

**ZARDOYA OTIS, S.A.**  
**Lorea García Jáuregui**  
*Secretary of the Board of Directors*

National Securities Market Commission  
Markets Area Division  
Edison, 4  
28006 Madrid

Madrid, July 31, 2018

For the attention of the Director General of the Markets Area

Pursuant to the provisions of article 228 of Royal Legislative Decree 4/2015 of October 23, whereby the revised text of the Securities Markets Law was approved, ZARDOYA OTIS S. A. (the "Company") hereby informs the National Securities Market Commission ("CNMV") of the following

#### **RELEVANT EVENT**

I inform you that the Company is holding talks for the acquisition of the shares representing 100% of the share capital of Otis Lliset, S.L.U. ("Otis Andorra"), a company located in Andorra, from the entity United Technologies Holding SAS.

Consequently, at its meeting of July 27, 2018, the Company's Board of Directors passed a resolution approving said acquisition (after having received a report in favour from the Audit Committee).

Otis Andorra is a company located in Andorra, engaged principally in elevator maintenance in Andorra, with revenue of approximately 1.4 million euros in 2017 and 12 employees.

The purchase price is 3,900,000 euros. This price has been calculated considering that the company will be acquired net of cash and debt. The final contract will include normal price adjustment mechanisms.

At the request of the Company's Board of Directors, an independent advisor has prepared a valuation of Otis Andorra, which confirms that the price is within the range estimated by said advisor.

Likewise, I inform you that, at the time the deliberations on said agreement were taking place, the proprietary directors appointed at the request of the majority shareholder (United Technologies Holdings, S.A.S.) were absent from the meeting and abstained from voting on the resolution, in compliance with the applicable legislation.

The acquisition of Otis Andorra would allow the Zardoya Otis Group to increase its international presence, expanding the business in Andorra, and is considered a good business opportunity.

The operation is forecast to be formalized no later than September 30, 2018.

We inform you of the above for the applicable legal purposes.

I remain

Yours faithfully,

Lorea García Jáuregui

Secretary of the Board of Directors of Zardoya Otis, S.A.