

COMISIÓN NACIONAL DEL MERCADO DE VALORES

*Dirección de Mercados Primarios*

Calle Edison, 4

28006 Madrid

## CERTIFICADO DE CONCORDANCIA

D. Ernesto López Mozo y D. Alejandro Veramendi B, ambos de nacionalidad española, con domicilio a estos efectos en Madrid, calle Príncipe de Vergara 135, en nombre y representación de Ferrovial Emisiones, S.A. (la “Sociedad”), con domicilio social en Madrid, Calle Príncipe de Vergara 135, NIF A-84723717, e inscrita en el Registro Mercantil de Madrid, al Tomo 22.873 del Libro de Sociedades, Libro O, Sección 8, Folio 84, Hoja número M-409.577, inscripción primera, debidamente apoderados al efecto por acuerdo de los Administradores Mancomunados de la Sociedad de 26 junio de 2014, en relación con el folleto (*prospectus*) que recoge los requisitos mínimos de información exigidos por los Anexos VI, IX (emisor y garante) y XIII del Reglamento (CE) nº809/2004 para la admisión a negociación de la emisión €300,000,000 Notes due 2024 Guaranteed by Ferrovial, S.A. en AIAF Mercado de Renta Fija, aprobado e inscrito en el registro oficial de la Comisión Nacional del Mercado de Valores,

## CERTIFICAN

Que la versión impresa inscrita y depositada en esa Comisión se corresponde con la versión en soporte informático que se adjunta.

Asimismo, por la presente se autoriza a la Comisión Nacional del Mercado de Valores para que el citado documento sea puesto a disposición del público a través de su página web.

Y, para que así conste y surta los efectos oportunos, expedimos la presente certificación en Madrid a 17 de julio de 2014.

---

D. Ernesto López Mozo  
Ferrovial Emisiones, S.A.

---

D. Alejandro Veramendi B  
Ferrovial Emisiones, S.A.

# ferrovial

## Ferrovial Emisiones, S.A.

(incorporated with limited liability in The Kingdom of Spain)

**€300,000,000 2.500 per cent. Notes due 2024**

**Guaranteed by Ferrovial, S.A.**

**Issue price: 99.459 per cent.**

The issue price of the €300,000,000 2.500 per cent. Notes due 2024 (the “Notes”) of Ferrovial Emisiones, S.A. (the “Issuer”) is 99.459 per cent. of their principal amount. The payment of all amounts due in respect of the Notes will, subject as described herein, be unconditionally and irrevocably guaranteed by Ferrovial, S.A. (the “Parent” together with the Issuer and the consolidated subsidiaries of the Parent, “Ferrovial” or the “Group”) and certain of the subsidiaries of the Parent as appointed from time to time in accordance with Condition 3(d) (*Accession of Subsidiary Guarantors*) in Section 7 (*Terms and Conditions of the Notes*) (together with the Parent, the “Guarantors”).

Unless previously redeemed or cancelled, the Notes will be redeemed at their redemption amount on 15 July 2024. The Notes are subject to redemption in whole at their redemption amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Kingdom of Spain. See Condition 7(b) (*Redemption for taxation reasons*) in Section 7 (*Terms and Conditions of the Notes*). Upon the occurrence of a Change of Control followed by a Rating Downgrade during the Change of Control Period (as defined in Condition 5 (*Definitions*) in Section 7 (*Terms and Conditions of the Notes*)), each Noteholder shall have the option to require the Issuer to redeem or purchase the Notes, in whole or in part, at their principal amount plus accrued and unpaid interest up to (but excluding) the date for such redemption or purchase. See Condition 7(c) (*Early redemption at the option of the Noteholders upon a Change of Control*) in Section 7 (*Terms and Conditions of the Notes*).

The Notes bear interest from and including the Closing Date (as defined below) at the rate of 2.500 per cent. per annum payable annually in arrear on 15 July each year commencing on 15 July 2015. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Kingdom of Spain to the extent described under Condition 9 (*Taxation*) in Section 7 (*Terms and Conditions of the Notes*). The offering of the Notes (the “Offering”) is further described under this prospectus (the “Prospectus”).

This Prospectus constitutes a listing prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of the European Union, as amended and implemented in each Member State (the “Prospectus Directive”) and has been prepared in accordance with, and including the information required by, Annexes VI, IX and XIII of Regulation (EC) No. 809/2004. This Prospectus has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “CNMV”) in its capacity as competent authority under Law 24/1988, of 28 July, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) (the “LMV”) and relevant implementing measures in Spain.

Application has been made for the Notes to be admitted to trading on the Spanish AIAF Fixed Income Securities Market (“AIAF”). The Notes may also be admitted to trading on any other secondary market as may be agreed by the Issuer.

In addition, in the United Kingdom, this Prospectus is being distributed to, and is directed at: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); (ii) high net worth companies, unincorporated associations and other bodies within the categories described in Article 49(2) of the Order; and (iii) persons to whom it may otherwise lawfully be communicated (all such persons together, *relevant persons*). Therefore this Prospectus must not be acted on or relied upon in the United Kingdom, by persons who are not *relevant persons*.

**An investment in the Notes involves certain risks. For a discussion of these risks, see Section 2 (*Risk Factors*).**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Parent and the Notes are rated BBB by Standard & Poor’s Credit Market Services Europe Limited (“Standard & Poor’s”) and BBB by Fitch Ratings Ltd (“Fitch”). Fitch and Standard & Poor’s are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) on credit rating agencies (the “CRA Regulation”).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigned rating agency.

*Joint Lead Managers and Bookrunners*

**Deutsche Bank**

**HSBC**

**RBC Capital Markets**

**Santander Global Banking & Markets**

**The Royal Bank of Scotland**

The date of this Prospectus is 15 July 2014.

## IMPORTANT NOTICES

**This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.**

**Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of the Issuer, the Parent or its subsidiaries or that the information set forth herein is correct as of any date subsequent to the date hereof.**

The Issuer, the Parent and the Joint Lead Managers and Bookrunners as previously listed (the “Joint Lead Managers and Bookrunners”) reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes being offered in the proposed Offering. This Prospectus is personal to the offeree to whom it has been delivered by the Joint Lead Managers and Bookrunners and does not constitute an offer to any person or to the public in general to purchase or otherwise acquire the Notes. Distribution of this Prospectus to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the Issuer or the Parent’s prior written consent, is prohibited.

The Issuer and the undersigned, Mr. Ernesto López Mozo and Mr. Alejandro Veramendi B, in their capacity as attorneys in fact of the Issuer and acting under a special power of attorney granted by the Joint Directors of the Issuer, and the Parent and the undersigned, Mr. Ernesto López Mozo, in his capacity as Chief Financial Officer of the Parent and acting under a special power of attorney granted by the Board of Directors of the Parent, accept responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import of such information.

Neither the Joint Lead Managers and Bookrunners nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. None of the Joint Lead Managers and the Bookrunners accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Parent in connection with the offering of the Notes or their distribution. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Parent since the date of this Prospectus.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Joint Lead Managers and Bookrunners or any person affiliated with the Joint Lead Managers and Bookrunners in connection with any investigation of the accuracy of such information or its investment decision and (ii) no person has been authorised to give any information or to make any representation concerning the Issuer, the Parent or the Notes (other than as contained herein and information given by the Issuer and the Parent’s duly authorised officers and employees in connection with investors’ examination of the Issuer, the Parent and the terms of this Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Parent or the Joint Lead Managers and Bookrunners. None of the Joint Lead Managers and the Bookrunners undertakes to review the financial condition or affairs of the Issuer or the Parent during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to their attention.

In making an investment decision, investors must rely on their own examination and analysis of the Issuer, the Parent and the terms of the Offering, including the merits and risks involved.

The Joint Lead Managers and Bookrunners are acting exclusively for the Issuer and the Parent and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Issuer or the Parent for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

The distribution of this Prospectus and the Offering of Notes is restricted by law in certain jurisdictions, and this Prospectus may not be used in connection with any offer or solicitation in any such jurisdiction, or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken in any jurisdiction by the Issuer, the Parent or the Joint Lead Managers and Bookrunners that would permit a public offering of the Notes or possession or distribution of a Prospectus in any jurisdiction where action for that purpose would be required. This Prospectus may not be used for, or in connection with, and does not constitute an offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Prospectus may come are required by the Issuer, the Parent and the Joint Lead Managers and Bookrunners to inform themselves about and to observe these restrictions. Neither the Issuer, the Parent nor any of the Joint Lead Managers and Bookrunners accepts any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Issuer's Notes, of any of these restrictions.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

In this Prospectus, unless otherwise specified or the context requires, references to "€" and "euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended from time to time, references to "£" and "pound sterling" are to the lawful currency of the United Kingdom, references to "US\$" are to the lawful currency of the United States of America, references to "C\$" are to the lawful currency of Canada and references to "Polish zlotys" are to the lawful currency of Poland.

In connection with this issue, each of the Joint Lead Managers and Bookrunners and any of their respective affiliates acting as an investor for its own account may take up Notes and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with this issue. Accordingly, references in this Prospectus to the Notes being issued, offered or placed should be read as including any issue, offering or placement of securities to the Joint Lead Managers and Bookrunners and any of their affiliates acting in such capacity. The Joint Lead Managers and Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In connection with the issue of the Notes, Deutsche Bank AG, London Branch (the "Stabilising Manager") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may

be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

#### **NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

This Prospectus has been prepared on the basis that all offers of Notes using this Prospectus will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA. Accordingly, any person making or intending to make an offer within the EEA of Notes which are the subject of the Offering contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Issuer, the Parent or any of the Joint Lead Managers and Bookrunners to produce a prospectus for such offer. None of the Issuer, the Parent or the Joint Lead Managers and Bookrunners has authorised, and neither of the Issuer or the Parent authorises, the making of any offer of Notes through any financial intermediary, other than offers made by the Joint Lead Managers and Bookrunners that constitute the final placement of Notes contemplated in this Prospectus.

In this Prospectus, unless otherwise specified, references to a “Member State” are references to a Member State of the EEA and references to “€” or “euro” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

#### **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM**

This Prospectus is being distributed in the United Kingdom only to, and is directed only at: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order; (ii) high net worth companies, unincorporated associations and other bodies within the categories described in Article 49(2) of the Order; and (iii) persons to whom it may otherwise lawfully be communicated (all such persons together, “relevant persons”). Therefore this Prospectus must not be acted on or relied upon in the United Kingdom, by persons who are not relevant persons.

#### **NOTICE TO POTENTIAL INVESTORS**

*The Notes may not be a suitable investment for all investors.*

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor’s currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which it participates; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **LEGAL INVESTMENT CONSIDERATIONS MAY RESTRICT CERTAIN INVESTMENTS**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

## TABLE OF CONTENTS

1. OVERVIEW OF THE NOTES .....	1
2. RISK FACTORS.....	6
3. DOCUMENTS INCORPORATED BY REFERENCE .....	23
4. DESCRIPTION OF THE ISSUER .....	24
5. DESCRIPTION OF FERROVIAL .....	26
6. RECENT DEVELOPMENTS AND FACTS WHICH MAY HAVE A MATERIAL EFFECT ON THE ISSUER'S PROSPECTS .....	54
7. TERMS AND CONDITIONS OF THE NOTES .....	56
8. FORM OF GUARANTEE.....	77
9. USE OF PROCEEDS .....	82
10. TAXATION .....	83
11. SUBSCRIPTION AND SALE.....	89
12. SUMMARY OF CLEARANCE AND SETTLEMENT PROCEDURES APPLICABLE TO BOOK- ENTRY NOTES.....	91
13. ADDITIONAL INFORMATION .....	93
14. SIGNATURES .....	96

## 1. OVERVIEW OF THE NOTES

The following constitutes the summary of the essential characteristics and risks associated with the Issuer, the Parent and the Notes. This overview should be read as an introduction to this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole, including any documents incorporated by reference and any supplements hereto.

<b>Issuer</b>	Ferrovial Emisiones, S.A.
<b>Parent</b>	Ferrovial, S.A.
<b>Guarantors</b>	<p>The Notes will (subject to Condition 3 (<i>Guarantees</i>) in Section 7 (<i>Terms and Conditions of the Notes</i>)), benefit from a guarantee by the Parent and certain subsidiaries of the Parent as appointed from time to time in accordance with Condition 3(d) (<i>Accession of Subsidiary Guarantors</i>) in Section 7 (<i>Terms and Conditions of the Notes</i>) (together with the Parent, the “Guarantors”), who will guarantee on a joint and several basis claims of the Noteholders under the Notes. The guarantees given by the Guarantors are referred to as “Guarantees”.</p> <p>The only Guarantor as at the date of this Prospectus is the Parent.</p> <p>The Guarantors may change from time to time. See Condition 3(d) (<i>Accession of Subsidiary Guarantors</i>) and 3(e) (<i>Release of Subsidiary Guarantors</i>) in Section 7 (<i>Terms and Conditions of the Notes</i>).</p>
<b>Joint Lead Managers and Bookrunners</b>	Banco Santander S.A., Deutsche Bank AG, London Branch, HSBC Bank plc, RBC Europe Limited and The Royal Bank of Scotland plc.
<b>Form, denomination and title</b>	The Notes have been issued in uncertificated, dematerialised book-entry form ( <i>anotaciones en cuenta</i> ) in euro in an aggregate nominal amount of €300,000,000 and denomination of €100,000 (pursuant to which 3,000 Notes have been created).
<b>Registration, clearing and settlement</b>	The Notes have been registered with the Spanish <i>Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal</i> (“Iberclear”) as managing entity of the central registry of the Spanish clearance and settlement system (the “Spanish Central Registry”). Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, <i>société anonyme</i> , Luxembourg (“Clearstream Luxembourg”) with Iberclear.
<b>Title and transfer</b>	<p>Title to the Notes is evidenced by book entries and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (<i>entidades participantes</i>) in Iberclear (the “Iberclear Members”) as having an interest in the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein. In these Conditions, the “Holder” of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first named thereof) and “Noteholder” shall be construed accordingly.</p> <p>The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may</p>



pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Holder will (except as otherwise required by Spanish law) be treated as the absolute owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

<b>Issue and Maturity Date</b>	The Notes were issued and paid for on 15 July 2014 (the “Issue Date”) and will mature ten years after the Issue Date on 15 July 2024 (the “Maturity Date”).
<b>Listing and admission to trading</b>	The Issuer undertakes to complete its application for the Notes to be admitted to listing and admitted to trading on the Spanish AIAF Fixed Income Securities Market (“AIAF”), within 30 days after the Issue Date.
<b>Status of the Notes</b>	The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4 ( <i>Negative Pledge</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> )) unsecured obligations of the Issuer ranking at least equally, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
<b>Status of the Guarantees</b>	The obligations of each Guarantor under its Guarantee constitute (or will constitute) direct, unconditional, unsubordinated and (subject to Condition 4 ( <i>Negative Pledge</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> )) unsecured obligations of such Guarantor ranking at least equally with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
<b>Negative pledge</b>	The Notes have the benefit of a negative pledge as described in Condition 4 ( <i>Negative Pledge</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> ).
<b>Interest</b>	The Notes bear interest from and including the Closing Date at the rate of 2.500 per cent. per annum (the “Rate of Interest”), payable in arrear on 15 July in each year (each, an “Interest Payment Date”), subject as provided in Condition 8 ( <i>Payments</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> ). The Notes’ indication of yield is that of 2.562 per cent. per annum, which has been calculated at the Issue Date on the basis of the Issue Price and is not an indication of future yield.
<b>Payments</b>	Payments in respect of the Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Payment Day on which the payment of principal or interest, as the case may be, falls due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer, the Paying Agents or any of the Joint Lead Managers and Bookrunners will have any responsibility or liability for the records relating to payments made in

respect of the Notes.

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

## **Redemption and purchase**

### ***Redemption at maturity***

Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed in euro at their Redemption Amount on the Maturity Date. The Redemption Amount in respect of each Note shall be €100,000.

### ***Redemption for tax reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time in the event of certain changes affecting taxes as more fully described in Condition 7(b) (*Redemption for taxation reasons*) in Section 7 (*Terms and Conditions of the Notes*).

### ***Redemption at the option of the Noteholders***

Upon the occurrence of a Change of Control followed by a Rating Downgrade during the change of Control Period (as these terms are defined in Condition 5 (*Definitions*) in Section 7 (*Terms and Conditions of the Notes*)), each Noteholder shall have the option to require the Issuer to redeem or purchase the Notes, in whole or in part, at their principal amount plus accrued and unpaid interest up to (but excluding) the date for such redemption or purchase.

See Condition 7(c) (*Early redemption at the option of the Noteholders upon a Change of Control*) in Section 7 (*Terms and Conditions of the Notes*).

## **Taxation**

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. See Condition 9 (*Taxation*) in Section 7 (*Terms and Conditions of the Notes*).

## **Prescription**

Claims in respect of the principal amount or interest on Notes will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date, as defined in Condition 5 (*Definitions*) in Section 7 (*Terms and Conditions of the Notes*).

## **Events of default**

The events of default under the Notes are as specified in Condition 10 (*Events of Default*) in Section 7 (*Terms and Conditions of the Notes*). In particular, the Notes will have the benefit of a cross-default provision in relation to other indebtedness of the Issuer, the Guarantors or any Relevant Subsidiary (as defined in Condition 5 (*Definitions*), as described in Condition 10(c) in Section 7 (*Terms and Conditions of the Notes*)).

## **Paying Agents**

Deutsche Bank AG, London Branch, having its registered office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom as principal paying agent (the “Principal Paying Agent”) and Deutsche Bank S.A.E., having its registered office at Paseo de la Castellana, 18, 28046 Madrid, Spain as local paying agent (the “Local Paying Agent”). The Issuer is entitled to vary or terminate the appointment with Deutsche Bank AG, London Branch and Deutsche Bank S.A.E., in their role of principal and local paying agents, respectively, and/or appoint additional or other paying agents (together with the Principal Paying Agent and the Local Paying Agent, the “Paying Agents” and each of them a “Paying Agent”) in accordance with the terms of the Agency Agreement.

<b>Syndicate of Noteholders and modification</b>	The Noteholders shall meet in accordance with the regulations governing the Syndicate of Noteholders (the “Regulations”). The Regulations shall contain the rules governing the functioning of the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 12 ( <i>Syndicate of Noteholders, Modification and Waiver</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> ). Bondholders, S.L. has been appointed as temporary Commissioner of the Syndicate of Noteholders.
<b>Notices</b>	So long as the Notes are listed on AIAF, notices to the Noteholders will be published in the official bulletin of AIAF ( <i>Boletín de Cotización de AIAF</i> ). Any such notice will be deemed to have been given on the date of the first publication. In addition, so long as the Notes are represented by book entries, all notices to Noteholders shall be made through Iberclear for on transmission to their respective accountholders.
<b>Further issues</b>	The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions in all respects as the outstanding Notes or the same in all respects except for the date of the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding Notes.
<b>Governing law and submission to jurisdiction</b>	
<i>Governing law</i>	The Notes and any non-contractual obligations arising out of or in connection with them and the Agency Agreement are, subject as provided below, governed by, and shall be construed in accordance with, English law. Title to the Notes and transfer of the Notes as described in Condition 1 ( <i>Form, Denomination and Title</i> ), the status of the Notes as described in Condition 2 ( <i>Status of the Notes</i> ), the provisions of Condition 12 ( <i>Syndicate of Noteholders, Modification and Waiver</i> ) relating to the appointment of the Commissioner and Condition 17 ( <i>Regulations of the Syndicate of Noteholders</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> ) are governed by, and shall be construed in accordance with, Spanish law. The status of the Guarantee of each Guarantor as described in Condition 3(b) ( <i>Status of the Guarantees</i> ) in Section 7 ( <i>Terms and Conditions of the Notes</i> ) shall be construed in accordance with the laws where each Guarantor has its centre of main interest, which, in the case of the Guarantee of the Parent, shall be Spanish law.
<i>Submission to jurisdiction</i>	The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection the Notes may be brought in such courts.
<b>Ratings</b>	The Parent and the Notes are rated BBB by Standard & Poor’s and BBB by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No. 1060/2009 on credit rating agencies (the “CRA Regulation”) as having been issued by Fitch and Standard & Poor’s. Fitch and Standard & Poor’s are established in the European Union and are registered under the CRA Regulation. As such both Fitch and Standard & Poor’s are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such CRA Regulation.

**Risk Factors**

For a discussion of certain risk factors relating to the Issuer and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see Section 2 (*Risk Factors*).

## 2. RISK FACTORS

*Prospective investors should consider carefully the risks set out below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer or the Parent which, in turn, could have a material adverse effect on the nominal amount and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading or the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that the risks described below may not be the only risks that the Issuer or the Parent face. The Issuer and the Parent have described only those risks that they currently consider to be material and there may be additional risks that they do not currently consider to be material or of which they are not currently aware. Prospective investors should read the entire Prospectus. Words and expressions defined in Section 7 (Terms and Conditions of the Notes) below or elsewhere in this Prospectus have the same meanings in this section.*

### **Risks Relating to the Issuer**

The Issuer is a subsidiary of the Parent whose sole corporate purpose is the issuance of corporate debt and therefore the proceeds of the issue of the Notes will be made available to the Parent as described in Section 9 (*Use of Proceeds*). This means that any payments, whether principal or interest, under the Notes may be adversely affected if the Parent suffers from any of the risks set out in the section below. Therefore, the risks relating to the Issuer could be deemed to be the same as those relating to Ferrovial, as set forth in the section below.

### **Risks relating to Ferrovial's business and the market in which it operates**

*Ferrovial's business could be adversely affected by the deterioration of global or Spanish economic conditions.*

In the past, Ferrovial's business performance has been closely linked to the economic cycle in the countries, regions and cities in which it operates. Normally, robust economic growth in those areas where it is located results in greater demand for its services, while slow economic growth or economic contraction adversely affects demand for its services.

As 2013 came to a close, financial and economic conditions had improved in comparison with the conditions of the previous 12 months. Global activity has strengthened, with much of the impetus coming from advanced economies. However, inflation in these economies has been less than was projected, reflecting still-large output gaps and recent commodity price declines. As at the date of this Prospectus, achieving a comprehensive and robust global economic recovery remains uncertain. Although global activity has improved, downward revisions to growth forecasts in some economies highlight that fragilities continue and that risks still remain. Economic growth has gained some momentum in advanced economies during the course of 2013 but, by contrast, growth in emerging markets has diminished owing to weaker domestic demand and a limited capability to extend or continue supportive domestic policies. Overall, the balance of risks, while improved, remains on the downside. (Source, International Monetary Fund "World Economic Outlook: Recovery Strengthens, Remains Uneven" (April 2014)).

Although serious threats to the global economic recovery were averted during 2013, growth prospects remained stubbornly low and whilst economic growth in advanced economies gained speed during the course of 2013, emerging market economies, which still account for the bulk of global growth, slowed. Overall, financial conditions have tightened further in some emerging market economies during the first quarter of 2014 compared with the first quarter of 2013. The cost of capital has increased as a result, and this is expected to result in less investment and less growth. Within each group of developed and emerging economies, throughout 2013 broad differences remained between the countries in such group in terms of growth and position in the cycle. A multiple-speed growth scenario threatens global recovery in an increasingly interconnected world. Policy actions helped to ease near-term risks in 2013, but some old and new dangers still threaten the outlook for economic recovery in 2014. As highlighted in the IMF "Global Financial Stability Report" (April 2014),

unexpectedly rapid normalisation of U.S. monetary policy or renewed occurrences of high risk aversion on the part of investors could result in further financial turmoil. This would lead to difficult adjustments in some emerging market economies, with a risk of contagion and broad-based financial stress, and thus lower growth. In advanced economies, risks to activity associated with very low inflation have come to the fore, especially in the euro zone, where large output gaps have contributed to low inflation.

In 2014, the euro zone is turning the corner from recession to recovery, although the legacy of the crisis could continue to impact on economic growth. Domestic demand in the euro zone has shown signs of stabilising, with net exports also contributing to end the recession. Nevertheless high unemployment and debt, low investment, persistent output gaps (the difference between the actual and potential gross domestic product ("GDP")), tight credit and financial fragmentation continue to impact on the recovery. In Europe, improvement among certain economically distressed countries, further adjustments of private and public sector balance sheets and high unemployment continue to pose a risk to macroeconomic recovery. High debt, both public and private, and financial fragmentation could hold back domestic demand, although exports may further contribute to growth. In Europe, the most immediate risks stem from incomplete or stalled delivery of reform commitments, at both the European and national levels. Moreover, deflation risk seems to have come to the fore. Other relevant risks include high private sector debt and persistently weak activity, as well as the larger or more persistent adverse effects of public and private deleveraging. The continuing of entrenched fragmentation and the delay of structural reforms could lead to stagnation in the euro area. Concerns and uncertainty regarding the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states cannot be completely disregarded; this could lead to the re-introduction of individual currencies in one or more member states.

Financial markets in central, eastern, and south-eastern Europe have been under pressure since the end of the first quarter of 2013. Countries with weak economic foundations and those that had larger previous capital inflows have been worst affected. Political turmoil also poses risks to recovery. Countries in this region are starting to come out of their second downturn in four years, benefiting from the economic improvement in the euro zone, although weakened growth could widen the small output gap that has opened in recent years. However, the opportunity for countercyclical policies is limited in many countries, as fiscal deficits are still elevated, public debt is on a rising trend and pressure on exchange rates may limit the room for monetary policy (source: IMF, World Economic and Financial Surveys, "Central, Eastern and South-eastern Europe", October 2013).

During 2013, the economy in Spain progressed on a gradually improving path that enabled it to exit the contractionary phase dating back to early 2011. This came about against a background of easing tensions on financial markets, the progressive normalisation of external funding flows, and improved confidence in, and a better performance by, the labour market. However, a number of concerns remain for the Spanish economy. The bank credit shortage linked to the deleveraging process may affect the economic recovery negatively, since bank lending is the main source of finance for Spanish non-financial corporations (in particular, smaller corporations). Fragmentation continues to mark the euro zone's financial markets, which translates into the persistence of excessively strict financing conditions for households and business in those countries where the cyclical recovery is delayed, as is the case for Spain. There is consensus that, despite the expected improvement in the labour market, the unemployment rate will remain high in the months to come in Spain.

Robust recovery requires further progress on global demand rebalancing. As output gaps close, external imbalances may increase again. The materialisation of downside risk to emerging markets could have similar effects if current account balances were to improve sharply in these economies because of capital flow reversals. The sustainability of partial recovery from the global recession remains dependent on a number of factors that are not within the control of the Group, such as the stability of currencies, a return of job growth and investment in the private sector and the strengthening of housing sales and construction, among several other factors. A further deterioration of the economy of continental Europe, or in the other zones, could have a material adverse effect on the financial condition and results of operations of the Group.

*Ferrovial's business is subject to risks related to its international operations.*

As a result of its process of diversification, a large part of Ferrovial's operating revenue is generated outside of Spain, in countries such as the United States, Canada, the United Kingdom, Ireland, Portugal and Poland. The revenues of, market value of, and dividends payable by, subsidiaries within the Group are exposed to risks inherent to the countries where they operate. The operations in some of the countries where Ferrovial is present are exposed to various risks related to investments and business, such as:

- fluctuations in local economic growth;
- changes in inflation rates;
- devaluation, depreciation or excessive valuation of local currencies;
- foreign exchange controls or restrictions on profit repatriation;
- changing interest rate environment;
- changes in financial, economic and tax policies;
- social conflicts; and
- political and macroeconomic instability.

Ferrovial is exposed to these risks in all of its foreign operations to some degree, and such exposure could be material to its business, financial condition and results of operations, particularly in emerging markets where the political and legal environment is less stable. Ferrovial cannot assure that it will not be subject to material adverse developments with respect to its international operations or that any insurance coverage it has will be adequate to compensate the Group for any losses arising from such risks.

*Ferrovial's business, financial condition and results of operations may be adversely affected if it does not effectively manage its exposure to interest rate and foreign exchange rate risks.*

Certain of Ferrovial's indebtedness bears interest at variable rates, generally linked to market benchmarks such as EURIBOR and LIBOR. Any increase in interest rates would increase its finance costs relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. This interest rate fluctuation risk is particularly important in the financing of infrastructure projects and other projects, which are heavily leveraged in their early stages and the performance of which depends on possible changes in the interest rate. Ferrovial enters into hedging arrangements to cover interest rate fluctuations on a portion of its debt. In addition, Ferrovial is exposed to exchange rate risks and in order to mitigate these risks Ferrovial enters into foreign exchange derivatives to cover its significant future expected operations and cash flows. Any current or future hedging contracts or foreign exchange derivatives entered into by Ferrovial may not adequately protect its operating results from the effects of interest rate or exchange rate fluctuations. Ferrovial is subject to the creditworthiness of, and in certain circumstances early termination of the hedging agreements by, hedge counterparties. There can be no assurance that future interest rate or exchange rate fluctuations will not have a material adverse effect on Ferrovial's business, financial condition and results of operations.

*Ferrovial's ability to effectively manage its credit risk exposure may affect its business, financial condition and results of operations.*

Ferrovial is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could impact its business, financial condition and results of operations.

In spite of early signs of recovery in the global economy, the risk of late payment in both the public and private sectors is currently increased due to the global financial crisis. The cost of government financing and financing of other public entities has also increased due to financial stress in Europe, and this may represent an increased risk for Ferrovial's public sector clients. However, in the recent past, such risk was partially mitigated by the enactment of Royal Decree-Law 7/2012, also known as *Real Decreto-Ley de Creación del*

*Fondo de Financiación de los Pagos a Proveedores*, of 9 March, that enabled distressed public entities to make certain payments which allowed them to reduce their commercial debts with suppliers. In addition, such risk could be mitigated by the recent European Central Bank measures aimed at improving liquidity in the European Union.

Although Ferrovial actively manages this credit risk through credit scoring and eventually, in certain cases, the use of non-recourse factoring contracts and credit insurance, its risk management strategies may not be successful in limiting its exposure to credit risk, which could adversely affect its business, financial condition and results of operations.

In addition, legislation implemented in Spain in 2010 relating to late payments (*Ley 15/2010*, of 5 July, known as *Ley de Morosidad*), requires that payment terms do not exceed certain limits. If clients of Ferrovial (public or private) do not comply with this stricter legal framework, liquidity could be affected. Late payments could cause considerable penalties.

*Ferrovial's business, financial condition and results of operations may be adversely affected by its level of indebtedness and its ability to effectively manage its exposure to liquidity risk.*

Ferrovial must be able to secure significant levels of financing to be able to continue its operations.

Certain of the industries in which it operates, such as airports and toll roads, require a high level of financing. Ferrovial's ability to secure financing depends on several factors, many of which are beyond its control, including general economic conditions, adverse effects in the debt or capital markets, the availability of funds from financial institutions and monetary policy in the markets in which it operates. If Ferrovial is unable to secure additional financing on favourable terms, or at all, its growth opportunities would be limited and its business, financial condition and results of operations may be materially adversely affected.

In addition, Ferrovial may seek to refinance its existing debt and can give no assurance as to the availability of financing on acceptable terms.

