

INFORMATION MEMORANDUM DATED 14 MARCH 2019



FERROVIAL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

€1,000,000,000

EURO COMMERCIAL PAPER PROGRAMME

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin for Euro commercial paper notes (the **Notes**) issued during the twelve months after the date of this document under the €1,000,000,000 Euro commercial paper programme (the **Programme**) of Ferrovial, S.A. (the **Issuer** or **Ferrovial**), described in this document to be admitted to the official list and trading on the regulated market of Euronext Dublin, a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU.

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see "*Risk Factors*" on pages 2-21 of this Information Memorandum).

Potential purchasers should note the statements on pages 78-86 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014, of 26 June (**Law 10/2014**) on the Issuer relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

Arranger

BANCO DE SABADELL, S.A.

Dealers

BANCO SANTANDER

BNP PARIBAS

BRED BANQUE POPULAIRE

CRÉDIT AGRICOLE CIB

ING

NATWEST MARKETS

IMPORTANT NOTICE

This Information Memorandum (together with any documents incorporated by reference, the **Information Memorandum**), as may be supplemented, contains summary information provided by Ferrovial, S.A. (the **Issuer** or **Ferrovial**) in connection with a euro commercial paper programme (the **Programme**) under which the Issuer may issue and have outstanding at any time euro commercial paper notes (the **Notes**) up to a maximum aggregate amount of €1,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (**Regulation S**) of the United States Securities Act of 1933, as amended (the **Securities Act**). Pursuant to the programme agreement dated 16 March 2018 (the **Programme Agreement**), the Issuer has appointed Banco de Sabadell, S.A. (**Banco Sabadell**) as arranger for the Programme (the **Arranger**) and Banco Santander, S.A., BNP Paribas, Bred Banque Populaire, Crédit Agricole Corporate and Investment Bank, ING Bank N.V., NatWest Markets N.V. and NatWest Markets Plc as dealers for the Notes (each a **Dealer** and, together, the **Dealers**, which expression shall include any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular issue of Notes) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), 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 Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in final terms (each the **Final Terms**) which will be attached to the relevant form of Note (see "*Form of Notes*"). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes, which are set out in the relevant form of Note. Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office of the Issuing and Paying Agent (as defined below) set out below.

The Issuer has confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum, as a whole, or any such information contained or incorporated by reference therein, misleading. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and, in relation to each issue of Notes agreed as contemplated in the Programme Agreement to be issued and subscribed, the Information Memorandum together with the relevant Final Terms contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer, the Arranger, the Dealers, nor any institution subsequently appointed as a dealer pursuant to the Programme Agreement, accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term paper published by Euronext Dublin. This Information Memorandum should be read and construed with any supplemental Information Memorandum, any Final Terms and with any document incorporated by reference. Any statement contained herein or in a document incorporated by reference or contained in any supplementary information memorandum or in any document which is subsequently incorporated by reference herein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Programme Agreement (as defined herein), in any other document prepared in connection with the Programme or in any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Dealers.

Neither the Arranger, the Issuing and Paying Agent, nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Final Terms or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum or any Final Terms is not and should not be construed as a recommendation by the Arranger, the Issuing and Paying Agent, or the Dealers that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Final Terms.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum or any Final Terms of any information or change in such information coming to their attention.

Neither the Arranger nor any Dealer accepts any liability in relation to this Information Memorandum or any Final Terms or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes set out under "*Subscription and Sale*" below.

The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin.

The Issuer has undertaken, in connection with the admission of the Notes to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes, that is material in the context of the issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be admitted to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see "*Risk Factors – Risks in Relation to the Notes – Risks in relation to Spanish taxation*" and "*Taxation – Taxation in the Kingdom of Spain*"). Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Certain Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In particular, in the ordinary course of their business activities, the Dealers 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 any of the Issuer or its affiliates. Certain Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers 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 securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers 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. For the purpose of this paragraph the term "affiliates" also includes parent companies.

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

Interpretation

In the Information Memorandum, references to **EUR**, **€** and **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; references to **Sterling** and **£** are to the currency of the United Kingdom; references to **U.S. dollars** and **U.S.\$** are to the currency of the United States of America; references to **JPY** and **¥** are to the currency of Japan, and references to **CHF** are to Swiss Francs.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

For these purposes, **IFRS-EU** refers to the International Financial Reporting Standards as adopted by the European Union.

The language of the Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Information Memorandum.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes will include a legend entitled “**MiFID II product governance - professional investors and eligible counter parties only target market**” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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RISK FACTORS

The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Information Memorandum, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own view prior to making any investment decision.

Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:

Risks relating to the Issuer's business and the market in which it operates

The Issuer's business could be adversely affected by the deterioration of global or Spanish economic conditions

The deterioration of global and Spanish economic conditions could adversely affect the Issuer's business.

The performance of the Issuer's business has in the past been strongly linked, and the Issuer expects will continue to be linked to a degree, to the economic cycle in the countries, regions and cities where the Issuer operates. Normally, robust economic growth in those areas where the Issuer operates drives greater demand for the Issuer services and products, while slow economic growth or economic contraction reduces demand.

The global economy remains dependent on a number of factors that are not within the control of the Issuer, 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. Furthermore, other factors or events may affect Spanish, European and global economic conditions, such as continuing uncertainty regarding the exit of the United Kingdom from the European Union, a sharp slowdown in China, a negative market reaction to interest rate increases by the United States Federal Reserve, heightened geopolitical tensions between major world powers (such as the USA, Russia and the EU) which has a large impact on world trade and regulatory institutions, war, acts of terrorism, the refugee crisis, natural disasters or other similar events outside the Issuer's control. A further deterioration of the economy of continental Europe, or in the other zones, could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

It is also worth mentioning that, in the specific case of Spain, growth prospects may be affected by political instability and uncertainty derived from political and social initiatives in Catalonia calling for the separation of the region from Spain.

During 2018, the Issuer generated 23.6% of its total revenue in Spain, including the services business division of Ferrovial (the **Services Business Division** or **Ferrovial Services**). The Services Business Division has been classified as discontinued activity as of 31 December 2018, as explained further in the "Description of the Issuer" section. In 2017, this figure was 23.2%. In recent years, the Spanish economy has experienced a period of economic, political and financial uncertainty. More recently, the economies of Spain and a number of other countries affected by the crisis where the Issuer operates have shown signs of improvement. Spanish GDP grew 3.1% in 2017 and, according the European Commission, its GDP is expected to grow by 2.6% in 2018 and 2.1% in 2019, respectively (*source: European Commission*). In addition, unemployment declined marginally to

16.55% as of 31 December 2017 (*source: INE*). Spain successfully exited the financial assistance program for recapitalisation of financial institutions in January 2014 and has continued to show macroeconomic improvements (*source: European Commission, Spain—Post Programme Surveillance Spring 2014 Report*). However, it cannot be assured that this improvement will be sustained.

