

**CINTRA, CONCESIONES DE
INFRAESTRUCTURAS DE TRANSPORTE, S.A.
AND SUBSIDIARIES**

Audit Report on Annual Accounts as of 31 December 2003

PRICEWATERHOUSECOOPERS [LOGO]

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AUDIT REPORT FOR ANNUAL ACCOUNTS

To the Shareholders of Cintra, Concesiones de Infraestructuras de Transporte, S.A.

1. We have audited the annual accounts for Cintra, Concesiones de Infraestructuras de Transporte, S.A. and its dependent companies, which encompass the balance sheet to 31 December 2003, the profit and loss statement, and the annual report for the fiscal year finishing on that date, whose calculation is the responsibility of the Corporation's Administrators. Our responsibility is to express an opinion, based on work performed in accordance with generally accepted auditing norms, about the aforementioned annual accounts as a whole. The auditing norms require the examination, performed by means of selective tests, of the justifying evidence for the annual accounts and the evaluation of their presentation, of the accounting principles used, and of the estimates that have been made. Our work did not include the examination of the financial statements of some dependant and subsidiary companies which assets and results represent on December 31, 2003 15% and 7% of the total consolidated, respectively. The aforementioned financial statements of these companies have been audited by other auditors and our expressed opinion in this report on the Annual Consolidated Financial Statements of the Cintra Group, Concesiones de Infraestructuras de Transporte, S.A., is based upon the relative participation of these companies, only in the other auditor's report. In the annexes I and II of the attached Financial Statements these companies and their respective auditors are listed.
2. In compliance with Spanish mercantile legislation, the directors of the company, for comparative purposes with each item of the Balance Sheet and the Income Statement, in addition to figures of 2003, those of the preceding year. Our opinion refers solely to the 2003 consolidated Financial Statements. On March 20, 2003, other auditors issued the auditor's report on the 2002 Financial Statements, in which they express a favorable opinion.
3. In our opinion, based on our work and on the other auditor's report indicated in paragraph 1, the accompanying 2003 consolidated financial statements express, in all material respects, a true and fair view of the consolidated net worth and financial position of Ferrovial Infraestructuras, S.A and subsidiaries as of December 31 2003 and the results of its operations for the year then ended and contain sufficient and necessary information for an adequate interpretation and understanding in accordance with accounting principles and standards generally accepted in Spain and applied on a basis consistent with those used in the preceding year.
4. The attached management report for fiscal year 2003 contains the explanations which the Administrators see proper about the Corporation's position, the evolution of business and other issues, and it is not an integral part of the attached annual accounts. We have verified that the accounting information contained in said management report matches the information in the annual accounts for fiscal year 2003. Our work as auditors is limited to verifying the management report to the extent

mentioned in this paragraph, and it does not include the revision of information other than the information obtained from the accounting records of the Corporation.

PricewaterhouseCoopers Auditores, S.L.

[SIGNATURE]

Lorenzo López
Partner – Account Auditor

30 March 2004

PricewaterhouseCoopers Auditores, S.L. – R. M. Madrid, sheet 87,250-1, page 75, volume 9,257, book 8,054, 3rd section.
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**CINTRA, CONCESIONES DE
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2003 Consolidated Financial Statements
and Consolidated Management Report

CINTRA, CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2003 AND 2002
(Expressed in thousands of euros)**

	2003	2002	SHAREHOLDERS' EQUITY AND LIABILITIES	2003	2002
ASSETS					
Due from shareholders for uncalled capital	6,302	11,769	Shareholders' equity (Note 14):	89,925	89,925
Fixed and other noncurrent assets:			Capital stock	878,018	878,018
Start-up expenses	9,723	8,356	Additional paid-in capital	7,431	7,431
Intangible assets (Note 6)	99,789	97,659	Reserves of the Parent Company	7,431	7,431
Concessions, licenses, trademarks and other	102,013	98,903	Other reserves	186,735	174,582
Other tangible fixed assets	419	458	Consolidation reserves	205,309	186,606
Accumulated amortization	(2,643)	(1,702)	At fully consolidated companies	(18,574)	(12,024)
Tangible fixed assets (Note 7)	5,059,544	4,427,470	At companies accounted for by the equity method	(126,016)	(135,283)
Investment in toll roads, airports and parking lots	5,117,408	4,474,560	Transitional differences	(120,398)	(129,538)
Fixtures and machinery	-	129	Of fully consolidated companies	(5,618)	(5,745)
Other tangible fixed assets	1,756	1,488	Of companies accounted for by the equity method	197,129	9,963
Allowances and accumulated depreciation	(59,820)	(48,707)	Income attributable to the Parent Company	231,389	41,613
Long-term investments (Note 8)	225,674	253,269	Consolidated income	(34,240)	(31,650)
Investments accounted for by the equity method	43,178	84,783	Income attributed to minority interests	1,233,222	1,024,636
Investments in Group companies	2,291	2,291			
Long-term investment securities	179	179			
Long-term deposits and guarantees given	122	125	Minority interests (note 15)	386,521	332,009
Other loans	182,195	168,182			
Allowances	(2,291)	(2,291)	Negative consolidation differences (Note 5)	6,922	6,914
	5,394,730	4,786,754	Of fully consolidated companies	20,858	37,160
			Companies accounted for by the equity method	27,780	44,074
Consolidation Goodwill (Note 5)	114,896	121,012	Total negative consolidation differences	93,990	34,501
Of companies accounted for by the equity method	11,329	12,158			
Total consolidation goodwill	126,225	133,170	Deferred revenues (Note 4-a)	142,540	160,014
Deferred charges (Note 9)	1,115,310	849,013	Provisions for contingencies and expenses (Note 16)	3,084,437	2,938,393
Current assets:			Long-term debt	1,481,394	908,862
Inventories (Note 10)	1,399	1,071	Debtures and other marketable debt securities (Note 17 a)	1,919	1,173
Accounts receivable (Note 11)	181,616	204,712	Payable to Group and associated companies (Note 13)	358,040	322,942
Trade receivables for sales and services	94,219	69,034	Other payables (Note 18 a)	4,925,790	4,171,370
Receivable from Group and associated companies (Note 13)	909	6,864			
Other accounts receivable	122,736	152,944	Current liabilities	67,302	41,354
Allowances	(36,248)	(24,130)	Debtures and other marketable debt securities (Note 17.b)	150,954	127,433
Short-term investments (Note 12)	259,040	261,224	Payable to credit institutions (Note 17.a)	39,327	147,598
Short-term investments of concession-holders	191,938	234,085	Payable to Group and associated companies (Note 13)	55,023	194,940
Other loans	67,102	27,139	Trade accounts payable	65,097	39,356
Cash	82,410	53,398	Nontrade payables (Note 18.b)	5,171	5,191
			Operating allowances	4,975	11,957
Accrual accounts (Note 17)	30,660	33,312	Accrual accounts	387,849	567,819
Total assets	555,125	553,717	Total shareholders' equity and liabilities	7,197,692	6,334,423
	7,197,692	6,334,423			

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**FINANCIAL STATEMENT AS OF DECEMBER 31, 2003
(Expressed in thousands of euros)**

1. Description of the Parent Company

Cintra, Concesiones de Infraestructuras de Transporte S.A. ("Cintra" or "the Parent Company") was incorporated for an indefinite period in Madrid on February 3, 1998, the date on which it commenced its business operations. Cintra is registered in the Madrid Mercantile Register and its taxpayer identification number is A-81939209. Its registered office is located at Plaza Manuel Gómez Moreno, no. 2, 14th floor, Edificio Alfredo Mahou, 28020 Madrid.

As indicated in its bylaws, the Company's corporate purpose is basically the design, construction, execution, operation, management, administration and upkeep of all manner of public and private infrastructures and construction projects. It also engages in the operation and provision of all manner of services related to urban and interurban land, sea and air transport infrastructures.

The Parent Company may carry on the above-mentioned activities, either totally or in part, through the acquisition of ownership interests in other companies, groupings or consortia that have a similar corporate purpose and whose registered offices are located in Spain or any foreign country.

In 2002 the Ferrovial Group formally entered an alliance with the Macquarie Infrastructure Group ("MIG"), an Australian infrastructure developer, which involved the acquisition by MIG of a 40% holding in the capital of Cintra, whose airport and parking lot businesses were spun off.

The most significant investments made by Cintra Group companies in connection with environmental protection activities were as follows:

Concept	Thousands of Euros
Revegetation and planting to restore affected vegetation, aimed at protecting slopes against erosion and ensuring the chromatic and esthetic harmonization of the slopes	1,592
Construction of sound tunnel and sound barriers	1,143
Soundproofed glazing at houses located at points where sound barrier efficiency is limited	237
Subtotal investments made by Túneles de Arxanda	2,972
Ausol:	
Scenic restoration (sowing of slopes, landscaping and revegetation)	6,317
Sound impact studies and installation of noise barriers	5,543
Transversal permeability (false tunnels, drainage systems, etc.) to ensure fauna mobility)	1,501
Impact on aquifers (polluting effluent retention pools and hydrological system protection)	169
General (mainly construction of false tunnels to improve the preceding activities, such as scenic restoration and sound impact reduction)	17,464
Other	314
Subtotal investments made by Ausol	31,308
Chilean subsidiaries:	
Investments made by Santiago Talca	295
Investments made by Temuco Río Bueno	10
Investments made by Collipulli Temuco	13

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**FINANCIAL STATEMENT AS OF DECEMBER 31, 2003
(Expressed in thousands of euros)**

Subtotal Investments by Chilean Subsidiaries
Total Cintra Group

	<u>318</u>
	<u>34,598</u>

CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A. AND SUBSIDIARIES

2003 MANAGEMENT REPORT

2. Basis of presentation and consolidation of financial statements

The accompanying consolidated financial statements, which were prepared from the accounting records of the Company and its subsidiaries as of December 31, 2003, are presented in accordance with the Spanish National Chart of Accounts and Royal Decree 1815/1991 on the Rules for the Preparation of Consolidated Financial Statements and, accordingly, give a true and fair view of the consolidated Group's net worth, financial position and results of operations.

The figures included in the documents that comprise these consolidated financial statements, the consolidated statement of income, and this consolidated note are expressed in thousands of euros.

These consolidated financial statements, which were prepared by the directors of the Parent Company, will be submitted for approval by the Shareholders' Meeting, and it is considered that they will be approved without any changes.

The consolidated financial statements were prepared by applying the accounting principles established by current Spanish corporate law and in particular by the Ministerial Order dated December 10, 1998, enacting the regulations for the adaptation of the Spanish National Chart of Accounts for toll road, tunnel, bridge and other tollway concession-holders, and those provided for in Royal Decree 1815/91 enacting the rules for the preparation of consolidated financial statements.

In compliance with Spanish corporate law, in addition to the 2003 figures the directors submit the corresponding figures for 2002 with each one of the items of the consolidated balance sheet and the consolidated statement of income.

And in order to facilitate understanding of the consolidated statement of income, these statements are presented in groups, with the required analysis included in the corresponding statement notes.

Consolidation was done based on the following criteria:

Companies directly or indirectly over 50% owned by Cintra, S.A. or whose management is effectively controlled by it (subsidiaries) were fully consolidated.

Companies directly or indirectly 50% owned by Cintra, S.A. and jointly managed by it were proportionally consolidated.

The equity of minority interests in the net worth and results of the fully consolidated subsidiaries is presented under the "Minority Interests" caption in the consolidated balance sheet and the "Income Attributed to Minority Interests" caption in the consolidated statement of income, respectively.