*Ferrovial has entered into equity swaps which could result in losses and have a material adverse effect on its business, financial condition and results of operations.*

The Parent entered into equity swaps linked to its share price in order to hedge any potential asset loss derived from the different incentive share plans to which the Parent is a party. Under the general terms of these swaps, if, at the maturity date of each swap, the share price of the Parent decreases below a reference share price (the strike price which is agreed at the inception of each swap), it will make a payment to the counterparty. However, if, at the maturity date of each swap, the share price increases above the reference price, it will receive payment from the counterparty. During the lifetime of the swaps, the counterparty will pay the Parent cash amounts equal to the dividends generated by those shares and the Parent will pay the counterparty a floating interest rate. If, at the maturity date of the swaps, the listed value of the Parent's shares is below the reference price, Ferrovial will have to pay out the amounts due under the swaps in cash, and its business, financial condition and results of operations may be materially affected.

Further, whilst the equity swaps are not deemed to be hedging derivatives under International Accounting Standards, their market value during a given period of time has an effect on the income statement of the Parent, which will be positive if the share price increases or negative if the share price decreases during that period. If the share price of the Parent decreases below the reference price, the market value of the swap will decrease and the business, financial condition and results of operations of Ferrovial may be materially adversely affected.

*The loss of key members of Ferrovial's management and technical team could have a material adverse effect on its business, financial condition and results of operations.*

Ferrovial relies on certain key personnel. If, in the future, Ferrovial is unable to attract and retain sufficiently qualified management and technical staff, its business development could be limited or delayed. In addition, if Ferrovial were to lose key members of its senior management or technical staff, and could not find a suitable replacement in a timely manner, its business, financial condition and results of operations could be adversely affected.



*Ferrovial operates in highly regulated environments which are subject to changes in regulations.*

Ferrovial must comply with both specific airport, toll road, waste management and treatment, and construction sector regulations, as well as general regulations in the various jurisdictions where it operates. As in all highly regulated sectors, any regulatory changes in these sectors could adversely affect the business, financial condition and results of operations of Ferrovial.

*Ferrovial's business, financial condition and results of operations may be adversely affected if it fails to obtain or renew, or if there are any material delays in obtaining, requisite government approvals for its projects.*

Ferrovial is established in jurisdictions where the industries in which it operates may be regulated. In order to bid, develop and complete a project, the developer may need to obtain permits, licences, certificates and other approvals from the relevant administrative authorities before bidding for the project or at various stages of the project process. There is no assurance that Ferrovial will be able to obtain or maintain such governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect from time to time, without undue delay or at all. If Ferrovial is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its projects in a timely manner, this could lead to delays and its business, financial condition and results of operations may be adversely affected.

*Environmental laws could increase Ferrovial's costs.*

In the countries where Ferrovial operates, there are local, regional, national and EU bodies which regulate its activities and establish applicable environmental regulations. The technical requirements imposed by environmental regulations are gradually becoming more costly, complex and stringent. These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that Ferrovial is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not effective damage exists or is proven, and Ferrovial could be held jointly and severally liable with other parties. The relevant authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits based on a breach of current regulations.

The entry into force of new laws, the discovery of previously unknown sources of pollution, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase Ferrovial's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities and the business, financial condition and results of operations of Ferrovial may be materially adversely affected.

*Ferrovial is subject to litigation risks.*

The Group is, and may in the future be, a party to judicial, arbitration and regulatory proceedings which arise in the ordinary course of business, including claims relating to compulsory land purchases required for toll road construction, claims relating to defects in construction projects performed or services rendered, claims for third party liability in connection with the use of the Group's assets or the actions of Group employees, employment-related claims, environmental claims and tax claims. For a summary of certain legal proceedings relating to the Group, see "Description of Ferrovial – Legal Proceedings". An unfavourable outcome (including an out-of-court settlement) in one or more of such proceedings could have a material adverse effect on Ferrovial's business, financial condition and results of operations.

*Decreases in the funds allocated to public sector projects may harm Ferrovial's business, financial condition and results of operations.*

Current economic conditions have led to a sharp reduction in projects for the public sector. A further decrease in the spending on development and execution of public sector projects by governments and local authorities could adversely affect Ferrovial's business, financial condition and results of operations.

*Ferrovial operates in highly competitive industries.*

Ferrovial, in its ordinary course of business, competes against various groups and companies that may have more experience, resources or local awareness than Ferrovial does. Furthermore, these groups

and companies may have greater resources than Ferrovial, whether material, technical or financial, or may demand lower returns on investment and be able to present better technical or economic bids compared to it.

Given this high level of competition, Ferrovial may be unable to secure contracts, either directly or through its investee companies, for new projects in the geographical areas in which it operates. If Ferrovial is unable to obtain contracts for new projects in order to sustain a backlog in line with the current one, or if these projects are only awarded under less favourable terms, Ferrovial's business, financial condition and results of operations may be adversely affected.

*Ferrovial's insurance cover may not be adequate or sufficient.*

Ferrovial benefits from insurance cover to protect against key insurable risks, including fire, earthquakes, acts of terrorism and other natural and man-made disasters. The insurance policy may not be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities. Moreover, there can be no assurance that if insurance cover is cancelled or not renewed, replacement cover will be available on commercially reasonable terms or at all.

Ferrovial may not have, or may cease to have, insurance cover if the loss is not covered under, or is excluded from, an insurance policy including by virtue of exhaustion of applicable cover limits or a policy operating as an excess policy or if the relevant insurer successfully avails itself of defences available to it, such as breach of disclosure duties, breach of policy condition or misrepresentation.

If insurance cover is not available or proves more expensive than in the past, Ferrovial's business, financial condition and results of operations may be materially adversely affected.

*The level of Ferrovial's contributions to pension schemes in the United Kingdom may vary.*

The funding position of Ferrovial's pension schemes in the United Kingdom may vary from time to time (including as a result of fluctuation in investment values or as a result of changes to actuarial assumptions), thereby affecting the level of Ferrovial's pension costs. Increased pension costs would have a material adverse effect on its business, financial condition and results of operations.

*Risks of accidents.*

Accidents may occur at Ferrovial's projects, which may severely disrupt the operations of Ferrovial and lead to delays in the completion of projects and such delays could result in a loss of income, due to delayed receipt of proceeds from purchasers, as well as potential claims for compensation and termination of contracts by clients. In addition, there is a possibility that any such claims for compensation in relation to such accidents may not be covered by Ferrovial's insurance policies. Any accidents and any consequential claims for damages could therefore have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

### **Risks Relating to the Services Business Division**

*Ferrovial could be held liable for environmental damage resulting from its operations and its insurance for environmental liability may not be sufficient to cover that damage.*

Significant liability could be imposed on Ferrovial for damages, clean-up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. This is of particular importance in the case of landfills, where costs of sealing are very high and are subject to heavy increases due to changes in environmental law. Ferrovial's insurance for environmental liability may not be sufficient or may not apply to any exposure to which it may be subject resulting from the type of environmental damage in question.

Any substantial liability for environmental damage could have a material adverse effect on Ferrovial's business, financial condition and results of operations.

*The public may react negatively to industrial waste management facilities.*

Although Ferrovial has not yet encountered any major problems, it may face adverse public opinion in relation to its waste recycling activities near inhabited areas, the expansion of such existing facilities or the

construction of new facilities in this business division. Governments responding to public pressure may restrict the current activities of Ferrovia or its plans for future expansion, which could have a material adverse effect on its business, financial condition and results of operations.

*Ferrovia's results from operations are affected by the cyclical nature of the waste management business.*

The waste management business is cyclical by nature. The demand for waste management services is connected to general economic conditions. Demand generally increases in times of economic growth and decreases during economic contraction periods. Due to the recent global financial crisis, the level of spending in waste decreased, and Ferrovia cannot be sure of a favourable change in spending levels in the coming years. If conditions continue to limit spending in the waste management industry, then the business, financial condition and results of operations of Ferrovia may be adversely affected.

### **Risks Relating to the Construction Business Division**

*If investment in the construction industry continues to decrease, Ferrovia's results of operations may be affected.*

Investment in the construction sector derives from both the public and private sectors and the level of investment is dependent on general economic conditions. In times of economic growth, investment levels generally increase, with levels decreasing during a recession. The majority of countries within which Ferrovia operates have benefited from favourable conditions for construction for several years. However, over the last three years, and as a result of the global financial crisis, the situation has considerably deteriorated. Ferrovia cannot make any assurances that the level of investment will increase in the coming years. If conditions continue to limit investment by the public and private construction sectors, then the business, financial condition and results of operations of the Group may be adversely affected.

*Ferrovia's business may be affected by a decrease in the funds available for civil engineering projects.*

As a result of the economic conditions during the recent global recession, there has been a sharp decrease in tenders for civil engineering works, including for public sector projects. The allocation of funds for civil engineering projects within the annual budget for each of the countries where Ferrovia is present or which it is targeting is mainly dependent on two factors: the budgetary policies of the relevant government and the economic conditions existing at the time. For example, in Spain, there has been a decline of 46.7% in the market levels of tendered civil engineering works between 2012 and 2013. A further decrease in the spending on development and execution of civil engineering projects by governments and local authorities could adversely affect the business, financial condition and results of operations of Ferrovia.

*Difficulties in securing private sector projects may adversely affect Ferrovia's results of operations.*

As a result of the economic conditions during the recent global recession, there has been a decrease in procurement by private sector companies. Such companies may be forced to halt the projects already underway due to a lack of funds, or may decide to delay or abandon studies of potential projects while they await more favourable investment conditions. Whilst standard practice in the private sector is for the construction company to be paid as the works are executed, Ferrovia is exposed to loss of revenue if such works are delayed or cancelled. Reductions in project procurement by the private sector may adversely affect the business, financial condition and results of operations of Ferrovia.

*Ferrovia's operations in certain jurisdictions are dependent on funds granted.*

Ferrovia currently benefits from funds granted by the European Union for some of its construction operations in Poland, as well as from federal funds granted for its construction activity in the United States. Due to political, economic or other considerations, these funds may no longer be available to Ferrovia or there may be delays in funds being received. Such a cancellation or delay in receipt of funds may have a material adverse effect on the business, financial condition and results of operations of Ferrovia.

*Any failure to meet construction project deadlines and budgets may have a material adverse effect on the business, financial condition and results of operations of Ferrovial.*

There are certain risks that are inherent to large-scale construction projects, such as shortages, and increased costs, of materials, machinery and labour. If any of Ferrovial's contractors and sub-contractors fails to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions or unexpected technical or environmental difficulties, there may be resulting delays and excess construction costs. Contractor and sub-contractor liability clauses, included in most standard construction agreements entered into with contractors and sub-contractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, Ferrovial may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase Ferrovial's expenses and reduce its income, particularly if it is unable to recover any such expenses from third parties under its concessions, in which case the business, financial condition and results of operations of Ferrovial may be materially adversely affected.

### **Risks relating to the Toll Roads Business Division**

*Reduced vehicle use on the toll roads operated by Ferrovial's toll road concession companies could adversely affect the Group's business, financial condition and results of operations.*

If Ferrovial's toll road concession companies (the "Concession Companies") are unable to maintain an adequate level of vehicle traffic on their toll roads, the Group's toll receipts and profitability will suffer. The tolls collected by the Concession Companies on their toll roads depend on the number of vehicles using such toll roads, the capacity of their portfolios to absorb traffic and their tariffs. In turn, traffic volumes and toll receipts depend on a number of factors, including the quality, convenience and travel time on toll-free roads or toll roads that are not part of the Group's portfolio, the quality and state of repair of the toll roads, the economic climate and fuel prices, the occurrence of natural disasters such as earthquakes and forest fires, meteorological conditions in the countries in which the Concession Companies operate (particularly in Canada), environmental legislation (including measures to restrict motor vehicle use), and the viability and existence of alternative means of transportation, such as air and rail transport, buses and urban mass transportation.

In addition, competition from alternative transport routes could affect the volume of traffic on the toll roads operated by the Concession Companies. In certain cases, the creation of new roads which create an alternative transport route to a toll road may give the concession company the right to require that the economic balance of their concessions be restored and request compensation. However, an increase in the number and convenience of alternative routes could reduce traffic on the toll roads they operate to a greater degree than that for which they receive compensation.

If the Concession Companies are unable to maintain an adequate level of traffic, the business, financial condition and results of operations of the Group may be adversely affected.

*Tariff rate increases on the toll roads operated by the Concession Companies are limited to inflation under some of their concession agreements.*

The revenue generated from Ferrovial's toll road business is dependent in part on its tariff rates and the tariff structure is usually established under each individual concession agreement. In certain cases, the Concession Companies have limited or no ability to independently raise tariffs beyond the rate of inflation. During the life of a concession, the relevant government authority may also unilaterally impose additional restrictions on the tariff rates. Whilst the Concession Companies may be able to negotiate compensation from the government authority for changes to their tariff structures, or renegotiate their concession terms in general, the Concession Companies cannot guarantee the success of their negotiations with the relevant government authority.

Ferrovial has substantial investments and indebtedness, many of which are related to costs incurred during the design and construction phase. Ferrovial covers these investments and indebtedness principally from its toll road receipts. If the assumptions underlying Ferrovial's financial models prove to be

incorrect and the revenues generated are not sufficient to cover its costs, Ferrovial may be unable to successfully adjust the operating parameters due to inflexible concession terms or reduce its costs to remain profitable, which would have a material adverse effect on Ferrovial's business, financial condition and results of operations of the Group.

*During their initial years of operation, Ferrovial's infrastructure concessions generate little or no cash for distribution to the Group.*

The development and operation of infrastructure concession assets is a capital-intensive business. Newer assets are typically highly leveraged to optimise the capital structure with the objective of maximising shareholder return. The financing structure for a concession is selected based on cash flow projections that Ferrovial models for that concession. A new project is typically financed through a project finance structure, which involves the creation of a legally independent project company financed with debt on a non-recourse basis and with equity contributed by Ferrovial and, in some cases, other investors. As a result of the high rate of leverage, during the initial years of a concession, the costs of financing consume most of a concession's available cash flows, leaving little or no cash flows available for distribution to the Group. In addition, since cash flows constitute the main security for the repayment of project borrowings, credit agreements usually limit the use of funds by shareholders until certain conditions have been met, which is assessed each year. As a result, it is unlikely that cash generated from newer concessions will be available to meet the cash needs of other Group companies, including repayment of amounts due under the Notes. Furthermore, it is possible that Ferrovial's cash flow projections for a concession will not be met, and that concession may take longer than expected to generate cash for its shareholders or may never do so, which could decrease the resources available to other Group companies to meet their financial obligations, including those under the Notes. Such a decrease may have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

*Infrastructure concessions have a limited duration.*

Upon termination of a concession, the Group must return the infrastructure to the competent governmental authority or owner, in an adequate state of repair, together with any assets and facilities required for operation, and receives no economic compensation whatsoever. If the Concession Companies are unable to extend the duration of their concessions during their lifetime or are unable to secure new concessions to replace any concessions expired, terminated or recovered, this could have a material adverse effect on its business, financial condition and results of operations of the Group.

*Any inability to negotiate adequate compensation for terminated and repurchased concessions could reduce the future revenues of Ferrovial.*

The Concession Companies derive most of their revenues from operations conducted under their concession agreements. Under the relevant public laws, the governments of the countries in which their concessions are located may unilaterally terminate or repurchase concessions in the public interest, subject to judicial supervision. However, to date there have not been any such unilateral terminations or any repurchases of Ferrovial's toll road concessions. If a governmental authority exercises its option to terminate or repurchase some of Ferrovial's concessions, in general it may receive the compensation provided by law or contract to cover its anticipated profits for the remaining duration of the concession agreements. Ferrovial cannot make any assurances, however, that under such arrangements it would be sufficiently compensated for lost profits. In certain cases, a governmental authority may decide to terminate Ferrovial's concession agreements due to a serious violation of its contractual obligations. Each contract may have different provisions regarding the compensation provided by the relevant authority in the event of early termination of the concession. Depending on each contract's terms and conditions, recovery of its investment might be limited to capped construction costs and land acquisition costs. If it is unable to negotiate adequate compensation for terminated or repurchased concessions, the revenues of the Concession Companies in the future may be reduced, and the business, financial condition and results of operations of the Group may be materially adversely affected.

*Difficulties in obtaining the necessary land rights could delay certain Ferrovial concession projects or lead to increased development costs.*

In order to build or extend the toll roads or develop the infrastructure assets for the concessions in which Ferrovial has an interest, it must obtain the necessary land rights to carry out such development. Ferrovial may seek to obtain such land rights through market transactions, though it often relies on governmental authority to expropriate the land on which the relevant infrastructure asset is to be constructed. In Spain, Ferrovial generally manages the land acquisition and expropriation process itself, subject to the approval of the relevant government authorities. Laws regarding transfer of land rights and land expropriation, and therefore the costs and process associated with such transfer or expropriation, vary from jurisdiction to jurisdiction. The Concession Companies may be adversely affected by changes in laws governing land transfer and land expropriation, or be exposed to the risk of compulsory purchase cost overruns. They may also incur delays in connection with the transfer of the necessary land rights or with the land expropriation process, which could delay the commencement of operations on their toll roads. In addition, the Concession Companies have in the past been, and may in the future be, subject to legal claims in connection with carrying out land expropriation orders, which have, in the past resulted, and could, in the future result, in additional costs in connection with defending against such claims and have, in the past delayed, and could, in the future delay, development of the relevant infrastructure assets. Delays or increases in costs for obtaining the necessary land rights could have a material adverse effect on its business, financial condition and results of operations.

*The Concession Companies are subject to risks related to their contracts with government entities.*

Ferrovial's toll road concessions are granted by government authorities and are subject to special risks, including the risk that the sovereign government will take action contrary to the Group's rights under the concession agreement, for example by unilaterally terminating, amending or expropriating the concessions in the public interest. As stated above, Ferrovial seeks to operate in developed nations where the risk that the sovereign government will take actions of such nature tends to be low, but the Group cannot give any assurance that the relevant governments will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially adversely affect its business. Any such action, which could include the expropriation of the assets of the Concession Companies, could be taken by a relevant government with or without compensation to the Group and this could have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

*The Concession Companies depend to a significant extent on the continued availability of attractive levels of government subsidies and soft public financing.*

The toll road industry depends to a significant extent on the continued availability of attractive levels of government subsidies and incentives to attract private investments. Such subsidies can be granted for the construction and/or operation of toll roads. There is a risk that political developments, such as a change in government or governmental policy, could result in subsidised sources of financing becoming unavailable and this could have a material adverse effect on the business, financial condition and results of operations of Ferrovial.

*The public may react negatively to toll collection and periodic tariff readjustments or public pressure may cause the relevant government to challenge the tariffs set by the Concession Companies.*

Although the Concession Companies have not yet encountered any major problems with motorists reacting adversely to its tariffs, for example, by avoiding tolls or refusing to pay tolls, such problems might arise in the future, resulting in lower traffic volumes and reduced toll revenues. These problems could be further aggravated by a perception that the Concession Companies are unable or unwilling to effectively recover tolls and fees from motorists who fail or refuse to pay. In addition, adverse general public opinion may result in pressure to restrict their tariff increases. If public pressure or government action forces the Concession Companies to restrict their tariff increases or reduce their tariffs, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, Ferrovial's business, financial condition and results of operations could be materially adversely affected.

*Any delays in toll road construction could have a material adverse effect on Ferrovial's business, financial condition and results of operations.*

Certain risks are inherent in the large-scale construction projects currently being undertaken by Ferrovial, such as shortages or increases in the cost of materials and labour, general factors affecting economic activity and financing, malfeasance by its contractors and sub-contractors and disruptions, either resulting from adverse weather conditions or from technical or environmental problems. Construction delays will delay the time at which revenues from a toll road concession are received by Ferrovial and will reduce the revenue-generating lifetime of the concession. These factors could increase Ferrovial's costs and reduce its revenues and, particularly if Ferrovial is unable to pass on some or all of these costs under the terms of its concession agreements, could materially adversely affect Ferrovial's business, financial condition and results of operations.

### **Risks relating to the Airports Business Division**

*The aeronautical income of Heathrow Airports Holdings Group (formerly BAA Group) could decline as a result of a reduction in flights, or passengers, or other factors outside its control.*

Heathrow Airport Holdings Limited (formerly BAA Limited), the company through which Ferrovial currently participates in the airport industry, and its subsidiaries (together "HAH"), generate aeronautical income from airport fees and traffic charges. At Heathrow airport ("Heathrow") these charges are regulated and principally levied on the basis of passenger numbers, maximum total aircraft weight and the length of time for which an aircraft is parked at the airport. The charges are also linked to the rate of inflation, which is liable to change. There are no specific operating contracts with the airlines operating at Heathrow. There can therefore be no assurance as to the level of HAH's future aeronautical income from any one or more airline operators. Decisions by, legal disputes with, financial difficulties at, or the failure of a significant airline customer, or the withdrawal of their landing rights, could lead to a reduction in flights and passenger numbers and/or failure or delay in recovering airport fees or landing charges. The effect of decisions by, or events at, airlines that have a major presence at Heathrow could have a particularly material adverse effect on HAH. The number of passengers using the airports operated by HAH may be affected by a number of other factors, including: macroeconomic events whether affecting the global economy, the United Kingdom economy or the Greater London economy in which Heathrow is based; competition from United Kingdom and non-United Kingdom airports; wars; riots; political action; industrial action; an increase in air fares due to increased airline costs; decisions by airlines regarding the number, type and capacity of aircraft, as well as the routes on which particular aircrafts are utilised; health scares; disruptions caused by natural disasters such as the volcanic eruption in Iceland in 2010; bad weather, such as the unusual weather conditions experienced at Heathrow and other airports in the northern hemisphere in December 2010, which caused over 4,000 flights to be cancelled and caused significant impact to airline schedules globally; acts of terrorism or cybersecurity threats; changes in domestic or international regulation, including for instance international trade liberalisation developments such as "Open Skies"; the quality of services and facilities, including the impact of construction projects; and the development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems; the introduction of new transport links or technology; and the increased use of communications technology.

A decrease in the number of passengers using the airport as a result of the factors detailed above could have a material adverse effect on HAH's business, financial condition and results of operations.

*A decrease in passenger numbers or other factors outside HAH's control could reduce non-aeronautical income.*

HAH's principal sources of non-aeronautical income include retail concession fees and car parking income, property rental income and income from the provision of operational facilities and utilities. Retail concession fees are driven by passenger numbers and propensity of passengers to spend in the shops at the airports. There are a variety of factors which could adversely affect the number of passengers using the airports as discussed under the risk factor "*The aeronautical income of Heathrow Airports Holdings Group (formerly BAA Group) could decline as a result of a reduction in flights, passengers or other factor outside its*

*control*” above. Levels of retail income at the airports may also be affected by changes in the mix of long- and short-haul and transfer and origin and destination passengers; economic factors, including exchange rates and changes in duty free regimes; retail tenant failures; lower retail yields on lease renegotiations; redevelopments or reconfiguration of retail facilities at the airports, which can lead to a temporary or permanent decline in retail concession fees; reduced competitiveness of the airport retail offering; stricter hand luggage and other carry-on restrictions; and reduced shopping time as a result of more rigorous and time-consuming security procedures. Car parking income could be reduced as a result of increased competition from other modes of transport to the airports, such as buses and trains, as well as increased competition from off-site car parks. Other non-aeronautical income could be reduced as a result of a decrease in demand from airport users, such as car rental properties and airline leasing check-in counters. Any of these factors could have a material adverse effect on the business, financial condition and results of operations of HAH.

*The successful implementation of HAH’s capital investment programme could be affected by unanticipated construction and planning issues.*

HAH’s capital investment programme includes major construction projects at the airports it operates and is subject to a number of risks. For example, if HAH is not able to achieve a consensus amongst its airline customers in support of capital investment projects, this could affect the willingness of the Civil Aviation Authority (“CAA”) to include the costs of such projects in the Regulatory Asset Base (“RAB”) of Heathrow. Difficulties in obtaining any requisite permits, consents (including environmental consents), licences, planning permissions, compulsory purchase orders or easements could adversely affect the design or increase the cost of the capital expenditure projects or delay or prevent the completion of a project or the commencement of its commercial operation. Although contractors typically share in cost and schedule risks, HAH may face higher than expected construction costs and delays (not all of which may be permitted by the CAA to be included in the RAB of Heathrow) and possible shortages of equipment, materials and labour due to the number of major construction projects in the London area.

The commencement of the commercial operation of a newly constructed facility may also give rise to start-up problems, such as the breakdown or failure of equipment or processes or the lack of readiness of operators, closure of facilities and disruptions of operations. HAH’s construction contracts may contain restricted remedies or limitations on liability such that any sums claimed or amounts paid may be insufficient to cover the financial impact of such breaches of contract. The ability of contractors to meet their financial or other liabilities cannot be assured.

The failure of HAH to recognise, plan for and manage the extent of the impact of construction projects could result in projects overrunning budgets, operational disruptions, capital expenditure trigger rebates to airlines, unsatisfactory facilities at the airports, safety and security performance deficiencies and higher-than-expected operating costs. Any of these could affect the airports’ day-to-day operations and, consequently, have a material adverse effect on HAH’s business, financial condition and results of operations.

*Heathrow is subject to economic regulation by the Civil Aviation Authority, which is subject to change.*

HAH’s operations at Heathrow are subject to regulatory review that results in, among other things, the setting of the price caps on certain of Heathrow’s charges by the CAA. This regulatory review generally takes place every five years; see “Description of Ferrovial – Ferrovial’s Business – Airports Business Division”. There can be no assurance that the current or future price caps set by the CAA will be sufficient to allow Heathrow to operate at a profit; nor that the present price caps will be increased or at least maintained at current levels; nor that the methodology of the review process at subsequent reviews would not have a material adverse effect on the income of HAH. The CAA has established performance-linked requirements which can negatively impact aeronautical income. For instance, the CAA can reduce the permitted yield in respect of airport charges at Heathrow if prescribed milestones are not met on certain capital investment projects. Under the service quality rebate schemes at Heathrow for the current regulatory period, failure to meet specified targets relating to, among other things, airport cleanliness, security queuing times and stand and jetty availability can result in rebates to airline customers of up to 7% of airport charges.



*HAH could be subject to terrorism and/or increased security requirements.*

The United Kingdom Government currently assesses the terrorism threat to aviation as “Substantial”. Airports continue to operate heightened security measures and were required to introduce additional security measures following the discovery of terrorist plots in August 2006 and December 2009. An incident in 2010 involving cargo aircraft led to additional measures for the cargo industry only. The consequences of any future acts of terrorism may include cancellation or delay of flights, fewer airlines and passengers using the airports, liability for damage or loss and the costs of repairing damage. The implementation of additional security measures at the airports in the future could lead to additional limitations on airport capacity or retail space, overcrowding, increases in operating costs and delays to passenger movement through the airports, any of which could have a material adverse effect on HAH’s business, financial condition and results of operations.

*Incidents could occur at the airports.*

Airports are exposed to the risk of incidents, including accidents, as a result of a number of factors including extreme weather conditions, equipment failure, human error and terrorist activities. These incidents could result in injury or loss of human life, damage to airport infrastructure and short or long term closure of an airport’s facilities and may have an impact on passenger traffic levels, which in turn could have a material adverse effect on HAH’s business, financial condition and results of operations.

*HAH faces a number of operational risks outside its control.*

The operation of an airport is a complex undertaking that is subject to a number of factors outside the control of HAH. These factors include weather conditions, variable aircraft movements and traffic congestion. In addition, the Secretary of State for Transport has powers under the Airports Act 1986 to give directions to airport operators in the interests of national security, including closure of airports. Given the nature of these factors, it is not possible to accurately predict their future impact on airport operations from past performance, and any impact from such factors could have a material adverse effect on the business, financial condition and results of operations of HAH.

*Ferrovial is subject to political risks in Scotland*

The Group participates in certain assets located in Scotland, including, but not limited to, Glasgow and Aberdeen airports. The Scottish Government intends to hold a referendum in 2014 on the issue of Scottish independence from the UK. Although the outcome of such referendum is uncertain, Scottish independence could affect Scotland’s status in the EU and significantly impact the fiscal, monetary and regulatory landscape to which the Group’s activities in Scotland are subject. Although the effect of Scottish independence, if it were to occur, is not possible to fully predict, it could have a material adverse effect on the Group’s business and results of operations and prospects in Scotland.

### **Risks related to the Notes**

*There is currently no active trading market for the Notes and an active secondary market may never be established.*

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and Ferrovial’s results of operations. Although the Notes have been registered with Iberclear as managing entity of the Spanish Central Registry and application has been made for admission to listing and trading on AIAF, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes and a failure to obtain such listing may have a negative impact on the market value of the Notes.

*Credit ratings may not reflect all risks.*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*Interest rate risks.*

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

*The Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability.*

The Guarantees given by the Guarantors provide holders with a direct claim against the relevant Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of each Guarantee would also be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, and capital maintenance or similar laws. They may also include regulations or defences which affect the rights of creditors generally. If a court were to find a Guarantee given by a Guarantor void or unenforceable as a result of such local laws or defences, or to the extent that agreed limitations on Guarantees apply, holders would cease to have any claim in respect of that Guarantor and would be creditors solely of the Issuer and any remaining Guarantors.

*Because the identity of the Guarantors may change, the relevant Tax Jurisdictions for determining entitlement to additional amounts may vary.*

Condition 9 (*Taxation*) provides that if a withholding or deduction is required in respect of payments under the Notes, the Issuer or relevant Guarantor must pay additional amounts to the Noteholders. No such additional amounts are payable in certain circumstances, including if the Note is presented for payment in a Tax Jurisdiction or to a holder having some connection with a Tax Jurisdiction. The concept of Tax Jurisdiction is determined by reference to the jurisdiction in which the Issuer or any Guarantor is resident for tax purposes. Accordingly, the Tax Jurisdictions which are relevant for determining whether or not a Noteholder is entitled to receive additional amounts may vary, and so preclude the Noteholder claiming such additional amounts. On the Closing Date, the Issuer and the Guarantor will be tax resident in Spain.

*The Issuer may redeem the Notes prior to maturity.*

The Terms and Conditions of the Notes provide that the Issuer may at its option redeem the Notes prior to maturity, if there is any change in or amendment to the laws or regulations of a Tax Jurisdiction (as defined in Condition 5 (*Definitions*)). Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forgo a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

*As the Notes are registered with Iberclear investors will have to rely on their procedures for transfer, payment and communication with the Issuer.*

The Notes have been registered with Iberclear. Consequently, no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within Iberclear's account-based system. The investors are therefore dependent on the functionality of Iberclear's account-based system.

Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities in Iberclear (the "Iberclear Members") as having an interest in the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein.

The Issuer will discharge its payment obligation under the Terms and Conditions by making payments through Iberclear. Noteholders must rely on the procedures of Iberclear and its participants to receive payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book entries and registries as described in the previous paragraph. In addition, the Issuer has no responsibility for the proper performance by Iberclear or their participants of their obligations under their respective rules and operating procedures.

A summary of clearance and settlement procedures applicable to book-entry notes in Spain is contained under Section 12 (*Summary of Clearance and Settlement Procedures applicable to Book-Entry Notes*).