If the economies of Spain or of the other countries in which the Issuer operates stagnate or contract, the Issuer's business could suffer negative effects, such as delay or abandonment of potential projects by public and private sector customers, reduced construction activity, and declining demand for building materials. In addition, regarding projects in which the Issuer manages and operates infrastructure owned by public authorities, refusal by those authorities to incur the expense needed for adequate maintenance and renewal of facilities tends to increase the Issuer's operating costs. Reluctance of authorities to incur these expenses is likely to be higher during periods of economic strain.

The Issuer's business is subject to risks related to its international operations

As a result of its process of diversification, a large part of the Issuer's operating revenue is generated outside of Spain, in countries such as the United States, Canada, the United Kingdom, Australia, 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 the Issuer 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;
- instances of fraud, bribery or corruption;
- 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. The Issuer 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.

The United Kingdom's impending expected departure from the European Union could adversely affect the Issuer

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union (**Brexit**). The result of the referendum did not legally obligate the United Kingdom to exit the European Union, nevertheless, on 29 March 2017, the United Kingdom delivered the official notice of its intention to withdraw from the European Union to the European Council president under Article 50 of the Treaty of the European Union in a period of two years ending on 29 March 2019. However, on 15 January 2019 the House of Commons rejected the draft Brexit Withdrawal Agreement negotiated between the UK Prime Minister and the EU. This

rejection has opened additional unpredictable scenarios, from a hard Brexit (exiting the EU with no agreement) to a new referendum. The UK's decision to leave the EU triggered a process of negotiation to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union.

Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate.

Furthermore, the results of the referendum have had a significant impact on the exchange rate between the British pound and other currencies, including the euro. Any of these effects of Brexit, and others the Issuer cannot anticipate, could adversely affect the business, results of operations and financial condition of the Issuer.

The Issuer'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 the Issuer'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. The Issuer enters into hedging arrangements to cover interest rate fluctuations on a portion of its debt. In addition, the Issuer is exposed to exchange rate risks and in order to mitigate these risks the Issuer 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 the Issuer may not adequately protect its operating results from the effects of interest rate or exchange rate fluctuations. The Issuer 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 the Issuer'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 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 effects of 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 the Issuer's public sector clients. However, in Spain, such risk was partially mitigated by the enactment of Royal Decree-Law 7/2012 developing three phases that enabled distressed public entities to make certain payments which allowed them to reduce their commercial debts with suppliers.

Although the Issuer 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 (Royal Decree-Law 15/2010 of 5 July, known as *Ley de Morosidad*), requires that payment terms do not exceed certain limits. If clients of the Issuer (public or private) do not comply with this stricter legal framework, liquidity could be affected. Late payments could cause considerable penalties.

The Issuer'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

The Issuer 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. The Issuer'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 the Issuer 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, the Issuer may seek to refinance its existing debt and can give no assurance as to the availability of financing on acceptable terms.

The Issuer 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 Issuer 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 Issuer is a party. Under the general terms of these swaps, if, at the maturity date of each swap, the share price of the Issuer 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 Issuer cash amounts equal to the dividends generated by those shares and the Issuer will pay the counterparty a floating interest rate. If, at the maturity date of the swaps, the listed value of the Issuer's shares is below the reference price, the Issuer 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 Issuer, 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 Issuer decreases below the reference price, the market value of the swap will decrease and the business, financial condition and results of operations of the Issuer may be materially adversely affected.

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

The Issuer relies on certain key personnel. If, in the future, the Issuer is unable to attract and retain sufficiently qualified management and technical staff, its business development could be limited or delayed. In addition, if the Issuer 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.

The Issuer operates in highly regulated environments which are subject to changes in regulations

The Issuer 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 the Issuer.

The Issuer'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

The Issuer 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 the Issuer 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 the Issuer 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 the Issuer's costs

In the countries where the Issuer 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, demanding 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 the Issuer is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether effective or potential damage exists or is proven, and the Issuer 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 as part of environmental permits or authorisations or a stricter application of existing regulations may increase the Issuer'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 the Issuer may be materially adversely affected.

The Issuer 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. The budgetary constraints faced by some of the Issuer's public clients are increasing exposure to the risk of contractual disputes on construction projects, which can negatively impact the return on investment.

The following claims could also arise: 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 the Issuer – 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 the Issuer's business, financial condition and results of operations.

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

The Issuer operates in highly competitive industries

The Issuer, in its ordinary course of business, competes against various groups and companies that may have more experience, resources or local awareness than the Issuer does. Furthermore, the economic slowdown in Europe and the financial difficulties facing emerging countries are negatively affecting public sector investment capacity and, by extension, business opportunities in those parts of the world. This situation has pushed capital flows towards more dynamic markets with greater investment capacity in which the Issuer operates, increasing the competitive tension and the consequent pressure on prices and margins in projects in which transfer of risk is not balanced.

Given this high level of competition, the Issuer 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 the Issuer is unable to obtain contracts for new projects in order to sustain an order book in line with the current one, or if these projects are only awarded under less favourable terms, the Issuer's business, financial condition and results of operations may be adversely affected.

The Issuer's insurance cover may not be adequate or sufficient

The Issuer 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 policies 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.

The Issuer 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, the Issuer's business, financial condition and results of operations may be materially adversely affected.

The level of the Issuer's contributions to pension schemes in the United Kingdom may vary

The funding position of the Issuer's pension schemes in the United Kingdom may vary from time to time (including due to fluctuations in investment fair values or changes on actuarial assumptions), thereby affecting the level of the Issuer'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 the Issuer's projects, which may severely disrupt the operations of the Issuer 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 the Issuer'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 the Issuer.

Risks of cyber-attacks

The Issuer's infrastructures are vulnerable to cyber-attacks, which would impact people and the infrastructures themselves and could even paralyse operations. The assets most exposed to this type of risk are the Issuer's airport and road infrastructures.

The Issuer's failure to accurately estimate risks, the availability and cost of resources and time when bidding on projects, particularly fixed fee projects, could adversely affect its profitability

Under fixed fee contracts, the Issuer realises a profit only if it can successfully estimate its costs and prevent cost overruns on contracts. Cost overruns can result in lower profits or operating losses on projects. Factors such as the availability and cost of materials, equipment and labour, wage inflation, unexpected project modifications, local weather conditions, unanticipated technical or geological problems including issues with regard to design or engineering of projects, changes in local laws or delays in regulatory approvals and the cost of capital maintenance or replacement of assets are highly variable, and the Issuer's actual costs in remedying or addressing them may deviate substantially from originally estimated amounts and may therefore result in a lower profit to the Issuer.

