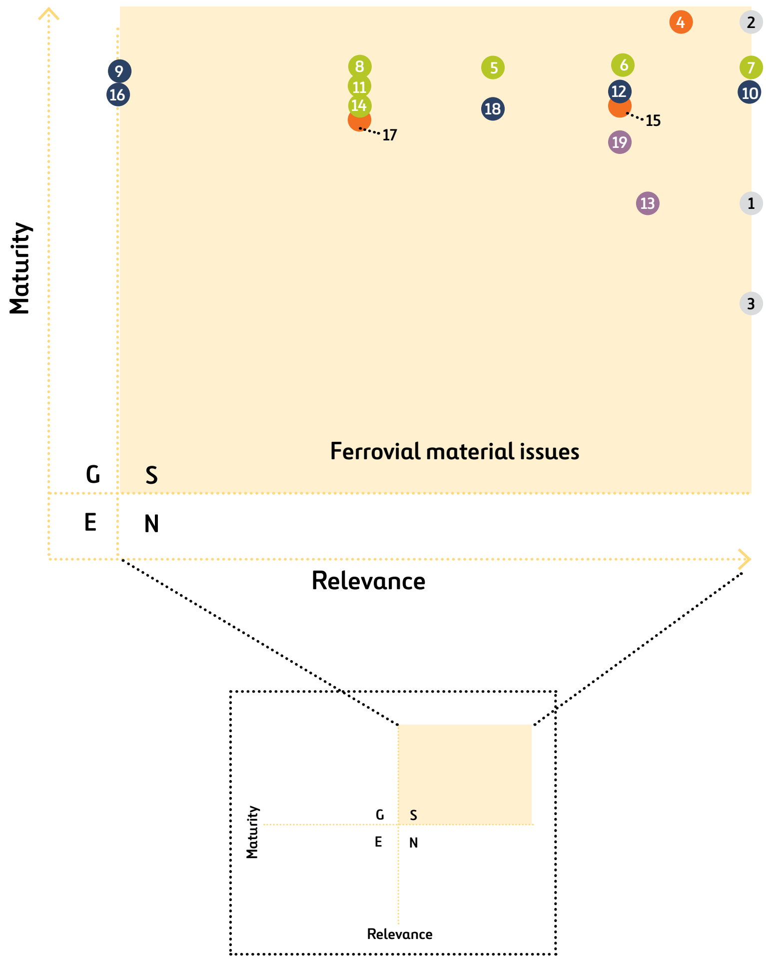
- First of all, the main trends and most relevant sustainable practices in the sector are identified, with each allocated a relevance level by experts. This generates the basic version of the materiality matrix.

• Secondly, the risk matrix developed in-house by the supervising division is taken into account, reflecting the different risk types: strategic, operational, compliance and financial. This supports identification of key risk events that might threaten Ferrovial's reputation. This matrix allows evaluation of issues identified in the previous stage and qualification of the allocated scores.
• The relevance axis is fortified by the opinions of specific stakeholders that have extensive knowledge of the company.

In this latter stage, a perception survey was conducted among some stakeholders identified by the company, asking for their opinions on a range of material issues for Ferrovial, which were prioritized according to the expectations of the surveyed stakeholders.

The survey was conducted over the Internet, polling 100 individuals (40 employees and 60 external stakeholders) and obtaining a 52% response rate. When selecting external stakeholders, individuals were sought who were very familiar with the company and had contact with a number of internal managers. Employees and stakeholders received the same weighting when evaluating the results.

The answers were compiled and the relevant issues identified. The most significant are shown on the matrix classified by maturity (how much attention Ferrovial and the sector give to a specific issue) and relevance (importance allocated by opinion leaders to corporate responsibility issues).



	Scope
1 Leading the sector on sustainability issues	M
2 Developing innovative projects	M
3 Having partnership policies on ethics and integrity issues	M
4 Having specific policies on ethics and integrity issues	I
5 Developing a sustainable construction strategy	M
6 Eco-efficiency	I
7 Climate change	I
8 Water footprint	I
9 Making channels of communication available to customers and complaint resolution procedures	M
10 Establishing a methodology for evaluating suppliers based on risk	M
11 Having programs to respond to spill emergencies	I
12 Including suppliers in the company's corporate responsibility policy	M
13 Having policies and management systems to ensure that products/services do not pose a risk to customer health, security, integrity or privacy	M
14 Having procedures and protocols in place for handling, use and storage of hazardous substances	I
15 Having a specific corporate governance policy	I
16 Having a purchasing policy	I
17 Publishing policies on ethics and integrity issues	M
18 Having communication channels for reporting unethical practices	M
19 Having a corporate policy on employee health and safety	I

M: Both
I: Internal
E: External

Corporate Governance
Ethics and Integrity
People
Environment
Innovation

Sustainable Issues (S): Issues with high maturity and high relevance. These are issues widely discussed by opinion leaders and that have high maturity levels among sector companies.

General Issues (G): Issues with high maturity and low relevance. These are issues generally dealt with by companies, but rarely mentioned by opinion leaders.

Emerging Issues (E): Issues with low relevance and low maturity. For example, issues just beginning to be discussed by opinion leaders and that will gradually be adopted by companies.

Necessary issues (N): These are issues widely discussed by opinion leaders, but with low maturity levels among companies. This quadrant is where the "quick wins" to establish sustainability leadership are to be found.

CR STRATEGIC PLAN (2014-2016)

Ferrovial draws up its CR Strategic Plan every 3 years. This CR strategic plan is approved by the Board and established at a CR Committee meeting held every quarter, which is presided over by the Director for Communications and Corporate Responsibility, and is comprised of the heads from each corporate department (Risks, Human Resources, Innovation, Environment and General Secretary's Office) and by a representative from each business unit. The role of the Committee is to monitor the plan, which includes specific actions for each of the six lines of activity. The Chair of the CR Committee reports annually to the Board of Directors.

The current plan runs from 2014 to 2016. The plan covers issues identified to be of interest to investors, together with assessments of the main sustainability indices and a review of good practices in the sector. The plan is based on the materiality matrix agreed with internal stakeholders and representatives from all corporate areas, and is subsequently endorsed via the external stakeholder perception survey. All this helped to establish six strategic CR lines and areas.

2016 Plan

Areas	Lines of Action
Corporate Governance	Transparency vis-à-vis the market Operations in the securities markets Organisational improvements in governance
Ethics and Integrity	Codes of conduct Human rights Supply chain
People	Attracting and retaining talent Training and development Workplace health and safety Diversity and equal opportunities
Environment	Climate change Eco-efficiency Biodiversity
Society	Community Social footprint Volunteer programme
Innovation	Sustainable RDI Promoting entrepreneurship

CORPORATE RESPONSIBILITY POLICY

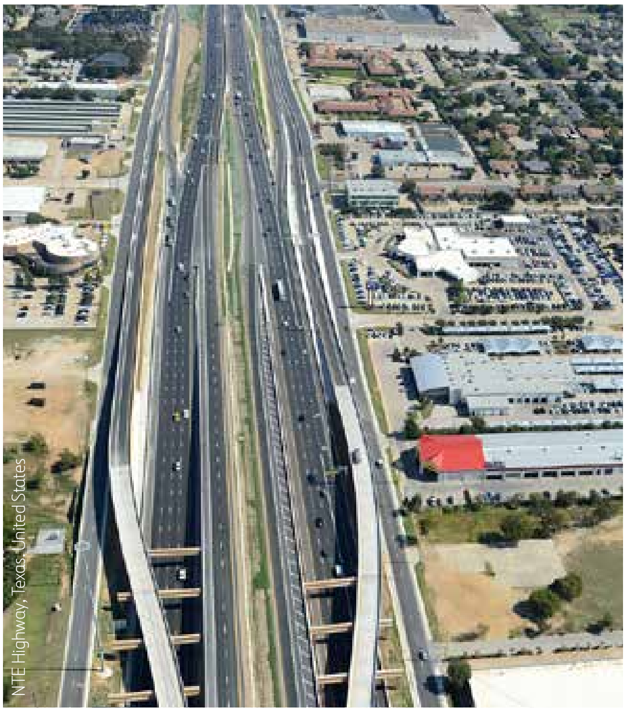
Ferrovial understands Corporate Responsibility to mean a voluntary commitment to driving the economic, social and environmental development of communities in which it operates.

Therefore, as a global infrastructure and services firm, Ferrovial is permanently geared toward contributing to society and improving quality of life for citizens, while also generating value for its shareholders, employees and other stakeholders.

This policy is founded on the principles of the Global Compact and internationally accepted agreements and resolutions, the content of which cover corporate responsibility issues.

It is the Ferrovial Board of Directors' responsibility to uphold the corporate responsibility principles that the organization has voluntarily committed to:

1. Ethics and responsibility in all of its actions.
2. Respect for fundamental human rights.
3. Transparency and the use of the best corporate governance practices.
4. Contribution to socioeconomic development.
5. Reducing environmental impact, combatting climate change and efficient resource management.
6. Encouraging responsible practices throughout the supply chain.
7. Safeguarding the health and safety of employees, as well as promoting equality, work-life balance and diversity.
8. Innovation as a means of driving competitiveness and generating value.
9. Stakeholder engagement.
10. Financial solvency and a long-term focus.



NTE Highway, Texas, United States

9.2. GRI-G4 INDICATORS

GENERAL STANDARD DISCLOSURES GRI G4			
STRATEGY AND ANALYSIS		Page	Revision
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4-5	✔
G4-2	Provide a description of key impacts, risks, and opportunities.	12-15, 68-73	✔
ORGANIZATIONAL PROFILE		Page	Revision
G4-3	Report the name of the organization.	Note 1.1 of 2014 Annual Consolidated Financial Statements	✔
G4-4	Report the primary brands, products, and services.	12-14	✔
G4-5	Report the location of the organization's headquarters.	Note 1.1 of 2014 Annual Consolidated Financial Statements	✔
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	10-11	✔
G4-7	Report the nature of ownership and legal form.	Note 1.1 of 2014 Annual Consolidated Financial Statements	✔
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiary).	10-11	✔
G4-9	Report the scale of the organization, including: • Total number of employees • Total 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) • Quantity of products or services provided	9-11, 86	✔
G4-10	Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	40-42	✔[3]
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	46	✔
G4-12	Describe the organization's supply chain.	58-59	✔
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Note 2.1 of 2014 Annual Consolidated Financial Statements	✔
COMMITMENTS TO EXTERNAL INITIATIVES			
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	68-73	✔
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	memoria2014.ferrovial.com/en	✔
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	memoria2014.ferrovial.com/en	✔
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		Page	Revision
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	179-184	✔
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	90-95	✔
G4-19	List all the material Aspects identified in the process for defining report content.	94	✔
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	94	✔
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	94	✔
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	91	✔
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	91	✔
STAKEHOLDER ENGAGEMENT		Page	Revision
G4-24	Provide a list of stakeholder groups engaged by the organization.	92 memoria2014.ferrovial.com/en	✔
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	92	✔
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	93-94 memoria2014.ferrovial.com/en	✔
G4-27	Report 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. Report the stakeholder groups that raised each of the key topics and concerns.	94	✔
REPORT PROFILE		Page	Revision
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Fiscal Year 2014	✔
G4-29	Date of most recent previous report (if any).	Fiscal Year 2013	✔
G4-30	Reporting cycle (such as annual, biennial).	Annual	✔
G4-31	Provide the contact point for questions regarding the report or its contents.	Back cover	✔
GRI CONTENT INDEX			
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	90, 96-102, 106-107	✔
ASSURANCE			
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Annual verification report by an independent auditor according to the hiring regulations of the Board of Directors	✔
GOVERNANCE		Page	Revision
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	82-83, 95 Annual Corporate Governance Report p. 10-30	✔
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	95 Annual Corporate Governance Report p. 10-30	✔
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	95 Annual Corporate Governance Report p. 10-30	✔
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	76, 93-94 Annual Corporate Governance Report p. 10-30	✔
G4-38	Report the composition of the highest governance body and its committees.	79, 82-83 Annual Corporate Governance Report p. 10-30	✔

G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Annual Corporate Governance Report p. 21	✔
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	79 Annual Corporate Governance Report p. 19-20	✔
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Annual Corporate Governance Report. p. 32	✔
HIGHEST GOVERNANCE BODY'S ROLE IN SETTING PURPOSE, VALUES AND STRATEGY		Page	Revision
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Annual Corporate Governance Report. p. 10-30	✔
HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION			
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	The Board of Directors is informed annually regarding environmental management issues for the company, as well as regarding monitoring of the corporate responsibility strategic plan. Furthermore, the Board, directly or via its committees, remains abreast of a series of issues on which it is required to make decisions. These include approving policies on a wide range of issues. In 2014, a series of good conduct policies was approved, as well as an update for the Code of Business Ethics. Annual Corporate Governance Report, p. 26	✔
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	Annual Corporate Governance Report, p. 19-20, 51	✔[2]
HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT			
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Annual Corporate Governance Report, p.33-36 68-73	✔
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		✔
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.		✔
HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING			
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Board of Directors	✔
HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE			
G4-49	Report the process for communicating critical concerns to the highest governance body.	95	✔
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	95	✔
REMUNERATION AND INCENTIVES			
G4-51	a. Report the remuneration policies for the highest governance body and senior executives. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Annual Board of Directors' Remuneration Report, p. 2-4	✔
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Annual Board of Directors' Remuneration Report, p. 5-7	✔
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Annual Board of Directors' Remuneration Report, p. 5-7	✔
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	See appendix.	✔
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	See appendix.	✔
ETHICS AND INTEGRITY		Page	Revision
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	8, 46, 76	✔
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	76, 77	✔
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	77	✔

SPECIFIC BASIC CONTENT GRI G4

Material issues identified on the materiality matrix, in the 2016 Plan and the risks map.	Indicator		Page	Scope	Revision
ECONOMIC DIMENSION					
Economic performance (48, 49, 66, Annual Consolidated Financial Statements)					
Profitable growth Transparency in the information provided to the market Activity in the securities market	G4-EC1	Direct economic value generated and distributed.	66	Ferrovial	✔
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	48-49	Ferrovial	✔[1]
	G4-EC3	Coverage of the organization's defined benefit plan obligations.	Note 16 of 2014 Annual Consolidated Financial Statements Note 29.4 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
	G4-EC4	Financial assistance received from government.	Note 19 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
Presence in the market (40, 59)					
Establishing a methodology for evaluating suppliers based on risk Diversity and equal opportunities Supply chain	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	The relationship between entry level wage and the local minimum wage in relevant countries is as follows: Spain: 1,06 United Kingdom: 1 United States: 1,38 Poland: 1,82	Ferrovial	✔
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	40, 59	Ferrovial	✔[3]
Indirect economic consequences (62-66)					
Social footprint Community Corporate Volunteering	G4-EC7	Development and impact of infrastructure investments and services supported.	62-66	Ferrovial	✔
	G4-EC8	Significant indirect economic impacts, including the extent of impacts.	62-66	Ferrovial	✔
Purchasing practices (59)					
Supply chain	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	59	Ferrovial	✔[4]
ENVIRONMENTAL DIMENSION					
Material issues identified on the materiality matrix, in the 2016 Plan and the risks map.	**Indicator**		**Page**	**Scope**	**Revision**
Materials (Appendix)					
Developing a sustainable construction strategy. Eco-efficiency. Having procedures and protocols in place for handling, use and storage of hazardous substances	G4-EN1	Materials used by weight or volume.	See appendix.	See note	✔[5]
	G4-EN2	Percentage of materials used that are recycled input materials.	See appendix.	Ferrovial	✔[6]
Energy (Appendix)					
Eco-efficiency. Climate change. Leading the sector on sustainability issues	G4-EN3	Energy consumption within the organization.	See appendix.	Ferrovial	✔[7]
	G4-EN4	Energy consumption outside of the organization.	Energy use from consumption of electricity and losses due to electricity transport stood at 1,935,826 GJ.	Ferrovial	✔[7]
	G4-EN5	Energy intensity.	Energy intensity stood at 827.28 GJ/net revenues	Ferrovial	✔[7]
	CRE1	Building energy intensity.	Not applicable, as this indicator is associated with real estate, which does not represent a significant activity for Ferrovial.	Ferrovial	-
	G4-EN6	Reduction of energy consumption.	Energy consumption was down 10.25% compared to 2013.	Ferrovial	✔[7]
	G4-EN7	Reductions in energy requirements of products and services.	When providing services, Ferrovial addresses the energy requirements demanded by its clients in the most efficient manner possible.	Ferrovial	-
Water (54, 55, Appendix)					
Water footprint	G4-EN8	Total water withdrawal by source.	54	Ferrovial except Budimex	✔[8,9]
	G4-EN9	Water sources significantly affected by withdrawal of water.	55	Ferrovial	✔
	G4-EN10	Percentage and total volume of water recycled and reused.	See appendix.	See note.	✔[10]
	CRE2	Building water intensity.	Not applicable, as this indicator is associated with real estate, which does not represent a significant activity for Ferrovial.	Ferrovial	-
Biodiversity (55)					
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	55	Construction Division	✔
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	55	Ferrovial	✔
	G4-EN13	Habitats protected or restored.	55	Ferrovial	✔
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	55	Ferrovial	✔

Emissions (51, 52, 53, appendix)					
Climate change Environmental damages Leading the sector on sustainability issues	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	51-52	Ferrovial	✔[7,9,11]
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	51-52	Ferrovial	✔[7,9,11]
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	53	Specified on p. 53	✔[7,12]
	G4-EN18	Greenhouse gas (GHG) emissions intensity.	52	Ferrovial	✔[7]
	CRE3	Greenhouse gas emissions intensity from buildings.	Not applicable, as this indicator is associated with real estate, which does not represent a significant activity for Ferrovial.	Ferrovial	-
	CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	Not applicable as this indicator is associated with real estate, which is not a significant activity for Ferrovial.	Ferrovial	-
	G4-EN19	Reduction of greenhouse gas (GHG) emissions.	52 and appendix.	Ferrovial	✔
	G4-EN20	Emissions of ozone-depleting substances (ODS).	See appendix.	Amey and Corporate	✔
	G4-EN21	NOX, SOX, and other significant air emissions.	See appendix.	Ferrovial	✔[7,13]
Effluent and waste (54, 55, appendix)					
Having programs to respond to spill emergencies Environmental damage	G4-EN22	Total water discharge by quality and destination.	Over 2014, the treated flow volume with incidents at Cadagua stood at 18,136,254 m^3.	Cadagua	✔[14]
	G4-EN23	Total weight of waste by type and disposal method.	54 and appendix.	Ferrovial	✔[7,9,15]
	G4-EN24	Total number and volume of significant spills.	13 significant spills were recorded in 2014, all in the Construction Division (3 in Spain, 6 in the United Kingdom and 4 in the United States)	Ferrovial Agroman SA, United Kingdom and United States.	✔[16]
	G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not reported.	Ferrovial	-
	G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats signifcantly affected by the organization's discharges of water and runoff.	55	Construction Division	✔
Degradation, contamination and soil remediation					
Non-material.	CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	Not reported.		-
Products and services (Appendix)					
Developing a sustainable construction strategy.	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	See appendix.	Ferrovial Agroman	✔[1]
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	The company's activities do not include the production of goods sold with packaging.	Ferrovial	✔
Regulatory compliance (Annual Consolidated Financial Statements)					
Non-compliance with legislation	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	The total amount of fines paid in the year due to breach of environmental legislation stood at €29,277. This amount does not include associated civil liability (compensation). Note 22 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
Transport (53)					
Climate change	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	53 The most significant impact caused by the transport of products, materials and persons are greenhouse gas emissions caused by the same. Said emissions are included in Scope 3 under the "Business travel" and "Upstream transportation and distribution" categories.	Ferrovial	✔
General					
Eco-efficiency. Climate change	G4-EN31	Total environmental protection expenditures and investments by type.	Total environmental investment and spending in 2014 stood at 35,092,722, breaking down into the following main items: - Environmental Responsibility Insurance: 540.593 € - Waste Management: 8.186.210 € - Certifications: 283.936 € - Training: 137.724 € - Personnel expenses: 15.939.222 € - Investment in equipment: 5.205.339 € - Various projects: 4.799.697 €	Ferrovial	✔
Environmental evaluation of suppliers (59, 60)					
Having a purchasing policy. Establishing a methodology for evaluating suppliers based on risk. Including suppliers in the company's corporate responsibility policy	G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	59, 60	Ferrovial	✔[1]
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	In Construction, the negative environmental impacts had by the supply chain are evaluated, identifying potential risks and substandard work. The measures adopted range from expulsion from the project and/or rejection of the supplier, to warnings that improvements are required in less serious cases.	Ferrovial	✔
Environmental claim procedures					
Not reported.	G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	Not reported.	Ferrovial	-

SOCIAL DIMENSION					
Material issues identified on the materiality matrix, in the 2016 Plan and the risks map.	**Indicator**		**Page**	**Scope**	**Revision**
LABOR PRACTICES AND DIGNITY OF LABOR					
Employment (42, appendix)					
Attracting and retaining talent. Diversity and equal opportunities	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	42 See appendix.	Ferrovial	✔[3-17]
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Social benefits are offered equally to full-time employees and part-time employees. In some cases, employees need to have held their posts for at least one year to be eligible for certain social benefits.	Ferrovial	✔[18]
	G4-LA3	Return to work and retention rates after parental leave, by gender.	Ferrovial does not consider this a risk, as the countries where it operates have protectionist legislation in place for such matters. Such information is therefore not subject to specific managerial procedures.	Ferrovial	✔[1]
Relations between staff and management					
Human Rights	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Ferrovial complies with the advance notice periods established in labor legislation or those enshrined, if applicable, in the collective agreements pertinent to each business, with no corporate advance notice periods having been established.	Ferrovial	✔
Health and safety in the workplace (43, 44, 45)					
Occupational health and safety. Having a corporate policy on employee health and safety	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and saftey programs.	44	Ferrovial	✔
	CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	44	Ferrovial	✔[3]
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	43, 44	Ferrovial	✔[19-20-21]
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	45	Ferrovial	✔
	G4-LA8	Health and safety topics covered in formal agreements with trade unions.	45	Ferrovial	✔
Training and education (40, 41)					
Training and development	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	40, 41	Ferrovial	✔[22]
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	All training and development programs are aimed at improving the employability of the candidate. In the case of early retirement or restructuring plans (e.g. redundancy packages), specific training plans may be negotiated as part of other outplacement plans.	Ferrovial	✔
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	41	Ferrovial	✔[22]
Diversity and equal opportunities (42, 82, 83, Annual Corporate Governance Report)					
Diversity and equal opportunities	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	42, 82-83 Annual Corporate Governance Report p. 10-11	Ferrovial	✔[23]
Equal remuneration between women and men					
Diversity and equal opportunities	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Company management, in particular the Remuneration and Benefits Department, monitors compliance with confidentiality requirements and ensures that its remuneration policy is compliant with internal and external equality standards.	Ferrovial	✔[2]
Continuous evaluation of supplier labor practices (59, 60)					
Having a purchasing policy. Establishing a methodology for evaluating suppliers based on risk. Including suppliers in the company's corporate responsibility policy	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	59, 60	Ferrovial	✔[1]
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	As for occupational health and safety practices, incidents range from non-compliance with employee training requirements, improper maintenance of machinery, failure to provide the required safety documentation and breach of instructions given by the project manager. The measures taken range from expulsion from the project and/or rejection of the supplier, to warnings that improvements are required in less serious cases.	Ferrovial	✔
Labor practices claim procedures (77(					
Having communication channels for reporting unethical practices	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	77	Ferrovial	✔[24]
HUMAN RIGHTS					
Investment (46, 47, 59)					
Human Rights	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	46, 59 There were no significant investment agreements in 2014 that included human rights clauses.	Ferrovial	✔
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	47	Ferrovial	✔
Non-discrimination (77)					
Codes of conduct Human rights Diversity and equal opportunities Having specific policies on ethics and integrity issues	G4-HR3	Total number of incidents of discrimination and corrective actions taken.	77	Ferrovial	✔[24]

Freedom of association and collective bargaining (47-48)					
Human rights Workplace conflicts	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	47-48	Ferrovial	✔
Child labor (47-48)					
Human rights	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	47-48	Ferrovial	✔
Forced labor (47-48)					
Human rights	G4-HR6	Operations and 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.	47-48	Ferrovial	✔
Security measures					
Human rights	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Security guards at Ferrovial offices are hired via a company that certifies that said personnel have received the due training.	Sede Ferrovial	✔[1]
Rights of the indigenous population					
Human rights Community	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	No incidents involving the violation of the rights of indigenous populations were recorded in 2014.	Ferrovial	✔
Evaluation					
Human rights	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	During 2014, Ferrovial did not conduct any specific studies to evaluate any impact on human rights issues, as no significant operations were identified in which human rights compliance was considered a risk.	Ferrovial	✔
Evaluation suppliers in terms of human rights (59, 60)					
Having a purchasing policy. Establishing a methodology for evaluating suppliers based on risk. Including suppliers in the company's corporate responsibility policy	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	59, 60	Ferrovial	✔[1]
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	On the social front, incidents of non-compliance in the provision of documentation and failure to pay their own suppliers are also evaluated. The measures taken range from expulsion from the project and/or rejection of the supplier, to warnings that improvements are required in less serious cases.	Ferrovial	✔
Human rights claim procedures (77)					
Having communication channels for reporting unethical practices	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	77	Ferrovial	✔[24]
SOCIETY					
Local communities (62-66)					
Social footprint. Community.	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	62-66	Ferrovial	✔[1]
	G4-SO2	Operations with significant actual and potential negative impacts on local communities.	62-66 No situations were identified in 2014 in which Ferrovial's activities have had any significant negative impacts on local communities.	Ferrovial	✔
	CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	No such operations with these kinds of impacts on local communities were detected in 2014.	Ferrovial	✔
Combatting corruption (47, 68-74, 77)					
Having specific policies on ethics and integrity issues. Fraud/Corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	68-74	Ferrovial	✔[1]
	G4-SO4	Communication and training on anti-corruption policies and procedures.	47	Ferrovial	✔
	G4-SO5	Confirmed incidents of corruption and actions taken.	77	Ferrovial	✔[2]
Public policy					
Publishing policies on ethics and integrity issues Having a specific corporate governance policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Ferrovial's Code of Ethics indicates the approval levels that all payments to third parties must be subject to, and states that Ferrovial forbids bribing of authorities and civil servants, and prohibits its employees from making any kind of undue payments to third parties, or giving to or receiving from third parties any undue payments, presents, gifts or favors that are not regular market practices, or which, by reason of their value, characteristics or circumstances, may reasonably be considered to alter the commercial, administrative or professional relations of its companies.	Ferrovial	✔[2]
Unfair competition practices (Annual Consolidated Financial Statements)					
Non-compliance with legislation	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	Ferrovial has two penalties (one of them under appeal) and one surveillance file of the Spanish National Competition Commission. Note 17 of 2014 Annual Consolidated Financial Statements Note 22.1 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
Regulatory compliance (Annual Consolidated Financial Statements)					
Non-compliance with legislation	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Note 17 of 2014 Annual Consolidated Financial Statements Note 22.1 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
Evaluation of social repercussions of suppliers (59, 60)					
Having a purchasing policy. Establishing a methodology for evaluating suppliers based on risk. Including suppliers in the company's corporate responsibility policy	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	59, 60	Ferrovial	✔[1]
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	On the social front, incidents of non-compliance in the provision of documentation and failure to pay their own suppliers are also evaluated. The measures taken range from expulsion from the project and/or rejection of the supplier, to warnings that improvements are required in less serious cases.	Ferrovial	✔

Social impact claim procedures (77)					
Having communication channels for reporting unethical practices	G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms.	77	Ferrovial	✔
RESPONSIBILITY WITH REGARD TO PRODUCTS					
Health and safety of clients (68-74, Annual Corporate Governance Report)					
Having policies and management systems to ensure that products/services do not pose a risk to customer health, security, integrity or privacy	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	68-74 Annual Corporate Governance Report p. 33-36	Ferrovial	✔[1]
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their lifecycle, by type of outcomes.	As of December 31st 2014, 153 claims are open due to this kind of incident. Note 17 of 2014 Annual Consolidated Financial Statements Note 22.1 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
Labelling of products and services (61, appendix)					
Service quality Having policies and management systems to ensure that products/services do not pose a risk to customer health, security, integrity or privacy. Making channels of communication available to customers and complaint resolution procedures Non-compliance with legislation	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	61	Ferrovial	✔[1]
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No noncompliance issues were identified	Ferrovial	✔
	G4-PR5	Results of surveys measuring customer satisfaction.	61	Cintra, Amey and Ferrovial Agroman	✔
	CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.	See appendix.	Ferrovial Agroman	✔
Marketing Communication (Annual Consolidated Financial Statements)					
Non-compliance with legislation	G4-PR6	Sale of banned or disputed products	Due to Ferrovial's nature and operations, the company does not market products or services that are prohibited, questioned or the subject of social debate.	Ferrovial	✔
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Note 17 of 2014 Annual Consolidated Financial Statements Note 22.1 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔
Client privacy					
Service quality Having policies and management systems to ensure that products/ services do not pose a risk to customer health, security, integrity or privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No claims were received in 2014 regarding breaches of privacy or the mishandling of customers' personal information.	Ferrovial	✔
Regulatory compliance (Annual Consolidated Financial Statements)					
Non-compliance with legislation	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Note 17 of 2014 Annual Consolidated Financial Statements Note 22.1 of 2014 Annual Consolidated Financial Statements	Ferrovial	✔

(1) Only qualitative information is provided.
(2) Only qualitative information about the existing Policy is given.
(3) No information about contractors and sub-contractors is included.
(4) Locally-hired non-centralized suppliers are classified as local suppliers. Percentage of local suppliers is reported, but not the proportion of expending.
(5) Information about paper purchased by the group is reported; timber purchased in Ferrovial Agroman UK, Amey, Budimex and FB Serwis; and the most relevant material consumed by Construction Division (concrete), Amey and Budimex (asphalt).
(6) Recycled materials used in construction, maintenance and services is not reported.
(7) 2014 data includes estimations according to the best available information at the time of preparing this report. Subsequently its level of accuracy is limited, being this uncertainty higher in the case of Scope 3 emissions.
(8) Only information regarding water withdrawal from municipal water supplies and water purchased from third parties is reported. Main consumptions have been estimated on the basis of the water consumption average price.
(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) The information refers to Cadagua SA, Ferrovial Servicios España, Ferrovial Agromán SA, Webber and Ferrovial Construcoes Gestao e Manutencao.
(11) Scope 1 and 2 2013 data have been re-calculated taking into account the best available information in 2014. This update has caused a decrease of 0.21%
(12) Scope 3 2013 data have been re-calculated taking into account the best available information in 2014. This update has caused a decrease of 24%
(13) NOx, SOx, and other significant air emissions data are those that correspond to direct energy consumption and electricity consumption.
(14) The quality and destination of water discharges is not reported.
(15) Not broken down by disposal method.
(16) Information about total volume of spills is not reported.
(17) The employee turnover refers only to the number of employees who voluntarily leave the organization.
(18) Not broken down by region.
(19) The information related to contractors is partial and estimated, thus not representative. The review of this information has consisted of checking the gathering process of the data reported by the different companies of the group.
(20) The information about contractors is not broken down by region.
(21) The information about employees is not broken down by region.
(22) Not broken down by gender and professional category.
(23) Not broken down by age group, minority group membership and other indicators of diversity.
(24) Information about complaints received through the Corporative Whistleblowing Channel in Spain is given.

G4-54. Calculate the ratio between the total annual compensation of the highest paid person in the organization in each country where the company is significantly active and the average annual compensation of the entire staff (excluding the highest paid person) of the corresponding country.

	Ratio
TOTAL Ferrovial	180.95
USA	8.45
SPAIN	18.38
POLAND	20.66
UNITED KINGDOM	39.63

G4-55. Calculate the ratio between the percent increase of the total annual compensation of the highest paid person in the organization in each country where the company is significantly active and the percent increase of the total average annual compensation of the entire staff (excluding the highest paid person) of the corresponding country.
In order to avoid distortions due to negative signs, the ratio is reported as a percentage difference between the increase in annual total compensation for the organization's highest-paid individual and the median percentage increase in annual total compensation for all employees. However, this ratio may cause distortions as long as promotions/new hiring of the first executive of each country and multiannual compensation systems based on share performance are considered.

	Ratio
TOTAL Ferrovial	5.14 %
USA	6.17 %
SPAIN	19.23 %
POLAND	2.87 %
UNITED KINGDOM	19.53 %

G4-EN1. MATERIALS BY WEIGHT, VALUE AND VOLUME

	2013	2014
Paper (kg)	828,631.00	596,291.12
Timber (m^3)	73,760.00	320,298.50
Asphalt (t)	2,074,705.00	890,000.00
Concrete (t)	7,001,862.00	7,747,000.00
Tropical timber (m^3)	6.76	2.67
Timber of guaranteed origin (%)	73.00	100.00

G4-EN2. PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED MATERIALS

	2013	2014
Percentage of paper with FSC seal	32%	38%
Percentage of recycled paper	40%	36%

G4-EN3. INTERNAL ENERGY CONSUMPTION

		2013	2014
Fuels used by stationary and mobile sources (total) (GJ)	Diesel	4,375,311.03	4,014,658.47
	Fuel oil	17,856.57	90,487.73
	Gasoline	314,437.24	326,871.24
	NG	2,234,349.98	1,786,842.66
	LPG	4,277.35	969.86
	Propane	2,673.20	10,192.16
Consumption of energy acquired, by primary sources (GJ)	Coal	729,385	706,067
	Diesel	124,347	121,260
	Gas	749,889	623,986
	Biomass	48,384	51,758
	Waste	10,934	9,929
	Other	349,147	346,847
Electricity consumption from non-renewable sources (kWh)	Services	73,677,253.00	62,882,917.84
	Construction	143,157,389.36	139,870,131.36
	Toll Roads	28,302,112.88	30,517,690.86
	Corporate	1,344,562.00	1,231,267.00
Electricity consumption from renewable sources (Kwh)	Services	18,524,301.70	25,797,308.00
	Construction	38,007,908.80	13,462,171.00
	Toll Roads	0.00	0.00
	Corporate	0.00	0.00

Energy produced	2012	2013	2014
Electricity produced by biogas recovery	493,857	520,751	482,034
Thermal energy produced by biogas recovery	134,060	187,632	136,964
Electricity generated at water treatment plants	23,494	106,124	114,192
Electricity generated at thermal sludge drying plants	264,626	142,376	13,617
TOTAL	**916,037**	**956,883**	**746,808**

G4-EN10. PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED

	2013	2014
Consumption of reused water (m^3)	3,322,274.00	3,143,717.00

G4-EN19. REDUCTION OF GREENHOUSE GAS EMISSIONS

	2012	2013	2014
EMISSIONS AVOIDED BY SORTING AND BIOGAS CAPTURE			
Greenhouse gas avoided by sorting (t CO_2 eq)	343,907	338,093	491,507
Greenhouse gas avoided by biogas capture (t CO_2 eq)	628,857	935,316	953,942
EMISSIONS AVOIDED THROUGH POWER GENERATION			
In landfills (t CO_2eq)	43,394	45,563	40,932
At water treatment plants (t CO_2eq)	23,913	20,624	10,332
EMISSIONS PREVENTED BY PURCHASING ELECTRICITY FROM RENEWABLE SOURCES			
Electricity bought from third parties (t CO_2eq)	12,938	20,379	17,338
TOTAL	**1,053,009**	**1,359,976**	**1,514,051**

G4-EN20. EMISSIONS OF OZONE DEPLETING SUBSTANCES

Use of coolants (kg)	FM 100	HFC227ea	R22	R407C	R410A
Amey	2.00	9.00		8.00	3.00
Ferrovial			138.00	3.02	4.45

G4-EN21. NOx. SOx AND OTHER SIGNIFICANT ATMOSPHERIC EMISSIONS

Emissions from boilers				
NOx (Tn)	CO (Tn)	COVNM (Tn)	SOx (Tn)	Particles (Tn)
122.95	49.03	12.07	167.26	32.87
Emissions caused by motor vehicles				
CO (Tn)	COVNM (Tn)	NOx (Tn)	Particles (Tn)	
1,247.26	164.89	749.72	94.69	
Emissions caused by electricity				
NOx (Tn)	CO (Tn)	COVNM (Tn)	SOx (Tn)	Particles (Tn)
20.03	8.44	0.15	29.58	1.68
Emissions caused by mobile equipment used in construction works				
CO (g/Kg)	COVNM (g/Kg)	NOx (g/Kg)	Particles (g/Kg)	
2,165.32	273.73	1,801.88	119.54	

G4-EN23. TOTAL WEIGHTING OF WASTE, BY TYPE AND TREATMENT METHOD

	2013	2014
Waste produced from construction and demolition	10,882,869.00	1,182,554.78
Total soil from excavation	20,199,553.00	9,446,621.55
Topsoil reused	12,910.00	989,773.00
Material sent to landfill outside the worksite	3,102,299.00	1,751,227.88
Materials reused at worksite	6,812,610.00	6,176,211.39
Materials sent to other worksite or authorized landfill	5,375,738.00	6,830,360.30

G4-EN27. DEGREE OF MITIGATION OF THE ENVIRONMENTAL IMPACT HAD BY PRODUCTS AND SERVICES

CRE8. Type and number of certifications, classifications and labelling systems regarding the sustainability of new constructions, management, occupation and reconstruction.

Over 2014 work was performed on the following energy certified projects:

	Description	Certification
Tres Cantos	Homes	Leed
La Coruña	Disashop office	Leed Silver
Tres Cantos	BBVA DPC	Leed Silver

G4-LA1. NUMBER AND RATE OF HIRINGS AND AVERAGE EMPLOYEE ROTATION, BROKEN DOWN BY AGE GROUP, GENDER AND REGION

The total number of new hires in 2014 stood at 16.913, which corresponds to a total hiring rate of 24% of the workforce as of the year-end. The breakdown by gender and age group is as follows:

	Men	Women
Under 30	4.49%	1.96%
Between 30 and 45	6.71%	3.06%
Over 45	5.27%	2.99%

9.3 VERIFICATION REPORT

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 Corporate Responsibility information of the 2014 Integrated Annual Report of Ferrovial

Scope of our work

We have performed a review of the Corporate Responsibility Information (CRI) of the 2014 Integrated Annual Report (IAR) of Ferrovial, S.A. and subsidiaries (hereinafter referred to as Ferrovial), the scope of which is defined in the chapter "*9.1 Reporting principles*". Our work consisted of the review of:

- The adherence of the the CRI to the GRI Sustainability Reporting Guidelines version 4 (hereinafter referred to as G4 Guidelines) and the contents, including the Construction and Real Estate Sector Supplement, proposed in the aforementioned guidelines for 2014.
- The information included in the IAR 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 IAR, 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 2014 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 CRI 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 "*9.1 Reporting principles*".
- Review of the information related to the management approaches applied to sustainability.
- Analysis of the adherence of the contents of the CRI to those recommended in the G4 Guidelines and verification that the indicators included 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 CRI 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 IAR is the 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 IAR.
- Our team consisted of a combination of professionals with assurance qualifications and professionals with social, environmental and sustainability experience.