*The claims of Noteholders may be structurally subordinated to some senior creditors and to creditors of Non-Recourse Financing.*

The operations of the Group are principally conducted through the Parent and its subsidiaries. Accordingly, the Issuer is and will be dependent on the operations of the Group to service its payment obligations in respect of the Notes. The Notes could be structurally subordinated to the claims of some holders of debt securities and other creditors, including trade creditors, of the Group, and to all secured creditors of the Group. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding-up of the business of the Parent or any subsidiary of the Parent, creditors of the Parent or such subsidiary generally will have the right to be paid in full before any distribution is made to the Parent.

In addition, the claims of Noteholders are structurally subordinated to claims made by creditors of Infrastructure Project Indebtedness (as defined herein). The Parent's consolidated annual accounts include, as assets, its equity interests in entities which have raised Infrastructure Project Indebtedness and the Group usually grants security over these equity interests in favour of the relevant creditors. If these creditors were to enforce this security, the Group's assets would be depleted by the value attributable to such equity interests and it would no longer be entitled to the revenues generated by such assets.

*The Parent's ability to pay amounts due under the Guarantee will depend on dividends and other payments received from Subsidiaries.*

The Parent's results of operations and financial condition are substantially dependent on the trading performance of members of the Group. The Parent's ability to pay amounts due under the Guarantee will depend upon the level of distributions, interest payments and loan repayments, if any, received from the Parent's operating Subsidiaries and associated undertakings, any amounts received on asset disposals and the level of cash balances. Certain of the Parent's operating Subsidiaries and associated undertakings are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such Subsidiaries or associated undertakings.

*Modification, waivers and substitution.*

The Terms and Conditions of the Notes and the Regulations of the Syndicate of Noteholders (as defined herein) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Issuer may, with the consent of the Commissioner but without the consent of Noteholders, amend the Terms and Conditions of the Notes insofar as they apply to the Notes to correct a manifest error or where the amendments are of a formal, minor or technical nature or to comply with mandatory provisions of law.

*Change of law.*

The Terms and Conditions of the Notes, subject as provided below, and the Agency Agreement are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Title to the Notes and transfer of the Notes as described in Condition 1 (*Form, Denomination and Title*), the status of the Notes as described in Condition 2 (*Status of the Notes*), the provisions of Condition 12 (*Syndicate of Noteholders, Modification and Waiver*) relating to the appointment of the Commissioner and Condition 17 (Regulations of the Syndicate of Noteholders) in Section 7 (*Terms and Conditions of the Notes*) are based on Spanish law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Spanish law or administrative practice after the date of this Prospectus.

#### *EU Savings Directive.*

EC Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”) requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident or certain other types of entity established in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015. A number of third countries and territories have adopted similar measures to the Savings Directive.

On 24 March 2014, the Council of the European Union adopted a Directive (the “Amending Directive”) amending the Savings Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the Amending Directive will materially broaden the circumstances in which information must be provided and/or tax withheld pursuant to the Savings Directive, and will require additional steps to be taken in certain circumstances to identify the beneficial owner of interest (and other income) payments, through a “look through” approach. The EU Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this Amending Directive. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the Amending Directive on their investment.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, which may reduce an element of this risk. Investors should choose their custodians or intermediaries with care, and provide each custodian or intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive.

#### **Risks related to the Spanish withholding tax regime**

Article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014, dated 26 June 2014, on regulation, supervision and solvency of credit institutions (“Law 10/2014”). The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than 12 months.

According to the plain wording of section 4 of article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, income derived from securities originally registered with Iberclear will be paid by the Issuer net of Spanish withholding tax (currently at a rate of 21%) if the recipient of the payment is an individual resident in Spain for tax purposes and subject to Spanish Individual Income Tax. The Issuer will not pay any additional amounts in respect of any such withholding tax.

On the other hand, interest payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish Corporate Income Tax taxpayers, will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a "Payment Statement"), in accordance with section 4 of article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, with the following information:

1. Identification of the Notes.
2. Total amount of the income paid by the Issuer.
3. Amount of the income corresponding to individuals residents in Spain that are IIT taxpayers.
4. Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 21%.

Should this occur, affected beneficial owners would receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the tenth calendar day of the month immediately following the relevant payment date. In addition, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

#### **Risks related to Spanish Insolvency Law**

Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the "Spanish Insolvency Law"), which came into force on 1 September 2004, supersedes, with some exceptions, all pre-existing Spanish provisions which regulated the bankruptcy, insolvency (including suspension of payments) and any process affecting creditors' rights generally, including the ranking of credits in an insolvency.

The Spanish Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators within the required timeframes set forth therein; (ii) actions that cause a detriment to the assets of the insolvent debtor carried out during the two-year period preceding the date of its declaration of insolvency may be rescinded; (iii) provisions in a contract granting one party the right to terminate as a mere consequence of the other's declaration of insolvency may not be enforceable; (iv) interest accrued but unpaid as at the commencement of any insolvency proceedings (*concurso*) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations; and (v) interest shall cease to accrue from the date of the declaration of insolvency onwards, except for interest relating to credits secured with an in rem security interest up to the amount secured with such in rem security interest.

Certain provisions of the Spanish Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

### 3. DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer, the Parent or the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained in any document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus.

The following documents which have been previously published and have been filed with the CNMV are incorporated in, and form part of, this Prospectus:

- (a) the summarised audited annual accounts, the notes to the summarised audited annual accounts and the Auditor's reports as of and for the years ended 31 December 2012 and 31 December 2013 of the Issuer, together with the directors' report in respect of the latter, prepared in accordance with Spanish GAAP (available on Ferrovial's website: [www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents*);
- (b) the audited consolidated annual accounts, the notes to the audited consolidated annual accounts, directors' reports and the Auditor's reports as of and for the years ended 31 December 2012 and 31 December 2013 of the Parent, prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS - EU") (the "Consolidated Annual Accounts") (available on Ferrovial's website: [www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents* and on the CNMV website: [www.cnmv.es](http://www.cnmv.es)); and
- (c) the unaudited consolidated financial information as of and for the three months ended 31 March 2014 of the Parent (available on Ferrovial's website: [www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents* and on the CNMV website: [www.cnmv.es](http://www.cnmv.es)).

The documents referred to in paragraphs (a) to (c) above are English translations of the original Spanish versions. The Issuer confirms that such translations are accurate translations of the original Spanish text, which have also been filed with the CNMV.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus are available as long as the Notes are outstanding from the registered office of the Parent.

## 4. DESCRIPTION OF THE ISSUER

### General Information

The Issuer is a directly and indirectly wholly owned subsidiary of Ferrovial, S.A. (the “Parent”). The Issuer was incorporated in Madrid on 9 May 2006 as a corporation (*sociedad anónima*) for an indefinite period under the name of Baroslia, S.A. and changed its name to Ferrovial Emisiones, S.A. on 7 July 2008. It is currently registered in the Mercantile Register of Madrid in volume 22873, sheet 84, page M-409577 and entry 1.

The Issuer’s current registered office is located at Calle Príncipe de Vergara 135, 28002 Madrid, Spain, with telephone number +34 91 586 25 00.

### Share capital and major shareholders

As at 31 December 2013, the Issuer’s issued and paid-up share capital was €60,200 made up of 60,200 ordinary shares with a nominal value of €1 each. The Issuer is an indirectly wholly owned subsidiary of the Parent.

### Business

The net proceeds from the issuance of the Notes will be deposited with the Parent and used for the general corporate purposes of the Group.

The objects of the Issuer are the issue of preferred securities (*participaciones preferentes*) and/or other debt securities.

On 30 January 2013, the Issuer issued €500,000,000 3.375 per cent. notes due 2018 guaranteed by the Parent and certain of the subsidiaries of the Parent (the “January 2013 Notes”).

On 7 June 2013, the Issuer issued €500,000,000 3.375 per cent. notes due 2021 guaranteed by the Parent and certain of the subsidiaries of the Parent (the “June 2013 Notes”).

In April 2014, the subsidiaries of the Parent which guaranteed the aforementioned issues, namely the January 2013 notes and the June 2013 notes, were released as guarantors in accordance with and pursuant to their respective terms and conditions.

The Issuer did not engage, since its incorporation, in any activities, whether trading activities or otherwise, other than those incidental to its incorporation, matters referred to as contemplated in this Prospectus, including the issue of the January 2013 notes and the June 2013 notes and matters which are incidental or ancillary to the above.

### Management

The Joint Directors of the Issuer as at the date hereof are the following:

<b>Name</b>	<b>Position</b>
Ernesto López Mozo	Joint Director
Pedro Agustín Losada Hernández	Joint Director

The business address of the Joint Directors of the Issuer is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

The Joint Directors of the Issuer mentioned above are employees of the Parent. Notwithstanding, there are no potential conflicts of interest between the private interests or other duties of the Joint Directors listed above and their duties to the Issuer.

*Management Structure of the Issuer*

The Management Committee has the following composition:

<b>Name</b>	<b>Position</b>
Ernesto López Mozo	Joint Director
Pedro Agustin Losada Hernández	Joint Director

The business address of the members of the Management Committee of the Issuer is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Management Committee listed above and their duties to the Issuer.



## 5. DESCRIPTION OF FERROVIAL

Ferrovial is a leading infrastructure group, operating through its toll roads, services, construction and airports business divisions. It is present in over 25 countries and owns or operates some of the world’s most significant infrastructure assets, such as the 407 ETR in Toronto, Heathrow airport in London, the Chicago Skyway toll road in the U.S. and the Ausol toll road in Spain. The Parent is part of Spain’s IBEX-35 as well as the Dow Jones Sustainability Indexes and FTSE4Good sustainability index.

### Group Structure

The Issuer was incorporated in 2006 as an indirectly wholly owned subsidiary of Grupo Ferrovial, S.A. (“Grupo Ferrovial”), the then parent of the Ferrovial group.

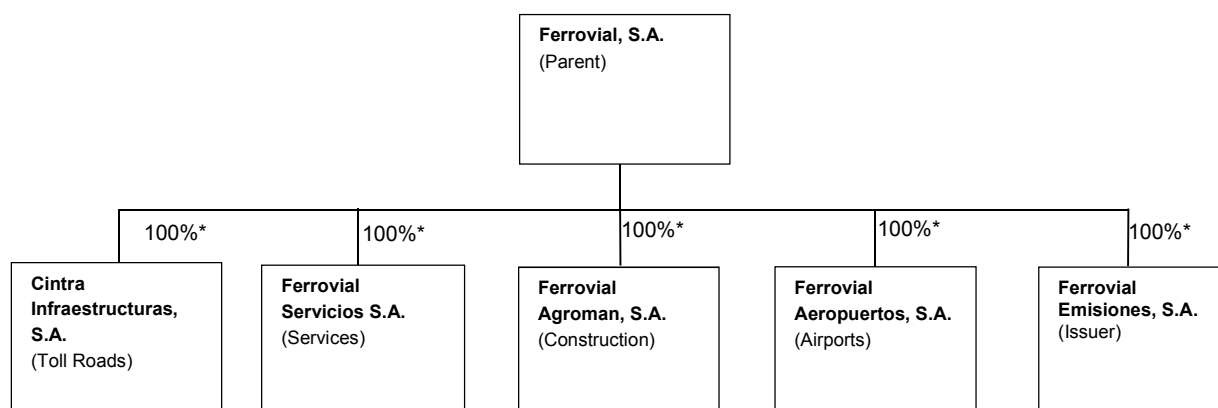
In 2009, Grupo Ferrovial underwent a merger with Cintra Concesiones de Infraestructuras de Transporte, S.A. (“Cintra Concesiones”), the completion of which was registered before the Mercantile Registry on 3 December 2009. The merger was structured as a “reverse” merger (*fusión inversa*) where the subsidiary, Cintra Concesiones, increased its capital to absorb the parent, Grupo Ferrovial. This resulted in the extinguishment by means of dissolution without liquidation of Grupo Ferrovial and the transfer in block of all its assets and liabilities to Cintra Concesiones. Consequently, Cintra Concesiones acquired by universal succession (*sucesión universal*) all the rights and obligations of Grupo Ferrovial. Following the merger, Cintra Concesiones became the parent of the Group and changed its name to Ferrovial, S.A. One of the consequences of this merger on the Group was that the minority shareholders of Cintra Concesiones became shareholders of the Parent.

At the same time as completion of the merger between Cintra Concesiones and Grupo Ferrovial, Cintra Concesiones transferred to Cintra Infraestructuras, S.A. (“Cintra”) most of the shareholdings it held in concessionaires through which the Group conducts its infrastructure concession business. This transfer was made by means of a segregation of assets and was registered before the Mercantile Registry on 3 December 2009. Following such transfer of assets, Cintra became the parent company of the infrastructure concession business (save for some concessionaries’ assets which are held directly by the Parent).

At 31 December 2013, the Group comprised the Parent and 468 companies: 323 subsidiary companies and 145 associate companies.

The summarised corporate structure of the Group as at the date hereof, showing the Parent, the Issuer and the entities that head up each business division, is as follows:

### The Parent



\*Directly and/or indirectly owned

*Ferrovial, S.A.*

#### General Information

Ferrovial, S.A. (the “Parent”), whose commercial name together with its consolidated subsidiaries is Ferrovial, was incorporated in Madrid on 3 February 1998 as a corporation (*sociedad anónima*) for an indefinite period under the name of Cintra Concesiones de Infraestructuras de Transporte, S.A. and on 3 December 2009 it merged with Grupo Ferrovial and changed its corporate name to “Ferrovial, S.A.”. It is currently registered in the Mercantile Register of Madrid in volume 12,744, folio 196, section 8, sheet M-204873 and entry 1<sup>a</sup>.

The Parent’s current registered office is located at Calle Príncipe de Vergara 135, 28002 Madrid, Spain, with telephone number +34 91 586 25 00.

As at the date of this Prospectus and subject to Condition 3 (*Guarantees*) in Section 7 (*Terms and Conditions of the Notes*) the only Guarantor is the Parent.

#### Share capital and major shareholders

As at 31 December 2013, the Parent’s share capital was €146,702,051, made up of 733,510,255 ordinary shares of nominal value €0.20 each, represented by book entries and forming a single class. The Parent’s share capital is fully subscribed and paid up.

The general shareholders meeting of the Parent, within its scrip dividend programme (“*Ferrovial Flexible Dividend*”), approved on 26 June 2014 two share capital increases against the reserves of the Parent to be able to offer shareholders an option to receive the final dividends corresponding to the 2013 financial year and the interim dividends corresponding to the 2014 financial year in cash or in shares. On 26 June 2014 the Board of Directors of the Parent set the maximum number of new shares to be issued within the first capital increase at 13,336,550 shares with an aggregate nominal value of €2,667,310. The final amount of the first share capital increase and the number of shares issued will depend on the number of shareholders who choose to receive their dividends in shares, and is foreseen to be communicated to the market as a significant event on 17 July 2014.

On the same date, the general shareholders meeting of the Parent approved a share capital reduction by means of the acquisition of a maximum of 25,672,859 of the Parent’s own shares through a buy-back programme for the purpose of amortising them.

The Parent’s shares have been listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the “Spanish Stock Exchanges”) and quoted on the Automated Quotation System (“AQS”) of the Spanish Stock Exchanges since 26 October 2004. The Parent is the result of a reverse merger (*fusión inversa*) (see “Description of Ferrovial – Group Structure” above) between Grupo Ferrovial and Cintra Concesiones. Grupo Ferrovial was listed on the Spanish Stock Exchanges and quoted on the AQS on 5 May 1999.

As at the date hereof, and pursuant to the notice filed with the CNMV on 19 March 2014, the family group consisting of María, Rafael, Joaquín, Leopoldo and Fernando del Pino y Calvo-Sotelo has control, according to the meaning in article 4 of the Securities Market Act, through Karlovy, S.L. (“Karlovy”), of a majority of the share capital of Portman Baela, S.L. (“Portman”). Similarly, Casa Grande de Cartagena, S.L.U. is controlled by certain members of this family group. As at the date hereof, Portman owns 41.053% of the share capital of Ferrovial. As at the date hereof, Karlovy has a direct shareholding of 0.002% in Ferrovial. The family group comprising the aforementioned persons has control as at the date hereof, through Karlovy and Portman, of 41.055% of the share capital of Ferrovial.

According to the aforementioned notice, the members of the family group – that is, María, Rafael, Joaquín, Leopoldo and Fernando del Pino and Calvo-Sotelo, in addition to Karlovy, S.L., Portman Baela, S.L. and Casa Grande de Cartagena, S.L.U. – hold a total of 319,477,195 direct and indirect shares representing 43.555% of the capital of Ferrovial.

## Ferrovial's Business

Ferrovial was founded in 1952 as a construction group focusing on railway infrastructure. Ferrovial later expanded its business into other activities and has been active internationally for over 40 years and has over 66,000 employees.

Ferrovial is one of the world's leading infrastructure groups with operations in a range of sectors including services, construction, management and maintenance of toll roads and airports. Since 2000, Ferrovial has invested in diversifying its business and expanding internationally. This policy of expansion and diversification included the acquisition of 407 ETR in Canada, in 1999, Budimex, S.A. ("Budimex") in Poland, in 2000, Amey plc ("Amey") and Cespa, in the United Kingdom and Spain, respectively, in 2003, W.W. Webber, LLC ("Webber") in the U.S., in 2005, Heathrow Airport Holdings Limited (formerly BAA Limited) in the United Kingdom, in 2006 and Enterprise in the United Kingdom in 2013, one of the UK's leading providers of services to utilities (power, gas and water) and the public sector, as well as the award of the concession to operate the Chicago Skyway in 2004, the Indiana Toll Road in 2006, the Texas SH-130 in 2007, the North Tarrant Expressway ("NTE") in 2009, the Lyndon B. Johnson Expressway ("LBJ") in 2010 and the extension to the NTE (the "NTE Extension") in 2013 all such concessions in the U.S.

Ferrovial undertakes its activities through four business divisions: Services; Construction; Toll Roads and Airports. The Toll Roads and Airports business divisions are the main divisions of Ferrovial financed through non-recourse financing.

The table below sets out the entities that head up each business division, the activities of each business division and each business division's EBITDA on a consolidated basis as of and for the years ended 31 December 2013 and 2012:

Business Division	Group Companies	Description	Year ended 31 December,	
			2013 <sup>(1)</sup>	2012 <sup>(3)</sup>
			EBITDA <sup>(2)</sup> (millions of euros)	EBITDA <sup>(2)</sup> (millions of euros)
Services	Ferrovial Servicios, S.A., Amey Plc	Management of infrastructure facilities, utilities and defence services, and mining; collection, treatment and disposal of urban and industrial waste; and provision of urban services (services provided to local authorities such as street/beach cleaning and gardening)	321.5	313.4
Construction	Ferrovial Agroman, S.A., Budimex, S.A. and W.W. Webber, LLC	Construction and execution of civil engineering, building and industrial projects, including waste treatment, water desalination and drinking water plants	342.8	336.9
Toll Roads	Cintra Infraestructuras, S.A.	Development, financing, execution and operation, of toll road infrastructure	276.3	271.6
Airports	HAH, Ltd.	Development, financing and operation of airports	-8.3	1.7
Other		Mainly consolidation adjustments and overheads	2.0	3.0
<b>Total</b>			<b>934.3</b>	<b>926.6</b>

Notes:

- (1) Figures as of and for the year ended 31 December 2013 were extracted from the 2013 Consolidated Annual Accounts.
- (2) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.
- (3) Obtained from the unaudited restated consolidated annual accounts for the year ended 31 December, 2012 as included in the 2013 Consolidated Annual Accounts.

The table below sets out Ferrovial's total assets, revenues and EBITDA distribution by geographical area as of and for the years ended 31 December 2013 and 31 December 2012:

Geographic Area	As of and for the year ended					
	Total assets		Revenues			EBITDA <sup>(1)</sup>
	2013 <sup>(2)</sup>	2012 <sup>(2)</sup>	2013 <sup>(2)</sup>	2012 <sup>(2)</sup>	2013 <sup>(2)</sup>	2012 <sup>(2)</sup>
Spain.....	7,794.3	8,487.3	2,589.9	2,884.0	387.5	592.5
United Kingdom .....	3,480.3	2,946.4	2,611.4	1,868.0	162.9	145.1
United States and Canada .....	8,473.4	7,732.5	1,376.8	1,104.7	162.3	111.8
Poland.....	1,006.0	969.5	1,138.3	1,460.5	50.6	65.9
Other.....	2,066.0	2,094.1	450.1	313.3	171.1	11.3
<b>Total.....</b>	<b>22,820.0</b>	<b>22,229.8</b>	<b>8,166.5</b>	<b>7,630.3</b>	<b>934.3</b>	<b>926.6</b>

Notes:

- (1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.
- (2) Figures as of and for the year ended 31 December 2013 were extracted from the 2013 Consolidated Annual Accounts.
- (3) Obtained from the unaudited restated consolidated annual accounts for the year ended 31 December 2012 as included in the 2013 Consolidated Annual Accounts.

For the year ended 31 December 2013, 59% of Ferrovial's EBITDA was generated outside of Spain.

As a result of its business and geographical diversification, Ferrovial has a broad and diversified client base and has no significant dependence on any single client account.

Ferrovial's backlog, defined as the part of the contracts signed pending execution, was approximately €17.7 billion and €7.9 billion for the Services and Construction business divisions, respectively, as of 31 December 2013.

## Services Business Division

### Summary

The activities of the Services business division of Ferrovial comprise infrastructure and facility maintenance and management, waste management, urban and industrial services and utilities. After the acquisition of the Chilean company Steel Ingeniería, S.A. in 2013, Ferrovial Services entered into a new market, providing specialised services to mining companies in Chile.

The Group conducts its infrastructure and facility maintenance and management activities primarily through Amey, plc ("Amey") in the United Kingdom and Ferrovial Servicios, S.A. ("Ferrovial Servicios") in Spain and Portugal. Amey is one of the United Kingdom's leading support services companies, and is principally active in urban, road and rail maintenance. Ferrovial Servicios is one of the main players in the Spanish market for infrastructure upkeep and facility management services.

Ferrovial conducts its waste management and urban services activities primarily through Ferrovial Servicios, which operates in Spain and Portugal, in the collection, treatment and disposal of all types of waste, street and beach cleaning and gardening.

In furtherance of one of its strategic priorities, in 2012, the Services business division started to provide road maintenance services in Poland, entering in the fields of waste management, industrial construction and technical maintenance services in Poland. In addition, in 2013, the Services business division exported its business model to other countries such as Qatar and Chile.

In February 2013, Ferrovial Servicios acquired 70% of Steel Ingeniería for €28 million. This company specialises in the mining sector in Chile, and provides Ferrovial Servicios with a new way of entering a market which has strong growth potential.

In April 2013, Ferrovial, via Ferrovial Servicios, closed the purchase of Enterprise Plc, one of Britain's leading providers of services to the utilities and the public sector, for €474 million. The merger of Enterprise into Amey, the subsidiary of Ferrovial Servicios in the UK, has resulted in Amey having one of the most diversified product offerings in the sector, and a workforce of 21,000 employees. This deal will facilitate Amey's entry into the services and utilities market segment.

In 2013, Ferrovial Servicios announced a new organisation structure which will enable the business to maximise on new business opportunities whilst growing profitability. The new organisation is based on three main principles:

- segmenting the company into geographic business units, namely the UK, Spain and international (which currently includes Chile, Poland, Portugal and Qatar);
- establishing new centres of excellence to develop expertise which can be exploited by the three business units; and
- creating a structure that facilitates integrated service delivery and cross-selling.

#### *Division results of operations and backlog*

The table below sets out the revenues, EBITDA and backlog for the Group, geographically, for the years ended 31 December 2013 and 31 December 2012:

	<b>As of and for the year ended 31 December</b>					
	<b>Revenues</b>		<b>EBITDA<sup>(1)</sup></b>		<b>Backlog<sup>(2)</sup></b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<i>(millions of euros)</i>		<i>(millions of euros)</i>		<i>(millions of euros)</i>	
Spain.....	1,421.3	1,415.4	176.5	190.7	6,330.4	5,219.4
UK.....	2,163.0	1,455.9	137.3	121.4	11,187.6	7,467.6
International	72.0	23.7	7.7	1.3	231.4	96.9
<b>Total.....</b>	<b>3,656.3</b>	<b>2,895.0</b>	<b>321.5</b>	<b>313.4</b>	<b>17,479.3</b>	<b>12,783.9</b>

Notes:

(1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.

(2) Backlog is defined as the part of the contracts signed pending execution.

In the year ended 31 December 2013, the Group's revenues from the Services business division were €3.7 billion representing 44.8% of the Group's total revenues.

In 31 December 2013, the backlog for the Services business division reached an all-time high of €17.7 billion, which represents an increase of 38.8% when compared with 31 December 2012 (€12.8 billion). This is mainly due to the incorporation of Enterprise's backlog of €2.5 billion at the time of the acquisition.

#### *Inception*

This business division has been active since 1992, and acquired its current structure through the acquisition of Amey and Cespa in the United Kingdom and Spain, respectively, in 2003.

## *Customers and Type of Contracts*

Ferrovial typically operates its business in the Services business division through multi-year contracts signed with the Public sector, (such as the Highways Agency, the Network Rail, the Transport for London and the Scottish Executive in the United Kingdom) or local councils (such as the Madrid, Barcelona, Murcia and Huelva local councils in Spain), industrial clients, hospitals, and other public and private corporations, as further described below.

### *Activities*

The activities of the Services business division of Ferrovial consists of infrastructure maintenance (highways, rail, streetlighting), facility management, environmental services (waste collection and treatment), services to utilities and mining companies and social services (healthcare and legal services). Ferrovial Services carries out these activities through three business units.

### *United Kingdom*

Amey is one of the leading companies in the United Kingdom support services sector active in transport, roads, railways, bridges, schools, airports, public spaces and office areas. Since its acquisition by Ferrovial in 2003, it has experienced considerable success in recovering a preeminent position in the infrastructure and facility management industry. Amey provides integrated operation and maintenance of all types of rail and road assets (pavements, tracks, signalling systems and information displays), local government infrastructure (such as roads, footways, streetlighting assets, schools or vehicle fleets), and provides facilities management services (such as mechanical and electrical maintenance, cleaning, portering, gardening, catering or security of working spaces, relocation planning, energy efficiency or waste minimisation). Amey also provides related consulting and logistics services.

The highlight of 2013 for the UK business unit was the acquisition of Enterprise and consequently the integration of the two companies into a single organisation. Also in 2013, Amey (together with Cintra, and in equal parts) was awarded the M8, M73 and M74 highway improvement projects (together the “M8 Highway Improvement Projects”) to extend and improve the highways in Scotland. Ferrovial Agroman will be in charge of the construction aspects of this project. Financial close was achieved in February 2014.

Revenues increased in 2013 by 48.6%, primarily as a result of the contribution of the Enterprise business. Backlog reached €11.2 billion. Volume is at an all time high due to the contribution of Enterprise’s €2.5 billion and the award of a number of major contracts in 2013, such as the design, construction and operation of an end-to-end waste management facility in Milton Keynes, the maintenance of the East Anglia highways and several contracts for the maintenance of the gas and water distribution networks for certain utilities companies in various regions of the UK.

### *Spain*

Ferrovial Servicios is the business unit resulting from the integration of Cespa (environmental services) and Ferroser (infrastructure management and facility management), which carries out all the services activities in Spain. As a result of this integration, Ferrovial Servicios can now provide end-to-end solutions which meet clients’ current and future needs, with a broad range of services split into three business lines:

- **Local Government:** For the provision of services to municipalities, including waste collection, street and parks cleaning, gardening, infrastructure maintenance (building and streetlighting).
- **Treatment and Environmental Management:** Design, construction and operation of treatment plants, landfills, waste recovery, collection and treatment of industrial waste.
- **Infrastructure:** Facility management, energy efficiency, infrastructure maintenance, social and healthcare services.

2013 revenues were in line with those obtained in 2012, reflecting the stability of the business supported by mid- to long-term contracts. The backlog at the end of 2013 amounted to €6,330 million, 21.3% higher than in 2012. Among the contracts awarded this year, those worth highlighting are: the maintenance of

installations, cleaning and energy management at Valdecilla Hospital in Santander (€567 million over 20 years) and the contract for catering and customer service on Renfe's long distance trains (€267 million over four years).

#### *International*

This new business unit incorporates all the Ferrovial Services activities outside Spain and the UK. The breakdown of revenue by country for 2013 was as follows: Chile (€39.4 million), Portugal (€24.8 million) and Poland (€6.3 million).

The International division also includes the business in Qatar, although the 2013 results here are equity-accounted. During 2013, the division embarked on three infrastructure maintenance contracts at Doha airport. The backlog of these contracts (not included in the reported backlog, due to being accounted as equity), amounts to €169 million.

#### *Regulation*

Over the last 20 years, regulation has become tighter, imposing detailed requirements on waste management activities and causing a significant change in the way in which waste management services are provided. Larger investments have become necessary to meet regulatory targets in two main fronts: minimising the amount of waste disposed through landfills and minimising the environmental impact of any waste activity.

### **Construction Business Division**

#### *Summary*

Ferrovial conducts its construction activities through Ferrovial Agroman, a wholly owned subsidiary of the Parent, a leading Spanish construction company with over 80 years of experience in the industry. Ferrovial Agroman is involved in all areas of civil engineering, residential building and non-residential building, in Spain as well as internationally. Ferrovial Agroman is also involved in water treatment plant engineering and construction through its wholly owned subsidiary, Cadagua, S.A. ("Cadagua"), recognised internationally for seawater desalination plants.

Ferrovial has been a pioneer in leading the expansion of Spanish construction companies into stable international markets. For example, the Group has established a strong presence in Poland and the United States, where it functions through its local subsidiaries, Budimex and Webber, respectively. The Group also functions through permanent branch offices and subsidiaries in core markets such as the United Kingdom, the United States, Canada, Puerto Rico, Chile, Australia, Ireland, Italy and Portugal.

Among the various contracts awarded in 2013 are the North Tarrant Express Extension in the United States (amounting to €735 million), the M8 Highway Improvement Projects in the UK (amounting to €300 million), the Pomerania railway in Poland (amounting to €136.2 million), Batinah Highway Package in Oman (amounting to €130.2 million), the A4 highway in Poland (amounting to €93.3 million) and the Al Ghubrah desalination plant in Oman (amounting to €78.2 million).

So far during 2014, Ferrovial has been awarded, amongst others, the construction of the S5 Poznan Wroclaw highway in Poland (amounting to €48 million). The following contracts are expected to be incorporated into the 2014 backlog: the I-77 extension (amounting to €226 million) in the United States, the Turow Power Plant (amounting to €173 million) in Poland, the improvement of the Pacific Highway (amounting to €171 million) in Australia and the construction of a hydropower plant (amounting to €159 million) in Chile.