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Companies directly and indirectly less than 50% owned and over which a significant management influence is exercised (associated companies) are presented under the "Investments Accounted for by the Equity Method" caption in the accompanying consolidated balance sheet by the equity method. The share in the results for the year of these companies is reflected as "Share in Income (Loss) of Companies Accounted for by the Equity Method" in the accompanying consolidated statement of income.

In 2001 the Company terminated its concession agreements in Colombia and recorded a provision for the full cost in books as of December 31, 2001, of its holding in Cintra Colombia. For the reason mentioned above, this equity investment was not included in consolidation (see Note 8).

Cintra, Concesiones de Infraestructuras de Transporte, S.A. and its subsidiaries engage mainly in the development of toll road infrastructures, both in Spain and abroad.

The composition of the Cintra Group is as follows:

a) Subsidiaries

The information on the Cintra Group subsidiaries, their equity and the related percentages of ownership are shown in Exhibit 1. These companies were fully or proportionally consolidated based on the percentage of ownership.

The information on the investments in Cintra Group subsidiaries is as follows (amounts in thousands of euros for uniformity purposes):

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Value in Books of the Holding Company (thousands of euros)

Company	Company Holding the Investment	Value of Investment	Capital		Net Value of the Investmen †
			Payments Payable	Allowances	
Autema	Cintra	43,925	(10,665)	-	33,260
Ausol	Cintra	141,742	(897)	-	140,844
Ausol	Europistas	14,216	(120)	-	14,096
Trados-45	Cintra	14,950	(1,125)	-	13,825
Inversora Autopistas del Sur	Cintra	68,274	-	-	68,274
Inversora Autopistas del Sur	Europistas	37,930	-	-	37,930
Autopistas Madrid Sur, CE SA	Inversora Autopistas del Sur	479,083	-	-	479,083
Cintra Chile	Cintra	304,912	-	(55,307)	249,605
Temuco-Rio Bueno	Cintra Chile	41,200	-	-	41,200
Collipulli-Temuco	Cintra Chile	85,878	-	-	85,878
Autopista del Maipo	Cintra Chile	128,672	-	-	128,672
Euroscut Algarve	Cintra	35,312	-	-	35,312
Euroscut Norte Litoral	Cintra	47,733	(913)	-	46,820
Cintra Colombia	Cintra	2,291	-	(2,291)	-
Sucursal Portugal	Cintra	6	-	-	6
Algarve International BV	Cintra	14	-	-	14
Grande Porto	Cintra	36	-	-	36
Autopista de Toronto, S.L.	Cintra	341,626	-	-	341,626
407 Toronto Highway B.V.	Autopista de Toronto, S.L.	384,566	-	(198,968)	185,598
Cintra Canadá, S.A.	407 Toronto Highway B.V.	408,772	-	(168,887)	239,885
407 International Inc.	Cintra Canadá	1,300,657	-	-	1,300,657
Autoestrada Poludnie	Cintra	6,118	(4,003)	-	2,116
Eurolink Motorway	Cintra	0,186	-	-	0,186

b) Associated companies

The information on the Cintra Group subsidiaries, their equity and the related percentages of ownership are shown in Exhibit 2. These companies were accounted for by the equity method.

The information on the investments in the Cintra Group associated companies is as follows (amounts in thousands of euros for uniformity purposes):

Thousands of euros

Company	Company Holding the Investment	Value in Individual Books of the Holding Company			Net Value of the Investmen †
		Value of Payment Investment	Capital Payments Payable	Allowances	
Europistas	Cintra	23,779	-	-	23,779
Túneles de Artxanda	Cintra	8,136	-	(413)	7,723
	Europistas	5,415	-	-	5,415
Talca Chillán	Cintra Chile	20,053	-	-	20,053

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c) Variations in scope of consolidation

The following significant variations in the consolidated group took place in 2003:

1. Acquisition of shares in Euroscut Norte Litoral, S.A., representing 4.53% of its capital stock, increasing its percentage from 71% to 75.53%.
2. Acquisition of shares in Euroscut Algarve, S.A., representing 6% of the capital stock of the company, increasing its percentage from 71% to 77%.
3. In March 2003, the consortium formed by Ferrovial Infraestructuras, S.A. (Ferrovial Group's concession subsidiary) and the local builder SIAC signed the concession contract for the N4 Toll Road/N& Kinnegad Kilcock Motorway, with the Irish Ministry of Transportation and the NRA-National Roads Authority. This project involves a total expected investment of 400 million euros with a 30-year concession term.
This resulted in the consolidation for the first time, effective on June 1, 2003, of Eurolink Motorway Operacional Ltd., the company awarded the N4/N6 toll road concession. Cintra Concesiones de Infraestructuras, S.A. holds 93% of the company.

The effects on consolidated equity of these changes in the scope of consolidation are detailed in Note 14.

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As of December 31, 2003, the concessions operated by the various Cintra Group toll road concession-holders can be summarized as follows:

<u>Company</u>	<u>Country</u>	<u>Concession</u>	<u>km</u>	<u>Start</u>	<u>End</u>	<u>Status</u>
Europistas	Spain	A-8 Bilbao-Behobia toll road	106.0	1968	2003	Amount Reverse
			84.0	1974	2017	d
Autopista del Sol, S.A.	Spain	A-1 Burgos-Armiñón toll road				Status
		Málaga-Estepona toll road	82.0	1996	2046	O
		Estepona-Guadiaro toll road	22.5	1999	2054	O
AUTEMA	Spain	Terrassa-Sant Cugat stretch	48.0	1987	2036	O
Túneles Artxanda	Spain	Artxanda tunnel	2.9	1998	2048	O
Trados45	Spain	O'Donell N-IV M 45 intersection	14.0	1998	2029	O
Autopista del Sur, C.E, S.A.	Spain	R-4 Madrid-Ocaña toll road	96.0	2000	2065	C
Talca-Chillan	Chile	R5 Talca-Chillán stretch	193.0	1996	2015	O
Temuco-Rio Bueno	Chile	R5 Temuco-Río Bueno stretch	171.7	1998	2023	O
Collipulli-Temuco	Chile	R5 Collipulli-Temuco stretch	144.2	1999	2024	O
Autopista del Maipo	Chile	R5 Santiago-Talca stretch	237.4	1999	2024	C-O
407 ETR	Canada	Toronto	108.0	1999	2098	O
Euroscut Algarve	Portugal	San Antonio Lagos	127.0	2000	2030	C
Euroscut Norte Litoral	Portugal	Porto-La Guardia	113.0	2001	2031	C
Eurolink Motorway	Ireland	Kinnegad to Kilcock	35.0	2003	2033	C
			<u>1,584.7</u>			

C: Under construction

O: In operation

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3. Allocation of loss

The proposed allocation of losses of the Parent Company for the year ending December 31, 2003, formulated by the Administrators and pending approval by the General Meeting of Shareholders, is the following:

	<u>Thousands of Euros</u>
Allocation base	
Income	<u>74,203</u>
	<u>74,203</u>
Distribution	
Legal reserve	7,420
Losses from Previous Years	41,154
Voluntary reserves	<u>25,629</u>
	<u>74,203</u>

4. Valuation standards

The main valuation methods applied in the preparation of the consolidated financial statements were as follows:

a) Consolidation goodwill

Consolidation goodwill is defined as the positive difference between the cost of an investment and the underlying book value at the date of the investee's inclusion in the Group.

Consolidation goodwill is amortized systematically as and in the period during which it contributes to the obtainment of revenues, over a maximum period of 20 years.

b) Negative consolidation difference

Negative consolidation difference is defined as the negative difference between the cost of an investment and the underlying book value at the date of the investee's inclusion in the Group.

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This negative difference is charged to income when the gain giving rise to it is realized, either through the distribution of the equity of the subsidiary or through the disposal of the investment.

c) Standardization of items

In order to uniformly present the items included in the consolidated financial statements, the valuation principles and standards used by the Parent Company were applied to all the consolidated companies.

The main reclassifications performed in order to standardize the various items included in the consolidated financial statements were as follows:

- As indicated in Note 2-A, the Spanish concession-holders are subject to the regulations adapting the Spanish National Chart of Accounts to toll road, tunnel, bridge and other tollway concession-holders. Since these regulations are not the same as those applicable in their respective countries to 407 International Inc., Ruta 5 Talca-Chillán, Autopista del Maipo, Collipulli-Temuco and Temuco-Río Bueno, it was necessary to standardize the financial statements of these companies in order to adapt them to Spanish accounting regulations. The main impact of the adjustment for uniformity purposes on consolidated earnings (concessions in Canada and Chile) is the capitalization of financial expenses amounting to € 643,687 thousand euros, of which 155,996 thousand relate to 2003 (see Note 9).

- The Canadian company 407 International Inc. records the bonds issued to finance its operations in accordance with Canadian accounting principles, under which debts are recorded at the amount effectively received plus any amounts accrued, regardless of the face value of the bonds. In accordance with the valuation methods applied by Cintra, S.A., in conformity with the Spanish National Chart of Accounts, debts are recorded at their repayment value and the difference between this value and the amount effectively received is included separately under the "Deferred Charges" caption on the asset side of the consolidated balance sheet (see Note 9).

d) Monetary adjustment

The financial statements of the Chilean companies were standardized in order to eliminate the effect of monetary adjustment, which includes the effect of inflation on the financial statements of these companies, since it is estimated that because Chile has had low levels of inflation for three consecutive years, under Spanish accounting regulations it will not be possible to restate the financial statements using the accounting methods applicable to hyperinflationary countries.

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e) Translation of the financial statements of foreign companies

The assets and liabilities included in the financial statements of the consolidated subsidiaries abroad were translated to euros at the exchange rates ruling at year-end, except for the investments in Group and associated companies, which are valued at the exchange rate prevailing at the date of their inclusion in the Group. Capital and reserves were translated at the historical exchange rate. Income statement items were translated at the average exchange rates for the year. The difference that arose in the translation process is recorded under the "Shareholders' Equity - Translation Differences" caption, net of the portion of this difference relating to minority interests, which is presented under the "Minority Interests" caption on the liability side of the consolidated balance sheet.

f) Balances and transactions between companies included in the consolidated Group

All balances and transactions between Cintra Group companies and the intercompany gains or losses resulting from these transactions were eliminated in consolidation.

g) Start-up expenses

The start-up expenses include the costs incurred by the Company in concept of capital increase. They are valued according to their acquisition price or by the cost of the goods and services that make them up.

These expenses are amortized on a straight-line basis over five years.

h) Intangible assets

Computer applications are valued at their acquisition price or at their production cost.

The maintenance costs that do not lead to a lengthening of the useful lives or to the increased productivity of the related assets are expensed currently.

The "Concessions, Licenses, Trademarks and Other" caption of the consolidated balance sheet includes mainly the payments made by Cintra Chile for assets and rights arising from the concession agreements of its subsidiaries, which are amortized by applying the percentage resulting from the ratio of the actual revenues of the toll road to the total estimated traffic for the concession term.

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i) Tangible fixed assets

Tangible fixed assets are carried at acquisition price or production cost revalued pursuant to the applicable enabling legislation. Production cost is valued at the costs directly allocable to the construction of tangible fixed assets incurred through the date on which the assets become operational, such as studies and projects, expropriations, reinstatement of services, performance of construction work, construction project management and administration expenses, facilities and building construction and other similar work, as well as the portion of indirectly allocable costs relating to the construction period.

This caption also includes the financial expenses incurred prior to the date on which the asset becomes operational arising in connection with the borrowed funds used to finance the asset.

The maintenance and upkeep costs that do not lead to a lengthening of the useful lives or to the increased productivity of the related assets are expensed currently.