Deloitte Advisory, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 29 897, sección 8ª, folio 21, hoja M-538045, inscripción 1ª. C.I.F.: B-86466448
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid

Conclusions

The "*GRI-G4 Indicators*" provides details of the contents reviewed and of the limitations in the scope of our work, and identifies any contents 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 Corporate Responsibility Information of the IAR contained material errors or that it was not prepared in accordance with the G4 Guidelines, 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 "*9.1 Reporting principles*", in accordance with standard AA1000 2008 APS:

- Inclusivity: participation process for stakeholders that facilitates their involvement in the development of a responsible approach.
- Materiality: the process of determining materiality requires an understanding of the important or relevant issues for Ferrovial and its stakeholders.
- Responsiveness: specific actions and commitments related to the material issues identified previously.

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 information 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.

Inclusivity and materiality

In 2014 Ferrovial updated its material issues matrix considering additional information sources such as the organization's risk map and the results of the surveys addressed to certain stakeholders. Ferrovial must continue to work on adapting its methodology in order to be able to obtain broken down information on the various businesses and countries in which it has a significant presence, thereby combining global and local visions.

Ferrovial has also been working on defining the initiatives relating to the Corporate Responsibility Strategic Plan (Plan 20.16). The challenge ahead will be to specify certain objectives and indicators in order to facilitate the periodic monitoring of the performance of each of the initiatives by the Corporate Responsibility Committee.

Responsiveness

In 2014 Ferrovial took a major step forward in integrating financial and non-financial information through the inclusion of corporate responsibility information in the Management Report. In line with this progress, Ferrovial must continue to develop the measurement of the impacts of managing the social and environmental aspects in the generation of business value and the adaptation of internal control and the integrated reporting system timetable, particularly as far as regards environmental information.

In accordance with the objectives set, in December 2014 Ferrovial approved new policies relating to human rights, antitrust and anticorruption, in addition to the latest update of the Code of Business Ethics. For the proper implementation of these policies, Ferrovial must work on dissemination and training in this area for all employees of the organization, and evaluate its implementation and compliance, in accordance with the plans in place.

Also, in 2014 information was reported for the first time on accident rates at Ferrovial's contractors, thereby responding to the demands of certain stakeholders. The application of uniform criteria across all Group companies and a higher degree of information traceability will contribute towards increasing the quality and scope of reporting such information.

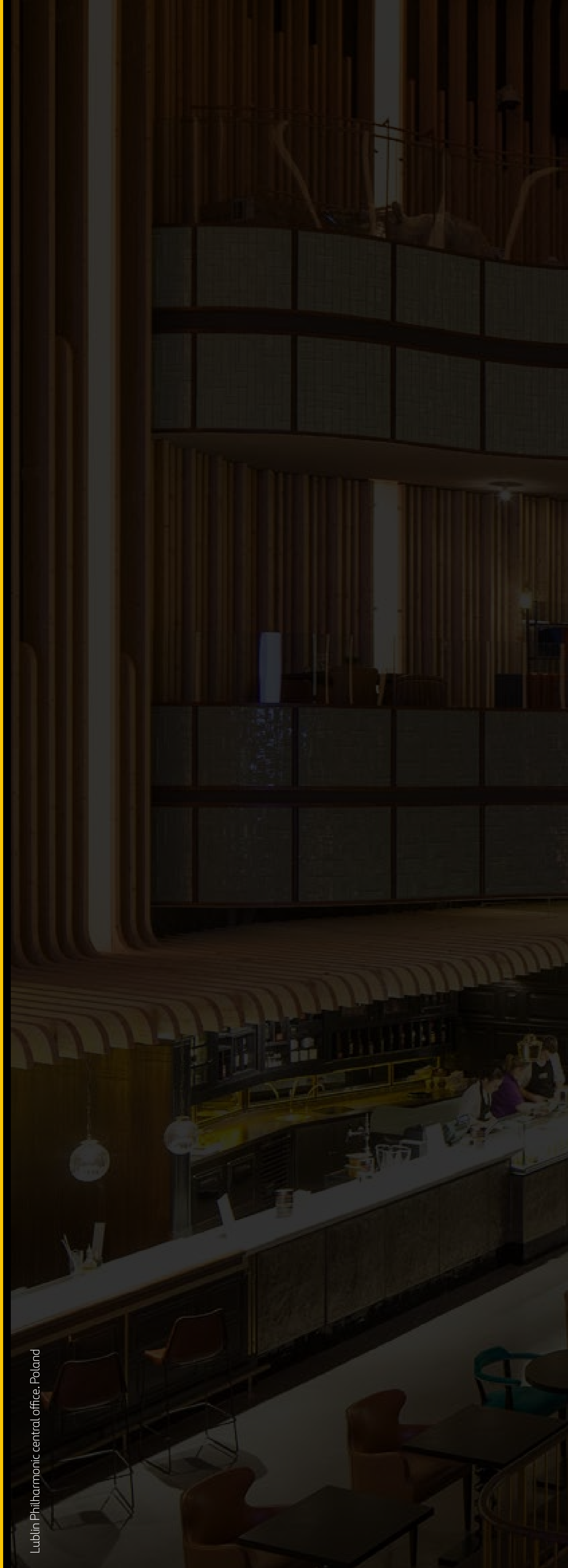
Deloitte Advisory, S.L.

Helena Redondo

Madrid, February 24th, 2015

AA1000
Licensed Assurance Provider
000-14

CONSOLIDATED ANNUAL ACCOUNTS



Lublin Philharmonic central office. Poland

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 36). In the event of a discrepancy, the Spanish-language version prevails.

A. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR 2014 AND 2013

Assets (Millions of euros)	Notes	2014	2013
Non-current assets		19,426	17,212
Goodwill arising on consolidation	5	1,982	1,893
Intangible assets	6	223	229
Investments in infrastructure projects	7	9,290	7,639
Investment property		6	37
Property, plant and equipment	8	451	483
Investments in associates	9	3,317	3,562
Non-current financial assets	10	2,324	1,880
Accounts receivable relating to infrastructure projects		1,467	1,341
Non-current investments in associates		375	71
Restricted cash relating to infrastructure projects		405	377
Other receivables		76	92
Deferred tax assets	21	1,438	1,344
Non-current derivative financial instruments at fair value	11	395	144
Current assets		6,048	5,628
Assets classified as held for sale		2	2
Inventories	12	357	325
Trade and other receivables	13	2,244	2,212
Trade receivables for sales and services		1,716	1,645
Other receivables		454	470
Current tax assets		74	98
Cash and cash equivalents	18	3,439	3,070
Infrastructure projects		396	279
Restricted cash		59	41
Other cash and cash equivalents		337	238
Excluding infrastructure projects		3,043	2,791
Current derivative financial instruments at fair value	11	5	18
Total assets		25,473	22,840

Equity and liabilities (Millions of euros)	Notes	2014	2013
Equity	14	6,021	6,074
Equity attributable to the equity holders		5,672	5,719
Equity attributable to non-controlling interests		349	355
Deferred income	15	987	503
Non-current liabilities		13,030	11,230
Pension plan deficit	16	101	107
Long-term provisions	17	1,378	1,350
Borrowings	18	8,707	7,496
Debt securities and bank borrowings of infrastructure projects		7,331	6,403
Debt securities and borrowings excluding infrastructure projects		1,375	1,093
Other payables	19	202	208
Deferred tax liabilities	21	1,310	1,117
Derivative financial instruments at fair value	11	1,332	952
Current liabilities		5,435	5,033
Borrowings	18	1,368	1,303
Debt securities and bank borrowings of infrastructure projects		1,276	1,228
Bank borrowings excluding infrastructure projects		92	75
Derivative financial instruments at fair value	11	100	67
Trade and other payables	20	3,465	3,245
Trade payables		2,950	2,657
Current tax liabilities		56	60
Other non-trade payables		458	528
Operating provisions and allowances	17	503	417
Total equity and liabilities		25,473	22,840

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 36 are an integral part of the consolidated statement of financial position as at 31 December 2014.

B. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR 2014 AND 2013

Millions of euros	Notes	2014 Before fair value adjustments	2014 (*) Fair value adjustments	Total 2014	2013 Before fair value adjustments	2013 (*) Fair value adjustments	Total 2013
Revenue		8,802	0	8,802	8,166	0	8,166
Other operating income		9	0	9	10	0	10
Total operating income	24	8,811	0	8,811	8,176	0	8,176
Materials consumed		1,131	0	1,131	1,181	0	1,181
Staff costs	25	2,575	0	2,575	2,351	0	2,351
Other operating expenses		4,122	0	4,122	3,710	0	3,710
Total operating expenses		7,828	0	7,828	7,242	0	7,242
Gross profit from operations		983	0	983	934	0	934
Depreciation and amortisation charge		244	0	244	233	0	233
Profit from operations before impairment and non-current asset disposals		738	0	738	701	0	701
Impairment and non-current asset disposals	23	0	5	5	108	18	126
Profit from operations		738	5	743	809	18	827
Financial result on financing		-373	0	-373	-337	0	-337
Result on derivatives and other financial results		-11	-9	-20	-7	7	0
Financial result of infrastructure projects		-384	-9	-393	-344	7	-337
Financial result on financing		-33	0	-33	-53	0	-53
Result on derivatives and other financial results		-4	53	49	-15	72	57
Financial result excluding infrastructure projects		-37	53	16	-68	72	5
Financial result	26	-421	44	-377	-412	79	-333
Share of profits of companies accounted for using the equity method	9	159	-20	138	396	-21	375
Consolidated profit before tax		476	28	504	793	76	869
Income tax	21	-138	-14	-152	-127	-41	-168
Consolidated profit from continuing operations		337	15	352	666	35	701
Net profit from discontinued operations		0	0	0	0	0	0
Consolidated profit for the year		337	15	352	666	35	701
Loss for the year attributable to non-controlling interests		49	0	50	22	5	26
Profit for the year attributable to the Parent		387	15	402	688	39	727
Net earnings per share attributable to the Parent (Basic / Diluted)	27			0.55 / 0.55			0.99 / 0.99

(*) Relating to gains and losses arising from changes in the fair value of derivatives and other financial assets and liabilities (see Note 11), asset impairment (see Note 23) and the impact of the two items on "Share of Profits of Companies Accounted for Using the Equity Method" (see Note 9).

C. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR 2014 AND 2013

(Millions of euros)	2014	2013
a) Consolidated profit for the year	352	701
Attributable to the Parent	402	727
Attributable to non-controlling interests	-50	-26
b) Income and expense recognised directly in equity	106	-44
Fully consolidated companies	27	224
Impact on reserves of hedging instruments	-85	499
Impact on reserves of defined benefit plans (*)	-13	-15
Translation differences	113	-33
Tax effect	12	-228
Companies accounted for using the equity method	79	-267
Impact on reserves of hedging instruments	-56	109
Impact on reserves of defined benefit plans (*)	-58	-25
Translation differences	173	-311
Tax effect	20	-40
c) Transfers to profit or loss	5	11
Fully consolidated companies	0	-4
Companies accounted for using the equity method/Discontinued operations	5	15
a+b+c) total comprehensive income	463	668
Attributable to the Parent	471	541
Attributable to non-controlling interests	-7	127

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

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of comprehensive income for 2014.

D. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2014 AND 2013

Millions of euros	Share capital	Share premium	Merger premium	Treasury shares	Valuation adjustments	Retained earnings and other reserves	Attributable to the equity holders	Attributable to non-controlling interests	Total equity
Balance at 31/12/13	147	1,202	1,454	0	-1,052	3,968	5,719	355	6,074
Consolidated profit for the year						402	402	-50	352
Income and expense recognised directly in equity					69		69	42	111
Total recognised income and expense	0	0	0	0	69	402	471	-7	463
Scrip dividend	2					-278	-275		-275
Other dividends							0	-37	-37
Treasury share transactions	-3		-235			3	-235		-235
Remuneration of shareholders	0	0	-235	0	0	-275	-510	-37	-547
Capital increases/reductions							0	55	55
Other transactions with shareholders						-13	-13	0	-13
Other changes			-1	-4		10	6	-17	-11
Other transactions	0	0	-1	-4	0	-7	-8	38	31
Balance at 31/12/14	146	1,202	1,218	-4	-983	4,092	5,672	349	6,021

Millions of euros	Share capital	Share premium	Merger premium	Treasury shares	Valuation adjustments	Retained earnings and other reserves	Attributable to the equity holders	Attributable to non-controlling interests	Total equity
Balance at 31/12/12	147	1,202	1,638	0	-866	3,539	5,660	121	5,780
Consolidated profit for the year						727	727	-26	701
Income and expense recognised in equity					-186		-186	153	-33
Total recognised income and expense	0	0	0	0	-186	727	541	127	668
Dividends			-183			-293	-477	-14	-491
Capital increases/reductions						0	0	116	116
Other transactions with shareholders						-6	-6	0	-6
Transactions with shareholders	0	0	-183	0	0	-299	-483	103	-380
Changes in the scope of consolidation							0		0
Other changes						0	0	5	5
Balance at 31/12/13	147	1,202	1,454	0	-1,052	3,968	5,719	355	6,074

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of changes in equity for 2014.

E. CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2014 AND 2013

Millions of euros	Notes	December 2014	December 2013
Net profit attributable to the Parent		402	727
Adjustments for:		581	207
Non-controlling interests		-50	-26
Tax		152	168
Result of companies accounted for using the equity method		-138	-375
Financial result		377	333
Impairment and gains or losses on disposals of non-current assets		-5	-126
Depreciation and amortisation charge		244	233
Income taxes paid		-19	-82
Changes in receivables, payables and other		-116	-20
Dividends from infrastructure project companies received		582	465
Cash flows from operating activities	28	1,429	1,296
Investments in property, plant and equipment and intangible assets		-115	-96
Investments in infrastructure projects		-365	-704
Acquisitions of companies/companies accounted for using the equity method		-390	-507
Long-term restricted cash		-29	-229
Divestment of infrastructure projects		0	0
Divestment/Sale of companies		11	564
Cash flows from investing activities	28	-888	-972
Cash flows before financing activities		541	324
Capital proceeds from non-controlling interests		59	117
Scrip dividend		-275	0
Acquisition of treasury shares		-235	0
Other remuneration of shareholders		-62	-525
Remuneration of shareholders		-572	-525
Other changes in shareholders' equity		0	0
Cash flows from shareholders and non-controlling interests		-513	-408
Interest paid		-311	-318
Interest received		16	21
Increase in borrowings		827	1,636
Decrease in borrowings		-292	-1,104
Change in borrowings held for sale		0	0
Cash flows from financing activities	28	-273	-173
Change in cash and cash equivalents	18	268	152
Cash and cash equivalents at beginning of year		3,070	2,967
Cash and cash equivalents at end of year		3,439	3,070
Effect of foreign exchange rate changes on cash and cash equivalents		-101	48

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of cash flows for 2014.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 36). In the event of a discrepancy, the Spanish-language version prevails.

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2014

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 II. Its registered office is in Madrid, at calle Príncipe de Vergara 135.

Through these companies, Ferrovial engages in the following lines of business, which are its reporting segments pursuant to IFRS 8:

- Construction: design and performance of all manner 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.

For the purpose 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 fields.

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 flows referred to as "excluding infrastructure projects", which comprise the flows generated by the construction and services businesses, the dividends from the capital invested in infrastructure projects and investments in or divestments of the share capital of these projects, are presented separately from the cash flows of the infrastructure projects, which include the flows generated by the related concession operators.

It is also important to highlight that two of the Group's main assets are its investments of 25% in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London (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

In 2014 a consortium owned 50% by Ferrovial Aeropuertos and 50% by an infrastructure fund of the investment company Macquaire, entered into an agreement with Heathrow Airport Holdings (HAH) for the acquisition of Aberdeen, Glasgow and Southampton airports in the UK, through a newly-formed company called AGS Airports. The transaction, which was made public in October 2013, was completed on 18 December and entailed an investment by Ferrovial of EUR 360 million, of which EUR 50 million were disbursed in the form of capital of the newly-formed company and EUR 310 million were paid in the form of a loan to the company that acquired the assets.

From the standpoint of the investment in HAH, the transaction gave rise to the distribution of an extraordinary dividend by HAH, which, based on Ferrovial's percentage of ownership, amounted to EUR 214 million, and to the recognition of a gain which, following the elimination of the 50% attributable to Ferrovial's ownership interest in the new company, had an impact of EUR 51 million on Ferrovial's statement of profit or loss. This impact was recognised as part of the result of companies accounted for using the equity method contributed by HAH (see Note 9)

2. Basis of presentation and accounting policies

2.1. Basis of presentation

The accompanying consolidated financial statements were obtained from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company and, accordingly, present fairly the Company's equity, financial position and results. 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.

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 for the first time in 2014.

The new consolidation standards (IFRS 10, IFRS 11, IFRS 12, IAS 27 (Revised) and IAS 28 (Revised)) became effective in the European Union on 1 January 2014. However, as indicated in Note 2.3.a) of the consolidated financial statements for 2013, the Group opted for an early application of these standards and, therefore, the impact of their first-time application was accounted for in those consolidated financial statements from 1 January 2013 and with retrospective effect

Following is a description of the other amendments and interpretations adopted by the European Union that became mandatory applicable in the year that began on 1 January 2014, the application of which did not have a material impact on these consolidated financial statements:

New standards, amendments and interpretations		Mandatory application in annual reporting periods beginning on or after:
Mandatory applicable:		
Amendments to IAS 32	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	1 January 2014
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21	Levies	1 January 2014

2.3.b) New standards, amendments and interpretations mandatorily applicable in annual reporting periods subsequent to 2014:

The new standards, amendments and interpretations approved by the IASB but not yet mandatory applicable that might have an impact on the Group are as follows:

New standards, amendments and interpretations		Mandatory application in annual reporting periods beginning on or after:
Approved for use in the EU		
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual improvements	2010-2012 and 2011-2013 cycles	1 July 2014
Not yet approved for use in the EU		
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2017
Annual improvements	2012-2014 cycle	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 1	Disclosure Initiative	1 January 2016

Of all these standards and amendments, the only one that might have a significant impact on the Group's consolidated financial statements is IFRS 9, which becomes effective on 1 January 2018, and is currently being analysed.

2.4. Basis of consolidation

In 2014 and 2013 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:

- The contracts that are undertaken through unincorporated temporary joint ventures (UTEs) or similar entities that meet the IFRS 11 requirements for being classified as "joint operations" are proportionately consolidated. It is considered that, in these cases of joint control, the venturers have direct control over the assets, liabilities, income and expenses, and joint and several responsibility for the obligations, of these entities. Operations of this nature contributed to the consolidated Group assets, profits and sales of EUR 695 million, EUR 108 million and EUR 861 million, respectively, in 2014 (2013: EUR 589 million, EUR 60 million and EUR 885 million, respectively).

- The companies over which Ferrovial, S.A. exercises a significant influence or joint control in cases which do not meet the requirements in IFRS 11 for being classified as "joint operations" are accounted for using the equity method.

- 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 non-elimination of these transactions had an impact of EUR 59 million on the statement of profit or loss, after taxes and non-controlling interests (2013: EUR 40 million). The detail of the transactions not eliminated on the basis of the foregoing is shown in Note 31, Related party transactions.

Appendix II contains a list of subsidiaries and associates.

2.5. Accounting policies applied to each item in the consolidated statement of financial position and consolidated statement of profit or loss

In line with the disclosures in Note 2.4 above, set forth below is a detail of only those accounting policies adopted by the consolidated Group in preparing these consolidated 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:

	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 in infrastructure made by infrastructure concession operators within the scope of IFRIC 12 (mainly toll roads), for which the intangible asset model is applied and the remuneration for which consists of the right to collect the related charges based on the level of usage of the public service.

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 systematically for replacement investments over the period in which the related obligations accrue, 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.

The main assumptions used in relation to these arrangements correspond to vehicle number and replacement investment estimates, which are updated each year by technical departments.

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

Toll road concessions accounted for using the intangible asset model:

Concession operator	Country	Concession term (years)	Status	First year of concession (*)	Accounting method
Skyway Concession Co.	US	99	Operation	2005	Full consolidation
SH 130 Concession Co.	US	50	Operation	2012	Full consolidation
NTE Mobility Partners, LLC	US	52	Operation	2014	Full consolidation
NTE Mobility Partners Seg 3 LLC (1)	US	43	Construction	2013	Full consolidation
LBJ Express (2)	US	52	Operation	2009	Full consolidation
I-77 Mobility Partners LLC (4)	US	50	Construction	2014	Full consolidation
M-203 Alcalá O'Donnell	Spain	30	Construction	2005	Full consolidation
Autopista Madrid Sur	Spain	65	Operation	2000	Full consolidation
Autopista Madrid-Levante (3)	Spain	36	Operation	2004	Full consolidation
Autopista del Sol	Spain	55	Operation	1996	Full consolidation
Euroscut Algarve	Portugal	30	Operation	2000	Full consolidation
Euroscut Azores	Portugal	30	Operation	2006	Full consolidation
Eurolink Motorway Operations	Ireland	30	Operation	2003	Full consolidation
Indiana Toll Roads	US	75	Operation	2006	Equity method
Nea Odos	Greece	30	Operation	2007	Equity method
Central Greece	Greece	30	Operation	2008	Equity method

(*) First year of the concession (if in operation) or year of commencement of construction (if at the construction phase).

(1) The concession term is 43 years from the commencement of operation services, scheduled for 2018.

(2) The concession term is the shorter of 50 years of operation and 52 years from the contract execution date.

(3) The term of the concession may be extended by four years if certain service quality parameters are achieved

(4) The concession term is 50 years from the completion of the construction work, estimated at 44 months from the reporting date.

The ETR-407 concession was not included in this table as that company does not apply IFRIC 12.

Other concession arrangements accounted for using the intangible asset model:

In addition to the toll road concessions shown in the foregoing table, there are other arrangements to which the IFRIC 12 intangible asset model is applied, including most notably a concession of the Services Division held through Autovía de Aragón Sociedad Concesionaria, S.A. for the rehabilitation and subsequent maintenance of a stretch of the Nacional II road in Spain, as well as various waste treatment plants of the Services Division and water treatment plants of the Construction Division.

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.

This interest is accounted for in accordance with 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 interest 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 2014, the interest recognised as revenue amounted to EUR 185 million (31 December 2013: EUR 149 million). Also, the borrowing costs associated with the financing of concessions to which the financial asset model is applied amounted to EUR 76 million in 2014 (2013: EUR 77 million).

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, their status and the accounting method applied:

Toll road concessions accounted for using the financial asset model:

Concession operator	Country	Concession term (years)	Status	First year of concession	Accounting method
Autopista Terrasa Manresa	Spain	50	Operation	1986	FC
Auto-Estradas Norte Litoral	Portugal	30	Operation	2001	FC
Eurolink M3	Ireland	45	Operation	2007	FC
407 East Extension (1)	Canada	30	Construction	2012	Eq.
A-334 Autovía del Almanzora	Spain	30	Design	2012	Eq.
A66 Benavente - Zamora	Spain	30	Construction	2012	Eq.

(1) The concession term is 30 years from the completion of the construction work, scheduled for December 2015.

Other concession arrangements accounted for using the financial asset model:

The other arrangements to which the financial asset model is applied relate to the Services and Construction Divisions. Following is a detail of the most significant concession arrangements of the Construction Division:

Concession operator	Country	Concession term (years)	First year of concession	Accounting method
Concesionaria de Prisiones Lledoners	Spain	32	2008	Full consolidation
Conc. Prisiones Figueras, S.A.U.	Spain	32	2011	Full consolidation
Aparcamiento Budimex	Poland	30 years and 4 months	2012	Full consolidation

As regards the Services Division, the most significant concession arrangement accounted for using the financial asset model in Spain is the contract for the operation of the Calle 30 orbital road in Madrid, which is accounted for using the equity method and in which the Group has an indirect interest of 10% through EMESA, in which the percentage of ownership is 50% and which is also accounted for using the equity method. The following arrangements are also highlighted:

Concession operator	Country	Concession term (years)	First year of concession	Accounting method
Hospital Valdecilla Cantabria	Spain	20	2014	Full consolidation
Ecoparc de Can' Mata	Spain	14	2011	Full consolidation
Gestión Mediambiental de Toledo	Spain	22	2010	Full consolidation
Waterbeach waste treatment plant	UK	28	2008	Full consolidation
Milton Keynes waste treatment plant	UK	18	2013	Full consolidation
Toll Road IM08 DDS	Poland	6	2014	Full consolidation

2.5.4. Other items in the consolidated statement of financial position and consolidated statement of profit or loss

<u>Inventories</u>

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

<u>Cash and cash equivalents of infrastructure project companies: Restricted cash</u>

"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.

<u>Fair value measurement</u>

The Group only uses fair value measurements in the case of derivative financial instruments. In such measurements, the credit risk of the parties to the related agreement are taken into account. The impact of credit risk will be recognised in profit or loss, except when the derivatives qualify as effective hedges, in which case they will be recognised in reserves. The Group uses appropriate measurement techniques based on the circumstances and on the volume of inputs available for each item, attempting to maximise the use of relevant observable inputs and avoiding the use of unobservable inputs. The Group establishes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into the following three levels:

- Level 1: quoted prices for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable market inputs for the asset or liability.

As indicated in Note 11, Derivative financial instruments at fair value, all the Group's derivative financial instruments fall into Level 2.

<u>Non-refundable grants related to assets</u>

Non-refundable grants related to assets are measured at the amount granted under "Deferred Income" (see Note 15) in the consolidated statement of financial position, and are taken to profit or loss gradually in proportion to the period depreciation on the assets financed with these grants and are recognised under "Depreciation and Amortisation Charge". From the cash flow standpoint, the amount of the grants collected in the year is presented as a reduction of the amount of the investments made.

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 (stage of completion). Any expected loss on the construction contract is recognised as an expense immediately.

The Group habitually conducts surveys of the work performed, which is made possible in practice by the existence in all the contracts of a definition of all the units of output and the price at which each unit is to be billed. There are budgeting tools for monitoring variances. At the end of each month, the units executed in each contract are measured and the output for the month is recognised as revenue. Contract costs are recognised on an accrual basis, and the costs actually incurred in completing 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 policy has historically not been applied to construction projects carried out by Budimex, in which revenue was 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 bear 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 order to bring Budimex into line with the general method used by the Group, since 1 January 2014 the method of measuring the units of output has been applied to all new construction projects.

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 initially recognised as 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 statement of profit or loss.

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, and is recognised as a financial result.

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).

2.5.5.3. Service business

In general, the revenue from contracts involving various tasks and unit prices is recognised in the income statement when the services are provided, in accordance with IAS 18, Revenue. In the case of long-term contracts with a single payment or annual payments, in which the flow of collections does not correspond to the accrual of the services provided, revenue and costs are recognised by reference to the stage of completion, established in both the aforementioned IAS 18 and in IAS 11, Construction Contracts, on the basis of the costs incurred as a percentage of the total estimated costs.

Lastly, it should be noted that the revenue from certain contracts that fall within the scope of IFRIC 12 is recognised as described in Notes 2.5.2 and 2.5.3.

2.6. Accounting estimates and judgements

In the consolidated financial statements for 2014 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 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 to employees (see Note 16, Pension plan deficit).
- The measurement of stock options and share award plans (see Note 30, 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, contingent assets, obligations and commitments 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, Provisions).

Although these estimates were made using the best information available at 31 December 2014 and 2013 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. The policies adopted by the Group in managing these risks are explained in detail in the Directors' Report.

Following are specific data on the Group's exposure to each of these risks, a sensitivity analysis to a change in the various variables and a brief reference to the management of each risk.

3.1. Interest rate risk

The hedging arranged by the Group for interest rate risk is articulated through the issuance of fixed-rate debt or the arrangement of hedging financial derivatives, a detail of which is provided in Note 11, Derivative financial instruments at fair value. The objective of these hedges is to optimize the financial cost bore by the Group.

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

Borrowings	2014 Total gross debt	% of debt hedged	Net debt exposed to interest rate risk	Impact on results of +100 b.p.
Non-infrastructure project companies	1,467	60%	584	6
Toll roads (*)	6,920	90%	689	7
Construction	148	93%	11	0
Services	341	88%	40	0
Infrastructure projects	7,410	90%	740	7
Total borrowings	8,877	85%	1,234	13

Borrowings	2013 Total gross debt	% of debt hedged	Net debt exposed to interest rate risk	Impact on results of +100 b.p.
Non-infrastructure project companies	1,168	47%	620	6
Toll roads (*)	7,209	88%	837	8
Construction	150	93%	11	0
Services	271	84%	43	0
Infrastructure projects	7,631	88%	892	9
Total borrowings	8,799	83%	1,511	15

(*) 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.

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 25% 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 increase of 100 basis points in the market yield curves at 31 December 2014 would increase the finance costs in the statement of profit or loss by an estimated EUR 13 million, of which EUR 7 million relate to infrastructure projects and EUR 6 million to non-infrastructure project companies, with a net impact on the profit attributable to Ferrovial of EUR -8 million.

It is also necessary to take into account changes in the fair value of the financial derivatives arranged, which are indicated in Note 11.

As regards these interest rate hedging instruments, a linear decrease of 100 basis points in the market yield curves at 31 December 2014 would, in the case of the effective hedges, have a net impact of EUR -355 million on the equity attributable to the Parent (EUR -159 million at companies accounted for using the equity method and EUR -196 million at fully consolidated companies).

3.2. Foreign currency risk

In the management of foreign currency risk, Ferrovial sets hedges to cover the expected flows to be received in the next years, whether dividends or equity contributions in new projects. These hedges are carried out through forwards (more details in Note 11) or through the establishment of deposits in other currencies.

The following table shows, by type of currency, the values of assets, liabilities, non-controlling interests and equity attributable to the Parent at December 2014, adjusted by the abovementioned currency forwards corresponding to each currency:

Millions of euros Currency	2014 Assets	Liabilities	Equity of the Parent	Non-controlling interests
Euro	9,854	8,322	1,433	100
Pound sterling	4,685	2,748	1,938	0
US dollar	7,749	7,429	117	203
Canadian dollar	1,791	-187	1,979	0
Polish zloty	1,020	841	133	46
Chilean peso	188	119	69	0
Other	186	181	5	0
Total Group	25,473	19,452	5,672	349

The table below shows the closing rates at 2014 and 2013 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 2014	2013	Change 14/13 (*)
Pound sterling	0.7766	0.8323	-6.69%
US dollar	1.2100	1.3789	-12.25%
Canadian dollar	1.4054	1.4655	-4.10%
Polish zloty	4.2826	4.1566	3.03%
Chilean peso	734.0600	724.3900	1.33%

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

As a result of these changes, the impact of translation differences on equity at 31 December 2014 was EUR 262 million for the Parent and EUR 24 million for non-controlling interests. Of the aforementioned EUR 262 million, EUR 102 million correspond to changes in the Canadian dollar and EUR 152 million to changes in pound sterling.

Also, 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 -471 million, of which 46% would relate to the impact of the pound sterling and 47% to that of the Canadian dollar. This fluctuation in the value of the euro would have an impact on total assets of EUR -1,735 million, of which 50% would relate to the investments in US dollars, 30% to the investments in pounds sterling and 11% to the investments in Canadian dollars.

Also, the detail of the net profit attributable to the Parent by type of currency for 2014 and 2013 is as follows:

Millions of euros Currency	Net profit (loss) 2014	2013
Euro	92	85
Pound sterling (**)	225	506
US dollar	34	44
Canadian dollar	64	67
Polish zloty	25	49
Chilean peso	1	4
Other	-40	-27
Total Group	402	727

(**) The profit in pounds sterling includes the gains obtained on the divestments in HAH in 2013.

The table below shows the average exchange rates in 2014 and 2013 of the main currencies in which the Group operates, which were used to translate the statement of profit or loss items to euros:

	Average exchange rate		
	2014	2013	Change 14/13 (***)
Pound sterling	0.8023	0.8494	-5.55%
US dollar	1.3209	1.3304	-0.71%
Canadian dollar	1.4624	1.3767	6.22%
Polish zloty	4.1954	4.2148	-0.46%
Chilean peso	756.3258	664.9500	13.74%

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

In this regard, the impact of a 10% appreciation of the euro on the statement of profit or loss would have amounted to EUR -34 million.

3.3 Credit and counterparty risk

The Group's main financial assets exposed to credit risk or counterparty risk are as follows:

	2014	2013	Change
Investments in financial assets (1)	1,132.8	1,019.6	113.2
Non-current financial assets	2,323.6	1,880.2	443.4
Financial derivatives, net (liability)	-1,031.5	-893.3	-138.2
Trade and other receivables	2,244.0	2,212.2	31.8

(1) Included in "Cash and Cash Equivalents".

In the management of this risk, Ferrovial monitors the rating of the different counterparties, establishing diversification criteria, minimum rating requirements for the financial counterparties and follow-up and selection of clients credit risk.

3.4. Liquidity risk

The Group has established the necessary mechanisms that reflect the cash generation and need projections, in order to guarantee solvency, in relation to both short-term collections and payments and obligations to be met at long term.

3.4.a.- Non-infrastructure project companies

At 31 December 2014, cash and cash equivalents amounted to EUR 3,103 million (2013: EUR 2,851 million). Also, at that date, undrawn credit lines totalled EUR 951 million (2013: EUR 937 million).

3.4.b.- Infrastructure projects

At 31 December 2014, total cash and cash equivalents (including short-term restricted cash) amounted to EUR 396 million (2013: EUR 279 million). Also, at that date, undrawn credit lines amounted to EUR 706 million (2013: EUR 914 million), which were arranged mainly to cover committed investment needs.

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 used to hedge against risks of appreciation of share-based remuneration schemes, the detail of which is shown in Note 11.

Since these swaps are not classified as hedging derivatives, their market value has an impact on profit or loss and, accordingly, a EUR 1 increase/decrease in the Ferrovial share price would have a positive/negative impact of EUR 9 million on the net profit of Ferrovial.

3.6. Inflation risk

Most of the revenue from infrastructure projects is associated with 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.

Unlike the company's assets, from the accounting standpoint the derivatives arranged at HAH the objective of which is to convert fixed-rate borrowings into index-linked debt 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 effect on the net profit attributable to Ferrovial (in proportion to its percentage of ownership) of EUR -159 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 an effect on reserves of EUR -129 million.

3.7 Capital management

The Group aims to achieve a debt-equity ratio that makes it possible to optimise costs while safeguarding its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects in order to create shareholder value.

Ferrovial's objective with regard to financial debt is to maintain a low level of indebtedness, excluding infrastructure project debt, such that it can retain its investment grade credit rating. In order to achieve this target it has established a clear and adequate financial policy in which a relevant metric refers to a maximum ratio, for non-infrastructure projects, of net debt (gross debt less cash) to gross profit from operations plus dividends from projects of 2:1.

