

*English translation for information purposes only. In the event of discrepancies between the English and the Spanish version, the Spanish version shall prevail.*



Pursuant to the Consolidated Text of the Spanish Securities Market Act (*Texto Refundido de la Ley del Mercado de Valores*), FERROVIAL, S.A. (the Company or FERROVIAL), hereby reports the following:

By a communication dated 5 April 2018 (registration number 263,766), the resolutions adopted by the Ordinary General Shareholders' Meeting of the Company held on that day were reported, and among these, the approval, under item six of the agenda, of a second paid-up share capital increase.

The Board of Directors of the Company, pursuant to the powers delegated in its favour by the General Shareholders' Meeting, has agreed to carry out this capital increase.

For the purposes of the provisions of Article 26.1 e) of Royal Decree 1310/2005, of 4 November, an informative document is attached hereto as Annex.

Madrid, 30 October 2018

Santiago Ortiz Vaamonde  
Secretary of the Board of Directors of Ferrovial, S.A.

**Annex**

**Informative Document**

**Second paid-up share capital increase against reserves,  
approved by the General Shareholders' Meeting held on 5  
April 2018**

**Ferrovial, S.A.**

30 October 2018

This document has been drafted in accordance with Article 26.1 e) of Royal Decree 1310/2005.

## **1. Background and purpose**

The Ordinary General Shareholders' Meeting of Ferrovial, S.A. (hereinafter, "**Ferrovial**" or "**the Company**") held on 5 April 2018 approved, under item six of the agenda, a fully paid-up share capital increase against reserves for an amount to be determined under the terms envisaged in the resolution itself (hereinafter, "**the Capital Increase**"), empowering the Board of Directors, with express power of delegation to the Executive Committee, the Chairman or the CEO, insofar as necessary to carry out the Capital Increase, pursuant to Article 297.1.a) of the Capital Companies Act. The maximum market price of the Capital Increase (the "**Amount of the Alternative Option**") has been set at EUR 310,680,969.06.

The Board of Directors agreed to perform the Capital Increase using the aforementioned powers conferred to it.

Pursuant to Article 26.1 e) of Royal Decree 1310/2005, of 4 November, partially implementing Securities Market Act 24/1988, of 28 July, regulating admission to trading on official secondary markets, initial public offerings and takeover bids, and the prospectus required in this connection, preparation and publication of a prospectus in relation to admission to trading of the shares issued to perform the Capital Increase is not required *"provided that the said shares are of the same class as those already admitted to trade in the same market and that a document is made available that has information on the number and nature of shares and the reasons for and the details of the offer"*. Such function is carried out by this informative document, which is available on the Company's corporate website ([www.ferrovial.com](http://www.ferrovial.com)) and on the website of the Spanish Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)).

Therefore, the purpose of this document is to provide, from the aforementioned information, that which is known on this date relating to the Capital Increase. Once the Capital Increase has been completed and the remaining information becomes available, it will be disclosed to the public by means of a communication to the Spanish Securities Market Commission. This communication is expected to be reported on 23 November 2018.

## **2. Reasons for the Capital Increase and how it will work**

### **2.1. Reasons for the Capital Increase**

The Capital Increase was approved by the General Shareholders' Meeting as a tool for implementing the shareholder remuneration scheme called "Ferrovial Flexible Dividend".

This scheme has been implemented by the Company during financial years 2014, 2015, 2016 and 2017. During this financial year, it has also been used in substitution of what would have been the payment of the complementary dividend for financial year 2017. On this occasion, the execution of this capital increase substitutes to what would have been the traditional payment of the interim dividend for financial year 2018.

Thus, the aim of this scheme is to offer again to the Company's shareholders the option, at their own discretion, to receive fully free-of-charge shares, without altering the Company's cash remuneration policy for shareholders since they may opt to receive a cash amount instead by selling their free-of-charge allocation rights to the Company (if they do not sell them in the market) which they receive for the shares they own, as explained below.

The "Ferrovial Flexible Dividend" scheme is similar to schemes implemented by other IBEX-35 companies. Through this scheme, the Company wants to offer its shareholders an alternative that will permit them collect the full amount in cash if they wish, while giving them the option of obtaining Company shares under a scrip-dividend tax regime.

"Ferrovial Flexible Dividend" scheme works as described below.

