

06.

Annual Report
ACS Group



4.

Annual Corporate Governance Report

A. Ownership Structure	328
B. Structure of the Company Administration	332
C. Associated Operations	354
D. Risk Control Systems	358
E. General Meeting	364
F. Degree of compliance with the Corporate Governance Recommendations	368
G. Other Information of Interest	374



ACS
QUALITY THROUGH INNOVATION

4.A Ownership Structure

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

Date of last amendment	Share capital (euros)	Number of shares
05-20-2004	176,436,567.00	352,873,134

If there are different classes of shares, identify them in the following table:

Class	Number of shares	Par value
Single	352,873,134	0.50

A.2. Detail the direct or indirect holders of significant shareholdings of the Company at the close of the financial year, excluding the Board Members:

Name or corporate name of the shareholder	Number of direct shares	Number of indirect shares (*)	% Total share capital
Corporación Financiera Alba, S.A.	0	74,585,274	21.137
Corporación Financiera Alcor. S.A.	932,880	41,412,889	12.000
Inversiones Vesan, S.A.	35,385,193	0	10.028
Mutua Madrileña Automovilista, S.S.P.F.	10,400,000	12,900	2.951

(*) Held through:

Name or corporate name of the direct shareholder	Number of direct shares	% of share capital
Alba Participaciones S.A.	74,585,274	21.137
Imvernelín Patrimonio, S.L.	37,311,260	10.574
Comercio y Finanzas, S.A.	1,031,814	0.292
Mr. Alberto Cortina de Alcocer	4,728	0.001
Mr. Alberto de Alcocer Torra	3,273	0.001
Percacer, S.A.	1,061,814	0.301
Catser, S.L.	2,000,000	0.567
Aresa Seguros Generales, S.A.	12,900	0.004
Total:	116,011,063	

Indicate the most significant changes in the shareholding structure occurring during the financial year:

Name or corporate name of the shareholder	Transaction date	Description of the transaction
Inversiones Vesán, S.A.	04-10-2006	Exceeded 10% of share capital
Corporación Financiera Alcor, S.A.	19-09-2006	Exceeded 10% of share capital
Imvernelín Patrimonio, S.L.	19-09-2006	Exceeded 10% of share capital
Corporación Financiera Alba, S.A.	27-01-2006	Exceeded 20% of share capital

A.3. Complete the following table on the Members of the Company's Board of Directors who hold shares in the Company:

Name or corporate name of the Board Member	Date first appointment	Date last appointment	Number of direct shares	Number of indirect shares ^(*)	% Total share capital
Mr. Florentino Pérez Rodríguez	06-28-1989	10-14-2003	0	35,385,193	10.028
Mr. Pablo Vallbona Vadell	09-05-1997	10-14-2003	56,560	0	0.016
Mr. Antonio García Ferrer	10-14-2003	10-14-2003	12,000	0	0.003
Mr. José María Aguirre González	06-29-1995	05-19-2006	421,500	0	0.119
Mr. Agustín Batuecas Torrego	06-29-1999	10-14-2003	833,088	1,482,853	0.656
Mr. Alvaro Cuervo García	09-05-1997	06-19-2003	0	42,000	0.012
Mr. Manuel Delgado Solís	05-20-2004	05-20-2004	0	0	0.000
Mr. Javier Echenique Landiribar	05-20-2004	05-20-2004	24,438	0	0.007
Mr. Isidro Fernández Barreiro	05-09-1997	10-14-2003	14,046	40,000	0.015
Mr. Joan David Grimá Terré	10-14-2003	10-14-2003	0	2,550	0.001
Mr. José María Loizaga Viguri	06-28-1989	10-14-2003	128,313	225,000	0.100
Mr. Pedro-José López Jiménez	06-28-1989	10-14-2003	0	2,070,000	0.587
Mr. Santos Martínez-Conde Gutiérrez Barquín	06-19-2002	06-19-2003	6,208	0	0.002
Mr. Javier Monzón de Cáceres	05-20-2004	05-20-2004	4,200	0	0.001
Mr. Miguel Roca Junyent	10-14-2003	10-14-2003	12	0	0.000
Mr. Julio Sacristán Fidalgo	06-24-1998	06-19-2003	1,356	0	0.000
Mr. Francisco Servando Verdú Pons	05-19-2006	05-19-2006	1,000	0	0.000
Mr. José Luis del Valle Pérez	06-28-1989	10-14-2003	121,000	0	0.034

(*) Held through

Name or corporate name of the direct shareholder	Number of direct shares
Fidwei Inversiones, S.L.	1,420,000
Lynx Capital, S.A.	650,000
Grial Inversiones Sicav, S.A.	2,550
Inversiones Europeas, S.L.	225,000
Inversiones Vesán, S.A.	35,385,193
Sociedad de Estudios de Estrategia Empresarial, S.A.	42,000
SCM Correduría de Seguros, S.A.	40,000
Inversiones Batuecas Torrego, S.L.	1,382,853
Inversiones Ceda, S.L.	100,000
Total:	39,247,596

% Total share capital in power of the Board of Directors 11.581

Complete the following table on the Members of the Board of Directors of the Company who hold rights over shares in the Company:

Name or corporate of the Board Member	Number of option rights held directly	Number of optionrights held indirectly	Equivalent Number of share	% Total share capital
Mr. Florentino Pérez Rodríguez	3,110,000	1	3,110,000	0.881
Mr. Agustín Batuecas Torrego	178,000	1	178,000	0.050
Mr. Antonio García Ferrer	840,000	1	840,000	0.238
Mr. José Luís del Valle Pérez	650,000	1	650,000	0.184

Ownership Structure

4.A

A.4. Indicate, if applicable, any relationships of a family, commercial, contractual or corporate nature existing between holders of significant shareholdings, as far as they are known by the Company, excluding those of little significance or deriving from the ordinary course of business or trade:

Names or corporate names related	Type of relationship	Brief description
Mr. Florentino Pérez Rodríguez	Contractual	Rosan Inversiones, S.L., with C.I.F. B 78962099, Company wholly owned by Mr. Florentino Pérez Rodríguez, formalised agreement for execution of works with the Company Dragados, S.A. on 04-27-05, for the construction of a building in Madrid. The amount of the works certified by Dragados, S.A. in 2006 amounts to 4,056,559.59 euros

A.5. Indicate the relationships of a commercial, contractual or corporate nature existing between holders of significant shareholdings and the Company, unless they are of little significance or derive from the ordinary course of business or trade:

Names or corporate names related	Type of relationship	Brief description

A.6. Indicate the shareholders' agreements executed between shareholders and reported to the Company:

Parties involved in side agreement	% of share capital affected	Brief description of agreement

Indicate the concerted actions existing between shareholders of the corporation that are known by the Company:

Parties involved in side agreement	% of share capital affected	Brief description of concerted action

If there has been any modification or termination of said pacts or agreements or concerted actions during the financial year, indicate them expressly.

A.7. Indicate if there is any individual or legal entity that exercises or could exercise control over the Company under the terms of article 4 of the Stock Exchange Law:

Name or corporate name
Comments

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

At the close of the financial year:

Number of direct shares	Number of indirect shares (*)	% Total share capital
6,985,055	0	1.979

(*) Held through:

Name or corporate name of the direct shareholder	Number of direct shares
Total:	

In accordance with the provisions set forth in Royal Decree 377/1991, detail the significant variations carried out during the financial year:

Date	Number of direct shares	Number of indirect shares	% Total share capital
17-02-2006	3,540,144	0	1.003
24-03-2006	4,340,606	0	1.230
22-05-2006	4,167,980	0	1.181
03-08-2006	3,313,296	0	0.939
08-11-2006	3,719,879	0	1.054
04-12-2006	3,735,238	0	1.059

Results obtained in the financial year on treasury stock transactions (thousand euros)	25,280
--	--------

A.9. Detail the conditions and term of mandate of the general Shareholders' Meeting to the Board of Directors for engaging in acquisitions or transfers of treasury stock described in section A.8.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 05/19/05:

"Render the previous authorization granted by means of a Resolution adopted by the General Shareholders' Meeting held on 05.19.05 null and void, and under the conditions and requirements set forth in Article 75 and related provisions of the Spanish Corporations Law, authorize both the Company's Board of Directors as well as those of subsidiary companies to acquire shares in the Company for valuable consideration, the par value of which does not exceed 5% of the issued share capital. Such authorization shall be granted for a period of 18 months from the date of the aforementioned meeting. The minimum and maximum price shall be, respectively, the par value of the shares and the price at which they are traded on the stock market on the day of the purchase, or the price authorised by the competent body of the Stock Exchange or by the Spanish Stock Market Commission."

A.10. Indicate the legal and statutory restrictions on the exercise of voting rights, as well as the statutory restrictions on the acquisition or sale of holdings in the share capital:

Apart from legal restrictions, there are no statutory restrictions regarding the exercising of voting rights or to the acquisition or transfer of shares. Articles 11, 23 and 26 of the Company By-laws provide for these issues:

Article 11.

(...) The shares shall be transferable between Spanish individuals or legal entities without any restriction whatsoever; and to foreign individuals or legal entities with the legal restrictions that may apply in each case.

Article 23.

The General Meeting comprises all those that hold at least one hundred shares, either present or represented. The owners or holders of fewer than one hundred shares may pool their shares in order to reach such number and may be represented either by one of them or by another shareholder who alone possesses the requisite number of shares required to form part of the General Meeting.

Article 26.

(...) Each shareholder shall have the right to the number of votes that corresponds to the number of shares held or represented. Said votes may be cast by postal correspondence or telegraph or any other means, providing that a full guarantee exists as to the identity of the person casting their vote(s) in this manner. Shareholders with attendance rights may be represented at the Meeting by any person. The representation conferred by shareholders who only by pooling their shares may have voting rights may be vested in any of them.

4.B Structure of the Company Administration

B.1. Board of Directors

B.1.1. Outline the maximum and minimum number of Board Members provided for in the Company By-laws:

Maximum number of Board Members	21
Minimum number of Board Members	11

B.1.2. Complete the following table with the Board Members:

Name or corporate name of the Board Member	Representative	Position	Date first appointment	Date last appointment	Election Procedure
Mr. Florentino Pérez Rodríguez		Chairman and CEO	06-28-1989	10-14-2003	General Meeting
Mr. Pablo Vallbona Vadell		Vice Chairman	09-05-1997	10-14-2003	General Meeting
Mr. Antonio García Ferrer		Executive Vice Chairman	10-14-2003	10-14-2003	General Meeting
Mr. José María Aguirre González		Board Member	06-29-1995	05-19-2006	General Meeting
Mr. Agustín Batuecas Torrego		Board Member	06-29-1999	10-14-2003	General Meeting
Mr. Alvaro Cuervo García		Board Member	09-05-1997	06-19-2003	General Meeting
Mr. Manuel Delgado Solís		Board Member	05-20-2004	05-20-2004	General Meeting
Mr. Javier Echenique Landiribar		Board Member	05-20-2004	05-20-2004	General Meeting
Mr. Isidro Fernández Barreiro		Board Member	09-05-1997	10-14-2003	General Meeting
Mr. Joan David Grimá Terré		Board Member	10-14-2003	10-14-2003	General Meeting
Mr. José María Loizaga Viguri		Board Member	06-28-1989	10-14-2003	General Meeting
Mr. Pedro-José López Jiménez		Board Member	06-28-1989	10-14-2003	General Meeting
Mr. Santos Martínez-Conde Gutiérrez Barquín		Board Member	06-19-2002	06-19-2003	General Meeting
Mr. Javier Monzón de Cáceres		Board Member	05-20-2004	05-20-2004	General Meeting
Mr. Miguel Roca Junyent		Board Member	10-14-2003	10-14-2003	General Meeting
Mr. Julio Sacristán Fidalgo		Board Member	06-24-1998	06-19-2003	General Meeting
Mr. Francisco Servando Verdú Pons		Board Member	05-19-2006	05-19-2006	General Meeting
Mr. José Luis Del Valle Pérez		Secretary General, Board Member	06-28-1989	10-14-2003	General Meeting

Total number of Board Members: **18**

Indicate the resignations from the Board of Directors occurred during the period:

Name or corporate name of the Board Member	Date of resignation

B.1.3. Complete the following tables on the Board Members and their positions:

Executive directors

Or corporate name of the Board Member	Committee which proposed the appointment	Position in the Company's organizational chart
Mr. Agustín Batuecas Torrego	None	Board Member
Mr. José Luis del Valle Pérez	None	Secretary General and Member of the Board of Directors
Mr. Antonio García Ferrer	None	Executive Vice Chairman
Mr. Florentino Pérez Rodríguez	None	Chairman and CEO

Proprietary & External Directors

Name or corporate name of the Board Member	Committee which proposed the appointment	Name or corporate name of significant shareholder represented or that proposed his appointment
Mr. Manuel Delgado Solís	None	Corporación Financiera Alcor, S.A.
Mr. Javier Echenique Landiribar	None	Corporación Financiera Alcor, S.A.
Mr. Isidro Fernández Barreiro	None	Corporación Financiera Alba, S.A.
Mr. Pedro-José López Jiménez	None	Mr. Pedro-José López Jiménez
Mr. Santos Martínez-Conde Gutiérrez Barquín	None	Corporación Financiera Alba, S.A.
Mr. Javier Monzón de Cáceres	None	Corporación Financiera Alcor, S.A.
Mr. Julio Sacristán Fidalgo	None	Inversiones Vesán, S.A.
Mr. Pablo Vallbona Vadell	None	Corporación Financiera Alba, S.A.
Mr. Francisco Servando Verdú Pons	None	Corporación Financiera Alba, S.A.

Independent Non Executive Directors

Name or corporate name of the Board Member	Committee which proposed the appointment	Profile
Mr. José María Aguirre González	None	Enterprise
Mr. Alvaro Cuervo García	None	Enterprise
Mr. Joan David Grimá Terré	None	Enterprise
Mr. José María Loizaga Viguri	None	Enterprise
Mr. Miguel Roca Junyent	None	Lawyer

Other Non Executive Directors

Name or corporate name of the Board Member	Committee which proposed the appointment

Indicate the reasons why they cannot be considered proprietary or independent:

Indicate, if applicable, any variations that have occurred in the typology of each Board Member during the period:

Name or corporate name of the Board Member	Date of Change	Previous status	Current status

B.1.4. Indicate whether the classification of Board Members in the above section corresponds with the provisions of the Rules of the Board of Directors:

The rating of the Directors carried out in the foregoing point corresponds with the provisions set forth in article 3 of the Rules of the Board of Directors.