At 31 December 2014, the net cash position was positive (assets higher than liabilities) and, therefore, the difference with respect to the maximum debt-equity ratio established is very significant. For the purpose of calculating this ratio, "net debt excluding infrastructure 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

The Company's Board of Directors analyses the performance of the Group mainly from a business perspective. From this perspective, the Board assesses the performance of the Construction, Toll Roads, Airports and Services segments. Set forth below are the consolidated statements of financial position and consolidated statements of profit or loss for 2014 and 2013, 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: 2014 (millions of euros)

Assets	Construction	Toll roads	Airports	Services	Other	Total
Non-current assets	752	14,484	1,379	2,779	32	19,426
Goodwill	184	369	0	1,430	0	1,982
Intangible assets	5	7	0	206	5	223
Investments in infrastructure projects	4	9,345	0	310	-369	9,290
Investment property	5	0	0	0	0	6
Property, plant and equipment	97	20	0	323	10	451
Investments in associates	6	2,198	1,057	56	0	3,317
Non-current financial assets	218	1,445	315	356	-11	2,324
Deferred tax assets	233	747	6	97	355	1,438
Non-current derivative financial instruments at fair value	0	353	0	0	42	395
Current assets	4,000	1,091	693	1,918	-1,655	6,048
Assets classified as held for sale	1	0	0	2	0	2
Inventories	139	11	0	31	176	357
Trade and other receivables	966	306	9	1,316	-352	2,244
Cash and cash equivalents	2,894	771	685	569	-1,480	3,439
Receivable from Group companies	1,334	368	409	67	-2,178	0
Other	1,560	403	276	501	699	3,439
Current derivative financial instruments at fair value	0	4	0	0	1	5
Total assets	4,751	15,576	2,072	4,697	-1,623	25,473

Equity and liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	1,072	3,291	1,956	1,406	-1,704	6,021
Equity attributable to the equity holders	1,085	2,998	1,956	1,396	-1,763	5,672
Equity attributable to non-controlling interests	-13	293	0	10	59	349
Deferred income	3	956	0	28	0	987
Non-current liabilities	568	9,645	95	1,616	1,106	13,030
Pension plan deficit	2	0	0	99	0	101
Other provisions	188	717	0	321	152	1,378
Borrowings	166	6,859	0	883	800	8,707
Payable to Group companies	2	0	0	498	-500	0
Other	164	6,859	0	385	1,300	8,707
Other payables	11	140	29	51	-29	202
Deferred tax liabilities	181	679	67	200	183	1,310
Derivative financial instruments at fair value	20	1,251	0	62	0	1,332
Current liabilities	3,109	1,684	20	1,647	-1,024	5,435
Borrowings	27	1,326	20	397	-402	1,368
Payable to Group companies	9	65	17	339	-430	0
Other	18	1,261	2	58	28	1,368
Current derivative financial instruments at fair value	1	68	0	8	22	100
Trade and other payables	2,665	290	1	1,154	-645	3,465
Operating provisions and allowances	416	0	0	87	0	503
Total equity and liabilities	4,751	15,576	2,072	4,697	-1,623	25,473

Segment statement of financial position: 2013 (millions of euros)

Assets	Construction	Toll roads	Airports	Services	Other	Total
Non-current assets	767	12,605	1,263	2,582	-5	17,212
Goodwill	172	355	0	1,366	0	1,893
Intangible assets	4	7	0	209	8	229
Investments in infrastructure projects	4	7,831	0	273	-469	7,639
Investment property	5	0	0	0	32	37
Property, plant and equipment	101	17	0	343	22	483
Investments in associates	4	2,251	1,261	47	0	3,562
Non-current financial assets	241	1,410	0	230	-1	1,880
Deferred tax assets	236	591	1	114	401	1,344
Non-current derivative financial instruments at fair value	0	143	0	0	1	144
Current assets	3,715	1,004	704	1,663	-1,458	5,628
Assets classified as held for sale	0	0	0	2	0	2
Inventories	133	11	0	26	156	325
Trade and other receivables	1,002	411	7	1,132	-340	2,212
Cash and cash equivalents	2,580	569	697	502	-1,278	3,070
Receivable from Group companies	1,254	93	686	115	-2,149	0
Other	1,326	476	11	387	871	3,070
Current derivative financial instruments at fair value	1	13	0	0	4	18
Total assets	4,482	13,609	1,966	4,245	-1,463	22,840

Equity and liabilities	Construction	Toll roads	Airports	Services	Other	Total
Equity	840	3,273	1,873	1,233	-1,145	6,074
Equity attributable to the equity holders	836	2,991	1,873	1,222	-1,203	5,719
Equity attributable to non-controlling interests	4	282	0	11	58	355
Deferred income	4	469	0	30	0	503
Non-current liabilities	532	8,241	95	1,607	755	11,230
Pension plan deficit	1	0	0	105	0	107
Other provisions	203	710	0	281	157	1,350
Borrowings	164	6,002	0	912	418	7,496
Payable to Group companies	0	0	0	595	-595	0
Other	164	6,002	0	317	1,012	7,496
Other payables	12	149	29	48	-29	208
Deferred tax liabilities	142	497	67	223	188	1,117
Derivative financial instruments at fair value	9	884	0	39	21	952
Current liabilities	3,107	1,626	-2	1,375	-1,073	5,033
Borrowings	-10	1,248	1	392	-327	1,303
Payable to Group companies	-29	41	1	338	-351	0
Other	19	1,207	0	54	23	1,303
Current derivative financial instruments at fair value	0	65	0	0	2	67
Trade and other payables	2,751	313	-3	932	-749	3,245
Operating provisions and allowances	366	0	0	51	0	417
Total equity and liabilities	4,482	13,609	1,966	4,245	-1,463	22,840

Segment statement of profit or loss : 2014 (millions of euros)

	Construction	Toll roads	Airports	Services	Other	Total
Revenue	3,942	432	9	4,401	18	8,802
Other operating income	2	0	0	6	0	9
Total operating income	3,943	432	9	4,408	18	8,811
Materials consumed	777	3	0	337	14	1,131
Staff costs	610	61	6	1,845	54	2,575
Other operating expenses	2,208	111	16	1,839	-52	4,122
Total operating expenses	3,595	175	22	4,020	16	7,828
Gross profit from operations	349	257	-12	387	2	983
Depreciation and amortisation charge	37	75	0	128	5	244
Profit from operations before impairment and non-current asset disposals	312	182	-13	260	-3	738
Impairment and non-current asset disposals	0	7	0	-2	0	5
Profit from operations	312	189	-13	258	-3	743
Financial result on financing	-9	-345	0	-19	0	-373
Result on derivatives and other financial results	0	-8	0	-12	0	-20
Financial result of infrastructure projects	-9	-353	0	-31	0	-393
Financial result on financing	26	5	13	-12	-64	-33
Result on derivatives and other financial results	6	-4	1	-9	56	49
Financial result of non-infrastructure project companies	31	2	14	-22	-9	16
Financial result	22	-352	14	-53	-9	-377
Share of profits of companies accounted for using the equity method	-12	60	70	20	0	138
Consolidated profit before tax	322	-103	71	226	-12	504
Income tax	-112	8	1	-24	-24	-152
Consolidated profit from continuing operations	210	-95	72	202	-37	352
Net profit from discontinued operations	0	0	0	0	0	0
Consolidated profit for the year	210	-95	72	202	-37	352
Loss for the year attributable to non-controlling interests	-17	69	0	0	-3	50
Profit for the year attributable to the Parent	192	-25	72	202	-39	402

Segment statement of profit or loss : 2013 (millions of euros)

	Construction	Toll roads	Airports	Services	Other	Total
Revenue	4,064	429	8	3,656	9	8,166
Other operating income	3	0	0	7	0	10
Total operating income	4,067	429	8	3,663	9	8,176
Materials consumed	912	3	0	250	15	1,181
Staff costs	596	59	6	1,635	56	2,351
Other operating expenses	2,216	91	11	1,456	-64	3,710
Total operating expenses	3,724	153	17	3,341	7	7,242
Gross profit from operations	343	276	-8	321	2	934
Depreciation and amortisation charge	28	75	0	127	3	233
Profit from operations before impairment and non-current asset disposals	314	202	-9	195	-1	701
Impairment and non-current asset disposals	46	6	40	39	-6	126
Profit from operations	360	208	32	234	-7	827
Financial result on financing	-9	-312	0	-16	0	-337
Result on derivatives and other financial results	0	-8	0	8	0	0
Financial result of infrastructure projects	-9	-319	0	-9	0	-337
Financial result on financing	22	3	4	-29	-52	-53
Result on derivatives and other financial results	14	1	4	-1	39	57
Financial result of other companies	35	4	8	-31	-13	5
Financial result	26	-315	8	-39	-12	-333
Share of profits of companies accounted for using the equity method	-1	65	297	14	0	375
Consolidated profit before tax	385	-42	336	209	-20	869
Income tax	-137	-1	21	-58	6	-168
Consolidated profit from continuing operations	248	-42	358	151	-14	701
Net profit from discontinued operations	0	0	0	0	0	0
Consolidated profit for the year	248	-42	358	151	-14	701
Loss for the year attributable to non-controlling interests	-31	57	0	-1	2	26
Profit for the year attributable to the Parent	217	15	358	150	-12	727

The detail, by segment, of the additions to the main non-current asset headings, 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	
	2014	2013	2014	2013	2014	2013	2014	2013
Construction	0	0	28	30	1	1	0	0
Toll roads	915	983	3	2	0	1	0	0
Services	43	23	75	49	16	467	9	12
Total	958	1,005	106	81	17	469	9	12

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

The detail, by segment, of revenue in 2014 and 2013 is as follows:

Millions of euros	2014			2013			Change
	External sales	Inter-segment sales	Total	External sales	Inter-segment sales	Total	
Construction	3,099	843	3,942	3,213	851	4,064	-3%
Toll roads	428	4	432	422	7	429	1%
Airports	9	1	9	8	0	8	13%
Services	4,396	6	4,401	3,646	11	3,656	20%
Other and adjustments	62	-45	18	58	-49	9	94%
Total	7,993	809	8,802	7,347	820	8,166	8%

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 detail, by geographical area, of the net profit, total assets, sales, additions to infrastructure projects, property, plant and equipment, intangible assets, goodwill and companies accounted for using the equity method is as follows:

Millions of euros	Additions to infrastructure projects, property, plant and equipment, intangible assets, goodwill and companies accounted for using the equity method		Net profit		Total assets		Revenue	
	2014	2013	2014	2013	2014	2013	2014	2013
Spain	101	87	11	17	7,771	8,053	2,709	2,590
UK	42	443	225	424	4,037	3,488	3,030	2,611
US	912	990	34	44	7,966	5,918	1,310	1,337
Canada	0	0	64	67	2,277	2,309	100	40
Poland	8	0	25	49	1,022	1,006	1,203	1,138
Other	27	48	42	126	2,400	2,066	451	450
Total	1,091	1,567	402	727	25,473	22,840	8,802	8,166

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.
- The directors' report contains a detail of cash flows, distinguishing between infrastructure projects and other companies.

5. Goodwill and acquisitions

The table below details the changes in goodwill in 2014:

Millions of euros	Balances at 31/12/13	Transfers	Exchange difference	Other changes	Balances at 31/12/14
Services	1,366	0	64	0	1,430
Amey	896	0	64	2	962
Spain Services	440	-7	0	0	432
Other Services	30	7	0	-2	36
Construction	172	0	12	0	184
Webber	101	0	14	0	115
Budimex	71	0	-2	0	69
Toll roads	355	0	13	0	369
Euroscut Algarve	15	0	0	0	15
Ausol	70	0	0	0	70
Autema	175	0	0	0	175
Chicago Skyway	96	0	13	0	109
Total	1,893	0	89	0	1,982

5.1. Acquisitions made in the year

In 2014 no acquisitions were made which gave rise to the generation of additional goodwill.

In should be noted that in 2014 additional information was obtained in relation to the financial statements of Enterprise and Steel Ingeniería at the date of inclusion in the scope of consolidation that had been unavailable at the date the consolidated financial statements for 2013 were prepared. This additional information gave rise to adjustments, for non-material amounts, to the goodwill arising from these acquisitions detailed in the financial statements for 2013. Since the impacts were not material, the comparative information for 2013 was not restated and the adjustments shown under "Other Changes" in the table above were performed, in accordance with IFRS 3.45, within a period of twelve months from the date of acquisition. This period had ended at the date of preparation of these consolidated financial statements and, therefore, they are considered to be definitive.

5.2 Goodwill impairment tests

A. Services Division goodwill (Amey and Ferrovial Services Spain):

For the purpose of determining the cash-generating units in order to test goodwill for impairment, it should be noted that in the case of Enterprise the impairment test is performed on a joint basis with Amey. This is because, as a result of the integration of these companies, the level at which a reasonable identification of all the corporate assets can be made is that of the resulting group, which is also the level at which the planned synergies of the business combination are expected to arise. This is in line with IAS 36.80 and IAS 36.102.

Similarly, the reorganisation performed by the Services Division in Spain led to the integration of the activities of Cespa and Ferroser, which together also form a cash-generating unit, called Ferrovial Services Spain, for the purpose of conducting the impairment test of the goodwill arising from the acquisition of Cespa.

The goodwill of Amey and Ferrovial Services Spain, amounting to EUR 962 million and EUR 432 million, respectively, at 31 December 2014 (31 December 2013: EUR 896 million and EUR 440 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 sovereign bond based on the location of the company in question and a market premium of 5.5%, based on recent studies of historical long-term premiums demanded (mainly Dimson, Marsh & Staunton, Ibbotson and Damodaran). As regards the risk-free interest rate, it should be noted that the Company considers that the current rate for sovereign bonds in some countries may be artificially low. For the impairment tests the risk-free interest rate used is a normalised rate of 2.99% for the UK (Amey) and 3.35% for Spain (Ferrovial Services Spain), which entails an upward adjustment with respect to the rate for sovereign bonds at 31 December 2014 of 123 basis points in the UK and 174 basis points in Spain. Additionally, in order to reflect each company's exposure, portfolios of comparable companies were selected to carry out regression analyses and obtain unlevered betas. The betas obtained were compared with other sources habitually used by analysts and investment banks (Barra Beta, Bloomberg, etc.). The discount rates (WACC) used to perform the impairment test are 7.3% in the UK and 7.6% in Spain (compared to the rates of 7.7% and 8.3%, respectively, used in 2013)

The projected flows are based on the latest estimates approved by the Company, which take into account recent historical data. The main factors that affect the cash flow projections of the Services Division are revenue forecasts and the projected revenue margins. These projections are based on four basic components:

a) The existing backlog, which offers certainty of a high percentage of revenue in the coming years. The backlog in 2014 grew significantly, by 20.1% in the UK and 2.9% in Spain.
b) Winning new contracts, which is calculated by applying a success rate (based on historical company data and market prospects) to the estimate of the contracts for which bids will be submitted in the coming years.
c) The estimate of future margins, which are based on the company's historical margins adjusted by certain factors that might affect the markets in the future. It should be noted in this connection that the profit from operations of Ferrovial Services Spain and Amey

outperformed budget estimates in 2014 used as the starting point for the impairment test model for 2013.

d) The perpetuity growth rate ("g"), based on the prospects of the markets and industries in which the company operates. The assumption used in both cases is 2%, which is similar to the estimated inflation rates of Spain and the UK, without considering actual economic growth.

The value of Amey resulting from application of this impairment test model is 376% higher than its carrying amount. In the case of Ferrovial Services Spain, the positive difference is 39%.

In addition, sensitivity analyses are performed on this goodwill, mainly 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.

Specifically, a pessimistic scenario was used with a perpetuity growth rate of 1% (instead of 2%) and a reduction in the gross profit from operations of 100 basis points. The valuation disclosed in this scenario evidences a buffer over the carrying amount of 253% in the case of Amey and 12% in the case of Ferrovial Services Spain.

On this basis, the valuation disclosed would equal the carrying amount if the reduction in the margin with respect to the base case was of 556 basis points for Amey and 185 basis points for Ferrovial Services Spain, thereby leaving the assumption of perpetuity growth ("g") at 1%.

Lastly, it should be stated that in a scenario maintaining the margins but assuming a zero perpetuity growth rate (as compared with 2% in the base case), there would be no impairment.

B. Construction Division goodwill (Webber and Budimex):

The goodwill of Webber and Budimex amounted to EUR 115 million and EUR 69 million, respectively, at 31 December 2014 (31 December 2013: EUR 101 million and EUR 71 million, respectively).

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 2014 was 292% higher than its carrying amount.

The impairment test method used for Webber was similar to that described above for the services companies and included a discount rate (WACC) of 8.2% (compared with 8.4% in December 2013) and a perpetuity growth rate of 2% (same rate in December 2013). The risk-free interest rate used to calculate the foregoing WACC is a normalised rate of 2.32%, which entails a slight upward adjustment of 15 basis points compared with the rate of the ten-year US bond at 31 December 2014.

The projected flows are based on the latest estimates approved by the Company, which take into account recent historical data. The main factors that affect the cash flow projections of Webber are revenue forecasts and the projected operating margins. These projections are based on four basic components, similar to those described in the preceding section on Services (the existing backlog, the obtainment of new contracts, the estimate of future margins and the perpetuity growth rate). It should be noted that the projected operating margins are lower than the historical margins of recent years. The perpetuity growth rate used was 2%, which is similar to long-term inflation forecasts for the US without considering actual economic growth.

The value of Webber resulting from application of this impairment test model is 21% higher than its carrying amount.

A sensitivity analysis was performed on Webber's goodwill, particularly in relation to the 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.

Specifically, a pessimistic scenario was taken into consideration with a perpetuity growth rate of 1% and a reduction in the profit from operations of 50 basis points. The valuation disclosed in this scenario evidences a buffer of 7% over the carrying amount.
On this basis, the valuation disclosed would equal the carrying amount if the reduction in the margin with respect to the base case was of 106 basis points, thereby leaving the assumption of perpetuity growth ("g") at 1%.

Lastly, it should be stated that in a scenario maintaining the margins but assuming a zero perpetuity growth rate (compared to 2%), there would be no impairment.

As regards the achievement of the business plan projections, it should be mentioned that in 2014 Webber amply surpassed the operating profit in the budget that served as the starting point for the impairment test of 2013.

C. Toll Road Division goodwill:

The goodwill of the Toll Road business at 31 December 2014 amounted to EUR 369 million (31 December 2013: EUR 355 million). This goodwill arose on the merger transaction performed in 2009 by Ferrovial, S.A. and Cintra, S.A., and corresponds to the acquisition of the percentage of ownership of the non-controlling shareholders of Cintra. The goodwill arising on the difference between the acquisition price of the aforementioned ownership interest and the carrying amount thereof was allocated by calculating the difference between the fair value of the main shareholdings in concession operators held by Cintra, S.A. at that time and the carrying amount thereof, adjusted by the percentage acquired.

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 recoverable amount 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 and specific features of each asset, using long-term modelling tools to estimate traffic, extraordinary maintenance, etc.

The main factor that affects the cash flow projections of the toll roads are revenue forecasts. These projections depend on the changes in traffic and tolls. In turn, the tolls depend on inflation or any other index established under the concession arrangement with regard to toll updates.

Traffic projections are prepared using long-term modelling tools that take into account data from public (or external) sources and the expected performance of the asset based on the historical evolution of traffic.

Firstly, the expected growth of vehicles in the corridor is estimated, which depends on the growth in the population and car ownership (it should be noted that the growth of heavy vehicles usually evolves in line with that of national GDP). Once the traffic in the corridor has been estimated, the level of toll road capture is calculated.

Valuation projections and models begin with the budget for the following year approved by management. Any variances in traffic volumes in the year underway are taken into consideration when the initial budget and the long-term projections are reviewed By way of illustration, it should be noted that actual revenue of toll roads to which goodwill was allocated in 2014 outperformed the budget in all cases.

To calculate the discount rates, shown in the table below, a risk-free rate usually referenced to a 30-year bond, taking into account the location of each concession operator, a beta coefficient reflecting the company's leverage and risk, and a market premium of 5.5%, is used. The table below shows the discount rate used for each activity in 2014 and 2013.

	Discount rate (cost of equity or Ke)	
	2014	2013
Chicago Skyway	7.7%	8.1%
Autema	7.4%	9.1%
Algarve	9.3%	10.7%
Ausol	8.5%	10.9%

For these toll road concessions, 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 attributable to the shareholder.

In the case of Ausol and Algarve, the carrying amount is positive and in both cases there is a buffer, with the valuation 126% higher than the carrying amount of Ausol and 73% that that of Algarve.

In the case of Autema and Chicago Skyway, since at 31 December 2014 the consolidated carrying amounts of the two toll roads were negative, in addition to the impairment test on the shares of the two projects, the assets of the projects -net of borrowings- were valued, comparing the resulting value with the carrying amount plus the goodwill allocable to them }on a uniform basis. In the case of Chicago, the result of the impairment test discloses a valuation 53% above the comparable carrying amount and 8% higher in the case of Autema.

As regards Chicago Skyway, it is important to underline that the project is exposed to refinancing risk because a portion of the project's borrowings mature in 2017, the refinancing thereof being assumed in the impairment test. At Autema, the flows are subject to a less significant risk of changes because it is a project without demand risk in which a substantial amount -up to a predetermined figure- is collected directly from the grantor. In relation to this concession, and as indicated in Note 34, Events after the reporting period, on 24 January 2015 the grantor notified the concession operator of its intention to modify the concession arrangement currently in force.

6. Intangible assets

At 2014 year-end the balance of intangible assets amounted to EUR 223 million (2013 year-end: EUR 229 million) and there were no significant variations.

"Intangible Assets" includes basically contractual rights that arose from the acquisition of certain companies in the Services segment; specifically:

- Valuation of the backlog and customer relationships arising in 2013 as a result of the acquisition of Enterprise (UK) for EUR 104 million (31 December 2013: EUR 114 million).
- Concession rights amounting to EUR 87 million at 31 December 2014 (31 December 2013: EUR 92 million), the most significant of which being those arising in 2005 as a result of the management and technical assistance agreement with the London Underground, and the right arising in 2010 to operate a waste treatment plant in the UK as a consequence of acquiring Donarbon.

The Group also recognised computer software under this heading amounting to EUR 21 million (31 December 2013: EUR 19 million).

No impairment losses were recognised or reversed in relation to these assets in 2014.

7. Investments in infrastructure projects

The detail, by project, of "Investments in Infrastructure Projects" and of the changes therein in 2014 is as follows:

Millions of euros	Balances at 01/01/14	Additions	Disposals	Changes in the scope of consolidation and transfers	Exchange rate effect	Balances at 30/12/14
Spanish toll roads	2,609	11	-5	0	0	2,615
US toll roads	4,439	902	-1	0	758	6,098
Other toll roads	979	2	0	0	0	982
Investment in toll roads	8,027	915	-6	0	758	9,695
Accumulated amortisation	-504	-57	0	0	-14	-575
Impairment losses	-162	0	7	11	0	-144
Net investment in toll roads	7,361	858	1	11	744	8,976
Investment in other infrastructure projects	390	43	-1	21	0	453
Amortisation - Other infrastructure projects	-114	-23	1	-4	0	-139
Total net investment - Other infrastructure projects	277	20	0	17	0	314
Total investment	8,417	958	-7	21	758	10,147
Total amortisation and impairment losses	-779	-80	8	7	-14	-858
Total net investment	7,639	878	1	28	744	9,290

The most significant changes in 2014 were as follows:

Exchange rate fluctuations resulted in an increase of EUR 744 million (2013: decrease of EUR -206 million) in the balance of these assets, the full amount of which was attributable to the change in the euro/US dollar exchange rate at the US toll roads.

As regards the toll roads in the US, disregarding the exchange rate effect, there were significant increases in the assets of the North Tarrant Express (EUR 379 million -2013: EUR 373 million-) which had been opened by year-end, the extension of the North Tarrant Express Extension (EUR 69 million -2013: EUR 36 million-) and LBJ (EUR 455 million -2013: EUR 564 million-) toll roads, the latter currently under construction. The total investment in these toll roads includes a balance at 31 December 2014 of EUR 1,236 million (2013: EUR 2,167 million) relating to property, plant and equipment in the course of construction.

"Investment in Other Infrastructure Projects" includes concession arrangements awarded to the Services Division that are classified as intangible assets under IFRIC 12, basically those relating to Autovía de Aragón Sociedad Concesionaria, S.A., with a net investment of EUR 148 million (2013: EUR 158 million) and various integral waste treatment plants located mainly in Barcelona, Toledo and Murcia (Ecoparc de Can Mata, S.L.U. , Gestión Medioambiental de Toledo, S.A. and Servicios Urbanos de Murcia, S.A.) among others, amounting to EUR 162 million (2013: EUR 115 million).

"Impairment Losses" includes the estimated impairment losses on arrangements to which no goodwill has been allocated. These possible impairment losses were calculated using the method indicated in Note 5.2.C.

In the case of the infrastructure project companies, all their concession assets have been pledged as security for the existing borrowings (see Note 18). The borrowing costs capitalised in this connection in 2013 are detailed in Note 26.
The changes in these assets in 2013 were as follows:

Millions of euros	Balance at 01/01/14	Total additions	Total disposals	Changes in the scope of consolidation and transfers	Exchange rate effect	Balances at 30/12/14
Spanish toll roads	2,486	0	-2	126	0	2,609
US toll roads	3,668	983	0	0	-211	4,439
Other toll roads	961	0	0	18	0	979
Investment in toll roads	7,114	983	-2	144	-211	8,027
Accumulated amortisation	-450	-58	0	0	4	-504
Impairment losses	-159	-7	0	4	1	-162
Net investment in toll roads	6,505	917	-2	148	-206	7,361
Investment in other infrastructure projects	311	23	-3	60	-1	390
Amortisation - Other infrastructure projects	-61	-21	3	-35	1	-114
Total net investment - Other infrastructure projects	250	2	0	25	0	277
Total investment	7,425	1,005	-5	204	-212	8,417
Total amortisation and impairment losses	-670	-86	3	-31	6	-779
Total net investment	6,755	919	-2	173	-206	7,638

8. Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated statement of financial position were as follows:

Changes in 2014 Millions of euros	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Total
Investment: Balances at 01/01/14	151	816	626	1,593
Additions	10	48	48	106
Disposals	-2	-31	-37	-69
Changes in the scope of consolidation and transfers	-3	-7	-3	-13
Exchange rate effect	6	18	3	27
Balances at 31/12/14	162	844	637	1,643
Accumulated depreciation and impairment losses at 01/01/14	-30	-623	-457	-1,110
Depreciation charge for the year	-5	-61	-46	-113
Disposals	1	24	24	49
Changes in the scope of consolidation and transfers	1	-1	0	-1
Exchange rate effect	-1	-11	-2	-14
Impairment losses on property, plant and equipment	0	0	-3	-3
Balances at 31/12/14	-35	-672	-485	-1,192
Carrying amount at 31/12/14	127	172	152	451

The most significant changes in 2014 were as follows:

Additions:
Of the total additions in 2014, amounting to EUR 106 million, the most significant arose at the Services Division amounting to EUR 75 million in relation to the investments made in the expansion of the capacity of landfills, the installation of new waste transfer and treatment facilities and the renewal of cleaning and transport equipment associated with contracts in force. Also, in the Construction Division, acquisitions totalling EUR 28 million were made in relation to specific construction machinery.

In addition, in 2014 the change in value of the euro against the US dollar and pound sterling increased the balance of property, plant and equipment by EUR 27 million.

Disposals or reductions:

The property, plant and equipment disposals and reductions amounted to EUR 69 million, due largely to the write-off of fully depreciated or obsolete items, which did not have a material effect on the consolidated statement of profit or loss. Specifically, EUR 14 million were derecognised at the Construction Division and EUR 44 at the Services Division.

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. Impairment losses on other items of property, plant and equipment total EUR 67 million (2013: EUR 64 million), associated mainly with the Services Division.

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 12 million (2013: EUR 29 million), corresponding in full to the Services Division.

The balance of "Property, Plant and Equipment" at 31 December 2014 includes EUR 110 million (2013: EUR 75 million) relating to the carrying amount of Services Division assets (associated with the York waste treatment plant in the UK amounting to EUR 86 million and Cespa, S.A. amounting to EUR 18 million) that have been pledged as security for bank borrowings.

Changes in 2013 Millions of euros	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Total
Investment: Balances at 01/01/13	131	773	677	1,581
Additions	6	38	38	82
Disposals	-1	-39	-41	-81
Changes in the scope of consolidation and transfers	16	49	-45	21
Exchange rate effect	-2	-5	-3	-10
Balances at 31/12/13	151	816	626	1,593
Accumulated depreciation and impairment losses at 01/01/13	-28	-585	-461	-1,074
Depreciation charge for the year	-6	-63	-44	-113
Disposals	-	35	31	66
Changes in the scope of consolidation and transfers	3	-12	29	20
Exchange rate effect	-	3	3	7
Impairment losses on property, plant and equipment	-	-	-15	-15
Balances at 31/12/13	-30	-623	-457	-1,110
Carrying amount at 31/12/13	120	193	170	483

9. Investments in associates

The detail of the investments in companies accounted for using the equity method at 2014 year-end and of the changes therein in 2014 is shown in the table below. Due to their significance, the investments in 407 ETR (43.23%) and Heathrow Airport Holdings (HAH) (25%) are presented separately.

2014 Millions of euros	HAH (25%)	407 ETR (43.23%)	Other	Total
Balance at 31/12/13	1,261	2,260	41	3,562
Changes in ownership interest	0	0	0	0
Share of results	74	54	10	138
Dividends received and equity reimbursed	-341	-216	-9	-566
Exchange rate effect	81	90	2	173
Elimination of profits or losses with associates	51		-51	0
Other	-63	0	74	10
Balance at 31/12/14	1,062	2,188	66	3,317

The changes in "Investments in Associates" were due mainly to the distribution of dividends, partially net of the share of the profit for the year (EUR 138 million), and to the depreciation in value of the euro against the pound sterling and the Canadian dollar, which had a net positive effect of EUR 173 million.

In view of the importance of the investments in HAH and 407 ETR, set forth below is a detail of the balance sheets and income statements of these two companies, adjusted to bring them into line with Ferrovial's accounting policies, together with comments on the changes therein in 2014.

Also, since both ownership interest were remeasured when control was lost, pursuant to IAS 28.40 and subsequent paragraphs, the possible existence of indications of impairment is assessed on an annual basis.

9.1. Information relating to HAH

a. Impairment test

It is important to note in relation to the measurement of this asset that the various transactions involving shares of this company carried out in recent years are a clear indication that the asset has not become impaired. Specifically, in the most recent sale transaction of 8.65% of HAH, carried out by Ferrovial in 2013, the sale price was 37% higher than the current consolidated carrying amount, and 17% higher if the effect of the sale of Glasgow, Southampton and Aberdeen Airports is adjusted.

The trend has also been positive in 2014, highlights being the fact that traffic and EBITDA were 0.7% and 2.6%, respectively, higher than the budget used as the basis for the impairment test in 2013 and that the RAB grew by 1.9% in the year to stand at GBP 14,860 million.

Despite this, and because the gain recognised when control was lost was allocated mainly to goodwill, the investment was tested for impairment.

The main assumptions used to measure this asset for impairment testing purposes were as follows:

- For the next five years until 2018 the most recent business plan approved by the Company was considered. This plan is based on the 5.35% return on assets established by the regulator for the five-year period, representing an annual price reduction of -1.5% (“x” factor) + inflation (RPI) until December 2018.

- In compliance with IAS 36.44, possible plans to increase the capacity of Heathrow airport (third runway project) were not taken into account. However, the Company considers that the long-term demand projections for south-east England support the need for new runways or significant alternative investments and that Heathrow is probably the most feasible alternative for meeting the aforementioned increase in demand. It should be noted in this connection that the Commission appointed by the British Government to analyse the options for increasing airport capacity (Davies Commission) will issue its final report in the summer of 2015 and that of the three alternatives currently being considered two involve increasing the capacity of Heathrow Airport.

- The value of the investment was 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 1.10 x RAB. The unlevered discount rate (Ku) is 7.2% and the tax shield generated by the debt is discounted at the cost of the debt.

The result of the valuation is higher than the carrying amount. Also, sensitivity tests were performed on the main variables (discount rate, long-term inflation and exit multiple) and in all cases the amount of the valuation exceeds the carrying amount.

Based on the valuations performed, on the positive evolution of the asset in the year and on the references of the most recent transactions performed by third parties, it was concluded that there were no indications of impairment in the year.

b. Changes in the balance sheet and income statement 2014-2013

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 2014.

The balance sheet figures shown relate to the full balances of HAH and are presented in pounds sterling. The exchange rates used in 2014 are EUR 1=GBP 0.7766 (2013: GBP 0.8323) for the balance sheet figures and EUR 1=GBP 0.8023 (2013: GBP 0.8494) for the income statement.

Balance sheet

HAH (100%) Mill. GBP (millions)	2014	2013	Change	HAH (100%) Mill. GBP (millions)	2014	2013	Change
Non-current assets	16,433	17,268	-835	Equity	978	2,019	-1,041
Goodwill	2,753	2.753	0	Non-current liabilities	14,860	14,357	503
Investments in infrastructure projects	13,460	14,277	-817	Provisions for pensions	228	121	107
Non-current financial assets	26	28	-2	Borrowings	12,385	11,967	418
Pension surplus	0	0	0	Deferred tax liabilities	896	1,073	-177
Deferred tax liabilities	0	0	0	Financial derivatives	1,334	1,178	156
Financial derivatives	172	174	-2	Other non-current liabilities	17	19	-2
Other non-current assets	23	37	-13	Current liabilities	1,369	1,487	-118
Current assets	774	595	179	Borrowings	929	878	51
Trade and other receivables	426	288	138	Trade and other payables	412	573	-161
Financial derivatives	2	135	-133	Financial derivatives	1	2	-1
Cash and cash equivalents	336	162	174	Other current liabilities	26	34	-8
Other current assets	10	10	0				
Total assets	17,207	17,863	-656	Total equity and liabilities	17,207	17,863	-656

- Investments in infrastructure projects

  There was a net decrease of GBP -817 million in "Investments in Infrastructure Projects" with respect to the previous period. The main reduction was due to the derecognition of the assets corresponding to non-designated airports, the divestment relating to which is explained in Notes 1.2 and 9.3, amounting to GBP -987 million. Also, the depreciation and amortisation charge amounted to GBP -644 million.
  There were additions of EUR 724 million, relating mainly to investments in the new Terminal 2 at Heathrow Airport and the new baggage system. Also, borrowing costs of GBP 90 million were capitalised.

- Equity

  At 31 December 2014, equity amounted to GBP 978 million, down GBP 1,041 million from the year ended 31 December 2013. In addition to the profit for the period of GBP 401 million, the main noteworthy changes are the negative impact of GBP -206 million recognised in reserves relating to effective derivatives and to pension plans, and the dividends paid to shareholders amounting to GBP -1,075 million.

  25% of the equity of the investee does not correspond to the carrying amount of the holding, since the latter 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. Therefore, in order to obtain the carrying amount at Ferrovial, it would be necessary to increase the 25% of the shareholders' equity presented above (GBP 244 million) by the amount of the aforementioned gain (GBP 581 million), giving a total of GBP 825 million which, translated at the year-end exchange rate (EUR 1 = GBP 0.7766), gives the investment of EUR 1,062 million.

- Borrowings

  The borrowings of HAH (current and non-current) amounted to GBP 13,314 million at 31 December 2014, an increase of GBP 469 million with respect to 2013 year-end (31 December 2013: GBP 12,845 million). This increase is due mainly to the combined effect of:

  - Bond issue of GBP 1,525 million, offset by the maturity of a bond of EUR 750 million, which gave rise to a payment of GBP -513 million.
  - A decrease of GBP -353 million in the balance of the line item as a result of the sale of the non-designated airports (see Notes 1.2 and 9.3).
  - Increase in bank borrowings of GBP 100 million and repayments on the revolving credit facilities of GBP -91 million, on the Heathrow Finance term facility of GBP -85 million and on the EIB loan of GBP -39 million.
  - Decrease of GBP -66 million as a result of the fair value adjustments made to bonds issued in foreign currencies and other effects totalling GBP -9 million.

- Derivative financial instruments at fair value

  The notional principal amount of HAH's derivatives portfolio at 31 December 2014 totalled GBP 11,295 million, including interest rate swaps (IRSs) with a notional amount of GBP 2,263 million, cross currency swaps (hedging bonds issued in foreign currency) (GBP 3,767 million) and index-linked securities (ILSs) (GBP 5,266 million).
  The change in the net value (asset/liability position) of these financial instruments gave rise to a GBP 290 million increase in liabilities in the 2014. Of this change, GBP -87 million relate to a positive impact on reserves, as well as fair value adjustments in profit or loss of GBP -146 million due mainly to the cross currency swaps -although these barely have an impact on profit or loss as they are offset by the fair value adjustments of the hedging bonds issued in foreign currency of these financial instrument- interest rate swaps and index-linked swaps due mainly to the decrease in interest rates and inflation projections. The rest of the change relates mainly to finance costs of GBP -131 million and outflows of GBP 74 million.

Income statement 2014-2013

The following table shows the changes in HAH's income statement in 2014 with respect to 2013.

HAH (100%) GBP (millions)	2014	2013	Change
Operating income	2.692	2.473	218
Operating expenses	-1.151	-1.104	-47
Gross profit from operations	1.541	1.369	172
Depreciation and amortisation charge	-616	-484	-133
Profit from operations before impairment and non-current asset disposals	925	885	39
Impairment and disposals of non-current assets	0	0	0
Profit from operations	924	886	39
Financial result	-860	-730	-131
Profit before tax	64	156	-92
Income tax	-21	141	-162
Results from continued operations	43	297	-254
Results from discontinued operations	358	482	-124
Net profit	401	779	-378
Profit attributable to Ferrovial (millions of euros)	74	297	-222

Noteworthy in relation to the profit for 2014 were certain non-recurring positive effects, including most notably the impact of fair value adjustments on derivatives of GBP -61 million after tax (effect of EUR -19 million on the net profit attributable to Ferrovial). Additionally, the Results from discontinued operations include the gain on the sale of the Aberdeen, Glasgow y Southampton airports (GBP 318 millon for the 100% of HAH). The impact of this transaction in Ferrovial Income Statement (Share of profits of companies accounted for using the equity method), amounts to EUR 51 million after adjusting this figure by the 25% and after the elimination of the 50% attributable to the share that Ferrovial holds in the new company that has acquired the abovementioned airports (Note 1.2 Changes in the scope of consolidation).

9.2. Information relating to 407 ETR

a. Impairment test

As regards the measurement of this concession, it should be noted that in 2014 the 407 ETR toll road outperformed the estimates in the budget used as the starting point for the impairment test in 2013 in terms of traffic, revenue and gross profit from operations. The traffic achieved by this asset over recent years has systematically been higher than forecast and this, together with the tariff flexibility mechanism that currently exists, means that revenue and EBITDA have been positive, even during the times of economic crisis.

Bearing in mind the aforementioned performance and the fact that the gain recorded when control was lost was recognised as an addition to the value of the concession and is being amortised, as required by IAS 28.40, it was not considered necessary to carry out an in-depth impairment test. It should be noted that in any case both the in-house valuation of this concession carried out by Ferrovial and the average valuation made by the stock market analysts that follow Ferrovial (around 20 analysts) is in all cases more than double its carrying amount.

b. Changes in the balance sheet and income statement 2014-2013 for this group of companies as at 31 December 2014 and 2013.

These figures relate to the full balances of 407 ETR and are presented in millions of Canadian dollars. The exchange rates used in 2014 are EUR 1=CAD 1.4054 (2013: CAD 1.4655) for the balance sheet figures and EUR 1=CAD 1.4624 (2013: CAD 1.3767) for the income statement.

Balance sheet 2014-2013

407 ETR (100%) CAD millions	2014	2013	Change	407 ETR (100%) CAD millions	2014	2013	Change
Non-current assets	4,468	4,540	-72	Equity	-2,202	-1,694	-508
Investments in infrastructure projects	3,984	3,992	-7	Non-current liabilities	6,355	6,538	-183
Non-current financial assets	312	326	-14	Borrowings	5,904	6,123	-219
Deferred tax assets	184	226	-42	Deferred tax liabilities	451	415	37
Other non-current assets	-13	-4	-9	Other non-current liabilities	0	0	0
Current assets	735	527	208	Current liabilities	1,050	224	826
Trade and other receivables	150	156	-6	Borrowings	966	151	815
Cash and cash equivalents	585	371	213	Trade and other payables	83	72	11
Total assets	5,203	5,067	136	Total equity and liabilities	5,203	5,067	136

Set forth below is a description of the main changes in the balance sheet of 407 ETR at 31 December 2014 with respect to the end of the preceding year:

- Borrowings: borrowings as a whole increased by CAD 596 million with respect to December 2013, due mainly to the bond issue in May with a face value of CAD 250 million (Series 14-A1 maturing in 2024) and to drawdowns totalling CAD 300 million against credit facilities. In addition, although this did not have any impact on total borrowings, non-current borrowings were reclassified to current borrowings due to bonds of the 10-A1 Series totalling CAD 500 million maturing in June 2015.

- Equity: equity dropped by CAD 508 million with respect to 2013, as a result of a profit for the year of CAD 223 million and a reduction due to the payment of a dividend of CAD 730 million to shareholders.

  43% of the equity of the investee does not correspond to the consolidated carrying amount of the holding, since the latter 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 this company in 2010, which was recognised as an addition to the value of the concession, and the goodwill arising in 2009 as a result of the merger of Ferrovial, S.A. and Cintra Infraestructuras, S.A.. Therefore, in order to obtain the consolidated carrying amount at Ferrovial, it is necessary to increase the 43% of the equity presented above (CAD 945 million) by the aforementioned gain and the goodwill (CAD 2,702 million and CAD 1,319 million, respectively) giving a total of CAD 3,076 million which, translated at the year-end exchange rate (EUR 1 = CAD 1.4054), gives the investment of EUR 2,188 million.

Income statement 2014-2013

The following table shows the changes in the income statement of 407 ETR in the year ended 31 December 2014 with respect to 2013:

407 ETR (100%) CAD millions	2014	2013	Change
Operating income	888	801	86
Operating expenses	-152	-136	-16
Gross profit from operations	736	665	71
Depreciation and amortisation charge	-78	-63	-16
Profit from operations	657	602	55
Financial result	-355	-265	-90
Profit before tax	303	338	-35
Income tax	-80	-89	9
Net profit	223	249	-26

The main change in the income statement relates to “Financial Result” (CAD -90 million) as a result of the negative impact of the fair value adjustments of CAD -37 million (EUR -16 million attributable to Ferrovial) relating to 407 ETR's Synthetic Inflation Protected Securities (SIPS); a SIP is a hybrid instrument between a conventional nominal bond and a Real Return Bond whose carrying amount is adjusted to its market value as if it were a derivative. Also, there was a further worsening of CAD -53 million with respect to December 2013, due mainly to the accrued interest payable relating to the new bond issues.