## **2.2. The way the Capital Increase works**

Each shareholder receives a free-of-charge allocation right for each Ferrovial share owned at the date stated in section 3.1. These rights may be traded and sold on the Madrid, Barcelona, Bilbao and Valencia stock exchanges from 6 to 20 November 2018, both inclusive (i.e. over a fifteen (15) calendar days period). Upon termination of this period, the rights will be converted automatically into newly-issued Ferrovial shares. Each Company's shareholder may choose from the following options:

- (a) Not to sell their free-of-charge allocation rights. In this case, at the end of the trading period the shareholder will receive the corresponding number of newly issued shares fully free-of-charge.
- (b) Sell, in full or in part, the free-of-charge allocation rights to the Company at a guaranteed set price by virtue of an irrevocable purchase commitment assumed by Ferrovial, which will be referred to later on in this document. Instead of receiving shares, shareholders would opt to monetize their rights and would be paid a cash consideration. This option will cover the free-of-charge allocation rights obtained by the shareholders for free and not to the free-of-charge allocation rights purchased or otherwise acquired in the market. It will remain effective and may be requested over the term indicated in section 3.4.
- (c) Sell, in full or in part, the free-of-charge allocation rights in the market over the trading period stated in section 3.4 below. Shareholders in this case would also opt to monetize their rights, although they would not receive a guaranteed set price as in option (b) above. The consideration paid for the rights would depend on the terms and conditions of the market in general and on the share price of the above rights, more specifically.

The Company's shareholders may combine any of the aforementioned options to match their requirements. However, it should be noted that the tax treatment of the alternatives is different. A summary of the tax regime applicable to the transaction in Spain is available in section 3.6 of the Directors' report on the proposed resolutions approved by the Ordinary General Shareholders' Meeting as items five and six of the agenda, and can

be found on Ferrovial's corporate website ([www.ferrovial.com](http://www.ferrovial.com)). Taxation of the different options of implementing the Capital Increase set out herein does not cover all possible tax consequences. Consequently, shareholders are encouraged to consult their tax advisers on the specific tax impact of the proposed transaction and to pay attention to any changes or amendments that may be made in both the laws in force at the date of this transaction and the interpretation criteria, as well as the specific circumstances of each shareholder or free-of-charge allocation rights holder.

### 3. Details of the offer

#### 3.1. Number of free-of-charge allocation rights required to be allocated a new share, maximum number of new shares for issue and nominal amount of the Capital Increase

Using the formulas envisaged in the resolution of the Ordinary General Shareholders' Meeting, the Board of Directors set the following items for the Capital Increase:

- (i) The number of free-of-charge allocation rights required to receive one new share ("**No. Rights per share**") is 43. The free-of-charge allocation rights will be allocated to the Company's shareholders that have acquired shares until 5 November 2018 (expected date for the publishing of the implementation of the Capital Increase announcement at the Official Gazette of the Mercantile Registry [**BORME**]) and whose transactions have been settled until 7 November 2018 in *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* ("**Iberclear**") in the proportion of one free-of-charge allocation right for each existing Ferrovial share owned. Those entitled will have the right to receive a new share for every 43 existing shares owned at that date.

The calculation of the aforementioned number of rights is stated below, based on the number of outstanding shares at that date ("**NES**"), which stands at 739,315,340.

No. Rights per share =  $NES / \text{Provisional no. shares} = 739,315,340 / 17,355,509.14 = 42.60 = 43$  rights (rounded up to the next whole number);

where,

"Provisional no. shares" = Amount of the Alternative Option / Share Price = EUR 310,680,969.06 / 17.901 = 17,355,509.14; and

"Share Price" = EUR 17.901, which is the arithmetic mean of the weighted average prices of the Company's share on the Madrid, Barcelona, Bilbao and Valencia stock exchanges over the trading sessions dated 23, 24, 25, 26 and 29 October 2018, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

- (ii) The maximum number of new shares to be issued in the Capital Increase ("**MNNS**") is 17,193,380, which is a result of the following formula approved by

Ferrovial Ordinary General Shareholders' Meeting, rounded down to the nearest whole number:

$MNNS = NES / \text{No. of Rights per share} = 739,315,340 / 43 = 17,193,380$  new shares (rounded down).

where "NES", "No. of Rights per share" and "Share Price" have the meaning indicated in paragraph (i) above.

However, the number of shares effectively issued will depend on the number of shareholders that request remuneration in cash by virtue of the irrevocable commitment assumed by the Company to purchase free-of-charge allocation rights.