The identification of key risks, the estimation of costs and the establishment of appropriate deadlines in relation to such contracts are an inherent part of the Issuer's business. However, the Issuer's estimates can be particularly difficult to make and may turn out to be inaccurate, particularly with respect to long-term and complex projects. If the Issuer fails to identify key risks or effectively estimate costs for projects where it is exposed to the risk of cost overruns, this may have an adverse effect on its business, financial condition and results of operations.

The Issuer may be required to bear the costs of tendering for new contracts, contract renewals and/or extensions with no control over the selection process nor certainty of winning the tender

A substantial portion of the Issuer's work is competitively tendered and it is difficult to predict whether the Issuer will be awarded new contracts due to multiple factors such as qualifications, experience, reputation, technology, customer relationships, financial strength, and ability to provide the relevant services in a timely, safe, and cost-efficient manner. Bidding costs associated with tendering for new contracts, extensions in the scope of work, or renewals of existing contracts can be significant and may not necessarily result in the award of a contract. Furthermore, preparation for bids occupies management and operating resources. If the Issuer fails to win a particular tender, bidding costs are generally not recoverable. The Issuer participates in a significant number of tenders each year and the failure to win such tenders may adversely affect its business, financial condition and results of operations.

The Issuer's joint venture and partnership operations could be adversely affected by its reliance on its partners' financial condition and performance

Some of the Issuer's activities are conducted through joint ventures and partnerships. The success of the Issuer's joint ventures and partnerships depends on the satisfactory performance by its partners of their obligations. If the Issuer's partners fail to satisfactorily perform their obligations as a result of financial or other difficulties, the joint venture or partnership may be unable to adequately perform contracted services. Under these circumstances, the Issuer may be required to make additional investments to ensure the adequate performance of the contracted services and the Issuer could be jointly and severally liable for both its obligations and those of its partners. In addition, in the normal course of business, the Issuer undertakes to provide guarantees and indemnities in respect of the performance of the contractual obligations of its joint venture entities and partnerships. These guarantees and obligations give rise to a liability to the extent the respective entity fails to perform its contractual obligations. A partner may also fail to comply with applicable laws, rules, or regulations. Any of these factors may adversely impact the Issuer's business, financial condition and results of operations.

The Issuer is dependent on the continued availability, effective management and performance of subcontractors and other service providers

In the ordinary course of the Issuer's operations, it relies on subcontractors to provide certain services. As a result, the Issuer's business, financial condition, results of operations and prospects may be adversely affected if it is not able to locate, select, monitor and manage its subcontractors and service providers effectively. Additionally, subcontractors to whom the Issuer has awarded work may become insolvent, requiring it to select a new subcontractor at the risk of delays and/or at higher cost. If the Issuer is not able to locate, select, monitor and manage subcontractors and service providers effectively, its ability to complete contracts on schedule and within forecasted costs to the requisite levels of quality could be adversely impacted and there may be a material adverse effect on its business, financial condition, results of operations and prospects.

Risks relating to the Toll Roads Business Division

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

If the Issuer's toll road concession companies (the **Concession Companies**) are unable to maintain an adequate level of vehicle traffic on their toll roads due to the risk of lack of demand, 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 the Issuer'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.

The Issuer has substantial investments and indebtedness, many of which are related to costs incurred during the design and construction phase. The Issuer covers these investments and indebtedness principally from its toll road receipts. If the assumptions underlying the Issuer's financial models prove to be incorrect and the revenues generated are not sufficient to cover its costs, the Issuer 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 the Issuer's business, financial condition and results of operations of the Group.

During their initial years of operation, the Issuer'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 the Issuer 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 the Issuer and, in many 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 Securities. Furthermore, it is possible that the Issuer'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 Securities. Such a decrease may have a material adverse effect on the business, financial condition and results of operations of the Issuer.

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 the Group's business, financial condition and results of operations.

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

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 the Issuer's toll road concessions. If a governmental authority exercises its option to terminate or repurchase some of the Issuer'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. The Issuer 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 the Issuer'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 the Issuer 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 the Issuer has an interest, it must obtain the necessary land rights to carry out such development. The Issuer 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. 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

The Issuer'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, the Issuer 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 the Issuer.

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 the Issuer.

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, the Issuer'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 the Issuer's business, financial condition and results of operations

Certain risks are inherent in the large-scale construction projects currently being undertaken by the Issuer, 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 the Issuer and will reduce the revenue-generating

lifetime of the concession. These factors could increase the Issuer's costs and reduce its revenues and, particularly if the Issuer is unable to pass on some or all of these costs under the terms of its concession agreements, could materially adversely affect the Issuer's business, financial condition and results of operations.

Risks relating to the Airports Business Division

Aeronautical income could decline as a result of a reduction in flights, passengers or other factors outside the Issuer's control

Heathrow Airport Holdings Limited (**HAH**) and AGS Airports Holdings Limited (**AGS** and, together with HAH, the **Airport Companies**), the companies through which the Issuer currently participates in the airport industry, generate aeronautical income from airport fees and traffic charges through the operation of Heathrow airport (in the case of HAH) and Glasgow, Aberdeen and Southampton airports (in the case of AGS), (together, the **Airports**). These charges are principally levied on the basis of passenger numbers, maximum total aircraft weight, aircraft noise and emission characteristics and the length of time for which an aircraft is parked at the airport. At Heathrow airport only these charges are regulated and also linked to the rate of inflation, which is liable to change. There are no specific operating contracts with the airlines operating at Heathrow airport. There can therefore be no assurance as to the level of Heathrow airport'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 its 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 airport (such as British Airways, which in 2018 accounted for approximately 42 per cent. of the airport's aeronautical income) could have a material adverse effect on the Issuer's Airports Business Division.

The number of passengers using the Airports may be affected by a number of other factors, including:

- shocks to the macroeconomic environment (including changes in fuel prices and currency exchange rates) whether affecting the global economy, the UK economy, the Greater London economy or the Scottish economy in which the Airports are based;
- an increase or decrease in competition from UK and non-UK airports;
- wars, riots or political action;
- industrial action by key staff that affects critical services or aviation sector staff (for instance the strikes that affected British Airways in 2010);
- an increase in airfares due to increased airline costs;
- decisions by airlines regarding the number, type and capacity of aircraft (including the mix of premium and economy seats), as well as the routes on which particular aircraft are utilised (for instance, the recent decision by Ryanair to suspend the operation of certain routes to and from Glasgow airport);
- health scares, epidemics or pandemics across the globe;
- disruptions caused by natural disasters or events, for example the closure of airspace due to a volcanic eruption in Iceland in 2010;
- extreme weather at Heathrow airport or other airports, such as the severe winter weather experienced in the northern hemisphere in December 2010, which caused over 4,000 flights to be cancelled at Heathrow airport and caused significant impact to airline schedules globally;
- acts of terrorism or cybersecurity threats and attacks;

- changes in domestic or international regulation, 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.