B.1.5. If applicable, indicate any powers delegated to the Board Members or Chief Executive officers:

Name or corporate name of the Board Member	Brief description
Mr. Florentino Pérez Rodríguez	All powers corresponding to the board except those that cannot be transferred

4.B Structure of the Company Administration

B.1.6. If applicable, identify the Members of the Board who hold the positions of administrators or directors of other companies that form part of the listed company:

Name or corporate the Board Member name of	Corporate name of the Group Entity	Position
Mr. José María Aguirre González	Cobra. Instalaciones y Servicios, S.A.	Chairman
Mr. José María Aguirre González	ACS Servicios. Comunicaciones y Energía, S.L.	Vice Chairman
Mr. José María Aguirre González	Cobra Gestión de Infraestructuras, S.L.	Chairman
Mr. Agustín Batuecas Torrego	Jiménez Lopera, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Continental Auto, S.L.	Chairman and CEO
Mr. Agustín Batuecas Torrego	Intercambiador de Transportes Príncipe Pío, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Compañía Navarra de Autobuses, S.A.	Secretary General and Member of The Board of Directors
Mr. Agustín Batuecas Torrego	Autocares Discrecionales del Norte, S.L.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Movelia Tecnologías, S.L.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Servicios Generales de Automoción, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Alsina Graells de Auto Transporte	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Autedia, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Continental Rail, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Transportes Alsina Graells Sur, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Hijos de Simón Maestra García, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Setra Ventas y Servicios, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Intercambiador de Transportes Plaza de Castilla, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Intercambiador de Transportes Avenida de América, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Construrail, S.A.	Board Member
Mr. Agustín Batuecas Torrego	Explotación Comercial de Intercambiadores, S.A.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. Agustín Batuecas Torrego	Autobuses García, S.L.	Individual Representing Continental Auto, S.L., Chairman and CEO
Mr. José Luis del Valle Pérez	Dragados, S.A.	Secretary General and Member of The Board of Directors
Mr. José Luis del Valle Pérez	ACS Servicios y Concesiones, S.L.	Secretary General and Member of The Board of Directors
Mr. José Luis del Valle Pérez	ACS Servicios. Comunicaciones y Energía, S.L.	Secretary General and Member of The Board of Directors
Mr. José Luis del Valle Pérez	Iridium, Concesiones de Infraestructuras, S.A.	Board Member
Mr. José Luis del Valle Pérez	Iberpistas, S.A.C.E	Board Member
Mr. José Luis del Valle Pérez	Dragados Industrial, S.A.	Board Member
Mr. José Luis del Valle Pérez	Sociedad Española de Montajes Industriales, S.A.	Secretary General and Member of The Board of Directors
Mr. José Luis del Valle Pérez	Dragados Servicios Portuarios y Logísticos, S.L.	Board Member
Mr. José Luis del Valle Pérez	Cobra Gestión de Infraestructuras, S.L.	Secretary General and Member of The Board of Directors
Mr. José Luis del Valle Pérez	Continental Auto, S.L.	Board Member
Mr. José Luis del Valle Pérez	Urbaser, S.A.	Board Member
Mr. José Luis del Valle Pérez	Cobra. Instalaciones y Servicios, S.A.	Secretary General and Member of The Board of Directors
Mr. José Luis del Valle Pérez	Clece, S.A.	Board Member
Mr. José Luis del Valle Pérez	Saba Aparcamientos, S.A.	Board Member
Mr. Manuel Delgado Solís	Dragados, S.A.	Board Member
Mr. Javier Echenique Landiribar	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member
Mr. Antonio García Ferrer	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member
Mr. Antonio García Ferrer	Dragados, S.A.	Board Member
Mr. Antonio García Ferrer	ACS Servicios y Concesiones, S.L.	Board Member
Mr. Pedro-José López Jiménez	ACS Servicios y Concesiones, S.L.	Board Member
Mr. Pedro-José López Jiménez	Dragados, S.A.	Vice Chairman
Mr. Javier Monzón de Cáceres	ACS Servicios y Concesiones, S.L.	Board Member

B.1.7. List, if applicable, the Board Members of the Company who are Members of the Boards of Directors of other companies that are listed on official stock exchanges in Spain and which do not form part of the Company's Group and of which the Company is aware:

Name or corporate name of the Board Member	Listed Company	Cargo
Mr. José María Aguirre González	Banco Guipuzcoano, S.A.	Chairman
Mr. José María Aguirre González	Acerinox, S.A.	Board Member
Mr. Alvaro Cuervo García	Bme-Bolsas y Mercados Españoles, S.A.	Board Member
Mr. Alvaro Cuervo García	Tafisa, Tableros de Fibras, S.A.	Vice Chairman
Mr. José Luis del Valle Pérez	Unión Fenosa, S.A.	Board Member
Mr. Manuel delgado Solís	Unión Fenosa, S.A.	Board Member
Mr. Javier Echenique Landiribar	Uralita, S.A.	Board Member
Mr. Javier Echenique Landiribar	Repsol ypf, S.A.	Board Member
Mr. Javier Echenique Landiribar	Ence, S.A.	Board Member
Mr. Isidro Fernández Barreiro	Corporación Financiera Alba, S.A.	Vice Chairman
Mr. Isidro Fernández Barreiro	Prosegur, S.A.	Board Member
Mr. Antonio García Ferrer	Abertis Infraestructuras, S.A.	Board Member
Mr. Antonio García Ferrer	Unión Fenosa, S.A.	Board Member
Mr. Joan David Grimá Terré	Antena 3, Tv, S.A.	Board Member
Mr. José María Loizaga Viguri	Cartera Hotelera, S.A.	Chairman
Mr. José María Loizaga Viguri	Zardoya Otis, S.A.	Vice Chairman
Mr. José María Loizaga Viguri	Unión Fenosa, S.A.	Board Member
Mr. José María Loizaga Viguri	Mecalux, S.A.	Board Member
Mr. Pedro-José López Jiménez	Compañía Española de Petróleos, S.A. (CEPSA)	Board Member
Mr. Pedro-José López Jiménez	Indra Sistemas, S.A.	Board Member
Mr. Pedro-José López Jiménez	Unión Fenosa, S.A.	Chairman
Mr. Santos Martínez-Conde Gutiérrez Barquín	Acerinox, S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez Barquín	Unión Fenosa, S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez Barquín	Corporación Financiera Alba, S.A.	CEO
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	Chairman
Mr. Julio Sacristán Fidalgo	Unión Fenosa, S.A.	Board Member
Mr. Julio Sacristán Fidalgo	Autopistas Aumar, S.A.C.E	Board Member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	Vice Chairman
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Vice Chairman
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	Board Member

B.1.8. Complete the following tables showing the total Remuneration of the Board Members accrued during the financial year:

a) In the Company covered under the present report:

Nature of remuneration	Figures in thousand euros
Fixed Remuneration	2,402
Variable Remuneration	3,033
Expenses	0
Statutory dues	1,775
Stock options and/or financial instruments	2,023
Other	0
Total:	9,233

4.B Structure of the Company Administration

Other benefits	Figures in thousand euros
Advances	0
Loans	0
Pension funds and plans: contributions	2,022
Pension funds and plans: obligations assumed	2,022
Life insurance premiums	12
Guarantees constituted by the Company in favour of Board Members	0

b) Received by Board Members of the Company for belonging to other Boards of Directors and/or senior Management of companies of the Group:

Nature of remuneration	Figures in thousand euros
Fixed remuneration	421
Variable Remuneration	150
Expenses	0
Statutory dues	414
Stock options and/or financial instruments	78
Other	60
Total:	1,123

Other benefits	Figures in thousand euros
Advances	0
Loans	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations assumed	0
Life insurance premiums	0
Guarantees constituted by the Company in favour of Board Members	0

c) Total compensation per type of Board Member:

Classes of Board Members	By company	By group
Executive Directors	7,963	872
Proprietary & External Directors	815	215
Independent Non Executive Directors	455	36
Other Non Executive Directors	0	0
Total:	9,233	1,123

d) In relation to profit attributed to the parent company

Total Board Member Remuneration (thousands of euros)	10,356
Total Board Member Remuneration/ profit due to parent Company (as %)	0.828

B.1.9. Identify the members of senior Management that are not, in turn, executive directors, and indicate the total remuneration accrued in their favour during the financial year:

Name or corporate name	Position
Mr. Jose María Aguirre Fernandez	General Manager of Tecsa. Empresa Constructora, S.A.
Mr. Antonio Alfonso Sanchez	Assistant To The Chairman of ACS Servicios y Concesiones, S.L.
Mr. Manuel Alvarez Muñoz	Production Manager of Vias y Construcciones, S.A.
Mr. Manuel andrés Martínez	Service Manager of Urbaser, S.A.
Mr. Pedro Ascorbe Trian	General Manager of Dragados off-Shore, S.A.
Mr. Francisco Javier Asencio Marchante	Sole Administrator of Geotecnia y Cimientos, S.A.
Mr. Antonio Benitez Vilches	General Manager of Mantenimiento y Montajes Industriales, S.A.
Mr. Antonio Cortes Sanchez	International Director of Dragados, S.A.
Mr. Alfonso Costa Cuadrench	Director of Technical Services of Dragados, S.A.
Mr. Octavio del Real Sanchez	Director of Affiliates of Dragados, S.A.
Mr. Lorenzo Diaz Revenga	Chairman and CEO of Dragados Industrial, S.A.
Mr. Eloy Dominguez-Adame Bozzano	General Manager of Flota Proyectos Singulares, S.A.
Mr. Francisco Fernández Lafuente	General Manager of offers of Iridium Concesiones de Infraestructuras, S.A.
Mr. Marcelino Fernandez Verdes	Chairman and CEO of Dragados, S.A. (Top Executive of The Construction and Concessions Area)
Mr. Ángel García Altozano	Corporate General Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. Pablo García Arenal	General Plant Manager of Cobra Instalaciones y Servicios, S.A.
Mr. Fernando Garcia Arribas	General Manager of Drace Medioambiente, S.A.
Mr. Manuel García Buey	CEO of Iridium Concesiones de Infraestructuras, S.A.
Mr. Carlos Gerez Pascual	Director of Machinery of Dragados, S.A.
Mr. Gonzalo Gómez-Zamalloa Baraibar	CEO of Vias y Construcciones, S.A.
Mr. Jose Ignacio Legorburu Escobar	Director of Building of Vias y Construcciones, S.A.
Mr. Eugenio Llorente Gómez	CEO of Cobra Instalaciones y Servicios, S.A.
Mr. Jose María López Piñol	Director of Building of Dragados, S.A.
Mr. Epifanio Lozano Pueyo	Administration Manager of ACS Servicios Comunicaciones y Energía, S.A.
Mr. Ricardo Martin de Bustamante Vega	Director of Civil Works of Dragados, S.A.
Mr. Jose Naranjo Hiraldo	General Manager of Urbaser, S.A.
Mr. Maximiliano Navascués Redondo	Director of Contracts of Dragados, S.A.
Mr. Jose Alfonso Nebrera García	General Manager of ACS, Servicios, Comunicaciones y Energía, S.L.
Mr. Luis Nogueira Miguelsanz	Secretary General of Dragados, S.A.
Mr. José Ontañón Carrera	Director of Waste Treatment of Urbaser, S.A.
Mr. Manuel Perez Beato	Executive President of Vias y Construcciones, S.A.
Mr. Juan Ernesto Pérez Moreno	Assistant to The Chairman of Dragados, S.A.
Mr. Enrique Perez Rodriguez	Director of Real Estate
Mr. Ignacio Perez Rodriguez	Executive Chairman of ACS Servicios, Comunicaciones y Energía, S.L. (Head of Industrial Services Area)
Mr. Juan Carlos Pery Paredes	CEO of Dragados Servicios Portuarios y Logísticos, S.L.
Mr. Javier Polanco Gómez-Lavín	CEO of Urbaser, S.A.
Mr. Jose Reis Costa	Chairman of Procme, Ltd
Mr. Victor Revuelta García	General Manager of Iridium Concesiones de Infraestructuras, S.A.
Mr. Carlos Rodriguez Mendez	General Manager of Control y Montajes Industriales, S.A.
Mr. Mateo Rodriguez Sanchez del Moral	General Manager of Industrial Engineering and Plants
Mr. Jose Romero de Avila González-Albo	General Manager of ACS Servicios, Comunicaciones y Energía, S.L.
Mr. Juan Enrique Ruiz Gonzalez	General Manager of Sice Tecnología y Sistemas
Mr. Juan Jose Sacristan Sacristan	General Manager of Dragados y Construcciones Especiales, S.A.
Mr. Javier San Millán Pérezagua	General Manager of Clece, S.A.
Mr. Juan Agustín Sanchez Bernal	Chairman of API, ETRA E IMES
Mr. andrés Sanz Carro	Secretary General of Semi/Maessa
Mr. Ignacio Segura Suriñach	General Manager of Dragados, S.A.
Mr. Demetrio Ullastres Llorente	General Manager of Business development In The ACS Group
Mr. Cristóbal Valderas Alvarado	CEO of Clece, S.A.
Mr. Daniel Vega Baladrón	CEO of Semi y Maessa

Total Board Member Remuneration (thousand euros):

25,320

4.B Structure of the Company Administration

B.1.10. Indicate on an aggregate basis if there are guarantee or protection clauses, in the case of dismissal or changes of control in favour of members of senior Management, including the executive Board Members, of the Company or its Group. Indicate if these contracts have to be notified and/or approved by the bodies of the Company or its Group:

Number of beneficiaries	15	
	Board of Directors	General Meeting
Body authorising the clauses	X	
	YES	NO
Is the General Meeting informed about the clauses?		X

B.1.11. Indicate the process for establishing the remuneration of the members of the Board of Directors and the statutory clauses relevant in this respect.

The remuneration of the different Board Members for statutory dues was proposed by the Board at the proposal of the Remuneration Committee. Every year, the global amount is submitted for the approval by the Company's General Shareholders' Meeting within the agreement regarding the allocation of profits.

This matter is ruled in the last three paragraphs of article 34 of the Company By-laws, which establish the following: "In addition to the allowances and expenses agreed by the General Meeting, for statutory participation, the Board of Directors shall also be entitled to remuneration that does not exceed ten percent of the distributable net profit. This can only be allocated once the legal reserves and, if applicable, the statutory reserves have been made and the shareholders have been paid a dividend of at least four percent of the paid-up capital for each share.

Express authorization is hereby given to allow remuneration to all or any of the members of the Board of Directors, as well as executive staff of the Company and the companies that belong to the same Group, which consists in the surrender of Company shares or of stock option rights or through a reference to the value of said shares, in the manner, terms and conditions set by the General Shareholders' Meeting through the opportune agreement with the legally established requirements.

The Board of Directors shall decide on the manner of distributing the remuneration due through the application of this article, including the different amounts".

In accordance with the provisions of article 16 of the Rules of the Board of Directors, it shall be the Board that, after a report from the Appointment and Remuneration Committee, shall determine the distribution of the total corresponding amount, as well as the frequency, in accordance with legislation and By-laws in force. Furthermore, in keeping with article 24 of the Rules, the Appointment and Remuneration Committee has the duty to inform the Board of the remuneration of the Board of Directors and other senior executives of the Company as well as regarding the multiannual plans depending on the value of the shares as is the case with stock options.