*Division results of operations and backlog*

The table below sets out the revenues, EBITDA and backlog for the key construction companies of the Group as of and for the years ended 31 December 2013 and 31 December 2012:

	Year ended 31 December					
	Revenues		EBITDA <sup>(1)</sup>		Backlog <sup>(2)</sup>	
	2013 <sup>(3)</sup>	2012 <sup>(4)</sup>	2013 <sup>(3)</sup>	2012 <sup>(4)</sup>	2013 <sup>(3)</sup>	2012 <sup>(4)</sup>
	<i>(millions of euros)</i>		<i>(millions of euros)</i>		<i>(millions of euros)</i>	
Ferrovial Agroman <sup>(5)</sup>	2,274.4	2,313.8	271.7	256.7	5,728.5	6,217.2
Budimex .....	1,099.2	1,420.3	44.5	57.2	1,044.0	1,193.9
Webber .....	690.0	591.5	26.6	23.0	1,094.6	1,288.3
<b>Total</b> .....	<b>4,063.6</b>	<b>4,325.6</b>	<b>342.8</b>	<b>336.9</b>	<b>7,867.1</b>	<b>8,699.4</b>

Notes:

- (1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.
- (2) Backlog is defined as the part of the contracts signed pending execution.
- (3) Figures as of and for the year ended 31 December 2013 were extracted from the 2013 Consolidated Annual Accounts.
- (4) Obtained from the unaudited restated consolidated annual accounts for the year ended 31 December 2012 as included in the 2013 Consolidated Annual Accounts.
- (5) The figures for Ferrovial Agroman include Cadagua and other adjustments.

The Group's international strategy continued in 2013, with international business growing. In 2013 it accounted for 76% of sales and 70% of backlog. Furthermore, more than 90% of sales and 85% of the international backlog was generated by the main strategic markets: the United States, Poland, Canada and the United Kingdom, all of which are stable markets involving a relatively low country risk.

Revenues for the Construction business division for the year ended 31 December 2013 were €4.1 billion, which represents 50% of Ferrovial's total revenue. The backlog at 31 December 2013 totalled €7.9 billion.

The table below sets out the backlog (defined as the part of the contracts signed pending execution) by project type for the years ended 31 December 2013 and 31 December 2012:

	Year ended 31 December	
	<i>(millions of euros)</i>	
	2013	2012
Civil work.....	6,164.2	6,837.4
Residential work.....	181.6	284.2
Non-residential work.....	768.2	867.2
Industrial Work.....	753.1	710.6
<b>Total</b> .....	<b>7,867.1</b>	<b>8,699.4</b>

As of 31 December 2013, the backlog was €7.9 billion, with the international backlog amounting to €5.5 billion, or 70% of the total backlog, representing a 9.6% decrease compared to the 2012 figure, due to the high level of execution of works and the elimination of the backlog in Greece (€406 million) as a result of the agreement reached with the government. Despite this, the backlog still represents 23 months of guaranteed production at current rates of execution. The United States accounts for 53.4% of the international backlog,



followed by Poland, representing 19.3%, the United Kingdom, representing 9.9%, Canada representing 4.8% and the remaining 12.6% relating to other OECD countries.

Civil works and industrial backlog represented 87.9% of total backlog as of 31 December 2013, with only 2.3% coming from residential building and the remaining 9.8% coming from non-residential building.

### *Inception*

Ferrovial was founded in 1952, since when it has developed and expanded its Construction business division nationally and internationally, mainly through the award of several contracts in countries such as the United Kingdom, the United States, Canada, etc. and through strategic acquisitions such as Budimex in Poland and Webber in the United States.

Ferrovial has a great expertise in large and complex international projects, mainly through working for its Group companies, such as Cintra or HAH, but also through working for third party clients.

In 1985, Ferrovial expanded its national expertise to include the field of engineering and construction of water purification and treatment plants, through the acquisition of a 100% holding in the Spanish company Cadagua.

In 1995, Ferrovial acquired a 98.27% interest in Agroman Empresa Constructora, S.A. (“Agroman Constructora”), a Spanish construction company founded in 1927. On 5 October 1999, Ferrovial merged with Agroman Constructora and incorporated Ferrovial Agroman, which became Spain’s largest construction company. Ferrovial then acquired the remaining interest in Ferrovial Agroman, therefore becoming the sole shareholder of Ferrovial Agroman and completing the integration process of the construction business into the Group.

Ferrovial continued to expand its international construction business division through the acquisition of a 59.06% holding in the Polish construction company Budimex in 2000, and the acquisition of a 100% holding in the U.S. company Webber in 2005.

### *Customers and Type of Contracts*

According to Ferrovial Agroman’s backlog as of 31 December 2013, clients from the public sector account for 56.3% of the total backlog, with Group companies representing 33.1% and private customers representing 10.6%.

### *Activities*

#### Ferrovial Agroman

Ferrovial Agroman is the Group company that heads up Ferrovial’s Construction business division and is involved in all areas of construction, including civil works and building and industrial works, both in Spain and internationally. Within the context of civil works, the company designs and builds all types of infrastructure including roads, railways, hydraulic works, maritime works, hydroelectric works and industrial projects. Ferrovial Agroman’s building activities include the construction of non-residential buildings (including airports, sports facilities, health centres, schools and cultural buildings, shopping and leisure centres, museums, hotels, building refurbishment projects, offices, factories and industrial warehouses) and residential construction. Ferrovial Agroman, through Cadagua, is one of the top international companies in the engineering and construction of water treatment plants, mainly seawater desalination plants, but also sewage treatment, water purification and waste treatment plants.

As at 31 December 2013, Ferrovial Agroman had more than 995 works in execution and had completed the construction of over 4,000 kilometres of highway concessions, 19,200 kilometres of roads, 480 kilometres of tunnels and 4,700 kilometres of railways including the AVE high speed train network in Spain.

Ferrovial Agroman reported total revenues of €2.3 billion in the year ended 31 December 2013, with revenues from international activities totalling €1.3 billion, which represented 56% of Ferrovial Agroman’s total revenue. The backlog at 31 December 2013 totalled €5.7 billion.

## Budimex

Budimex, a company founded in 1968, has been listed on the Warsaw stock exchange since 1995. It is currently the leading construction company in Poland in terms of revenue.

Budimex is focused on the construction of civil works (such as roads, highways, railways, airports and bridges), industrial construction, residential building and non-residential building. It has managed a steady increase in diversification, both in projects other than roads and in new activities such as PPPs and infrastructure and facility management. Civil works and industrial construction together represented 60% of Budimex's revenue and 61% of its backlog in the year ended 31 December 2013.

Budimex reported total revenues of €1.1 billion in the year ended 31 December 2013. The backlog at the close of the year amounted to €1.0 billion.

In 2013, Budimex announced the sale of its subsidiary, Danwood, for €57 million. This company made sales and EBITDA contributions of €90 million and €8 million, respectively.

## Webber

Webber specialises in the construction of infrastructure works, such as roads, highways, bridges and airport runways. In 2009, it was named as the leading transport infrastructure company in the State of Texas according to Engineering News Record magazine. Webber is also a market leader in the production and distribution of recycled construction aggregates and asphalt in the Houston city area of Texas.

Webber reported total revenues of €690.0 million in the year ended 31 December 2013. The backlog at 31 December 2013 totalled €1.1 billion.

As commented above, some projects awarded during 2013 are the NTE Extension (€182 million, Webber's stake), the US 290 (€45 million), the Denton FM 1171 (€36 million), the I 10 Bexar County (€30 million) and the IH 30 Rockwall (€23 million).

## **Toll Roads Business Division**

### *Summary*

Ferrovial's activities in the Toll Roads business division include the development, financing, execution and operation of toll road projects. The Group conducts its operations in this business division through Cintra, a wholly owned subsidiary of the Parent, which is one of the leading toll roads development and management companies in the world in terms of number of projects, investment volume and kilometres managed (source: Public Works Financing). At 31 December 2013, Cintra's toll roads portfolio consisted of 24 toll road concessions, comprising close to 2,150 kilometres of motorway with 844.2 kilometres under construction, and with a total managed investment of more than €21.3 billion. Cintra's portfolio of concessions is internationally diversified with interests in toll road concessions located in Canada, the United States, Spain, Portugal, Ireland and Greece, and with approximately 79% of its net revenues and 83% of its EBITDA (equity-accounted projects included) coming from outside of Spain. The toll concession portfolio of Ferrovial includes the 407 ETR concession in Toronto, Canada, which is perceived to be a reference asset in the toll road concession business worldwide. Cintra's current strategy for the toll roads business division focuses on growth through both the award of new concessions and the efficient management of its existing portfolio.

During 2013, Cintra (together with Amey, and in equal parts) was awarded the M8 Highway Improvements Projects to extend and improve the highways in central Scotland. It also achieved financial close for two projects: sections 3A and 3B of the NTE highway, a project called the NTE Extension, in the metropolitan area of Dallas/Forth Worth (Texas). Also in 2013, Cintra completed the financial close of the A66 Highway, between Benavente and Zamora (Spain).

In the first quarter of 2014, Cintra has been awarded the concession for extension of the I-77 in North Carolina (US), the financial close of which is expected to be reached in the last quarter of 2014.

### Division results of operations

As of 31 December 2013, Cintra had 24 toll roads, 14 in operation and 10 in construction, in six countries. The following table sets forth the revenues and EBITDA for each of Cintra's toll road concessions for the years ended 31 December 2013 and 31 December 2012:

Country	Toll Road	Year ended 31 December			
		Revenues (millions of euros)		EBITDA <sup>(1)</sup> (millions of euros)	
		2013 <sup>(2)</sup>	2012 <sup>(3)</sup>	2013 <sup>(2)</sup>	2012 <sup>(3)</sup>
United States	Chicago Skyway	61.0	55.0	53.3	47.6
United States	SH-130	13.8	1.8	5.7	1.0
Spain	Ausol	46.1	48.5	32.4	36.6
Spain	Autema	90.0	84.0	79.7	92.2
Spain	Radial 4	13.2	14.7	5.5	4.2
Spain	Ocaña-La Roda	12.5	13.5	4.2	5.7
Portugal	Norte-Litoral	56.5	40.3	48.7	34.0
Portugal	Algarve	35.0	39.2	30.4	34.4
Portugal	Via Livre	14.6	15.5	1.9	3.4
Portugal	Azores	21.1	21.1	9.7	17.1
Ireland	M4-M6	22.1	21.3	15.3	14.5
Ireland	M3	22.2	20.4	17.1	15.1
<b>Equity Accounted<sup>(4)</sup></b>					
Canada	407 ETR	582.0	569.2	482.9	471.6
Canada	407 EDG	4.1	1.7	2.6	1.3
United States	Indiana Toll Road	155.5	151.9	118.5	123.0
Greece	Ionian Roads	55.6	57.9	20.2	1.4
Greece	Central	8.2	8.4	-0.5	—
Spain	Almanzora	0.6	5.4	0.2	0.3
Spain	Benavente-Zamora	46.9	—	2.2	—

Notes:

- (1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.
- (2) Figures as of and for the year ended 31 December 2013 were extracted from the 2013 Consolidated Annual Accounts.
- (3) Obtained from the unaudited restated consolidated annual accounts for the year ended 31 December 2012 as included in the 2013 Consolidated Annual Accounts.
- (4) Figures show total revenues and EBITDA generated by these toll road concessions. Ferrovial owns 43.2%, 50% and 33.3% of the 407 ETR, Indiana Toll Road and 407 EDG, 33.3% of Ionian Roads and Central Greece, 23.7% of Almanzora and 25% of Benavente Zamora, respectively, and accounts each of them under the equity method.

In the year ended 31 December 2013, the Group's revenues from the Toll Roads business division were €429 million, representing 5% of the Group's total revenues.

### Inception

Ferrovial first began its toll road activities in 1968 with the AP-8 Bilbao–Behobia toll road concession, and over the next 40 years the Group continued to develop and expand its toll road business. On 3 February 1998, Grupo Ferrovial, the then parent of the Group, incorporated Cintra Concesiones, in which it held a 100% stake, with the aim of consolidating and optimising the infrastructure development business. In 1999, it was

awarded the 407 ETR toll road concession in Canada. The Group continued to develop its infrastructure business through Cintra Concesiones, which had its initial public offering in October 2004.

In 2009, Grupo Ferrovial merged with Cintra Concesiones and created Ferrovial, S.A. (see “Description of Ferrovial – Group Structure”).

#### *Customers and Type of Contracts*

Ferrovial operates its toll road business through concession agreements. Concession agreements are contracts under which a public sector entity agrees with a private company to construct and operate certain infrastructure for a period of time in consideration for the right to collect tolls (or to be paid shadow tolls by the grantor of the concession), with the company returning the infrastructure to the public sector entity at the end of the concession life.

Toll road concession projects are long-term, capital-intensive projects that can typically be divided into two distinct phases: the construction phase and the operation phase. The construction phase, involving the design and construction of the toll road, typically ranges from two to five years and is characterised by large capital expenditures, during which usually no revenues are received, except for projects that include transferred sections already in operation.

Once the construction phase is complete, the operation phase begins, which involves operating and maintaining the toll road and tolling equipment related to the concession. In a few cases, the operation phase may commence while certain parts of the toll road are still under construction, allowing tolls to be collected on the operational sections of the motorway. The operation phase is characterised by a generally increasing level of revenues as tolls are collected, a lower level of capital expenditures and the incurrence of operating expenses and generally increasing cash flows. Revenues from toll road concessions depend on the tariffs charged, which are typically set by the relevant governmental authority in the concession agreement. The tariffs usually increase in line with inflation, except in the case of the 407 ETR, the Chicago Skyway and the Indiana Toll Road, where tariff increases can exceed the rate of inflation; in the same way, it will apply to the North Tarrant Express and LBJ Express Concessions when they start operating. The revenues also depend on the level of traffic on the road, which can be affected by general economic conditions, weather and other factors. Expenses during the operation phase consist principally of financing expenses, which depend primarily on interest rates and operating expenses, which depend primarily on the length and age of the toll road, as well as factors such as traffic volumes and weather conditions.

The industry is principally debt-financed, as long-term concession agreements generally provide a basis for non-recourse long-term debt (“project finance”), which results in high financing expenses. However, as the concession matures once the construction phase is over, and a traffic growth pattern is established and its risk profile improves, there are opportunities to refinance.

Cintra has a young portfolio of toll roads with a weighted average remaining life of more than 70 years, such as the 407 ETR in Canada and Chicago Skyway in the United States. Cintra expects that the operating revenues and EBITDA of the Toll Roads business division will increase as its toll road portfolio matures and more of its toll roads become operational, and as traffic volumes increase on those already in operation. In addition, as its toll roads mature there is potential for increased returns on equity through refinancing and releveraging.

In March 2013, Cintra signed the contract for the design, construction, financing and operation of the new section (NTE 3A-3B, the NTE Extension as mentioned above), which lengthens the North Tarrant Express toll motorway. The total estimated investment is US\$1,380 million for a 43-year concession commencing on its opening to traffic; this is expected to take place by mid-2018. As regards Europe, in August 2013, Cintra (together with Amey, and in equal parts) was awarded the M8 Highway Improvements Projects to extend and improve the highways in Scotland. Financial close was achieved in February 2014.

#### *Activities*

The table below sets forth the traffic volume for each of the Group’s toll road concessions for the years ended 31 December 2013 and 31 December 2012:

Country	Toll Road	Year ended 31 December	
		Average Daily Traffic Intensity (VKT <sup>(1)</sup> /Highway Length/Day)	
		2013	2012
United States	Chicago Skyway	41,251	42,228
United States	SH-130	5,713	6,201
Spain	Ausol I	11,307	12,537
Spain	Ausol II	13,629	14,099
Spain	Autema	13,877	15,056
Spain	Radial 4	4,719	5,588
Spain	Ocaña-La Roda	2,889	3,191
Portugal	Norte-Litoral	21,072	21,890
Portugal	Algarve	8,719	8,721
Portugal	Azores	7,993	8,186
Ireland	M4-M6	25,591	25,306
Ireland	M3	26,592	25,528
<b>Equity</b>			
Canada	407 ETR <sup>(2)</sup>	60,181	59,600
United States	Indiana Toll Road	27,924	27,459
Greece	Ionian Roads	27,301	29,223
Greece	Central	18,382	18,934

Notes:

- (1) VKT means vehicle kilometres travelled.
- (2) In publicly available information, traffic information in relation to the 407 ETR toll road is usually presented in terms of VKT (in 1000 units) rather than in terms of Average Daily Traffic Intensity (ADTI). This metric unit can be calculated by multiplication of the ADTI by the length of the toll road (107 kilometres for tolling) and then by the number of days in the year (365 days). VKT (in 1000 units) for the year ended 31 December 2013 was 2,356,343 and for the year ended 31 December 2012 was 2,340,004.

A brief description of Cintra's principal toll road concessions, by geographical area, is as follows:

#### Canada

- The 407 Express Toll Route

The 407 ETR concession in Canada, in which the Group holds a 43.23% interest, is the first all-electronic open access toll road in the world.

It covers 108 kilometres in an east-west direction, traversing Canada's largest and most affluent urban centre, the Greater Toronto Area ("GTA").

On 5 October 2010, Ferrovial entered into an agreement with Canada Pension Plan Investment Board ("CPPIB") for the sale of 10% of the share capital of the 407 ETR for C\$894.3 million. The share transfer took place on 18 November 2010. After the mentioned transaction, Cintra holds a 43.23% interest in the 407 ETR.

In May 1999, the 407 ETR was privatised and Cintra was awarded the concession, which involves the construction or completion of seven interchanges, the construction of the east (15 kilometres) and west (24 kilometres) extensions of the highway (both completed in 2001) and the financing, maintenance and operation of the entire stretch of the 407 ETR for a period of 99 years (ending in 2098).

In 2011, more than 26 kilometres of new lanes (13 kilometres in each direction) on the 407 ETR were opened to traffic. In addition, the 407 ETR has new lanes in construction almost every year. Due to the existence of very high volumes of traffic, Cintra tends to begin construction before it has a contractual obligation to do so. Since the extensions completed in 2001, 218 kilometres of total new lanes have been added.

The 407 ETR passes through some of the fastest growing and most affluent municipalities in Canada and provides an alternative route to one of the most congested roads in North America. Traffic levels on the 407 ETR have increased in the majority of years since its privatisation in May 1999.

The 407 ETR is also the world's first all-electronic open access toll highway whereby tolls are calculated while vehicles are in motion, by means of vehicle identification at entry and exit points either through transponders or video-based licence plate imaging. By removing the need for toll barriers, this toll collection system enables free flow of traffic along the highway, allowing high traffic volumes to be handled without long queues.

The 407 ETR has an innovative tariff structure which provides the possibility of freely raising prices without prior authorisation from the Ontario Ministry of Transportation, provided that the traffic is maintained above a certain threshold. This system makes it possible for Ferrovial to optimise revenues, by adjusting toll fees to the time savings offered to drivers by the toll highway.

The 407 ETR concession generated revenues of €582 million for the year ended 31 December 2013 (which has been equity-accounted since the fourth quarter of 2010).

- The 407 East Extension (Phase 1)

The 407 East Development Group, in which the Group holds a 50% interest, is the first project in North America under the availability payment scheme, with no toll rates or traffic risk. This concession, 35 kilometres long with a total investment of approximately €637 million, will be a key factor for the economic development of the eastern part of the city of Toronto (more than 13,000 new jobs will be created).

#### United States

- Chicago Skyway Toll Bridge

The Chicago Skyway links the Dan Ryan Expressway (the main southern access to the city of Chicago) with the Indiana Toll Road. The Chicago Skyway is 12.5 kilometres long with approximately 37% of the toll road consisting of elevated structures, including a 750 metre bridge over the Calumet River. The toll road was opened to traffic in 1959 and a concession (in which Cintra has a 55% interest) was awarded in 2005, for a period of 99 years (ending in 2104). The concession involves a conservation and improvement programme for the existing infrastructure and was the first privatisation in the United States of an existing and operating (brownfield) toll road.

The Chicago Skyway provides an alternative route to a highly congested corridor connecting Chicago with a major residential and leisure area. In terms of traffic, approximately 90.7% of the vehicles using the motorway in 2013 were light vehicles and the remaining 9.3% were heavy vehicles.

The Chicago Skyway has a toll structure which allows for rate increases above the rate of inflation until 2017 and for subsequent annual increases equal to the highest of the following: 2% inflation for the period or increase in nominal per capita gross domestic product ("GDP").

The Chicago Skyway concession generated revenues of €61.0 million in the year ended 31 December 2013, which accounted for 14.2% of Cintra's total revenues for the year ending 31 December 2013.

- Indiana Toll Road

The Indiana Toll Road concession represents another one of the concessions managed by Cintra in the United States, in which Ferrovial has a 50% stake. Cintra was awarded the concession in 2006 for a period of 75 years (ending in 2081). The toll road comprises two separate sections: the western section, which is 37 kilometres long with an open toll system where users pay a single tariff which is independent of kilometres

travelled, which connects with the Chicago Skyway; and the eastern section, which is 217 kilometres long and operates under a ticket system where the users pay according to kilometres travelled. This toll road forms part of the main route linking Chicago and the Midwest with New York, and registers a large volume of freight traffic.

The Indiana Toll Road has an attractive pricing system, with increases exceeding inflation until 2010. Since 2011, there is an annual review based on the highest of the following: 2% inflation for the period or the increase in nominal GDP per capita.

The Indiana Toll Road generated revenues of €155.5 million in the year ended 31 December 2013.

- Other Toll Roads in the United States

Ferrovial also has four toll road concessions in the United States. Three of these concessions are currently under construction: the NTE in Texas (in which Cintra has a 56.67% stake), a 21.4 kilometre toll road, the term for which ends in 2061, and the LBJ in Dallas (in which Cintra has a 51.0% stake), a 27.4 kilometre toll road, the term for which ends in 2061, the NTE Extension, (in which Cintra has a 50.1% stake), a 16.4 kilometre toll road, the term for which ends in 2061, and the remaining concession, the SH-130 (segments 5 and 6) (in which Cintra has a 65.0% stake), which runs between San Antonio and North Austin, totals 64.0 kilometres and terminates in 2062, started operating in November 2012.

LBJ and NTE are two of the first existing “managed lanes” projects. Under the “managed lanes” system, tariffs charged are dynamic and may be changed every five minutes to manage traffic volume and ensure a minimum speed of 50 miles per hour (80.5 kilometres per hour).

In the first quarter of 2014, Cintra was named the best value bidder to design, build and finance 41.8 kilometres of the I-77 in North Carolina (USA), and to operate and maintain it under a concession contract; the project represents an investment of approximately US\$655 million (€478 million). The 50-year concession begins once the road is open to traffic, which is expected to be in mid-2018.

## Spain

- Ausol

Together, Cintra’s Spanish Ausol I and Ausol II concessions cover 77 kilometres of toll roads and 28 kilometres of toll-free roads on the Costa del Sol motorway in southern Spain. The Ausol I concession covers the 82.7 kilometre segment between Malaga and Estepona, providing a link between the three town bypasses of Fuengirola, Marbella and Estepona. The segments of the motorway which pass Benalmádena, Marbella and Estepona are toll-free. The Ausol II concession (22.5 kilometres) covers the fully tolled southern extension of the Costa del Sol motorway from Estepona to Guadiaro.

The Ausol I concession was awarded in 1996, and became operational in June 1999. Ausol II was awarded in June 1999 and became operational in August 2002. The Ausol I and II concessions have 50 and 55 year terms, ending in 2046 and 2054, respectively. Cintra holds an 80% interest in the concessions.

The Ausol concessions provide a toll road in one of the corridors with the highest population growth in Spain, providing an alternative route in a highly congested semi-urban corridor.

As the Costa del Sol motorway is located along a popular vacation destination, traffic levels are subject to seasonal fluctuations, with higher traffic levels recorded in the summer and around the Easter holiday. Accordingly, the tariff structure of the Ausol concessions provides high and low season tariffs that vary according to vehicle type and motorway sections travelled. The toll rates are inflation indexed with an adjustment in the case of traffic exceeding established thresholds.

The Ausol concessions generated revenues of €46.1 million in the year ended 31 December 2013, which accounted for 10.7% of Cintra’s total revenues for the year ending 31 December 2013.

- Autema

Cintra’s Spanish concession for the 48 kilometre toll road from Sant Cugat to Manresa in Catalonia is one of its more mature assets. The concession for the Terrassa to Manresa segment of C-16 motorway was

awarded in 1986 and was modified in 1989 to include the 12 kilometre segment between Sant Cugat and Terrassa. Construction was completed in 1991 and the project has been fully operational as a toll road for the last 21 years. The concession, the term of which was increased by 15 years in 1993 to a total of 50 years, will expire on 31 December 2036. Cintra holds a 76.28% stake in the concession.

The Autema motorway is one of the roads leading to Barcelona and is a commuter corridor. The increase in traffic levels for Autema has been significant in recent years, notwithstanding the fact that the toll road has been operational for 21 years.

The Autema concession is operated under a user-paid toll regime, charging tolls according to the day of the week and vehicle type. Tariffs are set by the terms of concession agreement and may be adjusted annually for inflation, subject to approval by the Catalanian government.

Since 1999, the Autema concession has a guarantee provided by the regional government through which, in exchange for a substantial price reduction, the government each year will pay the difference between the actual revenues and those forecast in the finance plan in force at the time, plus an adjustment for higher operating expenses due to the increase in traffic caused by the tolling price reduction.

The Autema concession generated revenues of €90 million in the year ended 31 December 2013, which accounted for 21.0% of Cintra's total revenues for the year ending 31 December 2013.

- Other Toll Roads in Spain

In Spain, Cintra is also the concessionaire for the Madrid Sur (Radial 4), Madrid-Levante (AP-36 Ocaña-La Roda) and Alcalá-O'Donnell (M-203) toll roads.

In September and October 2012, the companies of the Radial 4 and AP-36 Ocaña-La Roda motorway filed for court protection from their creditors. The investment relating to these projects has been fully provisioned and the outcome of the creditor protection process is not expected to have a negative impact on Ferrovial's accounts. As a result of filing for creditor protection, the stand-off agreements with the lending banks were terminated.

The new 49 kilometre section of the A-66 between Benavente and Zamora will complete the arterial road that connects Gijon and Seville – the “Silver Route”. This 30-year concession, in which Cintra holds a stake of 25%, is divided into three sections, and will run as closely as possible to the N-630 to minimise environmental impact. The Autovía de la Plata highway will run under an availability payment regime, with no toll rates for users.

## Portugal

- Norte-Litoral

The Portuguese Norte-Litoral concession involves the operation and maintenance of the existing motorway and the design and construction, maintenance and operation of an extension to that motorway. Cintra holds a 75.53% direct interest in the Norte-Litoral which terminates in 2031.

The existing motorway is 119 kilometres long. The motorway was conceived as a means to provide an express route between the main towns and cities near the northern coast of Portugal, as well as providing a link to the border with Spain.

Tolls for this concession were initially paid under a shadow toll regime, whereby the Portuguese Government paid Cintra tolls based on the annual traffic volume on the operative section of the motorway. Since October 2010, this system has been replaced with an availability toll system under which payment is calculated based on the number of days on which the highway is operating, with penalisation for lane closures, where the daily rates are indexed according to the consumer price index for mainland Portugal.

The Euroscut Norte-Litoral generated revenues of €56.5 million in the year ended 31 December 2013, which accounted for 13.2% of Cintra's total revenues for the year ending 31 December 2013.



- Algarve

Cintra has a 77% interest in the Euroscut Algarve toll road concession, which has been granted until 2030. This toll road is 129.8 kilometres long. This concession is currently paid under a shadow toll regime, whereby the Portuguese Government paid tolls based on the annual traffic volume on the operative section of the motorway. Negotiations with the Portuguese Government are underway in order to operate the toll road in a similar way as the Norte-Litoral concession.

The Algarve generated revenues of €35.0 million in the year ended 31 December 2013, which accounted for 8.2% of Cintra's total revenues for the year ending 31 December 2013.

- Euroscut Azores

Cintra has an 89% stake in the concession for the construction and operation of the Euroscut Azores toll road, which has been awarded until 2036. This toll road has a high capacity road system of 93.7 kilometres, which will significantly improve the road network in the central and eastern parts of the island of San Miguel in Azores, Portugal. This highway entered into service in December 2011.

The toll road is operated under a shadow toll system, under which terms payment is made by the authority granting the concession and not by the highway users. Traffic above a certain threshold will not pay tolls and tolls will be applied under a system of varying rates divided into traffic bands. Toll rates are linked to the consumer price index for the Azores.

The Azores generated revenues of €21.1 million for the year ended 31 December 2013, which accounted for 4.9% of Cintra's total revenues for that year.

#### Other Countries

Ferrovial also operates two concessions in Ireland: the M3, a 50 kilometre toll road, the term for which ends in 2052, and Eurolink (M4-M6), a 36 kilometre toll road, the term for which ends in 2033; and two concessions in Greece (Cintra has a 33.34% stake in each of these concessions): the Ionian Roads and Central Greece toll roads of 378.7 kilometres and 231 kilometres, respectively, terminating in 2037 and 2038, respectively.

### **Airports Business Division**

#### *Summary*

Ferrovial's activities in the Airports business division include the development, financing and operation of airports.

Ferrovial participates in the airport industry principally through HAH since 2006, when it acquired a stake of 55.87% in HAH. On 26 October 2011 Ferrovial completed the sale of 5.88% of its interest and started to consolidate in Ferrovial's Group accounts under the equity method.

On 31 October 2012, Ferrovial reduced its share in HAH through the sale of a 5.72% share to Stable Investments Corporation (a wholly owned subsidiary of China Investment Corporation International Co. Ltd ("CIC")), and of 10.62% to Qatar Holding LLC.

On 22 October 2013, Ferrovial announced the sale of 8.65% of HAH to the Universities Superannuation Scheme Limited (USS). As a result of this transaction, Ferrovial indirectly holds 25.00% of HAH's share capital. The remaining stakes are held by Qatar Holding LLC (20%), Caisse de Dépôt et Placement du Québec (13.29%), investment vehicles controlled by the Government of Singapore Investment Corporation (11.88%), Alinda Capital Partners (11.18%), CIC (10.0%) and Universities Superannuation Scheme (USS) (8.65%).

As a consequence of the Competition Commission proceeding, on 31 May, 2012 HAH closed the sale of its 100% interest in Edinburgh Airport Limited to Global Infrastructure Partners ("GIP") for £807.2 million, and on 28 February 2013 announced the completion of the sale of Stansted airport to the Manchester Airports Group for £1,500 million.

As at 31 December 2013, HAH owned Heathrow and three other airports in the United Kingdom: Glasgow, Aberdeen and Southampton, being one of the worldwide leading private airport operators. The four airports handled 84.9 million passengers in 2013.