Ferrovial will waive the free-of-charge allocation rights acquired by virtue of the aforementioned irrevocable purchase commitment and, therefore, it will only issue shares corresponding to the free-of-charge allocation rights not acquired by Ferrovial through exercising the aforementioned commitment<sup>1</sup>. The final number of shares issued in the Capital Increase will be made public by reporting a communication to the Spanish Securities Market Commission relating to the completion of the Capital Increase, which is expected to be published on 23 November 2018.

- (iii) As a result, the nominal amount of the Capital Increase is EUR 3,438,676. However, as already mentioned, the effective amount of the capital increase is the result of multiplying the number of final shares by twenty euro cents (EUR 0.20).

Since the number of free-of-charge allocation rights required to allocate a new share (43, based on previous calculations) multiplied by the maximum number of new shares for issue (17,193,380, based on previous calculations) was 739,315,340 (i.e., equal to the number of outstanding shares [739,315,340]), Ferrovial has not waived to free-of-charge allocation rights it holds for the purpose of ensuring that the maximum number of new shares for issue is a whole number and not a fraction.

In accordance with the provisions of the Capital Increase agreement approved by the Ordinary General Shareholders' Meeting, Ferrovial shall waive the new shares which correspond to the free-of-charge allocation rights belonging to the Company at the end of the negotiation period for the aforementioned rights, as a result of the purchase commitment which is described later.

In the same way, and in the event that the definitive number of shares to be issued (that is, the quotient between the number of rights in force at the end of the negotiation period and the number of rights per share) should not be a whole number, the Company shall likewise waive the number of free-of-charge allocation rights it holds necessary for the number of new shares finally issued to be a whole number and not a fraction.

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<sup>1</sup> In the event that the final number of shares to be issued (i.e. the ratio of the number of outstanding rights at the end of the trading period and the number of rights per share) is not a whole number, the Company will waive the free-of-charge allocation rights necessary to do so.

Allocation of the Capital Increase will therefore be incomplete and the capital will be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which no waiver has been made, pursuant to Article 311 of the Capital Companies Act.

### **3.2. Price of the purchase rights commitment**

The guaranteed set price of Ferrovia's purchase rights commitment ("**Purchase Price**") is EUR 0.407 gross per right, which is a result of the formula envisaged in the Capital Increase:

$$\text{Purchase Price} = \text{Share Price} / (\text{No. rights per share} + 1) = 17.901 / (43 + 1) = 0.4068 = 0.407 \text{ (rounded up or down to the nearest one thousandth of a euro).}$$

Consequently, shareholders who wish to receive cash remuneration may sell their free-of-charge allocation rights to Ferrovia at a guaranteed set price of EUR 0.407 gross.

### **3.3. Schedule**

The estimated schedule for the implementation of the Capital Increase is as follows:

- (i) 5 November 2018. Publication of the announcement of the Capital Increase in the BORME. Last day on which the shares of Ferrovia with the right to participate in the Ferrovia Flexible Dividend are negotiated (last trading date).
- (ii) 6 November 2018. Start of the trading period for the free-of-charge allocation rights and the period for submission to Ferrovia of requests to purchase these rights. The Ferrovia shares trades at the "clean price" (ex-date).
- (iii) 7 November 2018. Date on which Iberclear will determine the positions for the free-of-charge allocation rights (record date).
- (iv) 15 November 2018. End of the period to request remuneration in cash by virtue of Ferrovia's purchase of rights commitment.
- (v) 20 November 2018. End of the trading period for free-of-charge allocation rights. Purchase by Ferrovia of the free-of-charge allocation rights of those shareholders who requested such purchase by Ferrovia.
- (vi) 22 November 2018. Payment of cash to the shareholders who opted to sell their free-of-charge allocation rights to Ferrovia by virtue of Ferrovia's purchase of rights commitment.
- (vii) 23 November 2018. Ferrovia waives free-of-charge allocation rights acquired under the purchase commitment, closing of the capital Increase and communication to the Spanish Securities Market Commission reporting the final result of the transaction.

- (viii) 23 November – 4 December 2018. Process for registration of the Capital Increase in the Mercantile Registry and for admission to trading of the new shares on the Spanish stock exchanges.
- (ix) 5 December 2018. Estimated starting date for the regular trading of the new ordinary shares on the Spanish stock exchanges, subject to the securing of the corresponding authorisations.