B.1.12. Indicate the identity of any Board Members that are, at the same time, Board Members or executives at companies who hold significant shareholdings in the listed Company and/or entities in the Group:

Name or corporate name of the Board Member	Name or corporate name of the significant shareholder	Position
Mr. Isidro Fernández Barreiro	Corporación Financiera Alba, S.A.	Second Vice Chairman
Mr. Santos Martínez-Conde Gutiérrez Barquín	Corporación Financiera Alba, S.A.	CEO
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	Administrator
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Vice Chairman
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	Board Member

List, if applicable, any relevant relationships, other than those contemplated in the chart above, which could link any Board Members with significant shareholders and/or their Group companies:

Name or corporate name of the Board Member	Name or corporate name of the significant shareholder	Description of Relationship
Mr. Manuel Delgado Solís	Percacer, S.A.	Lawyer
Mr. Manuel Delgado Solís	Imvernelín Patrimonio, S.L.	Lawyer
Mr. Isidro Fernández Barreiro	Corporación financiera Alba, S.A.	Director of Banca March, S.A., Main Shareholder of Corporación Financiera Alba, S.A.
Mr. Julio Sacristán Fidalgo	Inversiones Vesán, S.A.	Brother in law of Mr. Florentino Pérez, Administrator of Inversiones Vesán, S.A.
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Executive Vice Chairman of Banca March, S.A., Main Shareholder of Corporación Financiera Alba, S.A.
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	CEO of Banca March, S.A., Main Shareholder of Corporación Financiera Alba, S.A.

B.1.13. Indicate, if applicable, any amendments made to the Rules of the Board of Directors during the financial year.

The Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in a meeting held on March 30, 2006, modified articles 11, 21 and 24 of the Rules of the Board of Directors, resolutions which were raised to public document status by virtue of a deed granted before Mr. Cruz Gonzalo López-Muller Gómez on June 15, 2006, under number 1695 of his official records, recorded at the Mercantile Registry of Madrid on July 17, 2006, in the following terms:

Article 11. Period of appointment of the Directors

The Board Members shall perform their functions during the term for which they were appointed, that is, six years. They may be re-elected one or more times for terms of equal or less time.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill such vacancy by choosing among the shareholders until the next General Shareholders' Meeting, when the definitive election shall take place.

The appointment of Board Members shall expire when, once the term matured, the next General Shareholders' Meeting is held or the term legally established for the General Meeting to take place elapses, in which resolution must be approved regarding the approval of the annual accounts for the previous year."

Article 21. The Committees

For greater efficiency in the exercise of its duties and without prejudice to the statutory powers which correspond to the Board for the creation of the Committees that it deems necessary, an Executive Committee shall be formed, with delegated powers from the Board, an Audit Committee and a Remuneration Committee, with the functions that are set forth in these Rules within the framework of current legislation and the Company By-laws.

4.B Structure of the Company Administration

Article 24. The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Board Members who shall be freely elected and moved from among its members, by the Board of Directors. Furthermore, they shall perform their functions during the term for which they were appointed, that is, for four years. The Secretary of the Board of Directors of the Company shall attend these meetings in the capacity of Secretary, with voice but without vote.

This shall only be understood to be validly constituted when the majority of its members are present and shall adopt its resolutions through a majority of attendees. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee is responsible for providing the Board of Directors with information on:

1. The remuneration scheme of the Chairman of the Board of Directors and other senior executives.
2. Remuneration of the Board Members.
3. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.
4. Proposals for the appointment of Board Members.
5. Appointments of the Senior Executives that will form part of the Group's Management Committee.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.”

B.1.14. Indicate the procedures for appointment, re-election, evaluation and removal of Board Members. detail the competent bodies, the steps to follow and the criteria to use in each of the procedures.

The issue is regulated in the Rules of the Board of Directors, in the following articles, the literal content of which is the following:

Article 3. Composition and appointment

Within the limits set forth in article 13 of the Company By-laws in force and without prejudice to the powers of proposal which, in accordance with current legislation, corresponds to the shareholders, it shall fall to the Board of Directors to propose to the General Shareholders' Meeting both the number of Directors as well as the individuals or legal entities that must be appointed. The appointment proposal shall record the executive, external and proprietary or external and independent status of the proposed Board Members.

In addition, in the event of vacancies, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders' Meeting, when the definitive election shall take place.

Article 4. Duties (...) In particular, the Board of Directors shall be responsible for:

Acceptance of Board Member resignations.

Appointment, revocation and acceptance of resignations for the Chairman, Vice Chairman and Secretary of the Board.

Appointment, revocation and acceptance of the resignation of the Board Members that are to form part of the Committees and Commissions set forth in these Rules.

Article 11. Period of appointment of the Directors

The Board Members shall perform their functions during the term for which they were appointed, that is, six years. They may be re-elected one or more times for terms of equal or less time.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill such vacancy by choosing among the shareholders until the next General Shareholders' Meeting, when the definitive election shall take place.

The appointment of Board Members shall expire when, once the corresponding has elapsed, the next General Shareholders' Meeting is held or the term legally established for the General Meeting to take place elapses, in which resolution must be approved regarding the approval of the annual accounts for the preceding year.

Article 17. The Chairman

The Board shall elect a Chairman from among its members. The Chairman, in addition to the duties that correspond to him by virtue of current legislation, the Company By-laws and these Rules, shall undertake duties that befit the status of the top executive post of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall have the widest possible powers for the purpose of carrying out his duties and, unless lawfully prohibited, may totally or partially replace same in favour of other members of the Board and executive personnel of the Company and, in general, to whomever he deems fit and proper.

Article 18. The Vice Chairmen

The Board may likewise elect one or two Vice Chairmen from among its Directors: The Vice Chairmen shall deputise for the Chairman in those instances of delegation, absence or illness and, in general, shall exercise all those duties that fall to the Chairman, the Executive Committee and the Board of Directors.

The replacement of the Chairmen by the Vice Chairmen shall be carried out in accordance with the order of their appointment or, in the absence of this, through the order of their seniority and, finally, in order of age from eldest to youngest.

Article 19. The Chief Executive officer

The Board may appoint a Chief Executive officer (CEO) and award him the powers required unless these are prohibited from being delegated through the Law or through the Company By-laws.

Article 20. The Secretary

The Board of Directors shall appoint a Secretary, which is not required to be a Board Member and must be a practising Lawyer. In addition to the duties for which the Secretary is responsible under current legislation, the Company By-laws and these Rules, the Secretary of the Board of Directors must also oversee the legality of the acts that emanate from the Company bodies that it forms part of, providing the due warnings and taking minutes of the same.

Article 24. The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Board Members who shall be freely elected and moved from among its Members, by the Board of Directors. Furthermore, they shall perform their functions during the term for which they were appointed, that is, for four years. The Secretary of the Board of Directors of the Company shall attend these meetings in the capacity of Secretary, with voice but without vote.

This shall only be understood to be validly constituted when the majority of its members are present and shall adopt its resolutions through a majority of attendees. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee is responsible for providing the Board of Directors with information on:

1. The remuneration scheme of the Chairman of the Board of Directors and other senior executives.
2. Remuneration of the Board Members.
3. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.
4. Proposals for the appointment of Board Members.
5. Appointments of the Senior Executives that will form part of the Group's Management Committee.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

4.B Structure of the Company Administration

B.1.15. Indicate the events in which Board Members are obliged to resign.

This is not expressly considered.

B.1.16. State whether the function of the Chief Executive officer of the Company rests with the Chairman of the Board. If this is the case, indicate the measures that have been taken to limit the risks of accumulation of powers in a single person:

	YES	NO
	X	

The Chairman of the Board, Mr. Florentino Pérez Rodríguez, is also CEO, and has delegated all the powers of the Board, except those that cannot be transferred. His duty is not only delimited by this scope of powers that cannot be transferred, but also by the duties that he carries out as Chairman of the Executive Committee. There is no other specific risk limitation of the accumulation of these duties.

B.1.17. Are higher majorities required, different from the legal majority, in any type of decision?

	YES	NO
		X

Indicate how resolutions are adopted in the Board of Directors, identifying at least, the minimum quorum of attendance and the type of majority to adopt resolutions:

Adoption of resolutions

Description of resolution	Quórum	Type of Majority

B.1.18. State whether there are specific requisites, different from those related to Board Members, to be nominated Chairman.

	YES	NO
		X

Description of resolution

B.1.19. Indicate if the Chairman has a casting vote:

	YES	NO
		X

Matters where the casting vote exists

B.1.20. Indicate if the Company By-laws or the Rules of the Board of Directors establish any limit on the age of Board Members:

	YES	NO
		X

Age limit of Chairman

Age limit of Chief Executive officer

Age limit of Board Member

B.1.21. Indicate if the Company By-laws or the Rules of the Board of Directors establish a limited mandate for independent Board Members:

	YES	NO
		X

Maximum number of mandate years

0

B.1.22. Indicate if there are formal processes for the delegation of votes in the Board of Directors. If so, explain them briefly.

Without prejudice to the obligation to attend, the Directors that cannot attend a meeting in person may be represented and cast a vote through another Director. This delegation must be made in writing to the Chairman and must in the form of a letter, telegram, telex or fax or any other written means that acknowledges receipt by the addressee.

B.1.23. Indicate the number of meetings that the Board of Directors has held during the year. In addition, indicate the number of time the Board has meet without the presence of the Chairman, if applicable:

Number of Board meetings	5
Number of Board meetings without the presence of the Chairman	0

4.B Structure of the Company Administration

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

Number of meetings of the Executive Committee or Representative	9
Number of meetings of the Audit Committee	5
Number of meetings of the Appointment and Remuneration Committee	4
Number of meetings of the Strategy and Investments Committee	0
Number of meetings of the Committee	0

B.1.24. Indicate whether the individual and consolidated annual accounts that are presented to the Board of Directors for their approval are previously certified:

	YES	NO
	X	

Identify, if applicable, the person/people who has/have certified the Company's individual and consolidated annual accounts, for their preparation by the Board:

Name	Position
Mr. Ángel García Altozano	Corporate General Manager

B.1.25. Explain the mechanisms established by the Board of Directors, if any, to avoid that the individual and consolidated annual accounts which it prepares be presented at the General Shareholders' Meeting with a qualified auditor's report.

In this respect, routine meetings are held between the accounts auditor and the Audit Committee to analyse with sufficient notice any differences between the accounting criteria of the Company and its Group and the auditor's interpretation of the accounts. The foregoing is in accordance with article 20 bis of the Company By-laws. It is considered that the 2006 auditors' reports on ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2004 and 2005.

B.1.26. Outline the measures adopted so that the information released to the stock exchange is transmitted in a symmetrical and equitable manner.

We try to ensure that knowledge of relevant facts for the market is restricted to the minimum number of identified persons, until the public in general is made aware of the corresponding relevant fact through the dissemination of same.

B.1.27. Is the Secretary of the Board of Directors a Board Member?:

	YES	NO
	X	

B.1.28. Indicate the mechanisms established by the Company, if any, to preserve the independence of the auditor, of the financial analysts, of the investment banks and of the rating agencies.

With regard to the auditor, Article 23 of the Rules of the Board of Directors expressly sets forth that in addition to the appointment proposal, the Audit Committee shall be responsible for dealing with the external auditors in order to receive information on those matters that could jeopardise their independence and any others related to the process of implementation of the accounts auditing as well as those other communications provided for in accounts auditing legislation and technical standards of auditing. Elsewhere, both article 20 b of the Company By-laws as well as article 23 of the Rules of the Board of Directors set forth that the appointment of the members of the Audit Committee cannot fall to anybody that is currently performing this task or who had carried out tasks of an executive or work nature in the Company during the three immediately preceding years. Moreover, the appointment of the Chairman must fall to a non-executive Board Member of the Company who cannot remain in this post for a period greater than four years. He can, however, be re-elected once a period of one year has elapsed from his stepping down.

Among the mechanisms employed to preserve the independence of the financial analysts and investment banks, the principles of maximum transparency and non-discrimination are of note, where the Company bases its relationship with these entities on such principles. The Corporate General Management coordinates the relationship with said entities, establishing communication channels with both institutional investors and with individuals in order to guarantee fair and objective treatment. In addition and in relation to this matter, for the purposes of the General Shareholders' Meeting, a special service for shareholders has been started, especially directed at minority shareholders. The Corporate General Management also handles the mandates of the investment banks. The principles of transparency and non-discrimination are shown in a personalised fashion, and always in accordance with the Spanish Stock Market Commission (CNMV) regulations, through the communication of information relative to quarterly and other specific information (as a rule, no relevant information is published in the 15 days prior to the publication of the results), by email, on the web page (ir@grupoacs.com), presented in person or transmitted through mobile phone and internet. All information for analysts, investors and individuals is included on the Company's web page (www.grupoacs.com). There are no rating agencies for the Company.

B.1.29. Indicate if the auditing firm undertook other work for the Company and/or its Group other than the audit and in this case indicate the amount paid in fees for said work and the percentage that it represents of the total fees invoiced to the Company and/or Group.