There can be no guarantee that the Airports' contingency plans would be effective to anticipate the effects of the factors noted above. Any of these factors could negatively impact the Airports' reputation, day-to-day operations and result in a decrease in the number of passengers using the Airports which could in turn have a material adverse effect on the Issuer's business, financial condition and results of operations.

A decrease in passenger numbers or other factors outside the Issuer's control could reduce HAH's and AGS's non-aeronautical income

The principal sources of non-aeronautical income for the Airport Companies include retail concession fees, car parking income, property rental income, rail 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. As noted above, there are a variety of factors which could adversely affect the number of passengers using the Airports. 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 re-negotiations; redevelopments or reconfigurations 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 (for example following the expected commencement of Crossrail services in 2019 connecting Heathrow airport to central London), 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 operators and airlines leasing check-in counters. Any of these factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Airports could be subject to terrorism and/or increased security requirements

The UK government currently assesses the international terrorism threat to mainland Britain as "severe", the second highest threat level on the government's risk assessment scale. The Airports operate within a stringent and complex security regime as required by the UK government, which has imposed additional security measures from time to time, for example 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 terrorist action or threat 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 airport, any of which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The successful implementation of the capital investment programme of each of the Airport Companies could be affected by unanticipated construction and planning issues

The capital investment programme of each of the Airport Companies includes major construction projects 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). 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 Heathrow airport's RAB, and possible shortages of equipment, materials and labour due to the number of major construction projects in the London area. The commencement of 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 lack of readiness of airline operators, closure of facilities and disruptions of operations. The construction contracts of the Airport Companies may contain restricted remedies or limitations on liability such that any such sums claimed or amounts paid may be insufficient to cover the financial impact of breach of contract. The ability of contractors to meet their financial or other liabilities cannot be assured.

The failure of the Airport Companies 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, safety and security performance deficiencies, and higher-than-expected operating costs.

Any of these could affect the Airports' day-to-day operations and impact their reputation and, consequently, have a material adverse effect on the Issuer'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 the Airports' facilities and may have an impact on passenger traffic levels, which in turn could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Airport Companies face a number of operational risks outside their control

The operation of an airport is a complex undertaking that is subject to a number of factors outside the control of the Airport Companies. These factors include weather conditions, variable aircraft movements and traffic congestion. In addition, the UK Secretary of State for Transport has powers under the Airports Act 2006 to give directions to airport operators in the interests of national security, including orders requiring the 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 Issuer's business, financial condition and results of operations.

Heathrow is subject to economic regulation by the Civil Aviation Authority, which is subject to adverse 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. 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, flight information displays and stand and jetty availability can result in rebates to airline customers of up to 7 per cent. of airport charges. Any of these factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risks Relating to the Construction Business Division

If investment in the construction industry continues to decrease, the Issuer'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 the Issuer operates have benefited from favourable conditions for construction for several years. However, as a result of the global financial crisis, the situation has considerably deteriorated. The Issuer 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.

The Issuer's business may be affected by a decrease in the funds available for civil engineering projects

As a result of the effects of the global financial crisis, 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 the Issuer 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. 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 the Issuer.

Difficulties in securing private sector projects may adversely affect the Issuer's results of operations

Following the global financial crisis, there has been a decrease in procurement by private sector companies. In addition, private sector companies may be forced to halt projects that are already underway due to a lack of funds, or they 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, the Issuer is exposed to loss of revenue if such works are delayed or cancelled. Reductions in project procurement and delays in the completion of projects by the private sector may adversely affect the business, financial condition and results of operations of the Issuer.

The Issuer's operations in certain jurisdictions are dependent on funds granted

The Issuer currently benefits indirectly from funds granted by the European Union to public entities, who are the main clients of the Issuer's construction operations in Poland. Due to political, economic or other considerations, these funds may no longer be available to the Issuer 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 the Issuer.

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 the Issuer

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 the Issuer'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, the Issuer may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase the Issuer'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 the Issuer may be materially adversely affected.

Risks Relating to the Services Business Division

Risks relating to the divestment of the Services Business Division

As mentioned above and further explained in the “*Description of the Issuer*” section, the Services Business Division has been classified as discontinued activity as of 31 December 2018. The Issuer expects to complete the process of selling the Services Business Division in 2019.

This divestment is subject to the risks inherent to the divestment of businesses, for example:

- the Issuer may incur substantial costs, delays or other operational or financial problems;
- divestments may divert management's attention from the operation of the Issuer's existing businesses;
- the Issuer's credit rating may be negatively affected;
- the Issuer may encounter unanticipated events, circumstances or legal liabilities; and
- the Issuer may be subject to counterparty risk with respect to the price of divested businesses.

Any of these factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's contracted revenue from its Services Business Division is subject to unexpected adjustments and cancellations and, therefore, may not be a reliable indicator of its future revenue or profits

There can be no assurance the Issuer will realise earned revenue projected in its contracted revenue from its Services Business Division or, if realised, such revenue will result in profits. Project terminations, suspensions, and/or changes in project scope and schedule may occur and the Issuer cannot predict with certainty when, or if, any or all of its contracted revenue will be performed. Material delays, cancellations, or payment defaults could materially and adversely affect the Issuer's business, results of operations and financial condition. Customer cancellations could reduce the Issuer's contracted revenue which, among other things, could materially impact its earned revenue, net income, cash flows, and its overall financial condition. A deterioration in economic conditions may result in a reduced ability to replace contracted revenue once projects are completed and/or may result in the cancellation, modification, or deferral of projects currently reflected in its contracted revenue.

Reduction of outsourcing and potential for insourcing may materially and adversely affect the Issuer's financial and operating performance

The Issuer's Services Business Division's financial performance depends on its customers continuing to outsource operations, maintenance, facilities management and construction services to it. A decline in outsourcing in the sectors in which the Issuer's customers operate may adversely affect the Issuer's revenue and profitability and its growth prospects. A reduction in outsourcing may result from a decreased availability of capital, changing economic conditions or industry trends, or changes in the specific strategies of the Issuer's customers, particularly in a capital-constrained environment where customers are experiencing margin and cash cost pressures.

The Issuer 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 the Issuer 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. The Issuer'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 the Issuer's business, financial condition and results of operations.

The public may react negatively to industrial waste management facilities

Although the Issuer 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 the Issuer or its plans for future expansion, which could have a material adverse effect on its business, financial condition and results of operations.

The Issuer'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 the Issuer 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 the Issuer may be adversely affected.