### **3.4. Allocation of rights and process for opting for cash or new shares**

As indicated above, free-of-charge allocation rights will be allocated to shareholders of the Company that have acquired their shares until 5 November 2018 and whose transactions have been settled until 7 November 2018 in Iberclear. The trading period for the rights will begin the following calendar day to the publication of the announcement of the Capital Increase implementation in the BORME (i.e. 6 November 2018) and will last for a fifteen (15) days period (i.e. 6 to 20 November 2018, both inclusive). During this period, the rights may be traded and, therefore, sold under the same terms and conditions as the original shares giving rise to them, on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market).

During the free-of-charge allocation right trading period, the shareholders may opt for a consideration in cash or new shares under the aforementioned terms, and to acquire on the market sufficient free-of-charge allocation rights in the proportion required to subscribe new shares. However, shareholders that wish to accept Ferrovial's purchase rights commitment, receiving cash at the guaranteed set price ("Purchase Price") must communicate their decision no later than 15 November 2018. The purchase commitment only covers the free-of-charge allocation rights received by the shareholders; not those purchased or otherwise acquired in the market. Shareholders must decide from the various options and notify their decision to the entities in which their Ferrovial shares and the corresponding free-of-charge allocation rights are deposited.

In particular, should they wish to receive cash for the guaranteed set price relating to Ferrovial's purchase rights commitment, they must report it no later than 15 November 2018. Should no express notification be given, the shareholders will receive new Ferrovial shares in the corresponding proportion<sup>2</sup>.

The Capital Increase will be made free of charges and fees for the allocation of newly issued shares. The Company will bear the costs of issue, subscription, putting into circulation, listing and any others related with the Capital Increase.

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<sup>2</sup>Once the free-of-charge allocation right trading period is over, the number of shares held by shareholders may, based on the calculation formulas referred to in this document, not entitle them to a whole number of shares. To avoid this, the depository holding the free-of-charge allocation rights may sell the number of shares resulting in the fraction of a new share and, accordingly, shareholders will receive the product of the sale in cash and will not lose the shares' intrinsic value. Notwithstanding the above, this possibility is subject to the terms and conditions of the security deposit and administration agreement entered into with the depository in question and the instructions given to it by shareholders.



Nevertheless, the Company's shareholders should bear in mind that the members of Iberclear at which they have deposited their shares may, under prevailing laws, establish the administration and subscription charges and fees that they deem appropriate for maintaining the shares in the accounting records.

Moreover, these members may, under prevailing legislation, establish the charges and fees that they deem appropriate for handling purchase orders and sale of free-of-charges allocation rights orders.

#### **4. Nature of the shares to be issued**

##### **4.1. Par value, type of issue and representation of shares**

The new shares issued in the Capital Increase will be ordinary shares with a par value of twenty euro cents each (EUR 0.20), from the same class and series as those currently outstanding, already admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market).

The new shares will be issued at a rate of twenty euro cents (EUR 0.20) each, without any share premium, will be represented by book entries and the accounting record will be entrusted to Iberclear and its members.

##### **4.2. Capital-Increase balance sheet and reserve against which the Capital Increase is made**

The balance sheet on which the Capital Increase is based is the balance sheet for the financial year ended 31 December 2017, audited by Deloitte, S.L. on 28 February 2018 and approved by the Ordinary General Shareholders' Meeting held on 5 April 2018, under item one of the agenda.

The Capital Increase will be charged in full to "Reserves subject but exempt Articles 21 and 22 of TRLIS" amounting to EUR 2,823,956 thousands at 31 December 2017.

##### **4.3. Shares deposited**

Once the free-of-charge allocation rights trading period is over, the new shares that could not be allocated due to reasons not attributable to the Company, will remain in a deposit and be made available to those that prove they hold the corresponding free-of-charges allocation rights. Once three (3) years have elapsed from the end date of the aforementioned trading period, the new shares that have still not been allocated may be sold pursuant to Article 117 of the Capital Companies Act, on account and at the risk of the interested parties. The cash amount of the aforementioned sale will be made available to the interested parties through a deposit at the Bank of Spain or at the Spanish State Depository.

#### **4.4. Rights attached to new shares**

Holders of new shares will have the same voting and economic rights as the Company's currently outstanding ordinary shares as from the date on which the Capital Increase is declared subscribed and paid up (expected on 23 November 2018).

#### **4.5. Admission to trading**

The Company shall request the admission to trading of the new shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market). Subject to the relevant authorisations, the ordinary trading of new shares is expected to commence on the Spanish Stock Exchanges on 5 December 2018.

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