	YES	NO
	X	

	Sociedad	Grupo	Total
Amount from work other than the audit (thousand euros)	0	167	167
Amount from work other than audit / Total amount invoiced by auditing firm (in %)	0.000	5.537	5.278

B.1.30. Indicate the number of uninterrupted years that the current auditing firm has carried out the audit of the annual accounts of the Company and/or its Group. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the annual accounts have been audited:

	Company	Group
Number of uninterrupted years	17	17

	Company	Group
Number of years audited by current auditing firm / Number of years that the Company has been audited in %	100.000	100.000

4.B Structure of the Company Administration

B.1.31. Indicate the shareholdings of members of the Company's Board of Directors in entities that have the same, analogous or complementary kinds of activities to the business purpose of both the Company and its Group, which have been notified to the Company. Also indicate the positions or duties that they perform in these companies:

Name or corporate name of the Board Member	Name of the object Company	% shareholding	Position or function
Mr. José Luís del Valle Pérez	Iberpistas, S.A.C.E	0.000	Board Member
	Del Valle Inversiones, S.A.	33.330	Joint and Several Administrator
	Inmobiliaria Paredes, S.A.	13.570	Sole Administrator
	Iberdrola	0.000	
	Inversiones Montecarmelo, S.A.	23.490	
	Sagital, S.A.	5.100	
	FSC Servicios de Franquicia, S.A.	0.000	Chairman
	Saba Aparcamientos, S.A.	0.000	Board Member
	Continental Industrias del Caucho, S.A.	0.000	Chairman
	Unión Fenosa, S.A.	0.000	Board Member
Continental Tires España, S.L.	0.000	Chairman	
Mr. Manuel Delgado Solís	Unión Fenosa, S.A.	0.000	Board Member
Mr. Javier Echenique Landiribar	Abertis Infraestructuras, S.A.	0.002	
	Telefónica, S.A.	0.002	
Mr. Isidro Fernández Barreiro	Grupo Ferrovial, S.A.	0.012	
	Telefónica, S.A.	0.008	
	Endesa, S.A.	0.004	
	FCC	0.001	
Mr. Antonio García Ferrer	Abertis Infraestructuras, S.A.	0.000	Board Member
Mr. José María Loizaga Viguri	Unión Fenosa, S.A.	0.000	Board Member
Mr. Pedro-José López Jiménez	Atlas Copco, SAE.	0.000	Board Member
	Terratest Técnicas Especiales, S.A.	45.000	Chairman (held through fapindus, S.L.)
	Unión Fenosa, S.A.	0.098	Chairman
Mr. Santos Martínez-Conde Gutiérrez Barquín	Abertis Infraestructuras, S.A.	0.000	
	Enagas, S.A.	0.001	
	Inmobiliaria Urbis, S.A.	0.000	
	Abengoa	0.002	
	Iberdrola	0.001	
	Gas Natural SDG, S.A.	0.001	
	S.G. Aguas de Barcelona, S.A.	0.003	
	Gamesa Corporación Tecnológica, S.A.	0.001	
	Grupo Ferrovial, S.A.	0.001	
	Repsol YPF, S.A.	0.001	
	Fadesa Inmobiliaria, S.A.	0.002	
	Compañía Española de Petróleos, S.A. (CEPSA)	0.001	
	Compañía de Distribución Integral Logista, S.A.	0.002	
	Indra Sistemas, S.A.	0.001	
	Unión Fenosa, S.A.	0.001	Board Member
	Endesa, S.A.	0.001	
	Renta Corporación Real Estate, S.A.	0.004	
Telefónica, S.A.	0.001		
FCC	0.003		
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	0.046	Chairman
	YPF, S.A.	0.000	Board Member
	Banco Inversis Net, S.A.	0.000	Individual Representing Board Member Indra Sistemas, S.A.
Mr. Julio Sacristán Fidalgo	Unión Fenosa, S.A.	0.000	Board Member
	Autopistas Aumar, S.A.C.E.	0.000	Board Member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	0.001	Vicechairman

B.1.32. Indicate and detail, if applicable, if there is any procedure for the Board Members to obtain external advice:

	YES	NO
		X

Detail of procedure

B.1.33. Indicate and if applicable provide details of any procedure for Board Members to obtain the information required to prepare for the meetings of the administrative bodies with sufficient time:

	YES	NO
	X	

Detail of procedure

Article 15 of the Rules expressly considers the right of the Board Members to request and obtain the information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or the Secretary of the Board.

B.1.34. Indicate if there is a liability insurance policy that covers the Company's Board Members:

	YES	NO
	X	

4.B Structure of the Company Administration

B.2. Committees of the Board of Directors

B.2.1. Identify the administrative bodies:

Name of body	Number of members	Functions
Board of Directors	18	The representation of the Company and the administration of its businesses and the carrying-out of as many operations as form the corporate purpose or are related thereto.
Executive Committee	7	Through delegation from the board of directors, this committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company by-laws. That notwithstanding, the board of directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the executive committee may submit any matter to the decision of the board of directors when, although the matter could be dealt with by the committee, this body believes it is necessary for the board to take the appropriate decision
Audit Committee	4	<p>A) To inform the General Meeting on Matters raised by the shareholders.</p> <p>B) To propose the appointment of the external accounts auditor to the Board of Directors of the Company in order that the latter can present this proposal to the General Meeting, in accordance with article 204 of the revised text of the corporations law.</p> <p>C) To review and approve any significant changes to the accounting policies of the Company and he subsidiary companies that form the Group of companies. Likewise, in general, all dealings with the external auditors in order to receive information on those issues that could jeopardise their independence as well as any others related to the process of implementation of accounts auditing and any other communications set forth in legislation governing accounts auditing and the technical rules of accounting</p> <p>D) To supervise the internal audit services if this body exists within the business organization.</p> <p>E) To be aware of the financial information process and the internal control systems of the company.</p> <p>F) To review and provide information on the estimates made by the Company Management and those that are integrated into its Group of companies on possible tax and legal contingencies of a significant nature.</p> <p>G) To be aware of the results of inspections carried out by official authorities.</p> <p>H) To be aware of the information regarding the company's accounts that is periodically supplied to the stock market.</p> <p>I) Any other special issues that are referred to the Board of Directors.</p>
Appointment and Remuneration Committee	4	<p>The appointment and Remuneration Committee is responsible for providing the Board of Directors with information on:</p> <ol style="list-style-type: none"> 1. The remuneration scheme of the Chairman of the Board of Directors and other senior executives. 2. Remuneration of the Board Members. 3. Long-term plans that may be established in accordance with the value of the share, such as stock option plans. 4. Proposals for the appointment of Board Members. 5. Appointments of the senior executives that will form part of the Group's Management Committee. <p>The provisions set forth in the rules regarding the operation of the Board of Directors shall be applied to the appointment and Remuneration Committee as necessary and with the natural adaptations.</p>

B.2.2. Detail of all the Committees of the Board of Directors and its members:

Executive Committee

Name	Position
Mr. Florentino Pérez Rodríguez	Chairman
Mr. José María Loizaga Viguri	Member
Mr. Javier Echenique Landiribar	Member
Mr. Santos Martínez-Conde Gutiérrez Barquín	Member
Mr. Antonio García Ferrer	Member
Mr. Pedro-José López Jiménez	Member
Mr. Pablo Vallbona Vadell	Member
Mr. José Luís del Valle Pérez	Secretary (No Member)

Audit Committee

Name	Position
Mr. Álvaro Cuervo García	Chairman
Mr. Manuel Delgado Solís	Member
Mr. Santos Martínez-Conde Gutiérrez Barquín	Member
Mr. Julio Sacristán Fidalgo	Member
Mr. José Luís del Valle Pérez	Secretary (No Member)

Appointment and Remuneration Committee

Name	Position
Mr. Pablo Vallbona Vadell	Chairman
Mr. José María Aguirre González	Member
Mr. Javier Echenique Landiribar	Member
Mr. José María Loizaga Viguri	Member
Mr. José Luís del Valle Pérez	Secretary (No Member)

Strategy and Investments Committee

Name	Position
-------------	-----------------

4.B Structure of the Company Administration

B.2.3. Provide a description of the organization and operating rules, as well as the responsibilities attributed to each of the Board committees.

These are included in articles from 21 to 24 of the Rules of the Board of Directors, the contents of which are the following:

Article 21. The Committees

For greater efficiency in the exercise of its duties and without prejudice to the statutory powers that correspond to the Board for the creation of the Committees that it deems necessary, an Executive Committee shall be formed, with delegated powers from the Board, an Audit Committee and an Appointment and Remuneration Committee, with the functions that are set forth in these Rules within the framework of current legislation and the Company By-laws.

Article 22. The Executive Committee

The Executive Committee shall be comprised of the Chairman of the Board, who shall be its Chairman; of one or two Vice Chairmen, if these positions have been designated; of the Board Members designated by the Board of Directors; and of the Secretary of the Board, with voice but without vote, who shall act as Secretary.

The Executive Committee shall meet as often as it is convened by the Chairman, either of his own initiative or when at least two members so request. The Committee is understood to be validly constituted when the majority of its elements are either present or represented and, save any other provision set forth in current legislation, in the Company By-laws or in these Rules, shall adopt its resolutions through a majority of attendees, either present or represented.

Through delegation of the Board of Directors, this Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied as necessary and with the natural adaptations.

Article 23. The Audit Committee

In accordance with the provisions set forth in article 20 bis of the Company By-laws, there shall be an Audit Committee that shall be comprised of three members to be appointed and discharged by the Board of Directors from among its members. This appointment cannot fall to anyone who currently occupies this post, or who has carried out tasks of an executive or work nature in the Company during the three immediately preceding years. The appointment of the Chairman, also to be made by the Board of Directors, must fall on one of the non-executive directors of the Company. The Chairman cannot hold this post for a period of more than four years, although he may be re-elected once a period of one year has elapsed from his stepping down. The Secretary of the Board of Directors of the Company shall attend these meetings in the capacity of Secretary, with voice but without vote.

This shall only be understood to be constituted when the majority of its members are present and shall adopt its resolutions through a majority of attendees. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year, coinciding with the initial and final stages of the auditing of the Company's financial statements and the consolidated accounts of the Group of Companies and always prior to the issue of the audit reports. The Company's Auditor may attend these meetings, whenever especially convened, for the purpose of explaining the most significant aspects of the audit.

The Audit Committee shall be responsible for the following functions:

- a) To inform the General Shareholders' Meeting on issues of its competence raised by shareholders.
- b) To propose the appointment of the external auditors referred to in Section 204 of the Revised Text of the Corporations Law to the Board of Directors of the Company for submittal to the General Shareholders' Meeting.
- c) To revise and approve any significant changes to accounting policies of the Company and the subsidiaries in the Corporate Group, as well as the Corporate Group itself. Likewise, in general, all dealings with the external auditors in order to receive information on those issues that could jeopardize their independence as well as any others related to the process of implementation of accounts auditing and any other communications set forth in legislation governing accounts auditing and the technical rules of accounting.
- d) To supervise the internal audit services if this body exists within the business organization.
- e) To be aware of the financial information process and the internal control systems of the Company.
- f) To review and provide information on the estimates made by the Company Management and those that are integrated into its Group of Companies on possible tax and legal contingencies of a significant nature.
- g) To be aware of the results of inspections carried out by official authorities
- h) To be aware of the information regarding the Company's accounts that is periodically supplied to the Stock Market
- i) Any other special issues that are referred to the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Audit Committee as necessary and with the natural adaptations.

Article 24. The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Board Members who shall be freely elected and moved from among its members, by the Board of Directors. Furthermore, they shall perform their functions during the term for which they were appointed, that is, for four years. The Secretary of the Board of Directors of the Company shall attend these meetings in the capacity of Secretary, with voice but without vote.

This shall only be understood to be validly constituted when the majority of its members are present and shall adopt its resolutions through a majority of attendees. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee is responsible for providing the Board of Directors with information on:

1. The remuneration scheme of the Chairman of the Board of Directors and other senior executives.
2. Remuneration of the Board Members.
3. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.
4. Proposals for the appointment of Board Members.
5. Appointments of the Senior Executives that will form part of the Group's Management Committee.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

4.B Structure of the Company Administration

B.2.4. Indicate the faculties of advice, consultation and, if applicable, delegations held by each of the Committees:

Committee Name	Brief description
Executive Committee	The Executive Committee has all the powers that correspond to the Board of Directors except for those that cannot be transferred by law or because of the Company by-laws.
Audit Committee	<p>The audit committee is responsible for the following functions of advice and consultancy, as well as those that the board of directors may entrust to it:</p> <ul style="list-style-type: none"> – To inform the General Meeting on Matters raised by the shareholders – To propose the appointment of the external accounts auditor to the Board of Directors in order that the latter can present this proposal to the General Meeting in accordance with article 204 of the revised text of the corporations law. – To review and approve any significant changes to the accounting policies of the company and the subsidiary companies that form the Group of companies. Likewise, in general, all dealings with the external auditors in order to receive information on those issues that could jeopardise their independence as well as any others related to the process of implementation of accounts auditing and any other communications set forth in legislation governing accounts auditing and the technical rules of accounting – To review and provide information on the estimates made by the Company management and those that are integrated into its Group of Companies on possible tax and legal contingencies of a significant nature.
Appointment and Remuneration Committee	<p>The Appointment and Remuneration Committee will report to the Board of Directors on the following Matters:</p> <ol style="list-style-type: none"> 1.- The Remuneration scheme of the Chairman of the Board of Directors and other top executives. 2. Remuneration of the Board Members. 3. Any long-term plans based on share value, such as stock options. 4. Proposals for the appointment of Board Members. 5. Appointments of the senior executives that will form part of the group's Management Committee.

B.2.5. Indicate, if applicable, if there are regulations of the Board Committees, where they can be consulted, and amendments made during the year. In addition, indicate on a voluntary basis if any annual report has been prepared on the activities of each Committee.

The Board Committees are regulated through the Rules of the Board of Directors and the activity of each Committee is set forth in minutes that are sent to each and every one of its members. In addition, the Audit Committee issued the corresponding report for the General Shareholders' Meeting with regard to the accounts for the 2005 financial year and must do the same in 2007 for the 2006 accounts.

B.2.6. In the event that there is an executive Committee, explain the level of delegation and autonomy that it has in carrying out its functions, in passing resolutions on the administration and Management of the Company.

Through delegation of the Board of Directors, this Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.

B.2.7. Indicate if the members of the executive Committee reflect the shareholding in the Board of the different Board Members based on their status:

	YES	NO
		X

If no, please explain the composition of its Executive Committee

The Executive Committee comprises an independent Board Member, two executive Board Members and four proprietary Board Members as well as a Secretary with voice but without vote.

B.2.8. If there is an Appointment Committee, indicate if all its members are non-executive Board Members:

	YES	NO
		X

4.C Associated Operations

C.1. Detail the relevant operations that involved a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company:

Name or corporate name of the significant shareholder	Name or corporate name of the Company or its Group Entity	Nature of relationship	Description of the operation	Amount (thousands of euros)
Banca March, S.A.	ACS Group Companies	Commercial activities	Finance lease agreements	5,670
Banca March, S.A.	ACS Group Companies	Commercial activities	Financing agreements: loans	6,990
Banca March, S.A.	ACS Group Companies	Commercial activities	Financing agreements: other	115,920
Banca March, S.A.	ACS Group Companies		Guarantees	38,080
Rosan Inversiones, S.L.	Dragados, S.A.	Commercial activities	Reception of services	4,057
Banca March, S.A.	ACS Group Companies	Commercial activities	Provision of services	64,734

C.2. Detail of the relevant operations that involved a transfer of resources or obligations between the Company and entities of its Group and the administrators or executives of the Company:

Name or corporate name of the Administrators or Executives	Name or corporate name of the Company or its Group Entity	Nature of relationship	Description of the operation	Amount (thousands of euros)

C.3. Detail the relevant operations made by the Company with other Companies belonging to the same group, provided that they are not eliminated in the process of preparing the consolidated financial statements and do not form part of the normal business of the Company in terms of its business purpose and conditions:

Corporate name of its Group entity	Brief description of the operation	Amount (thousands of euros)

C.4. Identify, if applicable, the existence of any conflicts of interest faced by the Board Members of the Company, as established under article 127 of the Corporations Law.

None other than those described in the answer provided in other sections, especially in B.1.31.

C.5. Mechanisms established to detect and regulate possible conflicts of interest between the Company and/or the Group, and its Board Members, Executives or significant shareholders.