Risks in Relation to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is, as at the date of this Information Memorandum, no active trading market. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. Further, if the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes issued under the Programme to be admitted to the official list of Euronext Dublin and to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

The Issue Price may be greater than the market value of the Notes

The Issue Price specified in the relevant Final Terms may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Global Notes held in a clearing system

Because the Global Notes are held by or on behalf of Euroclear Bank, S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) investors will have to rely on their respective procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg. If the relevant Final Terms specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depository (in the case of Global Notes which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in New Global Note form) for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer under the relevant Notes but will have to rely upon their rights under the Deed of Covenant dated 16 March 2018 (the **Deed of Covenant**).

The Issuer may redeem the Notes for tax reasons

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes if (a) it is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or 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 (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes are so redeemed.

Risks in relation to Spanish taxation

Under Spanish Law 10/2014 and Royal Decree 1065/2007, of 27 July, (**RD 1065/2007**) as amended, income payments in respect of the Notes will be made without withholding tax in Spain provided that certain information procedures are observed. The Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided and will not gross up payments in respect of any such withholding tax if the required information is not provided (including by the Issuing and Paying Agent).

The Issuing and Paying Agency Agreement dated 16 March 2018 (the **Issuing and Paying Agency Agreement**), provides that the Issuing and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "*Taxation — Taxation in the Kingdom of Spain*". None of the Dealers assumes any responsibility therefor.

RD 1065/2007, as amended, provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another Organisation for Economic Co-operation and Development (**OECD**) country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Issuing and Paying Agent to it, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities. If the Issuing and Paying Agent fails to provide the Issuer with such relevant information, the Issuer may be required to withhold tax (as at the date of this Information Memorandum, at a rate of 19%) and will not gross up payments in respect of any such withholding tax if the required information is not provided (including by the Issuing and Paying Agent).

Notwithstanding the above, in the case of Notes held by Spanish resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as a depositary or custodian, payments in respect of such Notes may be subject to withholding tax in Spain at the current rate of 19% and the Issuer will not gross up payments in respect of any such withholding tax.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

Risks relating to the Insolvency Law

Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (**Law 22/2003** or the **Insolvency Law**), which came into force on 1 September 2004 supersedes 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 its credits.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the publication

of the court order declaring the insolvency in the Spanish Official Gazette (*Boletín Oficial del Estado*), (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency will not be enforceable, and (iii) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security and the maximum secured liabilities under the relevant security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down, stayed for up to 10 years, converted into equity of the refinanced or insolvent debtor, converted into profit participating loans (*préstamos participativos*) with a term of up to 10 years, exchanged for assets or rights of the insolvent or refinanced debtor not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) that has been judicially sanctioned (*homologado*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

The majorities legal regime envisaged for these purposes also hinges on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.) as well as (ii) on the part of claims to be written-down (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed. Additionally, liabilities from those creditors considered specially related persons for the purpose of Article 93.2 of the Insolvency Law would not be taken into account for the purposes of calculating the majorities required for the out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*).

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes in an insolvency or within an eventual restructuring scenario of the Issuer.

The proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including 'secondary' market transactions) in certain circumstances.

Under the Commission's Proposal, 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.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign pass-through payments are published in the U.S. Federal Register. Moreover, any Notes with a final maturity of 183 days or less generally will not be subject to FATCA withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Information Memorandum. This Information Memorandum should be read and construed in conjunction with the following information, which has been previously published or are published simultaneously with this Information Memorandum and which have been or are filed with Euronext Dublin:

- (a) the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2018 prepared in accordance with IFRS-EU, together with the auditors' report thereon and the Issuer's management report; and
- (b) the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2017 prepared in accordance with IFRS-EU, together with the auditors' report thereon and the Issuer's management report;

(together, the **Integrated Annual Report**).

To the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or are covered elsewhere in this Information Memorandum.

Copies of the documents (or of the certain parts) specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent. The above documents can also be found in electronic format on the website of the Issuer (<http://www.ferrovial.com>).

KEY FEATURES OF THE PROGRAMME

Issuer:	Ferrovial, S.A.
Arranger:	Banco de Sabadell, S.A.
Dealers:	Banco Santander, S.A. BNP Paribas Bred Banque Populaire Crédit Agricole Corporate and Investment Bank ING Bank N.V. NatWest Markets N.V. NatWest Markets Plc
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Listing Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil their respective obligations under the Notes are discussed under " <i>Risk Factors</i> " above.
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed €1,000,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Programme Agreement.
Currencies:	Notes may be issued in U.S. dollars, Euro, Sterling, Japanese Yen and Swiss Francs, and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.
Denominations:	Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations: (a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof); (b) for euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof) except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher; (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof); (d) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or

(e) for Swiss Francs Notes, CHF 500,000,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealer(s) from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

Notes may, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”

Maturity of the Notes:

Not less than 1 day nor more than 364 days from and including the day of issue, to (but excluding) the maturity date, subject to legal and regulatory requirements.

Tax Redemption:

Early redemption will only be permitted for tax reasons as described in the terms of the Notes.

Redemption:

The Notes may be redeemed at par or as otherwise specified in the Final Terms. The Notes may also be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if the Notes are interest bearing Notes) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

Issue Price:

The issue price of each issue of Notes (if any) will be set out in the relevant Final Terms.

Yield Basis:

The Notes may be issued at a discount or at a premium, or may bear fixed or floating rate interest.

Status of the Notes:

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under article 92 of the Insolvency Law (as defined below) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos*

concur sales), present and future, of the Issuer.

Taxation: All payments under the Notes will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, except as stated in the terms of the Notes and as stated under the heading "*Taxation in the Kingdom of Spain*".

Information requirements under Spanish Tax Law: Under Spanish Law 10/2014 and RD 1065/2007 as amended, the Issuer and the Issuing and Paying Agent are required to comply with certain information procedures.

If the Issuing and Paying Agent fails to provide the Issuer with the required information described under "*Taxation — Taxation in the Kingdom of Spain*" in respect of the Notes, the Issuer will withhold tax (as at the date of this Information Memorandum, at the rate of 19 per cent.) and will not gross up payments in respect of any such withholding tax if the required information is not provided.

None of the Arranger, the Dealers, Euroclear or Clearstream, Luxembourg assumes any responsibility therefor.

Form of the Notes: The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a **Global Note**, together the **Global Notes**). Each Global Note which is not intended to be issued in new global note form (a **Classic Global Note** or **CGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date (as specified in the Final Terms) with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a **New Global Note** or **NGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes will be exchangeable for definitive notes (the **Definitive Notes**) in whole, but not in part, in the limited circumstances set out in the Global Notes (see "*Certain Information in Respect of the Notes – Form of Notes*")

Listing and Trading: Each issue of Notes may be admitted to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Dealers. No Notes may be issued on an unlisted basis.