9.3. Other associates

Acquisition of AGS Airports

As indicated in Note 1.2 in connection with changes in the scope of consolidation, the main change in 2014 was the acquisition of a 50% ownership interest in AGS Airports, which acquired Aberdeen, Glasgow and Southampton Airports from HAH.

The agreement entered into with the other shareholder provides that the significant activities for the day-to-day management of the airports must be decided on by a qualified majority, with an agreement between the two shareholders being necessary, which evidences the existence of joint control by the parties. It is also worthy of mention that the airports are managed through a separate company with its own legal personality in which the shareholders do not have direct control over the assets and liabilities and, therefore, they are not joint operations. Based on the foregoing and pursuant to IFRS 11, it was concluded that this is a joint venture and, therefore, the investment will be accounted for using the equity method.

As indicated in the aforementioned Note, Ferrovial's investment in the project amounts to EUR 360 million, of which EUR 310 million were disbursed in the form of a loan granted to AGS Airports, which were therefore recognised under "Non-Current Financial Assets" (see Note 10), and EUR 50 million were contributed to the share capital of the joint venture.

The carrying amount of the investment under this heading, EUR -5 million (see the table below) relates to the aforementioned EUR 50 million, reduced by the effect of the eliminated gain on the same of the assets by HAH, EUR -51 million (the gain was eliminated in proportion to the portion relating to the ownership interest acquired by Ferrovial) and the losses incurred from the acquisition date, EUR -4 million, due mainly to acquisition costs. As regards the negative value of the investment, it was decided to recognise the possible project losses exceeding the carrying amount of the asset, since as indicated in IAS 28.38, it is necessary to consider the overall exposure to the asset which, in this case, includes the aforementioned loan of EUR 310 million.

The main aggregates in the balance sheet of the company acquired include most notably investments in infrastructure projects amounting to GBP 592 million and a difference of EUR 542 million that will have to be allocated to the assets or to goodwill. As regards its liabilities, the company has bank borrowings of EUR 495 million and loans from shareholders totalling EUR 489 million. Since the transaction was concluded in December 2014, the allocation of the aforementioned difference had not been completed at the date of preparation of these consolidated financial statements

The detail of the other investments in associates is shown in the following table:

Millions of euros	Division	% of ownership	2014
Emesa - Calle 30	Services	50%/10%	10
Carillion Amey Limited	Services (Amey)	49,9%	8
ALC (Superholdco) Ltd	Services (Amey)	5%	8
Modern Housing Solutions	Services (Amey)	33%	6
Other Amey	Services (Amey)	(*)	0
FMM Company LLC	Services	49%	6
Inusa Ing. Urbana, S.A.	Services	35%	5
Reciclaje y Compostaje Piedra Negra	Services	49%	4
International Water Treatment	Construction	38%	0
A66 Benavente-Zamora	Toll Roads	25%	10
407 East Development Group General Partnership	Toll Roads	50%	5
Indiana Toll Road	Toll Roads	50%	0
Nea Odos	Toll Roads	33,34%	0
Central Greece	Toll Roads	33,34%	0
Serranopark	Toll Roads	50%	0
AGS	Airports	50%	-5
Other	Resto	-	17
Allowances	Toll Roads	-	-7
Total			66

(*) Detail in Appendix II

As can be observed, the main companies with positive carrying amounts are those from the Services Division. They include most notably EMESA, holder of a contract for the maintenance of the Calle 30 road in Madrid and in turn owner of 20% of the Calle 30 concession operator (10% attributable to Ferrovial), and three joint ventures in which Amey and other venturers perform certain services of maintenance of service family accomodation and vehicles for the Ministry of Defense.

In addition, Amey has investments in other companies accounted for under the equity method whose carrying amounts are zero, and with loans granted to them, classified under Non-current investments in associates (Note 10). There are certain provisions referred to the losses that exceed the equiy invested and with the limit of those loans or the equity commitments (Note 17).

Furthermore to the abovementioned companies, there are other five associates whose carrying amounts are zero. Under IAS 28, if an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses, unless the investor has incurred legal or constructive obligations that make it necessary to recognise a liability for additional losses after the investor's interest is reduced to zero.

The main company with an equity deficit that is recognised with a value of zero is the Indiana Toll Road concession operator, in which Ferrovial has an ownership interest of 50%. Since 2013 the company has been negotiating with its current lenders (at 31 December 2014, accounting dent of EUR 5,087 million, which includes the value for which the derivative has been settled). As a result of these negotiations, the company, its shareholders and the creditors reached a preliminary agreement on 22 September 2014 whereby the company voluntarily initiated insolvency proceedings (chapter 11 prepackaged). This preliminary agreement was ratified by the competent court on 28 October.

As a result, it was decided to initiate a process to sell the company's assets in the period up until August 2015. If this process is completed, Ferrovial will receive between USD 40 million and USD 50 million for its holding in the company. If the sale is not made by the aforementioned deadline, Ferrovial may choose to continue to be a shareholder of the company with a restructured debt with an ownership interest of 2.125%, or sell its investment at a price of USD 40 million.

See Appendix II for a detail of the associates, including their carrying amount accounted for using the equity method and their main aggregates.

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% are Madrid Calle 30 and Amey Ventures Investment Limited (AVIL. The equity method is used because, although Ferrovial only has an indirect ownership interest of 10% and it has the power to appoint one member of the Board of Directors, in both cases it keeps the possibility of blocking important decisions regarding non-protective subjects.

There are no significant companies in which the ownership interest exceeds 20% that are not accounted for using the equity method.

The guarantees granted by Group companies to companies accounted for using the equity method are detailed in Note 22.

The changes in “Investments in Associates” in the consolidated statement of financial position in 2013 were as follows:

2013 Millions of euros	HAH (25%)	407 ETR (43.23%)	Other	Total
Balance at 31/12/12	1,604	2,678	41	4,322
Changes in ownership interest	-419	0	0	-419
Share of results	297	65	13	375
Dividends received and equity reimbursed	-219	-217	-24	-461
Exchange rate effect	-41	-269	0	-311
Other	40	4	12	56
Balance at 31/12/13	1,261	2,260	41	3,562

10. Non-current financial assets

The changes in “Non-Current Financial Assets” in the year ended 31 December 2014 were as follows:

Changes in 2014 Millions of euros	Accounts receivable relating to infrastructure projects	Non-current investments in associates	Restricted cash relating to infrastructure projects and other financial assets	Other long-term accounts receivable	Total
Balance at 01/01/14	1,341	71	377	91	1,880
Additions	229	1	67	21	317
Disposals	-83	-5	-71	-40	-199
Transfers and other	-27	-8	0	5	-31
Changes in the scope of consolidation	0	310	0	-5	306
Exchange rate effect	8	6	32	5	52
Balance at 31/12/14	1,467	375	405	76	2,324

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 concession grantors in return for services rendered or investments made under a concession arrangement. The amounts receivable at short term in this connection are recognised under “Trade Receivables for Sales and Services” (see Note 13).

Following is a detail of the main concession arrangements accounted for using the financial asset model and of the balances of the accounts receivable at 31 December 2014 and 2013:

Concession operator	Country	Concession term (years)	First year of concession	Balances at 31/12/14			Balances at 31/12/13		
				Long-term account receivable	Short-term account receivable (Note 13)	Total 2014	Long-term account receivable	Short-term account receivable (Note 13)	Total 2013
Autopista Terrasa Manresa	Spain	50	1986	544	38	582	513	84	596
Auto-Estradas Norte Litoral	Portugal	30	2001	279	52	331	286	50	336
Eurolink M3	Ireland	45	2007	206	31	237	216	29	245
Toll roads				1,029	120	1,149	1,015	162	1,177
Concesionaria de Prisiones Lledoners	Spain	32	2008	72	1	73	73	1	74
Concesionaria de Prisiones Figueras	Spain	32	2011	120	4	124	127	0	127
Budimex Parking Wrocław	Poland	30	2012	11	0	11	5	0	5
Construction				202	5	207	205	1	206
Hospital de Cantabria	Spain	20	2006-2013	37	7	44	0	0	0
Waste treatment plants in Spain	Spain	15-22	2010-2012	43	12	55	31	9	40
Waste treatment plants in the UK	UK	18-28	2008-2013	156	0	156	86	3	92
Services				236	20	255	121	12	133
Total Group				1,467	145	1,611	1,341	175	1,516

- "Restricted Cash Relating to Infrastructure Projects and Other Financial Assets" relates primarily to deposits made at toll road concession operators, the use of which is limited to certain purposes established in the concession arrangement, such as payment of future investments or operating expenses and debt servicing. Note 18, Net cash position, provides detail on the main balances and changes recognised under this heading.

- "Loans to Associates" includes mainly the loan granted to AGS to purchase the non-designated airports described in Notes 1.2 and 9, amounting to EUR 310 million; and participating loans to associates amounting to EUR 38 million (2013: EUR 46 million) and other ordinary loans to associates totalling EUR 21 million (2013: EUR 25 million).

- Lastly, "Other Receivables" includes:
  - Trade accounts receivable by the Services and Construction Divisions from various public authorities, mainly municipal councils and autonomous community governments, which had been renegotiated at long term, amounting to approximately EUR 24 million (2013: EUR 44 million).
  - Other trade receivables, mainly from various public authorities in connection with long-term contracts, amounting to EUR 38 million (31 December 2013: EUR 36 million).
  - Long-term deposits and guarantees amounting to EUR 7 million (December 2013: EUR 5 million).
  - Loans granted by Group companies to non-controlling shareholders amounting to EUR 7 million (31 December 2013: EUR 7 million).

The changes in these items in 2013, for information purposes, were as follows:

Changes in 2013 Millions of euros	Accounts receivable relating to infrastructure projects	Non-current investments in associates	Restricted cash relating to infrastructure projects and other financial assets	Other long-term accounts receivable	Total
Balance at 01/01/13	1,334	71	148	121	1,674
Additions	52	13	79	11	155
Disposals	-48	-13	-1	-7	-69
Transfers	0	0	0	-32	-32
Changes in the scope of consolidation	4	0	160	0	164
Exchange rate effect	-1	-1	-9	-1	-12
Balance at 31/12/13	1,341	71	377	91	1,880

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 2014 and 2013, 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 Type of instrument	Fair value		Notional amount maturities					
	Balances at 31/12/14	Balances at 31/12/13	2015	2016	2017	2018	2019 and subsequent years	TOTAL
Asset balances	400	162	478	52	-2	-2	308	833
Index linked swaps, Toll Roads	351	141	-3	-2	-2	-2	58	49
Interest rate swaps, Corporate	17	1	250	0	0	0	250	500
Equity swaps	30	4	122	54	0	0	0	176
Exchange rate derivatives, Corporate	1	4	109	0	0	0	0	109
Other derivatives	0	12	0	0	0	0	0	0
Liability balances	1,431	1,019	1,555	78	455	68	3,464	5,619
Equity swaps (*)	0	16	0	0	0	0	0	0
Interest rate swaps, Toll Roads	1,318	948	35	37	436	48	3,237	3,792
Interest rate swaps, Corporate	0	5	0	0	0	0	0	0
Exchange rate derivatives, Corporate	22	2	933	0	0	0	0	933
Other derivatives	91	48	587	41	19	20	227	894
Net balances (liability)	-1,031	-857	2,033	130	452	66	3,772	6,452

The cash flows composing the fair value of the derivatives mature as follows:

Millions of euros Type of instrument	Fair value		Cash flow maturities					
	Balances at 31/12/14	Balances at 31/12/13	2015	2016	2017	2018	2019 and subsequent years	Total
Asset balances	400	162	22	27	11	12	328	400
Index linked swaps, Toll Roads	351	141	4	6	8	10	323	351
Interest rate swaps, Corporate	17	1	4	3	3	2	5	17
Equity swaps	30	4	13	17	0	0	0	30
Exchange rate derivatives, Corporate	1	4	1	0	0	0	0	1
Other derivatives	0	12	0	0	0	0	0	0
Liability balances	1,431	1,019	176	127	277	360	490	1,431
Equity swaps (*)	0	16	0	0	0	0	*0*	0
Interest rate swaps, Toll Roads	1,318	948	130	115	267	351	455	1,318
Interest rate swaps, Corporate	0	5	0	0	0	0	0	0
Exchange rate derivatives, Corporate	22	2	22	0	0	0	0	22
Other derivatives	91	48	25	13	10	9	35	91
Net balances (liability)	-1,031	-857	-155	-101	-266	-348	-162	-1,031

(*) 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 2014:

Toll Road Division derivatives

Interest rate swaps - Toll Roads

In order to hedge the interest rate risk in toll road 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 3,792 million at 31 December 2014.

Taken as a whole, the fair value of these hedges fell from EUR -948 million at 31 December 2013 to EUR -1.318 million in 2014, due mainly to the overall drop in long-term interest rates.

Since these derivatives are considered to be effective, the changes in their fair value had an impact on reserves of EUR -244 million (EUR -183 million attributable to the Parent, after tax and non-controlling interests), while the changes in settlements and accruals gave rise to an impact of EUR -162 million on the financial result and a net cash outflow of EUR 104 million.

Index linked swaps - Toll Roads

This item relates exclusively to Autema, which in 2008 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 208 million on reserves (EUR 124 million after tax, attributable to the Parent).

Corporate derivatives

Interest rate swaps - Corporate

In relation to the bond issues launched in 2013, the Group arranged interest rate derivatives were arranged for a notional amount of EUR 500 million, maturing in 2015 (EUR 250 million) and in 2021 (EUR 250 million). Since they convert a portion of the fixed interest rate on the bonds into a floating interest rate, these derivatives constitute a partial fair value economic hedge of the aforementioned bond issues; however, only one of them (with a notional amount of EUR 250 million) qualifies for hedge accounting.

Equity swaps

Ferrovial has arranged equity swaps in order to hedge against the possible impact on equity resulting from the exercise of the share-based remuneration schemes granted to its employees.
The modus operandi of these equity swap contracts is as follows:

- The calculation base is a given number of Ferrovial shares and a reference price, which is normally the market price of the share on the grant date.
- For the duration of the contract, Ferrovial pays interest equivalent to a given interest rate (EURIBOR plus a spread, to be applied to the result of multiplying the number of shares by the exercise price) and receives the dividends corresponding to those shares.
- When the swap matures, if the share price has increased, Ferrovial will receive the difference between the market price and the reference price. If the share price has fallen, Ferrovial will pay the difference to the bank.

At 2014 year-end, these derivatives had a notional amount equivalent to 12.6 million shares, which, based on the exercise price of the equity swaps (the price at which they must be settled with the banks), represented a total notional amount of EUR 176 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 future cash flows in foreign currencies (basically the pound sterling and the US dollar). Their notional value amounted to EUR 933 million at 31 December 2014, of which EUR 537 million relate to the US dollar and EUR 396 million to the pound sterling. They mature at short term.

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 2014 and 2013, and the impact on reserves, profit or loss and other statement of financial position items are as follows:

Type of instrument Millions of euros	Fair value			Impacts						
	Balance at 31/12/14	Balance at 31/12/13	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	351	141	210	208	0	0	-2	0	4	210
Interest rate swaps, Toll Roads	-1,318	-948	-370	-244	0	-162	104	-93	25	-370
Interest rate swaps, Corporate	17	-3	21	0	22	0	4	0	-6	21
Equity swaps	30	-12	43	0	38	0	6	0	-2	43
Exchange rate derivatives, Corporate	-21	1	-23	-17	12	0	36	-53	0	-23
Other derivatives	-91	-36	-55	-32	-9	-11	-9	0	6	-55
Total	-1,031	-857	-174	-85	63	-172	139	-146	28	-174

Derivatives are recognised at market value at the arrangement date and are subsequently measured at fair value. Changes in the value of these derivatives are recognised for accounting purposes as follows:

- The changes in the year in the fair value of the derivatives that qualify for hedge accounting 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 statement of profit or loss.
- "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 2014 and 2013 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 presented in the consolidated statement of profit or loss include, in addition to the EUR 63 million shown in the table above, a negative impact of EUR -19 million relating to the fair value of the bond issued by Ferrovial, S.A. in May 2013 on which a partial fair value hedge was arranged, as mentioned above, and, accordingly, both the associated hedging instrument (IRS) and the hedged item (the bond) are recognised at fair value through profit or loss. Including this impact, the total fair value adjustment under the Group's "Financial Result" amounted to EUR 44 million.

c) Derivative 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 of the share on the calculation date and the unit settlement price agreed at inception, multiplied by the number of shares under the contract, and the present value of the finance cost agreed upon in the contract.

The other instruments are measured by quantifying the net future cash inflows and outflows, discounted to present value, with the following specific features:

- Interest rate swaps: the future cash flows with floating reference rates are estimated by using current market assessments of the time value of money; and each flow is discounted using the market zero-coupon rate for the respective settlement period and currency at the measurement date.

- Index linked swaps: the future cash flows are estimated by projecting the future behaviour implicit in the market curves on the measurement date, for both reference interest rates and reference inflation rates. As in the cases described above, the flows are discounted using the discount rates obtained at the measurement date for each flow settlement period and currency.

Lastly, credit risk, which pursuant to IFRS 13 was included in the measurement of derivatives, is estimated as follows:

With regard to the cash flows payable by the banks, as a general rule the credit risk premium applicable to the bank's credit rating is considered.
With regard to the cash flows payable by the Group company itself, if that company has a rating, the credit risk premium attributable to that rating is considered. If the Group company does not have a rating, the company's solvency ratios are analysed and, based on public information on rating methods, a hypothetical rating level is determined and, therefore, the corresponding risk premium. This risk premium could be modified in the future in the event of a substantial change in the company's solvency position.

12. Inventories

The detail of inventories at 31 December 2014 and 2013 is as follows:

	Balance at 31/12/14	Balance at 31/12/13	Change 2014-2013
Commercial inventories	203	183	20
Raw materials and other supplies	104	105	-1
Precontract expenses and general fixtures	50	37	13
Total	357	325	32

Of the commercial inventories recognised at 31 December 2014, EUR 168 million relate to the Real Estate business (2013: EUR 152 million) comprising land and building lots in Poland and Spain amounting to EUR 90 million (2013: EUR 86 million) and property developments at various stages of completion amounting to EUR 78 million (2013: EUR 64 million).

EUR 74 million of raw materials and other supplies relate to the Construction Division, mainly at its subsidiaries, Webber, amounting to EUR 32 million (2013: EUR 37 million), and Budimex, amounting to EUR 14 million (2013: EUR 21 million). In addition, at the end of 2014, EUR 29 million had been recognised in relation to the Services Division, mainly at its subsidiary Amey amounting to EUR 27 million (2013: EUR 13 million).

Lastly, as regards precontract expenses and general fixtures, at 31 December 2014 EUR 46 million had been recognised, mainly in respect of the Construction Division (2013: EUR 33 million).

13. Trade and other receivables

a) Trade receivables for sales and services

The detail of "Trade Receivables for Sales and Services" at 31 December 2014 and 2013 is as follows:

s Millions of euros	Balances at 31/12/14	Balances at 31/12/13	Change 2014-2013
Trade receivables	1,212	1,268	-56
Amounts to be billed for work performed	751	637	114
Retentions as guarantees	59	57	2
Allowances	-306	-317	11
Total trade receivables for sales and services	1,716	1,645	72

"Trade Receivables for Sales and Services" increased by EUR 72 million from EUR 1,645 million at 31 December 2013 to EUR 1,716 million at 31 December 2014. This change was due mainly to the increase of EUR 145 million in the trade receivables of the Services Division in the UK, of which EUR 35 million relate to the exchange rate effect. This increase was partially offset by the decrease of EUR -55 million in the business activity of the Construction Division in Spain.

Also, at 31 December 2014 a total of EUR 118 million (31 December 2013: EUR 160 million) had been deducted from "Trade Receivables for Sales and Services" relating to assets derecognised as a result of deferred financing 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.

	Construction		Services		Other and adjustments		Total	
Public authorities	305	38%	816	70%	15	n/a	1,136	66%
Private-sector customers	146	18%	287	25%	19	n/a	452	26%
Group companies and associates	356	44%	64	5%	-291	n/a	128	7%
Total	807	100%	1,167	100%	-258	n/a	1,716	100%

This detail shows that 66% 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:

Changes in provisions and allowances Millions of euros	2014	2013
Beginning balance	317	394
Changes in the scope of consolidation	0	1
Amounts charged to profit or loss	-5	-69
Charges for the year	*20*	*21*
Reversals	*-26*	*-90*
Amounts used	-9	-6
Exchange rate effect	-1	-1
Transfers and other	-3	-2
Ending balance	306	317

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 2014 and 2013 is as follows:

Millions of euros	Balances at 31/12/14	Balances at 31/12/13	Change 2014-2013
Advances to suppliers	105	68	37
Sundry accounts receivable	114	104	10
Infrastructure project receivables	145	175	-30
Receivable from public authorities	90	123	-33
Total other receivables	454	470	-16

As regards the advances to customers, the most significant changes relate to the Services business in the UK, amounting to EUR 17 million, and to Budimex, amounting to EUR 14 million.

"Sundry Accounts Receivable" includes mainly receivables not relating to normal business activities amounting to EUR 78 million (at December 2013: EUR 80 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, as detailed in Note 10, Non-current financial assets.

Lastly, "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 2.5.5.1 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).

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" in liabilities in the consolidated statement of financial position - see Note 20).

In contrast to the advances, in certain 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" in assets in 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 2014 and 2013 is as follows:

Millions of euros	31/12/14	31/12/13	Change
Amounts to be billed for work performed (Note 13-a)	751	637	114
Amounts billed in advance for construction work (Note 20)	-774	-616	-158
Contracts accounted for by reference to the stage of completion, net	-23	21	-44
Retentions (Note 13-a)	59	57	2
Advances (Note 20)	-239	-158	-82
Net advances and retentions	-180	-100	-80

As mentioned in Note 13-a, the increase in the activity of the Services business in the UK has given rise to an increase in amounts to be billed for work performed of EUR 88 million, and an increase in amounts billed in advance for construction work of EUR 22 million. Disregarding the exchange rate effect, these increases would have been EUR 64 million and EUR 15 million, respectively. The additional change in amounts billed in advance for construction work relates to construction contracts. Lastly, there were significant increases in the advances received at Budimex (EUR 40 million) and in the international Construction business (EUR 44 million), due to the obtainment of new awards.

14. Equity

The detail of the main impacts net of taxes that affected the changes in equity in 2014 and which explain the changes in equity in the period from December 2013 to December 2014 is as follows:

	2014		
	Attributable to the equity holders	Attributable to non-controlling interests	Total equity
Equity at 31/12/13	5,719	355	6,074
Consolidated profit for the year	402	-50	352
Income and expense recognised directly in equity, fully consolidated companies	-16	42	27
Impact on reserves of hedging instruments	*-94*	*18*	*-76*
Impact on reserves of defined benefit plans	*-10*	*0*	*-11*
Translation differences	*89*	*24*	*113*
Income and expense recognised directly in equity, companies accounted for using the equity method	79	0	79
Impact on reserves of hedging instruments	-46	0	-46
Impact on reserves of defined benefit plans	-48	0	-48
Translation differences	173	0	173
Amounts transferred to profit or loss, fully consolidated companies	0	0	0
Amounts transferred to profit or loss, companies accounted for using the equity method	5	0	5
Total income and expense recognised directly in equity	471	-7	463
Scrip dividend/Dividends	-275	-37	-312
Treasury share transactions	-235	0	-235
Remuneration of shareholders	-510	-37	-547
Capital increases/reductions	0	55	55
Other transactions with shareholders	-13	0	-13
Other changes	6	-17	-11
Other transactions	-8	39	31
Equity at 31/12/14	5,672	349	6,021

Following is a description of the main changes in shareholders' equity in 2014, which gave rise to an decrease of EUR 47 million in equity attributable to the equity holders.

- The profit for the year attributable to the Parent totalled EUR 402 million.

  The income and expense recognised in equity relate to:

  - Hedging instruments: recognition of the changes in value of the effective portion of derivatives qualifying for hedge accounting (see Note 11), the impact of which was EUR -94 million (net of taxes) attributable to the Parent in the case of the fully consolidated companies and EUR -46 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 -58 million net of taxes (EUR -10 million at fully consolidated companies (Amey) and EUR -48 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 appreciated against the euro, most notably the Canadian dollar (EUR 102 million) and the pound sterling (EUR 152 million) , the currencies to which the Group is most exposed in terms of equity. The impact of the other currencies is EUR 9 million. Of the total change under this heading (EUR 262 million), EUR 173 million relate to companies accounted for using the equity method (primarily 407 ETR and Heathrow Airports Holdings) and EUR 89 million to fully consolidated companies.
  - Amounts transferred to profit or loss: this item includes the transfer to profit or loss of valuation adjustments on derivatives relating to the divestments of non-regulated airports (EUR 5 million).

- Scrip dividend: instead of a traditional dividend in cash, the shareholders at the Annual General Meeting of Ferrovial, S.A. held on 26 June 2014 approved a flexible shareholder remuneration scheme, whereby the shareholders can freely choose to receive newly issued shares of the Company by subscribing a capital increase against reserves or an amount in cash through the transfer to the Company (if they had not done so through the market) of the free of charge allocation rights corresponding to the shares held by them. As a result of this resolution in 2014 two capital increases were performed with the following characteristics:

  - In July 2014 5,911,393 new shares were issued with a charge to reserves at a par value of EUR 0.20 per share, representing a capital increase of EUR 1,182,278.6, and EUR 118.8 million of free of charge allocation rights were purchased, representing a payment per share of EUR 0.291.
  - In November 2014 8,035,069 new shares were issued with a charge to reserves at a par value of EUR 0.20 per share, representing a capital increase of EUR 1,607,013.8, and EUR 156.2 million of free of charge allocation rights were purchased, representing a payment per share of EUR 0.381.
    The amount recognised in this connection in the foregoing table was EUR -275 million.

- Purchases of treasury shares: the shareholders at the Annual General Meeting of Ferrovial, S.A. held on 26 June approved a treasury share purchase plan the objective of which was a subsequent capital reduction through the retirement thereof. This transaction is described in Note 14-a and -c below:

- Capital increases relating to non-controlling interests: increase of EUR 55 million in the equity attributable to non-controlling interests, principally at Cintra's US companies LBJ, NTE 1-2, NTE 3A-3B and SH-130.

Following is an explanation of each of the equity items presented in the consolidated statement of changes in equity:

a) Share capital

At 31 December 2014, the share capital amounted to EUR 146,477,834.8 million and had been fully subscribed and paid. The share capital is represented by 732,389,174 ordinary shares of a single class and with a par value of twenty euro cents (EUR 0.20) per share. The changes in 2014 detailed in the table below relate to the capital increase and reduction transactions described in the preceding paragraph:

Shares	Number	Par value
Beginning balance	733,510,255	146,702,051
Scrip dividend	13,946,462	2,789,292
Capital reduction	-15,067,543	-3,013,509
Ending balance	732,389,174	146,477,835

At 31 December 2014, the company that held more than 10% of Ferrovial, S.A. was Karlovy, S.L., which held an ownership interest of 41.118% in the share capital of Ferrovial, S.A. (0.002% directly and 41.116% indirectly through Portman Baela, S.L.). The shares of the Parent are traded on the Spanish Stock Market Interconnection System (SIBE) and all carry the same voting and dividend rights.

b) Share premium and merger premium

At 31 December 2014, the Company's share premium amounted to EUR 1,202 million, and the merger premium, which arose as a result of the merger of Grupo Ferrovial S.A. with Cintra Concesiones de Infraestructuras de Transporte, S.A. (currently Ferrovial, S.A.) in 2009, totalled EUR 1,215 million. Both line items are considered to be unrestricted reserves.

c) Treasury shares

As indicated above, the shareholders at the Annual General Meeting of Ferrovial, S.A. held on 26 June approved a treasury share purchase plan for a maximum amount of EUR 350 million the objective of which was a subsequent capital reduction through the retirement thereof. As a result of this resolution, 15,067,543 treasury shares were purchased in 2014 at an average price of EUR 15.6 per share, representing a total disbursement of EUR 235 million; subsequently it was resolved to reduce capital by the same number of shares , which entailed a decrease in the share capital amounting to EUR 3 million. The impact of this transaction -EUR -235 million- was recognised against unrestricted reserves (merger premium).

In addition to these transactions, in 2014 a total of 3,583,801 treasury shares were acquired, representing 0.4893% of the share capital and with a total par value of EUR 0.7 thousand, which were subsequently delivered to beneficiaries under share-based remuneration schemes. The total acquisition cost of the aforementioned shares was EUR 56 million and they were delivered at a value of EUR 48 million, giving rise to a result of EUR -8 million in the Company's equity.

At 31 December 2014, there were 245,821 treasury shares with a value of EUR 4 million. These shares are those received in payment of the scrip dividend out of the treasury shares that the Company held when the dividends were paid.

d) Valuation adjustments

"Valuation Adjustments" in the consolidated statement of changes in equity, the balance of which at 31 December 2014 was EUR -983 million, includes mainly the cumulative amount in reserves of the valuation adjustments made to derivatives (EUR -891 million), pension plans (EUR -387 million) and translation differences (EUR 1 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.

e) Retained earnings and other reserves

This line items includes prior years' retained earnings and other reserves totalling EUR 4,088 million (2013: EUR 3,968 million). The other reserves include restricted reserves of the Parent, relating to the legal reserve of EUR 29 million and to the reserve for retired capital of EUR 3 million. This latter reserve was set up in 2014 as a result of the capital reduction carried out in the year and described in Note 14.c), Treasury shares, above and it is in accordance with the art. 334 of the Corporate Enterprises Act about capital reductions with exclusion of the shareholders'right to opposition.

f) Proposed distribution of profit

It is planned for the Board of Directors to propose to 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)	23,037,210.99
Distribution (euros)	
To voluntary reserves (euros)	23,037,210.99

The legal reserve has reached the legally stipulated level.

g) Non-Group companies with significant ownership interests in subsidiaries

At 31 December 2014, 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
US 460 Mobility Partners, LLC	30%	American Infrastructure-VA, Inc.
Services		
Steel Ingeniería, S.A.	30%	Inversiones Vizcaya, Ltd.
Gestión Medioambiental de Toledo, S.A.	40%	Consorcio de Servicios Públicos Medioambientales de la Provincia de Toledo
Smart Hospital Cantabria, S.A.	15%	Siecsa Construcción y Servicios, S.A.
Ingeniería Ambiental Granadina, S.A.	20%	Granada Municipal Council
Ecoparc del Mediterrani, S.A.	32%-20%	Urbaser - Tractament i Selecció de Residus, S.A.
Toll roads		
Autopista del Sol, C.E.S.A.	20%	Unicaja
Autopista Terrassa-Manresa, S.A.	23.72%	Acesa (Autopista Concesionaria Española, S.A.)
Eurolink Motorway Operation N4/N6 Ltd.	34%	DIF Infra 3 M4 Ireland Ltd.
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	26.4576%-15.9424%-6.6%	LBJ Blocker (APG)- Meridiam Infrastrucuture S.a.r.l. (MI LBJ)- Dallas Police and Fire Pension System
NTE Mobility Partners Holding, LLC	33.33% - 10%	Meridiam Infrastructure S.a.r.l. - Dallas Police and Fire Pension System
NTE Mobility Partners SEG 3 Holding LLC	13.94%-10%-25.96%	Meridiam Infrastructure NTE 3A/3B LLC - Dallas Police and Fire Pension System - NTE Segments 3 Blocker, Inc. (APG)
NTE Mobility Partners SEG 2-4 LLC	25%	Meridiam Infrastructure S.a.r.l.
SH 130 Concession Company, LLC	35%	Zachry Toll Road 56 LLP
Skyway Concession Company Holding LLC	45%	MIG Chicago Holdings LLC
I-77 Mobility Partners Holding LLC	10%	Aberdeen Infrastructures Investments Interstate 77 LLC

15. Deferred income

The balance of "Deferred Income" totalled EUR 987 million at the end of 2014 (2013: EUR 503 million), of which EUR 980 million correspond to grants related to assets received from the infrastructure concession grantors, primarily in the Toll Roads Division (EUR 956 million) and in the Services Division (EUR 22 million).

The main change in 2014 relates to LBJ Infrastructure Group and NTE Mobility Partners toll roads, US subsidiaries of Cintra that have received additional grants totalling EUR 289 million and EUR 110 million, respectively.

There was also an increase at the US companies amounting to EUR 85 million due to the appreciation of the dollar with respect to the euro.

These grants related to assets are recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised. The impact of these grants on cash flows is presented as a reduction of cash flows from investing activities.

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 2014, the provision recognised in the consolidated statement of financial position amounted to EUR 101 million (31 December 2013: EUR 107 million). Of this amount, EUR 99 million (31 December 2013: EUR 105 million) relate to defined benefit plans of the Amey Group in the UK.

Amey Group defined benefit plans Millions of euros	2014	2013
Liability recognised in consolidated statement of financial position		
Obligation at end of year	1,003	878
Fair value of plan assets at end of year	904	772
Amey Group pension plan deficit	99	105

The Amey Group has ten defined benefit plans covering a total of 8,575 employees and nine defined contribution plans covering 12,591 employees. The most significant changes in 2014 that led to a EUR 6 million improvement in the deficit were as follows:

- A negative of EUR -13 million arising from actuarial gains and losses which increased the pension plan deficit (an increase in the related liability) recognised in equity: in relation to the commitments, there was a worsening of the actuarial assumptions used due mainly to a decrease in the discount 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 +23 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 5 million, while the extraordinary contributions aimed at improving the pension plan deficit totalled EUR 18 million.
- A positive impact of EUR +3 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.
- A negative impact of EUR -7 million due to the exchange rate effect.

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 obligations to 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 2014 these curtailments and settlements totalled EUR 29 million.

a) Actuarial gains and losses 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:

Amey Group defined benefit plans Millions of euros	2014	2013
Actuarial gains/losses on obligations	-69	-35
Actuarial gains/losses on plan assets due to the difference between the expected return at the beginning of the year and the actual return	56	21
Impact on equity recognised	-13	-15

The main actuarial assumptions used to calculate the defined benefit pension plan obligations are summarised as follows:

Amey Group defined benefit plans	2014	2013
Main assumptions		
Salary increase	2.40%	2.00%
Discount rate	3.60%	4.40%
Expected inflation rate	3.10%	3.30%
Expected returns on assets	3.60%	4.40%
Mortality (years)	86-91	86-91

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 86 and 91 years.

The summary, by type, of the defined benefit pension plan assets stated at their fair value for 2014 and 2013 is as follows:

Amey Group defined benefit plans Millions of euros	2014	2013
Plan assets (fair value)		
Equity instruments	317	304
Debt instruments	358	175
Buildings	56	39
Cash and other	173	255
Total plan assets	904	772

b) Impact on profit or loss

The detail of the impact of the defined benefit pension plans on profit or loss is as follows:

Amey Group defined benefit plans Millions of euros	2014	2013
Impact on profit before tax		
Current service cost	-6	-6
Interest cost	-39	-35
Expected return on assets	35	31
Other	14	-1
Total amount recognised in profit or loss	3	-12

The line item "Impact on Profit before Tax - Other" includes extraordinary income of EUR 14 million arising from the change in the actuarial assumptions of the two pension plans, consisting of setting a ceiling on salary increases, which led to a reduction in the pension deficit.

c) Complete actuarial reviews

The Amey Group performs complete actuarial valuations every three years, depending on the plan, having completed the most recent reviews of all the plans in 2013 and 2014. Based on these reviews, the extraordinary contributions to be made in the coming years have been reduced.

For 2015 the ordinary contributions agreed upon with the trustees amount to EUR 5 million. Also, the extraordinary contributions will be reduced from EUR 18 million in 2014 to EUR 17 million in 2015.

d) Sensitivity analysis

Set forth below is a sensitivity analysis showing the impact on the statement of profit or loss and on equity of a change of 50 basis points in the discount rate.

Amey Group defined benefit plans Sensitivity analysis discount rate (+ / - 50 b.p.)	Annual impact on profit or loss		Impact on balance sheet	
	Before tax	After tax	Before tax	After tax
+ 50 b.p.	3.7	3.0	87.4	69.9
- 50 b.p.	-3.3	-2.7	-100.3	-80.4

17. Provisions

The provisions recognised by the consolidated Group are intended to cover the risks arising from its various operating activities. They are recognised using the best estimates of the existing risks and uncertainties and their possible evolution.

This note provides a breakdown of all the items composing “Long-Term Provisions” and “Operating Provisions and Allowances” in liabilities in the consolidated statement of financial position. In addition to these items, there are other allowances that are presented as a reduction of certain asset line items and which are disclosed in the notes relating to those specific assets.

The changes in the long- and short-term provisions presented separately in liabilities in the consolidated statement of financial position were as follows:

	Provision for landfills	Compulsory purchases	Provision for replacements and upgrades pursuant to IFRIC 12	Provisions for litigation and taxes	Provisions for other long-term risks	Total long-term provisions	Short-term provisions	Total
Balance at 1 January 2014	94	488	125	474	169	1,350	417	1,767
Changes in the scope of consolidation	0	0	0	0	0	0	0	0
Charges for the year:	*9*	*0*	*25*	*41*	*38*	113	*157*	270
Profit from operations	*6*	*0*	*19*	*38*	*26*	*89*	*157*	*245*
Financial result	*3*	*0*	*6*	*3*	*0*	*12*	*0*	*12*
Result of companies accounted for using the equity method	*0*	*0*	*0*	*0*	*12*	*12*	*0*	*12*
Reversals:	*-3*	*0*	*0*	*-49*	*-47*	*-99*	*-98*	*-198*
Profit from operations	*-3*	*0*	*0*	*-49*	*-47*	*-99*	*-98*	*-198*
Increase/(Decrease) charged/(credited) to concession infrastructure	*0*	*9*	*25*	*0*	*0*	34	*0*	34
Transfers and other	0	0	-8	-16	-5	-29	-10	-39
Exchange differences	0	0	3	0	7	10	9	19
Balance at 31 December 2014	100	497	170	451	162	1,378	475	1,853

Following is a description of the nature and amounts of the main provisions recognised:

Provision for landfills

"Provision for Landfills" contains the estimated cost of landfill closure and post-closure activities relating to the landfills operated by the Ferrovial Services business in Spain. The provision is calculated based on a technical estimate of the consumption to date of the total capacity of the respective landfills.

Provision for compulsory purchases

The provision for compulsory purchases recognised by the Spanish toll roads, totalling EUR 497 million, relates primarily to the R4 - Madrid Sur toll road (EUR 452 million at 31 December 2013; 2013: EUR 446 million). The increase recognised in the year, the balancing entry for which was an addition to the assets of the concession operator, was due to the updating of estimates, the accrual of interest and the discounting of the amounts payable, net of the amounts already paid.

Provision for replacements pursuant to IFRIC 12

This line item includes the provisions for investments in replacements established by IFRIC 12 (see Note 2.5.2). At 31 December 2014, the balance of this line item was EUR 166 million, of which EUR 105 million relate to the Toll Road Division.

