

**ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. BOARD OF DIRECTORS' REPORT DATED MARCH 27, 2008, ON THE PROPOSED AMENDMENT OF ARTICLES 3, 4, 11, AND 16 OF THE SHAREHOLDERS' GENERAL MEETING BY-LAWS.**

This report is hereby issued in order to submit to the Ordinary General Shareholders' Meeting of ACS Actividades de Construcción y Servicios, S.A., to be held on May 25, 2008 on first call, and on the following day, May 26, 2008, on second call, the proposed amendments of Articles 3, 4, 11, and 16 of the Shareholders' General Meeting By-laws, under the resolutions adopted by the Board of Directors at its meeting held on March 27, 2008.

The amendment of the following articles is proposed to the General Shareholders' Meeting:

- Article 3, to which a new section 8 would be added to allow for separate voting on the different matters submitted to the decision of the Ordinary General Shareholders' Meeting.
- Article 4, to which a new second paragraph would be added, whose purpose is also to require separate voting, in this case for Extraordinary General Shareholders' Meetings.
- Article 11, to which letter 1) would be added to section 1 in order to require inclusion on the Company web page of the characteristics and data regarding the different Board Members.
- Article 16, to which a new section 4 would be added, in order to explicitly allow the financial intermediaries who attend the meeting in representation of their clients to divide their vote in order to be able to follow the different instructions they have received.

Accordingly, it is proposed that the aforementioned Articles be worded as follows, and amendments to the current Shareholders' General Meeting By-laws are highlighted in italic letters:

Article 3. Ordinary General Meeting.

1. The Ordinary General Meeting, previously called for this purpose, shall necessarily meet within the first six months of each financial year, to review corporate management, to approve, where appropriate, the accounts for the previous year, and to adopt a resolution regarding the distribution of profit for the previous year, in accordance with the approved balance sheet.

2. Once the required provisions to the legal reserve and any other reserves established under law have been made and the amount relating to the payment of a minimum dividend of one percent for non-voting shares, where appropriate, has been allocated, in accordance with Article 6 of the Company By-laws, the remaining profit for the year may be allocated to voluntary reserves or any other reserve permitted under law. Any remaining amount shall be allocated to the payment of dividends to ordinary shareholders in proportion to the capital paid up for each share, and to

payment of the statutory remuneration of the Board laid down in the following paragraph, in compliance with legal requirements.

3. 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 not exceeding 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.

4. Express authorisation 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.

5. The Board of Directors shall decide on the manner in which the remuneration payable under this article, the amounts of which may differ, shall be distributed among its members.

6. In the event that the General Shareholders' Meeting resolves that dividends are to be paid, the Directors shall specify the place, term and method of payment. The Board of Directors may resolve to pay interim dividends under the conditions provided under law.

7. Dividends not claimed within a five-year period as from the payable date shall be allocated to the Company's profit.

*8. A separate vote shall be taken on each agenda item. Additionally, a separate vote shall be taken on the appointment or ratification of Board members, which shall be voted on individually, and on proposed amendments to the Company By-laws, which shall be voted on Article by Article or by substantially independent groups of Articles.*

#### Article 4. Extraordinary General Meeting.

Any General Meetings not foreseen in the previous Articles shall be considered to be Extraordinary General Meetings.

*A separate vote shall be taken on each agenda item. Additionally, a separate vote shall be taken on the appointment or ratification of Board members, which shall be voted on individually, and on proposed amendments to the Company By-laws, which shall be voted on Article by Article or by substantially independent groups of Articles.*

#### Article 11. Means of Information

1. The Company shall have a web page with at least the following contents:

a) Company By-laws

b) Shareholders' General Meeting By-laws

c) Rules of the Board of Directors, and if appropriate, Rules of the Committees of the Board of Directors.

- d) Annual report and internal rules of conduct.
  - e) Corporate governance report.
  - f) Documents relating to the Ordinary and Extraordinary General Shareholders' Meetings called, with information regarding the agenda, the proposed resolutions submitted by the Board of Directors, and any other relevant information which may be required by the shareholders to cast a vote, all within the period set forth under the law in force.
  - g) Information relating to the progress of the General Shareholders' Meetings held, and particularly, to the composition of the General Shareholders' Meeting at the time it is convened, the resolutions adopted and the number of votes cast in favour or against each of the proposed resolutions included on the agenda, all within the period set forth under the law in force.
  - h) The channels of communication between the Company and the shareholders, and specifically the explanations required for the shareholders' to exercise their right to information, which shall indicate the mail and e-mail addresses to be used by the shareholders for these purposes.
  - i) The means and procedures for conferring representation by Proxy at the General Shareholders' meeting, in accordance with the stipulations provided under the law in force.
  - j) The means and procedures for remote voting, in accordance with the rules relating to this system, including, where applicable, the forms for verifying attendance and voting by telematic means at the General Shareholders' Meetings.
  - k) Relevant facts, in accordance with the provisions of the law in force.
  - l) The composition of the Board of Directors, and in relation to each Board Member: his professional profile; the other Board of Directors of which he is a member: whether he is an executive and proprietary director, and the shareholder which he represents; or whether he is an independent or external director; the date on which he was appointed, and if applicable, re-elected; and the company shares or share options to which he holds title.*
2. It is the directors' responsibility to keep all information on the Company's web page up to date and to coordinate its content with the information included in the documents deposited and registered in the corresponding public registers.

#### Article 16. Remote voting and proxy votes.

1. Votes on proposed resolutions regarding items included on the agenda of any type of General Shareholders' Meeting may be cast by proxy or by the shareholder by means of postal correspondence, electronic mail or any other means of communication, provided that the identity of the person delegating or casting his vote is duly assured. The means and procedures for remote voting, in accordance with the rules relating to this system, including, where applicable, the forms for verifying attendance and voting by telematic means, are included on the Company's web page.
2. Shareholders who vote remotely shall be counted as present for the purposes of convening the General Shareholders' Meeting.
3. If proxy voting cards, with or without specific instructions and on which the name of the proxy is left blank, are received at corporate headquarters on the days prior to the General Meeting, it will be understood that the shareholder empowers the Chairman of the Board of

Directors to appoint a Board Member as proxy from among those who have requested such duty.

*4. In the event that several shareholders have appointed the same financial intermediary as proxy, and when requested by this representative, he shall be allowed to divide his vote for the purpose of abiding by the instructions received from each of the shareholders represented.*

**Madrid, March 27, 2008**