The "Investments in Toll Roads" caption includes the amount of the investments assigned to the administrative concessions operated by the Cintra Group companies which revert to the related Administrative Authorities at the end of the respective concession terms, and property investments.

The revertible fixed assets included in the investment in concessions whose estimated useful life is shorter than the concession term are being depreciated on a straight-line basis over their estimated years of useful life, as follows:

Concept	Years of Estimated Useful Life
Buildings and service areas	30-50
Toll machinery	10-18
Communications network	18
Additional equipment	3-18
Lighting	6.5-12.5
Road surfaces	16.7-33
Enclosures	10
Signposting	5-18
Concession rights	25-40
Other structures	40

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Even though in the accounting regulation in force the aforementioned assets must be registered as tangible fixed assets, it has to be taken into account the various characteristics that restrict the control of the concession companies over those assets:

- Those assets are in most cases property of the public concessioner authority from the beginning of the construction.
- The concessioner company has the right to exploit the asset solely during the concession period subject to the terms established by the concessioner. The right to exploit is usually done through a toll collection (explicit, shadow toll regime) for the use of the infrastructure. That toll, as well as the regulations for its annual updating, is usually fixed by the administration.
- At the end of the concession period, the concessionaire is under the obligation to revert the asset to the administration. The useful life of the assets is in the majority of the occasions fairly higher than the concession period.

In addition to the depreciation expense, the Cintra Group companies record, from the date on which the revertible assets enter into service, the related reversion reserve, which must cover the net book value of the revertible assets at the date of reversion plus the amount of the expenses that it is estimated will be made at the end of the concession term in order to return these assets in the working order stipulated in the respective concession agreements. The Cintra Group companies consider that the periodic maintenance plans, the cost of which is expensed currently, are sufficient to ensure the return of the revertible assets in good working order at the end of the concession term and that, accordingly, no significant expenses will arise as a result of the reversion.

The amounts recorded under the "Capitalized Expenses of Group Work on Fixed Assets" caption relate to the capitalization of the costs incurred through the date on which the various concessions become operational.

The "Capitalized Expenses of Group Work on Fixed Assets" caption includes the toll road construction expenses that have subsequently been capitalized because they relate to the respective construction period, with the exception of the financing interest, which has been directly capitalized since 2002. The amount of the financing interest capitalized in 2002 totaled approximately €16.5 million. The amount of the financing interest capitalized in 2003 totaled approximately €50,337 thousand.

The balance of the "Capitalized Expenses of Group Work on Fixed Assets" caption in 2003, which relates to the Autopista Madrid Sur, C.E.S.A, Euroscut Algarve, Euroscut Norte Litoral, Eurolink Motorway, and AutoPista del Maipo concessions, amounts to approximately €3,132 thousand, €636 thousand, €3,314 thousand and €11,952 thousand, and €1,763 thousand, respectively.

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Other tangible fixed assets are depreciated on a straight-line basis at annual rates based on the following years of estimated useful life:

Concept	<u>Years of Useful Life</u>
Fixtures and machinery	10 – 15
Furniture	10
Computer hardware	3 – 5
Transport elements	2

j) Long-term investments

The "Long-Term Investments" caption includes:

1. Investments in companies accounted for by the equity method

This caption includes the companies that are less than 50% owned and over which a significant management influence is exercised. These companies are accounted for by the equity method.

2. Investments in Group companies.

This caption includes the investments in companies not included in the consolidation scope, valued at their acquisition cost.

3. Other loans.

This caption includes basically long-term reserve funds for the hedging of debts, as required by the financing conditions of the Canadian company 407 International Inc., which are invested in fixed-income liquid assets.

k) Short-term investments

The short-term investments, which basically include investments in government debt securities and euro and foreign currency deposits, are carried at cost. Short-term investments of concession-holder companies are normally subject to certain availability restrictions (see note 12)

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l) Deferred charges

The "Deferred Charges" caption includes loan arrangement and renewal expenses, collateral fees and deferred interest on leases that are charged to income during the maturity term of the related debts by the interest method.

This caption in the consolidated balance sheet also includes the amount of interest incurred on the financing of the investment in toll roads in operation that exceeds the interest effectively allocated to income pursuant to the Valuation Standard described in the new regulations adapting the Spanish National Chart of Accounts for toll road concession-holder companies (Ministerial Order dated December 10, 1998), since the Group considers that there is reasonable evidence that these expenses will be passed on in tolls in future years.

Accordingly, the financial expenses to be recognized each year will be the result of applying to the projected total financial expenses during the term of the concession the proportion of the projected toll revenues for each year to the total toll revenues during the concession term. If the actual toll revenues for a given year are higher than the projected revenues, the aforementioned proportion will be based on the actual revenues.

For each year the positive difference between the total financial expenses projected in the Economic and Financial Plan and those allocated as described in the preceding paragraph will be recorded under the "Deferred Charges" caption. If the actual financial expenses are higher than those projected for the year, the difference will be treated as an addition to the period financial expense.

Lastly, this caption in the accompanying consolidated balance sheet includes the difference between the repayment value and the amount effectively received in relation to the bonds issued by the Canadian company 407 International Inc. (see Note 4-c).

m) Inventories

Inventories are valued at the lower of cost or market and any difference in value is recorded in the allowance for decline in value.

Cost is determined with raw and other materials acquired from third parties are valued at the lower of average acquisition cost or net realizable value.

n) Pension plans

The Cintra Group has no significant pension system or plan or supplementary pension system.

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o) Provisions for contingencies and expenses

Provisions are recorded for contingencies and other expenses at the estimated amount required for probable or certain third-party liability arising from litigation in progress and from outstanding indemnity payments or obligations of undetermined amount and collateral and other similar guarantees.

The reversion reserve is recorded to cover the reconstruction of the book value of the revertible asset, plus the estimated expenses to be incurred to enable these assets to be returned in working condition as stipulated in the concession agreements (see Note 4-i).

Pursuant to the regulations adapting the Spanish National Chart of Accounts for toll road, tunnel, bridge and other tollway concession-holders (Ministerial Order dated December 12, 1988), from the date on which each section of toll road, tunnel, bridge or other tollway becomes operational, both the financial expenses and the provision to the reversion reserve are charged to income based on the proportion of annual toll revenues for the section to total projected revenues. The Company has applied this method of recording financial expenses and the reversion reserve since the fiscal year ended December 31, 1999.

p) Deferred revenues

The balance of the "Deferred Revenues" caption relates mainly to the financial revenues obtained from the concession-holders 407 International in Canada and Collipulli-Temuco in Chile, which relate to borrowed funds. These revenues will be recognized in income as provided for by the Economic and Financial Plan.

This caption also includes the positive exchange differences resulting for the Autopista del Maipo for issuing bonds in dollars, pursuant to the regulations adapting the Spanish National Chart of Accounts for toll road, tunnel, bridge and other tollway concession-holders (Ministerial Order dated December 12, 1988).

This also includes the capital grant obtained during the year by Eurolink Motorway Operation Ltd. in Ireland for a total of €45,000 thousand.

q) Classification of debt

Debts maturing in under 12 months from the consolidated balance-sheet date are classified as current liabilities and those maturing at over 12 months as long-term debt. These debts are increased by the related unmatured interest incurred. Interest is recorded in the year in which it is incurred.

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r) Corporate income tax

Since 2002 the Parent Company has filed consolidated tax returns with Autopista de Toronto, S.L., Autema, S.A. and Ausol, S.A. (subsidiaries) (see Note 19).

The expense for corporate income tax is calculated on the basis of book income, adjusted by the permanent differences from taxable income and taking into account the applicable tax relief and tax credits. The tax effect of the timing differences is included, as appropriate, in the related "Prepaid Income Tax" and Deferred Income Tax" captions in the consolidated balance sheet.

The tax assets for tax loss carryforwards and/or timing differences are recognized as prepaid taxes up to the limit of the deferred taxes arising from the timing differences that are expected to revert through the date of expiry of the carryforward period.

s) Foreign currency transactions

Transactions in foreign currencies are translated to euros at the exchange rates ruling at the transaction date.

The balances payable and receivable in foreign currencies at year-end were translated at the exchange rates then prevailing.

The unrealized exchange gains are recorded under the "Deferred Revenues" caption in the consolidated balance sheet. Exchange losses are recorded as an expense under the "Exchange Losses" caption in the accompanying consolidated statement of income.

t) Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

In accordance with the accounting principle of prudence, the companies only record realized income, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

u) Severance costs

Under current labor legislation, the Parent Companies are required to pay severance to employees terminated under certain conditions. No provision was

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recorded in this connection in the accompanying consolidated financial statements, since no situation of this nature is expected to arise.

v) Currency hedging contracts

Using futures contracts, the Parent Company has hedged, with respect to the Canadian dollar, the value of the cash transfers that it expects to receive through 2005 from the concession-holder company 407 ETR International Inc. The amount hedged as of December 31, 2003, was CAD 34,315 thousand (approximately €21,140 thousand). Of this amount, CAD 30,869 thousand (approximately €19,017 thousand) mature in 2004 and CAD 3,446 thousand (approximately €2,122 thousand) mature in 2005.

These futures contracts were arranged in accordance with management's policy of hedging possible fluctuations in the euro with respect to the Canadian dollar. Due to the positive and negative exchange differences, revenue and a financial expense of €1,848 and €138 thousand, respectively, were recorded in the captions "Other Financial Revenues" and "Financial Expenses" in the attached 2003 financial statement.

For the above coverage operations, on December 31, 2003 deferred revenues has been recorded totaling 472 thousands of euros for which a compensation entry has been registered under "Accounts Receivables" on the assets of the attached Balance Sheet, related to the unrealized gain that would result from assessing those contracts to the actual market value on December 31, 2003.

Also, in 2003, the Parent Company arranged two hedging transactions to cover possible fluctuations of the euro with respect to the Polish zloty, for a total of 8,789 thousand zlotys (€1,872 thousand, approximately), both maturing in 2005. A financial expense of € 24 thousand was recorded for the negative exchange differences under the "Financial Expenses" caption in the accompanying 2003 statement of operations.

In connection with the aforementioned hedging transactions, as of December 31, 2003, a deferred revenue of €275 thousand was recorded, the balancing item for which is recorded under the "Sundry Accounts Receivable" caption on the asset side of the accompanying balance sheet (see Note 11) in relation to the unrealized gain that would arise from valuing these contracts at their market value as of December 31, 2003.

w) Interest rate hedging contracts

In certain cases, the concession-holder companies arrange interest rate hedging contracts (interest rate swaps) (see Note 17).

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5. Consolidation goodwill and negative consolidation goodwill

a) Consolidation goodwill

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

	Thousands of euros					
	31.12.02	Additions	Retireme nts (Note 1)	Exchange Differences	Amortization	31.12.03
Autopista de Maipo, S.A.	12,400	-	-	157	(641)	11,916
Ausol, S.A.	21,164	-	-	-	(1,114)	20,050
Euroscut Algarve, S.A.	-	457	-	-	(11)	446
407 ETR International Inc.	87,448	-	-	(283)	(4,681)	82,484
Total fully consolidated companies	121,012	457	-	(126)	(6,447)	114,896
Europistas, C.E.S.A.	12,158	-	-	-	(829)	11,329
Total companies accounted for by the equity method	12,158	-	-	-	(829)	11,329
Total consolidation goodwill	133,170	457	-	(360)	(7,276)	126,225

The goodwill was recorded by Cintra because there is no doubt as to the capacity of the related investees to generate sufficient revenues to enable the goodwill to be recovered.