#### *Division results of operations*

The table below sets out the revenues and EBITDA for the key airports of the Group and the Heathrow Express rail operations for the years ended 31 December 2013 and 31 December 2012:

<b>Airports</b>	<b>Year ended 31 December</b>			
	<b>Revenues</b>		<b>EBITDA<sup>(1)</sup></b>	
	<b>2013<sup>(2)</sup></b>	<b>2012<sup>(3)</sup></b>	<b>2013<sup>(2)</sup></b>	<b>2012<sup>(3)</sup></b>
	<i>(millions of pound sterling)</i>			
Heathrow .....	2,361.3	2,111.9	1,310.1	1,081.6
Heathrow Express .....	124.4	116.0	73.0	66.6
Central .....	-8.9	-24.9	-2.9	11.3
<b>Total Heathrow</b>	<b>2,476.8</b>	<b>2,203.0</b>	<b>1,380.2</b>	<b>1,159.5</b>
Scotland <sup>(4)</sup> .....	153.0	144.1	57.1	52.4
Southampton .....	26.3	27.0	7.5	8.5
<b>Non-Regulated Airports</b>	<b>179.3</b>	<b>171.1</b>	<b>64.6</b>	<b>60.9</b>
Other .....	-3.7	-12.2	-3.8	2.1
<b>Total</b> .....	<b>2,652.4</b>	<b>2,361.9</b>	<b>1,441.0</b>	<b>1,222.5</b>

#### Notes:

- (1) "EBITDA" is earnings before interest, taxes, depreciation and amortisation, impairment losses and asset disposals.
- (2) Figures as of and for the year ended 31 December 2013 were extracted from the 2013 Consolidated Annual Accounts.
- (3) Obtained from the unaudited restated consolidated annual accounts for the year ended 31 December 2012 as included in the 2013 Consolidated Annual Accounts.
- (4) Includes Aberdeen and Glasgow airports.

In 2013, HAH revenues and EBITDA were £2.7 billion and £1.4 billion, respectively (considering the 100%).

Since 2011, HAH has been equity-accounted.

#### *Inception*

The origins of the Airports business division date back to 1998, but it was only in 2006, with the acquisition of HAH, that it gained its current relevance.

#### *Customers and Type of Contracts*

Please refer to section "Activities" below.

#### *Activities*

The Airports business division generates two primary types of income: aeronautical income and non-aeronautical income. Aeronautical income is generated from airport fees and traffic charges. At Heathrow these charges are regulated and principally levied on the basis of passenger numbers, maximum total aircraft weight and the length of time for which an aircraft is parked at these airports. Non-aeronautical income is generated mainly from retail concession fees, car parking income, advertising revenue and other services supplied by the airport's operators, such as the rental of aircraft hangars, cargo storage facilities, maintenance facilities and the

provision of facilities such as baggage handling and passenger check-in. HAH also generates income from the Heathrow Express rail operations.

The Airports business division assets are divided into regulated and non-regulated assets. The regulated assets are comprised of Heathrow, and the non-regulated assets are Glasgow, Aberdeen and Southampton airports (the “Non-designated Airports”).

#### Designated Airports

- Heathrow

Located 24 kilometres west of Central London, Heathrow is the principal airport for long-haul routes in the United Kingdom and is Europe’s busiest airport in terms of total passengers. In 2013, 72.3 million passengers travelled through Heathrow, of which approximately 7% were domestic passengers, 52% were international long-haul passengers and 41% were European passengers. Heathrow hosts most of the world’s major international airlines and is the worldwide hub of British Airways and the main European hub of the Oneworld Alliance (which includes British Airways, Iberia, American Airlines, Finnair, Japan Airlines, Qantas and Royal Jordanian). It also hosts the other two principal alliances of SkyTeam (which includes Air France, KLM, Alitalia, China Southern and Kenya Airways) and Star Alliance (which includes Air Canada, Air New Zealand, Air China, Egyptair, Lufthansa and Turkish Airlines).

Heathrow has an air transport movements (known as “ATMs”) annual capacity limit set by the Department of Transport. Heathrow is served by two parallel runways which together have maximum permitted ATMs of 480,000 per year. For the year ended 31 December 2013, actual passenger ATMs totalled 469,552. In 2013, British Airways accounted for approximately 51% of Heathrow’s ATMs, Oneworld Alliance, 57% and Star Alliance, 20%. In 2013, approximately 63% of Heathrow’s passenger traffic was origin and destination traffic and 37% was transfer traffic. Heathrow has five terminals with a total retail space of more than 60,000 square metres and provides a wide range of passenger services, including passenger-handling facilities, shops, bars, restaurants and over 20,000 public car park spaces. Heathrow is served by extensive bus services, London Underground services and the dedicated Heathrow Express rail link to and from London Paddington Station.

Heathrow has maintained a strong focus over recent years on operational performance, improving passenger experience and investing in new and upgraded facilities. As a result, Heathrow has risen to become one of the top performing major European hubs in terms of overall passenger satisfaction. In the last quarter of 2013, 75% of passengers rated their Heathrow experience as either “very good” or “excellent” up from 39% in 2006. The Heathrow investment programme amounts to over £6,500 million since 2007. Terminal 5 at Heathrow has provided additional terminal passenger capacity for up to 30 million passengers per year and has enabled Heathrow to begin rebuilding and renovating its other terminals. In June 2014, Heathrow Terminal 2 was reopened. The new infrastructure will be able to handle up to 20 million passengers. Now that Terminal 2 has reopened, all Heathrow’s terminals are either new or recently refurbished.

Given its relative scale, Heathrow is very important for the Airports business division, accounting in 2013 for approximately 85% of the total passengers in the airports participated by Ferrovial and approximately 89% of the division’s revenues.

#### Non-designated Airports

The Non-designated Airports as of 31 December 2013 consist of Glasgow, Aberdeen and Southampton.

Unlike Heathrow, the Non-designated Airports do not have an ATM annual capacity limit established by the Department of Transport.

The Non-designated Airports serve a catchment area in Scotland and England’s South Coast of 6.3 million people. The regions served by these airports have shown strong economic growth anchored upon financial services, energy and logistics industries, which was reflected in the robust traffic growth experienced over the past 10-year period, with over 12 million passengers travelling through them in 2013.

Glasgow airport, Scotland's second busiest airport after Edinburgh, is also Scotland's principal long-haul airport as well as Scotland's largest charter hub, with 7.4 and 7.2 million passengers in 2013 and 2012, respectively. It has a catchment area of 1.8 million people and offers a balanced mix of domestic (50%) and international (50%) traffic. It is served by 30 airlines that fly to around 100 destinations. The infrastructure in place would support 15.0 million passengers per year.

Aberdeen airport is one of Britain's fastest growing airports and one of the world's busiest commercial heliports, providing services for approximately 517,526 helicopter passengers in support of the North Sea oil and gas industry. Aberdeen airport is used by 22 airlines serving more than 45 destinations.

Southampton has a large catchment area of over 3.0 million people and serves around 38 destinations with 14 airlines using this airport. It provides short-haul air links to mainland Europe, large United Kingdom cities and the Channel Islands.

The table below sets out the number of passengers by airport for the years ended 31 December 2013 and 31 December 2012:

Airport	Year ended 31 December	
	2013	2012
	<i>(million passengers)</i>	
Heathrow .....	72.3	70.0
Glasgow .....	7.4	7.2
Aberdeen .....	3.5	3.4
Southampton .....	1.7	1.7
<b>Total</b> .....	<b>84.9</b>	<b>82.2</b>

#### *Changes to the Regulatory Framework*

The Civil Aviation Bill, which replaces the previous Airport Act, has been brought forward, following the UK Government's decision announced in December 2009, which followed extensive consultation with the industry regarding changes to the economic regulation of UK airports.

The bill introduces a new single primary duty for the CAA to promote the interests of existing and future end consumers of passenger and freight services, wherever appropriate, by promoting effective competition. There are also supplementary duties for the CAA to:

- have regard for airport operators' legal obligations to comply with applicable environmental and planning law;
- secure, so far as it is economical, that all reasonable demands for airport services are met efficiently;
- ensure that licence holders are able to finance the activities which are subject to the relevant licence obligations;
- have regard to guidance issued by the Secretary of State, as well as any National Policy Statement on airports;
- have regard to the principles of Better Regulation and to consult with stakeholders, including airlines; and
- secure that licence holders are able to take reasonable measures to mitigate the adverse environmental effects of the licensed airport, its associated facilities and aircraft using that airport.

The Civil Aviation Bill has also brought into effect an economic licensing regime for airports similar to the regulatory framework in place in certain other regulated sectors such as water and energy; as a regulated

airport, Heathrow airport requires a licence (in addition to its existing aerodrome licence). Licensed airports are subject to a form of price control and a sanctions regime. The licensing regime includes scope for financial penalties, for example, in the event of a breach of certain licence conditions. Licensed airports are also obliged to consult stakeholders on future plans for investment and the operation of an airport, to report on environmental performance, and to comply with service standards and other conditions and measures designed to ensure the effective economic regulation of the airport. The CAA has issued the initial licence. The licensing regime also includes conditions relating to the financial resilience of licensed airports. The current regulatory period (Q6) for economic regulation of Heathrow began on 1 April 2014. On January 2014, the CAA gave notice of its proposed licence to Heathrow under the Civil Aviation Act 2012, under which the maximum allowable yield per passenger will be RPI minus 1.5% per year (RPI minus 1.2% per year on a five-year-adjusted basis), with an assumed capital plan of £2.81 billion (£2.95 billion on a five-year-adjusted basis). The main changes to the CAA's previous proposal are an increase of 5.7 million passengers to the traffic forecast and a 25 basis point reduction in the assumed cost of capital. In addition, the duration of the next regulatory period has been amended to four years and nine months, to align the regulatory year with Heathrow's financial year.

On 28 March 2014, the CAA formally confirmed that no party sought permission to appeal the decision on the price controls at Heathrow.

#### *Airports Commission*

At the end of 2013, the Airports Commission chaired by Sir Howard Davies published its interim report on the steps needed to maintain the UK's global hub status. The Commission stated that there is a clear case for at least one additional runway in London and the South East by 2030 and Heathrow's proposal for a third runway to the north west of the existing airport facilities was shortlisted for further refinement.

Heathrow has since worked with local authorities, communities and other stakeholders to refine this runway option, including public consultation which took place through February and March 2014.

Heathrow's expansion proposal would increase the capacity at Heathrow to 740,000 flights a year, from the current limit of 480,000. It would cater for up to 130 million passengers annually compared with up to 80 million today, allowing the UK to compete with international rivals and providing capacity for the foreseeable future. Refinements to Heathrow's proposal were submitted to the Airports Commission on 14 May 2014, and Heathrow will continue to work with the Airports Commission and stakeholders on the proposals. The Airports Commission is due to report its final findings in the summer of 2015.

#### *Service standards*

Heathrow's focus on transforming the experience of passengers travelling through the airport continued to receive significant endorsement from the travelling public in 2013.

In the 2013 Skytrax World Airport Awards, Terminal 5 was named the World's Best Airport Terminal for the second consecutive year and Heathrow was declared the airport with the World's Best Airport Shopping. Heathrow was also named among the Skytrax top 10 global airports for the first time. Separately in June, Heathrow was named Best Airport in the 2013 ACI Europe Awards: Europe's Best Airport (with over 25 million annual passengers).

Underpinning these endorsements, in the independent Airport Service Quality survey, directed by Airports Council International (ACI), 75% of Heathrow passengers surveyed rated their experience as "excellent" or "very good", beating the previous annual high of 73% in 2012. In addition, Heathrow achieved its highest ever overall passenger satisfaction score of 3.99 for the first two quarters of 2013 and 3.97 in the final quarter. As a result, Heathrow achieved a record overall performance of 3.97 in 2013, reflecting a notable improvement over the previous year (2012: 3.94).

In relation to individual service standards, during the year ended 31 December 2013, departure punctuality (the proportion of aircraft departing within 15 minutes of schedule) was 77% (2012: 78%). Heathrow's baggage misconnect rate was 14.5 per 1,000 passengers (2012: 15.0). On security queuing, passengers passed through central security within the five minute period prescribed under the service quality

rebate scheme 90.9% of the time (2012: 92.8%) compared with a 95% service standard. The security queue experience remains a key priority of the business and a range of initiatives have been implemented to improve performance. In order to meet increased passenger volumes, additional security officers are being recruited and further security lanes are being introduced during 2014.

#### *Financing Activity*

The recent focus of HAH's financing activities has been to take advantage of attractive financing market conditions during 2013 to refinance existing debt, optimise HAH's long-term cost of debt and extend its debt maturity profile. This activity has further strengthened the long-term financing platform established in recent years.

HAH completed nearly £1.0 billion of new debt financings in 2013 including, in particular, a £750 million 33-year Class A bond, which had the lowest coupon of any long dated sterling bond issue ever completed by HAH, at 4.625%. Moreover, Heathrow completed £275 million of Class A and Class B revolving credit facilities (including £100 million of Class B facilities completed since the end of 2013) at lower cost than the equivalent tranches under its core revolving credit facilities. Since the end of 2013, Heathrow Funding Limited placed £200 million in Class A index-linked bonds with 18, 25 and 35 year maturities with a single investor. In 2014, Heathrow placed a C\$450 million Class A bond with a 2021 maturity and a fixed coupon of 3.0%.

HAH has actively taken steps to repay relatively expensive debt as it has put in place more attractively priced new financing. It has taken advantage of the £275 million in new revolving credit facilities referred to above to reduce its more expensive core revolving credit facilities by £200 million since the beginning of 2014. In addition, Heathrow's previous Class B term loan facility due September 2014, which amounted to £150 million at the end of 2012, was repaid in full during 2013.

This financing activity has enabled HAH to increase the average life of its external debt from 10.1 years at 31 December 2012 to 11.4 years at 31 December 2013, with the amount of debt falling due within three years being £2.1 billion compared to £1.8 billion at the end of 2012.

As highlighted last year, HAH expects the scale of its funding requirements to remain relatively modest, at an average of less than £1.5 billion per annum, over the coming years. This reflects a reduced capital programme and continued increases in operating cash flow at Heathrow through its next regulatory period ending in 2018.

#### *Investment in modern airport facilities*

Heathrow's investment programme in 2013 continued the transformation of the airport, with its principal focus being on the construction of the new Terminal 2. The terminal has been named Terminal 2: The Queen's Terminal in honour of Her Majesty Queen Elizabeth II who opened the original Terminal 2 60 years ago. It will be home to all 23 Star Alliance airlines operating at Heathrow, as well as Aer Lingus, Germanwings and Virgin Atlantic Little Red.

The £2.5 billion investment in Terminal 2 comprises a main terminal building and a satellite building, together with a multi-storey short-stay car park, as well as an energy centre that supports the Terminal 2 campus and the wider airport. 24 fully serviced and fuelled aircraft stands, including seven A380 compatible stands, have been constructed, together with taxiways that surround the buildings. Services have been installed to the buildings and surrounding infrastructure. Remaining activities include commissioning lifts, escalators and fire alarms; completing non-passenger facing areas; and modifications due to the change in airline occupancy driven by the end of bmi operations following its acquisition by British Airways.

The project moved on time from the construction phase to the operational readiness phase in November 2013. Extensive trials and familiarisation activities are underway to ensure operational readiness of the facility and of the 24,000 people from 160 different organisations that will work at Terminal 2. Operations started on 4 June 2014 with United Airlines, followed by a phased move of airlines into the terminal over the following six months.

In addition, significant investment continues on Heathrow's baggage infrastructure. The underground automated baggage system between Terminal 3 and Terminal 5 is now fully operational. Delivery of the Terminal 3 integrated baggage system remains on track to start operation in 2015. The integrated baggage system is housed in a separate building and will provide Terminal 3 with an integrated departing and transferring baggage system. The building has been made weather-tight and the baggage system is now being assembled inside the building.

Heathrow's southern runway was resurfaced during 2013 with works carried out during night closures of the runway. The northern runway will be resurfaced in 2014.

### **Research Development and Innovation**

In 2013, Ferrovial managed more than 100 innovation projects with a total investment of €32.9 million in the seven strategic areas defined according to the business strategy: energy efficiency, intelligent cities, recycling waste, water, innovative construction, toll roads and airports. Among the projects carried out are the development of a satellite toll payment system and a model to optimise the energy in osmosis seawater desalination plants.

The Group carries out its innovation activity through its development centres, such as the Center for Excellence in Transportation, the Asset Management Center and the Center of Innovation for Intelligent Infrastructure ("CI3") among others. The main projects currently underway include EMMOS (advanced energy efficiency management system for buildings, urban areas and facilities), SATELISE (satellite tolls) and Power Floor (energy harvesting at airports). Ferrovial is also participating in several programmes sponsored by the European Commission, like the project TEDS4Bee where Ferrovial leads a consortium which is implementing the EMMOS platform in 16 buildings across five different countries. Ferrovial also develops several innovation projects supported by the Spanish Government, such as PRENDE (funded by the Spanish Ministry of Economy and Competitiveness) which aims at enhancing the renovation of buildings, involving the residents in the whole renovation process through innovative campaigns and tools based on ICT. Finally, the company is currently preparing several proposals for the new Horizon 2020 programme.

The Group collaborates with some of the most reputed research centres in the world. It also has stable agreements with 21 universities and research centres. For example, at the end of 2010, Ferrovial signed a five-year agreement with the Massachusetts Institute of Technology ("MIT"), for collaboration on research projects geared toward transforming cities and developing the infrastructures of the future.

Ferrovial also participates in public and private innovation initiatives in Europe and Spain and has nearly 400 patents registered.

In 2012 Ferrovial managed 81 innovation projects with a total investment of €32.6 million in the seven strategic areas defined according to the business strategy: energy efficiency, intelligent cities, recycling waste, water, innovative construction, toll roads and airports. Among the projects carried out are the development of a satellite toll payment system and a model to optimise the energy in osmosis seawater desalination plants.

The Group carries out its R&D+i activity through its development centres, such as the Center for Excellence in Transportation, the Asset Management Center and the Center for Intelligent Infrastructure Innovation ("CI3"). The CI3 was founded in 2010 with the support of Alcalá de Henares University and the backing of the Regional Government of Castilla-La Mancha. The CI3 has a budget of approximately €10.0 million for innovation projects for the period from 2010 to 2013, and its main projects currently underway include EMMOS (advanced energy efficiency management system for buildings, urban areas and facilities), RINTER (intelligent waste collection system), SATOLL (satellite tolls) and TOBOSO (tolling back-office system).

### **Legal Proceedings**

Ferrovial is involved from time to time in various claims and lawsuits, most of which arise in the ordinary course of its business. The main judicial, arbitration and regulatory proceedings of Ferrovial as of the date of this Prospectus are set forth below.

### *Spanish toll roads*

Cintra is a party to several proceedings regarding expropriation rights in respect of land required to build toll roads. Ferrovial has recognised a provision of €488 million for such proceedings, with €446.2 million of this provision relating to the Madrid Sur (Radial 4) concession road. In relation to the Madrid Sur concession road, during 2011, 2012, 2013 and 2014, the concession company of the Radial 4 motorway, which is a subsidiary of Cintra, has received the majority of judgments from the Madrid and the Castilla-La Mancha High Courts of Justice (*Tribunales Superiores de Justicia*) and from the Spanish High Court of Justice (*Tribunal Supremo*) regarding land valuations. The majority of final judgments regarding AP-36 road land valuations have also been sentenced.

In October and December 2012, the concession companies in respect of the Radial 4 and AP-36 roads obtained court protection from their creditors. Under Spanish Insolvency Law, the enforcement of claims against companies in “*concurso*” is stayed until certain conditions are met; consequently, so far, no expropriation payments have been made by these companies. As at the date of this Prospectus in all such proceedings the Courts of Justice have ultimately declared that the State is responsible for paying (*responsable subsidiario*) for the expropriations of such roads.

### *Spanish tax audit assessments*

Ferrovial is currently involved in several appeals against taxes claimed in Spanish tax audit assessments. The most significant appeals relate to Corporate Income Tax and Value Added Tax of Group companies for fiscal years 2002 to 2011, which have a total value of €277 million. Final payment of these taxes has been deferred until the end of the Court proceedings, which are expected to last, between 8 and 10 years. Although based on legal opinions requested to legal advisers there are sufficient legal arguments to support its position on appeal, Ferrovial has registered a complete reserve for such proceedings.

In January 2014, the Group was informed of the commencement of a tax audit in respect of Corporate Income Tax for the tax periods 2007-2011. Additionally some subsidiaries of the Parent are currently undergoing a review for Value Added Tax and other duties for the tax periods 2009-2011. As at the date hereof these tax audits are underway however Ferrovial has no further information as to their possible outcome.

### *Container terminal at the port of Barcelona*

The UTE Muelle Prat joint venture, in which Ferrovial Agroman participates, was involved in the first phase of construction of the Muelle Prat container terminal, located in the port of Barcelona, which was completed in March 2006. On 1 January 2007, 16 of the armed concrete drawers built in the container terminal were displaced over an area of 600 metres along the container terminal. In September 2011, Ferrovial Agroman was sued by the Puerto de Barcelona (the “Plaintiff”) jointly with another six companies. The claim is for damages for the amount of €97 million. The claim is against all of the companies that were involved in the construction of the Muelle del Prat and acknowledges that the claimant does not know the cause of the accident on the grounds of a technical report drafted by an expert not belonging to the Group; Ferrovial Agroman believes that the UTE Muelle Prat does not have any liability in this case.

In September 2013, the Court of First Instance sentenced the defendants to pay compensation to the plaintiff in the amount of €20.9 million. Five out of six defendants (including Ferrovial Agroman) decided to share the sentence equally and they have already paid the amount. In February, the plaintiff and Ferrovial Agroman, together with the other defendants, filed an appeal against this decision.

### *Other construction legal proceedings*

#### *Arbitration in Warsaw*

Ferrovial Agroman is currently involved in legal proceedings relating to an agreement with Polish Airport State Enterprise (PPL) (“PPL”). PPL terminated early its agreement with the Ferrovial Agroman-Budimex consortium and executed performance bonds provided by such consortium amounting to 54.3 million Polish zlotys (approximately €13.5 million). The Ferrovial Agroman-Budimex consortium is claiming the amounts of 54.3 million Polish zlotys and approximately US\$59.0 million from PPL for the illegally collected



bonds and unpaid works, respectively (in total, approximately €54.5 million). PPL is counter-claiming 281.0 million Polish zlotys (approximately €67.0 million) in damages, loss of business and late compliance penalties. These claims are currently being heard by an arbitration court. In February 2009, the arbitrators resolved that PPL should reimburse the Ferrovia Agroman-Budimex consortium the proceeds of the executed guarantees. In September 2012, PPL reimbursed the Consortium for the amount of the guarantees; PPL has appealed such resolution. On June 2010, an expert was appointed to decide whether PPL was entitled to terminate the agreement early. Based on the opinion issued on 29 July 2011 and April 2012 by such expert, the legal advisers of Ferrovia Agroman believe that there is a good chance of a positive outcome for Ferrovia Agroman in these proceedings. Based on this legal advice, Ferrovia Agroman has made a partial provision of €15.5 million for such proceedings, as it does not expect that they will have a material adverse effect on its business, financial condition or results of operations.

#### *Arbitration regarding Spanish waste management*

Cespa Gestión y Tratamientos de Residuos, S.A., a subsidiary of Cespa Gestión de Residuos, was involved in legal proceedings relating to the lease of lands where the now-closed landfill of Guadalajara was located and alleged breach of contract and environmental torts. Claim was brought by RyG 55 Promociones Alcarreñas, S.L. and some other construction companies for an amount alleged to be not less than €27 million. The claim was heard before a Spanish arbitration court (CIMA). On 1 October 2013, an award was granted, ending the legal proceedings. The award partially accepts the request of the plaintiff as to the claim of unpaid rents, and states that there was no breach by Cespa GTR rejecting the request for damages. The award does not oblige Cespa GTR to bear the cost of the proceedings. As of the date of this document, all amounts due to RyG 55 Promociones Alcarreñas, S.L. due to as rents and interests thereon have been paid and this proceeding has been terminated.

### **Environmental Matters**

Ferrovia's activities are subject to environmental regulation. This requires, among other requirements, that the Group commissions environmental impact studies for future projects, and that it obtains the licences, permits and other authorisations required to construct and operate relevant projects. In recent years there has been a significant increase in environmental regulation in Spain, the European Union and other jurisdictions in which Ferrovia operates. These include regulations in relation to carbon dioxide emissions and limitations on polluting emissions from large plants and facilities. Ferrovia has implemented environmental management systems ("EMSs") worldwide, which are focused on managing and monitoring legal compliance of its activities. In 2013, 88% of total sales worldwide were certified according to the international standards ISO 14001 and the EU Eco-management and Audit Scheme (EMAS).

Ferrovia has established a "Sustainability Policy" which has been implemented worldwide and across all business divisions. Each Group company and each business division has adapted this policy according to the risks and regulatory environment of its business activity. At the Group level, such policy is deployed by means of a "Sustainability Strategy" focused on three main programmes: (i) "Ferrovia Sustainable Mobility", (ii) "Ferrovia Natural Capital", dedicated to managing biodiversity impacts and opportunities, and (iii) "Ferrovia 2020". Regarding this last programme, a fundamental aspect of Sustainability across the Ferrovia business portfolio is its climate change strategy. The Group's strategy on this particular issue involves: (a) the control and mitigation of regulatory risks, (b) an adaptation programme responding to the impacts of climate change on Ferrovia's assets worldwide, including those areas particularly sensitive to extreme climatological events, and (c) an integrated and proactive approach to position the Group to benefit from business opportunities worldwide (i.e. energy efficiency, low carbon infrastructures, water management, carbon sinks, biodiversity and natural resources, etc.). Concerning Ferrovia's own emissions, procedures for calculating and monitoring the carbon footprint have been implemented since 2007, currently involving 100% of activities worldwide. Moreover, ambitious targets for the reduction of greenhouse gases have been set since 2009 at both business and Group levels. Carbon emissions and targets are yearly audited and verified by a third party. As a result of this challenging strategy, since 2010, analysts at the Carbon Disclosure Project rated Ferrovia's strategy and performance on climate change as clearly outperforming all competitors in its sector, including the Group, as a leader in both Carbon Disclosure Leadership Index ("CDLI") and Carbon Disclosure Performance

Index (“CDLI”). In 2013, Ferrovial achieved a score of 99 out of 100 points, positioning the company as the best-in-class within the heavy construction and transport infrastructure sectors. In addition, since 2002, Ferrovial has been consistently rated within the Dow Jones Sustainability Indexes (in both the European and World ratings).

In order to monitor and report the global environmental performance of the main business areas of the Group, Ferrovial has created an environmental performance index (“EPI”) which summarises the environmental effects (or risks, depending on the business area) of its activities, as well as the eco-efficiency of business activity and the achievement of environmental targets. The EPI has been implemented in both the Construction business division (since 1999) and the Services business division (since 2009). The index calculates the values of the EPI for individual companies, or as a weighted aggregate to obtain an overall value for all the businesses at the corporate level.

### **Intellectual Property**

Ferrovial implements intellectual property (“IP”) protection policies and procedures. The measures taken by the Group to protect its IP include the entry into confidentiality, non-disclosure and/or non-compete agreements by employees, service providers and counterparties, as appropriate, and the dissemination throughout the Group of an internal code of conduct.

In order to prevent third parties from being able to use and benefit from their names or internet domains, Ferrovial’s policy is for all affiliates and subsidiaries to: (i) register and protect their names in accordance with local legislation, (ii) register their names as commercial brands in the relevant product areas, and (iii) register their internet domains.

### **Insurance**

Under its risk management policy, Ferrovial maintains insurance which provides cover against various risks, such as third party damage (aviation, environmental and civil liability, in general), construction defects, management’s and employees’ liability and risks to which its property, plant and equipment are subject. Ferrovial’s risk management policy also includes the assessment of tools for risk transfer that are alternative to insurance cover.

### **Risk management**

Ferrovial has implemented a comprehensive risk management system called Ferrovial Risk Management (FRM). The system, which is oriented towards associating risks analysed with the objectives these risks threaten, is applied to all the Group’s lines of business, including subsidiaries in which Ferrovial has management capacity.

Ferrovial operates in countries with different social and economic situations and regulatory frameworks. In general, Ferrovial believes that significant risks are those that may compromise the viability of its businesses, their profitability and their corporate reputation, particularly any factor that may compromise the safety of its employees or third parties affected by its business activities, or that might impact on the environment in which those activities are performed.

### **Employees**

In the year ended 31 December 2013, the Group had around 66,000 employees.

### **Management**

Management of Ferrovial, S.A.

### ***Board of Directors of the Parent***

The Board of Directors of the Parent, as at the date hereof, is composed of the following 12 Directors:

<b>Name</b>	<b>Position</b>
Rafael del Pino y Calvo-Sotelo	Chairman

<b>Name</b>	<b>Position</b>
Santiago Bergareche Busquet	Vice Chairman
Joaquín Ayuso García	Vice Chairman
Íñigo Meirás Amusco	Executive Director
Jaime Carvajal Urquijo	Director
PORTMAN BAELA, S.L. <sup>(1)</sup>	Director
Juan Arena de la Mora	Director
Gabriele Burgio	Director
María del Pino y Calvo-Sotelo	Director
Santiago Fernández Valbuena	Director
José Fernando Sanchez-Junco Mans	Director
KARLOVY, S.L. <sup>(2)</sup>	Director
Santiago Ortiz Vaamonde	Secretary (non director)

Notes:

- (1) The Board of Directors of Portman Baela, S.L., as at the date hereof, is composed of Rafael del Pino y Calvo Sotelo (Chairman), María del Pino y Calvo Sotelo (Vice-Chairman), Joaquin del Pino y Calvo Sotelo (Director), Leopoldo del Pino y Calvo Sotelo (Director), Clemente Cebrian Ara (Director), Borja Prado Eulate (Director), Claudio Aguirre Peman (Director) and José Ignacio Ysasi-Ysasmendi Pemán (Secretary).
- (2) The Board of Directors of Karlovy, S.L., as at the date hereof, is composed of Rafael del Pino y Calvo Sotelo (Chairman), María del Pino y Calvo Sotelo (Vice-Chairman), Joaquin del Pino y Calvo Sotelo (Director), Leopoldo del Pino y Calvo-Sotelo (Director), Clemente Cebrian Ara (Director), Borja Prado Eulate (Director), Claudio Aguirre Peman (Director) and José Ignacio Ysasi-Ysasmendi Pemán (Secretary).

The business address of the members of the Board of Directors of the Parent is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to the Parent.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors of Portman Baela, S.L. listed above and their duties to the Parent.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors of Karlovy, S.L. listed above and their duties to the Parent.

### **Management Structure of the Parent**

The Management Committee has the following composition:

<b>Name</b>	<b>Position</b>
Íñigo Meirás Amusco	Executive Director
Jaime Aguirre de Cárcer y Moreno	Human Resources General Director
Enrique Díaz-Rato Revuelta	General Director of the Toll Roads Business Division
Álvaro Echániz Urcelay	General Director of Real Estate
Federico Flórez Gutiérrez	General Director of Information Technology Systems

<b>Name</b>	<b>Position</b>
Alejandro de la Joya Ruiz de Velasco	General Director of the Construction Business Division
Ernesto López Mozo	General Finance Director
Santiago Olivares Blázquez	General Director of the Services Business Division
Santiago Ortiz Vaamonde	General Secretary (non director)
Jorge Gil Villén	General Director of the Airports Business Division

The business address of the members of the Management Committee of the Parent is Calle Príncipe de Vergara 135, 28002 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Management Committee listed above and their duties to the Parent. <sup>A9.9.2</sup>

## **6. RECENT DEVELOPMENTS AND FACTS WHICH MAY HAVE A MATERIAL EFFECT ON THE ISSUER'S PROSPECTS**

In February 2014, Ferrovial, through toll road subsidiary Cintra, Amey, a UK subsidiary of Ferrovial Services, in consortium with SWIP Infrastructure Funds and Meridiam, finalised business completion and financing agreements for the M8 Highway Improvement Projects, which includes the design, construction, financing and operation of a key part of the central Scotland highways network. An estimated £415 million, some €520 million, will be invested in construction work, while the concession will last 33 years as of the signing of the contract. The contract will have long-term funding via a combination of a bond issue and credit facility from the European Investment Bank, worth a total of approximately £250 million.