Delivery: The Notes will be available in London for delivery to Euroclear or Clearstream, Luxembourg or to any other recognised clearing system in which the Notes may from time to time be held.

Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 16 March 2018.

Selling Restrictions: The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, Japan, Kingdom of Spain and the Republic of France (see "*Subscription and Sale*").

Governing Law:	The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and conditions of the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.
Use of Proceeds:	The net proceeds of the issue of the Notes will be used for the general funding purposes of the Group (as defined herein).
Rating:	The Programme is not rated.

DESCRIPTION OF THE ISSUER

This Information Memorandum contains certain management measures of performance, such as EBITDA, which are used by management to evaluate Ferrovial's overall performance. For an explanation of these, see "— *Alternative Performance Measures ("APM")*" below.

General Information

Ferrovial, S.A. (**Ferrovial** or the **Issuer**), is a Spanish publicly listed limited liability company (*sociedad anónima cotizada*) subject to the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) whose commercial name together with its consolidated subsidiaries is Ferrovial. The Issuer was incorporated in Madrid on 3 February 1998 as a public limited liability company (*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, S.A. (**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^a and its Legal Entity Identifier (LEI) Code is 95980020140005757903.

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.

Group Structure

The Issuer and its consolidated subsidiaries, its affiliates and joint ventures (collectively, the **Group**) operate as a diversified group, both in terms of its geographic reach and the nature of its activities. See "*Organisational Structure*."

The Group's Business

Discontinued Activities

Having completed the strategic review of its Services Business Division announced in October 2018, Ferrovial has decided to classify as "held for sale" all of its services activities as of 31 December 2018. This decision is framed within its strategy of focusing on the development of its infrastructure business.

The reclassification of the Services Business Division to discontinued operations has had the following impact on the financial statements: (i) the profit/(loss) after tax generated by the Services Business Division is not reported in each line of the income statement, instead it is reported in one line "Net profit/(loss) from discontinued operations", both for 2018 and 2017 which has been restated, and (ii) for the purposes of the balance sheet, all assets and liabilities attributable to the Services Business Division have been reclassified as "Assets/Liabilities classified as held for sale and from discontinued operations". This reclassification was made with effect as of 31 December 2018 and, in accordance with IFRS 5, does not require the restatement of the comparative statement of financial position for 2017.

The reclassification implies valuing the assets of the Services Business Division at the lower of the carrying amount and fair value less costs to sell. The application of this fair value criteria has resulted in an impairment loss of EUR 774 million. This provision relates in full to UK business estimated at EUR103 million compared to an exposure of EUR 877 million relating to the carrying amount of equity and intercompany loans. The fair value of the business is affected by the development and outlook of the UK market, which has been impacted by macroeconomic uncertainties and low public budgets, jointly with the uncertainty of the final resolution of the litigation with Birmingham City Council (as further described below in "*Services legal proceedings*").

General Overview

Ferrovial was founded 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 approximately 92,000 employees (of which approximately 75,000 employees are from the Services Business Division).

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.

Ferrovial undertakes its activities through four business divisions:

- (a) Toll Roads;
- (b) Airports;
- (c) Construction; and
- (d) Services.

The Toll Roads and Airports Business Divisions are the main divisions of Ferrovial financed through non-recourse financing. Ferrovial's infrastructure assets have enabled it to have differential knowledge in the management of urban congestion (as compared to its competitors). This competitive advantage relates mainly to toll roads with dynamic pricing schemes where users are willing to pay different tariffs depending on the level of congestion. In 2018, infrastructure assets accounted for 80% of Ferrovial's value and generated cash to provide €486 million in dividends.

Figures related to consolidated revenue and EBITDA do not include the Services Business Division as far as it has been classified as discontinued activity.

For the year ended 31 December 2018, Ferrovial's EBITDA from continuing operations was €483.7 million and EBITDA Margin¹ and EBIT Margin² were 8.4% and 6.2%, respectively. For the year ended 31 December 2017, Ferrovial's EBITDA from continuing operations was €515.6 million and EBITDA Margin and EBIT Margin were 10.0% and 7.8%, respectively.

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 extracted from the Consolidated Annual Financial Statement of and for the years ended 31 December 2018 and 2017:

Business Division	Group Companies	Description	Year ended 31 December	
			2018	2017(*)
			EBITDA (millions of euros)	EBITDA (millions of euros)
Toll Roads	Cintra Infraestructuras España, S.L., Cintra Infraestructuras SE, Cintra Global SE (formerly Cintra Global, Ltd.) and subsidiaries	Development, financing, execution and operation, of toll road infrastructure	319.2	319.7
Airports.....	Ferrovial Airports International SE (formerly Ferrovial Airports International, Ltd.), Heathrow Airport Holdings Limited, AGS Airports Holdings	Development, financing and operation of airports	-15.6	-12.1

¹ In this section, "EBITDA Margin" means the ratio of EBITDA to revenue.

² In this section, "EBIT Margin" means the ratio of EBIT before impairments and disposals to revenue.

Construction	Limited and subsidiaries Ferrovia Agroman, S.A., Ferrovia Agroman International SE (formerly Ferrovia Agroman International, Ltd.), Budimex, S.A., Ferrovia Agroman US Corp, W.W. Webber, LLC and subsidiaries	Construction and execution of civil engineering, building and industrial projects, including waste treatment, water desalination and drinking water plants	170.1	199.0
Other		Mainly consolidation adjustments and overheads	10.0	9.0
Total EBITDA from Continuing Operations.....			483.7	515.6

(*) 2017 figures have been restated for the classification of Services as discontinued activity as required by IFRS 5

For the year ended 31 December 2018, 54.2% of Ferrovia's EBITDA was generated outside of Spain.

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

The table below sets out Ferrovia's total assets (including the Services Business Division), revenues and EBITDA (excluding the Services Business Division) distribution by geographical area as extracted from the Consolidated Annual Financial Statement of and for the years ended 31 December 2018 and 31 December 2017:

Geographic Area	As of and for the year ended					
	Total assets		Revenues		EBITDA	
	2018	2017	2018	2017(*)	2018	2017(*)
	<i>(millions of euros)</i>		<i>(millions of euros)</i>		<i>(millions of euros)</i>	
Spain	5,596.2	5,655.7	1,007.4	965.8	221.4	266.4
United Kingdom	2,422.8	3,304.0	337.2	372.3	-42.5	-79.2
United States and Canada	10,487.3	9,375.7	1,747.3	1,509.3	161.1	178.6
Poland	1,437.3	1,601.7	1,732.4	1,503.1	111.2	146.8
Australia	1,215.6	1,498.9	271.4	299.8	-34.5	-38.2
Other	1,653.6	1,553.7	640.8	502.0	67.0	41.2
Total	22,812.8	22,989.7	5,736.5	5,152.3	483.7	515.6

(*) 2017 figures have been restated for the classification of Services as discontinued activity as required by IFRS 5

The Issuer's Business Areas

Toll Roads Business Division

Ferrovia first began its toll road activities in 1968 with the AP-8 Bilbao–Behobia toll road concession, and over the next 50 years the Group continued to develop and expand its toll road business (the **Toll Roads Business Division**). The Toll Roads Business Division includes the development, financing, execution and operation of toll road projects.