1º) There are several standards included in the Rules of the Board of Directors. Article 13 specifically regulates conflicts of interest. With regard to the duty of loyalty, this article stipulates that the Board Members shall avoid conflicts of interest between themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives.

The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative affect on the reputation of the Company.

The Board Members shall abstain from intervening in the deliberations and of taking part in the voting on those Matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

Likewise, on regulating the non-competition and the use of information, article 14 sets forth that the Board Members cannot, either directly or indirectly, hold positions in Companies or firms that are competitors of the Company or of any of the Group Companies or provide representation services on behalf of same.

The Board Members cannot use restricted information that they have become aware of through the exercise of their position as a Board Member for any private purpose. More specifically, unless expressly authorised by the Board of Directors, the Board Members cannot benefit from commercial transactions that they have become aware of in their capacity as a Board Member.

Unless it is a duly authorised payment in kind, Board Members cannot make use of Company assets or use these assets to obtain a patrimonial advantage without paying the adequate consideration.

2º) Likewise, there are Rules of Conduct in the Stock Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the Company and/or its Group, its Board Members, Directors or significant shareholders.

In the meeting of July 17, 2003, the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., by virtue of the powers vested in it by the Board of Directors, approved the Rules of Conduct in the Stock Markets, informing to the Spanish Stock Market Commission (CNMV) on July 31, 2003. On the other hand the Board of Directors, in the meeting of July 1, 2004, unanimously resolved to approve a series of amendments to the Rules of Conduct in the Stock Exchange which was notified to the CNMV on July 2, 2004.

4.C Associated Operations

In general, the Rules apply to the Members of the Board of Directors, members of the Group Management Committee as well as, in general, those representatives and personnel of the Company that carry out activities that could fundamentally influence the Company's share listing. It also applies to Company representatives, personnel and external consultants who, for specific purposes, have privileged or reserved information regarding Company stock.

The Monitoring Unit provided for in the Rules shall have an updated list of the Board Members, representatives and personnel of the Company as well as external consultants bound by the same regulations. This list shall be made available to all supervising authorities of the stock markets. Both the inclusion on this list as well as exclusion from same shall be communicated in writing by the Chairman of the Monitoring Unit to all those affected.

The Regulations are applied with regard to shares, stock options and similar contracts that grant the right to subscribe to or acquire Company shares, convertible or non-convertible securities, bonds, promissory notes, junior debt and, in general, any kind of financial instrument issued by the Company or, if applicable, by Group entities. The Regulations shall also apply to cases of conflicts of interest pursuant to article 7 of same.

All persons to whom the Regulations apply must abstain from carrying out, or preparing to carry out, any kind of acts that falsify the free formation of prices on the stock market. Moreover, they must abstain from using all manner of privileged information, whether for personal gain or on behalf of third parties, which they have gained through the exercise of their functions at the Company or on behalf of the Company.

All members of the Board of Directors, representatives and personnel of the Company that possess privileged information regarding the negotiable securities and financial instruments issued by the Company or Group entities, are bound to safeguard same. This is without prejudice to their duty to communicate this information and to collaborate with the legal and administrative authorities in the terms legally set forth.

During the study or negotiation stages of any kind of legal or financial operation that could have an appreciable influence on the listing of the securities to which the Regulations refer, the Company personnel that are in charge of these operations shall be obliged:

- a) Inform only those people about the transaction, whether inside or outside the organization, whose involvement is indispensable.
- b) Maintain, for each transaction, a register of the names of the people referred to in paragraph a), stating the date on which each had access to the information.
- c) Clearly inform the persons listed on the register of the nature of the information, their duty to keep it confidential and the prohibition from using it.
- d) Establish security measures for maintaining, filing, accessing, copying and distributing the information.
- e) Monitor the performance of the negotiable securities or financial instruments related to the transaction in process as well as the information made public in any specialised and ordinary media that could affect the process.
- f) In the event of unusual corporate volumes or prices, and if there are reasonable grounds to believe that these changes are the result of premature, partial or distorted reporting of the transaction, the individuals responsible for the transaction shall immediately inform the Secretary of the Board of Directors, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction underway or containing advanced notice of the information to be made public.

Persons subject to the Regulations who carry out any kind of operation on negotiable securities or financial instruments issued by the Company must observe the following duties:

- a) To provide the Company, via the Chairman of the Monitoring Unit, with written information on any kind of purchase or sale or acquisition of option rights operation, carried out on their own behalf and which is related to the securities that constitute the target scope of these Regulations. Also considered on the same level as operations carried out on their own behalf are those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules, by children under legal age or disabled under paternal powers of the obligee or by Companies that are directly or indirectly controlled, or by intervening persons. Those operations that have not involved intervention by the person that is subject to these Regulations because they were ordered by the entities that the affected person has entrusted their securities portfolio Management to on a stable basis are excluded from this information obligation. In this case it shall be sufficient to inform the Chairman of the Monitoring Unit of the existence of the portfolio Management contract and the name of the managing agent.
- b) At the request of the Chairman of the Monitoring Unit, to provide full details of the operations carried out on their own behalf that are related to the securities that constitute the objective sphere of application of these Regulations.
- c) To communicate in writing to the Chairman of the Monitoring Unit, at the time of acquiring the status of Board Member, representative or staff member of the Company that is subject to these regulations, the list of the securities of the Company or the Group entities of which they are the holder, directly or indirectly via controlled Companies or through intervening persons or entities or persons and entities that act jointly, as well as those that are owned by their children under the legal age or disabled under paternal powers of the obligee or those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules. In addition, written notification of the existence of the portfolio Management contract and the name of the managing agent must be given.
- d) Submit to the Monitoring Unit, via its Chairman, any doubts regarding the application of these Rules, abstaining from any action until a response to the query has been received.

Without prejudice to the foregoing, when the operations on securities or financial instruments issued by the Company are carried out by Board Members, these must also be notified to the Stock Exchanges where the shares are listed and the Stock Market Committee, in the legally determined manner.

The Secretary of the Monitoring Unit shall maintain the communications, notifications and anything else related to the Regulations duly filed and organised. Moreover, the Secretary shall maintain said file confidential and may, at any time, request confirmation from persons that are bound by the Regulations of balances of securities and financial instruments that derive from the file.

The Monitoring Unit, through its Chairman, is responsible for formulating and maintaining an updated list of all persons subject to these Rules. The Monitoring Unit shall comprise the Secretary of the Board of Directors, who shall chair, the Corporate Director General and the Director of Administration, who shall act as Secretary.

Breach of the rules of conduct contained herein with regard to the provisions set forth in the Stock Market regulations may give rise to the corresponding administrative sanctions and other consequences that derive from applicable legislation. This shall be considered to be a work misdemeanour in so far as it affects Company staff.

4.D Risk Control Systems

D.1. General description of the risk policies of the Company and/or its Group, detailing and evaluating the risks covered by the system, along with the justification of the appropriateness of these systems for the profile of each type of risk.

The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate risks and fulfil the objectives established by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities implies a variety of risks; the Corporate Unit is responsible for defining basic guidelines in order to homogenize performance criteria in each of the divisions to guarantee an adequate level of internal control. The Companies and divisions of the Group are responsible for developing the required and appropriate internal regulation to govern the implementation of any necessary internal controls, which, in turn, shall guarantee optimum performance of such internal control in accordance with the special circumstances of their activities.

In order to respond to the need for global and homogeneous risk management, the Corporate Unit has established a risk management model which includes the identification, evaluation, classification, valuation, processing and follow-up of risks at the Group and operational business line levels. Once these risks have been identified, a risk map is prepared.

In light of the above, risks have been identified as follows:

- Operating risks, stemming from the different businesses that the Group develops and which vary depending on the area of activity, but which can be summarised in risks relative to entering into contracts, planification and control of the execution of the various works and projects, quality-related risks, environmental risks, and risks related to international activities.
- Non-operating risks, which also vary depending on the different businesses that the Group develops, such as risks relating to image, human resources, legal or regulatory Matters, tax, financial Matters and insurance coverage.

As indicated previously, the Group's risk control systems are based on a series of strategic and operational actions aimed at complying with risk policies by each area of Group activity. The actions are organised according to a decentralised model that allows each business unit to carry out its risk control and evaluation policies in accordance with certain basic principles. These principles are the following:

- Definition of the maximum risk limits that may be assumed by each business in accordance with the characteristics and expected return of the same, and which are implemented at the time contracts are entered into.
- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
- Coordination and communication to ensure that the risk policies of each business area are consistent with the Group's overall risk strategy.

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding Management information required for decisions with the monitoring of the appropriate indicators.

The control systems implemented in each business area may be classified into the following categories:

Management systems for the entering into contracts and bidding processes for works and projects.

Directed at evaluating the profitability of projects from a technical and economic point of view, with sufficient guarantees to ensure client solvency.

Management systems for the planification and execution of works and projects.

The Group and the various activity areas have several economic and production control systems designed to give reliable knowledge of the economic forecasts and deadlines for projects, from planification phase through execution of the projects, and information on the actual status at all times.

These systems are part of a comprehensive economic and budgetary control system for each business area, and are adapted to the characteristics of their activities in order to provide the necessary information to the persons responsible for each area so that they may control the risks deriving from any possible deviation and make the appropriate decisions to optimise the Management process.

All information is kept in economic information systems which allow the consolidated parameters to be easily monitored and controlled in a dynamic and strict manner. By giving Group Management detailed knowledge of the economic situation and potential and assumed risks, the system has become an essential element in the decision-making process.

Quality management systems.

These are the means used to ensure the products manufactured and the services provided are in accordance with the requirements specified in the contract, as well as legal and statutory requirements, for the purpose of ensuring client satisfaction.

The systems, which meet the requirements of the ISO 9001 standard, are based on preliminary identification of the relevant processes from the quality management point of view in which the activities developed in different area are organised, in order to plan them and track them accordingly.

The periodic review of the systems by the management and the setting of targets allows for ongoing improvements to be made to same.

Environmental management systems.

The implementation of these systems in the different business areas of the Group allows them to undertake their activities while guaranteeing maximum respect for the environment.

The systems, regulated by international standard ISO 14001, are based on the identification and evaluation of environmental aspects on which the business can have an impact, planning the necessary steps in order to eliminate or minimise risks by establishing adequate control measures in accordance with current legal requirements and the environmental code of conduct corresponding to each business unit. The basic criteria are as follows:

- Incorporation of the most advanced technologies in environmental issues, such as:
 - Conservation of energy and raw materials.
 - Using recyclable and biodegradable materials.
 - Minimising waste production and a respectful treatment with the environment
 - Promoting the reforestation and landscaping of construction sites.
- Development of specific actions for activities that so require, depending on the effect of the impact and the means
- To provide clients with continuous information regarding environmental risks and possible preventive measures.

Human resources management systems.

These systems are designed to establish compensation remuneration and objectives (especially for management personnel), hiring, training, evaluation of performance, motivation, control and follow-up of collective labour agreements and policies on expatriates.

Under this heading, the prevention of labour risks is noteworthy.

The ACS Group has developed a labour risk prevention policy that fully complies with current legislation. The policy is based on specific management systems for each business area. The criteria taken into consideration in this policy follow the basic principles of training, participation, individual responsibility and control of safety conditions.

The systems are adapted to the specific characteristics of each business area. Occupational risk prevention plans based on the identification of risks are designed and implemented in order to eliminate them, evaluating potential risks to minimise these and take the necessary protective measures.

4.D Risk Control Systems

Financial risk control systems.

The following are financial risks associated with Group activities:

- Risk of liquidity.
- Risks arising from changes in foreign exchange currency rates.
- Risks arising from changes in interest rates.
- Credit risk.

The liquidity risk is managed by maintaining sufficient amounts available to negotiate the substitution of transactions coming due for different, new transactions under the best terms and to meet short-term cash needs.

In loan transactions, periodically a follow-up is performed on the concentration risk by financial entity to avoid an excessive concentration and be able to rely on a number of entities to manage risk situations in case the need should arise.

In the case of risk arising from changes in foreign exchange currency rates, the Group finances its investments, when possible, in the same currency as the cash flows from said investments. This is not possible in the shallow markets associated with investments fundamentally in Latin America.

In relation to the risk arising from changes in interest rates, the impact that this could have on the Group results is evaluated. In this way, to avoid that such risk may give rise to elevated volatilities, the need to reduce said volatility is considered in such a way that the financing expense has a reduced percentage of variation.

In the scope of financial transactions, credit risk arises from the incapacity of clients and debtors to fulfil the obligations established under contract. Client analysis is performed in specific cases and by analysing payment capacity through the knowledge existing in the Group on transactions with such client, from the moment at which negotiations with the client are to begin. In the case of foreign transactions, this analysis is performed in a thorough manner. In countries in which there is elevated risk, transactions are only performed if the party paying the job or service is an international entity of acknowledged prestige and solvency, or is sufficiently insured.

The monitoring of financial risks is performed through methodological application in accordance with IRPF and the preparation of a series of reports that allow for the monitoring and control of said risks for decision-making.

Other systems.

For legal or tax risks, the appropriate departments in each Company, business area or at the corporate level are relied upon, along with external support of renowned prestige in the area necessary to mitigate regulatory risks, litigation, etc. Additionally, the signing of contracts is supervised by the legal counsel of each Company and, depending on its relevance, by the legal counsel of the various business areas or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of insurance policies for any coverable risks. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered.

D.2. Indicate the control systems established to evaluate, mitigate or reduce the main risks of the Company and its Group

Nothing other than those described in the foregoing section D.1 and D.4

D.3. In the event that any of the risks that affect the Company and/or its Group had occurred, indicate the circumstances that caused them and whether the control systems established have worked.

D.4. Indicate if there is a Committee or any other governing body responsible for establishing and supervising the control mechanisms and outline its functions.

Specific procedures and different organizational levels to manage the risks indicated in sections D.1 and D.2 have been set up. These have been established for each business and ensure that the adopted risk profiles adapt to the performance criteria established by the Board of Directors for each activity. These procedures work with the global policy of risks that is structured as follows:

- The Management Committee determines the Group's global risk policy and, if appropriate, sets up the management mechanisms that ensure that the risks are kept within the approved levels.
- The Board of Directors entrusts the Audit Committee with the task of monitoring compliance with the established procedures and effective supervision of compliance with the established risk levels for each business activity.

The risk control systems according with the established policies are developed in the corresponding management systems.

Actions taken with risk levels that are greater than those set forth in the global risk policy must have the prior approval of the Management Committee.

D.5. Identification and description of the processes of compliance with the different regulations that affect the Company and/or its Group.

Throughout this report, direct or indirect reference has been made to the processes for complying with the various regulations to which the Company is subject, such as those included in the following sections:

A.9, on the conditions and term of mandate of the general Shareholders Meeting to the Board of Directors for engaging in acquisitions or transfers of treasury stock described in section A.8.