Provisions for litigation and tax-related claims

This line item includes:

- Provisions to cover the possible risks resulting from litigation in progress, amounting to EUR 175 million (31 December 2013: EUR 195 million), of which EUR 163 million (31 December 2013: EUR 190 million) were recognised in the Construction Division to cater for possible third-party liability arising from construction contracts.
- Provisions for tax-related claims (EUR 276 million; 31 December 2013: EUR 277 million) filed in relation to local or central government duties, income taxes and other taxes due to the varying interpretations that can be made of the tax legislation in the different countries in which the Group operates.

Provisions for other long-term risks

This line item includes the provisions recognised to cover certain long-term risks other than those attributable to litigation or tax-related claims, such as third-party liability resulting from the performance of contracts, guarantees granted with enforcement risk and other similar items, which amounted to EUR 155 million at 31 December 2014 (31 December 2013: EUR 169 million). This line item includes mainly the following:

- The cross purchase option on 30% of Steel Ingeniería amounting to EUR 17 million. On entering into the purchase and sale agreement over 70% of the company acquired in 2013, the vendor and the buyer crossed identical put and call options on the remaining 30%, the exercise period of which runs from 1 April 2016 to 30 of June of that same year, and the price is established based on objective EBIT criteria to be achieved by the

Company. At the time of the acquisition it was considered that the call option actually constituted solely a deferral of the aforementioned 30% and not an ownership interest of a non-controlling shareholder and, therefore, it was recognised as a provision for contingencies and charges.

- Recognition of the long-term provisions for losses on certain contracts disclosed following allocation of the purchase price of Enterprise, amounting to EUR 27 million at 31 December 2014 (31 December 2013: EUR 51 million).

- Provisions for losses at companies accounted for using the equity method that exceed the investment in the related company, in accordance with IAS 28.29 and IAS 28.30, amounting to EUR 39 million, of which EUR 12 million correspond to the Construction Division and EUR 26 million to the Services Division.

- A provision of EUR 6 million for the investment commitments at the Euroscut Azores toll road for 2015 to 2017, included in the commitments described in Notes 22.3 and 23.

- Provision of EUR 6 million for guarantees with enforcement risk in relation to the M-203 toll road, as mentioned in Note 23.

Short-term provisions

These relate mainly to the Construction Division, consisting of provisions for construction work completion, site removals and losses amounting to EUR 416 million (2013: EUR 366 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 2014	Bank borrowings/Bonds	Cash and cash equivalents and restricted cash	Total net borrowing position	Intra-Group balances	Total
Non-infrastructure project companies	-1,467	3,103	1,636	-4	1,632
Infrastructure project companies	-8,608	741	-7,866	4	-7,862
Total	-10,074	3,844	-6,230	0	-6,230

18.1. Infrastructure projects

a) Cash and cash equivalents and restricted cash

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 a net overall increase of EUR 47 million in long- and short-term restricted cash with respect to December 2013, of which EUR 32 million arose as a result of the depreciation of the euro against the US dollar (see Note 2).
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.

Millions of euros	31/12/14 Bonds	31/12/14 Bank borrowings	31/12/14 Total	31/12/13 Bonds	31/12/13 Bank borrowings	31/12/13 Total	Change 2014 - 2013 Bonds	Change 2014 - 2013 Bank borrowings	Change 2014 - 2013 Total
Long term	2,309	5,022	7,331	2,029	4,374	6,403	280	648	928
- US toll roads	2,211	2,430	4,642	1,930	1,805	3,735	281	625	907
- Spanish toll roads		1,144	1,144		1,150	1,150	0	-6	-6
- Portuguese toll roads	98	666	764	99	692	791	-1	-26	-27
- Other toll roads		309	309		326	326	0	-17	-17
- Construction		144	144		147	147	0	-3	-3
- Services		329	329		254	254	0	75	75
Short term	1	1,275	1,276	0	1,228	1,228	1	47	48
- Spanish toll roads		1,198	1,198		1,156	1,156	0	42	42
- Other		77	77		72	73	0	5	4
Total	2,310	6,297	8,608	2,029	5,602	7,631	281	695	977

Infrastructure project borrowings increased by EUR 977 million with respect to December 2013, due mainly to the following:

- Increase in borrowings as a result of the depreciation of the euro against the US dollar (see Note 3), which increased the value of the borrowings by EUR 560 million at 31 December 2014.
- An additional amount of EUR 297 million drawn down against the facilities already arranged at 2013 year-end, of which EUR 99 million relate to the LBJ toll road, EUR 187 million to North Tarrant Express Managed Lanes - NTE, which came into operation at the end of 2014, and EUR 51 million to the SH-130 toll road.

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 guaranteed by Assured Guaranty, structured as follows: (i) Series A of USD 439 million maturing in 2017 (3-month LIBOR of 0.233%+0.28%) and (ii) Series B of USD 961 million with final maturity in 2026 (3-month LIBOR of 0.233%+0.38%).
  It should be pointed out that this company has arranged derivatives in relation to the Series A and Series B bonds, with notional amounts of USD 439 million and USD 961 million, respectively, maturing in 2017 and 2026, respectively. The fixed rate applicable to this derivative increases over its life. The average hedged fixed rates in this connection are 4.82% for Series A and 5.66% for Series B. The hedged rates in 2014 were 5.8155% and 3.0656%, respectively. Chicago Skyway also has syndicated subordinated bank borrowings maturing in 2035, against which USD 187.5 million had been drawn down at 31 December 2014 (USD 150 million of principal, USD 28.1 million of interest added to the principal and USD 9.4 million relating to the capitalisation of the latest swap settlement) with final maturity in 2035 (6-month LIBOR of 0.330%+3.00%).

- <u>SH-130</u>
  This project's borrowings comprise syndicated bank financing in two 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 2014 and has final maturity in 2038 (6-month LIBOR of 0.326%+1.55%); and tranche B of USD 35 million to provide liquidity, which has been drawn down in full (6-month LIBOR of 0.326%+1.55%). SH-130 also has a TIFIA (Transportation Infrastructure Finance and Innovation Act) debt tranche of USD 527.10 million, drawn down in full at 31 December 2013 (USD 430 million of principal and USD 97.1 million of interest added to the principal), to finance part of the construction work, with final maturity in 2047 (fixed interest rate: 4.46%). Also, this concession operator has a derivative with a notional amount of USD 711.6 million and fixed interest rates of between 5.17% and 5.22%, which matures in 2038.
  As indicated in the consolidated financial statements for 2013, due to the lower-than-forecast traffic levels, at the end of that year the company initiated a process aimed at restructuring its debt. In this regard, the company made a partial payment on the coupon maturing on 30 June 2014, reaching a waiver agreement with the banks whereby payment of the rest of the interest was deferred until December 2014. On expiry, the waiver agreement was renewed until January 2016, with the terms and conditions of the remainder of the debt remaining unchanged, except for the addition of the accrued interest to the debt principal. Therefore, the negotiations in progress continued. The interest payments deferred as a result of this waiver amount to USD 43.1 million, of which USD 30.8 million relate to interest not yet paid on the swap and USD 12.3 million relate to interest on the borrowings. Based on this waiver and the current situation of the concession, the concession operator's debt continues to be classified as a non-current liability and the associated derivative is considered to qualify for hedge accounting.

- <u>North Tarrant Express Managed Lanes - NTE</u>
  This project is financed through a USD 400 million issue of Private Activity Bonds (PABs) with final maturity in 2039 (USD 60 million bearing fixed interest at 7.50% with final maturity in 2031 and USD 340 million bearing fixed interest at 6.875% with final maturity in 2039). It also has a TIFIA loan of USD 650 million granted by the US Federal Government with a repayment profile of 35 years from the entry into service of the infrastructure, against which USD 674.3 million had been drawn down at 31 December 2014 (USD 629.5 million of principal and USD 44.8 million of interest added to the principal). This loan bears interest at a fixed rate of 4.52% and has final maturity in 2050.

- NTE Mobility Partners Seg 3 LLC
  In September 2013 the financial close of the concession arrangement for the extension of the North Tarrant Express (NTE) toll road in Texas was achieved. The borrowings for this project were structured through the issue of USD 274 million of Private Activity Bonds (PABs), maturing at 25 and 30 years (7.00% fixed interest on USD 128 million and 6.75% fixed interest on USD 146 million), and a TIFIA loan of USD 531 million bearing fixed interest of 3.84%, which had not been drawn down at year-end.

- LBJ
  This concession operator is financed through a USD 615 million issue of PABs with final maturity in 2040 (7.00% fixed interest on USD 473 million, of which USD 418.9 million have final maturity in 2040 and USD 54.5 million in 2034; and 7.50% fixed interest on USD 142 million, of which USD 91 million have final maturity in 2032 and USD 51 million in 2033). LBJ also has a TIFIA loan of USD 850 million granted by the US Federal Government with a repayment profile of 35 years from the entry into service of the infrastructure, against which USD 860.5 million had been drawn down at 31 December 2014 (USD 797.5 million of principal and USD 63.0 million of interest added to the principal). This loan bears interest at a fixed rate of 4.22% and has final maturity in 2050.

Spanish toll roads:

- Ausol I and II
  The debt is structured in two syndicated loans: (i) AUSOL I, with a notional amount of EUR 351.3 million; and (ii) AUSOL II, with a notional amount of EUR 122.9 million, both maturing in 2016 and bearing interest at 6-month EURIBOR of 0.178%+3.25%. Also, Ausol has a derivative with a notional amount of EUR 246.12 million and a fixed interest rate of 3.7975%, which matures in 2022.

- Cintra 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 bearing interest at 6-month EURIBOR of 0.172%+1.40%. Both tranches have been drawn down in full and have final maturity in 2035. The company has also been granted a liquidity line of EUR 80 million, against which it has drawn down EUR 62.49 million (bearing interest at 6-month EURIBOR of 0.172%+1.40%). It should also be noted that this company has a derivative with a notional amount of EUR 606 million, a guaranteed interest rate of 4.735% and maturity in 2035.

- Inversora A. Sur / A. R-4 Madrid Sur
  The net debt associated with this asset amounts to EUR 630.3 million, of which EUR 69 million are interest added to the principal amount of the borrowings (EUR 64 million relating to the debt and EUR 5.5 million relating to the capitalisation of the latest swap settlement, bearing interest at interbank EONIA of 0.144% and 3.80%, respectively, in the case of the borrowings and 1% and 2.00%, respectively, in the case of the swaps). Since 14 September 2012, this company has been involved in insolvency proceedings, as indicated in the note relating to contingent liabilities (see Note 22).

- Inversora A. Levante / A. Madrid Levante
  The net debt associated with this asset amounts to EUR 567.2 million, of which EUR 45.1 million are interest added to the principal amount of the borrowings (EUR 40.7 million relating to the debt and EUR 4.4 million relating to the capitalisation of the latest swap settlement, bearing interest at interbank EONIA of 0.144% and 3.10%, respectively, in the case of the borrowings and +1.00% and 2%, respectively, in the case of the swaps). Since 19 October 2012, this company has been involved in insolvency proceedings, as indicated in the note relating to 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 with final maturity in 2027 (bearing 6.40% fixed interest) and the other comprises EIB borrowings of EUR 100.9 million with final maturity in 2025 (bearing 6.50% fixed interest).

- Euroscut Azores
  Syndicated bank financing with final maturity in 2033, against which EUR 345.6 million had been drawn down at 31/12/14 (bearing interest at 6-month EURIBOR of 0.303%+0.80%). In relation to these borrowings, the concession operator has arranged a derivative with a notional amount of EUR 298.5 million, a guaranteed fixed interest rate of 4.115% and maturity in 2033.

- Auto-Estradas Norte Litoral
  Financing structure based on a syndicated loan for an outstanding amount of EUR 256.8 million, with final maturity in 2026 (bearing interest at 6-month EURIBOR of 0.3125%+1.25%). In addition, the concession operator has a derivative with a notional amount of EUR 192.6 million and a fixed interest rate of 3.69%, which matures in 2026.

Irish toll roads:

- Eurolink M4-M6
  This toll road's financing consists of an EIB loan for an outstanding amount of EUR 90.61 million, with final maturity in 2027 (3-month EURIBOR of 0.082% +0.19% +1.5% EIB secured), and bank financing of EUR 47.19 million with final maturity in 2027 (bearing interest at 6-month EURIBOR of 0.153%+1.525%). Also, this concession operator has arranged derivatives with a notional amount of EUR 103.2 million and fixed interest rates ranging from 5.04%, 5.1875%, 5.245% and 5.39%. The derivatives mature in 2017 and 2028.

It has also been granted several credit lines totalling EUR 13.8 million to finance VAT payments, operating costs and interest payments. No amounts have yet been drawn down against these lines, which have spreads of 1.50% and 2.00%, respectively.

- Eurolink M3
  A syndicated bank loan with final maturity in 2025 against which EUR 198.5 million had been drawn down at 31 December 2014 (6-month EURIBOR of 0.305%+0.85%). It should also be noted that this company has a derivative with a notional amount of EUR 98.9 million, a guaranteed fixed interest rate of 4.53% and maturity in 2025.
  There are also currently undrawn credit facilities totalling EUR 29 million with a spread of 0.85%.

b.2) Maturities by currency and fair value of infrastructure project borrowings

	Currency	Fair value 2014	Fair value 2013	Carrying amount 2014	2015	2016	2017	2018	2019	2020 and subsequent years	Total maturities
Infrastructure project bonds		2,539	2,102	2,310	0	0	363	3	151	1,805	2,323
Toll roads		2,539	2,102	2,310	0	0	363	3	151	1,805	2,323
	USD	2,440	2,003	2,211	0	0	363	0	146	1,713	2,222
	EUR	99	99	99	0	0	1	3	5	92	101
Bank borrowings of infrastructure projects		6,297	5,602	6,297	85	572	64	138	90	4,230	5,178
Toll roads		5,808	5,180	5,808	68	528	52	68	73	3,884	4,675
	USD	2,441	1,814	2,441	0	0	0	1	1	2,480	2,482
	EUR	3,367	3,367	3,367	68	528	52	67	72	1,405	2,192
Construction		148	150	148	3	5	2	2	2	137	149
	EUR	148	150	148	3	5	2	2	2	137	149
Services		341	271	341	14	39	10	68	15	209	354
	GBP	120	75	120	2	2	3	57	1	63	128
	EUR	221	197	221	12	36	8	11	14	145	227
Total financial debt of infrastructure projects		8,836	7,705	8,608	85	572	428	141	241	6,035	7,501

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 630 million and EUR 567 million, respectively (2013: EUR 606 million and EUR 549 million, respectively) because, as indicated in Note 22, 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 2014 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) Information on credit limits and credit drawable for infrastructure projects

Set forth below is a comparative analysis of borrowings not drawn down at year-end:

	2014				2013			
Millions of euros	Debt limit	Amount drawn down	Amount drawable	Carrying amount of debt	Debt limit	Amount drawn down	Amount drawable	Carrying amount of debt
Toll roads	8,756	8,195	561	8,118	8,052	7,300	752	7,209
US toll roads	5,204	4,705	499	4,652	4,471	3,802	669	3,743
Spanish toll roads	2,368	2,350	18	2,342	2,347	2,319	29	2,306
Other toll roads	1,184	1,140	44	1,124	1,234	1,180	54	1,160
Construction	149	149	0	148	152	152	0	150
Services	499	354	145	341	444	282	162	271
Total financial debt	9,405	8,699	706	8,608	8,648	7,734	914	7,631

The differences between the total bank borrowings drawn down and the carrying amount of the related debt at 31 December 2014 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).
Of the EUR 706 million drawable (31 December 2013: EUR 914 million), EUR 499 million relate mainly to amounts not drawn down against borrowings that were obtained to finance toll roads under construction in the US. It should be noted that this drawable amount is associated exclusively with the projects, based on the nature and performance thereof, as discussed below.

b.4) Guarantees and covenants for project borrowings

The borrowings classified as project 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 the borrowings of these projects are described in Note 22 on contingent liabilities. Bridge loans granted to infrastructure project companies prior to subsequent capital increases to be subscribed by the shareholders and guaranteed in full by the latter (equity bridge loans) are classified as borrowings of non-infrastructure project companies (see Note 18.2 below).

At 31 December 2014, all the toll road concession operators were achieving the covenants in force, except for:

- The R4 and Madrid Levante toll road concession operators, whose borrowings had matured because they had been involved in insolvency proceedings since 2012, as described above.

- SH-130. As indicated in point b.1 above, the waiver agreement relating to the payment of interest on the borrowings was renewed until January 2016, with the terms and conditions of the remainder of the debt remaining unchanged. Therefore, the negotiations in progress continued.

18.2. Net cash position excluding infrastructure projects

a) Borrowings of non-infrastructure project companies

a.1) Breakdown between current and non-current borrowings, changes in the year and main characteristics

	2014			2013			Change 2014 - 2013
Millions of euros	Non-current	Current	Total	Non-current	Current	Total	
Corporate debt	0	0	0	24	0	24	-24
Bonds	1,298	29	1,327	985	25	1,010	317
Project finance bridge loans	14	0	14	0	0	0	14
Other	63	63	126	84	50	134	-8
Total borrowings excluding infrastructure projects	1,375	92	1,467	1,093	75	1,168	299

<u>Corporate debt, bonds and bridge loans for projects</u>

There was a net increase of EUR 299 million in borrowings, mainly as a result of the issue on 9 July 2014 of the third corporate bond issue, amounting to EUR 300 million, with a maximum redemption period of ten years and a price of 113 basis points over mid-swap, with a coupon of 2.5% payable annually.

Thus, the borrowings excluding infrastructure projects comprise mainly three corporate bonds issued on 30 January 2013, 29 May 2013 and 9 July 2014 for nominal amounts of EUR 500 million, EUR 500 million and EUR 300 million, respectively, and maturing in 2018, 2021 and 2024, respectively (see Note a.2 a below).

The project finance bridge loans of EUR 14 million relate to the financing of the Planta Milton Keynes waste treatment plant in 2014, which is considered to constitute recourse borrowings, since it is guaranteed by the shareholders.

<u>Other</u>

The borrowings shown under "Other" relate mainly to bank loans and finance leases of the Services Division (EUR 42 million and EUR 39 million, respectively) (2013: EUR 41 million and EUR 42 million, respectively) and of the Construction Division (EUR 27 million and EUR 6 million, respectively) (2013: EUR 15 million and EUR 8 million, respectively).

a.2) Maturities by currency and fair value of borrowings excluding infrastructure projects

Borrowings	Currency	Fair value 2014	Carrying amount 2014	2015	2016	2017	2018	2019	2020 and subsequent years	Total maturities
Corporate debt and bonds		1,421	1,327	1	0	0	500	0	800	1,301
	EUR	1,421	1,327	1	0	0	500	0	800	1,301
Other		140	140	50	32	10	2	8	10	113
	EUR	70	70	18	10	10	1	1	2	41
	GBP	49	49	31	19	0	0	0	0	50
	PLZ	14	14	0	3	1	0	2	8	14
	CLP	7	7	1	1	0	1	5	0	8
Total borrowings excluding infrastructure projects		1,561	1,467	51	32	10	502	8	810	1,414

The differences between the total maturities of bank borrowings and the carrying amounts of the debt at 31 December 2014 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 fair value of bank borrowings excluding infrastructure projects coincides with the related carrying amount because the borrowings are tied to floating market interest rates and, therefore, changes in the benchmark interest rates do not affect their fair value.

Since the corporate bonds are fixed-interest bonds traded on an active market, their fair value was taken to be the market price at the analysis date. In addition, interest rate derivatives with a notional amount of EUR 500 million were arranged in relation to these bonds, as mentioned in Note 11.

Based on the aforementioned criteria, the estimated total fair value of bank borrowings and bonds excluding infrastructure projects was EUR 1,561 million at 31 December 2014 (31 December 2013: EUR 1,187 million).

The 2015 maturities amount to EUR 51 million and relate mainly to borrowings associated with Amey Group companies totalling EUR 31 million. The debt maturities do not include interest.

a.3) Information on credit limits and drawable credit

Set forth below is a comparative analysis of borrowings not drawn down at year-end:

Millions of euros	2014				2013			
	Debt limit	Amount drawn down	Amount drawable	Consolidated debt	Debt limit	Amount drawn down	Amount drawable	Consolidated debt
Corporate debt	2,051	1,301	750	1,327	1,675	1,030	645	1,034
Other	314	113	201	140	403	111	292	134
Total financial debt	2,365	1,414	951	1,467	2,078	1,141	937	1,168

The differences between total bank borrowings and the carrying amount thereof at 31 December 2014 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 750 million, which has not yet been drawn down, maturing in 2019.

a.4) Corporate rating

The financial rating agencies Standard & Poor's and Fitch issued their opinion on the credit rating of Ferrovial's corporate debt at December 2014, which was assigned ratings of BBB and BBB, respectively, with a stable outlook, and, therefore, came under the "investment grade" category.

b) Cash and cash equivalents of other companies

The method used to classify cash and cash equivalents at both short and long term is the same as that applied in the financial statements for 2013. The cash and cash equivalents correspond to bank accounts and highly liquid investments subject to interest rate risk. The changes therein are analysed in Note 28, Cash flows.

Also, at 31 December there were certain restricted accounts totalling EUR 97 million made up mainly of EUR 58 million at the Corporate Division associated with certain equity swaps and EUR 21 million at the Construction Division securing bank borrowings.

19. Other non-current payables

"Non-Current Liabilities - Other Payables" includes mainly the following:

- The participating loans granted by the State to several infrastructure project concession operators amounting to EUR 151 million (31 December 2013: EUR 146 million), of which EUR 99 million relate to the Toll Roads Division, EUR 38 million to the Services Division and EUR 11 million to the Construction Division.
- Long-term deposits and guarantees amounting to EUR 22 million (31 December 2013: EUR 23 million).
- Long-term trade payables of the Services Division in the UK, amounting to EUR 11 million (31 December 2013: EUR 9 million).

20. Trade and other payables

a) Trade payables

The detail of "Trade Payables" at 31 December 2014 and 2013 is as follows:

	Balances at 31/12/14	Balances at 31/12/13	Change 2014-2013
Trade payables	1,746	1,661	85
Amounts billed in advance for construction work (Note 13-c)	774	616	158
Customer advances (Note 13-c)	239	158	82
Retentions made from suppliers	220	222	-2
Total trade payables	2,979	2,657	322

"Trade Payables" increased by EUR 85 million with respect to 31 December 2013, as result of, on the one hand, the increase in business volume at the Services Division in the UK (EUR 156 million) and, on the other, a decrease of EUR 78 million in the trade payables of the Construction Division.

The increases in "Amounts Billed in Advance for Construction Work" and "Customer Advances" are explained in Note 13 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.

The carrying amount of the trade payables approximates their fair value.

b) Disclosure obligation in relation to payments to suppliers provided for in Additional Provision Three of Law 15/2010

In compliance with the obligation to disclose the "average period of payment to suppliers" provided for in Additional Provision Three of Law 15/2010 (as amended by Law 31/2014), the Company hereby discloses that the average period of payment to suppliers of all the Group companies domiciled in Spain in 2014 was 53 days.

At the date of preparation of these Annual Financial Statements, and having not issued the Institute of Accounting and Audit the resolution required in paragraph 4 of the Additional Provision Three of Law 15/2010, for developing the methodology for calculating the average payment period, for the purposes of this calculation there have been considered the days since the date of issuance of the invoice and the payment date, without discounting any management days that usually goes by between the receipt of the invoice and its accounting record.

c) Other non-trade payables

The detail of "Other Non-Trade Payables" is as follows:

	Balances at 31/12/14	Balances at 31/12/13	Change 2014-2013
Remuneration payable	154	150	4
Other accounts payable to public authorities	235	328	-92
Other payables	69	50	18
Total other non-trade payables	458	528	-70

"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.

21. Tax matters

21.1 Reconciliation of the profit before tax to the adjusted tax expense

The consolidated profit before tax for 2014 amounted to EUR 504 million. In order to obtain the taxable profit (EUR 507 million) adjustments must be made to the following items which, because of their nature, are income and expense items that do not give rise to taxation:

- Elimination of the results of companies accounted for using the equity method (EUR 138 million) which, pursuant to accounting legislation, are presented net of the related tax effect.
- Permanent differences: permanent differences relate to either profits or losses which are not subject to taxation or which do not generate a deductible expense. The main difference in 2014 arose in the US, where 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.
- Other: these relate mainly to the non-recognition in Spain of the tax asset corresponding to the unrecoverable losses incurred in 2014 by the R4 and Ocaña La Roda toll roads and at certain Construction Division companies.

Also, it is necessary to reconcile the income tax expense for the year (EUR 152 million) to the adjusted tax expense (EUR 140 million) as a result of the adjustments to prior years' taxes amounting to EUR 12 million, explained by two factors:

- Expenses that were ultimately considered to be deductible in the final income tax returns mostly filed in July 2014, which had a positive impact of EUR 34 million (mainly in Spain and the UK).
- A negative impact of EUR 46 million as a result of the adjustment of the tax rate in Spain due to the publication of the new Income Tax Law 27/2014 on 27 November, which reduced the rate to 28% for 2015 and to 25% for 2016 onwards.

The following tables present a detail the reconciliation explained for 2014 and 2013, in which the tax rates applicable to the taxable profit for the Group as a whole were 28% and 25%, respectively:

	2014				
Millions of euros	Spain	UK	US	Other countries	Total
Profit before tax	85	233	3	183	504
Result of companies accounted for using the equity method	-7	-80	0	-52	-138
Permanent differences	-13	0	70	12	69
Other	57	0	15	0	73
Taxable profit	122	153	88	143	507
Income tax expense for the year	65	19	30	38	152
Adjustment of prior years' taxes	-28	10	1	5	-12
Adjusted tax expense	36	29	32	44	140
Effective rate applicable to taxable profit	*30%*	*19%*	*36%*	*30%*	*28%*
Effective tax rate of the country	*30%*	*22%*	*36%*	*26%*	

	2013				
Millions of euros	Spain	UK	US	Other countries	Total
Profit before tax	126	460	-13	296	869
Result of companies accounted for using the equity method	-3	-303	0	-69	-375
Permanent differences	40	-3	49	-43	42
Other	199	-44	3	58	215
Taxable profit	361	109	39	242	752
Income tax expense for the year	122	34	-10	22	168
Adjustment of prior years' taxes	-10	-9	19	20	20
Adjusted tax expense	112	25	9	42	188
Effective rate applicable to taxable profit	*31%*	*23%*	*23%*	*17%*	*25%*
Effective tax rate of the country	*30%*	*25%*	*36%*	*25%*	

21.2 Breakdown of the income tax expense

The breakdown of the income tax expense for 2014 and 2013, differentiating between current tax, deferred tax and adjustments to prior years' taxes, is as follows:

Millions of euros	2014	2013
Income tax expense for the year	152	168
Current tax expense	*101*	*88*
Deferred tax expense	*40*	*100*
Adjustment of prior years' taxes	12	-20

21.3 Changes in deferred tax assets and liabilities

The detail of the changes in the deferred tax assets and deferred tax liabilities in 2014 is as follows:

Millions of euros	Balance at 01/01/14	Transfers	Adjustments and other	Charge/Credit to profit or loss	Charge/Credit to equity	Exchange rate effect	Balance at 31/12/14
Deferred tax assets							
Tax assets	705	-15	-93	99	0	35	731
Differences between tax and accounting income and expense recognition methods	403	21	-13	-16	0	-1	395
Deferred tax assets arising from valuation adjustments	218	-12	-1	20	60	15	300
Other	18	-18	-4	16	0	0	11
Total	1,344	-24	-111	119	60	50	1,438

Millions of euros	Balance at 01/01/14	Transfers	Adjustments and other	Charge/Credit to profit or loss	Charge/Credit to equity	Exchange rate effect	Balance at 31/12/14
Deferred tax liabilities							
Deferred tax liabilities relating to goodwill	207	-3	-15	0	0	5	193
Differences between tax and accounting income and expense recognition methods	801	10	-49	135	-1	55	952
Deferred tax assets arising from valuation adjustments	52	2	-1	-4	41	0	91
Other	57	-9	-2	27	0	1	75
Total	1,117	-1	-67	159	40	61	1,310

The "Adjustments and Other" column includes mainly the impact on the consolidated statement of profit or loss arising from the adjustment of the tax rate in Spain.

The deferred tax assets and liabilities recognised at 31 December 2014 arose mainly from:

a) Tax assets

These relate to tax assets which have not yet been used by the Group companies. This item does not include all the existing tax assets, but rather only those that, based on Group projections, are expected to be used before they expire. The balance recognised totalled EUR 731 million, of which EUR 705 million related to recognised tax losses and the remainder to unused tax credits.

The detail of the total tax loss carryforwards, distinguishing between the maximum tax asset and the tax asset recognised based on the projected recoverability thereof, is as follows:

Country	Tax loss carryforwards	Last years for offset	Maximum tax asset	Tax asset recognised
Spanish consolidated tax group	1,521	No expiry date	380	380
Rest of Spain	23	No expiry date	6	2
US consolidated tax group	1,867	2025-2034	654	319
Other	146	2015-No expiry date	36	3
Total	3,557		1,076	705

Additionally, Ferrovial had unused double taxation, reinvestment and other tax credits of EUR 192 million at 31 December 2014 (2013: EUR 194 million), of which EUR 26 million have been recognised.

Spanish consolidated tax group:
For the purpose of analysing the recoverability of its tax assets, a model has been created in order 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 uses the Group companies' latest available earnings projections. According to this model, all the tax assets have been recognised, since although the tax reform of 2014 established a limit on annual use, the expiry of the statute-of-limitations period was eliminated and, therefore, it is considered that all the tax assets will be recovered.Therefore, all the tax loss carryforwards totalling EUR 380 million and EUR 26 million of the tax credits will be recovered before they expire and, accordingly, they have been retained in the statement of financial position.

US consolidated tax group:
A model has been created in order to analyse the recoverability of the US tax group's tax assets. Following the performance of several sensitivity analyses, in certain scenarios not all the available tax assets will be recovered or they will be recovered over a very long period and, therefore, an asset of only EUR 314 million was recognised, compared with a maximum tax asset of EUR 654 million. Although the US tax group companies will foreseeably incur tax losses in the coming years, it is considered that most of the recognised tax losses will be recovered at short term as a result of the sale of the Indiana project (see Note 9).

b) Assets and liabilities arising from timing differences between the accounting and tax income and expense recognition methods

This item relates to the tax impact resulting from the fact that the timing of recognition of certain expenses or depreciation and amortisation charges is different for accounting and tax purposes.

The recognition of a tax asset in this connection means that certain expenses have been recognised for accounting purposes before their recognition for tax purposes and, therefore, the Company will recover these expenses for tax purposes in future years. Conversely, a liability represents an expense that is recognised for tax purposes before its recognition for accounting purposes.

The deferred tax assets include most notably:

- Provisions recognised for accounting purposes which do not have a tax effect until they are materialised (EUR 196 million).
- Deferred tax assets of EUR 67 million arising as a result of differences between the tax and accounting methods used to recognise income, mainly in the Construction Division.
- Differences relating to borrowing costs at concession operators in Spain, which for tax purposes are recognised as an asset and subsequently amortised whereas for accounting purposes they are expensed currently (EUR 69 million).
- Accelerated depreciation and amortisation for accounting purposes (EUR 46 million).

The balance of the deferred tax liabilities relates mainly to:

- Accelerated depreciation and amortisation for tax purposes (EUR 203 million).
- Differences between tax and accounting criteria in relation to the recognition of provisions (EUR 289 million).
- Differences between the tax base and carrying amount of associates (EUR 307 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 are the deferred tax asset and liability relating to financial derivatives amounting to EUR 279 million and EUR 88 million, respectively.

d) Deferred taxes relating to goodwill

These correspond to deferred tax liabilities relating to the international tax credit for goodwill amounting to EUR 193 million.
The detail of the changes in the deferred tax assets and deferred tax liabilities in 2013 is as follows:

Millions of euros	Balance at 01/01/13	Transfers	Adjustments and other	Charge/Credit to profit or loss	Charge/Credit to equity	Exchange rate effect	Balance at 31/12/13
Deferred tax assets							
Tax assets	677	0	8	29	0	-9	705
Differences between tax and accounting income and expense recognition methods	424	7	15	-40	0	-3	403
Deferred tax assets arising from valuation adjustments	474	1	-42	31	-241	-5	218
Other	34	-10	1	-18	10	1	18
Total	1,609	-2	-18	2	-231	-16	1,344

Millions of euros	Balance at 01/01/13	Transfers	Adjustments and other	Charge/Credit to profit or loss	Charge/Credit to equity	Exchange rate effect	Balance at 31/12/13
Deferred tax liabilities							
Deferred tax liabilities relating to goodwill	183	-1	22	4	0	-1	207
Differences between tax and accounting income and expense recognition methods	830	0	-103	92	0	-18	801
Deferred tax assets arising from valuation adjustments	59	-6	-1	4	-4	0	52
Other	7	4	44	2	0	0	57
Total	1,079	-3	-38	102	-4	-19	1,117

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. It is considered that any possible material tax contingencies were adequately provisioned at year-end.

The main tax audits in progress currently affect Ferrovial, S.A. (Ferrovial, S.A. Group), Ferrovial Servicios, S.A., Ferroser Servicios Auxiliares, S.A. and Ferrovial Agroman S.A. (audit of income tax for 2007 to 2011; VAT from December 2009 to 2011; withholdings on salary income from December 2009 to 2011; withholdings on income from movable capital from December 2009 to 2011 and non-resident income tax withholdings from December 2009 to 2011).

21.5 Tax regime applicable to Ferrovial, S.A.

Ferrovial, S.A. has filed consolidated tax returns since 2002. The companies composing the consolidated tax group together with Ferrovial, S.A. in 2014 are shown in Appendix II.

Also, in 2014 the Company opted to be taxed under the tax regime established in Articles 116 to 119 of Legislative Royal Decree 4/2004, of 5 March approving the Consolidated Spanish Income Tax Law applicable since 1 January 2014. Since the application of that tax regime affects the taxation of possible dividends or gains obtained by the Company's shareholders, attached as Appendix I to these consolidated financial statements is a note describing the tax treatment applicable to the shareholders, together with information on the taxable profits obtained by Ferrovial, S.A. that the shareholders should be aware of for the purpose of applying that regime.

22. Contingent liabilities, contingent assets, obligations and commitments

22.1 Litigation

In carrying on its activities the Group is subject to possible contingent liabilities of varying kinds. 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:

a) Litigation in relation to the Toll Road business

- R-4 Madrid Sur toll road: the R-4 insolvency proceedings remained in the common phase in 2014 without any substantial changes with respect to the situation at 31 December 2013. Both the lawsuits relating to the compulsory purchase of land and the appeals relating to compensation receivable from the Government remain in progress.

  Madrid Levante toll road: with respect to the insolvency proceedings, after the phase for challenging the insolvency manager's reports had concluded and all of the ancillary proceedings had been resolved upon, on 20 January 2014 the Company was notified of the order terminating the common phase of the insolvency proceedings and the initiation of the arrangement phase. The arrangement proposal was submitted to Madrid Commercial Court no. 2 on 22 May 2014 and given leave to proceed on 17 June 2014. Initially the creditors' meeting to approve the arrangement was to take place on 18 July 2014; however, the creditor's meeting of 18 July 2014 was suspended at the request of the government lawyer on the same date, and a new date of 19 September 2014 was set for the meeting, which was also suspended by the judge due to the publication of Royal Decree-Law 11/2014 on urgent insolvency measures. As a result of this amendment, a new date of 4 March 2015 was set for the creditors' meeting.

  After 2014 year-end, on 22 January 2015, the companies involved in the insolvency proceedings requested that the proposed arrangement submitted on 22 May 2014 be withdrawn, in view of the confirmation of the impossibility of the proposal being approved due to the refusal of the banks. The Company is aware that the Government has submitted to the Court the arrangement that it is attempting to approve at all the concession operators that are currently involved in insolvency proceedings.

  Accordingly, it is foreseeable that Ferrovial will lose control of the projects. Meanwhile, Ferrovial continues to consolidate the losses of each project in its financial statements, and the consolidated carrying amount of the assets is negative. Specifically, at 31 December 2014, the carrying amount of R4 was EUR -77 million and that of AP 36 was EUR -61 million.

- M-203 toll road: on 24 April 2014, the concession operator filed a claim at the Madrid High Court requesting the termination of the concession arrangement due to a breach by the grantor and the annulment of the penalties imposed on the concession operator. Following the submission of the defence by the Autonomous Community Government of Madrid, and following the submission of evidence, the lawsuit proceedings have been concluded and are awaiting judgment. After the end of the 2014 reporting period, on 12 February 2015 a judgment was received upholding in full the appeal for judicial review filed, i.e. ruling in favour of the termination of the concession arrangement requested by the concession operator and recognizes a compensation right derived from that contract termination, rendering null and void the order imposing penalties handed down on 6 August 2013. However, it should be noted that the judgment is not yet final as the Autonomous Community Government of Madrid has ten working days in which to file a cassation appeal at the Supreme Court.

  At 31 December 2014, the carrying amount of this asset was EUR 47 million, net of an impairment loss of EUR 16 million. The aforementioned carrying amount is the amount that the Company considers to be recoverable from the Government adjusted for the risk of enforcement of certain guarantees provided in relation to this project (see Note 22.3).

b) 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 2014 totalled EUR 163 million (2013: EUR 190 million) and relate to a total of approximately 115 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 Agroman 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. A judgment was handed down in 2013 partially upholding the claim filed by the customer, ordering the defendants jointly and severally to pay EUR 20.9 million plus interest. In the first six months of 2014 the insurance companies partially covered the payment of the aforementioned judgment. The uncovered part depends on the decision on the appeal filed by the defendants that has yet to be handed down.
- Arbitration in relation to the construction project for Warsaw airport: this corresponds to a claim filed against the UTE made up of Ferrovial Agroman and Budimex in relation to the termination of the contract to construct Terminal 2 of Warsaw Airport. In 2007 the customer executed the guarantee provided amounting to EUR 13.5 million and filed a claim against the construction joint venture for a total of EUR 67 million. In turn, the construction joint venture filed claims against the customer 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 (confirmed in 2013 by the Supreme Court), the customer 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.

With respect to the litigation detailed in the notes to the consolidated financial statements for 2013, no significant changes have taken place in 2014 which might entail an additional and/or significant contingency to those mentioned in the aforementioned notes to the consolidated financial statements.

c) Litigation relating to the Services business

The Services business is involved in lawsuits relating to the ordinary course of the business which correspond to employment and environment-related claims and claims relating to defects or delays in the provision of services, for which a provision of EUR 8 million was recognised (2013: EUR 1 million) (see Note 17) as well as claims relating to the recoverability of trade receivables for which a provision of EUR 10 million had been recognised at year-end.