In April 2014, the subsidiaries of the Parent, which guaranteed the January 2013 Notes and June 2013 Notes, were released as guarantors in accordance with and pursuant to the respective terms and conditions of each issue. Hence, both the January 2013 Notes and the June 2013 Notes issued by the Issuer are, as of the date of this Prospectus, guaranteed only by the Parent, without prejudice to the accession of new guarantors from time to time pursuant to their own terms and conditions.

In April 2014, Ferrovial arranged a five year syndicated liquidity line for €750 million with 12 financial institutions. This operation replaces the €541 million credit line obtained in 2011 and other existing lines, reduces the company's financing costs and extends the maturity until 2019.

In April 2014, Cintra was awarded a contract to design, build and finance 41.8 kilometres of the I-77 in North Carolina (USA), and operate and maintain it under a concession contract; the projects represent an investment of approximately US\$655 million (€478 million). The 50-year concession begins once the road is opened to the traffic; this is expected to be mid-2018.

At 31 December 2013, the Indiana Toll Road Concession operator had an equity deficit of €267 million (in proportion to Ferrovial's ownership interest), including a net loss for the year of €175 million (not recognised). The equity deficit arose mainly as a result of changes in the fair value of the derivative arranged for the concession. This derivative, which has a notional amount of €2,683 million and matures in 2026, had a total negative value of -€714 million. Lastly, at 2013 year-end Indiana Toll Road's period revenue amounted to €155 million, its assets totalled €2,875 million and its borrowings stood at €2,783 million. The borrowings mature in 2015 and are currently being renegotiated with the respective lenders, but the outcome is uncertain. Pursuant to international accounting standards, and due to the aforementioned figures, Ferrovial's annual accounts have allocated a zero value to the held interest in the Indiana Toll Road Concession Operator.

Ferrovial envisages to undertake during year 2014 a re-organisation of the Group's structure. The corporate reorganisation is the result of the decision to split its national and international activities in order to benefit from the crossed capabilities of the different businesses in each country and client. By means of the re-organisation its non-Spanish business, except for the US toll roads business, shall be consolidated in the same sub-group of companies, whose head company will be a new Spanish parent company (Ferrovial Internacional, S.L.). Such parent company will have a series of subsidiaries which themselves will each be the head company of a particular international business area of Ferrovial.

The general shareholders meeting of the Parent, within its scrip dividend programme ("*Ferrovial Flexible Dividend*"), approved on 26 June 2014 two share capital increases against the reserves of the Parent to be able to offer shareholders an option to receive the final dividends corresponding to the 2013 financial year and the interim dividends corresponding to the 2014 financial year in cash or in shares. On 26 June 2014 the Board of Directors of the Parent set the maximum number of new shares to be issued within the first capital increase at 13,336,550 shares with an aggregate nominal value of €2,667,310. The final amount of the first share capital increase and the number of shares issued will depend on the number of shareholders who choose to receive their dividends in shares, and is foreseen to be communicated to the market as a significant event on 17 July 2014.

On the same date, the general shareholders meeting of the Parent approved a share capital reduction by means of the acquisition of a maximum of 25,672,859 of the Parent's own shares through a buy-back programme for the purpose of amortising them.

## 7. TERMS AND CONDITIONS OF THE NOTES

The issue of the €300,000,000 2.500 per cent. Notes due 2024 (the “Notes”, which expression shall, unless otherwise indicated, include any further notes issued pursuant to Condition 14 (Further Issues) and consolidated and forming a single series with the Notes) was (save in respect of any such further notes to be issued pursuant to Condition 14 (Further Issues)) authorised by resolutions of a General Shareholders Meeting and of the joint administrators (*administradores mancomunados*) of Ferrovial Emisiones, S.A. (the “Issuer”), both of them passed on 26 June 2014. The guarantee of the Notes was authorised by resolution of a General Shareholders Meeting and of the board of directors of Ferrovial, S.A. (the “Parent”) both of which were passed on 26 June 2014. The Notes have the benefit of an agency agreement dated 15 July 2014 (the “Agency Agreement”) that has been entered into in relation to the Notes between the Issuer, the Parent and Deutsche Bank AG London Branch as paying agent (the “Principal Paying Agent”) and Deutsche Bank S.A.E., as local paying agent (the “Local Paying Agent” together with the Principal Paying Agent, the “Paying Agents” and each of them a “Paying Agent”, which expression shall include any successor as paying agent under the Agency Agreement) and Bondholders, S.L. as commissioner (the “Commissioner”, which expression shall include any successor as commissioner under the Agency Agreement).

Capitalised terms used but not defined in these terms and conditions (the “Conditions”) shall have the meanings attributed to them in the Agency Agreement unless the context otherwise requires or unless otherwise stated.

### 1 FORM, DENOMINATION AND TITLE

#### (a) Form and denomination

The Notes have been issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in euro in an aggregate nominal amount of €300,000,000 and denominations of €100,000.

#### (b) Registration, clearing and settlement

The Notes have been registered with the Spanish *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (“Iberclear”) as managing entity of the central registry of the Spanish clearance and settlement system (the “Spanish Central Registry”). Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear and Clearstream, Luxembourg with Iberclear.

Iberclear manages the settlement and clearing of the Notes, notwithstanding the Issuer’s commitment to assist, when appropriate, on the clearing and settlement of the Notes through Euroclear and Clearstream Luxembourg.

The Spanish National Numbering Agency (*Agencia Nacional de Codificación de Valores Mobiliarios*) has assigned the following ISIN to identify the Notes: ES0205032008. The Common Code for this issue is 108782927.

#### (c) Title and transfer

Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the “Iberclear Members”) as having an interest in the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein. In these Conditions, the “Noteholder” means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first named thereof) and Noteholder shall be construed accordingly.

One or more certificates (each a “Certificate”) attesting to the relevant Noteholder’s holding of Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Noteholder is itself an

Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Noteholder upon such Noteholder's request.

The Notes are issued without any restrictions on their transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Noteholder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest, or any writing on, or the theft or loss of, the Certificate issued in respect of it), and no person will be liable for so treating the Noteholder.

## 2 STATUS OF THE NOTES

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer ranking at least equally, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

Interest on the Notes accrued but unpaid as at the commencement of any insolvency proceeding (*concurso*) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations. Under Spanish law, no further interest on the Notes shall be deemed to accrue from the date of the declaration of any insolvency proceeding (*concurso*) relating to the Issuer.

## 3 GUARANTEES

### (a) *Guarantees*

Subject to the remaining provisions of this Condition 3, the payment of all sums expressed to be payable by the Issuer under the Notes has been and will be unconditionally and irrevocably guaranteed on a joint and several basis by the Parent and by each Subsidiary of the Parent that becomes a guarantor in accordance with this Condition 3 (each, a "Subsidiary Guarantor" and together with the Parent each a "Guarantor"). Any such guarantee given by a Guarantor is referred to as a "Guarantee" and together the "Guarantees".

### (b) *Status of the Guarantees*

The obligations of each Guarantor under its Guarantee constitute (or will constitute) direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of such Guarantor and shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

### (c) *Identity of Subsidiary Guarantors*

Subject to as provided below, the Parent shall procure that each of its Subsidiaries which becomes a guarantor of Principal Indebtedness after the Closing Date becomes (and, until released in accordance with the Conditions, will continue to be) a Subsidiary Guarantor within 30 days of becoming a guarantor of Principal Indebtedness (except that Subsidiaries of the Parent that are or become prohibited or restricted from providing a guarantee with respect to the Notes under laws generally applicable to persons of the same legal form as such Subsidiaries shall not be required to become, on the Closing Date or otherwise, or continue to be Subsidiary Guarantors, provided that if such prohibition or restriction is removed, the Parent shall, within 30 days thereof, cause that Subsidiary to become a Subsidiary Guarantor).

### (d) *Accession of Subsidiary Guarantors*

If a Subsidiary of the Parent is required to become a Subsidiary Guarantor, the Parent shall procure the delivery to the Commissioner and the Principal Paying Agent of: (a) a deed of guarantee in favour of the



Noteholders duly executed by the relevant Subsidiary, under which it becomes a Subsidiary Guarantor under these Conditions; (b) an Officer's Certificate certifying (i) that the giving of the guarantee by the Subsidiary Guarantor will not breach any restriction imposed on it under laws generally applicable to persons of the same legal form as such Subsidiary; and (ii) the matters to be opined on in the opinions outlined in (c) following; and (c) an opinion of legal advisers of recognised standing to the effect that delivery of such deed of guarantee has been validly authorised and that the obligations of the Subsidiary under its Guarantee constitute legal, valid and binding obligations ranking as provided in Condition 3(b) (Status of the Guarantees), and, upon delivery of such documents, the relevant Subsidiary shall be deemed to have become a Subsidiary Guarantor.

The Parent shall notify the Noteholders in accordance with Condition 13 (Notices) of the occurrence of an accession of a Subsidiary Guarantor in accordance with this paragraph (d).

*(e) Release of Subsidiary Guarantors*

If (i) a Release Event has occurred with respect to a Subsidiary Guarantor; and (ii) (other than with respect to a Release Event of the type referred to in paragraph (b) of the definition thereof) no Event of Default has occurred and is continuing, the relevant Subsidiary Guarantor shall, subject to Condition 3(g) (Limitations), be released from its obligations under its Guarantee.

As a condition to any release as aforesaid, the Parent shall deliver to the Commissioner and the Principal Paying Agent an Officer's Certificate certifying that the above conditions to release have been satisfied (together, with respect to a Release Event of the type referred to in paragraph (b) of the definition thereof, with an opinion of legal advisers of recognised standing to the effect that the relevant change in law has come into effect or will, on a date no earlier than the proposed release date, come into effect) and the Commissioner and the Principal Paying Agent shall accept the Officer's Certificate together, if applicable, with the supporting documents mentioned above, as the case may be, as sufficient evidence of the occurrence of such Release Event, in which event it shall be conclusive and binding on the Noteholders, and each relevant Subsidiary Guarantor shall be immediately and effectively released from its obligations under its Guarantee.

The Parent shall notify the Noteholders in accordance with Condition 13 (Notices) of the occurrence of a Release Event (identifying the released Guarantor(s)).

*(f) Annual Certification*

The Parent shall, by no later than 30 April in each year, deliver to the Commissioner and the Principal Paying Agent an Officer's Certificate listing those of its Subsidiaries that were, as at 31 December of the previous year, (i) Relevant Subsidiaries; (ii) Infrastructure Project Subsidiaries, and/or (iii) guarantors of Principal Indebtedness.

In such Officer's Certificate, the Parent shall certify that (a) except for (i) any Subsidiary specified in the certificate as being prohibited or restricted from providing a guarantee with respect to the Notes under laws generally applicable to persons of the same legal form as such Subsidiary, and (ii) any Subsidiary duly released pursuant to Condition 3(e) (Release of Subsidiary Guarantors) between 31 December of the previous year and the date of the relevant Officer's Certificate, all such Subsidiaries listed as being guarantors of Principal Indebtedness are Subsidiary Guarantors, and (b) the limitations (if any) contained in any Guarantee of a Subsidiary Guarantor comply with Condition 3(g) (Limitations).

*(g) Limitations*

If a Subsidiary of the Parent that is a guarantor of Principal Indebtedness is prohibited or restricted under laws generally applicable to persons of the same legal form as it from becoming a Subsidiary Guarantor, but such prohibition or restriction could be avoided by the inclusion of limitations in the Guarantee to be given by it, such Subsidiary of the Issuer shall become a Subsidiary Guarantor, provided that its Guarantee shall incorporate and shall be given subject to such limitations.

If, as a result of a change in law taking effect after the date on which a Subsidiary of the Parent became a Guarantor, the guarantee of a Subsidiary Guarantor becomes prohibited or restricted under laws generally applicable to persons of the same legal form as it from continuing to be a Subsidiary Guarantor, but such prohibition or restriction could be avoided by the inclusion of limitations in the Guarantee given by it, the

Guarantee of such Subsidiary Guarantor shall be deemed to incorporate the applicable limitations as of the date such change in law comes into effect, and the Issuer shall procure that the Guarantee of such Subsidiary Guarantor is amended within 30 days of the Parent becoming aware of any such prohibition or restriction to reflect such limitations.

In the circumstances described above, the limitations applicable to such Guarantee shall be the minimum limitations required under relevant laws in order that the prohibition or restriction be avoided.

#### 4 **NEGATIVE PLEDGE**

So long as any of the Notes remain outstanding, neither the Issuer nor any of the Guarantors will create or permit to subsist, and the Issuer will ensure that no Relevant Subsidiary will create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each a "Security Interest") upon the whole or any part of its present or future property or assets (including any uncalled capital) to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness unless, in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to ensure that:

- (i) all amounts payable under the Notes are secured equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be; or
- (ii) any other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable under the Notes as shall be approved by a resolution of the Syndicate of Noteholders,

provided that any Relevant Subsidiary or Subsidiary Guarantor acquired after the Closing Date may have an outstanding Security Interest with respect to Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) of such Relevant Subsidiary or Subsidiary Guarantor, so long as such Security Interest was outstanding on the date on which such Relevant Subsidiary or Subsidiary Guarantor became a Subsidiary and was not created in contemplation of such Relevant Subsidiary or Subsidiary Guarantor becoming a Subsidiary or such Security Interest was created in substitution for or to replace either such outstanding Security Interest or any such substituted or replacement Security Interest and is not increased in amount after the date that such Relevant Subsidiary or Subsidiary Guarantor became a Subsidiary of the Parent.

#### 5 **DEFINITIONS**

In these Conditions, unless otherwise provided:

"business day" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

A "Change of Control" shall be deemed to have occurred at each time that any person or group of persons acting in concert, in each case other than a Relevant Person, acquires control, directly or indirectly, of the Parent.

"Change of Control Period" means the period commencing on the date that is the earlier of: (1) the date of the occurrence of the relevant Change of Control; and (2) the date of the first relevant Potential Change of Control Announcement (if any), and ending on the date which is 90 days after the date of the occurrence of the relevant Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

"Clearstream, Luxembourg" means Clearstream Banking, *société anonyme*.

"Closing Date" means 15 July 2014.

"Commissioner" has the meaning provided in Condition 12 (Syndicate of Noteholders, Modification and Waiver).

“control” means (a) the acquisition or control of more than 50% of the Voting Rights or (b) the right to appoint and/or remove all or the majority of the members of the Parent's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise and “controlled” shall be construed accordingly.

“EBITDA” means, in relation to the Parent or any of its Subsidiaries for any relevant period, the profit from operations (*resultado de explotación*) of such entity after adding back depreciation and amortisation charge (*dotaciones a la amortización de inmovilizado*) and impairment and disposals of non-current assets (*deterioros y enajenación de inmovilizado*) and, to the extent not already included, the dividends and other distributions received by that entity from Infrastructure Project Subsidiaries, in each case as derived from the statements of the relevant entity in respect of such period.

“Euroclear” means Euroclear Bank S.A./N.V.

“Event of Default” has the meaning provided in Condition 10 (Events of Default).

“Final Maturity Date” means 15 July 2024.

“Group” means the Parent and its Subsidiaries.

“Guarantor” means the Parent and each Subsidiary Guarantor.

“Iberclear” has the meaning provided in Condition 1 (Form, Denomination and Title).

“Iberclear Member” has the meaning provided in Condition 1 (Form, Denomination and Title).

“IFRS-EU” means International Financial Reporting Standards as adopted by the European Union.

“Infrastructure Project” means any project carried out by an entity pursuant to one or more contracts for any of the construction, upgrading, operation and maintenance of infrastructure or for the performance of other services, where the entity is one in which the Group has interest (whether alone or together with other partners) and which finances the investment required in the project with Infrastructure Project Indebtedness and its share capital or other equity contribution made to it.

“Infrastructure Project Indebtedness” means indebtedness where the recourse of the creditors thereof is limited to any or all of (a) the relevant Infrastructure Project (or the concession or assets related thereto); (b) the share capital of, or other equity contribution to, the entity or entities developing, financing or otherwise directly involved in the relevant project; and (c) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such indebtedness.

“Infrastructure Project Subsidiary” means any Subsidiary of the Parent:

- (a) that develops an Infrastructure Project as its sole activity; or
- (b) whose sole purpose is to incur Infrastructure Project Indebtedness in connection with an Infrastructure Project; or
- (c) whose sole purpose is to facilitate the investment by the Group and its partners in the share capital of, or other equity contribution to, a Subsidiary falling within paragraph (a) or (b) above; or
- (d) which is also a direct or indirect wholly owned Subsidiary of a Subsidiary falling within paragraphs (a) to (c) above.

For the avoidance of doubt, FGP Topco Ltd (an English registered company with number 05723691) and its Subsidiaries as at the Closing Date, and any other entity (not previously being a member of the Group) which becomes its Subsidiary on or after the Closing Date are each considered Infrastructure Project Subsidiaries.

“Investment Grade Rating” means: (a) with respect to S&P, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (b) with respect to Moody's, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); and (c) with respect to

Fitch Ratings, any of the categories from and including AAA to and including BBB- (or equivalent successor categories).

“Material Subsidiary” means, at any relevant time, a Subsidiary of the Parent:

- (a) whose total assets or EBITDA at any relevant time represent no less than 7% of the total assets or EBITDA, respectively, of the Reduced Group, as calculated by reference to, in the case of the Reduced Group, the contribution of the Reduced Group to and, in the case of the relevant Subsidiary, its contribution to, in each case, the total assets or EBITDA of the Group as determined from the then latest audited consolidated annual accounts of the Parent prepared in accordance with IFRS-EU, provided that, if the then latest audited consolidated accounts of the Parent show EBITDA as a negative number for the relevant financial period, then there shall be substituted for the words “EBITDA” the words “total operating income” (*total ingresos de explotación*) for the purposes of this definition; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

“Material Subsidiary Guarantor” means a Subsidiary Guarantor that is a Material Subsidiary.

“Noteholders” has the meaning provided in Condition 1(c) (Form, Denomination and Title – Title and transfer).

“Officer’s Certificate” means a certificate of a duly authorised officer of the Issuer or, as the case may be, a Guarantor whose responsibilities extend to the subject matter of such certificate.

A “person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

“Potential Change of Control Announcement” means any public announcement or public statement by the Parent, or any actual or bona fide potential bidder relating to any potential Change of Control.

“Principal Indebtedness” means any present or future financial indebtedness for, or in respect of, moneys borrowed or raised, which is or may be incurred by the Parent under:

- (a) the credit facility agreement dated 1 April 2014 entered into by, inter alia, the Parent as borrower and Banco Santander, S.A. as agent (and the facilities made available under any other agreement(s) entered into to extend, renew or refinance such facility (or their extensions, renewals or refinancing)); and
- (b) any other agreement, provided that (i) the aggregate principal amount of indebtedness incurred by the Parent thereunder as at the Closing Date or as at any date falling after the Closing Date is equal to or more than €50,000,000 (or its equivalent in another currency), and (ii) in no event shall any indebtedness incurred by the Parent and owed to any of its Subsidiaries be considered as Principal Indebtedness under this paragraph (b).

In these Conditions, a Subsidiary shall be deemed to become a guarantor of Principal Indebtedness (i) in the case of paragraph (a) above, on the date it accedes to any such agreement as a guarantor, and (ii) in the case of paragraph (b) above, (I) if an agreement meets the requirements of paragraph (b) above on the date the Subsidiary accedes to such agreement as a guarantor, on the date it accedes to any such agreement as a guarantor, or (II) if an agreement meets the requirements of paragraph (b) above after the date, the Subsidiary accedes to such agreement as a guarantor, on the first financial quarter end date of the Parent falling after the date on which such agreement meets the requirements of paragraph (b) above, provided such agreement continues to meet such requirements on that financial quarter end date.

“Put Period” means 30 days after a Put Event Notice has been published in accordance with Condition 13 (Notices).

“Rating Agency” means any of the following: (a) Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc. (“S&P”); (b) Moody’s Investors Service Limited (“Moody’s”); or (c) Fitch Ratings Ltd (“Fitch Ratings”), and, in each case, their respective successors.

A “Rating Downgrade” shall be deemed to have occurred in respect of a Change of Control if: (a) within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is: (i) withdrawn; (ii) ceases to be an Investment Grade Rating; or (iii) if the rating assigned to the Notes by any Rating Agency which is current at the time the Change of Control Period begins is below an Investment Grade Rating, that rating is lowered one full rating notch by any Rating Agency (for example BB+ to BB by S&P), provided that a Rating Downgrade shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency withdrawing or lowering the rating does not publicly announce or confirm in writing to the Issuer that the reduction or withdrawal was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control; or (b) at the time the Change of Control occurs there is no rating assigned to the Notes.

“Reduced Group” means the Parent and its Subsidiaries (other than Infrastructure Project Subsidiaries).

A “Release Event” occurs in relation to a Subsidiary Guarantor if at any time while the Notes remain outstanding, (a) the Subsidiary Guarantor is unconditionally released from all guarantees given by it of Principal Indebtedness; or (b) as a result of a change in law taking effect after or the date upon which the relevant Subsidiary of the Parent became a Subsidiary Guarantor, the guarantee of the Notes given by the Subsidiary Guarantor is prohibited or restricted under laws generally applicable to persons of the same legal form as that Subsidiary Guarantor.

“Relevant Date” means, in respect of any Note, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if the full amount payable has not been received by any Paying Agent on or prior to such date, the date on which, the full amount of such due payment having been so received, notice is duly given by the Issuer to the Noteholders in accordance with Condition 13 (Notices).

“Relevant Indebtedness” means:

- (a) Principal Indebtedness; and
- (b) any present or future indebtedness (whether being principal, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other securities market,

except that in no event shall indebtedness in respect of any Infrastructure Project Indebtedness (or any guarantee or indemnity of the same) be considered as “Relevant Indebtedness”.

“Relevant Person” means Portman Baela, S.L., or any of the current direct or indirect shareholders of Portman Baela, S.L., or, in each case, any of their respective affiliates, successors or descendants, as the case may be, or any persons or entities which directly or indirectly control or are controlled by any of them, in each case whether acting individually or as a group.

“Relevant Subsidiary” means each Material Subsidiary but excluding any Material Subsidiary which is also (a) an Infrastructure Project Subsidiary; or (b) Budimex, S.A., any of its Subsidiaries as at the Closing Date, and any other entity (not previously being a member of the Group) which becomes its Subsidiary on or after the Closing Date.

“Spanish Central Registry” has the meaning provided in Condition 1 (Form, Denomination and Title).

“Subsidiary” of any person means (i) a company of which more than 50% of the voting rights are owned or controlled, directly or indirectly, by such person or by one or more other Subsidiaries of such person or by such person and one or more Subsidiaries thereof or (ii) any other person in which such person, or one or more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

“Subsidiary Guarantor” means, subject to Condition 3(e) (Release of Subsidiary Guarantors), each Subsidiary of the Parent which becomes a Subsidiary Guarantor under Condition 3(d) (Accession of Subsidiary Guarantors).

“Syndicate of Noteholders” has the meaning provided in Condition 12 (Syndicate of Noteholders, Modification and Waiver).

“TARGET Business Day” means a day on which the TARGET System is operating.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

“Tax Jurisdiction” means any jurisdiction under the laws of which the Issuer or any Guarantor is organised or in which it is resident for tax purposes, or any political subdivision or any authority thereof or therein having power to tax.

“Voting Rights” means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

## **6 INTEREST**

### *(a) Interest Rate*

Subject to the following paragraph in this Condition 6(a), the Notes bear interest from and including the Closing Date at the rate of 2.500% (the “Rate of Interest”) per annum. Interest shall be payable annually in arrear on 15 July each year (an “Interest Payment Date”), commencing with the Interest Payment Date falling on 15 July 2015 and ending on the Final Maturity Date in respect of the period from (and including) the preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next succeeding Interest Payment Date (each an “Interest Period”). The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on such Interest Payment Date shall be €2,500 per €100,000 in principal amount of the Notes.

Save as provided above in relation to the amounts of interest payable per €100,000 in principal amount of the Notes, if interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, the day-count fraction will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last), rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

### *(b) Accrual of Interest*

Each Note will cease to bear interest where such Note is being redeemed or repaid pursuant to Condition 7 (Redemption and Purchase) or Condition 10 (Events of Default), from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal amount of the Notes is improperly withheld or refused, in which event interest will continue to accrue as provided in Condition 6(a) (Interest Rate) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (ii) the day 7 (seven) days after the Local Paying Agent and/or Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

## **7 REDEMPTION AND PURCHASE**

### *(a) Final Redemption*

Unless previously purchased and cancelled or redeemed as herein provided, the Notes will be redeemed at their principal amount on the Final Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.

*(b) Redemption for taxation reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantees were called, a Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (Taxation) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the relevant Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees, as the case may be) then be due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Commissioner an Officer's Certificate of the Issuer (or the relevant Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of legal advisers of recognised standing to the effect that the Issuer (or the relevant Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

*(c) Early redemption at the option of the Noteholders upon a Change of Control*

If a Change of Control occurs and, during the Change of Control Period, a Rating Downgrade occurs (together a "Put Event"), each Noteholder shall have the option (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice to redeem the Notes in accordance with Condition 7 (b) (Redemption for taxation reasons)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes at their principal amount plus accrued and unpaid interest up to (but excluding) the Put Date (the "Put Option").

If a Put Event occurs, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Put Event (a "Put Event Notice") to the Noteholders in accordance with Condition 13 (Notices) specifying the nature of the Put Event and the procedure for exercising the Put Option contained in this Condition 7(c) as well as the date upon which the Put Period will end.

To exercise the Put Option, a Noteholder must within the Put Period give notice to the Paying Agents (a "Put Notice") of such exercise in accordance with the standard procedures of Iberclear (which may include notice being given on his instruction by Iberclear, or any Iberclear Member, to the Paying Agents by electronic means) in a form acceptable to Iberclear from time to time.

The Issuer shall redeem, or at its option, purchase (or procure the purchase of) the relevant Note(s) on the date (the "Put Date") seven days after the expiration of the Put Period unless previously redeemed or purchased and cancelled. A Put Notice, once given, shall be irrevocable.

*(d) Notice of redemption*

All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

*(e) Purchase*

Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, each of the Issuer or the Guarantors, or any of their respective Subsidiaries, may at any time purchase Notes in the open market or otherwise at any price. Such Notes may be held, re-sold or reissued or, at the option of the relevant purchaser, cancelled and while held by or on behalf of the Issuer, a Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Syndicate of Noteholders and shall not be deemed to

be outstanding for the purposes of calculating quorums at meetings of the Syndicate of Noteholders or for the purposes of Condition 12 (Syndicate of Noteholders, Modification and Waiver).

*(f) Cancellation*

All Notes which are redeemed will be cancelled and may not be reissued or resold. Notes purchased by the Issuer, any Guarantor or any of their respective Subsidiaries may, at the option of the relevant purchaser, be cancelled.

## **8 PAYMENTS**

*(a) Method of payment*

Payments of principal and interest in respect of the Notes will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the date on which the payment of principal or interest, as the case may be, falls due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or the Paying Agents will have any responsibility or liability for the records relating to payments made in respect of the Notes.

*(b) Payments subject to fiscal laws*

Without prejudice to the application of the provisions of Condition 9 (Taxation), payments will be subject in all cases to any other applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer, or the Parent or the Paying Agents agree to be subject and neither the Issuer nor the Parent will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

*(c) Delay in payment*

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a business day.

*(d) Business Days*

In this Condition, "business day" means a day (other than a Saturday or Sunday) which is a TARGET Business Day, on which commercial banks and foreign exchange markets are open for business in the place of the specified office of the Paying Agents.

*(e) Paying Agents*

The initial specified offices of the initial Paying Agents are, in the case of Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and in the case of Deutsche Bank S.A.E., Paseo de la Castellana, 18, 28046 Madrid, Spain. The Issuer reserves the right under the Agency Agreement at any time to vary or terminate the appointment of the Paying Agents, in their role of paying agents, and appoint additional or other paying agents in accordance with the terms of the Agency Agreement. Notice of any change in the paying agents or their specified offices will promptly be given by the Issuer to the Noteholders in accordance with Condition 13 (Notices).

## **9 TAXATION**

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by applicable laws or regulations. In that event the Issuer or, as the case may be, the relevant Guarantor (subject to the terms of the relevant Guarantee) shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received



by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or, as the case may be, under the Guarantee:

- (a) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than (i) the mere holding of such Note, or (ii) the receipt of principal, interest, or other amounts in respect of such Note; or
- (b) to a holder, or to a third party on behalf of, who is (or is deemed as) an individual resident for tax purposes in Spain (or any political subdivision or any authority thereof or therein having power to tax); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; or
- (d) where taxes are imposed by a Taxing Jurisdiction that are (a) payable otherwise than by withholding from a payment under, or with respect to, the Notes; or (b) any estate, inheritance, gift, sales, transfer, personal property or similar taxes imposed by Spain (or any political subdivision or any authority thereof or therein having power to tax); or (c) solely due to the appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent, person or entity acting on behalf of the investor of the Notes or similar person in relation to such Notes; or
- (e) to, or to a third party on behalf of, a holder in respect of whom the Issuer (or an agent acting on behalf of the Issuer) has not received such information as may be necessary to allow payments on such Note to be made free and clear of withholding tax or deduction on account of any taxes imposed by a Tax Jurisdiction, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities; or
- (f) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto).