In 2003 the Group acquired shares in the company Euroscut Algarve, S.A., representing 6% of the capital stock, with an acquisition price of €3,174 thousand, giving rise to goodwill of €457 thousand.

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a) Negative consolidation goodwill

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Company	Thousands of euros			
	31.12.02	Registered	Amount Reversed	31.12.03
Cintra Chile	4,814	-	-	4,814
Temuco-Río Bueno	1,853	-	-	1,853
Euroscut Norte Litoral, S.A.	-	2	-	2
Algarve Internacional, B.V	-	6	-	6
Autema, S.A.	1	-	-	1
Ausol, S.A.	246	-	-	246
Total fully consolidated companies	6,914	8	-	6,922
Europistas	34,812	-	(16,333)	18,479
Talca-Chillán	2,348	-	-	2,379
Total companies accounted for by the equity method	37,160	-	(16,333)	20,858
Total negative consolidation goodwill	44,074	-	(16,333)	27,780

The reversal in the year relates to the capital gain realized when equity of Europistas was reimbursed in 2003 (see Note 4-b).

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6. Intangible assets

The variations in 2002 in the balance of this caption in the accompanying consolidated balance sheet were as follows

Concept	Conversion differences	Thousands of euros		
		31.12.02	Additions / Retirements	31.12.03
Concessions, patents and licenses	1,344	98,903	1,766	102,013
Computer software	-	458	(39)	419
Total	1,344	99,361	1,727	102,432
Accumulated amortization	(506)	(1,702)	(435)	(2,643)
Total amortization	(506)	(1,702)	(435)	
Net	838	97,659	1,292	99,789

7. Tangible fixed assets

The variations in 2003 in the balance of this caption in the accompanying consolidated balance sheet were as follows:

Concept	Conversion differences	Thousands of euros			
		31.12.02	Perimeter variation	Additions /Retire ments	31.12.03
Investment in Toll Roads	51,538	4,474,560	127,294	464,216	5,117,608
Fixtures and machinery	(4)	129	-	(125)	-
Other fixtures, tools and furniture	(8)	684	-	119	811
Other tangible fixed assets	-	804	-	141	945
Total cost	51,542	4,476,177	127,294	(464,351)	5,119,364
Accumulated amortization	(445)	(48,707)	-	(10,668)	(59,820)
Total amortization	(445)	(48,707)		(10,668)	(59,820)
Net	(51,097)	4,427,470	127,294	453,683	5,059,544

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Variation additions are due to the entry of Eurolink Motorway.

The "Investments in Toll Roads" caption as of December 31, 2003, is as follows:

Company	Thousands of Euros
Autema	216,432
Ausol	668,276
Trados-45	97,203
Autopista R4 Madrid Sur	513,610
Temuco-Río Bueno	161,773
Collipulli-Temuco	185,145
Autopista del Maipo	355,510
407 International Inc	2,455,055
Eurolink Motorway	127,294
Euroscut Algarve	272,194
Euroescut Norte	65,116
	<hr/>
	5,117,608

The assets included in "Tangible Fixed Assets" are assigned directly to operations and the related risk coverage in the form of the insurance policies taken out is sufficient.

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8. Long-term investments

Composition and variations during 2003 was as follows:

Concept	Thousands of euros				31.12.03
	31.12.02	Additions	Retiremen s	Other Variations	
Investments Accounted for by the Equity Method	84,783	4,789	-	(46,394)	43,178
Investments in Group companies	2,291	-	-	-	2,291
Short-term investment securities	179	-	-	-	179
Long-term deposits and guarantees given	125	-	(3)	-	122
Other loans	168,182	14,013	-	-	182,195
	255,560	18,802	(3)	(46,394)	227,965
Investment valuation allowances	(2,291)	-	-	-	(2,291)
	<u>253,269</u>	<u>18,802</u>	<u>(3)</u>	<u>(46,394)</u>	<u>225,674</u>

a) Investments in companies accounted for by the equity method

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Company	Thousands of euros				31.12.03
	31.12.02	Share in income	Retirem ents	Transfers and Other	
Europistas, C.E.S.A.	61,640	5,179	-	(46,496)	20,323
Túneles de Artxanda	9,808	(411)	-	-	9,397
Talca-Chillán	13,335	21	-	102	13,458
	<u>84,783</u>	<u>4,789</u>	<u>-</u>	<u>(46,394)</u>	<u>43,178</u>

The "Transfers and Other" column includes mainly the reimbursement of the equity of Europistas, amounting to €27,547 thousand (see Note 5.b), the distribution of dividends by Europistas, amounting to €11,776 thousand.

The "Equity in the Income of Companies Accounted for by the Equity Method" caption of the financial statement relates to these companies' income before taxes of Europistas and Túneles de Artxanda amounting to €2,495 thousand was adjusted in the consolidated corporate income tax expense (see Note 19).

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b) Investments in Group companies

The "Investments in Group Companies" caption relates to the investment in Cintra Colombia, which has been provisioned in full (see Note 2-a).

c) Other long-term loans

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Concept	Thousands of euros		
	31.12.02	Variation	31.12.03
Loans to third parties	129	39	168
Investments in liquid assets	168,053	13,974	182,027
	<u>168,182</u>	<u>14,013</u>	<u>182,195</u>

The investments in liquid assets relate mainly to placements of reserves in bonds of the Canadian company 407 International Inc. (see Note 17).

9. Deferred charges

The detail, by company, of the deferred charges and of the variations therein in 2002 is as follows:

	Thousands of euros						
	31.12.02	Unification of Face Value of Debt	Exchange Rate	Monetary Correction	Adjustment Sector	Variation for the Year	31.12.03
407 ETR	470,536	53,127	7,862	-	147,744	3,284	675,985
Autema	155,855	-	-	-	8,813	(307)	164,361
Ausol	56,427	-	-	-	20,960	5,107	82,494
Trados 45	2,083	-	-	-	1,326	136	3,545
Inversora Madrid Sur, S.I.	-	-	-	-	-	7,170	7,170
Autopista Madrid Sur R4	-	-	-	-	-	607	607
Temuco Río Bueno	20,720	-	312	-	5,370	5,904	33,306
Collipulli Temuco	45,721	-	688	-	1,702	15,194	63,305
Autopista del Maipo	81,419	-	1226	(20,154)	1,180	15,223	78,894
Euroscut Algarve	10,336	-	-	-	-	(7,740)	2,596
Euroscut Norte Litoral	5,188	-	-	-	-	(2,358)	2,830
Cintra Chile	728	-	4	-	-	(485)	1,217
	<u>849,013</u>	<u>53,127</u>	<u>10,088</u>	<u>(20,154)</u>	<u>187,095</u>	<u>35,142</u>	<u>1,115,310</u>

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10. Inventories

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Concept	Thousands of euros	
	31.12.03	
Raw materials and supplies		290
Initial expenses and general fixtures		1,109
	1,	1,399

11. Trade accounts receivable

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Concept	Thousands of euros	
	31.12.03	
Trade receivables		94,219
Receivable from associated companies (Note 13)		122
Receivable from Group companies (Note 13)		787
Employee receivables		325
Taxes receivable		102,198
Other accounts receivable		20,213
Allowances		(36,248)
		181,616

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The detail, by company, of the "Taxes Receivable" account is as follows:

	Thousands of euros
Autopista R-4 Madrid-Sur C.E.S.A.	57,810
Autopista de Toronto, S.L.	1,623
Autopista del Sol, C.E.A.S.A.	3,136
Autopista Terrasa Manresa, S.A.	6,612
Trados 45, S.A.	16
Cintra, S.A.	15,110
Collipulli Temuco	2,289
Temuco-Río Bueno	547
Autopista del Maipo	5,218
Cintra Chile, S.A.	237
Euroscut Norte Litoral	4,224
Euroscut Algarve	1,213
Euronlink Motorway	3,992
Other	171
	<u>102,198</u>

As of December 31, 2003, deferred taxes were recorded in the Chilean companies Autopista de Toronto, S.A. and the Parent Company for a total of €3,470 thousand.

The caption for allowances relate includes allowances for doubtful trade accounts receivable by 407 International amounting to €36,248 thousand.

The breakdown, by geographical market, of the trade receivables as of December 31, 2003, is as follows:

	Thousands of euros
Concept	<u>31.12.03</u>
National	3,898
Abroad	<u>90,321</u>
	<u>94,219</u>

The balance of the trade receivables relates in full to private customers.

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12. Short-term investments

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Concept	Thousands of Euros
	31.12.03
Short-term investments of concession-holders	191,144
Loans to third parties	794
Other loans	67,102
	<u>259,040</u>

The caption "Short-term investments of concession-holders" account includes mainly the reserves recorded as security for the guarantee of repayment of certain financial obligations (see Note 17).

The "Other loans" caption includes the balance of a short-term deposit deposited by the Parent Company for an amount of €67,000 thousand. The deposit, which can be withdrawn at any time matures on January 2, 2004. The interest rate is 3% and the total interest accrued at the end of the year totaled €4 thousand.

13. Group and Associated companies

The detail of the balances with Group and Associated companies as of December 31, 2003 is as follows:

Company	Thousands of euros
	31.12.03
Ferrovial Aeropuertos, S.A.	251
Cintra Aparcamientos, S.A.	313
Ferrovial-Agromán, S.A.	275
Other	70
	<u>909</u>
Receivable from Group and Associated companies	
Ferrovial Agroman Chile	681
Delta Ferrovial	1,238

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Long term payable to Group and Associated companies	<u>1,919</u>
Grupo Ferrovial	935
Ferrovial Agromán	32,705
Ferrovial Agromán Chile	5,188
Other	<u>499</u>
Short term payable to Group and Associated companies	<u>39,327</u>

"Group and associated companies" were taken to be Ferrovial Group companies.

14. Shareholders' equity

The detail of the balance of the consolidated equity accounts and of the variations therein in 2003 is as follows:

	Thousands of euros								
	Subscribed capital	Issue premium	Other Reserves	Translation difference	(Losses) Previous Years	IG Reserve	PEE Reserve	Result	Total
Shareholders' equity on 31-12-2002	89,925	878,018	7,431	(135,283)	-	186,606	(12,024)	9,963	1,024,636
Distribution of 2002 income	-	-	-	-	-	16,457	(6,494)	(9,963)	-
Translation differences	-	-	-	9,267	-	-	-	-	9,267
Monetary variation and other	-	-	-	-	-	2,246	(56)	-	2,190
2003 income	-	-	-	-	-	-	-	197,129	197,129
Shareholders' equity on 31-12-2003	89,925	878,018	7,431	(126,016)	-	205,309	(18,574)	197,129	1,233,222

a) Capital stock

Cintra's capital stock consists 1,496,242 fully subscribed and paid registered shares of €60.10 par value each, all of which carry the same rights.