With respect to the Services business in Spain, the main lawsuit in which the Company was involved at 31 December 2014 related to a resolution of the Spanish National Market and Competition Commission issued on 15 January 2015 imposing a penalty on Cespa Group companies and Cespa, G.R. and other companies from the waste management and urban cleaning industry for participating in a market share agreement. In particular, the penalty imposed on Cespa, S.A. amounted to EUR 13.6 million. Cespa, S.A. is currently preparing an appeal against the aforementioned judgment to be filed at the National Appellate Court, the deadline for the filing of which is two months from the notification of the judgment. In the opinion of the company's legal advisers, there are robust arguments to challenge the judgment and, accordingly, on the basis of such arguments, the Group decided not to recognise any type of provision in this connection.
With respect to the Services business in the UK, the main lawsuit relates to the settlement of the Services contract with Cumbria County Council (CCC). As a result of the termination of the contract in 2012, Amey claimed GBP 27.2 million from the customer and, in answer to the claim, CCC filed a counterclaim for GBP 22.4 million. In November 2013, Amey instigated a court proceeding in this connection which will foreseeably be resolved in 2015.

d) Tax litigation
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 2006 to 2010.

e) 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.

22.2. Guarantees

a) Guarantees provided to third parties

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 2014, the balance of guarantees provided amounted to EUR 4,620 million (2013: EUR 4,038 million).

The following table contains a breakdown of guarantees by business area. The most significant item relates to the Construction Division (EUR 3,074 million), consisting basically of guarantees required in bidding processes to cover the liability of construction companies for the performance and completion of their construction work contracts.

Millions of euros	2014	2013
Construction	3,074	2,751
Toll roads	177	190
Services	994	740
Airports	28	6
Other	348	351
Total	4,620	4,038

Of the total amount of the Group's guarantees, EUR 240 million secure its commitments to invest in the capital of infrastructure projects, as mentioned in Note 22.3., and EUR 15 million secure possible disbursements of additional capital for projects only where certain events arise (contingent capital), as described in Note 22.2.b.1.

b) Guarantees provided by Group companies to other companies in the Group

In general, the guarantees provided among Group companies cover third-party liability arising from contractual, commercial or financial relationships which does not have an effect on the consolidated Group.

However, there are certain guarantees provided to infrastructure project companies by other Group companies which, due to the classification of project borrowings as being without recourse, it is relevant to disclose, to the extent that they could entail future additional capital disbursements if the secured events should arise (see Note 22.b.1. on contingent capital guarantees).

Other noteworthy guarantees have also been provided to companies accounted for using the equity method (see b.2.).

b.1) Guarantees provided to infrastructure project companies that could give rise to future additional capital disbursements if the events guaranteed take place (contingent capital guarantees)

As mentioned in Note 18, Net cash position, the borrowings for infrastructure projects are without recourse to the shareholders or with recourse limited to the guarantees provided. For this purpose, there are certain guarantees provided by non-infrastructure project companies to infrastructure project companies which, if they are executed due to the occurrence of the event guaranteed, could result in disbursements to the latter other than the committed capital or investment mentioned in Note 22.3. (such guarantees are called contingent capital guarantees).

The detail, by beneficiary company, purpose and maximum amount, of the outstanding guarantees of this nature at 31 December 2014 relating to fully consolidated infrastructure project companies in is as follows. It should be noted that the amounts below relate to Ferrovial:

Beneficiary company (infrastructure project)	Guarantee purpose	Amount
Auto-Estradas Norte Litoral	Guarantee limited to cover compulsory purchase cost overruns	1
Azores	Capital contribution guarantee in the event of an equity imbalance at the concession operator from 2014 to 2017	6
R4 Madrid Sur	Guarantee covering termination of the concession	15
Ausol	Guarantee to cover the debt service in the event of a cash deficit up to EUR 30 million. It also covers early repayment up to EUR 18 million. Maximum joint limit of EUR 30 million.	30
LBJ	Guarantee to cover the debt service reserve account if there is a cash deficit at the date of entry into operation.	34
Subtotal guarantees - Cintra projects		87
Conc. Prisiones Lledoners	Technical guarantee for failure to repay amounts to the bank in the event of termination of the arrangement. Does not cover insolvency (default) or breach by the grantor	76
Conc. Prisiones Figueras	Technical guarantee for failure to repay amounts to the bank in three specific cases relating to construction permit, General Urban Zoning Plan and modifications. Does not cover insolvency (default) or breach by the grantor	72
Subtotal guarantees – Construction projects		147
Total guarantees - Fully consolidated infrastructure projects		234

Of the amounts indicated in the table above, at 31 December 2014 provisions had been recognised for the guarantees relating to the Azores (EUR 6 million) and R4 (EUR 15 million) toll roads (see Note 17).

The detail of the amounts of the guarantees (corresponding to the Ferrovial Group's percentage interest) in relation to the financing of the infrastructure projects accounted for using the equity method and, accordingly, the borrowings of which are not included in the Group's consolidated financial statements is as follows:

Beneficiary company	Guarantee purpose	Amount
407 East Extension (Cintra)	Guarantee to re-establish minimum coverage ratios (RCSD and LLR).	12
A-66 Benavente-Zamora (Cintra)	Guarantee to cover compulsory purchase cost overruns in the construction phase	3
Serrano Park (Cintra)	Limited guarantee to cover the debt service and maintenance reserve accounts in the event of a cash deficit	4
URBICSA	Technical guarantee for breach in order to cover the debt service reserve accounts. Does not cover insolvency (default) or breach by the grantor	52
Total guarantees - Infrastructure projects accounted for using the equity method		70

Of the amounts indicated in the table above, at 31 December 2014 provisions had been recognised for the Serrano Park guarantee (see Note 17). There are no guarantees securing this contingent capital. There are guarantees securing this contingent capital amounting to EUR 15 million, corresponding to the 407 East Extension and A-66 Benavente-Zamora. These guarantees are part of the total amount mentioned in Note 22.2-a.

b.2) Other guarantees provided to companies accounted for using the equity method

It is also important to disclose detail on the technical guarantees provided to companies accounted for using the equity method, whether or not they are infrastructure project companies. Various companies accounted for using the equity method that are responsible for performing certain long-term services contracts through an SPV, normally set up with other financial partners and financed under project finance arrangements. The SPVs are incorporated solely for this purpose, subcontracting performance to other fully consolidated Ferrovial service companies which provide certain guarantees in relation to the correct performance of the subcontracted services. With these guarantees, if there is a breach of contract relating to certain quality or service parameters pre-established by the customer, the fully consolidated companies are obliged to make good the losses caused to the companies accounted for using the equity method.

Notable in this respect are the guarantees provided by Amey for the companies that perform various prisoner transport contracts for the Ministry of Justice in the UK (EUR 196 million) and those relating to housing maintenance for the UK Ministry of Defence (EUR 213 million), as well as the guarantees provided by Ferrovial Services for two companies that perform maintenance at Doha Airport (EUR 54 million). It should be noted that the foregoing amounts correspond to the percentage of ownership of Amey and Ferrovial Services, and that there are no guarantees.

c) Assets pledged as collateral

The assets pledged as collateral are described in the notes as follows:

- Pledges of property, plant and equipment, see Note 8.
- Pledges of deposits or restricted cash, see Note 18.

d) Guarantees received from third parties

At 31 December 2014, Ferrovial had received guarantees from third parties totalling EUR 752 million, mainly in the Construction Division in relation to the fulfilment of certain rights held mostly by the Ferrovial Agroman companies in the United States (EUR 529 million), the Budimex Group (EUR 75 million) and the other construction companies (EUR 148 million).

22.3 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 the borrowings necessary for financing the project are allocated to the project itself, without recourse to the shareholders or with recourse limited to the guarantees provided, 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:

Millions of euros	Maturities 2015	2016	2017	2018	2019 and subsequent years	Total
Investments in fully consolidated infrastructure projects	102	64	136	117	11	431
Toll roads	98	50	136	117	11	413
Services	3	14	0	0	0	18
Investments in infrastructure projects accounted for using the equity method	44	27	14	36	0	121
Toll roads	15	3	7	0	0	25
Services	29	24	7	36	0	96
Investments in infrastructure projects accounted for using the equity method (Construction)	2	0	0	0	0	2
Total investments in infrastructure projects	149	92	150	153	11	555

At 31 December 2014, the total investment commitments amounted to EUR 555 million (2013: EUR 436 million). The increase in the investment commitments is related with the inclusion of the I77 toll road, net of the payments made during the year.

As indicated in Note 22.2.a), a portion of these commitments, amounting to EUR 240 million, are secured by guarantees. Also, the guarantees mentioned in Note 22 b.1 and 22.b.2) include EUR 32 million relating to contingent capital, payment of which is considered highly probable.

There are also property, plant and equipment purchase commitments totalling EUR 185 million (2013: EUR 321 million) with respect to the acquisition of machinery or the construction of treatment plants in the Services Division, and EUR 19 million relating to the purchase of companies corresponding basically to the acquisition of the remaining 30% of the Chilean company Steel for EUR 17 million, for which provisions have been recognised (see Note 17). The schedule of the commitments of the Services Division is as follows:

Millions of euros	2015	2016	2017	2018	2019 and subsequent years	Total
Acquisition of property, plant and equipment	64	23	14	7	76	185
Acquisition of companies	1	18	0	0	0	19
Total Services Division	65	41	14	7	76	203

Lastly, it should be noted that the foregoing commitments of the Services Division are not secured by guarantees.

a) Commitments under operating and finance leases

The expense recognised in relation to operating leases in the income statement for 2014 totals EUR 299 million (2013: EUR 240 million).

The future total minimum lease payments for non-cancellable operating leases are shown below:

Millions of euros	Corporate	Construction	2014 Toll roads	Services	Airports	Total
Within one year	4	21	3	40	0	68
Between one and five years	15	21	4	69	0	108
After five years	3	1	0	9	0	12
Lessee	22	42	7	117	0	189

Millions of euros	Corporate	Construction	2013 Toll roads	Services	Airports	Total
Within one year	5	21	3	39	0	68
Between one and five years	14	22	6	53	0	97
After five years	5	1	0	13	0	19
Lessee	26	44	9	104	0	184

The Group does not have any significant commitments as a lessor under operating leases.

b) 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 resulting monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding obligations of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises. These provisions include most notably the provisions for landfill closure discussed in Note 17, the balance of which at 31 December 2014 was EUR 100 million (31 December 2013: EUR 94 million).

23. Impairment and disposals of non-current assets

The detail of the main gains and losses relating to impairment and disposals is as follows:

Gains and losses recognised in 2014:

Net impairment losses recognised in 2014 (charges less reversals) amounted to EUR 5 million (EUR 5 million after taxes and non-controlling interests).

On the one hand, impairment losses amounting to EUR 7 million in the Toll Roads Division were reversed (SH-130), with an impact on net profit of EUR 7 million, because the risk of incurring operating losses in the year materialised.

Conversely, impairment losses amounting to EUR -2 million were recognised for certain assets of the Services Division whose carrying amounts the Company estimated to be higher than their recoverable amounts (impact on net profit of EUR -2 million).

Gains and losses recognised in 2013:

The breakdown of the main gains and losses recognised in 2013 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 2013	Impact on net profit or loss
Gains from disposals:	108	0	108	131
Heathrow Airport Holdings	*40*	*0*	*40*	*82*
Construction Division - Poland	*46*	*0*	*46*	*27*
Amey joint ventures	*20*	*0*	*20*	*20*
Other	*1*	*0*	*1*	*1*
Impairment losses	0	18	18	4
Impairment and gains and losses on disposals of non-current assets	108	18	126	135

24. Operating income

The detail of the Group's operating income at 31 December 2014 is as follows:

Millions of euros	2014	2013
Revenue	8,802	8,166
Other operating income	9	10
Total operating income	8,811	8,176

"Revenue" includes the interest on the consideration for the services provided by the concession operators that apply the financial asset model, amounting to EUR 185 million (2013: EUR 149 million), as described in Note 2.5.3.

"Other Operating Income" includes mainly grants related to income received in 2014 amounting to EUR 8 million (2013: EUR 9 million).

25. STAFF COSTS

The detail of the staff costs is as follows:

Millions of euros	2014	2013
Wages and salaries	2,116	1,922
Social security costs	429	382
Pension plan contributions	-6	6
Share-based payments	16	18
Other employee benefit costs	20	22
Total	2,575	2,351

The detail of the number of employees at 31 December 2014 and 2013, by professional category and gender, is as follows:

	31/12/14			31/12/13			Change
	Men	Women	Total	Men	Women	Total	
Executive directors	2	0	2	2	0	2	0.0%
Senior executives	11	1	12	11	1	12	0.0%
Executives	382	67	449	374	61	435	3.2%
University and further education college graduates	7,147	2,281	9,428	6,607	2,057	8,664	6.4%
Clerical staff	1,123	2,573	3,696	1,049	2,534	3,583	3.2%
Manual workers and unqualified technicians	39,675	15,826	55,501	39,382	14,010	53,392	4.0%
Total	48,340	20,748	69,088	47,425	18,663	66,088	4.6%

The average number of employees, by business division, is as follows:

	31/12/14			31/12/13			Change
	Men	Women	Total	Men	Women	Total	
Construction	11,528	1,537	13,065	11,347	1,529	12,875	190
Corporate	201	140	341	195	141	336	5
Real estate	30	53	83	41	51	92	-9
Services	35,146	18,390	53,536	31,204	16,151	47,355	6,181
Concessions	606	305	911	608	292	900	11
Airports	22	11	33	19	10	29	4
Total	47,533	20,435	67,968	43,414	18,174	61,587	6,381

26. Financial result

The table below shows the detail of the changes in the financial result from 2014 to 2013. The result of infrastructure projects is presented separately from the result of non-infrastructure project companies and in each of them a further distinction is made between the financial result on financing - which includes the finance costs on bank borrowings and bonds, 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	2014	2013	Change (%)
Finance income on financing	1	2	-15%
Finance costs on financing	-374	-339	10%
Financial result on financing of infrastructure projects	-373	-337	11%
Result on derivatives and other fair value adjustments	-9	7	-227%
Other financial results	-11	-7	55%
Other financial results of infrastructure projects	-20	0	N/A
Total financial result of infrastructure projects	-393	-337	17%
Finance income on financing	24	20	17%
Finance costs on financing	-56	-73	-23%
Financial result on financing - non-infrastructure project companies	-33	-53	-38%
Result on derivatives and other fair value adjustments	53	72	-27%
Other financial results	-4	-15	-79%
Other financial results of non-infrastructure project companies	49	57	-13%
Total financial result of non-infrastructure project companies	16	5	275%
Financial result	-377	-333	13%

The financial result on the financing of the infrastructure project companies in 2014 amounted to EUR -373 million (31 December 2013: EUR -337 million). Of this net result, EUR -374 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 1 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	2014			2013		
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	-461	88	-373	-421	84	-337

"Result on Derivatives and Other Fair Value Adjustments" includes mainly the effect of ineffective derivatives. The other financial results include exchange differences and other results considered to be of a financial nature but not directly related to financing.

The financial result on the financing of the non-infrastructure project companies in 2014 amounted to EUR -33 million (31 December 2013: EUR -53 million), corresponding to borrowing costs (EUR -56 million) net of the interest obtained mainly from financial investments (EUR 24 million). The improvement in borrowing costs with respect to 2013 is due mainly to the inclusion in this balance in 2013 of an impact of EUR -16 million (2014: EUR -3 million) arising from the repayment of the corporate loan.

The result on derivatives and other fair value adjustments relates 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 2013 of EUR 38 million due to the increase in the share price. The financial result of the non-infrastructure project companies includes other items such as the cost of bank guarantees and late-payment interest.

27. Earnings per share

The calculation of basic earnings per share attributable to the Parent is as follows:

	2014	2013
Net profit attributable to the Parent (millions of euros)	402	727
Weighted average number of shares outstanding (thousands of shares)	736,550	733,510
Less average number of treasury shares (thousands of shares)	-2,831	0
Average number of shares to calculate basic earnings per share	733,719	733,510
Basic earnings per share (euros)	0.55	0.99

Diluted earnings per share: at 31 December 2014 and 2013, 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.

28. Cash flow

The consolidated statement of cash flows was prepared in accordance with IAS 7. This Note provides an additional breakdown in this connection. 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 capital 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 2014	December 2014 (figures in millions of euros)			
	Cash flow excluding infrastructure projects	Cash flow of infrastructure projects	Eliminations	Consolidated cash flow
EBITDA	594	388	0	983
Dividends received	615	0	-33	582
Taxes paid in the year	-42	-20	0	-62
Refund of taxes paid in prior years	42	0	0	42
Changes in receivables, payables and other	-134	18	0	-116
Cash flows from operating activities	1,076	386	-33	1,429
Investments	-581	-365	77	-870
Disposals	24	0	-13	11
Cash flows from investing activities	-557	-365	63	-859
Cash flows from operating and investing activities	518	21	30	570
Interest cash flows	-32	-263	0	-295
Capital proceeds from non-controlling interests	1	121	-63	59
Scrip dividend	-275	0	0	-275
Treasury share purchase	-235	0	0	-235
Other shareholder remuneration	-55	-41	33	-62
Total shareholder remuneration	-565	-41	33	-572
Exchange rate effect	85	-518	0	-433
Changes in bridge loans (financing of projects)	-14	0	0	-14
Other changes in borrowings (not giving rise to cash flows)	-38	-155	0	-193
Cash flows from financing activities	-562	-856	-30	-1,448
Change in net cash position	-43	-835	0	-878
Opening position	1,675	-7,027	0	-5,352
Closing position	1,632	-7,862	0	-6,230

December 2013	December 2013 (figures in millions of euros)			
	Cash flow excluding infrastructure projects	Cash flow of infrastructure projects	Eliminations	Consolidated cash flow
EBITDA	569	365	0	934
Dividends received	489	0	-24	465
Taxes paid	-48	-34	0	-82
Changes in receivables, payables and other	39	-59	0	-20
Cash flows from operating activities	1,048	272	-24	1,296
Investments	-754	-704	152	-1,307
Disposals	564	0	0	564
Cash flows from investing activities	-191	-704	152	-743
Cash flows from operating and investing activities	858	-433	128	553
Interest cash flows	-11	-286	0	-297
Capital proceeds from non-controlling interests	0	269	-152	117
Total shareholder remuneration	-523	-26	24	-525
Exchange rate effect	-47	151	0	104
Changes in bridge loans (financing of projects)	0	0	0	0
Other changes in borrowings (not giving rise to cash flows)	-85	-108	0	-193
Cash flows from financing activities	-666	0	-128	-794
Change in net cash position	192	-433	0	-241
Opening position	1,484	-6,595	0	-5,111
Closing position	1,675	-7,027	0	-5,352

The directors' report includes detailed disclosures on the changes in cash flows.

29. Remuneration of the board of directors

29.1. Bylaw-stipulated directors' remuneration

Under the Company's current remuneration scheme, regulated by Article 57 of its bylaws, the shareholders at the General Meeting determine the total annual remuneration for all the members of the Board of Directors. At the most recent Annual General Meeting held in June 2014, it was resolved to modify the directors' remuneration in that capacity, eliminating the link between the aforementioned remuneration and the Company's results and establishing a fixed remuneration component and another tied to the attendance at the various meetings of the Board and its various committees, thereby leaving the remuneration tied exclusively to their degree of responsibility and involvement and guarantees their independence and commitment in the long term.

The table below shows the itemised bylaw-stipulated emoluments of the members of the Board of Directors earned in 2014 and 2013. This table does not include the remuneration received by the executive directors for the discharge of their executive functions at the Company, which is detailed in Note 29.2. It should be noted that "Remainder" relates to the variable remuneration earned until June 2014 under the previous remuneration system.

Thousands of euros	2014				2013			
DIRECTOR (a)	Fixed remuneration (1)	Attendance fees	Remainder (2)	Total	Fixed remuneration	Attendance fees	Remainder	Total
Rafael del Pino y Calvo-Sotelo	75	127	46	248	35	86	110	231
Santiago Bergareche Busquet	70	68	40	178	35	48	96	179
Joaquín Ayuso García	60	64	28	152	35	43	69	147
Íñigo Meirás Amusco	55	61	23	139	35	43	55	133
Jaime Carvajal Urquijo	55	60	23	137	35	47	55	137
Portman Baela, S.L.	55	55	23	132	35	45	55	135
Juan Arena de la Mora	55	71	23	148	35	65	55	155
María del Pino y Calvo-Sotelo	55	64	23	141	35	40	55	130
Santiago Fernández Valbuena	55	37	23	115	35	45	55	135
José Fernando Sánchez-Junco Mans	55	64	23	141	35	43	55	133
Karlovy, S.L.	55	44	23	121	35	36	55	126
Gabriele Burgio (up to 16/12/14)	52	59	23	133	35	58	55	148
Howard Lance (since 18/12/14)	3	6	0	9	0	0	0	0
TOTAL	698	779	319	1,795	420	599	771	1,790

(1) Fixed remuneration + adjusted supplementary fixed remuneration from 1 July.
(2) Remainder from 1 January up to 30 June.
(a) Period in office. Full year, unless otherwise stated.

On the same date of authorisation for issue of these consolidated financial statements, the Board of Directors prepared and made available to shareholders the "Annual Report on Directors' Remuneration" referred to in Article 541 of the Spanish Limited Liability Companies Law. This report describes in greater detail matters relating to the Company's remuneration policy for 2014, the policy planned for future years, an overview of how the remuneration policy was applied in 2014 and a detail of the individual remuneration earned by each of the directors in 2014.

29.2. Individual remuneration of the executive directors

a) Remuneration earned in 2014 and 2013

The two executive directors in 2014 earned the following remuneration for discharging their functions, in addition to the remuneration discussed in the preceding section. It also includes information on the Second Deputy Chairman who, although in 2014 did not discharge executive functions, exercised share options granted to him when he was an executive director.

(Amounts in thousands of euros)		2014					
Remuneration of executive directors	Fixed remuneration	Variable remuneration	Relating to boards of other subsidiaries	Exercise of share options	Life insurance premiums	Share plans (1)	Total 2014
Rafael del Pino y Calvo-Sotelo	1,175	2,128	0	0	6	2,054	5,363
Joaquín Ayuso García (2)	0	0	5	1,372	0	0	1,377
Íñigo Meirás Amusco	970	1,910	0	132	3	2,054	5,070
Total	2,145	4,038	5	1,505	9	4,109	11,810

(1) In March 2014, since the agreed conditions had been complied with in full, a number of shares equivalent to the units allocated in 2011 were delivered, after the relevant withholdings were performed. The CNMV was notified thereof on 18 March 2014.
(2) Joaquín Ayuso exercised his rights to the 2008 Share Option Plan, entitlement to which he still retains from when he was an executive director.

The information on 2013 is as follows:

(Amounts in thousands of euros)		2013					
Remuneration of executive directors	Fixed remuneration	Variable remuneration	Relating to boards of other subsidiaries	Exercise of share options	Life insurance premiums	Share plans (1)	Total 2013
Rafael del Pino y Calvo-Sotelo	1,175	2,063	0	0	5	1,875	5,118
Joaquín Ayuso García	0	0	38	413	0	625	1,076
Iñigo Meirás Amusco	970	1,854	0	119	3	1,875	4,821
Total	2,145	3,917	38	532	8	4,375	11,015

(1) In March 2013, since the agreed conditions had been complied with in full, a number of shares equivalent to the units allocated in 2010 were delivered, after the relevant withholdings were performed. The CNMV was notified thereof on 12/03/13.

b) Share-based payment systems

The detail of the outstanding share option plans and performance-related share award plans for executive directors at 31 December 2014 is as follows:

Share option plans Executive directors situation at 31/12/14	Share options		No. of equivalent shares	Exercise price (euros)	% of share capital
Rafael del Pino y Calvo-Sotelo	2008 Plan	1,179,600	1,179,600	11.69	0.161
Joaquín Ayuso García (1)	2008 Plan	609,600	609,600	11.69	0.08
Íñigo Meirás Amusco	2008 Plan	558,000	558,000	11.69	0.08

(1) J. Ayuso retains entitlement to this plan, which was granted to him when he was an executive director.

Performance-related share award plan Executive directors Situation at 31/12/14	Units		No. of voting rights	% of voting power
Rafael del Pino y Calvo-Sotelo	2012 Allocation	122,000	122,000	0.018%
	2013 Allocation	104,650	104,650	0.014%
	2014 Allocation	78,500	78,500	0.011%
Íñigo Meirás Amusco	2012 Allocation	122,000	122,000	0.017%
	2013 Allocation	104,650	104,650	0.014%
	2014 Allocation	78,500	78,500	0.011%

The general characteristics of the two plans are detailed in section a) of Note 30, Share-based payment.

29.3. 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 received EUR 5 thousand in this connection in 2014 (EUR 38 thousand in 2013).

29.4. Pension funds and plans or life insurance premiums

As in 2013, no contributions were made in 2014 to pension plans or funds for former or current members of the Company's Board of Directors. No such commitments were incurred during the year.

As regards life insurance premiums, the Company has insurance policies covering death (for which premiums totalling EUR 9 thousand were paid in 2014; EUR 8 thousand in 2013), of which the executive directors are beneficiaries.

No contributions were made and no commitments 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 2013.

29.5. Advances and loans

At 31 December 2014, 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.

29.6. Remuneration of senior executives

The joint remuneration earned by the Company's senior executives in 2014 was as follows:

Remuneration of senior executives	*(thousands of euros)*	
	2014	2013
Fixed remuneration	4,472	4,404
Variable remuneration	5,360	5,165
Performance-based share award plan	7,691	6,713
Exercise of share options and/or other financial instruments (see description)	3,080	1,389
Remuneration as members of managing bodies of other Group companies, jointly controlled entities or associates	21	25
Contributions to pension funds or plans, or related obligations	[-]	[-]
Insurance premiums	15	17
Total	20,639	17,712

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 in section 29.2.

The Company has also introduced a flexible remuneration system called the Flexible Remuneration 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. Participants may request that a portion of their gross annual remuneration be 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 of EUR 103 thousand from the Company, instead of the equivalent remuneration shown in the foregoing table (2013: EUR 215 thousand).

29.7. Other disclosures on remuneration

The agreements between the Company and senior executives, including one executive director, 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, a deferred remuneration scheme was recognised for ten senior executives, including one executive director. The scheme 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 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 2014 amounted to EUR 1,947 thousand (2013: EUR 1,883 thousand), of which EUR 438 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 entered into with two senior executives stipulate additional rights in their favour, including prior-notice obligations incumbent upon the Company in the event of unjustified dismissal.

30. 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 2014 were as follows:

Participants	Approval date	Exercise deadline	Exercise price	Outstanding options (2014)
Executives 05 - Ferrovial (additional)	03/07/07	02/07/15	EUR 17.74	14,400
Senior executives 06 - Ferrovial (additional)	03/07/07	02/07/15	EUR 17.74	228,000
Executives 07 - Ferrovial	23/11/07	22/11/15	EUR 14.35	3,917,840
Executives 07 - Cintra	23/11/07	22/11/15	EUR 10.35	258,584
Senior executives 08 - Ferrovial	26/04/08	25/04/16	EUR 11.69	3,734,200
Number of shares at end of year				8,153,024

These share option plans include the plans described above in Note 29 on remuneration of executive directors and senior executives.

All the share option plans include 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 changes in the Company's share option plans in 2014 and 2013 are summarised as follows:

	2014	2013
Number of options at beginning of year	13,866,644	20,021,771
Plans granted	0	0
Options not taken up and other	-173,600	-840,436
Plans expired	-3,061,400	-4,076,960
Options exercised	-2,478,620	-1,237,731
Number of options at end of year	8,153,024	13,866,644

Since the aforementioned plans are in the exercise period, they do not give rise to staff costs on a regular basis.

b) Performance-based share option plan

In 2009 the Company decided to implement a remuneration system based on the performance-related award of shares. In this regard, on 17 December of that year 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 granted annually under the plan could not exceed 2,420,000, representing 0.33% of Ferrovial, S.A.'s share capital. Delivery is conditional upon at least three years' service at the Company (barring special circumstances) and is subject to the achievement during this period of ratios based, on the one hand, on cash flows from operating activities and, on the other, on EBITDA as a percentage of net productive assets. The number of shares outstanding under this plan at 31 December 2014 was 1,674,519.

The plan is aimed at executive directors, senior executives and other executives. The application of this programme to executive directors and senior executives was authorised by the Annual General Meeting held on 29 June 2010.

Also, 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 that can be 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 previous plan explained above, with the inclusion of an additional condition related to total shareholder return in relation to a comparable group. The application of this plan to executive directors and senior executives was authorised by the Annual General Meeting held on 22 March 2013. The number of shares outstanding under this second plan at 31 December 2014 was 2,777,369.

Therefore, the total number of shares outstanding relating to the aforementioned remuneration systems was 4,451,888.

The changes in the aforementioned remuneration schemes in 2014 and 2013 are summarised as follows:

	2014	2013
Number of shares at beginning of year	5,200,825	5,829,974
Plans granted	1,282,811	1,581,049
Plans settled	-1,893,350	-2,003,400
Shares surrendered and other	-112,904	-129,299
Shares exercised	-25,494	-77,499
Number of shares at end of year	4,451,888	5,200,825

These share award plans include the plans described above in Note 29 on remuneration of executive directors and senior executives.

In 2014 the staff costs recognised in relation to these remuneration systems amounted to EUR 16 million (2013: EUR 18 million). These costs were measured as futures and, therefore, the value of the shares and 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. These plans are equity settled and, therefore, they are measured when granted and the initially calculated value thereof is not re-estimated. The related amounts are recognised under "Staff Costs" with a charge to reserves.

31. 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:

1) Transactions performed under contracts containing standard terms and conditions and applied en masse to numerous customers.
2) They are 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) The amount thereof 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 shall 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.
- The Company's 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 main arm's length transactions with related parties carried out in 2014 in the ordinary course of business of the Company and of the Group are disclosed below.

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 (*).

a) Significant shareholders

The following table contains a breakdown of the transactions carried out in 2014 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				2014			2013		
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" / entities related to them	Ferrovial Agroman, S.A. / subsidiaries	Commercial	Construction and renovation work	37	49	0	(-)	(-)	(-)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Integrated management of services at Madrid offices	449	67	133	450	47	178
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Integrated management of services	2	0	1	2	0	0

(1) According to the "Notification of Voting Rights" form submitted to the CNMV and the Company on 9 January 2015, the family group formed by María, Rafael, Joaquín and Leopoldo del Pino y Calvo-Sotelo controls, as defined in Article 4 of the Spanish Securities Market Law, through Karlovy, S.L. (Karlovy), the majority of the share capital of Portman Baela, S.L. (Portman). Also, Casa Grande de Cartagena, S.L.U. is controlled by certain members of the aforementioned family group. At the aforementioned date, Portman held 41.116% of the share capital of Ferrovial, S.A. At that date, Karlovy held a direct ownership interest of 0.002% in the share capital of Ferrovial, S.A. The family group formed by the persons listed above controlled, at the aforementioned date, through Karlovy and Portman, 41.118% of the share capital of Ferrovial, S.A. The concerted action described is merely de facto and independent of the shareholders' agreements notified to the CNMV as a relevant event on 29 December 2009 (entry no. 2009118302) with regard to the restrictions on the free transferability of the shares of Karlovy and Portman. Based on this notification, the sum of the shares held directly and indirectly by all the members of the family group, i.e. María, Rafael, Joaquín and Leopoldo del Pino y Calvo-Sotelo, as well as by Karlovy, S.L., Portman Baela, S.L. and Casa Grande de Cartagena, S.L.U., at that date amounted to 314,998,314 shares, representing 43.010% of the share capital of Ferrovial, S.A.

b) Transactions with directors, senior executives and related companies

The transactions performed with the Company's directors, representatives of directors and senior executives in 2014 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):

TRANSACTIONS WITH DIRECTORS, SENIOR EXECUTIVES AND RELATED COMPANIES (1 of 2)				(thousands of euros)					
				2014			2013		
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, cleaning and gardening services	16	2	2	18	2	2
	Ferrovial Agroman / subsidiaries	Commercial	Construction and renovation work	211	9	105	2.122	60	105
Álvaro Echániz									
	Ferrovial Agroman / subsidiaries	Commercial	Real estate renovation	4	0	0	8	0	0
Joaquín Ayuso García	Ferrovial Agroman / subsidiaries	Commercial	Real estate renovation	3	0	0	1	0	0
María del Pino y Calvo-Sotelo	Ferrovial Agroman / subsidiaries	Commercial	Real estate renovation	1	0	0	1	0	0
Spanish public airports and aviation agency (Aena)	Ferrovial Group companies	Commercial	Lease of real estate and maintenance material	28	(*)	-3	(-)	(-)	(-)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance, waste collection and gardening services	1,522	103	1,600	(-)	(-)	(-)
	Ferrovial Agroman / subsidiaries	Commercial	Construction work	1,397	0	0	(-)	(-)	(-)
Almirall Laboratorios	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	12	2	3	29	1	4
Aviva	Ferrovial Group companies	Commercial	Arrangement of insurance policies	1,962	(*)	0	2,440	(*)	0
Maxam Europe and group companies	Ferrovial Agroman / subsidiaries	Commercial	Receipt of supplies of explosives and detonators	266	(*)	35	147	(*)	-48
Cepsa	Ferrovial Group companies	Commercial	Receipt of fuel supplies	4,295	(*)	-54	14,129	(*)	-339
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance and waste collection services	0	0	1	16	2	0
Everis and group companies	Cintra	Commercial	Receipt of communication services	22	(*)	0	23	(*)	-27
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Receipt of communication services	625	(*)	0	685	(*)	0
Asea Brown Bovery	Ferrovial Group companies	Commercial	Receipt of equipment repair, upkeep and maintenance services	1,396	(*)	-179	141	(*)	-49
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	0	0	0	6	1	0

(*) 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 (2 of 2)				(thousands of euros) 2014			2013		
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	23,963	(*)	-1,691	9,218	(*)	-1,618
	Corporate	Commercial	Rebilling of cancellation costs	1,545	0	0	1,500	0	0
	Ferrovial Agroman / subsidiaries	Commercial	Construction and renovation work	298	539	276	(-)	(-)	(-)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	3,381	439	1,143	(-)	(-)	(-)
Meliá Hotels and Group companies	Ferrovial Group companies	Commercial	Receipt of hotel and catering services	3	(*)	-1	3	(*)	-1
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance and waste collection services	46	3	17	55	4	15
Indra	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	390	25	400	535	49	297
	Ferrovial Group companies	Commercial	Receipt of IT services	1,528	0	0	2,609	(*)	-422
	Cintra	Commercial	Receipt of IT services	64	(*)	-64	114	(*)	-5
	Ferrovial Agroman / subsidiaries	Commercial	Fire prevention systems	24	(*)	-44	6	(*)	-44
Holcim	Ferrovial Agroman / subsidiaries	Commercial	Purchase of cement	1,535	(*)	-388	539	(*)	-278
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of waste collection services	0	0	1	(-)	(-)	(-)
Bankia	Ferrovial Group companies	Commercial	Receipt of financial services	(-)	(-)	(-)	13,334	(*)	0
	Ferrovial Group companies	Commercial	Financing agreements. Guarantee	266,800	(*)	0	297,900	(*)	0
	Ferrovial Group companies	Commercial	Interest received	30	30	0	266	266	0
	Ferrovial Group companies	Commercial	Payment of interest	8,482	(*)	0	6,163	(*)	0
	Ferrovial Group companies	Commercial	Balance drawn down against guarantee facilities	208,800	(*)	208,800	227,800	(*)	227,800
	Ferrovial Group companies	Commercial	Transactions with derivatives	10,322	(*)	0	(-)	(-)	(-)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	51	3	17	14	2	1
Bankinter	Ferrovial Group companies	Commercial	Payment of interest	15	(*)	0	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Interest received	9	9	0	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Balance drawn down against guarantee facilities	100	(*)	100	(-)	(-)	(-)
	Ferrovial Group companies	Commercial	Financing agreements	11,500	(*)	0	(-)	(-)	(-)
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance services	88	10	45	(-)	(-)	(-)
Fundación Seres	Corporate	Commercial	Donation	18	(*)	0	18	(*)	0
La Rioja Alta	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Receipt of food services	0	(*)	0	1	(*)	0
Panda Security	Ferrovial Agromán / subsidiaries	Commercial	Receipt of IT services	4	(*)	0	4	(*)	0
Zurich Insurance	Ferrovial Group companies	Commercial	Arrangement of insurance policies	178	(*)	0	566	(*)	0
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Lease of offices	442	(*)	-9	448	(*)	-28
	Ferrovial Servicios, S.A. / subsidiaries	Commercial	Provision of maintenance and cleaning services	33	2	10	4	1	5

The information on remuneration and loans to directors and senior executives may be consulted in Note 29.

c) Intra-Group transactions

Set forth below is information on transactions between Ferrovial, S.A. companies which, in any case forming 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 the work -to the extent that it is completed- 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 2014 Ferrovial's Construction Division billed those concession operators for EUR 637,212 thousand (2013: EUR 782,347 thousand) for work performed and related advance payments and, in this respect, recognised sales totalling EUR 808,536 thousand (2013: EUR 819,530 thousand).

In 2014 the profit from these transactions attributable to Ferrovial, S.A.'s holdings in the concession operators in question and not eliminated on consolidation, net of taxes and non-controlling interests, was EUR 58,722 thousand. In 2013 it was EUR 40,224 thousand.

32. Conflicts of interest

In accordance with the legislation in force (currently Article 229 of the Spanish Limited Liability Companies Law), there were no direct or indirect conflicts of interest with the Company, all of the foregoing without prejudice to the related party transactions disclosed in the notes to the consolidated financial statements and the agreements relating to the renewal of positions and to the remuneration of the executive directors.

33. 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 2014 and 2013 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.
- "Audit-Related Services" relates to services other than statutory audit services which by law or by regulation can only be provided by the Company's auditor, such as the review of financial information in bond issues and services which due to their nature are normally provided by the Company's auditor, such as the review of tax returns.

The total of "Other Consultancy Services" provided by the principal auditor represented 18% of the total fees for audit services in 2014.

Principal auditor (Millions of euros)	2014	2013
Fees for audit services	4.4	4.3
Audit services	3.8	3.6
Audit-related services	0.6	0.7
Other consultancy services	0.8	0.3

34. Events after the reporting period

On 24 January 2015, the Catalonia Autonomous Community Government notified AUTEMA, the concession operator of the San Cugat del Vallés Tarrasa-Manresa toll road, of its intention to change the concession regime of the project established under Decree 137/1999 from a regime under which the Catalonia Autonomous Community Government undertook to pay the concession operator the difference between the tolls collected and the operating surplus established in the Economic and Financial Plan to a system whereby the remuneration earned by the concession operator will depend on the number of the infrastructure's users, with the Catalonia Autonomous Community Government subsidising a portion of the toll paid by the users. The Company is currently working on assessing the impact the aforementioned change to the concession might have for the Company and has submitted pleadings to the concession grantor in relation to the proposal made.

35. Appendices

Appendix I

In 2014 Ferrovial, S.A. opted for the tax regime established in Articles 116 to 119 of Legislative Royal Decree 4/2004, of 5 March, approving the Consolidated Spanish Income Tax Law, applicable from 1 January 2014.