A.10, on the legal and statutory restrictions on the exercise of voting rights, as well as the statutory restrictions on the acquisition or sale of holdings in the share capital.

B.1.11, on the process for establishing the remuneration of the Members of the Board of Directors and the statutory clauses relevant in this respect.

B.1.14, on appointment, re-election, evaluation and removal of Board Members. Detail the competent bodies, the steps to follow and the criteria to use in each of the procedures.

B.1.25, on the mechanisms established by the Board of Directors to avoid that the individual and consolidated annual accounts which it prepares be presented at the General Shareholders' Meeting with a qualified auditor's report.

B.1.28, on the mechanisms established by the Company to preserve the independence of the auditor, of the financial analysts, of the investment banks and of the rating agencies.

B.2.1, on the different functions of the Company's administrative bodies.

B.2.3, on the organization and operating rules, as well as the responsibilities attributed to each of the Board Committees.

B.2.4, on the faculties of advice, consultation and, if applicable, delegations held by each of the Committees.

C.5, on the mechanisms established to detect and regulate possible conflicts of interest between the Company and/or the Group, and its Board Members, Executives or significant shareholders.

E.1, on the quorum for the constitution of the General Shareholders' Meeting established in the Company By-laws. Describe how it differs from the minimum levels established in the Corporations Law.

E.2, on the regime for the adoption of resolutions.

E.3, on the rights of shareholders in relation to the General Shareholders' Meeting, that are different from those established in the Corporations law.

E.4, on the measures adopted to encourage the participation of shareholders in the General Meetings.

Notwithstanding the above, together with the information relating to risk control systems described earlier in this section, reference should be made to the following issues:

4.D Risk Control Systems

1. Technological innovation and protection of the environment.

ACS Actividades de Construcción y Servicios, S.A. considers that sustainable growth, its vocation to care for and respect the environment and the meeting of the expectations that society places on a Company like ACS must all have a decisive influence on its strategy and on each of its actions.

This commitment is identified in each of the activities in which the Group is present, in each of the investments that it promotes and in the decisions that it takes in order to satisfy its customers and shareholders, to boost profitable growth, quality and technological development, while also attending to growing demands for respect of the environment by implementing measures to prevent or minimize the environmental impact of the Group's infrastructure development and service activities.

1.1. Research and development activities.

On an individual basis, the Company does not engage in research and development. However, the ACS Group is committed to a policy of ongoing improvement of its processes and of applied technology in all activities. For this purpose, the ACS Group has its own research program aimed at developing new technological know-how applicable to the design of processes, systems, new materials, etc. in each activity that it manages.

1.2. Environmental protection.

As in the previous case, on an individual basis, the Company does not carry on any environmental activity. However, the ACS Group's main activity, namely the development and maintenance of infrastructures, involves environmental impacts including the use of materials deriving from natural resources, the use of energy (both during construction as well as during the life of the various infrastructures), the generation of waste, as well as both visual effects and effects on the landscape.

In line with its vocation to protect the environment, which has prevailed since its creation, the ACS Group promotes two main action areas: an environmental policy, the main objective of which is to minimise the environmental impact of its activity, and for an additional year, an Environmental Management System, which controls the specific actions of each Group Company to protect the environment.

2. Information and transparency.

Shareholders' right to information is detailed in several parts of the regulations of the Shareholders' Meeting. Hence, in order for the Shareholders' Meeting to properly serve the function for which it was designed, the Board of Directors of the Group makes available to all shareholders, prior to each Shareholders' Meeting, all information to which shareholders are entitled or that to which they are not entitled but should be made available to them given the nature of said information and the desire of shareholders to develop criteria. Accordingly, the Board of Directors shall process any requests made by shareholders either before or during the General Meeting with maximum diligence, providing that the information is not detrimental to Company interests.

In line with the firm commitment of ACS Group to transparently, fairly and symmetrically report the information needed to evaluate the performance of the Group, more efficient and flexible channels of reporting have been established in order for said information to reach shareholders, potential investors and the general public in a consistent, immediate and fluent manner.

3. Financial information.

The ACS Group has taken the necessary measures to ensure that the information provided in the quarterly, half-yearly and annual reports is made available to shareholders in a clear, rigorous and timely manner. To this end, the Audit Committee reviews this information before it is made public, to verify that it has been drawn up in accordance with the same professional principles, criteria and practices as the accounts, and that it is just as reliable.

The individual and consolidated annual accounts are presented to the Board of Directors by the Chairman and the Secretary of the Board following the preparation of same by the Corporate General Management on which the Financial Management of the Company depends.

The section on "Listed Company Obligations" of the Rules of the Board of Directors establishes that the Board of Directors shall adopt or promote any measures deemed necessary or advisable to ensure the transparency of Company's operations on the financial markets and the exercise of any duties inherent in its status as a listed company.

To this regard, the relevant occurrences reported to the Spanish Stock Market Commission (CNMV) shall be disclosed to the fewest people possible, who will be duly identified, until they are made public.

4. Website.

The Group has progressively updated the contents of the corporate website (<http://www.grupoacs.com>) throughout 2006, with special emphasis on this section of the Annual Report, on the sections dedicated to Organization, Shareholder and Investor Information, Corporate Governance and Corporate Responsibility, through which complete and updated information may be accessed on a daily basis on the following subjects:

Organization

- Structure
- Management Bodies
 - Board of Directors (Composition, Rules of the Board of Directors and shareholding of the Board of Directors)
 - Delegated Committees
- Executive Committee
- Audit Committee (where the Audit Committee Reports may be accessed)
- Appointment and Remuneration Committee
- Management Committee
- Management Team

Shareholder and Investor Information

- Shares
 - Stock Market Information
 - Share Capital
 - Dividends
 - Analyst coverage
- Historical financial information (Annual and quarterly)
- Annual report (which includes access to, among other sections, the Economic and Financial Report for each fiscal year since 2002)
- Quarterly results (since 2003)
- Relevant facts Spanish Stock Market Commission (CNMV) (with a direct link to the CNMV web page)
- The General Shareholders' Meeting (where the calls to meetings, speeches, presentations and resolutions adopted in all General Meetings held since 2002 may be accessed, as well as the call to the General Shareholders' Meeting foreseen for May 2007, along with the corresponding documents and information).
- Investor's Agenda
- Corporate presentations (since 2003)

Corporate Governance

- Company By-laws
- General Shareholders' Meeting Regulations
- Annual Corporate Governance Report
- Board of Directors
 - Composition
 - Delegated Committees
 - Rules of the Board of Directors
- Shareholders' agreements
- The Code of Conduct in the Stock Market

Corporate Responsibility

- Strategy
- Corporate responsibility report
- Creation of value
- Information transparency
- R+D+i
- Environment
- Commitment to individuals

4.E General Meeting

E.1. State the quorum for the constitution of the General Shareholders' Meeting established in the Company By-laws. Describe how it differs from the minimum levels established in the Corporations Law.

The Company By-laws do not differ in any way from the Revised Text of the Corporations Law in force, where articles 26 and 29 set forth the following:

The resolutions shall be adopted by a majority vote of shareholders present or represented, except where the law demands a qualified majority.

The Ordinary or Extraordinary General Meeting shall be valid at first call when the shareholders present or represented possess at least twenty-five percent of the subscribed capital with a right to vote; the second call shall be validly constituted whatever the amount of capital is represented.

However, in order that the Ordinary or Extraordinary General Shareholders' Meeting can resolve to issue securities, increase or decrease capital, transfer, merge or divide the Company and, in general, any amendment of the Company By-laws, shareholders with a minimum of fifty percent of the capital subscribed and with a right to vote must be present or represented at the first call. The second call only requires that shareholders with twenty-five percent of said capital be present or represented.

When shareholders with less than fifty per cent of the capital subscribed and with a right to vote are present or represented, the resolutions referred to in the aforementioned paragraph can only be validly adopted with the favourable vote of two thirds of the capital either present or represented at the Meeting.

E.2. Explain the regime for the adoption of resolutions. Describe how it differs from the regime envisaged in the Corporations Law.

This has been explained in the foregoing section E.1 which also states that the regime does not differ in any way from the Corporations Law.

E.3. Detail the rights of shareholders in relation to the Shareholders' Meetings that are different from those established in the Corporations Law.

There are no rights that are different to those set forth in the P.L.C.A.

E.4. Indicate, if applicable, the measures adopted to encourage the participation of shareholders in the General Meetings.

Implantation of measures that make the vote delegation mechanism more transparent and to accentuate communication of the Company with its shareholders.

To provide detailed justification of the voting proposals that are offered in the application, with regard to the adoption of resolutions that involve a certain delegation importance, and reveal the existence of any conflict of interest, whenever appropriate.

The creation of channels or instruments of flexible communication. In addition to the standard information that the Company provides in the form of annual, six-monthly or quarterly reports, to promote meetings with market analysts, in order that these experiences reach the investors. The purpose of these measures is to maintain permanent communication channels with the shareholder that are complementary to the right to question at the General Meeting provided for under current legislation. This will allow shareholders to obtain the information they require at any time. In addition, article 26 of the Company By-laws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary Shareholders' Meeting hold in May 19, 2005, this method of voting was disseminated and the necessary rules and procedures for the remote voting via internet or fax are detailed at the corporate website of the Company.

E.5. Indicate if the position of Chairman of the Shareholders' Meeting coincides with the Chairman of the Board of Directors. Detail, in this event, the measures adopted to guarantee the independence of the Shareholders' Meeting and that it functions correctly:

	YES	NO
	X	

Detail of measures

E.6. Indicate, if applicable, the amendments made to the regulations of the Shareholders' Meeting during the year.

E.7. Indicate attendance figures for the Shareholders' Meetings held in the year that the present annual report refers to:

Attendance information				
Date of the General Meeting	% attending in person	% by proxy	% remote voting	Total %
05-19-2006	9.584	58.727	0.000	68.311

E.8. Indicate briefly the resolutions adopted in the Shareholders' Meetings held during the year that the present annual report refers to and voting percentage by which each resolution was adopted.

ORDINARY GENERAL MEETING, MAY 19, 2006

The proposals of the Board regarding item 1 on the agenda, read by the Secretary under letters a) b) and c) (approval of the individual and consolidated accounts, approval of the proposal for the allocation of profits and acknowledgement of the Annual Corporate Governance Report for 2005), were unanimously approved.

The proposal of the Board regarding item 2 on the Agenda, read by the Secretary under letter d) (approval of the Management of the Board of Directors) was unanimously approved.

The proposal of the Board regarding item 3 on the Agenda, read by the Secretary under letter e) (appointment of Mr. José María Aguirre González as Board Member), was approved by a majority with 240,634,112 votes in favour (representing 99.83% of the shares present or represented), 176,421 abstentions (representing 0.07% of the shares present or represented) and 239,352 votes against (representing 0.10% of the shares present or represented).

The proposal of the Board also regarding item 3 on the Agenda, read by the Secretary under letter f) (ratification of the appointment of Mr. Francisco Servando Verdú Ponsas Board Member), was approved by a majority with 240,639,112 votes in favour (representing 99.83% of the shares present or represented), 176,421 abstentions (representing 0.07% of the shares present or represented) and 234,352 votes against (representing 0.10% of the shares present or represented).

4.E General Meeting

(The aforementioned Board Members accepted their appointment and declared that they were not subject to any legal incompatibilities and, especially, to those referred to in Law 5/2006, on April 10, and in the Autonomous Community of Madrid, Law 14/1995, on April 21.)

The proposal of the Board regarding point 4 of the Agenda, read by the Secretary under letter g) (authorization of treasury stock), was approved by a majority with 241,042,704 votes in favour (representing 99.997% of the shares present or represented), 5,000 abstentions (representing 0.003% of the shares present or represented) and 2,181 votes against (representing 0.00% of the shares present or represented).

The proposal of the Board regarding item 5 on the Agenda, read by the Secretary under letter h) (appointment of auditor) was unanimously approved.

The proposal of the Board regarding point 6 of the Agenda, read by the Secretary under letter i) (modification of articles 14 and 25 of the Company By-laws), was approved by a majority with 240,233,319 votes in favour (representing 99.66% of the shares present or represented), 28,981 abstentions (representing 0.01% of the shares present or represented) and 787,585 votes against (representing 0.30% of the shares present or represented).

The proposal of the Board regarding item 7 on the agenda, read by the Secretary under letter j) (modification of article 5 of the By-laws of the General Shareholders' Meeting), was approved by a majority with 241,047,657 votes in favour (representing 99.99% of the shares present or represented), 28,981 abstentions (representing 0.01% of the shares present or represented) and 1,347 votes against (representing 0.00% of the shares present or represented).

Point 8 of the Agenda was not voted upon, given that this point referred to the report to the General Shareholders' Meeting on the modification of articles 11, 21 and 24 of the Rules of the Board of Directors. This report was distributed in writing with the documentation delivered to the shareholders at the entrance of the General Shareholders' Meeting. It referred not only to the modification of those articles of the Rules of the Board of Directors, but also to the modification proposed to articles 14 and 25 of the By-laws and of article 5 of the By-laws of the General Shareholders' Meeting, submitted to a vote.

The proposal of the Board regarding item 9 on the Agenda, read by the Secretary under letter k) (delegation of powers of attorney for the formalization and execution of the resolutions adopted in this General Shareholders' Meeting) was unanimously approved.

After this, the Secretary proceeded to read an extract of the Minutes, which he had prepared as the Meeting took place, and read the proposal of the Board for the approval of the said Minutes which read as follows:

l) To approve the Minutes of this Meeting.

This last proposal was unanimously approved.

E.9. Indicate, if applicable, the number of shares required to attend the Shareholders' Meeting and if there is any limitation in the Company By-laws in this respect.

In this respect, article 23 of the Company By-laws and article 1.3 of the Regulations of the General Meeting, state that this is made up of shareholders that possess at least one hundred shares, either present or represented. The owners or holders of fewer than one hundred shares may pool their shares in order to reach such number and may be represented either by one of them or by another shareholder who alone possesses the requisite number of shares required to form part of the General Meeting.

E.10. Outline and justify the policies followed by the Company regarding voting by proxy in the General Meeting.

The Company does not pursue any policy with regard to the vote delegation at the General Meeting.

E.11. Indicate if the Company is aware of the policy of institutional investors regarding whether they participate or not in Company decisions:

	YES	NO
		X
Describe the policy		

E.12. Indicate the Internet address and procedure to access to the information on corporate governance at the Company's website.

The address is <http://www.grupoacs.com>

Access is very simple: once at the web page, a page appears with several tabs on the edge, one of which is "CORPORATE GOVERNANCE"; if you click on this tab, the following sub-sections appear: "Company By-laws", "Shareholders' General Meeting By-laws", "Annual Corporate Governance Report", "Board of Directors", "Shareholders' Agreements" and "Rules of Conduct of the Securities Market"; Each sub-section contains pertinent information. If you click on "Annual Corporate Governance Report" and following a brief introduction, there is a specific instruction to click on it and download the 2003, 2004 or 2005 annual report as a PDF.