The shareholder structure as of December 31, 2003, was as follows:

Shareholders	No. of Shares	Holding
Ferrovial Infraestructuras, S.A.	897,745	60%
Macquarie Infrastructure (Luxembourg), S.A.	598,497	40%
	<u>1,496,242</u>	<u>100%</u>

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b) Additional paid-in capital

Under the revised Corporations Law, the balance of this account is unrestricted as to its use.

c) Start-up expenses

Pursuant to Article 194.3 of the revised Corporations Law, until the Parent Company's start-up expenses have been fully amortized, no income distribution may be made unless the Parent Company's unrestricted reserves are at least equal to the amount of the unamortized expenses.

d) Non-Group companies holding significant ownership interests in subsidiaries

The non-Cintra Group companies with holdings of 10% of more in consolidated companies are as follows:

Consolidated % of Company	<u>Non-Group Shareholder</u>	<u>Holding</u>
407 International Inc.	SNC Lavalin	16.77%
	Maquarie Infraestructure S.A	16.13%
Talca Chillán	Delta	27.42%
	Sodeia	16.03%
Autopista del Sol, C.E.S.A.	Unicaja	15.00%
Autopista Terrasa Manressa, S.A.	Grupo Abertis	22.33%
Autopista Trados-45, S.A.	Grupo Abertis	50.00%
Inversora de Autopistas del Sur, S.L.	E.N.A./Unicaja/Caja Castilla La	30.00%
	Mancha	
Túneles de Arxanda, S.A.	BBK	20.00%

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e) Consolidation reserves

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

	Others	Thousands of euros			
		31.12.02	2002	Monetary	31.12.03
		Dividends	Correction		
Autema	-	17,163	254	-	17,417
Ausol	-	8,294	3,372	-	11,666
Trados-45	-	-	1,184	-	1,884
Cintra Chile	-	2,642	(6,657)	2	(4,013)
Temuco-Río Bueno	-	665	3,233	13	3,911
Collipulli-Temuco	-	6,331	1,374	(34)	7,671
Autopista del Maipo	-	4,680	8,078	387	13,145
Euroscut Algarve	-	3	3	-	6
Euroscut Norte	-	1	7	-	8
Algarve International BV	-	89	-	-	89
407 International Inc.	-	44,297	47,007	-	91,304
Autoestrada Poludnie	-	29	-	-	29
Autopista de Toronto	-	25,553	17,468	-	43,021
Toronto Highway BV	-	25,246	(1,254)	-	23,992
Cintra S.A.	1,876	52,842	(58,321)	-	(3,603)
Cintra Sucursal Portugal	-	(141)	11	-	(130)
Inversora R-4	-	-	-	-	-
Total fully consolidated companies	1,876	187,694	16,459	368	206,397
Europistas	-	(8,921)	(6,004)	-	(14,925)
Túneles de Artxanda	-	(14)	(74)	-	(88)
Talca-Chillán	-	(4,177)	(416)	(56)	(4,649)
Total companies accounted for by the equity method	-	(13,112)	(6,494)	(56)	(19,662)

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f) Translation differences

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Company	Thousands of euros		
	31.12.2002	Variation	31.12.2003
Cintra Chile	(10,216)	98	(10,118)
Temuco-Río Bueno	(13,406)	781	(12,625)
Collipulli-Temuco	(31,293)	1,087	(30,206)
Autopistas del Maipo	(37,203)	2,155	(35,048)
407 International Inc.	(38,668)	7,613	(31,055)
Cintra Canada INC	-	(1,732)	(1,732)
Autoestrada Poludnie	(24)	(862)	(886)
Total fully consolidated companies	(130,810)	9,140	(121,670)
Talca-Chillán	(4,473)	127	(4,346)
Total companies accounted for by the equity method	(4,473)	127	(4,346)
	(135,283)	9,267	(126,016)

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15. Minority interests

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Company	Thousands of Euros				
	31.12.02	Additions	Retireme nts	Income year	31.12.03
Autema	19,731	-	(2,350)	1,529	18,910
Ausol	36,397	195	(2,042)	4,899	39,449
Temuco-Río Bueno	11,182	264	-	1,911	13,357
Euroscut Algarve	13,129	-	(2,716)	-	10,413
Euroscut Norte-Litoral	18,331	-	(2,864)	-	15,467
Inversora Autopista del Sur	29,713	41,412	-	-	71,125
Algarve International B.V.	42	-	(9)	153	186
407 International Inc.	197,291	3,808	(14,564)	25,748	212,283
Autoestrada Poludnie	6,122	-	(862)	-	5,260
Others	71	-	-	-	71
	<u>332,009</u>	<u>45,679</u>	<u>(25,407)</u>	<u>34,240</u>	<u>386,521</u>

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16. Provisions for contingencies and expenses

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2003, is as follows:

Concept	Thousands of Euros		
	31.12.02	Variation	31.12.03
Provision for taxes	182	6,104	6,286
Reversion reserve	40,823	22,073	62,896
Other provisions	119,009	(45,651)	73,358
	<u>160,014</u>	<u>(15,474)</u>	<u>142,540</u>

The Provision for taxes caption records the amount of the provision in 2003 by Autopista Terrasa Manresa, S.A. for an amount of €6,047 thousand, to cover possible risks that could result from the open processes that are unfavorable to the Company by virtue of the final decision by the Supreme Court on December 18, 2003, which rejected the 95% exemption in the tax base of the Property Tax.

The "Reversion Reserve" account includes the provision recorded in order to restore the value for accounting purposes of the revertible assets, taking into account the reversion conditions provided for in the concession agreement. (see Note 4-i).

During 2003, the Chilean concession companies Autopista del Maipo, S.A., Talca Chillán, S.A. and Collipulli-Temuco, S.A. signed the revenue distribution mechanism with the authorities in Chile, and for this reason, in accordance with the updated business plans of the companies, the Parent Company has reversed part of the provision for contingencies and expenses in previous years for an amount of €77,000 thousand.

In accordance with the accounting principle of prudence, though the revenue distribution mechanism signed with the Chilean authorities a priori will be beneficial for the concession-holders, since these business plans are based on hypothesis and there may be deviations in the future, the Parent Company's directors feel that the provision for contingencies and expenses should be maintained at €42,000 thousand, periodically updating the business plans based on the transactions of its investees, reassessing the need for this provision if necessary.

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17. Long and short-term payables to credit institutions

There is limited recourse against the Parent Company for the financing of the Group's concessions once they have come into service.

Also, most of the assets relating to the Group's concessions are securing the Group's financial obligations, generally in the form of security interests or other similar arrangements.

In general, the loan and debenture contracts of the concession-holder companies and the Parent Company contain typical clauses whereby the companies would be obliged to make early repayments and other matters with a potential impact on the Group's financial position in the event of failure to meet certain financial ratios. The directors consider that as of the date of preparation of these consolidated financial statements the Group was meeting all the financial ratios provided for in its loan contracts.

a) Long-term payables to credit institutions

The detail, by, company, of the long-term payables to credit institutions is as follows:

Company	Thousands of euros	
	Payables with Credit Institutions	Debentures
407 International Inc	26,536	2,459,122
Autema	196,666	-
Ausol	486,822	-
Trados 45	75,979	-
Inversora Autopista del Sur	353,297	-
Temuco Río Bueno	124,857	-
Collipulli-Temuco	-	163,286
Autopista del Maipo	-	335,529
Euroescut Norte Litoral	1,737	-
Algarve International BV	130,000	126,500
Eurolink Motorway	85,500	-
	1,481,394	3,084,437

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Most significant payables in the consolidated balance sheet as of December 31, 2003 are shown below:

a.1. 407 International Inc.:

This company has arranged the necessary debt for the acquisition of the concession-holder company 407 ETR Concession Company Limited and for the construction of an additional 39 km of toll road:

Bond issue	Amount (Thousands of Canadian dollars)	Maturity	Interest rate
Series 99 A1	399,637	2009	6.05%
Series 99 A2	398,613	2029	6.47%
Series 99 A3	288,816	2039	6.75%
Series 99 A4	175,511	2016	5.33%
Series 99 A5	175,625	2021	5.33%
Series 99 A6	175,691	2026	5.33%
Series 99 A7	175,733	2031	5.33%
Series 99 A8	399,626	2006	6.55%
Series 00 A2	339,891	2039	5.29%
Series 00 A3	433,110	2007	6.90%
Subtotal Senior Bonds	<u>2,962,253</u>		
Series 00 B1	164,846	2010	7.00%
Subtotal Junior Bonds	<u>164,846</u>		
Series 00 C1	300,327	2007	9.00%
Series 03 D1	229,958	2004	4.00%
Series 01 C1	219,994	2003	6.40%
Subtotal- Subordinated bonds	<u>750,279</u>		
Capex Credit facility	43,200		
	<u>43,200</u>		
Other payables	<u>1,924</u>		
Total	<u>3,922,502</u>		
Minus: Current Portion	<u>(45,124)</u>		
	<u>3,877,378</u>		

The senior bonds may be fully or partially redeemed early at the decision of the Company. Also, the "Other Long-Term Loans" caption on the asset side of the

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consolidated balance sheet includes a restricted cash balance of €179,222 thousand that must be invested in investments maturing in the following 12 months (see Note 8).

The debt arranged by the Company is secured by certain common commitments made by the Company to all its lenders. The security includes a mortgage on 407 ETR's ownership interest in the toll road, a right in rem on all the Company's movable property and real estate, a right in rem on all the movable property and real estate of 407 ETR relating to the toll road and a right in rem on all the movable property and real estate of Ontario Inc. This right in rem includes the specific assignment of all the equity investments and rights of the Company, 407 ETR and Ontario Inc. under the Project Contracts and other significant contracts; the assignment of the revenues and a right in rem on all the funds and accounts that must be held pursuant to the deed and any other supplementary deed; and a pledge on the shares of 407 ETR owned by the Company.

Also, as security for the obligations assumed by virtue of the Subordinated Term Loan and Subordinated Debentures Agreement, Macquarie Infrastructure (Toll Route), S.A., Cintra Canadá, S.A. (an investee wholly-owned indirectly by Cintra Concesiones de Infraestructuras de Transportes, S.A.) and SNC-Lavallin Inc. have pledged the Company's shares and debentures. This security may be partially released after May 5, 2004, if certain conditions are met.

On December 31, 2002, a Canadian chartered bank issued to the Company a CAD 66,100 thousand letter of credit in favour of 407 ETR for funding to the operating and maintenance reserve fund and the renewal and replacement fund maintained by the Company. The company has issued to such Canadian chartered bank a CAD100,000 series 02-A1 senior pledged bond pursuant to the Indenture, resulting in the indebtedness arising under such credit facility being secured under the Indenture. This line of credit matures on December 31, 2004, although it may be extended until December 2005.

On February 25, 2003, a Canadian chartered bank granted a loan for a maximum amount of CAD 75,000 thousand in favour of 407 ETR to finance the company's capital increase. The company has issued to such Canadian chartered bank a CAD 100,000 series 03-A1 senior pledged bond, which means that the debt resulting from this loan is guaranteed by virtue of it. As of December 31, the disbursed amount totaled CAD 43,200 thousand.

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Also, in 1999 the Company issued to CDPQ, in exchange for a holding of CAD 125,000 thousand, an unsecured subordinated convertible debenture maturing on December 31, 2045.