The Group conducts its operations in this business division through Cintra Infraestructuras SE, Cintra Global SE (formerly Cintra Global Ltd.) and Cintra Infraestructuras España, S.L., wholly owned subsidiaries of the Issuer; Cintra 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*). Cintra's portfolio of concessions is internationally diversified with interests in toll road concessions located in Canada, the United States, Australia, Colombia, Spain, Portugal, Slovakia, Ireland and UK, and with approximately 78% of its net

revenues (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. In addition, as its toll roads mature there is potential for increased returns on equity through selling its stake. Last year the stakes in concessions in Greece were sold.

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 with demand risk 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, where tariff increases can exceed the rate of inflation; in the same way, it applies to the NTE and LBJ. The revenues also depend on the level of traffic on the road, which can be affected by general economic conditions, weather and other factors. Revenues from availability payment roads concessions (no demand risk) are pre-determined in the concession contract and normally linked to inflation. Expenses during the operation phase consist principally of financing expenses, which depend primarily on interest rates and operating expenses, which, in turn, are affected by 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 usually opportunities to refinance and reduce financing costs.

Cintra has a young portfolio of toll roads with a weighted average remaining life close to 43 years. Cintra manages such portfolio with the objective of maximizing its EBITDA, that is (i) generating the maximum operating revenues from its contractual rights, and, at the same time, (ii) efficiently complying with its contractual obligations. For that purpose, Cintra operates its toll roads following a "premium operator" approach, that is (i) using a hands-on approach with a common management strategy, (ii) building knowhow on lessons learned across portfolio and (iii) continuously looking for new technologies and their potential benefits to the business. In addition, as its toll roads mature there is also potential for increased returns on equity through refinancing and re-leveraging.

As at 31 December 2018, Cintra's concession portfolio consisted of 24 concessions, comprising close to 1,468 kilometres of motorway with 569 kilometres under construction, and with a total managed investment of €18.5 billion.

Airports

Ferrovial's activities in the Airports business division (the **Airports Business Division**) include the development, financing and operation of airports and, now also, the construction, operation and exploitation of power transmission lines. The origins of the Airports Business Division date back to 1998, but it was only in 2006, when it acquired a stake of 55.87% in Heathrow Airport Holdings Limited (**HAH**), that it gained its current relevance. Ferrovial indirectly holds 25% of HAH's share capital.

In December 2014, a consortium, owned 50% by Ferrovial Airports International, Ltd. (**Ferrovial Airports**) and 50% by Macquarie European Infrastructure Fund 4 LP (**Macquarie**), entered into an agreement with HAH for the acquisition of Aberdeen, Glasgow and Southampton airports in the UK, through a newly-formed company called AGS Airports Holdings Limited (**AGS**). The transaction was completed on 18 December 2014 and entailed an investment by Ferrovial of €360 million, of which €50 million was disbursed in the form of capital of the newly-formed company and €310 million was paid in the form of a loan to the company that acquired the assets.

On 24 August 2017, the Great Hall Partners consortium, owned 80% by Ferrovial Airports and 20% by Saunders Construction and JLC (an investment fund created by Loop Capital and Magic Johnson Enterprises), entered into an agreement with Denver City and County for remodelling and commercial operation of the Jeppesen terminal at Denver International Airport, through a newly-formed company called Denver Great Hall Holdings LLC (**GHP**). The transaction was completed on December 2017 and the construction and refurbishment work, worth a total of \$650 million, will be carried out by Ferrovial Agroman and Saunders Construction.

Ferrovial participates in the airport industry through HAH, AGS and GHP.

The Airports business generates two primary types of income: aeronautical income and non-aeronautical income.

Aeronautical income is generated from airport fees and traffic charges. These charges are principally levied on the basis of passenger numbers, maximum total aircraft weight, aircraft noise and emission characteristics and the length of time during which an aircraft is parked at the airport (in the case of Heathrow only these charges are regulated by the Civil Aviation Authority).

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 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.

In 2018, HAH revenues and EBITDA were £2,970.2 million and £1,839.8 million, respectively (considering the 100%). AGS revenues and EBITDA were £213.1 million and £97.0 million, respectively (considering the 100%). As mentioned before, Ferrovial owns 25% of HAH and 50% of AGS, so according to IFRS-EU, both companies are equity accounted (HAH since 2011 and AGS since its acquisition).

As far as the power transmission business is concerned, activities started in October 2016 when Ferrovial acquired the Chilean company Transchile Charrúa Transmisión, S.A., concessionaire of a 204 km 220kV twin transmission line with a 500MVA transportation capacity per circuit connecting the Charrúa and Cautín power sub-stations in the Bío-Bío and Araucanía regions of southern Chile serving 300,000 homes.

The power transmission business has recently grown through the award on 30 November 2018 of the concession for the construction, exploitation and operation of a 250 km 220kV twin transmission line with a 580 MVA transportation capacity per circuit connecting the Nueva Pan de Azúcar and Nueva los Pelambres power sub-stations in central Chile to a Ferrovial bidding consortium by the Chilean Ministry of Energy. The concession has been assigned to a fully-owned special purpose vehicle (Centella Transmisión, S.A.). The power transmission line is now under construction. Commercial operation date is scheduled for 2023.

Construction Business Division

Ferrovial conducts its construction activities through Ferrovial Agroman, S.A. (**Ferrovial Agroman**), a wholly owned subsidiary of the Issuer, a leading Spanish construction company with over 80 years of experience in the

industry (the **Construction Business Division**). Ferrovial Agroman 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 is also involved in water treatment plant engineering and construction through its wholly owned subsidiary, Cadagua, S.A., 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, S.A. (**Budimex**) and Webber, LLC (**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, Colombia, Australia, France, Oman, Saudi Arabia, Portugal and Slovakia.

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 72.1% of Budimex's revenue.

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 in the United States 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. In 2016 Webber acquired Pepper Lawson Construction, a specialized company in water infrastructure and commercial construction, enhancing the capabilities and resources of Webber in these segments.