## 10 EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") shall have occurred and is continuing:

- (a) default is made in the payment on the due date of principal or interest in respect of any of the Notes and such failure continues for a period of 7 (seven) days in the case of principal (other than on the Final Maturity Date) and 14 (fourteen) days in the case of interest; or
- (b) the Issuer or a Guarantor does not perform or comply with any one or more of its other obligations in respect of the Notes or, as the case may be, the relevant Guarantee, which default is incapable of remedy or is not remedied within 30 (thirty) days after written notice of such default shall have been given to the Principal Paying Agent at its specified office by any Noteholder; or
- (c) any other present or future indebtedness of the Issuer, a Guarantor or any Relevant Subsidiary for or in respect of any moneys borrowed or raised;
  - (i) becomes or is declared due and payable prior to its stated maturity otherwise than (A) at the option of the Issuer, a Guarantor or the Relevant Subsidiary or (B) at the option of the creditor of such indebtedness in circumstances where no event of default (howsoever described) has occurred; or

- (ii) any such present or future indebtedness of the Issuer, a Guarantor or any Relevant Subsidiaries is not paid when due or, as the case may be, within any applicable grace period; or
- (iii) the Issuer, a Guarantor or any Relevant Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €50,000,000 or its equivalent; or

- (iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, a Guarantor or any Relevant Subsidiary and is not discharged or stayed within 30 (thirty) days provided that the aggregate amount of property, assets and/ or revenues involved in any such distress, attachment, execution or legal process equals or exceeds €50,000,000 or its equivalent; or
  - (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, a Guarantor or any Relevant Subsidiary in respect of an obligation the principal amount of which equals or exceeds €50,000,000 or its equivalent is enforced (including by the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person);
- (d) the Issuer, a Guarantor or any Relevant Subsidiary is insolvent or bankrupt (*concurso*) or unable to pay its debts, or is declared insolvent or bankrupt or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer, a Guarantor or any Relevant Subsidiary; or
- (e) an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer, a Guarantor or any Relevant Subsidiary, or the Issuer, a Guarantor or any Relevant Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the Syndicate of Noteholders; (ii) where the undertakings and assets are transferred to or otherwise vested in any other members of the Group on a solvent basis, provided that until the next audited consolidated annual accounts of the Parent are available, except in the case of the companies and entities referred to in (a) or (b) of the definition of Relevant Subsidiary which shall under no circumstances become or be deemed to be Relevant Subsidiaries, both the transferee and the transferor shall be deemed to be Relevant Subsidiaries for the purposes of these Conditions; or (iii) where the undertakings and assets are transferred to any other person provided that the undertakings and assets are transferred to that person on an arm's length basis; or
- (f) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantors lawfully to exercise their respective rights and perform and comply with their respective obligations under the Notes and the Guarantees; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Notes and the Guarantees admissible in evidence is not taken, fulfilled or done; or
- (g) any event occurs which under the laws of any relevant jurisdiction has a similar effect to any of the events referred to in any of the foregoing paragraphs; or

- (h) it is or will become unlawful for the Issuer or the Parent to perform or comply with any of its obligations under or in respect of the Notes or its Guarantee (as the case may be); or
- (i) it is or will become unlawful for any Material Subsidiary Guarantor to perform or comply with any of its obligations under or in respect of its Guarantee or a Release Event of the type referred to in paragraph (b) of the definition thereof shall have occurred with respect to a Material Subsidiary Guarantor or the Guarantee given by a Material Subsidiary Guarantor is required to be amended pursuant to Condition 3(g) (Limitations), unless, within 30 days of date of the same occurring, one or more other Subsidiaries of the Parent whose aggregate total assets and EBITDA are at least equal to the total assets and EBITDA of the relevant Material Subsidiary Guarantor have become Subsidiary Guarantors and the terms of each Guarantee given by such other Subsidiary Guarantors are no worse than the terms of the Guarantee originally given by the relevant Material Subsidiary Guarantor; or
- (j) the Issuer ceases to be a wholly owned Subsidiary of the Parent,

then any Note may, by notice in writing given to the Principal Paying Agent at its specified office by (i) the Commissioner acting upon a resolution of the Syndicate of Noteholders, in respect of all Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Noteholders, any Noteholder in respect of such Note, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount, together with accrued interest, without further formality.

## 11 PRESCRIPTION

Claims for payment in respect of principal and interest shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the appropriate Relevant Date in respect of such payment and thereafter any principal interest or other sums payable in respect of such Notes shall be forfeited and revert to the Issuer.

## 12 SYNDICATE OF NOTEHOLDERS, MODIFICATION AND WAIVER

### (a) *Syndicate of Noteholders*

Noteholders shall meet in accordance with certain regulations governing the Syndicate of Noteholders (the “Regulations”). The Regulations contain the rules governing the Syndicate of Noteholders and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 17 (Regulations of the Syndicate of Noteholders).

Bondholders, S.L. has been appointed as a temporary Commissioner for the Noteholders. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; and (ii) become a member of the Syndicate of Noteholders. Upon the subscription of the Notes, the temporary Commissioner will call a general meeting of the Syndicate of Noteholders to ratify or reject the acts of the temporary Commissioner, confirm its appointment or appoint a substitute Commissioner for it and to ratify the Regulations. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have granted (without prejudice to their right to revoke it) to the Principal Paying Agent (full power and authority to take any action and/or to execute and deliver any document or notices for the purposes of attending on behalf of the Noteholders the first meeting of the Syndicate of Noteholders called to confirm the appointment of the temporary Commissioner, approve its actions and ratify the Regulations contained in the Agency Agreement, and vote in favour of each of those resolutions.

Provisions for meetings of the Syndicate of Noteholders are contained in the Regulations and in the Agency Agreement. Such provisions shall have effect as if incorporated herein.

The Issuer may, with the consent of the Commissioner, but without the consent of the holders of the Notes, amend these Conditions insofar as they may apply to the Notes to correct a manifest error or which amendments are of a formal, minor or technical nature or to comply with mandatory provisions of law.

In addition to the above, the Issuer and the Noteholders, the latter with the sanction of a resolution of the Syndicate of Noteholders, may agree any modification, whether material or not, to these Conditions and any waiver of any breach or proposed breach of these Conditions.

For the purposes of these Conditions:

- (i) “Commissioner” means the *comisario* as this term is defined under the Spanish Corporations Law (*Ley de Sociedades de Capital*) of the Syndicate of Noteholders; and
- (ii) “Syndicate of Noteholders” means the *sindicato* as this term is described under the Spanish Corporations law (*Ley de Sociedades de Capital*).

In accordance with Spanish law, a general meeting of the Syndicate of Noteholders shall be validly constituted upon first being convened provided that Noteholders holding or representing two-thirds of the Notes outstanding attend. If the necessary quorum is not achieved at the first meeting, a second general meeting may be reconvened to meet one month after the first general meeting and shall be validly constituted regardless of the number of Noteholders who attend. A resolution shall be passed by holders holding an absolute majority in nominal amount of Notes present or duly represented at any properly constituted meeting.

*(b) Notification to the Noteholders*

Any modification, waiver or authorisation in accordance with this Condition 12 shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (Notices).

### **13 NOTICES**

The Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Agent may approve.

So long as the Notes are listed on AIAF, notices to the Noteholders will be published in the official bulletin of AIAF (*Boletín de Cotización de AIAF*). Any such notice will be deemed to have been given on the date of the first publication. In addition, so long as the Notes are represented by book-entries in Iberclear, all notices to Noteholders shall be made through Iberclear for on transmission to their respective accountholders.

### **14 FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Notes) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Notes) or upon such terms as to interest, conversion, redemption and otherwise as the Issuer may determine at the time of their issue.

### **15 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

### **16 GOVERNING LAW AND JURISDICTION**

*(a) Governing Law*

Save as described below the Notes, the Guarantees and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The provisions relating to the title and transfer of the Notes as described in Condition 1 (Form, Denomination and Title), the status of the Notes as described in Condition 2 (Status of the Notes), the provisions of Condition 12 (Syndicate of Noteholders, Modification and Waiver) and Condition 17 (Regulations of the Syndicate of Noteholders) relating to the appointment of the Commissioner and the Syndicate of Noteholders are governed by, and shall be construed in accordance with, Spanish law. The status of the Guarantee of each Guarantor as described in Condition 3(b) (Status of the Guarantees) shall be construed in accordance with the laws where

each Guarantor has its centre of main interest, which, in the case of the Guarantee of the Parent, shall be Spanish law.

(b) *Jurisdiction*

- (i) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Guarantees and accordingly any legal action or proceedings arising out of or in connection with the Notes or the Guarantees (“Proceedings”) may be brought in such courts. Each of the Issuer and the Guarantors irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (ii) In accordance with article 25 of the Regulations of the Syndicate of Noteholders, the courts and tribunals of the city of Madrid are to have exclusive jurisdiction to settle any dispute arising from the Regulations of the Syndicate of Noteholders.

(c) *Agent for Service of Process*

Each of the Issuer and the Guarantors irrevocably appoints or will appoint Sherard Secretariat Services Limited at its registered office for the time being, currently at The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ as its agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer or a Guarantor, as the case may be, does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## 17 REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

*The following are the Regulations of the Syndicate of Noteholders referred to in the Terms and Conditions of the Notes. The Spanish version of the Regulations of the Syndicate of Noteholders is the legally binding version. The English translation provided below is an accurate translation of the Spanish text given for information purposes only.*

### **REGLAMENTO**

*A continuación se recoge el Reglamento del Sindicato de Bonistas de la Emisión de bonos de FERROVIAL EMISIONES, S.A., denominada “EMISIÓN DE BONOS DE FERROVIAL EMISIONES, S.A., JULIO 2014 (la “Emisión”).*

*En caso de discrepancia la versión española prevalecerá.*

#### **TÍTULO I**

**CONSTITUCIÓN, DENOMINACIÓN, OBJETO, DOMICILIO Y DURACIÓN DEL SINDICATO DE BONISTAS.**

#### **ARTÍCULO 1º. – CONSTITUCIÓN**

*Con sujeción a lo dispuesto en el Capítulo IV del Título XI del Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital (la “Ley de Sociedades de Capital”),*

### **REGULATIONS**

The Regulations that follow correspond to the Syndicate of Noteholders of the Notes which compose the “ISSUE OF NOTES OF FERROVIAL EMISIONES, S.A., JULY 2014” (the “Issue”).

In the case of discrepancy, the Spanish version shall prevail.

#### **TITLE I**

**INCORPORATION, NAME, PURPOSE, ADDRESS AND DURATION FOR THE SYNDICATE OF NOTEHOLDERS.**

#### **ARTICLE 1º. – INCORPORATION**

In accordance with the provisions of Chapter IV of Title XI of the Spanish Royal Legislative Decree 1/2010, of 2 July 2010, approving the Spanish Capital Companies Act (“*Real Decreto Legislativo 1/2010, de 2 de julio, que aprueba el*

*una vez se suscriban y desembolsen los Bonos, quedará constituido un sindicato de los titulares de los Bonos (los “Bonistas”) que integran la “EMISIÓN DE BONOS DE FERROVIAL EMISIONES, S.A., JULIO 2014”.*

*Este Sindicato se regirá por el presente Reglamento, por la Ley de Sociedades de Capital, por las disposiciones de los estatutos sociales de Ferrovial Emisiones, S.A. (la “Sociedad Emisora”) y demás disposiciones legales vigentes.*

**ARTÍCULO 2º. – DENOMINACIÓN**

*El Sindicato se denominará “SINDICATO DE BONISTAS DE LA EMISIÓN DE BONOS DE FERROVIAL EMISIONES, S.A., JULIO 2014”.*

**ARTÍCULO 3º. – OBJETO**

*El Sindicato tendrá por objeto la representación y defensa de los legítimos intereses de los Bonistas frente a Ferrovial Emisiones, S.A., mediante el ejercicio de los derechos que le reconocen las Leyes por las que se rigen y el presente Reglamento, para ejercerlos y conservarlos de forma colectiva, y bajo la representación que se determina en las presentes normas.*

**ARTÍCULO 4º. – DOMICILIO**

*El domicilio del Sindicato se fija en Ribera del Loira, 42, Parque Empresarial de las Naciones, 28042 Madrid.*

*La Asamblea General de Bonistas podrá, sin embargo, reunirse, cuando se considere oportuno, en otro lugar de la ciudad de Madrid, expresándose así en la convocatoria.*

**ARTÍCULO 5º. – DURACIÓN**

*El Sindicato estará en vigor hasta que los Bonistas se hayan reintegrado de cuantos derechos derivados de los Bonos por principal, intereses o cualquier otro concepto les correspondan.*

**TÍTULO II**

**RÉGIMEN DEL SINDICATO**

**ARTÍCULO 6º. – ÓRGANOS DEL**

*texto refundido de la Ley de Sociedades de Capital”) (the “Spanish Capital Companies Act”), once the Notes have been fully subscribed and paid, there shall be incorporated a Syndicate of the owners of the Notes (hereinafter, the “Noteholders”) which compose the “ISSUE OF NOTES OF FERROVIAL EMISIONES, S.A., JULY 2014”.*

This Syndicate shall be governed by these Regulations, by the Spanish Capital Companies Act, by the applicable provisions of the articles of association of Ferrovial Emisiones, S.A. (the “Issuer”) and other applicable legislation.

**ARTICLE 2º. – NAME**

The Syndicate shall be named “SYNDICATE OF NOTEHOLDERS OF THE ISSUE OF NOTES OF FERROVIAL EMISIONES, S.A., JULY 2014”.

**ARTICLE 3º. – PURPOSE**

This Syndicate is formed for the purpose of representing and protecting the lawful interest of the Noteholders before Ferrovial Emisiones, S.A., by means of the exercise of the rights granted by the applicable laws and the present Regulations, to exercise and preserve them in a collective way and under the representation determined by these Regulations.

**ARTICLE 4º. – ADDRESS**

The address of the Syndicate shall be located at Ribera del Loira, 42, Parque Empresarial de las Naciones, 28042 Madrid.

However, the Noteholders General Meeting is also authorised to hold a meeting, when considered convenient, in any other place in Madrid that is specified in the notice convening the meeting.

**ARTICLE 5º. – DURATION**

This Syndicate shall be in force until the Noteholders have been reimbursed for any rights deriving from the Notes they may hold for the principal, interest or any other concept.

**TITLE II**

**SYNDICATE’S REGIME**

**ARTICLE 6º. – SYNDICATE**

## **SINDICATO**

*El gobierno del Sindicato corresponderá:*

- (a) *A la Asamblea General de Bonistas (la “Asamblea General”).*
- (b) *Al Comisario de la Asamblea General de Bonistas (el “Comisario”).*

## **ARTÍCULO 7º. – NATURALEZA JURÍDICA**

*La Asamblea General, debidamente convocada y constituida, es el órgano de expresión de la voluntad de los Bonistas, con sujeción al presente Reglamento, y sus acuerdos vinculan a todos los Bonistas en la forma establecida por las Leyes.*

## **ARTÍCULO 8º. – LEGITIMACIÓN PARA CONVOCATORIA**

*La Asamblea General será convocada por el Consejo de Administración de la Sociedad Emisora o por el Comisario, siempre que cualquiera de ellos lo estime conveniente.*

*Sin perjuicio de lo anterior, el Comisario deberá convocarla cuando lo soliciten por escrito, y expresando el objeto de la convocatoria, los Bonistas que representen, por lo menos, la vigésima parte del importe total de la Emisión que no esté amortizado. En este caso, la Asamblea General deberá convocarse para ser celebrada dentro de los cuarenta y cinco (45) días siguientes a aquél en que el Comisario hubiere recibido solicitud válida al efecto.*

## **ARTÍCULO 9º. – FORMA DE CONVOCATORIA**

*La convocatoria de la Asamblea General se hará, por lo menos quince (15) días antes de la fecha fijada para su celebración, mediante (i) anuncio que se publicará en el “Boletín Oficial del Registro Mercantil” y, si se estima conveniente, en uno o más periódicos de mayor difusión nacional o internacional o (ii) notificación a los Bonistas de conformidad con los términos y condiciones de los Bonos.*

*Cuando la Asamblea General sea convocada para tratar o resolver asuntos relativos a la modificación de los términos y condiciones de Emisión de los Bonos y otros de trascendencia análoga, a juicio del Comisario, deberá ser convocada en la forma establecida en la Ley de Sociedades de Capital para la junta general de accionistas. En todo caso, se*

## **MANAGEMENT BODIES**

The Management bodies of the Syndicate are:

- (a) The General Meeting of Noteholders (the “General Meeting”).
- (b) The Commissioner of the General Meeting of Noteholders (the “Commissioner”).

## **ARTICLE 7º. – LEGAL NATURE**

The General Meeting, duly called and constituted, is the body of expression of the Noteholders’ will, subject to the provisions of these Regulations, and its resolutions are binding for all the Noteholders in the way established by the Law.

## **ARTICLE 8º. – CONVENING MEETINGS**

The General Meeting shall be convened by the Board of Directors of the Issuer or by the Commissioner, whenever they may deem it convenient.

Notwithstanding the above, the Commissioner shall convene a General Meeting when Noteholders holding at least the twentieth of the non-amortised entire amount of the Issue, request it in writing. In such case, the General Meeting shall be held within forty five (45) days following the receipt by the Commissioner of a valid written notice for this purpose.

## **ARTICLE 9º. – PROCEDURE FOR CONVENING MEETINGS**

The General Meeting shall be convened at least fifteen (15) days before the date set for the meeting, by (i) notice published in the Official Gazette of the Mercantile Registry and, if considered convenient, in one or more newspapers of significant national or international circulation or (ii) notice to the Noteholders in accordance with the terms and conditions of the Notes.

When the General Meeting is convened to consider or resolve matters relating to the amendment of the terms and conditions of the Issue of the Notes or any other matters considered to be of similar relevance by the Commissioner, it should be convened in the manner set out in the Spanish Capital Companies Act for the general meeting of shareholders. In any case, the notice

*expresará en el anuncio el nombre de la sociedad y la denominación del Sindicato, el lugar y la fecha de reunión, los asuntos que hayan de tratarse y la forma de acreditar la titularidad de los Bonos para tener derecho de asistencia a la Asamblea General.*

**ARTÍCULO 10º. – DERECHO DE ASISTENCIA**

*Tendrán derecho de asistencia a la Asamblea General los Bonistas que lo sean, con cinco (5) días de antelación, por lo menos, a aquél en que haya de celebrarse la reunión.*

*Los Administradores de la Sociedad Emisora y cualquiera de los Agentes de Pagos (Paying Agents) de la Emisión tendrán derecho de asistencia a la Asamblea General aunque no hubieren sido convocados.*

**ARTÍCULO 11º. – DERECHO DE REPRESENTACIÓN**

*Todo Bonista que tenga derecho de asistencia a la Asamblea General podrá hacerse representar por medio de otra persona. La representación deberá conferirse por escrito y con carácter especial para cada Asamblea General.*

**ARTÍCULO 12º. – QUÓRUM DE ASISTENCIA Y ADOPCIÓN DE ACUERDOS**

*La Asamblea General podrá adoptar acuerdos siempre que los Bonistas asistentes a la misma o debidamente representados en la misma representen al menos las dos terceras partes del saldo vivo de los Bonos, debiendo adoptarse estos acuerdos por mayoría absoluta del saldo vivo de los Bonos asistentes o debidamente representados.*

*En el caso de que no se logre la concurrencia de las dos terceras partes del saldo vivo de los Bonos, podrá convocarse una nueva Asamblea General para su celebración un mes después de su convocatoria, pudiendo entonces tomarse los acuerdos con independencia del saldo vivo de los Bonos que asistan o estén debidamente representados en la misma y adoptándose los acuerdos por mayoría absoluta del saldo vivo de los Bonos asistentes o debidamente representados.*

*No obstante, la Asamblea General se entenderá convocada y quedará válidamente*

shall state the name of the company and the naming of the Syndicate, the place and the date for the meeting, the agenda for the meeting and the way in which the ownership of the Notes shall be proved in order to have the right to attend the meeting.

**ARTICLE 10º. – RIGHT TO ATTEND MEETINGS**

Noteholders who have been so at least five (5) days prior to the date on which the meeting is scheduled, shall have the right to attend the meeting.

The members of the Governing Body of the Issuer and any of the Paying Agents under the Issue shall have the right to attend the meeting even if they have not been requested to attend.

**ARTICLE 11º. – RIGHT TO BE REPRESENTED**

All Noteholders having the right to attend the meetings also have the right to be represented by another person. Appointment of a proxy must be in writing and only for each particular meeting.

**ARTICLE 12º. – QUORUM FOR MEETINGS AND TO PASS RESOLUTIONS**

The General Meeting shall be entitled to pass resolutions if Noteholders representing at least two thirds of the outstanding Notes are present or duly represented at the meeting, and these resolutions shall be approved by an absolute majority of the outstanding Notes present or duly represented at the meeting.

In the case that two thirds of the outstanding Notes are not present or duly represented at the first meeting of the General Meeting, a new General Meeting may be convened to be held one month after the call, and will be validly constituted regardless of the number of outstanding Notes present or duly represented and the resolutions may be passed by absolute majority of the outstanding Notes present or duly represented at the meeting.

Nevertheless, the General Meeting shall be deemed validly constituted to transact any



*constituida para tratar de cualquier asunto de la competencia del Sindicato, siempre que estén presentes o debidamente representados los Bonistas titulares de todos los Bonos y los asistentes acepten por unanimidad la celebración de la Asamblea General.*

**ARTÍCULO 13º. – DERECHO DE VOTO**

*En las reuniones de la Asamblea General se conferirá derecho a un voto por cada Bono, presente o representado.*

**ARTÍCULO 14º. – PRESIDENCIA DE LA ASAMBLEA GENERAL**

*La Asamblea General estará presidida por el Comisario, quien dirigirá los debates, dará por terminadas las discusiones cuando lo estime conveniente y dispondrá que los asuntos sean sometidos a votación.*

**ARTÍCULO 15º. – LISTA DE ASISTENCIA**

*El Comisario formará, antes de entrar a discutir el orden del día, la lista de los asistentes, expresando el carácter y representación de cada uno y el número de Bonos propios o ajenos con que concurren.*

**ARTÍCULO 16º. – FACULTADES DE LA ASAMBLEA GENERAL**

*La Asamblea General podrá acordar lo necesario para la mejor defensa de los legítimos intereses de los mismos frente a la Sociedad Emisora; modificar, de acuerdo con la misma, los términos y condiciones de los Bonos; destituir o nombrar Comisario; ejercer, cuando proceda, las acciones judiciales correspondientes y aprobar los gastos ocasionados por la defensa de los intereses de los Bonistas.*

**ARTÍCULO 17º. – IMPUGNACIÓN DE LOS ACUERDOS**

*Los acuerdos de la Asamblea General podrán ser impugnados por los Bonistas conforme a lo dispuesto en el Capítulo IX del Título V de la Ley de Sociedades de Capital.*

**ARTÍCULO 18º. – ACTAS**

*El acta de la sesión podrá ser aprobada por la propia Asamblea General, acto seguido de haberse celebrado ésta, o, en su defecto, dentro del plazo de quince (15) días, por el Comisario y al menos un Bonista designado al efecto por la Asamblea General.*

business within the remit of the Syndicate if Noteholders representing all the outstanding Notes are present or duly represented, and provided that they unanimously approve the holding of such meeting.

**ARTICLE 13º. – VOTING RIGHTS**

In the meetings of the General Meeting, the right to one vote shall be granted for each Note, present or represented.

**ARTICLE 14º. – PRESIDENT OF THE GENERAL MEETING**

The Commissioner shall be the president of the General Meeting, shall chair the discussions, shall have the right to bring the discussions to an end when he considers it convenient and shall arrange for matters to be put to the vote.

**ARTICLE 15º. – ATTENDANCE LIST**

Before discussing the agenda for the meeting, the Commissioner shall form the attendance list, stating the nature and representation of each of the Noteholders present and the number of Notes at the meeting, both directly owned and/or represented.

**ARTICLE 16º. – POWER OF THE GENERAL MEETING**

The General Meeting may pass resolutions necessary for the best protection of Noteholders' lawful interests before the Issuer; to modify, in accordance with the Issuer, the terms and conditions of the Notes; to dismiss or appoint the Commissioner; to exercise, when appropriate, the corresponding legal claims and to approve the expenses caused by the defence of the Noteholders' interest.

**ARTICLE 17º. – CHALLENGE OF RESOLUTIONS**

The resolutions of the General Meeting may be challenged by the Noteholders in accordance with Chapter IX of Title V of the Spanish Capital Companies Act.

**ARTICLE 18º. – MINUTES**

The minutes of the meeting may be approved by the General Meeting, after the meeting has been held or, if not, within a term of fifteen (15) days by the Commissioner and at least one Noteholder appointed for such purpose by the General Meeting.

**ARTÍCULO 19°. – CERTIFICACIONES**

*Las certificaciones de las actas de los acuerdos de la Asamblea General serán expedidas por el Comisario.*

**ARTÍCULO 20°. – EJERCICIO INDIVIDUAL DE ACCIONES**

*Los Bonistas sólo podrán ejercitar individualmente las acciones judiciales o extrajudiciales que corresponda cuando no contradigan los acuerdos adoptados previamente por el Sindicato, dentro de su competencia, y sean compatibles con las facultades que al mismo se hubiesen conferido.*

**ARTÍCULO 21°. – GASTOS DEL SINDICATO**

*Los gastos normales que ocasione el sostenimiento del Sindicato correrán a cargo de la Sociedad Emisora, no pudiendo exceder en ningún caso del dos por ciento (2%) de los intereses anuales devengados por los Bonos.*

**TITULO III**

**DEL COMISARIO**

**ARTÍCULO 22°. – NATURALEZA JURÍDICA DEL COMISARIO**

*Incumbe al Comisario ostentar la representación legal del Sindicato y actuar de órgano de relación entre éste y la Sociedad Emisora.*

**ARTÍCULO 23°. – NOMBRAMIENTO Y DURACIÓN DEL CARGO**

*Sin perjuicio del nombramiento inicial del Comisario provisional, que deberá ser ratificado por la Asamblea General, esta última tendrá facultad para nombrar al Comisario y ejercerá su cargo en tanto no sea destituido por la Asamblea General.*

**ARTÍCULO 24°. – FACULTADES**

*Serán facultades del Comisario:*

*1° Tutelar los intereses comunes de los Bonistas.*

*2° Convocar y presidir las Asambleas Generales.*

*3° Informar a la Sociedad Emisora de los*

**ARTICLE 19°. – CERTIFICATES**

The certificates of the minutes of the resolutions of the General Meeting shall be issued by the Commissioner.

**ARTICLE 20°. – INDIVIDUAL EXERCISE OF ACTIONS**

The Noteholders will only be entitled to individually exercise judicial or extra judicial claims if such claims do not contradict the resolutions previously adopted by the Syndicate, within its powers, and are compatible with the faculties conferred upon the Syndicate.

**ARTICLE 21°. – EXPENSES OF THE SYNDICATE**

The ordinary expenses resulting from the maintenance of the Syndicate shall be for the account of the Issuer, but they will not exceed, in any year, an amount of two per cent. (2%) of the annual interests accrued by the Notes.

**TITLE III**

**THE COMMISSIONER**

**ARTICLE 22°. – NATURE OF THE COMMISSIONER**

The Commissioner shall bear the legal representation of the Syndicate and shall be the body for liaison between the Syndicate and the Issuer.

**ARTICLE 23°. – APPOINTMENT AND DURATION OF THE OFFICE**

Notwithstanding the initial appointment of the provisional Commissioner, which will require the ratification of the General Meeting, this latter shall have the power to appoint the Commissioner and he shall exercise his office as long as he is not dismissed by the General Meeting.

**ARTICLE 24°. – FACULTIES**

The Commissioner shall have the following faculties:

1° To protect the common interest of the Noteholders.

2° To call and act as president of the General Meeting.

3° To inform the Issuer of the resolutions passed

*acuerdos del Sindicato.*

*4° Vigilar el pago de los intereses y del principal.*

*5° Llevar a cabo todas las actuaciones que estén previstas realice o pueda llevar a cabo el Comisario de acuerdo con los términos y condiciones de los Bonos.*

*6° Ejecutar los acuerdos de la Asamblea General.*

*7° Ejercitar las acciones que correspondan al Sindicato.*

*8° En general, las que le confiere la Ley y el presente Reglamento.*

#### *TITULO IV*

##### *DISPOSICIONES ESPECIALES*

##### ***ARTÍCULO 25°. – SUMISIÓN A FUERO***

*Para cuantas cuestiones se deriven de este Reglamento, los Bonistas, por el solo hecho de serlo, se someten, de forma exclusiva, con renuncia expresa a cualquier otro fuero que pudiera corresponderles, a la jurisdicción de los Juzgados y Tribunales de la ciudad de Madrid.*

by the Syndicate.

4° To control the payment of the principal and the interest.

5° To carry out all those actions provided for in the terms and conditions of the Notes to be carried out or that may be carried out by the Commissioner.

6° To execute the resolutions of the General Meeting.

7° To exercise the actions corresponding to the Syndicate.

8° In general, the ones granted to him by Law and the present Regulations.

#### TITLE IV

##### SPECIAL DISPOSITIONS

##### **ARTICLE 25°. – JURISDICTION**

For any dispute arising from these Regulations, the Noteholders, by the sole fact of being so, shall submit to the exclusive jurisdiction of the courts and tribunals of the city of Madrid.

## 8. FORM OF GUARANTEE

*This is the text of the form of guarantee relating to each Guarantor in respect of the Notes.*

**THIS DEED OF GUARANTEE** is made on [●]

**BY**

(1) [●] (the “Guarantor”); and

**IN FAVOUR OF**

(2) **THE NOTEHOLDERS** (as defined in the Conditions).

**WHEREAS**

- (A) Ferrovial Emisiones, S.A. (the “Issuer”) proposes to issue €300,000,000 2.500 per cent. Notes due 2024 (the “Notes”).
- (B) The Guarantor has duly authorised the giving of a guarantee on an unconditional, unsubordinated and unsecured basis to guarantee the payment of all sums expressed to be payable by the Issuer under the Notes, such guarantee becoming effective as at the date of this Deed of Guarantee.

**THIS DEED OF GUARANTEE WITNESSES AND IT IS DECLARED** as follows:

### 1. Interpretation

- 1(A)** All terms and expressions which have defined meanings in the terms and conditions of the Notes (the “Conditions”) shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.
- 1(B)** Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.
- 1(C)** All references in this Deed of Guarantee to an agreement, instrument or other document (including the Conditions) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time.
- 1(D)** Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.
- 1(E)** Clause headings are for ease of reference only.