Effective January 2002, CDPQ entered into a contract with, inter alia, the Company whereby CDPQ irrevocably agreed to formally convert the full amount of the principal of the convertible debenture into common shares of the Company pursuant to the provisions governing the debenture, on May 6, 2004, or on any prior date subsequent to the date on which the authorizations or approvals required to convert the debenture are approved.

a.2. Autopista Terrassa-Manresa (AUTEMA):

The detail of the payables to credit institutions as of December 31, 2003, is as follows:

Limit	Thousands of euros						
	Loans	Amount Drawn Down	Short Term			Long Term	
			2004	2005	2006	2007	Total L/T
BSCH 16.10.96	3,005	2,302	2,302	-	-	-	-
Banesto 9.10.98	9,000	8,176	8,176	-	-	-	-
BSCH 19.04.00	160,000	160,000	53,333	53,333	53,333	-	106,666
La Caixa 18.10.01	3,005	162	162	-	-	-	-
Barclays	90,000	90,000	-	-	-	-	90,000
Barclays 3.04.03	18,000	18,000	18,000	-	-	-	-
	283,010	278,640	81,973	53,333	53,333	-	196,666
Interest			1,853				-
Total			83,826				196,666

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In order to mitigate the risk of interest rate fluctuations, on December 31, 2003, Autema arranged the following interest rate swaps:

Bank	Transaction Date	Period end date	(Euros) Notional Amount	Interest rate to be paid by Autema
Banesto	15.01.02	17.01.05	19,000,000	3.93%
Banco Urquijo	15.01.02	17.01.05	19,000,000	3.94%
La Caixa	15.01.02	15.01.05	19,000,000	4.02%
Bank of Tokyo	19.10.00	20.10.03	30,050,605	5.33%
Banesto	19.10.00	20.10.03	30,050,605	5.33%
BSCH	19.10.00	20.10.03	30,050,605	5.29%
				Cap: 5.0%
Banesto	20.06.03	20.12.07	35,000,000	Floor: 2.94%
				Cap: 5.00%
Barclays	16.06.03	16.12.07	35,000,000	Floor: 2.99%

a.3. Autopista del Sol (AUSOL):

The detail of the payables to credit institutions as of December 31, 2003, is as follows:

	Thousands of Euros	
	Short Term	Long Term
Syndicated loans	-	486,822
Fees on interest rate swaps (SWAPS)	131	-
Cultural investment	1,575	-
Unmatured accrued interest- CHASE	193	-
Unmatured accrued interest- UNICAJA	76	-
	1,975	486,822

Syndicated loans

On March 18, 1997, Ausol arranged a syndicated loan granted by 32 Spanish and international credit institutions for the construction and upkeep of the Málaga-Estepona stretch of the toll road and in order to be able to pay indemnity to the parties affected by the condemnations and the initial start-up costs. The limit of the loan totals €360 million, the total of which had been disbursed as of December 31, 2003. The agent bank is Chase Manhattan Bank.

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The loan bears interest at MIBOR+0.5%, and is repayable in three consecutive equal half-yearly installments. The first installment is payable nine years after the related contract was signed (March 18, 2006) and the last installment is payable on the loan maturity date (March 15, 2007).

The syndicated loan is secured by certain pledges on balances receivable by the Ausol from the government and Sol U.T.E. in the event of noncompliance. Also, the right to receive the amount of the related capital calls from its shareholders has been waived.

In order to mitigate the risk of interest rate fluctuations, on December 31, 2003, Ausol arranged the following interest rate swaps:

Bank	Transaction Date	Period end date	(Euros) Notional Amount	Interest rate to be paid by Ausol	Type of variable interest of the institution
J. P. Morgan Chase	07.12.2001	24.12.2004	30,000,000	3.875%	Euribor 6 months
Barclays	20.11.02	22.11.07	90,000,000	Cap: 5.1% Floor: 3.08%	Euribor 6 months
J. P. Morgan Chase	10.12.02	12.12.07	85,000,000	Cap: 5.1% Floor: 3.04%	Euribor 6 months

In addition to the syndicated loan from Chase Manhattan Bank, on May 22, 2002, Ausol arranged another syndicated loan granted by 20 credit institution, the agent bank being Unicaja. The limit granted is €150 million, divided into two tranches, Tranche A of €126 million and Tranche B of €24 million. The loan bears interest at Euribor + 0.85%. The total outstanding drawn down principal of Tranche A will be paid by Ausol in three half-yearly installments on March 18, 2006, September 18, 2006 and March 19, 2007. The drawdowns against Tranche B must be repaid on maturity of the respective interest periods. The final maturity of Tranche B will be March 18, 2006, when Ausol must repay to the banks all the outstanding amounts drawn down against Tranche B.

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a.4. Trados 45:

The detail as of December 31, 2003 is as follows:

	Thousands of Euros	
	Short Term	Long Term
Syndicated loan	2,074	75,979
	<u>2,074</u>	<u>75,979</u>

The senior loan is a syndicated loan intended to finance the necessary expenses of the construction and start of service of the toll road. This loan is divided into two tranches with the following conditions:

	Margin applicable (to)		Final maturity
	Construction period	Operating period	
Tranche A	Euribor+0.6	Euribor+0.9	15-12-17
Tranche B	Euribor+0.6	Euribor+1.1	15-06-21

As of December 31, the maturity of the senior loan in 2004 and the interest accrued for an amount of €1,128 thousand is classified under Short-term debt with credit institutions.

a.5. Inversora Autopista del Sur, S.L.

The detail of the company's long-term debt as of December 31, 2003 is as follows:

	Par value		Thousands euros	
	Loan	Amount Drawn Down	Short term	Long term
Senior loan				
Tranche A	96,600	34,361	-	34,361
Tranche B	100,000	100,000	-	100,000
EIB Credit	360,000	218,936	-	218,936
Total	<u>556,600</u>	<u>353,297</u>	-	<u>353,297</u>

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The senior loan has been signed with different credit institutions, with B.S.C.H. acting as the agent bank, for a maximum total amount of €196,000,000 divided into two tranches:

- tranche A, up to €96,600,000, consisting of two sub-tranches: the construction sub-tranche to partially finance the contribution of assets to the Company Autopista Madrid Sur, C.E.S.A to pay for the planned concepts in the financing plan up to €56,500,000 and the reserve sub-tranche, to partially finance the insufficient monetary flows required to respond to the service of the debt up to €40,100,000.
- Tranche B – entirely allocated to finance, along with the construction sub-tranche, the equity provisions to the Company Autopista Madrid Sur, C.E.S.A to pay the concepts included in the financing plan up to €100,000,000.

The senior loan matures on January 27, 2009, when the Company must repay the pending principal of the senior loan.

If upon maturity, the amounts owed under tranche B have not been paid by the Company, the senior loan will be automatically extended, exclusively, and for this reason tranche B is specified until January 27, 2013.

The syndicated loan is secured by certain pledges on balances receivable by the Company from the government and construction company, or insurers, in the event of noncompliance.

The credit or collection rights that Autopista Madrid Sur, C.E.S.A. holds or may hold in the future in relation to the users of the R4, regarding the payment of the toll by the users, also constitutes a guarantee for the aforementioned loan.

The concession-holder agrees to sign a first mortgage on the concession in its favor, as a guarantee of the obligations assumed by the Company by virtue of the loan contract, as soon as it is requested to do so by the agent bank.

On January 27, 2003, the company arranged a loan with the European Investment Bank to partially finance the equity provisions to the Company Autopista Madrid Sur, C.E.S.A for a maximum amount of €360,000 thousand. As of December 31, 2003, the Company had drawn down €218,936 thousand.

The company will be able to choose the interest rate arrangement for each withdrawal, with prior notification of the credit institution, and may accept a fixed rate, to be determined at such time, or variable rate with a reference of Euribor + 0.12%.

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The loan will be withdrawn through a first tranche for an amount of €46,141 thousand, drawn down on January 31, 2003, to be repaid from July 15, 2010 to December 15, 2032, and through successive withdrawals that will be repaid in periods of between 10 and 30 years from the date of disbursement corresponding to the tranche.

As a guarantee of the fulfillment of its obligations, the Company has signed a financing contract with the senior loan bank syndicate for a maximum amount of €360,000 thousand in favor of the European Investment Bank.

Inversora Autopista del Sur, S.L. maintains coverage of 100% of the interest rate for tranche A, at a rate of 3.83% and tranche B at a rate of 4.18%.

a.6 Temuco-Río Bueno:

The company is financed through a syndicated loan in foment units with variable rate adjusted to the market every 90 days. The applicable interest rate is TAB+1.75 (short-term interest rate of the Chilean market). As of December 31, 2003, the company did not require additional financing.

	Amount (Thousand ds)	Currency	Interest %	Maturity
Syndicated loan(Bco. Chile)	5,600	UF	TAB+1.75	15/09/2021

a.7. Collipulli-Temuco:

The detail as of December 31 was as follows:

	Amount (Thousand ds)	Currency	Interest %	Maturity
Issue of secured bonds in two series (A1 and A2)	7,200	UF	7.3% face value	2020
CC3 financing credit line	244	UF	TAB 360+1.4	2004

The company is financed through bond issue in foment unit, with six-month coupon maturity in September and March 2004. With the signing of the revenue distribution mechanism, the company will have to obtain additional financing, with a time limit of one year.

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a.8. Autopista del Maipo:

The detail as of December 31 was as follows:

	<u>Amount (Millions)</u>	<u>Currency</u>	<u>Interest %</u>	<u>Maturity</u>
Bond issue	421	US\$	7.373% face value	2020

This is a senior bond issue redeemable every six months from June 15, 2009. This bond issue is backed by MBIA. Also, an exchange rate hedging mechanism has been arranged whereby any appreciation of the U.S. dollar with respect to the UF exceeding 10% is covered by the Ministry of Public Works of the Republic of Chile, whereas any depreciation exceeding 10% is covered by the concession-holder company. The caption "Accrual Accounts" includes €26,030 thousand corresponding to the interest of the two promissory notes maturing on the 15th of June and on 15th of December 2004, amounting Chilean pesos 17,664 million.

This company is not fully financed. Also, with the signing of the revenue distribution mechanism, the company will have to obtain additional financing.

a.9. Algarve International BV:

The detail as of December 31, 2003 was as follows:

	<u>Limit (Thousands euros)</u>	<u>Amount Drawn Down (Thousands euros)</u>	<u>Interest %</u>	<u>Maturity</u>
VAT facility	25,000	-	-	2004
Long-term bond issue	126,500	126,500	6.4%+25 p.b.	2027
EIB loan	130,000	130,000	6.00%+25 p.b.	2027

The bond issue was done during the year 2000 by Algarve International B.V., channeling the financing of the toll roads Euroscut del Algarve and Euroscut Norte Litoral.

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a.10. Eurolink Motorway:

The detail as of December 31, 2003 was as follows:

	Limit (Thousands euros)	Amount Drawn Down (Thousands euros)	Interest %	Maturity
Long-term credit	78,000	20,000	120/135/150 bp	2028
Participating loan	42,500	42,500	30 p.b.	2007
EIB Guarantee	84,240	23,000	120/135/150 bp	2028
Standby facility	14,000	-	120/135/150 bp	2028
Working Capital facility	5,000	-	120/135/150 bp	2028
Debt reserve facility	8,800	-	200 b.p.	2028
		<u>85,500</u>		

For the Eurolink Motorway concession, interest coverage was obtained for 100% of the senior and equity bridge debt during the construction period, and for 75% of the senior debt during the operating period, as shown below:

Thousands of euros		
Notional	Fixed rate	Maturity
26,000	3.77%	2006
14,700	3.44%	2006
19,000	5.04%	2017
19,000	5.19%	2017
38,000	5.39%	2028
38,000	5.24%	2028

b) Short-term payables to credit institutions

The detail, by, company, of the short-term payables to credit institutions is as follows:

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Company	Thousands of Euros	
	Payable to credit institutions	Debentures
Collipulli Temuco	5,551	12,198
Temuco Rio Bueno	2,475	-
Autopista del Maipo	-	24,739
Cintra Chile	2,274	-
407 ETR	-	30,365
Ausol (see 17.a.3)	1,975	-
Autema (ver 17.a.2)	83,826	-
Trados 45 (see 17 a.4)	3,202	-
Autopista Madrid Sur R-4	49,512	-
Sucursal Portugal	344	-
Inversora Autopista del Sur	1,663	-
Others	132	-
	150,954	67,302

On February 27, 2003, Autopista Madrid Sur obtained a VAT credit to finance payment for the VAT incurred during the construction of the toll road. The limit of the loan totals €70,000 thousand, at an interest rate of EURIBOR+0.5%, and maturity in 2005. As of December 31, 2003, a total of €49,072 thousand had been drawn down with €440 thousand in accrued interest.