Under this tax regime:

1. Dividends and capital gains obtained by Ferrovial arising from ownership interests in non-resident operating companies (which represent at least 5% of the share capital of these companies or which were acquired for more than EUR 6 million) are exempt from income tax if the requirements provided for in Article 21 of the Consolidated Spanish Income Tax Law ("subject but exempt income") are fulfilled.

2. The dividends paid by Ferrovial with a charge to the aforementioned "subject but exempt income", or to income arising from permanent establishments abroad to which the exemption provided for in Article 22 of the Consolidated Spanish Income Tax Law is applicable are treated as follows:

(i) Where the recipient is a non-resident shareholder in Spain (and does not operate through tax havens or by means of a permanent establishment in Spain), dividends are not subject to withholdings or taxation in Spain.
(ii) Where the recipient is an entity subject to Spanish income tax, the dividends received shall give rise to the entitlement to the double taxation tax credit under the terms established in Article 30 of the Consolidated Spanish Income Tax Law.
(iii) Where the recipient is a natural person resident in Spain subject to personal income tax, the dividends received shall be considered general income and the tax credit for the avoidance of double taxation in Spain may be taken in accordance with the terms of the Personal Income Tax Law, with respect to the taxes paid abroad by Ferrovial.

In 2014 Ferrovial has not paid dividends with a charge to the aforementioned "subject but exempt income".

3. The capital gains obtained by the shareholders of Ferrovial arising from the transfer of their ownership interests in the Company are treated as follows:

(i) Where the shareholder is a non-resident in Spain (and does not operate through tax havens or a permanent establishment in Spain) the portion of the capital gain that relates to the reserves recognised by Ferrovial with a charge to the aforementioned "subject but exempt income" or to changes in value attributable to Ferrovial's investments in non-resident entities that meet the requirements to be able to apply the foreign income exemption established in Articles 21 and 22 of the Consolidated Spanish Income Tax Law shall be deemed not subject to taxation in Spain.

(ii) Where the shareholder is an entity subject to Spanish income tax with an ownership interest in Ferrovial that fulfils the requirement (5% ownership interest in the share capital held for one year), the tax credit for the avoidance of double taxation in Spain established in Article 30 of the Consolidated Spanish Income Tax Law may be taken and the exemption provided for in Article 21 of the Consolidated Spanish Income Tax Law may be applied to the portion of the capital gain that relates to changes in value attributable to Ferrovial's investments in non-resident entities that meet the requirements to be able to apply the foreign income exemption established in Articles 21 and 22 of the Consolidated Spanish Income Tax Law.
(iii) Where the shareholder is a natural person resident in Spain subject to personal income tax, it shall pay tax on the capital gain obtained in accordance with the standard income tax rules.

The amount of subject but exempt income obtained by Ferrovial in 2014 and the related tax paid abroad is as follows (in euros):

a) Exemption for foreign source dividends

Ferrovial Agroman		1,774,412
Auto Estrada Norte Litoral dividend	814,412	
Euroscut dividend	840,000	
Algarve Int dividend	120,000	
Ferrovial Agroman Internacional		42,741,974
Valivala dividend	42,741,974	
Ferrovial Servicios		1,380,794
Qatar dividend	1,380,794	
Amey UK		24,928,952
Amey Group dividend	24,928,952	
Cintra Infraestructuras		18,400,824
Norte Litoral dividend	7,227,904	
Algarve dividend	11,172,920	
Cintra Infraestructuras Internacional		5,700,000
Cinsac dividend	1,900,000	
Financin dividend	3,800,000	
Total		94,926,956

b) Exemption for foreign source capital gains

There were no capital gains that could apply the exemption of the art. 21 of the Spanish Income Tax Law , since the sales of foreign companies were (i) performed between Group companies and, therefore, eliminated on tax consolidation or (ii) have arised from restructuring operations that have applied the tax neutrality regime of the art. 83 and following of the Spanish Income Law.

Nevertheless, the capital gains that would have been shown from the tax perspective in case of not applying these regimes (consolidation or tax neutrality) would be as follows:

b.1 Eliminations of gains from sales of foreing companies between group companies

Ferrovial, SA	-73.944,34
TOTAL	-73.944,34

b.2 Deferred gains from corporate reestructuring

Ferrovial, SA	3.820.749.235,46
Ferrovial Internacional	244.340.961,51
Cintra Infraestructuras internacional	27.618.514,19
Ferrovial Agromán Internacional	2.611.387,31
Ferrovial Servicios Internacional	596.148,66
TOTAL	4.095.916.247,13

In order to enable the shareholders of Ferrovial to adopt the aforementioned tax regime, the Company performed a market assessment at the end of the year of its ownership interests (held directly and indirectly through investments in other entities that have adopted this special tax regime) in non-resident entities and permanent establishments abroad that meet the requirements to be able to apply the foreign source income exemption established in Articles 21 and 22 of the Consolidated Spanish Income Tax Law.

The result of this assessment means that these assets represent 90% of the total market value of Ferrovial. At 31 December 2013, this percentage amounted to 87%.

Legislative amendment: since 1 January 2015 Income Tax Law 27/2014, of 27 November, has modified the tax rules established in Articles 116 to 119 of Legislative Royal Decree 4/2004, of 5 March, the following changes being introduced with respect to the former regime by Articles 107 and 108 thereof:

a) The tax treatment applicable to the dividends and capital gains received by Ferrovial is generally that included in Article 21 of the Law, except for the investments made by Ferrovial prior to the entry into force of the Law, with respect to which the quantitative threshold to be entitled to the exemption of EUR 6 million is maintained (as opposed to the general exemption of EUR 20 million).

b) The treatment of dividends distributed with a charge to "subjects but exempt reserves" also referred to in Articles 21 and 22 of this Law, considering that (i) if the recipient is an individual resident in Spain subject to personal income tax the dividend received is considered to be savings income; (ii) if the recipient is a Spanish entity subject to Spanish income tax, the treatment included in Article 21 of the Law generally applies. When the recipient is a non-resident shareholder in Spain (and does not operate through tax havens or a permanent establishment in Spain), the dividend continues not to be subject to withholdings or taxation in Spain.

c) With respect to the capital gains obtained by the shareholders of Ferrovial arising from the transfer of their ownership interests in the Company, the previous regime remains in place except where the shareholder is an entity subject to Spanish income tax, which will be taxed under the standard tax rules and may apply for the exemption on capital gains if the ownership requirements set out in Article 21.1 of the Law are met with respect to the their investment in Ferrovial S.A. (in general, an ownership interest of at least 5% of the share capital or with an acquisition cost of EUR 20 million).

Taxation of Ferrovial's scrip dividend

In 2014 Ferrovial S.A. implemented two shareholder remuneration schemes under a framework known as the "Ferrovial Scrip Dividend", which provide the Company's shareholders with the free choice of (i) receiving newly issued bonus shares of the Company; (ii) transferring in the market the bonus issue rights corresponding to the shares held by them; or (iii) receiving a cash amount through the transfer to Ferrovial of the aforementioned bonus issue rights.

Set forth below are the main tax implications of these programmes, based on the tax legislation in force in Spain except for Navarre and the Basque Country and on the interpretation made by the Spanish Directorate-General of Taxes in its response to several requests for a binding rulings.

Delivery of new shares: the delivery of new shares is considered, for tax purposes, to be a delivery of bonus shares and, therefore, does not constitute income for the purposes of personal income tax, income tax or non-resident income tax, regardless of whether the recipients of these shares act through a permanent establishment in Spain or not. The delivery of new shares is not subject to withholdings or pre-payments.

The acquisition cost, both of the new shares and the shares to which they correspond, will be the result of distributing the total cost of acquisition for tax purposes of the portfolio by the number of shares; both the original shares and the bonus shares that correspond to them. The age of the bonus shares will be the age that corresponds to the shares that gave rise to them. Consequently, in the event of their subsequent transfer, the income obtained will be calculated by reference to this new value.

Sale to the market of the bonus issue rights: if the shareholders sell their bonus issue rights to the market, the amount obtained will not be subject to withholdings or pre-payments and will be subject to the tax rules indicated below (until 2017):

a) In the case of personal income tax and non-resident income tax without a permanent establishment in Spain, the amount obtained on the sale to the market of the bonus issue rights is subject to the same rules established in tax legislation for pre-emption rights. Consequently, the amount obtained on the sale of the bonus issue rights decreases the acquisition cost for tax purposes of the shares which gave rise to such rights, pursuant to Article 37.1.a) of Personal Income Tax Law 35/2006, of 28 November.

Therefore, if the amount obtained on the sale of the bonus issue rights is higher than the acquisition cost of the shares which gave rise to them, the difference is considered to be a capital gain for the seller in the tax period in which this occurs; all of the foregoing without prejudice to the potential application to non-resident income tax payers not operating through a permanent establishment in Spain of the tax treaties entered into by Spain to which they could be entitled or to the exemptions that may be applicable to them under Spanish domestic law.

b) In the case of income tax and non-resident income tax for taxpayers operating through a permanent establishment in Spain, taxes will be paid in accordance with applicable accounting standards and, as appropriate, with the special tax rules applicable to the shareholders subject to the aforementioned taxes, to the extent that a complete business cycle has been completed.

Sale to Ferrovial of the bonus issue rights: lastly, if the holders of bonus issue rights decide to avail themselves of the Ferrovial Purchase Commitment, the tax regime applicable to the amount obtained on the sale to Ferrovial of the bonus issue rights received in their capacity as shareholders will be the same as the regime applicable to a distribution of dividends in cash, set out in foregoing sections of this Appendix. In particular, for the shareholders that can substantiate that they non-resident income tax payers, do not have a permanent establishment in Spain and do not reside in Spain or in a tax haven, the dividends paid by Ferrovial and, therefore, the amounts received on the sale to Ferrovial of the bonus issue rights, will not be subject to tax or withholdings in Spain, provided that they are paid with a charge to the income from non-resident entities that meet the exemption requirements Articles 21 and 22 of Income Tax Law 27/2014, of 27 November.

It should be borne in mind that the taxation scenarios of the various options relating to the scheme known as the "Ferrovial Scrip Dividend" set out above do not explain all the possible tax consequences. Accordingly, the shareholders should consult their tax advisers on the specific tax effect of the proposed scheme and pay attention to any changes that could take place, both in in-force legislation and in the criteria of the interpretation thereof, as well as the particular circumstances of each shareholder or holder of bonus issue rights.

Appendix II

Appendix II 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.

SUBSIDIARIES (fully consolidated companies)
(Millions of euros)

CORPORATE

Company	Auditor	Parent	% of ownership	Net cost of the ownership interest	Registered office
SPAIN					
Ferrovial Internacional, S.L.U. (a)	Deloitte	Ferrovial, S.A. (a)	100%	5.560	Madrid, Spain
Ferrovial Inversiones, S.A. (a)		Ferrovial, S.A. (a)	100%	0	Madrid, Spain
Betonial, S.A. (a)		Ferrovial, S.A. (a)	99%	32	Madrid, Spain
Burety, S.L.U. (a)		Ferrovial, S.A. (a)	100%	281	Madrid, Spain
Can-Am, S.A. (Sole-Shareholder Company) (a)		Ferrovial, S.A. (a)	100%	2	Madrid, Spain
Frin-Gold, S.A. (a)		Ferrovial, S.A. (a)	99%	0	Madrid, Spain
Inversiones Trenza, S.A. (a)		Ferrovial, S.A. (a)	100%	1	Madrid, Spain
Promotora Ibérica de Negocios, S.A. (a)		Ferrovial, S.A. (a)	99%	0	Madrid, Spain
Ferrovial Aeropuertos España, S.A. (a)		Ferrovial, S.A. (a)	99%	0	Madrid, Spain
Ferrovial Emisiones, S.A. (a)	Deloitte	Ferrovial, S.A. (a)	99%	0	Madrid, Spain
Triconitex, S.L. (a)		Ferrovial, S.A. (a)	100%	6	Madrid, Spain
Ferrofin, S.L. (a) (i)	Deloitte	Ferrovial, S.A. (a)	77%	1.452	Madrid, Spain
Ferrovial Corporación, S.A. (a)	Deloitte	Ferrovial, S.A. (a)	100%	5	Madrid, Spain
Autovía de Aragón Sociedad Concesionaria, S.A. (a)		Ferrovial, S.A. (a)	15%	3	Madrid, Spain
Cintra Infraestructuras, S.A.U. (a)	Deloitte	Ferrovial, S.A. (a)	100%	1.521	Madrid, Spain
Ferrovial Servicios, S.A. (a)	Deloitte	Ferrovial, S.A. (a)	100%	264	Madrid, Spain
Ferrovial FISA, S.L. (a)		Ferrovial, S.A. (a)	100%	70	Madrid, Spain
Grimalinvest, S.L. (a)		Ferrovial, S.A. (a)	100%	13	Madrid, Spain
UNITED KINGDOM					
Ferrocorp UK Limited	Deloitte	Ferrovial, S.A. (a)	100%	1	Oxford, United Kingdom
IRELAND					
Alkes Reinsurance Ltd.	Deloitte	Ferrovial, S.A. (a)	100%	3	Dublin, Ireland

CONSTRUCTION

Company	Auditor	Parent	% of ownership	Net cost of the ownership interest	Registered office
SPAIN					
Ferrovial Agromán, S.A. (a)	Deloitte	Burety, S.L.U. (i)	100%	713	Madrid, Spain
Ferrovial Agromán Internacional, S.L.U. (a)		Ferrovial Internacional, S.L.U. (a)	100%	337	Madrid, Spain
Ferrovial Conservación, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	99,0%	20	Madrid, Spain
Aplicación de Recursos Naturales, S.A. (a)		Ferrovial Agromán, S.A. (a)	100,0%	0	Madrid, Spain
Autovía de Aragón Sociedad Concesionaria, S.A. (a)		Ferrovial Agromán, S.A. (a)	25,0%	5	Madrid, Spain
Encofrados Deslizantes y Técnicas Especiales, S.A. (a)		Ferrovial Agromán, S.A. (a)	99,1%	2	Madrid, Spain
Cadagua, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	100,0%	43	Madrid, Spain
Compañía de Obras Castillejos, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	100,0%	8	Madrid, Spain
Ditecpesa, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	100,0%	1	Madrid, Spain
Norvarem, S.A.U. (a)	BDO	Ferrovial Agromán Internacional, S.L.U. (a)	100,0%	116	Madrid, Spain
Técnicas del Pretensado y Servicios Auxiliares, S.A. (a)	Deloitte	Encofrados Deslizantes y Técnicas Especiales, S.A. (a)	100,0%	3	Madrid, Spain
Concesionaria de Prisiones Lledoners, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	100,0%	16	Madrid, Spain
Urbaoeste, S.A. (a)		Ferrovial Agromán, S.A. (a)	99,0%	0	Madrid, Spain
Concesionaria de Prisiones Figueras, S.A.U. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	100,0%	11	Madrid, Spain
Ferrovial Railway, S.A. (a)		Ferrovial Agromán, S.A. (a)	98,8%	0	Madrid, Spain
Ferrovial Railway, S.A. (a)		Técnicas del Pretensado y Servicios Auxiliares, S.L. (a)	1,2%	0	Madrid, Spain
Ferrovial Medio Ambiente y Energía, S.A. (a)		Ferrovial Agromán, S.A. (a)	99,0%	1	Madrid, Spain
Depusa Aragón, S.A. (a)	Deloitte	Ferrovial Agromán, S.A. (a)	42,3%	4	Madrid, Spain
Depusa Aragón, S.A. (a)	Deloitte	Cadagua, S.A. (a)	51,7%	4	Madrid, Spain
MEXICO					
Cadagua Ferrovial Industrial México		Cadagua, S.A. (a)	75,1%	0	Mexico DC, Mexico
Cadagua Ferrovial Industrial México		Ferrovial Medio Ambiente y Energía, S.A. (a)	24,9%	0	Mexico DC, Mexico
INDIA					
Cadagua Ferrovial India Pr Ltd. (a)		Cadagua, S.A. (a)	95,0%	0	New Delhi, India
Cadagua Ferrovial India Pr Ltd. (a)		Ferrovial Medio Ambiente y Energía, S.A. (a)	5,0%	0	New Delhi, India
PUERTO RICO					
Ferrovial Agromán, LLC	BDO	Ferrovial Agromán Internacional, S.L.U. (a)	100,0%	6	Puerto Rico

POLAND					
Tecpresa Techniniki Sprezan	Deloitte Polska Sp. z o.o. Sp. k.	Técnicas del Pretensado y Servicios Auxiliares, S.L. (a)	70,0%	0	Warsaw, Poland
Tecpresa Techniniki Sprezan	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	30,0%	0	Warsaw, Poland
SPV-BN1 Sp. z o.o.		Budimex Nieruchomości Sp. z o.o.	100,0%	0	Warsaw, Poland
Poznańskie Przedsiębiorstwo Inwestycyjne Sp. z o.o.		Budimex Nieruchomości Sp. z o.o.	100,0%	0	Warsaw, Poland
Mostostal Kraków, S.A.	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	100,0%	3	Warsaw, Poland
Elektromontaż Warszawa, S.A.	Morison Finansista Audit sp. z o.o.	Elektromontaż Poznań, S.A.	50,7%	0	Warsaw, Poland
Elektromontaż Import Sp. z o.o.		Elektromontaż Poznań, S.A.	50,7%	0	Warsaw, Poland
Elektromontaż Poznań, S.A.	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	50,7%	9	Warsaw, Poland
Instal Polska Sp. z o.o.		Elektromontaż Poznań, S.A.	50,7%	0	Warsaw, Poland
Budimex S.A.	Deloitte	Valivala Holding B.V.	59,1%	98	Warsaw, Poland
Budimex Kolejnictwo S.A.	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	100,0%	2	Warsaw, Poland
Budimex Parking Wrocław Sp. z o.o.	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	100,0%	1	Warsaw, Poland
Budimex B Sp. z o.o.		Budimex S.A.	100,0%	0	Warsaw, Poland
Budimex Nieruchomości Sp. z o.o.	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	100,0%	155	Warsaw, Poland
Budimex Budownictwo Sp. z o.o.	Deloitte Polska Sp. z o.o. Sp. k.	Budimex S.A.	100,0%	0	Warsaw, Poland
PBM Nadolnik Sp. z o.o.		Budimex Nieruchomości Sp. z o.o.	100,0%	0	Warsaw, Poland
CHILE					
Constructora Agromán Ferrovial Limitada		Ferrovial Agromán Chile, S.A. (a)	97,2%	0	Santiago de Chile, Chile
Constructora Agromán Ferrovial Limitada		Ferrovial Agromán Internacional, S.L.U. (a)	2,8%	0	Santiago de Chile, Chile
Ferrovial Agromán Chile, S.A. (a)		Ferrovial Agromán Empresa Constructora Ltda.	100,0%	14	Santiago de Chile, Chile
Ferrovial Agromán Empresa Constructora Ltda.		Ferrovial Agromán Internacional, S.L.U. (a)	100,0%	31	Santiago de Chile, Chile
CANADA					
Ferrovial Agromán Canada Inc.	Deloitte	Constco Holdings B.V.	100,0%	6	Canada
NETHERLANDS					
Constco Holdings B.V.		Ferrovial Agromán Internacional, S.L.U. (a)	100,0%	5	Amsterdam, the Netherlands
Valivala Holdings B.V.		Ferrovial Agromán Internacional, S.L.U. (a)	100,0%	141	Amsterdam, the Netherlands
UNITED STATES					
Webber Management Group, LLC	Deloitte	Norvarem, S.A.U. (a)	100,0%	41	Houston, Texas, USA
Southern Crushed Concrete, LLC	Deloitte	Norvarem, S.A.U. (a)	100,0%	88	Nebraska, USA
Ferrovial Agromán Texas, LLC	Deloitte	Ferrovial Agromán US Corp.	100,0%	0	Austin, Texas, USA
Ferrovial Agromán 56, LLC	Deloitte	Ferrovial Agromán Texas, LLC	100,0%	0	Austin, Texas, USA
W. W. Webber, LLC	Deloitte	Ferrovial US Construction Corp.	100,0%	62	Houston, Texas, USA
Webber Barrier Services, LLC	Deloitte	W. W. Webber, LLC	100,0%	5	Houston, Texas, USA
Bluebonnet Contractors, LLC	Deloitte	Ferrovial Agromán Texas, LLC	60,0%	0	Houston, Texas, USA
Bluebonnet Contractors, LLC	Deloitte	DBW Construction, LLC	40,0%	0	Houston, Texas, USA
Trinity Infrastructure, LLC	Deloitte	Ferrovial Agromán Texas, LLC	60,0%	0	Houston, Texas, USA
Trinity Infrastructure, LLC	Deloitte	DBW Construction, LLC	40,0%	0	Houston, Texas, USA
DBW Construction, LLC	Deloitte	W. W. Webber, LLC	100,0%	0	Houston, Texas, USA
Ferrovial Agromán Indiana, LLC	Deloitte	Ferrovial Agromán US Corp.	100,0%	0	Chesterton, USA
US 460 Mobility Partners, LLC	Deloitte	Ferrovial Agromán Southeast, LLC	70,0%	0	Virginia, USA
Ferrovial Agromán US Corp.	Deloitte	Ferrovial US Construction Corp.	100,0%	80	Wilmington-Newcastle, USA
Central Texas Mobility Constructors, LLC		W. W. Webber, LLC	55,0%	0	Houston, Texas, USA
North Tarrant Infrastructure, LLC	Deloitte	Ferrovial Agromán Texas, LLC	60,0%	0	Fort Worth, Texas, USA
North Tarrant Infrastructure, LLC	Deloitte	DBW Construction, LLC	40,0%	0	Fort Worth, Texas, USA
Ferrovial Agromán Southeast, LLC	Deloitte	Ferrovial Agromán US Corp.	100,0%	0	Atlanta, USA
Ferrovial US Construction Corp.	Deloitte	Ferrovial Holding US Corp.	100,0%	142	Wilmington-Newcastle, USA
Sugar Creek Construction, LLC	Deloitte	Ferrovial Agromán Southeast, LLC	70,0%	0	Virginia, USA
IRELAND					
Ferrovial Agromán Ireland Ltd.	Deloitte	Ferrovial Agromán Ltd. Holding UK	100,0%	4	Clondalkin, Ireland
NORTHERN IRELAND					
Ferrovial Agromán Northern Ireland Ltd.	Deloitte	Ferrovial Agromán Ireland Ltd.	100,0%	0	Northern Ireland
UNITED KINGDOM					
Ferrovial Agromán United Kingdom Ltd.	Deloitte	Ferrovial Agromán Holding UK	100,0%	20	London, United Kingdom
Ferrovial Agromán Ltd. Holding United Kingdom	Deloitte	Ferrovial Agromán Internacional, S.L.U. (a)	100,0%	49	London, United Kingdom
Cadagua Al Ghubrah		Cadagua, S.A. (a)	100,0%	0	London, United Kingdom
GERMANY					
Budimex Bau, GmbH		Budimex S.A.	100,0%	0	Cologne, Germany
AUSTRALIA					
Ferrovial Agromán New Zealand Limited		Ferrovial Agromán Australia Pty Ltd.	100,0%	0	New Zealand, Australia
Ferrovial Agromán Australia Pty Ltd.		Ferrovial Agromán Holding UK	100,0%	14	Sydney, Australia
BRAZIL					
Ferrovial Agromán Ltda. Brazil		Ferrovial Agromán Internacional, S.L.U. (a)	99,0%	6	Sao Paulo, Brazil

AIRPORTS

Company	Auditor	Parent	% of ownership	Net cost of the ownership interest	Registered office
SPAIN					
Ferrovial Aeropuertos Internacional, S.A.U. (a)	Deloitte	Ferrovial Internacional, S.L.U. (a)	100,0%	2.038	Madrid, Spain
Ferrovial Aeropuertos España, S.A. (a)	Deloitte	Ferrovial, S.A. (a)	99,0%	0	Madrid, Spain
Faero España, S.L.U. (a)	Deloitte	Ferrovial Aeropuertos España, S.A. (a)	100,0%	0	Madrid, Spain
CHILE					
Aeropuerto Cerro Moreno Sociedad Concesionaria, S.A.	Deloitte	Ferrovial Aeropuertos Internacional, S.A.U. (a)	100%	0	Santiago de Chile, Chile
Ferrovial Aeropuertos Chile, S.P.A.	Deloitte	Ferrovial Aeropuertos Internacional, S.A.U. (a)	100%	0	Santiago de Chile, Chile
NETHERLANDS					
Hubco Netherlands B.V.	Deloitte	Ferrovial Aeropuertos Internacional, S.A.U. (a)	100,0%	1.588	Amsterdam, the Netherlands
Faero Latam B.V.	Deloitte	Ferrovial Aeropuertos Internacional, S.A.U. (a)	100,0%	0	Amsterdam, the Netherlands
UNITED KINGDOM					
Faero UK Holding Limited	Deloitte	Hubco Netherlands B.V.	100,0%	288	London, United Kingdom

TOLL ROADS

Company	Auditor	Parent	% of ownership	Net cost of the ownership interest	Registered office
SPAIN					
Cintra Infraestructuras, S.A.U. (a)	Deloitte	Ferrovial, S.A. (a)	100,0%	1.521	Madrid, Spain
Cintra Infraestructuras Internacional, S.L.U. (a)	Deloitte	Ferrovial Internacional, S.L.U. (a)	100,0%	2.704	Madrid, Spain
Autopista del Sol, C.E.S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	80,0%	145	Madrid, Spain
Cintra Inversora Autopistas de Cataluña, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	100,0%	0	Madrid, Spain
Inversora Autopistas de Cataluña, S.A. (a)	Deloitte	Cintra Inversora Autopistas de Cataluña, S.A. (a)	100,0%	0	Madrid, Spain
Autopista Terrasa Manresa, S.A. (a)	Deloitte	Inversora Autopistas de Cataluña, S.A. (a)	76,3%	445	Madrid, Spain
Cintra Inversiones, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	100,0%	320	Madrid, Spain
Cintra Servicios de Infraestructura, S.A. (a)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	100,0%	21	Madrid, Spain
Inversora de Autopistas del Sur, S.L. (b)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	55,0%	0	Madrid, Spain
Autopista Madrid Sur, C.E.S.A (b)	Deloitte	Inversora de Autopistas del Sur, S.L. (b)	100,0%	505	Madrid, Spain
Inversora de Autopistas del Levante, S.L. (c)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	51,8%	0	Madrid, Spain
Autopista Madrid Levante, C.E.S.A. (c)	Deloitte	Inversora de Autopistas del Levante, S.L. (c)	100,0%	450	Madrid, Spain
Laertida, S.L. (a)	Deloitte	Cintra Infraestructuras, S.A.U. (a)	100,0%	1.126	Madrid, Spain
Cintra Autopistas Integradas, S.A. (a)		Cintra Infraestructuras, S.A.U. (a)	100,0%	0	Madrid, Spain
M-203 Alcalá-O'Donnell (a)	Deloitte	Cintra Autopistas Integradas, S.A. (a)	100,0%	60	Madrid, Spain

PORTUGAL					
Euroscut Norte Litoral, S.A.	Deloitte	Cintra Infraestructuras, S.A.U. (a)	75,5%	57	Vila do Conde, Portugal
Euroscut - Sociedade Concessionaria da Scut do Algarve, S.A.	Deloitte	Cintra Infraestructuras, S.A.U. (a)	77,0%	20	Loulé, Portugal
Euroscut Azores, S.A.	Deloitte	Cintra Infraestructuras, S.A.U. (a)	89,0%	0	Azores, Portugal
Via Livre, S.A.	Deloitte	Cintra Infraestructuras, S.A.U. (a)	84,0%	0	Vila do Conde, Portugal
NETHERLANDS					
Algarve International B.V.	Deloitte	Cintra Infraestructuras, S.A.U. (a)	77,0%	0	Amsterdam, the Netherlands
407 Toronto Highway B.V.		Cintra Infraestructuras Internacional, S.L.U. (a)	100,0%	2.664	Amsterdam, the Netherlands
POLAND					
Autostrada Poludnie, S.A.	Deloitte	Cintra Infraestructuras, S.A.U. (a)	93,6%	0	Warsaw, Poland
CANADA					
4352238 Cintra Canada Inc.	Deloitte	407 Toronto Highway B.V.	100,0%	0	Ontario, Canada
IRELAND					
Eurolink Motorway Operation (M4-M6) Ltd.	Deloitte	Cintra Infraestructuras Internacional, S.L.U. (a)	66,0%	0	County Kildare, Ireland
Financinfrastructures	Deloitte	Cintra Infraestructuras Internacional, S.L.U. (a)	100,0%	65	County Kildare, Ireland
Cinsac Ltd.	Deloitte	Cintra Infraestructuras Internacional, S.L.U. (a)	100,0%	0	County Meath, Ireland
Eurolink Motorway Operation (M3) Ltd.	Deloitte	Cintra Infraestructuras Internacional, S.L.U. (a)	95,0%	0	County Meath, Ireland
UNITED STATES					
Ferrovial Holding US Corp.		Laertida, S.L. (a)	100,0%	472	Wilmington, USA
Cintra Holding US Corp.		Ferrovial Holding US Corp.	100,0%	365	Austin, Texas, USA
Cintra Texas Corp.		Cintra Holding US Corp.	100,0%	2	Austin, Texas, USA
Cintra US Services, LLC		Cintra Texas Corp.	100,0%	58	Austin, Texas, USA
Cintra Skyway, LLC		Cintra Holding US Corp.	100,0%	209	Chicago, Illinois, USA
SCC Holdings, LLC	Deloitte	Cintra Skyway, LLC	55,0%	209	Chicago, Illinois, USA
Skyway Concession Co., LLC	Deloitte	SCC Holding, LLC	100,0%	463	Chicago, Illinois, USA
Cintra ITR, LLC		Cintra Holding US Corp./Cintra Texas Corp.	49% / 1%	0	Indiana, USA
Cintra Texas 56, LLC		Cintra Holding US Corp.	100,0%	0	Texas, USA
SH-130 Concession Company, LLC	Deloitte	Cintra Texas 56, LLC	65,0%	186	Texas, USA
Cintra LBJ, LLC		Cintra Holding US Corp.	100,0%	239	Austin, Texas, USA
LBJ Infrastructure Group Holding, LLC		Cintra LBJ, LLC	51,0%	239	Texas, USA
LBJ Infrastructure Group	Deloitte	LBJ Infrastructure Group Holding, LLC	100,0%	469	Texas, USA
Cintra NTE, LLC		Cintra Holding US Corp.	100,0%	196	Austin, Texas, USA
NTE Mobility Partners Holding, LLC		Cintra NTE, LLC	56,7%	196	Texas, USA
NTE Mobility Partners, LLC	Deloitte	NTE Mobility Partners Holding, LLC	100,0%	346	Texas, USA
NTE Mobility Partners Segment 2 - 4, LLC		Cintra NTE, LLC	75,0%	0	Austin, Texas, USA
Cintra NTE Mobility Partners Seg 3, LLC		Cintra Holding US Corp.	100,0%	33	Austin, Texas, USA
NTE Mobility Partners Seg 3 Holding, LLC		Cintra NTE Mobility Partners Seg 3, LLC	50,1%	33	Texas, USA
NTE Mobility Partners Seg 3, LLC	Deloitte	NTE Mobility Partners Seg 3 Holding, LLC	100,0%	66	Texas, USA
Cintra Toll Services, LLC		Cintra Holding US Corp.	100%	0	Austin, Texas, USA
Cintra I-77 Corp.		Cintra UK I-77 Limited	100%	2	Wilmington, USA
Cintra I-77 Mobility Partners LLC		Cintra I-77 Corp	100%	2	Wilmington, USA
I-77 Mobility Partners Holding LLC		Cintra I-77 Mobility Partners LLC	100%	2	Wilmington, USA
I-77 Mobility Partners LLC		I-77 Mobility Partners Holding LLC	90%	2	Wilmington, USA
AUSTRALIA					
Cintra Developments Australia Pty Ltd.		Cintra UK	100,0%	0	Sydney, Australia
COLOMBIA					
Cintra Colombia		Cintra Infraestructuras Internacional, S.L.U. (a)	100,0%	0	Bogotá, Colombia
UNITED KINGDOM					
Cintra UK		Cintra Infraestructuras Internacional, S.L.U. (a)	100,0%	0	Oxford, United Kingdom
Cintra Uk I-77 Limited		Cintra Infraestructuras, S.A.U. (a)	100,0%	2	Oxford, United Kingdom

SERVICES

Company	Auditor	Parent	% of ownership	Net cost of the ownership interest	Registered office
SPAIN					
Ferrovial Servicios, S.A. (a)	Deloitte	Ferrovial, S.A. (a)	99,90%	264	Madrid, Spain
Ferrovial Servicios Internacional, S.A.U. (a)		Ferrovial Internacional, S.L.U. (a)	100,00%	731	Madrid, Spain
Ferroser Servicios Auxiliares, S.A. (a)	Deloitte	Ferrovial Servicios, S.A. (a)	99,50%	10	Madrid, Spain
Ferroser Infraestructuras, S.A. (a)	Deloitte	Ferrovial Servicios, S.A. (a)	99,98%	18	Madrid, Spain
Andaluza de Señalizaciones, S.A. (a)	Deloitte	Ferroser Infraestructuras, S.A. (a)	100,00%	1	Madrid, Spain
Autovía de Aragón Sociedad Concesionaria, S.A. (a) (ii)	Deloitte	Ferroser Infraestructuras, S.A. (a)	60,00%	11	Madrid, Spain
Sitkol, S.A. (a)		Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	100,00%	5	Madrid, Spain
Empresa Mixta Almendralejo, S.A.		Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	51,00%	0	Madrid, Spain
Gestión Medioambiental de Toledo, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	60,00%	8	Madrid, Spain
Albaida Residuos, S.L. (a)	Deloitte	Cespa Gestión Residuos, S.A. (a)	100,00%	2	Madrid, Spain
Técnicas Medioambientales Avanzadas, S.L.		Albaida Residuos, S.L. (a)	55,00%	0	Madrid, Spain
Tratamiento de Residuos Medioambientales, S.L.		Albaida Residuos, S.L. (a)	54,99%	-0	Madrid, Spain
Ayora Gestión Biogás, S.L. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	80,00%	0	Madrid, Spain
Ecoparc de Can Mata, S.L. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	100,00%	11	Madrid, Spain
Cespa Servicios Urbanos de Murcia, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	100,00%	10	Madrid, Spain
Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	Deloitte	Ferrovial Servicios, S.A. (a)	100,00%	553	Madrid, Spain
Cespa Jardinería, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	100,00%	7	Madrid, Spain
Cespa Gestion Residuos, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	100,00%	87	Madrid, Spain
Contenedores Reus, S.A. (a)	Deloitte	Cespa Gestión Residuos, S.A. (a)	75,50%	-0	Madrid, Spain
Cespa Gestión Tratamientos de Residuos, S.A. (a)	Deloitte	Cespa Gestión Residuos, S.A. (a)	100,00%	21	Madrid, Spain
Ingeniería Ambiental Granadina, S.A. (a)	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	81,00%	3	Madrid, Spain
Econenergía Can Mata AIE	Deloitte	Cespa Gestión Residuos, S.A. (a)	70,00%	0	Madrid, Spain
Econenergía Can Mata AIE	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A. (a)	30,00%	0	Madrid, Spain
Tratamientos, Residuos y Energías Valencianas, S.A.		Cespa Gestión Residuos, S.A. (a)	55,00%	1	Madrid, Spain
Oñeder, S.A.	Deloitte	Cespa Gestión Residuos, S.A. (a)	51,61%	-0	Madrid, Spain
SMART Hospital Cantabria, S.A. (a)		Ferrovial Servicios, S.A. (a)	85,00%	8	Madrid, Spain
Ecoparc del Mediterrani, S.A.	Deloitte	Cespa Gestión Residuos, S.A. (a)	48,00%	3	Madrid, Spain
Companya Especial de Recuperacions i Recondicionaments. S.L		Cespa Gestión Residuos, S.A. (a)	81%	-1	Madrid, Spain
PORTUGAL					
Cespa Portugal, S.A.	Deloitte	Ferrovial Servicios Internacional, S.A.U. (a)	100,00%	19	Lisbon, Portugal
Ferrovial Construcoes Gestao e Manutencao, S.A.	Deloitte	Ferrovial Servicios Internacional, S.A.U. (a)	100,00%	3	Moreira, Portugal
Citrup, Lda.	Deloitte	Cespa Portugal, S.A.	70,00%	1	Lisbon, Portugal
Novipav Investimentos S.G.P.S., S.A.	Deloitte	Ferroser Infraestructuras, S.A. (a)	100,00%	1	Vialonga, Portugal
Sopovico Soc. Port. Vías de Com-Cons. Infraestructuras	Deloitte	Novipav, SA	100,00%	2	Vialonga, Portugal
UNITED KINGDOM					
Amey UK plc (a)	Deloitte	Ferrovial Servicios Internacional, S.A.U. (a)	100,00%	578	Oxford, United Kingdom
Amey plc	BDO LLP	Amey UK plc	100,00%	-	Oxford, United Kingdom
TPI Holdings Limited	Deloitte	Amey OW Limited	100,00%	-	Oxford, United Kingdom
Transportation Planning International Limited	Deloitte	TPI Holdings Limited	100,00%	-	Oxford, United Kingdom
Amey Airports Ltd.		Amey plc	100,00%	-	Oxford, United Kingdom
Amey Building Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Community Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Construction Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Datel Ltd.	Deloitte	Amey OW Ltd.	100,00%	-	Oxford, United Kingdom
Amey Facilities Partners Ltd.	BDO	Comax Holdings Ltd.	100,00%	-	Oxford, United Kingdom
Amey Fleet Services Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Group Information Services Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Group Services Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom

Amey Highways Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Insurance Company PCC Ltd.	Deloitte	Amey plc	100,00%	-	Guernsey, United Kingdom
Amey Investments Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey IT Services Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey LG Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey LUL 2 Ltd.	Deloitte	Amey Tube Ltd.	100,00%	-	Oxford, United Kingdom
Amey Mechanical & Electrical Services Ltd.	Deloitte	Amey Community Limited	100,00%	-	Oxford, United Kingdom
Amey OW Group Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey OW Ltd.	Deloitte	Amey OW Group Ltd.	100,00%	-	Oxford, United Kingdom
Amey OWR Ltd.	Deloitte	Amey OW Group Ltd.	100,00%	-	Oxford, United Kingdom
Amey Programme Management Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Rail Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Railways Holding Ltd.		Amey plc	100,00%	-	Oxford, United Kingdom
Amey Roads (North Lanarkshire) Ltd.	BDO LLP	Amey LG Ltd.	66,67%	-	Oxford, United Kingdom
Amey Services Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Technology Services Ltd.		Amey plc	100,00%	-	Oxford, United Kingdom
Amey Tramlink Ltd.		Amey Technology Services Ltd.	100,00%	-	Oxford, United Kingdom
Amey Tube Ltd.	Deloitte	JNP Ventures Ltd.	100,00%	-	Oxford, United Kingdom
Amey Ventures Asset Holdings Ltd.	Deloitte	Amey Investments Ltd.	100,00%	-	Oxford, United Kingdom
Amey Ventures Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Amey Ventures Management Services Ltd.	Deloitte	Amey Investments Ltd.	100,00%	-	Oxford, United Kingdom
AmeyWebber LLC		Novo Community Limited	100,00%	-	Delaware, USA
Amey Wye Valley Ltd.	BDO LLP	Amey LG Ltd.	80,00%	-	Oxford, United Kingdom
Comax Holdings Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
JNP Ventures 2 Ltd.	Deloitte	Amey Tube Ltd.	100,00%	-	Oxford, United Kingdom
JNP Ventures Ltd.	Deloitte	Amey Ventures Ltd.	100,00%	-	Oxford, United Kingdom
Sherard Secretariat Services Ltd.	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Wimco Ltd.		Amey Railways Holding Ltd.	100,00%	-	Oxford, United Kingdom
Amey Public Services LLP	BDO LLP	Amey LG Ltd.	66,67%	-	Oxford, United Kingdom
Nationwide Distribution Services Limited	BDO LLP	Amey LG Ltd.	100,00%	-	Oxford, United Kingdom
AmeyCespa (MK) ODC Limited	Deloitte	AmeyCespa Limited	100,00%	-	Oxford, United Kingdom
AmeyCespa (AWRP) Holding Co. Limited		Amey Ventures Asset Holdings Limited	100,00%	-	Oxford, United Kingdom
AmeyCespa (AWRP) SPV Limited		AmeyCespa (AWRP) Holding Co. Limited	100,00%	-	Oxford, United Kingdom
Amey Consulting USA Inc.		Amey OW Limited	100,00%	-	Newcastle, USA
Amey Consulting Australia, Pty Limited		Amey OW Limited	100,00%	-	Melbourne, Australia
A.R.M. Services Group Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Access Hire Services Limited	Deloitte	Enterprise Managed Services Limited	100,00%	-	Oxford, United Kingdom
Accord Asset Management Limited	Deloitte	Accord Limited	100,00%	-	Oxford, United Kingdom
Accord Consulting Services Limited	Deloitte	Accord Limited	100,00%	-	Oxford, United Kingdom
Accord Environmental Services Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
Accord Leasing Limited	Deloitte	Accord Limited	100,00%	-	Oxford, United Kingdom
Accord Limited	Deloitte	Enterprise Limited	100,00%	-	Oxford, United Kingdom
Accord Network Management Limited	Deloitte	Accord Asset Management Limited	100,00%	-	Oxford, United Kingdom
Arkeco Environmental Services Limited	Deloitte	MRS Environmental Services Limited	100,00%	-	Oxford, United Kingdom
Brophy Enterprise Limited		Brophy Grounds Maintenance Limited	100,00%	-	Oxford, United Kingdom
Brophy Grounds Maintenance Limited	Deloitte	Enterprise Public Services Limited	100,00%	-	Oxford, United Kingdom
Byzak Contractors (Scotland) Limited		Byzak Limited	100,00%	-	Glasgow, Scotland
Byzak Limited	Deloitte	Globemile Limited	100,00%	-	Oxford, United Kingdom
C.F.M. Building Services Limited (registered in Scotland)	Deloitte	Enterprise Managed Services Limited	100,00%	-	Glasgow, Scotland
CCMR Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Countrywide Property Inspections Limited	Deloitte	Durley Group Holdings Limited	100,00%	-	Oxford, United Kingdom
CRW Maintenance Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Datamerse Limited		Durley Group Holdings Limited	100,00%	-	Oxford, United Kingdom
Durley Group Holdings Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise (AOL) Limited	Deloitte	Accord Limited	100,00%	-	Oxford, United Kingdom
Enterprise (ERS) Limited	Deloitte	Trinity Group Holdings Limited	100,00%	-	Oxford, United Kingdom
Enterprise (Venture Partner) Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Building Services Limited	Deloitte	First Claims Response (Manchester) Limited	100,00%	-	Oxford, United Kingdom
Enterprise Consulting and Solutions Limited		Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Foundation (ETR) Limited		Enterprise Holding Company No. 1 Ltd (Member only)	100,00%	-	Oxford, United Kingdom
Enterprise Holding Company No.1 Limited	Deloitte	Enterprise Limited	100,00%	-	Oxford, United Kingdom
Enterprise Lighting Services Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Maintenance Services Limited	Deloitte	First Claims Response (Manchester) Limited	100,00%	-	Oxford, United Kingdom
Enterprise Managed Services (BPS) Limited	Deloitte	Enterprise Managed Services Limited	100,00%	-	Oxford, United Kingdom
Enterprise Managed Services (E&CS) Limited	Deloitte	Enterprise Managed Services Limited	100,00%	-	Oxford, United Kingdom
Enterprise Managed Services Limited	Deloitte	Enterprise Utility Services Limited	100,00%	-	Oxford, United Kingdom
Enterprise Limited	Deloitte	Amey plc	100,00%	-	Oxford, United Kingdom
Enterprise Power Services Limited	Deloitte	Enterprise Managed Services Limited	100,00%	-	Oxford, United Kingdom
Enterprise Public Services Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Security Support Services Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
Enterprise Transport Services Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
Enterprise Utility Services (DCE) Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Utility Services (Holdings) Limited		Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Utility Services (TBC) Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Enterprise Utility Services Limited	Deloitte	ARM Services Group Limited	100,00%	-	Oxford, United Kingdom
Enterprisekeepmoat Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
Enterprise-Peterborough Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
First Claims Response (Manchester) Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
First Claims Response Limited	Deloitte	First Claims Response (Manchester) Limited	100,00%	-	Oxford, United Kingdom
Fleet and Plant Hire Limited	Deloitte	Enterprise Managed Services Limited	100,00%	-	Oxford, United Kingdom
Globemile Limited	Deloitte	Enterprise Managed Services Limited	100,00%	-	Oxford, United Kingdom
Haringey Enterprise Limited	Deloitte	Accord Limited	100,00%	-	Oxford, United Kingdom
Heating and Building Maintenance Company Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Hillcrest Developments (Yorkshire) Limited	Deloitte	Durley Group Holdings Limited	100,00%	-	Oxford, United Kingdom
ICE Developments Limited		Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
JJ McGinley Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
JDM Accord Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
Lancashire Enterprises (Europe) Limited		Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
MRS Environmental Services Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
MRS St Albans Limited	Deloitte	MRS Environmental Services Limited	100,00%	-	Oxford, United Kingdom
Prism Research Limited		Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Rhoburt Street Lighting Limited		Enterprise Public Services Limited	100,00%	-	Oxford, United Kingdom
Schofield Lothian Group Limited		Accord Limited	100,00%	-	Oxford, United Kingdom
Trinity Group Holdings Limited	Deloitte	Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
TSG Services Limited		Trinity Group Holdings Limited	100,00%	-	Oxford, United Kingdom
W.M.Y. Consulting Limited		Enterprise Holding Company No. 1 Limited	100,00%	-	Oxford, United Kingdom
Zaxco Limited		Globemile Limited	100,00%	-	Oxford, United Kingdom
66/70 South Lambeth Road Management Co. Limited		Ice Developments Limited	50,00%	-	Oxford, United Kingdom
Enterprise Business Solutions 2000 Limited	Deloitte	Enterprise Holding Company No. 1 Limited	90,00%	-	Oxford, United Kingdom
Enterprise Islington Limited	Deloitte	Accord Limited	99,00%	-	Oxford, United Kingdom
Enterprise-Liverpool Limited	Deloitte	Enterprise Public Services Ltd.	80,00%	-	Oxford, United Kingdom
Enterprise Manchester Partnership Limited	Deloitte	Enterprise Managed Services Limited	80,00%	-	Oxford, United Kingdom
Newhall Refurbishments Limited	In-House	Enterprise Holding Company No. 1 Limited	50,00%	-	Oxford, United Kingdom
Slough Enterprise Limited	Deloitte	Accord Environmental Services Limited	99,00%	-	Oxford, United Kingdom
Enterprise South Liverpool Academy	HBD Accountancy Services	Member only (not-for-profit company)	N/A	-	Oxford, United Kingdom
Enterprise Fleet Limited	In-House	Enterprise Managed Services Limited	54,50%	-	Oxford, United Kingdom
AmeyCespa Ltd.	BDO LLP	Amey LG Ltd.	50,00%	-	Oxford, United Kingdom
AmeyCespa Ltd.	BDO LLP	Cespa UK, S.A.	50,00%	-	Oxford, United Kingdom
AmeyCespa (East) Holdings Limited	BDO LLP	AmeyCespa Ltd.	100,00%	-	Oxford, United Kingdom
AmeyCespa (East) Limited	BDO LLP	AmeyCespa (East) Holdings Limited	100,00%	-	Oxford, United Kingdom
AmeyCespa Services (East) Limited	BDO LLP	AmeyCespa (East) Limited	100,00%	-	Oxford, United Kingdom
AmeyCespa WM (East) Limited	BDO LLP	AmeyCespa Services (East) Limited	100,00%		Oxford, United Kingdom
Allerton Waste Recovery Park Interim SPV Limited	BDO LLP	AmeyCespa Limited	100,00%	-	Oxford, United Kingdom
AmeyCespa (MK) Holding Co. Limited		Amey Ventures Asset Holdings Limited	50,00%	-	Oxford, United Kingdom
AmeyCespa (MK) SPV Limited		AmeyCespa (MK) Holding Co. Limited	100,00%	-	Oxford, United Kingdom
Cespa Ventures Ltd.	Deloitte	Cespa UK, S.A.	100,00%	-	Oxford, United Kingdom
Cespa UK, S.A.	Deloitte	Compañía Española de Servicios Públicos Auxiliares, S.A.	100,00%	-	Oxford, United Kingdom

CHILE					
Grupisa Chile, S.A.		Ferrovial Servicios, S.A. (a)	66,00%	-	Santiago de Chile, Chile
Ferrovial Servicios Chile, S.L.	Deloitte	Ferrovial Servicios Internacional, S.A.U. (a)	99,00%	8	Santiago de Chile, Chile
Ferrovial Servicios Chile, S.L.	Deloitte	Cespa Portugal, SA	1,00%	76	Santiago de Chile, Chile
Steel Ingeniería, S.A.	Deloitte	Ferrovial Servicios Chile, S.L.	100,00%	36	Los Andes, Chile
Ferrovial Servicios Antofagasta, S.L	Deloitte	Ferrovial Servicios, S.A. (a)	100,00%	0	Santiago de Chile, Chile
POLAND					
FBSerwis, S.A.	Deloitte	Ferrovial Servicios Internacional, S.A.U. (a)	51,00%	2	Warsaw, Poland
FBSerwis, S.A.	Deloitte	Budimex S.A.	49,00%	2	Warsaw, Poland
FBSerwis A zoo SPV		FBSerwis, S.A	100,00%	0	Warsaw, Poland
FBSerwis B zoo SPV		FBSerwis, S.A	100,00%	0	Warsaw, Poland
MOROCCO					
Cespa Nadafa, S.A.R.L.		Compañía Española de Servicios Públicos Auxiliares, S.A.	98,76%	-1	Tangier, Morocco
Cespa Nadafa, S.A.R.L.		Cespa Gestión Residuos, S.A.	0,74%	-0	Tangier, Morocco
IRELAND					
Landmille Ltd.	Deloitte	Ferrovial Servicios Internacional, S.A.U. (a)	100,00%	584	County Kildare, Ireland
COLOMBIA					
Ferrovial Servicios Colombia, S.A.S.	Baker Tilly	Ferrovial Servicios Internacional, S.A.U. (a)	100,00%	0	Bogotá, Colombia
Ferrovial Servicios Públicos Colombia, S.A.S. ESP		Ferrovial Servicios Internacional, S.A.U. (a)	99,96%	0	Bogotá, Colombia
Ferrovial Servicios Públicos Colombia, S.A.S. ESP		Ferrovial Servicios Internacional, S.A.U. (a)	0,01%	0	Bogotá, Colombia
Ferrovial Servicios Públicos Colombia, S.A.S. ESP		Cespa Portugal, SA	0,01%	0	Bogotá, Colombia
Ferrovial Servicios Públicos Colombia, S.A.S. ESP		Cespa Portugal, GR	0,01%	0	Bogotá, Colombia
Ferrovial Servicios Públicos Colombia, S.A.S. ESP		Ferroser Infraestructuras, S.A.	0,01%	0	Bogotá, Colombia

REAL ESTATE

Company	Auditor	Parent	% of ownership	Net cost of the ownership interest	Registered office
SPAIN					
Grimaldi Invest, S.L. (a)		Ferrovial, S.A. (i)	100%	13	Madrid, Spain
Ferrovial FISA, S.L. (a)		Ferrovial, S.A. (i)	100,0%	70	Madrid, Spain
Vergarapromoinvest, S.L. (a)		Ferrovial FISA, S.L. (a)	99,7%	0	Madrid, Spain

(i) The remaining percentage is owned by Ferrovial Agromán, S.A. (13.646%), Ferrovial Aeropuertos Internacional, S.A.U. (8.839%), Ferrovial Servicios, S.A. (0.773%), Ferrovial FISA, S.L. (0.002%), Burety, S.L.U. (0.003%) and Cespa (0.003%)
(ii) The remaining percentage is owned by Ferrovial Agromán, S.A. (25%) and Ferrovial, S.A. (15%)
(a) Belong to the tax group of Ferrovial, S.A. and subsidiaries
(b) Belong to the tax group of Inversora de Autopistas del Sur, S.L.
(c) Belong to the tax group of Inversora de Autopistas de Levante, S.L.

Appendix II (continued)

The value of the companies accounted for using the equity method presented below corresponds to the value disclosed in the Group's consolidated financial statements.

ASSOCIATES (companies accounted for using the equity method)
(Millions of euros)

CONSTRUCTION

Company	Auditor	Parent	% of ownership	Equity-accounted value	Registered office	Assets	Liabilities	Revenue	Profit/Loss
SPAIN									
Investments in associates - Ferrovial Agromán (*):		Ferrovial Agromán, S.A.	between 22% and 50.0%	3	Spain	400	436	47	1
Boremer, S.A.	*Deloitte*	*Cadagua, S.A.*	*50,00%*	*0*	*Spain*	*19*	*20*	*4*	*-4*
Sociedad Concesionaria BAIO			*50,00%*	*2*		*4*	*0*	*0*	*0*
Tecnológica Lena, S.L.			*50,00%*	*0*		*0*	*1*	*0*	*0*
Via Olmedo Pedralba, S.A.			*25,20%*	*0*		*12*	*10*	*9*	*0*
Urbs Iudex Caudidicus, S.A.	*Deloitte*		*22,00%*	*0*		*365*	*404*	*34*	*4*
POLAND									
Investments in associates - Budimex (*):		Budimex S.A.	26.31%	1	Poland	2	0	2	0
PPHU Promos Sp. z o.o.		*Budimex SA*	*26,31%*	*0*		*2*	*0*	*2*	*0*
OMAN									
Muscat City Desalination Company SAOC	Deloitte	Cadagua, S.A.	10,00%	2	Oman	197	173	10	3
International Water Treatment, LLC	Deloitte	Cadagua, S.A.	37,50%	0	Oman	29	61	98	-30

AIRPORTS

Company	Auditor	Parent	% of ownership	Equity-accounted value	Registered office	Assets	Liabilities	Revenue	Profit/Loss
UNITED KINGDOM									
FGP Topco Limited	Deloitte	Hubco Netherlands B.V.	25,00%	1.062	United Kingdom	25.148	20.898	3.572	500
AGS Airports Holdings Limited	Deloitte	Faero UK Holding Limited	50,00%	-5	United Kingdom	1.543	1.421	8	-6

TOLL ROADS

Company	Auditor	Parent	% of ownership	Equity-accounted value	Registered office	Assets	Liabilities	Revenue	Profit/Loss
SPAIN									
Serrano Park, S.A.	Deloitte	Cintra Infraestructuras, S.A.U.	50,00%	-7	Spain	98	109	5	-13
A-334 Autovía del Almanzora	Ernst & Young	Cintra Infraestructuras, S.A.U.	23,75%	1	Spain	7	1	1	0
A66 Benavente - Zamora	Deloitte	Cintra Infraestructuras, S.A.U.	25,00%	10	Spain	165	127	107	5
Bip & Drive, S.A.		Cintra Infraestructuras, S.A.U.	25,00%	0	Spain	4	2	0	-1
CANADA									
407 International Inc. / 407 East Development GGP:	Deloitte	4352238 Cintra Canada Inc.	between 43.23% and 50.0%	2.194	Canada	4.150	5.706	823	160
407 International Inc.		*4352238 Cintra Canada Inc.*	*43,23%*	*2.188*	*Canada*	*3.687*	*5.254*	*609*	*153*
Cintra 407 East Development Group Inc.		*Toronto Highway, BV*	*50,00%*	*0*	*Canada*	*0*	*0*	*0*	*0*
Cintra OM&R 407 East Development Group Inc		*Toronto Highway, BV*	*50,00%*	*0*	*Canada*	*0*	*0*	*0*	*0*
407 East Development Group General Partnership		*Cintra 407 East Development Group Inc.*	*50,00%*	*5*	*Canada*	*461*	*452*	*212*	*7*
OMR and R407 East Development Group General Partnership		*Cintra OM&R 407 East Development Group Inc*	*50,00%*	*1*	*Canada*	*2*	*1*	*2*	*1*
UNITED STATES									
Statewide Mobility Partners LLC	Deloitte	Cintra ITR LLC / Cintra Holding US Corp	49% / 1%	0	USA	581	0	0	0
ITR Concession Company Holdings	Deloitte	Statewide Mobility Partners LLC	100,00%	-	EEUU	581	0	0	0
ITR Concession Company	Deloitte	ITR Concession Company Holdings	100,00%	0	USA	3.188	5.140	167	0

Company	Auditor	Parent	% of ownership	Equity-accounted value	Registered office	Assets	Liabilities	Revenue	Profit/Loss
GREECE									
Nea Odos, S.A.	Deloitte	Ferrovial, S.A.	33,33%	0	Greece	701	626	73	0
Central Greece Motorway	Deloitte	Ferrovial, S.A.	33,34%	0	Greece	909	844	8	0
Hellas Tolls, S.A.		Ferrovial, S.A.	33,34%		Greece	3	-0	3	0
UNITED KINGDOM				-					
Scot Roads Partnership Holdings Ltd.	Ernst & Young	Cintra UK	20,00%	0	Reino Unido				
Scot Roads Partnership Finance Ltd.	Ernst & Young	Scot Roads Partnership Holdings LTD	20,00%	0	Reino Unido	177	177	-	-
Scot Roads Partnership Project Ltd.	Ernst & Young	Scot Roads Partnership Holdings LTD	20,00%	0	Reino Unido	175	175	-	-

SERVICES

Company	Auditor	Parent	% of ownership	Equity-accounted value	Registered office	Assets	Liabilities	Revenue	Profit/Loss
SPAIN									
Investments in associates - Services (*):			between 9.20% and 50.00%	25	Spain	881	437	206	67
Concesionaria Madrid Calle 30, S.A.	*KPMG*	*Empresa de Mantenimiento y Explotación M-30, S.A.*	*10,00%*	*10*	*Spain*	*583*	*143*	*126*	*60*
Ingeniería Urbana, S.A.	*Deloitte*	*Cespa, S.A.*	*35,00%*	*5*	*Spain*	*20*	*20*	*5*	*2*
Reciclados y Compostaje Piedra Negra, S.A.	*Deloitte*	*Cespa Gestión Residuos, S.A.*	*49,00%*	*4*	*Spain*	*17*	*17*	*6*	*0*
Empresa de Mantenimiento y Explotación M-30, S.A.	*Deloitte*	*Ferrovial Servicios, S.A.*	*50,00%*	*0*		*206*	*205*	*29*	*9*
Aetec, S.A.		*Ferroser Infraestructuras, S.A.*	*9,20%*	*0*		*1*	*0*	*0*	*0*
FerroNats Air Traffic Services, S.A.	*Deloitte*	*Ferrovial Servicios, S.A.*	*50,00%*	*1*		*6*	*4*	*13*	*1*
Necrópolis de Valladolid, S.A.	*BDO Auditores, S.L.*	*Sitkol, S.A.*	*49,00%*	*4*		*17*	*17*	*3*	*1*
Novalis Medioambiente, S.A.		*Cespa Gestion Residuos S.A.*	*50,00%*	*0*		*5*	*5*	*2*	*0*
Nora, S.A.	*Gabinete Técnico de Auditoria y Consultoria, S.A.*	*Compañía Española de Servicios Públicos Auxiliares S.A*	*40,00%*	*0*		*7*	*7*	*9*	*0*
Vialnet Vic., S.L.	*VIR Audit*	*Compañía Española de Servicios Públicos Auxiliares S.A*	*49,00%*	*0*		*1*	*1*	*2*	*0*
Recollida de Residuos D'Osona, S.L.		*Compañía Española de Servicios Públicos Auxiliares S.A*	*45,00%*	*1*		*4*	*4*	*6*	*0*
Valdedominguez 2000, S.A.	*Deloitte*	*Compañía Española de Servicios Públicos Auxiliares S.A*	*20,00%*			*14*	*14*	*2*	*-6*
PORTUGAL									
Investments in associates - Cespa Portugal, S.A. (*):			between 20.00% and 50.00%	1	Portugal	24	24	3	0
Valor Rib Industrial Residuos, Lda		*Cespa Portugal, SA*	*45,00%*	*1*		*5*	*5*	*1*	*0*
Ecobeirão, S.A.	*Martins Pereira, João Careca & Associados, SROC, Lda.*	*Cespa Portugal, SA*	*20,00%*	*0*		*16*	*16*		
Cespa Portugal - Ecoambiente ACE	*Deloitte*	*Cespa Portugal, SA*	*50,00%*	*0*		*1*	*1*	*2*	*0*
Ferrovial Servicios, Egeo Tecnologia e Ambiente, Amândio	-	*Cespa Portugal, SA*	*35,00%*	*0*		*1*	*1*	*0*	*0*
UNITED KINGDOM									
Investments in associates - Amey (*):			2%/70.00%	23	United Kingdom	322	-244	313	9
GEO Amey PECS Limited	*Grant Thornton*	*Amey Community Limited*	*50,00%*	*0*		*14*	*-15*	*42*	*1*
Amey Ventures Investments Ltd	*BDO LLP*	*Amey Investments Ltd*	*9,97%*	*0*		*4*	*-4*	*0*	*0*
AHL Holdings (Manchester) Ltd	*Deloitte LLP*	*Amey Fleet Services Limited*	*5,00%*	*0*		*2*	*-2*	*0*	*0*
Amey Highways Lighting (Manchester) Ltd	*Deloitte LLP*	*Amey Ventures Investments Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
AHL Holdings (Wakefield) Ltd	*Deloitte LLP*	*AHL Holdings (Manchester) Ltd*	*5,00%*	*0*		*1*	*-1*	*0*	*0*
Amey Highways Lighting (Wakefield) Ltd	*Deloitte LLP*	*Amey Ventures Investments Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
ALC (Superholdco) Ltd	*KPMG LLP*	*AHL Holdings (Wakefield) Ltd*	*5,00%*	*8*		*13*	*-9*	*14*	*4*
ALC (FMC) Ltd	*KPMG LLP*	*Amey Ventures Investments Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
ALC (Holdco) Ltd	*KPMG LLP*	*ALC (Superholdco) Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
ALC (SPC) Ltd	*KPMG LLP*	*ALC (Superholdco) Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
Amey Belfast Schools Partnership Holdco Ltd	*BDO LLP*	*ALC (Holdco) Ltd*	*10,00%*	*0*		*11*	*-11*	*0*	*0*
Amey Belfast Schools Partnership PFI Co Ltd	*BDO LLP*	*Amey Ventures Investments Ltd*	*10,00%*	*0*		*0*	*0*	*0*	*0*
Amey Birmingham Highways Holdings Ltd	*BDO LLP*	*Amey Belfast Schools Partnership HoldCo Ltd*	*33,33%*	*0*		*89*	*-91*	*32*	*0*
Amey Birmingham Highways Ltd	*BDO LLP*	*Amey Ventures Asset Holdings Ltd*	*33,33%*	*0*		*0*	*0*	*0*	*0*
Amey FMP Belfast Strategic Partnership Holdco Ltd	*BDO LLP*	*Amey Birmingham Highways Holdings ltd*	*70,00%*	*0*		*1*	*-1*	*4*	*0*
Amey FMP Belfast Strategic Partnership SP Co Ltd	*BDO LLP*	*Amey Ventures Management Services Ltd*	*70,00%*	*0*		*0*	*0*	*0*	*0*
Amey Lagan Roads Holdings Ltd	*BDO LLP*	*Amey FMP Belfast Schools Partnership Holdco Ltd*	*5,00%*	*0*		*14*	*-15*	*1*	*0*
Amey Lagan Roads Financial plc	*BDO LLP*	*Amey Ventures Investments Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
Amey Lagan Roads Ltd	*BDO LLP*	*Amey Lagan Roads Holdings Ltd*	*5,00%*	*0*		*0*	*0*	*0*	*0*
Amey Lighting (Norfolk) Holdings Ltd	*BDO LLP*	*Amey Lagan Roads Holdings Ltd*	*10,00%*	*0*		*3*	*-3*	*1*	*0*
Amey Lighting (Norfolk) Ltd	*BDO LLP*	*Amey Ventures Investments Ltd*	*10,00%*	*0*		*0*	*0*	*0*	*0*
E4D & G HOLDCO Ltd	*BDO LLP*	*Amey Lighting (Norfolk) Holdings Ltd*	*4,25%*	*0*		*10*	*-10*	*0*	*0*
E4D & G Project Co Ltd	*BDO LLP*	*Amey Ventures Investments Ltd*	*4,25%*	*0*		*0*	*0*	*0*	*0*
EduAction (Waltham Forest) Ltd (IP)		*E4D & G Holdco Ltd*	*50,00%*	*0*		*0*	*0*	*0*	*0*
Integrated Bradford Hold Co One Ltd	*KPMG LLP*	*Amey plc*	*6,52%*	*0*		*6*	*-6*	*0*	*0*
Integrated Bradford PSP Ltd (IP)	*KPMG LLP*	*Amey Ventures Investments Ltd*	*50,00%*	*0*		*2*	*-2*	*4*	*0*
Integrated Bradford Hold Co Two Ltd	*KPMG LLP*	*Integrated Bradford LEP Ltd*	*6,00%*	*0*		*10*	*-10*	*1*	*0*
Integrated Bradford LEP Ltd	*KPMG LLP*	*Amey Ventures Asset Holdings Ltd*	*40,00%*	*0*		*0*	*0*	*0*	*0*
Integrated Bradford LEP Fin Co One Ltd	*KPMG LLP*	*Amey Ventures Asset Holdings Ltd*	*40,00%*	*0*		*0*	*0*	*0*	*0*
Integrated Bradford SPV One Ltd	*KPMG LLP*	*Integrated Bradford LEP Ltd*	*6,52%*	*0*		*0*	*0*	*0*	*0*
Integrated Bradford SPV Two Ltd	*KPMG LLP*	*Integrated Bradford PSP Ltd*	*6,00%*	*0*		*0*	*0*	*0*	*0*
MTCNovo Ltd		*Integrated Bradford LEP Ltd*	*50,00%*	*0*		*0*	*0*	*0*	*0*
RSP (Holdings) Ltd	*BDO LLP*	*Integrated Bradford Hold Co One Ltd*	*3,50%*	*0*		*4*	*-4*	*0*	*0*
The Renfrewshire Schools Partnership Ltd	*BDO LLP*	*Integrated Bradford Hold Co Two Ltd*	*3,50%*	*0*		*0*	*0*	*0*	*0*
Services Support (Avon & Somerset) Holdings Ltd	*Deloitte LLP*	*Novo Community Limited*	*2,00%*			*1*	*-1*	*0*	*0*
Services Support (Avon & Somerset) Ltd	*Deloitte LLP*	*Amey Ventures Investments Ltd*	*2,00%*	*0*		*0*	*0*	*0*	*0*
Amey Hallam Highways Holdings Limited	*BDO LLP*	*RSP (Holdings) Ltd*	*33,33%*	*0*		*52*	*-52*	*38*	*0*
Amey Hallam Highways Limited	*BDO LLP*	*Amey Ventures Investments Ltd*	*33,33%*	*0*		*0*	*0*	*0*	*0*
Carillion Amey Limited	*Deloitte*	*Services Support (Avon & Somerset) Holdings Ltd*	*49,90%*	*0*		*19*	*16*	*66*	*0*
Carillion Amey (Housing Prime) Limited	*Deloitte*	*Amey Ventures Asset Holdings Ltd*	*33,30%*	*0*		*23*	*19*	*68*	*2*
Amey Consulting LLC		*Amey Hallam Highways Holdings Ltd*	*49,00%*	*0*		*0*	*0*	*0*	*2*
Leighton Boral Amey Qld Pty Limited		*Enterprise Managed Services Limited*	*20,00%*	*8*		*2*	*-2*	*9*	*0*
Leighton Boral Amey NSW Pty Limited		*Enterprise Managed Services Limited*	*22,20%*	*6*		*1*	*-1*	*4*	*0*
Keolis Amey Docklands Limited		*Amey OW Limited*	*30,00%*	*0*		*0*	*0*	*0*	*0*
AmeyCespa (AWRP) Holding Co Limited	*Deloitte*	*Amey Consulting Australia Pty Limited*	*16,67%*	*0*		*10*	*-10*	*9*	*0*
AmeyCespa (AWRP) SPV Limited	*Deloitte*	*Amey Consulting Australia Pty Limited*	*16,67%*	*0*		*0*	*0*	*0*	*0*
Scot Roads Partnership Holdings Limited		*Amey Rail Limited*	*20,00%*	*0*		*28*	*-28*	*21*	*0*
Scot Roads Partnership Project Limited		*Amey Ventures Asset Holdings Ltd*	*20,00%*	*0*		*0*	*0*	*0*	*0*
Scot Roads Partnership Finance Limited		*AmeyCespa (AWRP) Holding Co Limited*	*20,00%*	*0*		*0*	*0*	*0*	*0*
QATAR									
Investments in associates - Ferrovial Servicios (*):	Deloitte		49,00%	8	Qatar	40	40	61	10
Ferrovial Qatar, LLC	*Deloitte*	*Ferrovial Servicios, S.A.*	*49,00%*	2		*7*	*7*	*10*	*2*
FMM Company, LLC	*Deloitte*	*Ferrovial Servicios, S.A.*	*49,00%*	6		*33*	*33*	*51*	*7*

REAL ESTATE

Company	Auditor	Parent	% of ownership	Equity-accounted value	Registered office	Assets	Liabilities	Revenue	Profit/Loss
SPAIN									
Promociones Hábitat (i)		Ferrovial FISA, S.A.	20,00%	0	Spain	0	0	0	0
Total equity-accounted value				3.317					

(i) Information on auditor not available

(*) Relate to all the investments in associates and the assets, liabilities, revenue and profit/loss correspond to the total aggregate figures.

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.

ISSUE OF THE FINANCIAL STATEMENTS

The foregoing pages contain the consolidated financial statements –the balance sheet, income statement, statement of changes in equity, statement of cash flows and notes to the financial statements- and the consolidated directors' report of Ferrovial, S.A. for the year ended 31 December 2014, which was issued by the Company's Board of Directors at the meeting held in Madrid on 25 February 2015 and which, pursuant to Article 253 of the Spanish Capital Companies Act, the directors attending sign below.

____

D. Rafael del Pino y Calvo-Sotelo
Chairman

____

D. Santiago Bergareche Busquet
Deputy Chairman

____

D. Joaquín Ayuso García
Deputy Chairman

____

D. Íñigo Meirás Amusco
CEO

____

D. Jaime Carvajal Urquijo
Director

____

Portman Baela, S.L.
P.p. D. Leopoldo del Pino y Calvo-Sotelo
Director

____

D. Juan Arena de la Mora
Director

____

Dña. María del Pino y Calvo-Sotelo
Director

____

D. Santiago Fernández Valbuena
Director

____

D. José Fernando Sánchez-Junco Mans
Director

____

Karlovy S.L.
P.p. D. Joaquín del Pino y Calvo-Sotelo
Director

____

D. Howard L. Lance
Director

The Secretary of the Board of Directors states for the record that the Director Howard L. Lance has not signed this document because of his absence due to unavoidable professional commitments.

____

D. Santiago Ortiz Vaamonde
Secretary of the Board of Directors

AUDITOR'S REPORT

Deloitte.

Deloitte, 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 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 in Spain (see Notes 2 and 36). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
FERROVIAL, S.A.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ferrovial, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of profit or loss, 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.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Ferrovial, S.A. and Subsidiaries 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 in Spain and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Ferrovial, S.A. and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended 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 in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of Ferrovial, S.A. and Subsidiaries, the evolution of their 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 2014. 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
24 February 2015

ANNEX

AUDIT AND CONTROL COMMITTEE ACTIVITY REPORT

COMPOSITION

In accordance with the applicable legislation and with the Bylaws and Board of Directors Regulations of Ferrovial, S.A. (the Company), all the members of the Audit and Control Committee are External Directors and the Chairman is chosen from among the Independent Directors on the Committee.

The members of the Committee in 2014 were the following:

- Mr. Juan Arena de la Mora, Chairman (External Independent Director)
- Mr. Gabriele Burgio (External Independent Director)
- PORTMAN BAELA, S.L., represented by Mr. Leopoldo del Pino y Calvo-Sotelo (External Proprietary Director)
- Mr. Santiago Fernández Valbuena (External Independent Director)

Gabriele Burgio resigned from his position as Director and member of the Audit and Control Committee by letter dated 16 December 2014. As a result of his resignation, on 18 December 2014 the Board of Directors appointed Joaquín Ayuso García (External Director) to the Audit and Control Committee.

FUNCTIONS

The Company's Bylaws and the Board of Directors Regulations assign the powers summarised below to the Audit and Control Committee:

• In relation to external audit:

  - To propose to the Board of Directors, for submission to the General Shareholders Meeting, the appointment of the external auditors, including the engagement conditions, the scope of work, the removal or non-renewal.

  - TTo serve as a communication channel between the Board of Directors and the auditors: receive from the latter regular information regarding their work, assess the results of each audit and verify that senior management assumes the auditors' recommendations.

  - TTo discuss with the external auditors the significant weaknesses in the internal control system detected in the course of the audit.

  - TTo oversee the independence of the external auditor and evaluate additional services of any kind, taken individually or as a whole, other than the statutory audit services that they provide to the Company. To issue, prior to the auditor's report on the financial statements, a report expressing its opinion on these two aspects.

• In relation to internal audit:

  - To propose the selection, appointment, re-election or replacement of the Director.
  - To ensure that the internal audit services have the personal, technical and material resources required to discharge their duties. To propose the budget for those services.
  - To approve and supervise the internal audit plan and verify that it is being met.

• In relation to financial reporting:

  - To assist the Board of Directors in its duty to oversee the correctness and reliability of the financial information that the Company must periodically report to the markets. To supervise the process involved in the preparation of the regulated financial information and report prior to its approval by the Board of Directors.
  - To supervise the effectiveness of the Company's internal control systems.

• In relation to risk control:

- To periodically analyse and assess the main risks and systems for identifying, managing and controlling them.

• In relation to other matters:

- To supervise compliance with corporate governance and securities market conduct legislation.
- To establish and supervise the “whistleblowing system” managed by Internal Audit Division, which allows any employee or third party to use the internet to report breaches, inefficiencies or improper behaviour.
- To give prior advice on the formation or acquisition of companies domiciled in tax havens and special-purpose entities as referred to in the Board of Directors Regulations.

ACTIVITIES PERFORMED

In 2014 the Committee met on five (5) occasions.

As in prior years, the Committee approved a work plan with the matters to be addressed at each of its meetings, with other issues being added on an ad hoc basis during the year.

The main activities carried out in 2014 are summarised as follows:

Economic and financial information

During the year the Committee analysed this information prior to it being reported to the Board of Directors and to being sent to the authorities and markets, with the assistance of the Corporate Financial Division.

Relations with the external auditors

In February and October 2014 the Committee resolved to propose to the Board of Directors, for submission to the General Shareholders Meeting, the renewal of Deloitte, S.L. as the external auditors of the financial statements of Ferrovial, S.A. and of its consolidated group for 2014 and 2015, respectively.

Review of the financial statements

The external auditors appeared before the Committee in relation to the presentation of the financial statements for 2013.

The auditors of Ferrovial reported on their limited reviews of the half-yearly financial statements closed at 30 June 2014 and on the most significant aspects of their review of the financial statements closed at 30 September, in preparation for the audit of the financial statements for 2014.

Auditor independence

Additional Provision 18.4 of the Spanish Securities Market Act, in force at that time, provided that auditors must furnish the Audit Committee with a written declaration stating their independence and reporting on services other than audit services provided during the year; and the Committee must express its opinion on both matters. In 2014 both obligations were met.

Based on the internal procedure controlling the provision of advisory and consulting services other than financial audit services, the Committee authorised certain services with the external audit firm (and with other audit firms) and received periodic reports on the volume of services of this nature provided.

Internal control procedures

The Committee was informed by the auditors of the main internal control recommendations identified as a result of the audit of Ferrovial and of the follow-up of the recommendations made as a result of the review of the prior year's financial statements.

The Corporate Financial Division reported to the Committee on the work performed in 2014 in relation to the system of internal control over financial reporting (ICFR) and on the work performed by an external firm with the main objectives of improving and standardising the description of the controls in the various areas of the Group. Follow-up work was performed in relation to the implementation of the improvements identified in 2013 and conclusions were presented in connection with the assessment of the main financial reporting risks conducted by the Corporate Financial Division. In addition, the action plan for this area for 2015 was presented.

Internal audit

The Committee supervised the activities by the Company's Internal Audit Division. Specifically, it was informed of:

- The Internal Audit activities report for 2013 which includes the status of the implementation of all the recommendations issued in each of the engagements for the year, as well as those pending from prior years.
- The degree of completion of the scheduled work at the end of the third quarter of 2014, checking compliance with the approved planning.
- The result of the review of the ICFR implementation process.
- The plan for the audit work scheduled for 2015.
- The annual report, for 2013, and the report for the first half of 2014 on the whistleblowing reporting system and fraud prevention.

Analysis of risks and systems for their control

Ferrovial's Risk Division appeared periodically before the Committee in order to report on the main risks and contingencies of the Company and its group, as well as on the systems in place for identifying, managing and controlling them.

Corporate governance and compliance-related activities

The Committee carried out the following activities in this field, in accordance with the Board of Directors Regulations:

- It submitted to the Board of Directors a proposal to modify the Board of Directors Regulations and internal Code of Conduct of Ferrovial, S.A. and its corporate group in matters relating to the securities markets.
- It issued a favourable report on the Annual Corporate Governance Report for 2013, prior to its formalization by the Board of Directors.
- It was informed of the new legislation approved or in the process of being approved during the year in areas falling within the scope of the Committee.
- It was informed of the update of the Code of Business Ethics and of a new Anti-Corruption Policy.

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)
C/Quintanavides. n,º 21 Edificio 5
Parque Vía Norte
28050 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)
C/Quintanavides. n,º 21 Edificio 5
Parque Vía Norte
28050 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