### 2. Guarantee and Indemnity

- 2(A)** The Guarantor hereby, jointly and severally with all other Guarantors for the time being of the Notes, unconditionally and irrevocably guarantees to each Noteholder the due and punctual payment of all sums expressed to be payable from time to time by the Issuer in respect of such Note as and when the same shall become due and payable and agrees unconditionally to pay to such Noteholder, forthwith on demand by such Noteholder and in the manner and currency prescribed by the Conditions for payments by the Issuer thereunder, any and every sum or sums of money which the Issuer shall at any time be liable to pay under or pursuant to such Note and which the Issuer shall have failed to pay at the time such demand is made.
- 2(B)** The Guarantor hereby, jointly and severally with all other Guarantors for the time being of the Notes, unconditionally and irrevocably undertakes to each Noteholder that, should any amount referred to in Clause 2(A) not be recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note or any provision of any Note being or becoming void, unenforceable or otherwise invalid under any applicable law) then, notwithstanding that the same may have been known to such Noteholder, the Guarantor will, forthwith on demand by such Noteholder, pay such amount by way of a full indemnity in the manner and in the currency prescribed by the Conditions

for payments under the Notes. This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

### **3. Preservation of Rights**

- 3(A)** The obligations of the Guarantor herein contained shall be deemed to be undertaken as sole principal debtor and not merely a surety.
- 3(B)** The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matters or things whatsoever and, in particular but without limitation, shall not be considered satisfied by any partial payment or satisfaction of all or any of the Issuer's obligations under the Notes and shall continue in full force and effect in respect of the Notes until final repayment in full of all amounts owing by the Issuer thereunder and total satisfaction of all the Issuer's actual and contingent obligations thereunder.
- 3(C)** The obligations expressed to be assumed by the Guarantor herein will not be discharged, nor will its liability under such obligations be affected, by anything which would not discharge its obligations or affect its liability if it were the sole principal debtor, including:
- (i) the insolvency, winding-up (*liquidación*), dissolution (*disolución*), amalgamation, reconstruction or reorganisation of the Issuer or any analogous proceeding in any jurisdiction or any change in its status, function, control or ownership; or
  - (ii) any of the obligations of the Issuer under the Notes being or becoming illegal, invalid or unenforceable in any respect; or
  - (iii) time or other indulgence being granted or agreed to be granted to the Issuer in respect of its obligations under any of the Notes; or
  - (iv) any amendment to, or any variation, waiver or release of, any obligation of the Issuer under the Notes or to any security or other guarantee or indemnity; or
  - (v) the enforcement or absence of enforcement of any obligation of the Issuer under the Notes or of any security or other guarantee or indemnity; or
  - (vi) the taking, existence or release of any security, guarantee or indemnity.
- 3(D)** Any settlement or discharge between the Guarantor and the Noteholders or any of them shall be conditional upon no payment to the Noteholders or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Noteholders shall each be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.
- 3(E)** No Noteholder shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:
- (i) to make any demand of the Issuer, other than the presentation of the Note; or
  - (ii) to take any action or obtain judgment in any court against the Issuer; or
  - (iii) to make or file any claim or proof in a winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer and, save as aforesaid, the Guarantor hereby expressly waives, in respect of each Note, presentment, demand, protest and notice of dishonour.
- 3(F)** The Guarantor agrees that so long as any sums are or may be owed by the Issuer under the Notes or the Issuer is under any other actual or contingent obligations thereunder, the Guarantor shall not exercise rights which the Guarantor may at any time have by reason of the performance of the obligations expressed to be assumed by the Guarantor herein:
- (i) to be indemnified by the Issuer; and/or

- (ii) to claim any contribution from any other guarantor of the Issuer's obligations under the Notes; and/or
- (iii) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes by any Noteholder; and/or
- (iv) to be subrogated to the rights of any Noteholder against the Issuer in respect of amounts paid by the Guarantor pursuant to the provisions of this Deed of Guarantee.

**3(G)** The obligations of the Guarantor hereunder will at all times rank as described in Condition 3(b) (*Status of the Guarantees*).

#### **4. Incorporation of Terms**

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

#### **5. Deposit of Deed of Guarantee**

A copy of this Deed of Guarantee shall be delivered to the Commissioner and the Principal Paying Agent. A duly executed original of this Deed of Guarantee shall be deposited with and held by the Principal Paying Agent until the earliest of (1) the date on which all the obligations of the Issuer under or in respect of the Notes have been discharged in full, or (2) the date on which the Guarantor is released from its obligations under this Deed of Guarantee. The Guarantor hereby acknowledges the right of every Noteholder to the production of this Deed of Guarantee.

#### **6. Stamp Duties**

The Guarantor will pay any stamp duty or other documentary taxes (including any penalties and interest in respect thereof) payable in connection with the execution and delivery of this Deed of Guarantee, and will, to the extent permitted by applicable law, indemnify each Noteholder from all liabilities arising from any failure to pay, or delay in paying, such taxes.

#### **7. Currency Indemnity**

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable under this Deed of Guarantee or such order or judgment into another currency (the "second currency") for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal, or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Noteholder on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency, and (ii) the rate of exchange quoted on the same day at or around 11.00 a.m. (London time) on the appropriate Reuters, Bloomberg or equivalent screen which such Noteholder may in the ordinary course of business use for the sale of the second currency against a purchase of the first currency, upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

#### **8. Deed Poll; Benefit of Guarantee**

**8(A)** This Deed of Guarantee shall take effect as a deed poll for the benefit of the Noteholders from time to time.

**8(B)** The obligations expressed to be assumed by the Guarantor herein shall be for the benefit of each Noteholder, and each Noteholder shall be entitled severally to enforce such obligations against the Guarantor.

#### **9. Subsidiary Guarantors**

The Guarantor hereby consents to any Subsidiary of the Issuer becoming a Subsidiary Guarantor in accordance with Condition 3(d) (*Accession of Subsidiary Guarantors*).

## **10. Release Event**

Notwithstanding any provisions herein, the Guarantor shall be released from its obligations under this Deed of Guarantee, and this Deed of Guarantee shall immediately cease to have any effect in accordance with, and upon satisfaction of, the terms of Condition 3(e) (*Release of Subsidiary Guarantors*).

## **11. Partial Invalidity**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

## **12. Modification**

This Deed of Guarantee may be modified by the Guarantor in respect of the Notes with the sanction of a resolution of the Syndicate of Noteholders.

## **13. Notices**

Notices to the Guarantor shall be in the English language and shall be by letter or fax and shall be delivered to the Guarantor at:

Ferrovial, S.A.

Calle Príncipe de Vergara, 135,

28002 Madrid

Spain

Fax Number.: +34 91 586 27 49

Attention of: Alejandro Veramendi B

or any other address of which written notice has been given to the Noteholders. Such communications will take effect, in the case of a letter, when delivered or, in the case of fax, when the relevant delivery receipt is received by the sender; provided that any communication which is received outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place.

## **14. Law and Jurisdiction**

**14(A)** This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

**14(B)** The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed of Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Deed of Guarantee (“Proceedings”) (including any Proceedings related to any non-contractual obligations arising out of or in connection with this Agreement) may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**14(C)** The Guarantor irrevocably appoints Sherard Secretariat Services Limited as its authorised agent for service of process in England in respect of Proceedings in England. If for any reason such agent shall cease to be such agent for the service of process, the Guarantor shall forthwith appoint a new agent for service of process in England and notify the Noteholders of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

## **15. Third Parties**

No person other than each Noteholder shall have any right to enforce any term of this Deed of Guarantee under the Contracts (Rights of Third Parties) Act 1999.



## **9. USE OF PROCEEDS**

The net proceeds of the issue of the Notes, expected to amount to €297,177,000.00 million after deduction of the €1,200,000 commissions in connection with the issue of the Notes, will be made available to the Parent for the general purposes of the Group.

## 10. TAXATION

### Introduction

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Notes by individuals or entities who are the beneficial owners of the Notes (the “Noteholders” and each a “Noteholder”). The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

All the tax consequences described in this section are based on the general assumption that the Notes are initially registered for clearance and settlement in Iberclear.

Prospective purchasers of the Notes should consult their own tax advisers as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes.

The summary set out below is based upon Spanish law as in effect on the date of this Prospectus and is subject to any change in such law that may take effect after such date, including changes with retroactive effect. In particular prospective investors or beneficial owners of the Notes are advised to monitor the development of the tax reform announced in Spain which will affect the taxation of the Notes as well as the developments of the Law 10/2014, recently approved.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Prospectus:

- (i) of general application, Law 10/2014, as well as Royal Decree 1065/2007, dated 27 July 2007, as amended by Royal Decree 1145/2011, dated 29 July 2011 (“Royal Decree 1145/2011”);
- (ii) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax (“PIT”), Law 35/2006, dated 28 November 2006, on PIT and partial amendment of Corporate Income Tax Law and Non Residents Income Tax Law, as amended, and Royal Decree 439/2007, dated 30 March 2007, enacting the PIT Regulations, along with Law 19/1991, dated 6 June 1991, on Wealth Tax, as amended by Law 4/2008, dated 23 December 2008, which abolishes Wealth Tax, provides for a monthly Value Added Tax refund system and introduces other amendments to Spanish tax legislation, and by Royal Decree-law 13/2011, dated 16 September 2011, which re-establishes, temporarily, the Wealth Tax, as amended by Law 22/2013, dated 26 December 2013, and Law 29/1987, dated 18 December 1987, on Inheritance and Gift Tax;
- (iii) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (“CIT”), Royal Legislative Decree 4/2004, dated 5 March 2004, promulgating the Consolidated Text of the CIT Law, as amended, and Royal Decree 1777/2004, dated 30 July 2004, promulgating the CIT Regulations; and
- (iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (“NRIT”), Royal Legislative Decree 5/2004, dated 5 March 2004, promulgating the Consolidated Text of the NRIT Law, as amended, along with Law 19/1991, dated 6 June 1991, on Wealth Tax, as amended by Law 4/2008, dated 23 December 2008, which abolishes Wealth Tax, provides for a monthly Value Added Tax refund system and introduces other amendments to Spanish legislation, and by Royal Decree-law 13/2011, dated 16 September 2011, which re-establishes temporarily, Wealth Tax, as amended by Law 22/2013, dated 26 December 2013, and Royal Decree 1776/2004, dated 30 July 2004 promulgating, the NRIT Regulations, and Law 29/1987, dated 18 December 1987, on Inheritance and Gift Tax.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e. exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, dated 24 September 1993 and exempt from Value Added Tax, in accordance with Law 37/1992, dated 28 December 1992 regulating such tax.

The Issuer understands that the Notes should be deemed as financial assets with an explicit yield for Spanish tax purposes, according to article 91 of the PIT Regulations and article 61 of the CIT Regulations.

#### *Individuals with Tax Residency in Spain*

##### *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law, and must be included in the investor's PIT savings taxable base, which is taxed in 2014 at a flat rate of 21% on the first €6,000, 25% on the following €18,000 and 27% for any amount in excess of €24,000. In principle, the applicable rates on this type of income are expected to be 20% for taxable income up to €6,000 as from 1 January 2015 and 19% as from 1 January 2016, 22% from €6,000 to €50,000 as from 1 January 2015 and 21% as from 1 January 2016 and 24% for any amount in excess of €50,000 as from 1 January 2015 and 23% as from 1 January 2016.

A (current) 21% withholding on account of PIT (which is expected to be reduced to 20% as from 1 January 2015 and 19% as from 1 January 2016 onwards) will be imposed by the Issuer on interest payments as well as on income derived from the redemption or repayment of the Notes, by individual investors subject to PIT.

However, income derived from the transfer of the Notes should not be subject to withholding on account of PIT provided that the Notes are:

- (i) registered in book-entry form (*anotaciones en cuenta*); and
- (ii) traded in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

Notwithstanding the above, 21% withholding tax (which is expected to be reduced to 20% as from 1 January 2015 and 19% as from 1 January 2016 onwards) shall apply on the part of the transfer price that corresponds to the accrued interest when the transfer of the Notes takes place within the 30-day period prior to the moment in which such interest is due when the following requirements are fulfilled:

- (i) the acquirer would be a non-resident or a CIT taxpayer;
- (ii) the explicit yield derived from the transfer of the notes is exempt from withholding tax.

In any event, the individual holder may credit the withholding tax applied by the Issuer against his or her final PIT liability for the relevant tax year.

#### *Reporting Obligations*

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

##### *Net Wealth Tax (Impuesto sobre el Patrimonio)*

According to Royal Decree-law 13/2011, dated 16 September 2011, as amended by Law 22/2013, dated 26 December 2013, in 2014 all Spanish resident individuals are liable for Net Wealth Tax. This tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2% and 2.5% and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Net Wealth Tax must take into account the amount of the Notes which they hold as at 31 December in each year, when calculating their Net Wealth Tax liabilities.

##### *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals who are resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish IGT in accordance with the applicable Spanish regional and state rules. The applicable tax rates range between 7.65% and 81.6% for 2014, depending on relevant factors.

## *Legal Entities with Tax Residency in Spain*

### *Corporate Income Tax (Impuesto sobre Sociedades)*

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current basic tax rate of 30% for 2014 and which is expected to be reduced to 28% in year 2015 and 25% from year 2016 onwards) in accordance with the rules for such tax.

No withholding on account of CIT will be imposed on interest payments or on income derived from the redemption or repayment of the Notes, by Spanish CIT taxpayers provided that certain requirements are met (including that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below). See “—Compliance with Certain Requirements in Connection with Income Payments”.

With regard to income derived from the transfer of the Notes, in accordance with article 59.q of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Notes are:

- (i) registered by way of book entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

### *Reporting Obligations*

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

### *Net Wealth Tax (Impuesto sobre el Patrimonio)*

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes are not subject to Spanish Wealth Tax.

### *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the IGT but generally must include the market value of the Notes in their taxable income for CIT purposes.

### *Individuals and Legal Entities that Are Not Tax Resident in Spain*

- (1) *Investors that Are Not Resident in Spain for Tax Purposes, Acting in Respect of the Notes Through a Permanent Establishment in Spain*

### *Non-resident Income Tax (Impuesto sobre la Renta de no Residentes)*

If the Notes form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those set forth above for Spanish CIT taxpayers. See “—Legal Entities with Tax Residency in Spain – Corporate Income Tax (*Impuesto sobre Sociedades*)”.

Ownership of the Notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

### *Reporting Obligations*

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

(2) *Investors that Are Not Resident in Spain for Tax Purposes, Not Acting in Respect of the Notes Through a Permanent Establishment in Spain*

(A) *Non-resident Income Tax (Impuesto sobre la Renta de no Residentes)*

Both interest payments periodically received under the Notes and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met.

In order to be eligible for the exemption from NRIT, certain requirements must be met (including that, in respect of interest payments from the Notes carried out by the Issuer, the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below), as set forth in article 44 of Royal Decree 1065/2007 of 27 July 2007, as amended by Royal Decree 1145/2011 of 29 July 2011. See “— Compliance with Certain Requirements in Connection with Income Payments”.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of interest under the Notes, the Issuer will withhold Spanish withholding tax at the applicable rate (currently 21%, which is expected to be reduced to 20% as from 1 January 2015 and 19% as from 1 January 2016 onwards) on such payment of income on the Notes and the Issuer will not pay additional amounts with respect to any such withholding tax.

A beneficial owner who is not resident in Spain for tax purposes and entitled to exemption from NRIT, but to whom payment was not exempt from Spanish withholding tax due to a failure on the delivery of a duly executed and completed Payment Statement to the Issuer, will receive a refund of the amount withheld, with no need for action on the beneficial owner’s part, if the Issuer receives a duly executed and completed Payment Statement no later than the tenth calendar day of the month immediately following the relevant payment date.

In addition, beneficial owners of the Notes may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the NRIT Law and its regulations.

(B) *Net Wealth Tax (Impuesto sobre el Patrimonio)*

In relation to fiscal year 2014, non-Spanish tax resident individuals holding Notes will be subject to Net Wealth Tax to the extent that such Noteholders own Notes (along with other property located in Spain and rights which could be exercised in Spain) valued at a combined net amount in excess of €700,000 as of 31 December. Spanish Net Wealth Tax rates vary between 0.2% and 2.5%. To the extent that income deriving from the Notes is exempt from Non-Resident Income Tax, individuals who do not have tax residency in Spain who hold such Notes on the last day of the year will be exempt from Net Wealth Tax. Furthermore, individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax will generally be exempt from Net Wealth Tax. If the exemptions outlined do not apply, individuals who are not tax residents in Spain will be subject to Net Wealth Tax to the extent that the Notes are located in Spain or the rights deriving from the Notes can be exercised in Spain.

*Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to IGT in accordance with the applicable Spanish state rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to IGT. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

If no treaty for the avoidance of double taxation in relation to IGT applies, applicable IGT rates would range between 7.65% and 81.6% for 2014, depending on relevant factors.

Non-Spanish tax resident legal entities that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to IGT. Such acquisitions may be subject to NRIT (as described above), unless otherwise applicable under the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of tax residence of the beneficiary owner.

#### *Compliance with Certain Requirements in Connection with Income Payments*

As described under “—Individuals and Legal Entities that Are Not Tax Resident in Spain”, “—Legal Entities with Tax Residency in Spain—Corporate Income Tax (*Impuesto sobre Sociedades*)”, provided the conditions set forth in Law 10/2014 are met, interest payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish CIT taxpayers, will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a “Payment Statement”), in accordance with section 4 of article 44 of Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, containing the following information:

1. Identification of the Notes.
2. Total amount of the income paid by the Issuer.
3. Amount of the income corresponding to individual residents in Spain that are IIT taxpayers.
4. Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 21% (which is expected to be reduced to 20% as from 1 January 2015 and 19% as from 1 January 2016 onwards).

If this were to occur, affected beneficial owners will receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the tenth calendar day of the month immediately following the relevant payment date. In addition, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

**Prospective investors should note that the Issuer does not accept any responsibility relating to the lack of delivery of a duly executed and completed Payment Statement by the Iberclear Members in connection with each payment of income under the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any beneficial owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because the Payment Statement was not duly delivered to the Issuer. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.**

#### **Payments under the Guarantee**

On the basis that payments of principal and interest made by a Guarantor under the Guarantee are characterised as an indemnity under Spanish law, such payments may be made free of withholding or deduction on account of any Spanish tax. However, although there is no precedent or regulation on the matter, if the Spanish tax authorities take the view that the Guarantor has effectively assumed the obligations of the Issuer under the Notes (whether contractually or by any other means), the Spanish tax authorities may determine that payments made by the Guarantor, relating to interest on the Notes, will be subject to the same tax rules set out above for payments made by the Issuer.

#### **EU Savings Directive**

EC Council Directive 2003/48/EC, as amended from time to time, on the taxation of savings income (the “Savings Directive”) requires EU Member States to provide to the tax authorities of other EU Member

States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident or certain other types of entity established in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015. A number of third countries and territories have adopted similar measures to the Savings Directive.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. The Issuer is required to maintain a paying agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive, as amended from time to time, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Investors should choose their custodians or intermediaries with care, and provide each custodian or intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive.

### **The proposed European financial transactions tax**

The European Commission published in February 2013 a proposal for a Directive for a common financial transaction tax (the "FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The proposed FTT had very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. In this respect, latest news came up in February 2014 from EU-11 Finance Ministers meeting suggests that a new approach was reached in order to reduce the initial scope of the FTT and constrain it to certain transactions related to listed shares, although it cannot be disregarded that further modifications to the scope of the FTT could arise in the forthcoming months. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and Member States mentioned above may decide not to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## 11. SUBSCRIPTION AND SALE

Banco Santander, S.A., Deutsche Bank AG, London Branch, HSBC Bank plc, RBC Europe Limited and The Royal Bank of Scotland plc (the “Joint Lead Managers and Bookrunners”) have, pursuant to a Subscription Agreement (the “Subscription Agreement”) dated 9 July 2014, jointly and severally agreed with the Issuer and the Parent to subscribe or procure subscribers for the Notes at the issue price of 99.459 per cent of the nominal amount of the Notes, less certain commissions as agreed with the Issuer.

In addition, the Issuer may, at its discretion, pay the Joint Lead Managers and Bookrunners a discretionary performance related fee. The Issuer will also reimburse the Joint Lead Managers and Bookrunners in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers and Bookrunners against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

### General

This Prospectus does not constitute an offer by, or an invitation by or on behalf of, the Issuer, the Parent or the Joint Lead Managers and Bookrunners or any other person to subscribe for any of the Notes, or the solicitation of an offer to subscribe for any of the Notes. No action has been taken by the Issuer, the Parent or any of the Joint Lead Managers and Bookrunners that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager and Bookrunner has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

### Spain

The Notes may not be offered, sold or distributed, nor may any subsequent resale of the Notes be carried out in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of Article 30-bis of the LMV, Royal Decree 1310/2005 of 4 November (*Real Decreto 1310/2005 de 4 de noviembre*), and supplemental rules enacted thereunder.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager and Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the distribution compliance period), within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.



In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Joint Lead Manager and Bookrunner has represented and agreed that:

- (a) it has complied and will comply with all applicable provisions of the United Kingdom Financial Services and Markets Act 2000 (“FSMA”) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of FSMA does not apply to the Issuer or the Parent.

## 12. SUMMARY OF CLEARANCE AND SETTLEMENT PROCEDURES APPLICABLE TO BOOK-ENTRY NOTES

Below is a brief summary of the Spanish clearance and settlement procedures applicable to book-entry notes such as the Notes.

Notwithstanding that, it should be noted that Law 32/2011, of 4 October which amends Law 24/1988, of 28 July on the Securities Market (*Ley 32/2011, de 4 de octubre, por la que se modifica la Ley 24/1988, de 28 julio, del Mercado de Valores*), provides for certain changes that are yet to be implemented in the Spanish clearing, settlement and registry procedures of securities transactions. These will modify the system and allow for the integration of the post trading Spanish systems into the TARGET System (TARGET2), which is scheduled to be fully implemented in February 2017.

The project to reform Spain's clearing, settlement and registry system and its connection to the TARGET System (the "Reform") introduces significant new features that affect all classes of securities and all post-trade activities.

The Reform will be implemented in two phases:

- The first phase will take place at the beginning of 2015 and will involve setting up a new system for equities to include all the changes envisaged in the Reform, including the creation of a central clearing counterparty ("CCP") in post-trade whose design must be compatible with the TARGET System (messages, account structure, definition of operations, etc.). Accordingly, the SCLV (*Servicio de Compensación y Liquidación de Valores*) platform will be discontinued.

That system will continue to settle by the current deadline of T+3, although that should be reduced to T+2 within a period of two to three months since T+2 is the settlement period in the proposed regulation on improving securities settlement in the European Union and on central securities depositories ("CSDs").

The CADE (*Central de Anotaciones de Deuda Pública*) platform will continue to operate unchanged and cash settlements in the new system will be made in the TARGET2-Bank of Spain cash accounts, as at present.

- The second phase will be implemented to coincide with Iberclear's connection to the TARGET System, scheduled for February 2017. At that time, fixed-income securities will be transferred to the new system, and CADE will be discontinued.

Equities will also be settled in accordance with the procedures and time periods of the TARGET System, so that the interim settlement procedure used in the first phase will be discontinued.

The second phase will entail unifying the registry and settlement approach for both equities and fixed-income.

### **Iberclear**

Iberclear is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the clearing and settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), The Book-Entry Public Debt Market and AIAF. To achieve this, Iberclear uses two technical platforms, SCLV (for the Spanish Stock Exchanges and Latibex) and CADE (for The Book-Entry Public Debt Market and AIAF).

Iberclear is owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a holding company, which holds a 100% interest in each of the Spanish official secondary markets and settlement systems.

## **Iberclear Securities Registration System**

Iberclear and the Iberclear Members have the function of keeping the book-entry register of securities traded on the AIAF.

The book-entry register structure is divided into: (i) the Spanish Central Registry managed by Iberclear, that reflects the aggregate balance of the securities held by each of the Iberclear Members (segregated into the Iberclear Members' own account and accounts held on behalf of third parties), and (ii) an itemised individual register managed by each of the Iberclear Members, in which securities are listed under the security owner's name.

Spanish law considers the legal owner of the securities to be:

- the Iberclear Member appearing in the records of Iberclear as holding the relevant securities in its own name; or
- the investor appearing in the records of the Iberclear Member as holding the securities.

## **Iberclear Settlement of securities traded in AIAF**

Securities traded in AIAF are private fixed income securities, including corporate bonds (for example, medium term notes and mortgage bonds), represented either in a dematerialised form or by certificates.

In the AIAF settlement system, transactions may be settled spot, forward (settlement date more than five days after the relevant trade date), with a repurchase agreement on a fixed date and double or simultaneous transactions (two trades in opposite directions with different settlement dates).

The settlement system used for securities admitted for trading in AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the business day agreed by participants at the moment of the trade.

## **Settlement Cycles: The CADE Platform**

The process of settling all reported trades with a value date on a specific day, is carried out in three phases:

- first settlement cycle;
- real-time settlement; and
- session close

The first cycle includes all transactions reported to CADE up to 6:00 pm of D-1, and these are settled if sufficient funds and an adequate securities balance are available in the pertinent accounts.

The real-time settlement process is carried out between 7:00 am and 4:00 pm of the settlement day, and the system first checks if a sufficient securities balance is available. If it is available, but the buyer of the securities does not have available funds, the order is rejected and returned to CADE, and placed in a queue. The process is periodically activated until enough balance is available in the relevant accounts to settle outstanding orders with finality. If the balance in the seller's securities account is insufficient, the transaction is placed in a queue. When a credit is lodged in a securities account, the system checks whether queued orders can be processed.

At the end of the day, the system tries one last time to settle all transactions not settled in the first cycle or during the process in real time. The settlement cycle at the end of the day takes place at 5:00 pm.

If the seller's securities account has sufficient balance, the system checks (by means of a comparison with the payment side) if there is also sufficient balance in the buyer's cash account. That is, securities and cash are not immediately blocked. Once the transfers of securities and cash have been executed, each of the transactions is considered final.

### 13. ADDITIONAL INFORMATION

Below are the disclosure requirements of Annex VI, Annex IX and Annex XIII of Regulation EC 809/2004 which have not been covered in the preceding sections of this Prospectus, including the documents incorporated by reference in accordance with Section 2 (*Documents incorporated by Reference*):

#### **Key information. Interest of natural and legal persons involved in the issue**

The Joint Lead Managers and Bookrunners and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Parent or their affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of its business activities, the Joint Lead Managers and Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Parent or their affiliates. Certain of the Joint Lead Managers and Bookrunners or their affiliates that have a lending relationship with the Issuer or the Parent routinely hedge their credit exposure to the Issuer or the Parent, as the case may be, consistent with their customary risk management policies. Typically, such Joint Lead Managers and Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's or the Parent's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Lead Managers and Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

#### **Admission to trading and dealing arrangements**

The issue of the Notes was duly authorised by a resolution of the joint directors of the Issuer passed on 26 June 2014 on the basis of the authorisation granted by a resolution of the General Assembly of the Issuer passed on 26 June 2014 and the giving of the Guarantee was duly authorised by the resolutions of the Boards of Directors of the Parent on 26 June 2014.

#### **Statement of the capacity in which the advisers have acted**

In addition to the Joint Lead Managers and Bookrunners, the following entities have provided advisory services in relation with the Offering of the Notes:

- Allen & Overy has acted as legal adviser to the Joint Lead Managers and Bookrunners on Spanish and English law; and
- Linklaters, S.L.P. has acted as legal adviser to the Issuer and the Parent on Spanish and English law.

#### **Expenses related to the Offering and admission to trading**

For informative purposes only, an approximate estimate of the expenses payable by the Issuer in relation to the Offering and admission to trading is as follows:

Type of expense	Euro (estimated amount)
Charges and fees of AIAF and Iberclear.....	15,500
CNMV fees (listing) .....	18,000
Managers' fees.....	1,200,000
Other.....	677,000
<b>TOTAL</b> .....	<b>1,910,500</b>

## **Listing**

This Prospectus has been approved by the CNMV in its capacity as competent authority under the LMV and relevant implementing measures in Spain. Application will be made for the Notes to be admitted to trading on AIAF. The Notes may also be admitted to trading on any other secondary market as may be agreed by the Issuer.

## **Clearing**

The Notes have been accepted for clearance through Iberclear. The International Securities Identification Number (ISIN) for this issue is ES0205032008 and the Common Code is 108782927.

## **Governmental, legal or arbitration proceedings**

Save as disclosed under “Description of Ferrovial – Legal Proceedings” on pages 48 to 50 above, there are no, and there have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Parent is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of any of the Parent or, the Group.

There are no, and there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Parent is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

## **Financial and trading position**

There has been no significant change in the financial or trading position of the Issuer since 31 December 2013, and no material adverse change in the financial position or prospects, of the Issuer since 31 December 2013.

There has been no significant change in the financial or trading position of the Parent since 31 March 2014 and no material adverse change in the financial position or prospects of the Parent since 31 December 2013.

## **Financial information**

Deloitte, S.L., independent auditors on the *Registro Oficial de Auditores de Cuentas* whose address is Plaza Pablo Ruiz Picasso, 1, 28020 Madrid, Spain, audited the consolidated annual accounts of the Issuer and the Parent for the year ended 31 December 2012 and 31 December 2013. The reports in respect of such annual accounts were unqualified.

## **Documents on display**

For the period of 12 months following the date of this Prospectus, copies of the following documents will be available:

- (a) the by-laws of the Issuer and of the Parent, on Ferrovial’s website ([www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents*) and on the CNMV website ([www.cnmv.es](http://www.cnmv.es));
- (b) the constitutional documents of the Issuer and of the Parent, from the Commercial Registry (*Registro Mercantil*) of Madrid;
- (c) the audited consolidated annual accounts of the Parent in respect of the financial years ended 31 December 2012 and 31 December 2013 (with an English translation thereof) together with the audit reports and the consolidated directors’ reports in connection therewith, from the registered office of the Parent, on Ferrovial’s website ([www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents*) and on the CNMV website ([www.cnmv.es](http://www.cnmv.es));

- (d) the audited annual accounts of the Issuer in respect of the financial years ended 31 December 2012 and 31 December 2013 together with the audit report and in relation to the latter, the directors' report, from the registered office of the Parent, on Ferrovial's website ([www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents*) and on the CNMV website ([www.cnmv.es](http://www.cnmv.es));
- (e) a copy of this Prospectus, from the registered office of the Parent, on Ferrovial's website ([www.ferrovial.com](http://www.ferrovial.com) in section *IR&Shareholders/Debt issuances and rating/Debt issuances/Documents*) and on the CNMV website ([www.cnmv.es](http://www.cnmv.es)); and
- (f) a copy of the Deed of Guarantee for each Guarantor, from the registered office of the Parent.

#### **14. SIGNATURES**

In witness to their knowledge and approval of the contents of this Prospectus drawn up according to Annexes VI, IX and XIII of Commission Regulation (EC) No. 809/2004 of 29 April 2004, it is hereby signed by Mr. Ernesto López Mozo and Mr. Alejandro Veramendi B, in their capacity as attorneys in fact of the Issuer, acting under a special power of attorney granted by the Joint Directors of the Issuer, and by Mr. Ernesto López Mozo, in his capacity as Chief Financial Officer of the Parent, acting under a special power of attorney granted by the Board of Directors, in Madrid, on 26 June 2014.

**THE JOINT LEAD MANAGERS AND BOOKRUNNERS**

**Banco Santander, S.A.**  
Gran Vía de Hortaleza 3  
28033 Madrid  
Spain

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**RBC Europe Limited**  
Riverbank House  
2 Swan Lane  
London EC4R 3BF  
United Kingdom

**The Royal Bank of Scotland plc**  
135 Bishopsgate,  
London EC2M 3UR  
United Kingdom

**THE ISSUER**

**Ferrovial Emisiones, S.A.**  
Príncipe de Vergara, 135  
28002 Madrid  
Spain

**THE PARENT**

**Ferrovial, S.A.**  
Príncipe de Vergara, 135  
28002 Madrid  
Spain

**PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**LOCAL PAYING AGENT**

**Deutsche Bank S.A.E.**  
Paseo de la Castellana 18  
28046 Madrid  
Spain

**LEGAL ADVISERS**

*To the Issuer and the Parent as to English and Spanish law*

**Linklaters, S.L.P.**  
Calle Almagro, 40  
28010 Madrid  
Spain

*To the Joint Lead Managers and Bookrunners as to English and Spanish law*

**Allen & Overy**  
Pedro de Valdivia, 10  
28006 Madrid  
Spain

**AUDITORS OF THE ISSUER AND THE PARENT**

**Deloitte, S.L.**  
Plaza Pablo Ruiz Picasso, 1  
Torre Picasso  
28020 Madrid  
Spain

**COMMISSIONER**

**Bondholders, S.L.**  
Avenida de Francia, 17 A1  
46023 Valencia  
Spain