The loan will be repaid for the same amounts as the VAT payments returned by the tax authorities. At year-end, the total amount pending repayment was €53,346 thousand, and for this reason the disbursed amounts of the loan are classified as short-term.

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18. Nontrade payables

a) Long-term debt

The detail of this caption as of December 31, 2003 is as follows:

Company	Thousands of Euros
	<u>31.12.03</u>
Deferred tax	211,343
Subsidized loan	68,705
Long-term debt – Other payables	<u>77,992</u>
	<u>358,040</u>

The detail by company of the Deferred tax caption is as follows:

	Thousands of Euros
407 Internacional Inc.	153,654
Autema, S.A.	2,591
Collipulli Temuco	16,327
Temuco-Río Bueno	12,506
Autopista del Maipo	<u>26,265</u>
	<u>211,343</u>

The deferred taxes recorded in 407 Internacional Inc. correspond to the process of making the company's financial statements uniform (see Note 4.c). The origin of the deferred taxes recorded by the Chilean concession-holders was in Chile due to the differences between the book income and fiscal returns and are calculated based on the temporary differences, considering the tax rate that will be in effect on the reversion date.

The deferred tax recorded by Autema originated in 1999, because the payment to reserves for the part of the defect existing on January 1, 1999 for the deferred financing costs of the toll roads, equal to the debit to reserves for the defect on that date of the balance of the reversion fund, for an amount of €7,405. Given that the inclusion of these deferred expenses in the results is not considered to be tax deductible, the corresponding long-term deferred tax was entered, for an amount of €2,591 thousand.

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The subsidized loan caption includes the participating load granted to Ausol by the State, in accordance with the terms of the concession contract, for an amount of €99,167 thousand, for the construction of the Estepona-Guadiaro stretch. In 2003, the company paid a total of €30,462 thousand corresponding to the first amount repayable by transferring the supplementary construction work in relation to the addition of a lane on the N-340 road between Estepona and Guadiaro to the State. As of December 31, 2003, the rest of the loan, for an amount of €68,705 thousand, has been drawn down and matures the last year of the concession period.

The Long-term debt – Other payables caption corresponds mainly to payables from Cintra Chile for a total of €73,204 thousand, for the acquisition of the Autopista de Maipo stake.

b) Short-term non-trade payables

The detail of this caption as of December 31, 2003 is as follows:

Company	Thousands of Euros 31.12.03
Taxes receivable	25,921
Other payables	35,448
Accrued wages and salary	3,210
Guarantees and deposits	518
	<u>65,097</u>

The detail of the "Taxes Receivable" account is as follows:

	Thousands of euros
VAT HP	2,164
Corporate Taxes	13,106
Income Tax	395
Property Tax	9,434
Other taxes	636
Deferred corporate taxes	186
	<u>25,921</u>

As of December 31, 2003, the company Ausol had a pending Property Tax payment for 2000/2003 for a total of €9,434 thousand.

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19. Tax matters

Since 2002 the Parent Company has filed consolidated tax returns with the following companies: Autopista de Toronto, S.L., Autema, S.A. and Ausol, S.A.

The new group was approved by the tax authorities on November 28, 2002.

Company	Thousands of Euros
	31.12.03
Autema	3,688
Ausol	12,127
Cintra Chile	(1,397)
Temuco-Río Bueno	1,511
Collipulli-Temuco	623
Autopista del Maipo	2,638
Euroscut Algarve	6
Euroscut Norte Litoral	13
Algarbe Internacional BV	202
Autopista de Toronto	(1,534)
407 International Inc.	37,672
Toronto Highway, BV	-
Trados 45	1,728
Cintra, S.A.	(14,280)
Cintra Sucursal de Portugal	4
Corporate Taxes accounted for by the equity method (Note 8)	2,495
	<hr/>
	45,496

The corporate income tax of the companies accounted for by the equity method is included under the "Corporate Income Tax" caption in the consolidated statement of income, and the income before taxes of these companies (€7,284 thousand) is recorded under the "Equity in the Income of Companies Accounted for by the Equity Method" caption (see Note 8).

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The reconciliation of the book income before taxes to the taxable income for corporate income tax purposes is as follows:

	<u>Thousands of Euros</u>		
	<u>Increases</u>	<u>Decreases</u>	
Consolidated income for the year			276,865
Permanent differences:			
- of individual companies	3,661	(9)	3,652
- of consolidation adjustments	-	-	(123,946)
Timing differences:			
- of individual companies:			
* produced during the year	4,017	(173,949)	(169,932)
			<u>(13,361)</u>
Tax base			

The corporate income tax expense is calculated at the rates for each country: Spain 35%, Portugal 33%, Canada 36.32%, Chile 16.5%, and the United Kingdom 30%.

The group recorded the reductions in the tax rate as a cost reduction on the Corporate Tax line, for an amount of €3,479 thousand.

The detail of the movement of deferred taxes and tax advances during 2003 is as follows:

	<u>Thousands of Euros</u>	
	<u>Tax advance</u>	<u>Deferred tax</u>
Balance on 31.12.2002	2,064	150,461
Advance tax generation	1,406	
Advance Tax reversion	-	-
Deferred tax generation	-	60,882
Deferred tax reversion	-	
	<u>3,470</u>	<u>211,343</u>

**CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A. AND
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The detail of the Cintra Group's tax loss carryforwards is as follows:

Company	Year Generated	Maturity	Thousands of euros
Cintra, S.A.	1998	2013	5,668
Cintra, S.A.	1999	2014	9,716
Autema	1998	2013	5,896
			<u>21,280</u>

In accordance with the accounting principle of prudence, the tax asset arising from the tax loss carryforwards and the unused tax credits detailed below was not recorded:

Concept	Year	Maturity	Thousands of euros
Investment abroad	1997	2008	1,897
Total 1997			1,897
Investment abroad	1998	2008	44,454
Double taxation	1998	2008	133
Total 1998			44,454
Investment abroad	1999	2010	18,325
Double Taxation	1999	2010	880
Training	1999	2010	6
Total 1999			19,211
Investment abroad	2000	2011	4,110
Training	2000	2011	17
Total 2000			4,127
Investment abroad	2001	2012	3,269
Training	2001	2012	26
Double taxation	2001	2012	74
Total 2001			3,369
Investment abroad			3,562
Double taxation	2002	2013	6,740
Training	2002	2013	11
Research expenses	2002	2013	11
Total 2002	2002	2013	<u>10,324</u>
Total tax credits			<u>83,512</u>

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20. Recognition of revenues and expenses

a) Foreign currency transactions

The detail of the transactions abroad of Cintra, S.A. as of December 31, 2003, is as follows:

Concept	Thousands of Euros
U.S. dollars	682
Canadian dollars	387
Chilean UFs	717
Euros	<u>8,782</u>
Total sales	<u>10,568</u>
U.S. dollars	56
Pounds sterling	150
Canadian dollars	107
Euros	562
Other	<u>15</u>
Total outside services	<u>890</u>

b) Net sales

The detail, by geographical market, of the balance of this caption in the accompanying consolidated statement of income is as follows:

Concept	Thousands of Euros
	<u>31.12.03</u>
Spain	95,446
Abroad	<u>295,612</u>
	<u>391,058</u>

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The detail, by activity, of the balance of this caption in the accompanying consolidated statement of income is as follows:

Sector	Thousands of Euros
	31.12.03
Toll roads	382,133
Central offices	21,152
Adjustments for intercompany transactions	<u>(12,227)</u>
	<u>391,058</u>

c) Personnel

The average headcount by category in 2003 was as follows:

Category	No. of Employees
Senior line personnel, middle management and graduates	107
Other line personnel and clerical staff	722
Manual workers	<u>122</u>
	<u>951</u>

d) Extraordinary revenues and expenses

The detail of the balances of these captions in the accompanying consolidated statement of income is as follows:

Concept	Thousands of Euros
Gains on tangible fixed assets	652
Gain on sale of shares	3,285
Prior years' revenues and income	<u>79,862</u>
Total extraordinary revenues	<u>83,799</u>
Losses on tangible fixed assets and intangible assets	(34)
Prior years' expenses and losses	<u>(7,695)</u>
Total extraordinary expenses	<u>(7,729)</u>

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e) Contribution to consolidated income

The detail of the contribution of each consolidated company to consolidated income is as follows:

Company	Thousands of Euros		
	Income	Minority Interests	Taxable Income
Autema	6,848	(1,529)	5,319
Ausol	21,408	(4,899)	16,509
Cintra Chile	(2,746)	-	(2,746)
Collipulli-Temuco	3,134	-	3,134
Temuco-Río Bueno	7,644	(1,911)	5,733
Autopista del Maipo	11,663	-	11,663
Euroscut Algarve	(10)	-	(10)
Algarve International B.V.	662	(153)	509
Autopista de Toronto	1,532	-	1,532
407 Toronto Highway, B.V.	19	-	19
407 International Inc.	73,814	(25,748)	48,066
Cintra Sucursal Portugal	18	-	18
Cintra, SA (*)	100,214	-	100,214
Total fully consolidated companies	224,199	(34,240)	189,960
Autopista Trados 45, S.A.	3,209	-	3,209
Total proportionally consolidated	3,209	-	3,209
Europistas	4,350	-	4,350
Talca-Chillán	(411)	-	(411)
Túneles de Artxanda, S.A.	21	-	21
Total companies accounted for by the equity method	3,960	-	3,960
	231,368	(34,240)	197,129

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21. Additional disclosures

a) Compensation paid to the directors

The members of the Parent Company's Board of Directors did not receive any compensation in 2003.

As of December 31, 2003, the members of the Parent Company's Board of Directors did not have any balances with the Cintra Group in relation to loans or advances, and there are no insurance or pension plan commitments to them.

b) Information Board of Directors art. 127 ter.4 TRLSA

Pursuant to article 127 ter.4 of the Corporations Law introduced by Law 26/2003; of 17 July, modified by Stock Market Law 24/1988, of 28 July, and the revised Corporations Law, in order to increase transparency of corporations, the following table shows the companies with activities that are the same, similar, or complementary to the corporate purpose of the Parent Company in which the members of the Board of Directors hold stakes, as well as the positions and functions that, in such case, they hold in them:

Also, in accordance with the aforementioned text, the table below indicates the activities carried out by the members of the Board of Directors, on their own account or for third parties, that are of the same, similar, or complementary to the activity of the corporate purpose of the Parent Company:

This information refers to the equity holding that can have and to the positions or functions that the Directors of Cintra in Companies with the same, similar or supplementary type of activity that constitutes the corporate purpose of the Company. Mention must be made to the exercise, on its own or on behalf of others, of the same, similar or supplementary type of activity.

On December 31, 2003 and in companies with the same, similar or supplementary type of activity that constitutes the corporate purpose of the Company, the following participations have been stated:

- The President, D. Rafael del Pino y Calvo-Sotelo belongs to the "appointed family group" that controls indirectly 58.307 % of the equity of the Grupo Ferrovial, S.A. through shares owned by Portman Baela, S.L. and Casa Grande de Cartagena, S.L.
- The Director D. Joaquín Ayuso García has stated owning 0.001% of the Stockholders equity of the Grupo Ferrovial, S.A.
- The Director Jim Craig has stated owning 0.0078% of Macquarie Infrastructure Group

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Regarding positions and functions, excluding those kept in companies directly or indirectly partially owned by the company or by the business groups participant in the shareholders of this Company (Grupo Ferrovial, Macquarie Infrastructure Group,) no information has been communicated to the Company in this respect.

