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Pursuant to article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and following the prospectus approved by the Spanish National Securities Market Commission on 16 March 2017 (official registry number 10,750) relating to the initial public offering and admission to trading of the company's shares (the "**Prospectus**") Neinor Homes, S.A.U. ("**Neinor Homes**" or the "**Company**") hereby informs of the following

SIGNIFICANT EVENT

The book-building process of the initial public offering of the Company's shares addressed to qualified investors (the "**Offer**"), which has been directed by Citigroup Global Markets Limited and Credit Suisse Securities (Europe) Limited (the "**Joint Global Coordinators**"), has been completed today. The process was completed with the receipt of purchase orders of 4.3 times the number of shares subject of the Offer and raising more than €3.3 billion total demand, with the books oversubscribed since 17 March 2017, the date on which the book-building process started.

In view of the above, and in accordance with the terms of the Prospectus, the terms of the Offer are as follows:

- (a) Purchase price per share: €16.46, out of which €10 corresponds to each share's nominal value and €6.46 to each share's issue premium.
- (b) Total Offer size: An effective amount of €709,321,544.84 corresponding to 43,093,654 ordinary shares of the Company, including:
 - i. Sale Offer: An effective amount of €609,321,547.20 through the allocation of 37,018,320 existing ordinary shares of the Company held by Neinor Holdings, S.L.U. (the "**Selling Shareholder**"), ultimately held by Lone Star Real Estate Fund III (U.S.), L.P. and Lone Star Real Estate Fund III (Bermuda), L.P.; and
 - ii. Subscription Offer: An effective amount of €99,999,997.64 (which corresponds to a €60,753,340 share capital increase and the balance (i.e. €39,246,657.64) to the share issue premium) through the issue of 6,075,334 new ordinary shares of the Company, with the same economic and voting rights as the existing shares of Neinor Homes. The execution of the corresponding capital increase notarial deed is expected to take place tomorrow, 28 March 2017.

As indicated in the Prospectus, the number of shares comprised in the Offer may be increased up to a maximum of 4,309,365 additional ordinary shares (representing 10% of the number of Offer shares) if Credit Suisse Securities (Europe) Limited, or any of its agents, as stabilizing manager (the "**Stabilizing Manager**"), acting on behalf of the Managers, exercises the option to purchase any such shares granted by the Selling Shareholder to the Joint Global Coordinators (the "**Over-allotment Option**").

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As a consequence of the foregoing, the initial market capitalization of Neinor Homes amounts to approximately €1.3 billion, with a share capital of €790,050,340 corresponding to 79,005,034 ordinary shares of the Company.

On the date hereof, the Company and the Selling Shareholder have entered into an underwriting agreement with the Joint Global Coordinators, Banco Santander, S.A., BNP PARIBAS, J.P. Morgan Securities plc, Alantra Capital Markets, S.V. S.A.U., Banco de Sabadell, S.A., Bankinter, S.A., CaixaBank, S.A. and Norbolsa, S.V., S.A. (jointly, the “**Managers**”), with no change in the identity or number of the Managers or the proportion of the Offer underwritten by each of them from what was disclosed in the Prospectus under section “*Plan of Distribution—The Underwriting Agreement*”. Lazard Asesores Financieros, S.A. has acted as financial adviser to the Company and the Selling Shareholder.

The Selling Shareholder and the Company have agreed to certain lock-up arrangements during a period running from the date hereof until (and including) 180 days from the settlement date of the Offer (such settlement date is expected to take place on 30 March 2017) (the “**Settlement Date**”), subject to customary exceptions. Each of the members of the senior management team of the Company have also agreed to certain lock-up arrangements during a period running from the date hereof until (and including) 360 days from the Settlement Date.

After the Offer, assuming the Over-allotment Option is fully exercised, the Selling Shareholder will hold 40% of the share capital of the Company and the free float will represent 60% of the share capital of the Company; if the Over-allotment Option is not finally exercised, the Selling Shareholder will hold 45.45% of the share capital of the Company and the free float will represent 54.55% of the share capital of the Company.

From the date of admission to trading of the Company’s shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, expected to take place on 29 March 2017, and during the following 30 calendar days (i.e. until 27 April 2017), the Stabilizing Manager, acting on behalf of the Managers, may (but will be under no obligation to) carry out stabilization transactions in accordance with applicable laws and regulations, in particular, Regulation (EU) No 596/2014 of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No. 2016/1052 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures. Those stabilization transactions will be aimed to support the market price of Neinor Homes shares. However, the Stabilizing Manager is not required to enter into such transactions and, therefore, there can be no assurance that these activities will take place. Such stabilization, if commenced, may be discontinued at any time without prior notice.

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In this regard, the Stabilizing Manager, in its own name and on behalf of the Managers, has entered into a stock loan agreement with the Selling Shareholder for a total amount of 4,309,365 shares of Neinor Homes, representing 10% of the number of Offer shares, for the purpose, where appropriate, of effecting over-allotment of the Company's shares in the Offer. The stock loan may be settled by means of the exercise of the Over-allotment Option.

In Bilbao, on 27 March 2017

Mr. Juan Velayos Lluís
CEO of Neinor Homes, S.A.

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