Degree of compliance with the

4.F Corporate Governance Recommendations

Indicate the Company's degree of compliance with the corporate governance recommendations, or, if applicable, the decision not to adopt these recommendations.

In the event that any recommendations are not complied with, explain the recommendations, rules, practices or criteria that the Company follows.

Should the single document referred to in ORDER ECO/3722/2003, dated on December 26, not be prepared, the recommendations of the Olivencia Report and the Aldama Report should be used as references to complete this section. Section F lists the most relevant aspects with regard to compliance with the recommendation of Corporate Governance included in the Good Governance Code ("Olivencia Code") which have been updated and, wherever appropriate, amended by the Special Commission for the Promotion of Transparency and Security on the Markets and in Listed Companies ("Aldama Committee").

Recommendation 1. Functions of Board of Directors:

"The Board of Directors should expressly undertake, as a core aspect of its role, the general duty of supervision, exercising the responsibilities that this involves without delegation and establishing a formal catalogue of Matters reserved thereto."

The recommendation is widely considered in the Rules of the Board of Directors, where article 4 states for these purposes:

"In accordance with the provisions of article 18 of the Company By-laws in force, the Board of Directors is responsible for the representation of the Company and the administration of its businesses as well as whatsoever other operations make up the Company's corporate purpose or are related thereto.

The Board of Directors, in the exercise of its duties, shall act in accordance with Company interest and in benefit of the shareholders' interest.

More specifically, it shall fall to the Board of Directors to:

Accept the resignation of Board Members.

Appoint, revoke and accept the resignation of the Chairman, Vice Chairman and Secretary of the Board.

Appoint, revoke and accept the resignation of the Board Members that are to form part of the Committees and Commissions set forth in these Rules.

Delegate the powers that correspond to the Board Member to any members, either totally or partially, except those that cannot be transferred.

Prepare the individual and consolidated annual accounts and Management reports and submit them for approval at the General Shareholders' Meeting.

Prepare the reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with current legislation and the Company By-laws, the Board of Directors has to adopt.

The approval of annual budgets.

Approval of any mergers, spin-offs or concentration transactions concerning the main subsidiaries of the Group in which the Company is the controlling company.

Approval of the issue of series of bonds, promissory notes, debentures or similar titles by the main Companies of the Group in which the Company is the controlling company.

Approve the assignment of rights over the trade name, brands and other rights of industrial and intellectual property that belong to the Company of Group Companies, providing these are of financial relevance.

To modify these Rules.

Carry out, in general, all of the functions that correspond legally, statutorily and in accordance with these regulations and to perform whatsoever other function delegated by the General Shareholders' Meeting. The Board may, in turn, only delegate those that are expressly able to be transferred through the delegation resolution of the General Shareholders' Meeting."

Recommendation 2. Independent Board Members.

"The Board of Directors should include a reasonable number of Independent Non-Executive Directors, who are professionally-renowned people not associated with Senior Management and the major shareholders."

In compliance with the recommendations of Corporate Governance included in the Good Corporate Governance Code (“Olivencia Code”), and the report issued by the Special Commission for the Promotion of Transparency and Security on the Markets and in Listed Companies (“Aldama Committee”), ACS Actividades de Construcción y Servicios, S.A. gives special relevance to the Independent Board Member, a professional of note who can contribute their experience and knowledge to the corporate governance and who, as they are neither executive nor proprietary, is elected as such and satisfies the conditions that ensure their impartiality and criteria objectivity.

At December 31, 2006 the Board of Directors of the Company, comprising 18 members, has the following Independent Board Members: Mr. José María Aguirre González, Mr. Alvaro Cuervo García, Mr. Joan David Grimá Terré, Mr. José María Loizaga Viguri and Mr. Miguel Roca Junyent, a total of five, of a Board consisting of 18 members (27.77% of the total number of Board Members).

Recommendation 3. Composition of the Board of Directors.

“The composition of the Board of Directors should be such that the Non-Executive Members (Proprietary and Independent Members) comprise a clear majority over the Executive Members, and the proportion between proprietary Members and Independent Members shall be set in consideration of the relationship between majority shareholders and the others.”

This recommendation has been updated by the Aldama Report, by stating:

“The establishment of rules, criteria or recommendations of corporate governance and, in particular, the composition of the Board of Directors and its Committees, must take into account the structure of ownership in order to comply with the general objectives of protecting minority shareholders.

The Committee recommends that the Board of Directors, through its Board Members, represent the largest percentage of capital possible.

We have also looked at the difficulty of setting up a rule of a general nature to define the number and proportion that the Independent Non Executive Directors should reach: one possibility that could be applied, by updating the Good Corporate Governance report, would be to have a large majority of External Directors on the Board and, within these, a very significant participation of independent Directors, taking into account the ownership structure of the Company and the capital represented by the Board”.

As indicated previously, the Board of Directors is made up of 18 members, of which: 4 are Executive Board Members, 9 are External and Proprietary Board Members and 5 are Independent Board Members.

Recommendation 4. Number of Board Members.

“The Board of Directors should be the appropriate size to achieve more efficient and participatory operations. In theory, the appropriate size could range between five and fifteen members.”

The current number of Members of the Board of Directors is 18, within the 11-21 range established in the Company By-laws. This number is considered appropriate for the volume of the share structure and the Company’s main financial magnitudes.

Recommendation 5. Chairman of the Board of Directors.

“If the Board chooses to combine the position of Chairman and CEO, it should take the necessary precautions to reduce the risk of the concentration of power in one single person. One of the topics that the Committee has paid special attention to is whether or not it is advisable to recommend the separation of the position of Chairman of the Board and the function of chief executive of the Company. The Commission is very open to the argument of separating duties or functions, but must also weigh the disadvantages of the dualist alternative, in other words, depriving the Company of clear and decisive leadership; it may deprive the Company of clear leadership; it may make the transfer of information between the Company Management and the Board notably more difficult; and it may generate coordination costs in the organization. In view of the foregoing, the Commission has finally decided not to vote in favour of the separation of positions and that, in summary, it must reiterate the criteria of the Good Corporate Governance Committee, including the precautions therein. In the last analysis, this criteria is justified through the conviction that the option of a leadership structure of one kind or another -dual or unitary- cannot be formulated as a general rule, but rather that this depends crucially on the circumstances of each company”.

The Chairman and CEO of ACS, Actividades de Construcción y Servicios, S.A. is vested with all the transferable powers of the Board of Directors, which were listed in the analysis of the degree of observance in Recommendation 1. His duties are defined not only by the scope of those non-transferable powers, but by his duties as Chairman of other Board Committees as well, most notably the Executive Committee, as well as the Audit Committee and the Appointment and Remuneration Committee.

Degree of compliance with the

4.F Corporate Governance Recommendations

Recommendation 6. Secretary of the Board.

“Major importance should be given to the Secretary of the Board, reinforcing his independence and stability and stressing his duty to safeguard the formal and material legality of Board actions.”

This recommendation is broadly observed by the Company through the figure of the Secretary-Board Member, who has acted as Secretary since 1991. The figure is regulated in Article 20 of the Rules of the Board of Directors. “The Board of Directors shall appoint a Secretary, who may or may not be a Board Member, and who must be a practising lawyer. In addition to the duties that the Secretary is responsible for through current legislation, the Company By-laws and these Rules, the Secretary of the Board of Directors must also oversee the legality of the acts that emanate from the Company bodies that it forms part of, providing the due warnings and taking minutes of same”.

Recommendation 7. Executive Committee Composition.

“The composition of the Executive Committee, when there is one, should reflect the same balance among the different types of Board Members, and the relations between the two bodies should be based on the principle of transparency, so the Board is fully aware of the Matters addressed and the resolutions passed by the Committee.”

In addition to the Secretary-Board Member without voting rights, the Executive Committee is comprised of 7 Board Members, two of which are Executive Board Members, one Independent Non-Executive Board Member and the remaining four, Proprietary Non-Executive Board Members. Through delegation from the Board of Directors, the Executive Committee exercises all the corresponding powers except those that cannot be transferred by law or because of the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.

Recommendation 8. Delegated Control Committees.

“The Board of Directors should set up delegated control Committees, comprised exclusively of non-executive Board Members, covering information and accounting control (audit); appointment of Board Members and senior managers (appointment); determining and reviewing the remuneration policy (compensation); and assessing the governance system (compliance).”

The Board of Directors of the Company has set up two Committees: the Audit Committee and the Appointment and Remuneration Committee. In addition to the Secretary-Board Member without voting rights, the Audit Committee is comprised of three Proprietary Non-Executive Board Members and an Independent Board Member (who is its Chairman); the Appointment and Remuneration Committee is comprised, in addition to the Secretary-Board Member without voting rights, of two Proprietary Non-Executive Members and two Independent Board Members. Each Committee has the responsibilities established in the Rules of the Board of Directors.

Recommendation 9. Information to Board Members.

“The necessary measures should be taken to ensure that the Board Members receive sufficient information, adequately in advance, specifically drawn up for the preparation of Board meetings, without the significance or reserved nature of such information serving as grounds for its omission, with the exception of special circumstances.”

Article 15 of the Rules of the Board of Directors includes the right of the Board Members to request the documentation that they require in order to carry out their functions. This request is to be made through the Chairman or the Secretary of the Board of Directors.

Recommendation 10. Functioning of the Board of Directors.

“In order to ensure the suitable operation of the Board, its meetings should be held as often as necessary for the performance of its tasks; the Chairman should encourage all Board Members to contribute and freely take positions; particular care should be taken with the formulation of the minutes and the quality and efficiency of their work should be evaluated at least once a year”.

Article 16 of the Company By-laws sets forth that the Board shall meet whenever the interests of the Company are at stake. It shall be convened by its Chairman or, in his absence, a Vice Chairman, either through his own initiative or when requested to do so by at least two Board Members. Article 8 of the Rules of the Board of Directors also provides for the foregoing. Under all circumstances, the Board shall meet at least four times a year in order to monitor the progress of the Group in comparison with the budgets and the previous financial year.

The notification of the meeting shall be sent by letter, telex, telegram, fax or any written procedure that requires acknowledgement of receipt by the different Board Members. Said notification shall include the agenda and shall be sent at three days prior to the meeting unless reasons of urgency prevent this.

Elsewhere, there is a yearly calendar of pre-set sessions, which facilitates the tasks of the Board Members. The Board Members shall be provided with whatsoever information or clarification that they require in relation to the points included in the Agenda. This shall be provided either during the meeting or afterwards.

The Board of Directors met 5 times during the 2006 financial year.

Recommendation 11. Appointment and Reappointment of Board Members.

“The Board's involvement in the appointment and reappointment of its members should follow a formal, transparent procedure, based on a reasoned proposal by the Appointment Committee.”

The Board has an Appointment and Remuneration Committee. The Rules of the Board of Directors set forth that within the limits established in article 13 of the Company By-laws and without prejudice to the powers of proposal that correspond to the shareholders in accordance with current legislation, it shall fall to the Board of Directors to propose to the General Shareholders' Meeting both the number of Board Members as well as the type of persons, natural or legal, who should be nominated. The appointment proposal shall record the executive, external and proprietary or external and independent status of the proposed Board Members.

In addition, in the event of vacancies, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders' Meeting, when the definitive election shall take place.

Furthermore, in keeping with article 24 of the Rules of the Board of Directors, the Appointment and Remuneration Committee has the duty to inform the Board of the remuneration of the Board of Directors of the proposals for appointments of Board Members.

Recommendation 12. Resignation of Board Members.

“Company regulations should include the obligation of Board Members to resign in those cases in which they could have a negative effect on the operation of the Board or the Company's credit and reputation.”

This is not expressly considered.

Recommendation 13. Age of Board Members.

“There should be an age limit on the position of Director, which could be from sixty-five to seventy for executive Directors and the Chairman and somewhat more flexible for the rest of the members.”

The Aldama Report has reviewed the criteria of the Good Corporate Governance Report with regard to this point and it does not set an age limit, rather it requires the Company that adopts a policy in this respect to clearly establish same in its internal regulations. The Rules of the Board of Directors do not set forth an age limit to be appointed Board Member or for the exercise of this position.

Recommendation 14. Information Facilities for Board Members.

“The right of all Board Members to collect and obtain the necessary information and counsel to perform their supervisory tasks should be formally recognised, and suitable channels should be provided to exercise that right, with recourse to external experts in special circumstances.”

Article 15 of the Rules expressly considers the right of the Board Members to request and obtain the information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or the Secretary of the Board.

Recommendation 15. Remuneration of Board Members.

“The Policy for the remuneration of Board Members, which must be proposed, assessed and reviewed by the Remuneration Committee, should follow the criteria of moderation, and should correspond to Company profits and detailed and individualised information.”

Degree of compliance with the 4.F Corporate Governance Recommendations

In 2006, the total remuneration paid to the Board of Directors as compensation pursuant to the By-laws was €1,774,986.77, the distribution of which was approved by the Board of Directors at the proposal of the Remuneration Committee.

Recommendation 16. General Duties of the Board Members and Conflicts of Interest.

“The Company's internal regulations should establish the obligations resulting from the general obligations of diligence and loyalty of the Members of the Board. In particular, they should include conflicts of interest, the duty of confidentiality, exploitation of business opportunities and the use of Company assets.”

Articles 13 and 14 of the Rules of the Board of Directors specifically regulate conflicts of interest. With regard to the duty of loyalty, these articles stipulate that the Board Members shall avoid conflicts of interest between themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives.

The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative affect on the reputation of the Company.

The Board Members shall abstain from intervening in the deliberations and of taking part in the voting on those Matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

Board Members cannot, either directly or indirectly, hold positions in Companies or firms that are competitors of the Company or of any of the Group Companies or provide representation services on behalf of same.

The Board Members cannot use restricted information that they have become aware of through the exercise of their position as a Board Member for any private purpose. More specifically, unless expressly authorised by the Board of Directors, the Board Members cannot benefit from commercial transactions that they have become aware of in their capacity as a Board Member.

Unless it is a duly authorised payment in kind, Board Members cannot make use of Company assets or use these assets to obtain a patrimonial advantage without paying the adequate consideration.

Recommendation 17. Transactions with significant shareholders.

“The Board of Directors should promote appropriate measures to extend the obligation of loyalty to significant shareholders, in particular establishing precautions on the transactions performed between them and the Company”.

Section C.5.2) of this Annual Corporate Governance Report recognises the Rules of Conduct in the Stock Market, made up of a set of rules designed to detect and regulate possible conflicts of interest between the Company and/or its Group, and its Board Members, Executives or significant shareholders.

This Report also contains information regarding the transactions performed by the Company with its significant shareholders, information which is also included in the Company's Balance Sheets for the Annual and Consolidated Accounts for each financial year.