Lastly, the Company has not received any communication regarding the exercise on its own or on behalf of others of the same, similar or supplementary type of activity other than what constitutes the corporate purpose of the Company from the Company's Directors side.

c) Amounts paid to the auditors

Pursuant to the additional fourteenth Provision from the Law 44/2002 of 22 November, of the Spanish Law on Measures to Reform the Financial System (Reforma del Sistema Financiero), the total amount of fees paid to the auditors related to the audit of the 2003 Financial Statements of Cintra Concesiones de Infraestructuras de Transporte, S.A. and all of subsidiaries integrated totally or proportionally, both in Spain and abroad. Additionally, a breakdown of the invoiced fees over the period will be provided to all dependant and subsidiary companies of Cintra Concesiones de Infraestructuras de Transporte, S.A. for other services different to that of the audit.

	Thousands of euros
Fees for auditing	Year 2003
Main Auditor	245
Other auditors	11
	Thousands of euros
Other Fees	Year 2003
Main Auditor	80
Other auditors	427

The Main Auditor's fees will represent approximately 0.003% of its total global turnover.

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22. Guarantee commitments to third parties

As of December 31, 2003, Cintra and its subsidiaries had been provided with the following guarantees to third parties:

Company Guaranteed	<u>Thousands of Euros</u>
Cintra, S.A.	6,281
Collipulli-Temuco	1,138
Temuco-Río Bueno	17,866
Autopista del Maipo	5,672
Cintra Chile, S.A.	1,602
Euroscut Norte Litoral	36,619
Euroscut Algarve	1,972
Cintra branch in Portugal	1,245
Eurolink Motorway	39,525
Ausol	46,691
Autema	9,054
M-45	6,355
Autopista Madrid Sur	27,392
	<hr/> <u>201,412</u>

They relate mainly to guarantees provided in relation to bids made in calls for tender, payments of charges and fulfillment of the obligations relating to investees' concessions.

It is considered that the liabilities not foreseen as of December 31, 2003, if any, which might arise from the guarantees provided, would not be material.

23. Subsequent events

Discrepancy between the 407ETR and the Government of Ontario: on January 2004, resolution proceedings were initiated for the anticipated conflicts in the contract, regarding the applicable regulation on highway rates review. The Province understands that rates review requires an administrative authorization, while the 407ETR defends it not to be necessary, as being done since 1999. At the beginning of February 2004, and once rates had been increased, the Province notified an alleged breach of contract for raising the rates without authorization; however, on February 10, the Ontario High Court of Justice has suspended the

CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A. AND SUBSIDIARIES

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breach of contract declaration and the corresponding cure period, while the controversy is not settled through arbitration.

Company	Address	Line of Business	Company Owning the Direct Holding	Direct Holding	Indirect Holding	Total Holding
Autopista Terrasa-Manresa, S.A. Concesionaria de la Generalitat de Catalunya (AUTEMA) (a)	C/ Gran Vía de Les Corts Catalanes 680, Atico. 08010 Barcelona	Toll road concession-holder	Cintra	77,67%		77,67%
Autopista del Sol Concesionaria Española de Autopistas, S.A. (AUSOL) (a)	C/ Príncipe de Vergara 132, 10ª 28002 Madrid 28002 Madrid	Toll road concession-holder	Cintra	75,00%	3,25%	78,25%
			Europistas	10,00%		
Autopista Trados-45, S.A. (a)	C/ Orense 70, 8ª. 28020 Madrid	Toll road concession-holder	Cintra	50,00%		50,00%
Inversora Autopistas del Sur (a)	Pza. Manuel Gómez Moreno 2 28020 Madrid	Holding company	Cintra	45,00%	8,13%	53,13%
			Europistas	25,00%		25,00%
Autopista Madrid Sur, C.E, S.A (a)	Pza. Manuel Gómez Moreno 2 28020 Madrid	Toll road concession-holder	Cintra			53,13%
			Inversora Autopistas del Sur	100,00%		100,00%
			Europistas			25,00%
Cintra Concesiones de Infraestructura de Transporte de Chile, Ltda. (a)	Avda. Andrés Bello 2711, 18° Santiago de Chile (Chile)	Holding company	Cintra	100,00%		100,00%
Concesionaria Temuco-Río Bueno, S.A. (a)	Avda. Andrés Bello 2711, 18°. Santiago de Chile (Chile)	Toll road concession-holder	Cintra		75,00%	75,00%
			Cintra Chile	75,00%		
Concesionaria Collipulli-Temuco, S.A. (a)	Avda. Andrés Bello 2711, 18°. Santiago de Chile (Chile)	Toll road concession-holder	Cintra		100,00%	100,00%
			Cintra Chile	100,00%		
Autopista del Maipo, S.A. (a)	Avda. Andrés Bello 2711, 18° Santiago de Chile (Chile)	Toll road concession-holder	Cintra		100,00%	100,00%
			Cintra Chile	100,00%		
Euroscut Soc. Concesionaria Da Scut - Algarve (a)	Av. Joao Crisostomo, 38 c - Esc 3. 1050 - 127 Lisbon, Portugal	Toll road concession-holder	Cintra	77,00%		77,00%
Euroscut-Sociedade Concesionaria da Scut do Norte Litoral, S.A. (a)	Av. Joao Crisostomo, 38 c - Esc 3. 1050 - 127 Lisbon, Portugal	Toll road concession-holder	Cintra	75,53%		75,53%
Cintra Colombia, S.A. (b)		Holding	Cintra	99,99%		99,99%

They relate mainly to guarantees provided in relation to bids made in calls for tender, payments of charges and fulfillment of the obligations relating to investees' concessions.

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It is considered that the liabilities not foreseen as of December 31, 2003, if any, which might arise from the guarantees provided, would not be material.

23. Subsequent events

Discrepancy between the 407ETR and the Government of Ontario: on January 2004, resolution proceedings were initiated for the anticipated conflicts in the contract, regarding the applicable regulation on highway rates review. The Province understands that rates review requires an administrative authorization, while the 407ETR defends it not to be necessary, as being done since 1999. At the beginning of February 2004, and once rates had been increased, the Province notified an alleged breach of contract for raising the rates without authorization; however, on February 10, the Ontario High Court of Justice has suspended the breach of contract declaration and the corresponding cure period, while the controversy is not settled through arbitration.

EXHIBIT I

GROUP COMPANIES

Company	Address	Line of Business	Company Owning the Direct Holding	Direct Holding	Indirect Holding	Total Holding
Cintra Sucursal Portugal (a)	Av. Joao Crisostomo, 38 c - Esc 3. 1050 - 127 Lisbon, Portugal	Branch	Cintra	100.00%		100.00%
Algarve Internacional, B.V (a)	Strawinskylaan 1725, 1077 Amsterdam	Finance	Cintra	77.00%		77.00%
Autopista de Toronto, S.L	Pza. Manuel Gómez Moreno 2. 28020 Madrid	Holding	Cintra	100.00%		100.00%
407 Toronto Highway B.V.	Shawinskylaan 1725, 1077 Amsterdam (Netherlands)	Holding	Cintra		100.00%	100.00%
			Autopista de Toronto S.A.	100.00%		
Cintra Canada, Inc.	C/o Osler, Hoskin & Harcourt LLP 100, King Street West, Suite 6600, 1 First Canadian Place, Toronto, Ontario M5X1B8 Canada	Holding	Cintra		100.00%	100.00%
			Autopista de Toronto S.A.		100.00%	100.00%
			407 Toronto Highway, B.V.	100.00%		100.00%
407 International Inc. (a) (b)	Operation Center 6300 Steels Avenue West, Woodbridge On L4H 151 (Canada)	Toll road concession-holder	Cintra		67.10%	67.10%
			Autopista de Toronto S.A.		67.10%	67.10%
			407 Toronto Highway B.V.		67.10%	67.10%
			Cintra Canada Inc	67.10%		67.10%
407 ETR Concesión Company Limited (a) (b)	Operation Center 6300 Steels Avenue West, Woodbridge On L4H 151 (Canada)	Toll road concession-holder	Cintra		67.10%	67.10%
			Autopista de Toronto S.A.		67.10%	67.10%
			407 Toronto Highway B.V.		67.10%	67.10%
			Cintra Canada Inc		67.10%	67.10%
			407 International Inc	100.00%		100.00%
Autoestrada Poludnie, S.A.	C/ Marszalkowska 82. Warsaw (Poland)	Holding	Cintra	50.00%		50.00%
Eurolink Motorway (a)		Toll road concession-holder	Cintra	93.00%		93.00%

Exhibit II

Associated Companies

Company	Address	Line of Business	Company Owning the Direct Holding	Direct Holding	Indirect Holding	Total Holding
Europistas, Concesionaria española, S.A. (a)	C/ Príncipe de Vergara 132, 10ª 28002 Madrid	Toll road concession-holder	Cintra	32.50%		32.50%
Túneles de Arxanda Concesionaria de la Diputación Foral de Bizkaia, S.A. (b)	Camino Capuchino de Basurto 6, 4º D. 48013 Bilbao (Vizcaya)	Toll road concession-holder	Cintra Europistas	30.00% 20.00%	6.50%	36.50% 20.00%
Ruta 5 tramo Talca-Chillán, S.A. (a)	Avda. Apoquindo 4445, 5º Santiago de Chile (Chile)	Toll road concession-holder	Cintra Cintra Chile	43.42%	43.42%	43.42%

- (a) Companies audited by Pricewaterhouse Coopers.
- (b) Companies audited by Deloitte&Touche

CINTRA, CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A.

2003 Performance Report 2003

During 2003 Cintra has continued at the head of Ferrovial Infraestructuras for the highway business.

During 2003 and together with the Chilean Department of Public Works took place the signing for 3 of the 4 Chilean highways (sections Santiago – Talca, Talca – Chillán and Collipulli – Temuco) of a Mechanism of Revenues Distribution (MDI) that basically means the guarantee, through a premium charge, of the current revenues' value changing the concession period from fixed to variable. The signing of this Agreement has allowed minimizing the traffic risk of the aforementioned concessions.

Likewise, Cintra has seen during the year the opening of the Portuguese Highway of Algarve, with highly satisfactory traffics as well as the end of the concession of Autopista A8 (section Bilbao – Behobía) that becomes thus, the first one of the assets to revert to the State.

Foreseeable evolution of Cintra Group

Cintra will continue with its tendering activities in the various fields of its activity, maintaining always its current philosophy when choosing a business: solidity in the projects and countries with a stable and secure politic and economic environment.

Own Shares

There are within the Company neither own or parent Company's shares nor have operations taken place during 2002 with those shares.

Research and Development Expenses

There have been no Research and Development activities.

CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A.
ACT OF SIGNATURE

The previous Financial Statements, that form a unique body, and that comprise the 2003 Balance Sheet, Profit and Loss Statement and Annual Report, as well as the Management Report of that same year, are the corresponding to the parent company CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A., and have been submitted for its preparation to the Board of Directors of the Company in its meeting on March 24, 2004, being unanimously approved by all present, as set forth in the minutes of the aforementioned meeting which, likewise, was unanimously approved by all present, in the meeting.

In order to comply with the provisions of the article 171.2 from the T.R.L.S.A. – Real Decreto Legislativo 1564/89, any and all members of the Board of Directors of the Company sign below, validating each of the pages the Secretary.

Rafael del Pino y Calvo-Sotelo

Joaquín Ayuso García

Juan Bejar Ochoa

Jim Craig

Sir Robin Biggam

I, Lucas Osorio Iturmendi, Secretary of the Board of Directors, certify the authenticity of the signatures which belong to the names directly below them, and which are all the members of the company's Board of directors.

The Secretary