Recommendation 18. Communication with shareholders.

“Measures should be undertaken to make the mechanism for delegating votes by proxy more transparent and improve Company communication with its shareholders, particularly with institutional investors.”

Both the Company By-laws and the Shareholders' General Meeting By-law envisage the right to information, representation and voting by electronic or other telematic means, thus favouring the participation of shareholders in Company Management.

Notwithstanding the foregoing, article 5 of the Board of Directors Regulations establishes that:

“In order for the General Shareholders Meeting to function properly, the Board of Directors shall make all legally-required information available to the shareholders before the General Meeting as well as any information that should be reasonably furnished on the basis of corporate interest and on the basis of which shareholders may form an opinion. Following this line, the Board of Directors shall be obliged to deal with shareholders’ requests either before or after the Meeting, with the maximum diligence, providing the Company’s interest is not harmed.

For the purposes of transparency and maximum dissemination of the corresponding information as well as the promotion of immediate access to same by the shareholders and investors in general, the Board of Directors shall have a Company web page that includes all those documents that are for general dissemination and, especially, the Company By-laws; the Rules of the Board of Directors; the reports which, in accordance with legislation in force, must be given to the Stock Markets; the calls to the General Shareholders’ Meetings and the proposals that are submitted for deliberation and approval as well as the resolutions adopted at the last General Shareholders’ Meeting”

Recommendation 19. Transparency on the Markets.

“The Board of Directors, beyond the requirements imposed by current legislation, should take responsibility for providing markets with fast, accurate and reliable information, especially with regard to the structure of the shareholder body and substantial changes to governance regulations, in particular associated transactions of particular significance or those regarding treasury stock.”

Article 7 of the Rules of the Board of Directors, entitled “Listed Company Obligations”, provides that “the Board of Directors shall adopt or promote any necessary or advisable measures to ensure the transparency of the Company’s operations on the financial markets and the performance of those duties inherent in its condition as a listed company, in the Stock Markets”.

Recommendation 20. Financial information.

“All periodic financial information, in addition to the annual information provided to the markets, should be formulated in accordance with the same professional practices and principles as the financial statements, and should be verified by the Audit Committee before being published.”

The financial information that, in accordance with the legislation currently in force is given to the markets, is verified beforehand by the Audit Committee of the Company.

Recommendation 21. External Auditors.

“The Board of Directors and the Audit Committee should monitor situations that could jeopardise the independence of the Company’s external auditors. In particular, they should verify the fees paid for all items in proportion to the auditing firm’s total income, and all fees for non-auditing professional services should be published”.

Included in the functions set forth in article 20 bis of the Company By-laws for the Audit Committee is “To revise and approve significant changes in the accounting policies of the Company and its subsidiaries that form part of the Group of Companies. Also, in general, the Audit Committee shall be responsible for dealing with the external auditors in order to receive information on those Matters that could jeopardise their independence and any others related to the process of implementation of the accounts auditing as well as those other communications provided for in accounts auditing legislation and technical standards of auditing”.

Recommendation 22. Qualified opinions in Auditor’s Report.

“The Board of Directors should prevent the accounts from being submitted to the General Shareholders Meeting with qualified opinions and provisos in the Auditors’ report. When this is not possible, the Board and the auditors should clearly explain the contents and scope of the discrepancies to the shareholders and the markets.”

Observance of this recommendation is summarised in routine meetings between the accounts auditor and the Audit Committee, to analyse any differences between the accounting criteria of the Company and its Group and the auditor’s interpretation of the accounts. The foregoing is in accordance with article 20 bis of the Company By-laws. It is thought that the audit report, both for ACS Actividades de Construcción y Servicios, S.A. as well as ACS Group for the 2006 financial year shall be issued with a favourable opinion, as were the opinions that corresponded to the 2004 and 2005 financial years. Sociales. Se estima que el informe de auditoría, tanto de ACS Actividades de Construcción y Servicios, S.A. como del Grupo ACS correspondiente al ejercicio 2006, será emitido con una opinión favorable, al igual que lo fueron las opiniones correspondientes a los ejercicios 2004 y 2005.

4.G Other Information of Interest

If it is considered that there is some principle or matter that is relevant with respect to the practices of corporate governance applied by the Company that has not been covered by the present report, include it below and explain its content.

This section may include any information, clarification or detail related to the above sections of the report, so far as it is relevant and not repetitive.

Specifically, indicate whether the Company is subject to legislation other than Spanish legislation in matters of corporate governance and, if applicable, include information that the Company is required to supply and which is different to that required in this report.

We include hereunder information and clarification regarding the following sections of the Report:

A. Ownership structure

A.2. Detail the direct or indirect holders of significant shareholdings, of their importance at the close of the financial year, excluding the Board Members:

- IMVERNELIN PATRIMONIO, S.L. is controlled by CORPORACION FINANCIERA ALCOR, S.A., which in turn does not have a controlling shareholder; There is considered to be a tacit agreement between the parties. adopting a long-standing common policy in the Company through the agreed exercise of the voting rights that it is entitled to. Actividades de Construcción y Servicios, S.A. 1. IMVERNELIN PATRIMONIO, S.L. owns 37,311,260 shares of ACS, Actividades de Construcción y Servicios, S.A. representing 10.574% of the Company's share capital. The partners of IMVERNELIN PATRIMONIO, S.L. are the following Companies (with their respective shareholding percentages): a) COMERCIO y FINANZAS, S.A. 15.734% b) PERCACER, S.A. 15.734% c) CORPORACION FINANCIERA ALCOR, S.A. 68.532%. 2. CORPORACIÓN FINANCIERA ALCOR, S.A. owns 932,880 shares in ACS, Actividades de Construcción y Servicios, S.A. representing 0.264% of the share capital. The partners of CORPORACION FINANCIERA ALCOR, S.A. are the following: a) COMERCIO y FINANZAS, S.A. (40.832%). 99.99% of the shares of this Company are held by Mr. Alberto de Alcocer Torra. b) PERCACER, S.A. (40.832%). 95% of the shares of the Company are held by Mr. Alberto Cortina de Alcocer. c) Mr. Alberto de Alcocer Torra (5.465%) d) Mr. Alberto Cortina de Alcocer (5.465%) e) Alcor Holding, S.A. (7.406%). The aforementioned shareholders of IMVERNELIN PATRIMONIO SL and CORPORACION FINANCIERA ALCOR SA, directly hold the following securities in ACS, Actividades de Construcción y Servicios, S.A.: PERCACER, S.A. 1,061,814; COMERCIO y FINANZAS, S.A. 1,031,814; Mr. Alberto Cortina de Alcocer 4,728; Mr. Alberto de Alcocer Torra 3,273. 3. The Company CATSER, S.L. owns 2,000,000 shares in ACS, Actividades de Construcción y Servicios, S.A., which it acquired in February 2006. The shareholders of CATSER, S.L. are as follows: a) COMERCIO y FINANZAS, S.A. (50%) b) PERCACER, S.A. (50%).

A.8. Company's treasury stock.

As discussed in section A.9. of this report, in view of the authorization granted by the General Shareholders' Meeting held on May 19, 2006, ACS Actividades de Construcción y Servicios, S.A. in 2006 acquired 22,537,670 shares for 778,276 thousand euros and sold 15,552,615 shares for 495,272 thousand euros.

B. Company's Management Structure

B.1.3. The Board Member Mr. Agustín Batuecas Torrego is considered to be an Executive Board Member, given that he is the CEO of Continental Auto, S.L., a 100% subsidiary of ACS, Actividades de Construcción y Servicios, S.A.

B.1.6. If applicable, identify the members of the Board who hold the positions of administrators or directors of other Companies that form part of the listed company:

The Companies UNIÓN FENOSA, S.A., IBERPISTAS, S.A.C.E., SABA APARCAMIENTOS, S.A., ABERTIS INFRAESTRUCTURAS, S.A., AUTOPISTAS CONCESIONARIA ESPAÑOLA, S.A.U., AUTOPISTAS AUMAR, S.A.C.E., are held, directly or indirectly, by ACS Actividades de Construcción y Servicios, S.A. although they do not form part of the ACS Group of Companies.

B.1.8 a) and b) and B.1.9. The benefits to be compensated with its own financial instruments relate to stock option plans which members of the ACS Group Management have a right to exercise. In accordance with IFRS, these stock options are considered payable with equity instruments but not in cash. Accordingly, they were measured at their reasonable value on the day they were granted and charged income over the period in which they accrued on the basis of the different periods of irrevocability of the options. Since there are no comparable market values, the reasonable value of the share options was determined using valuation techniques considering all the factors and conditions which would have been taken into account by independent and perfectly informed parties when determining the transaction value thereof.

These costs do not imply the recognition of income for the beneficiaries until the date on which the options are exercised, as set forth in the different plans and in the applicable law in force.

The total remuneration for Management amounts to 4,106 thousand euros and the total remuneration for administrators with Management functions is 2,100 thousand euros (2,022 thousand euros plus 78 thousand euros), which were included remuneration headings. The amount recognised under "Pension Funds and Plans: Contributions" includes the payments made by the Company in the financial year. The amount recognised under "Pension Funds and Plans: Obligations Acquired" additionally includes the obligations that may be imputed to the year, even though they may have been paid earlier. In 2006, both amounts were the same.

B.1.21. There is no limit to the term of Independent Non-Executive Directors. Article 11 of the Rules of the Board of Directors sets forth for the Board Members, in general, that they shall exercise their role for the statutory period of six years. They may be re-elected one or more times for terms of an equal duration. The foregoing is without prejudice to the Directors continuing to exercise their position until the next General Shareholders' Meeting takes place once their term has expired.

B.1.24. The individual and consolidated annual accounts are presented to the Board of Directors by the Chairman and the Secretary of the Board following the preparation of same by the Corporate General Management on which the Financial Management of the Company depends.

B.1.31. YPF, S.A. is an Argentine Company whose taxpayer identification number is 30-54668997-9.

B.2.2. Mr. José-María Loizaga Viguri is the Vice-Chairman of the Executive Committee.

4.G Other Information of Interest

C. Associated Transactions.

C.1. With respect to transactions with the Company's significant shareholders, it is important to point out that, with regard to the construction contract which was entered into by Rosan Inversiones, S.L., a Company controlled by the Chairman of ACS Actividades de Construcción y Servicios, S.A., in 2005 with the subsidiary Dragados, S.A. under both legal and economical market conditions, an addendum to the construction contract was entered into with the same subsidiary on April 1, 2006 for an additional amount of 8,677 thousand euros. At December 2006, the works certificates amount to 4,057 thousand euros (both for the initial contract and the addendum signed in 2006). The amount corresponding to 2005 was 2,293 thousand euros. The Board of Directors of ACS Actividades de Construcción y Servicios, S.A. was had been informed of this transaction in a meeting held on March 30, 2006.

The other financing agreements with Banca March, S.A. mainly correspond to certified suppliers payment credit lines. The provision of services with Banca March relates to insurance premiums mediated by its subsidiary Unipsa Correduría de Seguros, S.A. and not to consideration for insurance brokerage services. These commercial transactions were carried out in the normal course of business, under market conditions, and are habitual operations of Group Companies.

C.2. With respect to this section, the only transactions performed between the Company's Management and administrators relate to the remuneration already disclosed in the different sections of the Annual Corporate Governance Report, and specifically in B.1.8. and B.1.9. During financial year 2006, direct family members of the Senior Management of the ACS Group carried out transactions for the acquisition of plant, property and equipment for the aggregate amount of 348 thousand euros. Transactions listed as acquisitions of plant, property and equipment belong to the ordinary course of business or trade of the Group Companies and were made at market prices. In any case, it is noteworthy that during financial year 2006 the ACS Group had commercial relationships with Companies in which some of its directors hold Management functions. These commercial transactions were carried out in the normal course of business, under market conditions, and are habitual operations of Group Companies. These relations are detailed as follows:

Description of the transaction	Amount Thousand of Euros	CP/LP	Related Party
Financing agreements: loans	435,089	CP	Banco Santander Central Hispano
Financing agreements: loans	419,865	LP	Banco Santander Central Hispano
Financing agreements: other (specify)	313,845	CP	Banco Santander Central Hispano
Financial Lease agreements	709	CP	Banco Santander Central Hispano
Financial Lease agreements	1,076	LP	Banco Santander Central Hispano
Guarantees	879,232	CP	Banco Santander Central Hispano
Guarantees	73,140	LP	Banco Santander Central Hispano
Financing agreements: loans	113,773	CP	Banesto
Financing agreements: loans	429,506	LP	Banesto
Financing agreements: other (specify)	142,077	CP	Banesto
Financial Lease agreements	1,964	CP	Banesto
Financial Lease agreements	816	LP	Banesto
Guarantees	468,268	CP	Banesto
Financing agreements: loans	4,687	CP	Santander Banespa
Financing agreements: loans	6,352	CP	Banco Guipuzcoano
Guarantees	15,755	LP	Banco Guipuzcoano
Provision of services	2,513	CP	Atlas Copco, S.A.E.
Operating lease agreements	668	CP	Fidalse, S.L.
Dividends and other distributed profits	852	CP	Fid Wei Inversiones, S.L.
Dividends and other distributed profits	348	CP	Lynx Capital, S.A.
Provision of services	15,442	CP	Terratest Técnicas Especiales, S.A.
Cooperation agreements	807	CP	Terratest Técnicas Especiales, S.A.
Provision of services	1,105	CP	Indra Sistemas, S.A.
Reception of services	1,133	CP	Indra Sistemas, S.A.
Provision of services	2,016	CP	Zardoya Otis, S.A.
Financing agreements: other (specify)	2,165	LP	Banco Santander Central Hispano
Guarantees	26,260	LP	Banesto
Guarantees	27	LP	Banco Banif

The transactions performed with Banco Guipuzcoano are indicated due to the fact that Mr. José María Aguirre González acts as Chairman of its Board of Directors.

The transactions performed with Banco Santander Central Hispano and its Group companies are indicated due to their relationship with the Director Joan-David Grimá Terré.

The transactions performed with Terratest Técnicas Especiales, S.A., Fidalser, S.L., Fidwei Inversiones, S.L., Lynx Capital, S.A. and Atlas Copco, S.A.E. are indicated due to their relationship with the Board Member Mr. Pedro José López Jiménez.

The transactions performed with Indra Sistemas, S.A. are indicated due to the fact that Mr. Javier Monzón de Cáceres is the Chairman of this Company.

The transactions performed with the Zardoya Group are indicated due to their relationship with the Board Member Mr. Jose María Loizaga.

The other financing agreements with Banco Santander Central Hispano and Banesto mainly correspond to certified suppliers payment credit lines.

The Company is not subject to legislation that is different to Spanish legislation in matters of corporate governance

This Annual Corporate Governance Report was approved by the Board of Directors of the Company in a meeting held on 03-15-2007.