Revenues for the Construction Business Division for the year ended 31 December 2018 were €5,193 million, which represents 90.5% of Ferrovial's total revenue (41.5% including revenues from the Services Business Division classified as discontinued activity). The revenues in the Construction Business Division can be further divided within the key construction companies of the Group, Ferrovial Agroman generated €2,783 million, Budimex €1,671 million and Webber €739 million.

Services Business Division

The Issuer has decided to classify the Services Business Division as a discontinued activity, as the strategic review process initiated in October 2018 has been completed, with the aim of focusing on the development of its infrastructure business. The Issuer expects to complete the process of selling the Services Business Division in 2019.

The Services Business Division of Ferrovial (**Services Business Division** or **Ferrovial Services**) has been active since 1992, and acquired its current structure thanks to a combination of organic and inorganic growth in the different countries in which it operates. It is worth highlighting the acquisition of Amey and Cespa in the United Kingdom and Spain, respectively, in 2003. Enterprise and Steel in UK and Chile, respectively in 2013. In 2016, Ferrovial Services acquired for €499 million the Australian company Broadspectrum Limited (**Broadspectrum**).

The activities of Ferrovial Services are focused on six broad segments: facility management, environmental services (waste treatment), transport and infrastructure (roads, rail mainly), utilities & industry, natural resources and consulting. Within those segments, there is a wide range of services performed, from maintenance activities, operations of assets and consulting.

The activities of Ferrovial Services consist of infrastructure maintenance (highways, rail, street lighting), facility management, environmental services (waste collection and treatment), services to utilities and mining companies and social services (healthcare and legal services).

Ferrovial typically operates its business in the Services Business Division through multi-year contracts signed with the public sector (such as the Highways Agency, Network Rail, Transport for London and the Scottish Executive in the United Kingdom Australian Ministry of Defence, States NSW in Australia) 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.

Ferrovial Services carries out these activities through four business units: (a) Spain, (b) United Kingdom, (c) Broadspectrum and (d) International (in North America, Chile, Poland, Portugal and Qatar).

In Spain, the Group conducts its infrastructure and facility maintenance and management activities, as well as its waste management and urban services activities, primarily through Ferrovial Servicios, S.A. (**Ferrovial Servicios**). Ferrovial Services in Spain is the business unit resulting from the integration of activities performed by Cespa (environmental services) and Ferrovial Servicios (infrastructure management and facility management), which carries out all the services activities in Spain. As a result of this integration, Ferrovial Servicios provides end-to-end solutions which meet clients' current and future needs, with a broad range of services split into three business lines:

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

In United Kingdom the Group conducts its services activities through Amey plc (**Amey**). 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) operation and maintenance for utilities networks and consulting linked to real estate market and infrastructure asset management. Amey also provides related consulting and logistics services. Other activities such as the collection, treatment and disposal of all types of waste, street and beach cleaning and gardening are carried through Amey Cespa Limited.

With the acquisition of Broadspectrum, Ferrovial Services acquired a leadership position in the services and infrastructure maintenance sector in Australia and New Zealand and also entry into the US and Canada. Additionally, it allowed Ferrovial Services access to the telecommunications and oil and gas sectors. After Ferrovial's acquisition, the company has reorganized itself around four sectors:

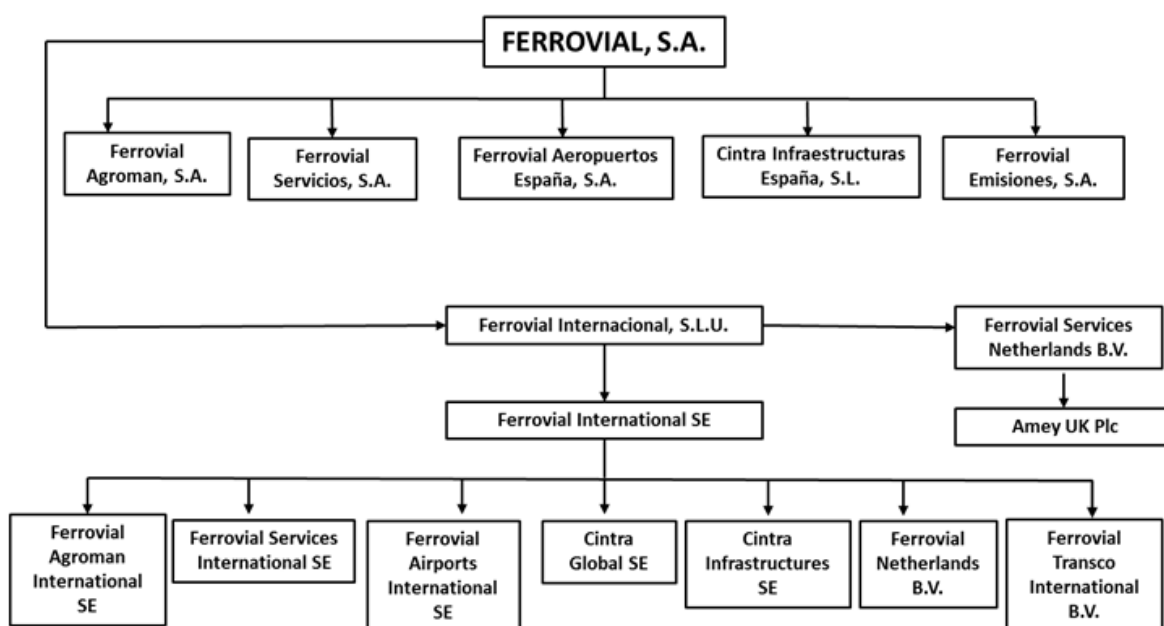
- (a) Government: Includes all the contracts with regional and central governments. Broadspectrum provides a broad range of services, including logistics, facilities management, and operations and maintenance of states and infrastructures.
- (b) Urban Infrastructure: Includes activities in the water, electricity, energy and telecommunication sectors.

- (c) Natural Resources: Focused on the maintenance and operations of wells and oil, gas, mining and agricultural installations, as well as solutions for industrial clients.
- (d) Transport: Includes activities related to the highway, railway and public transport sector.

In addition to Spain, the UK and those companies in which Broadspectrum operates, Ferrovial Services also provides similar services (infrastructure and facility maintenance, waste management, urban and industrial services, services to oil & gas and mining companies) in North America, Portugal, Chile, Poland and Qatar through its International division. The international business unit incorporates all the Ferrovial Services activities outside Spain, the UK and the countries in which Broadspectrum operates. The breakdown of revenue by country for 2018 was as follows: North America (€291.8 million), Chile (€119.2 million), Portugal (€42.0 million) and Poland (€86.9 million). With respect to revenue from Ferrovial Services activity in Qatar, such revenues are not incorporated into the international business unit as they are consolidated using the equity method.

Organisational Structure

The following graphic shows the major companies and the subgroups that make up the Group as of the date of this Information Memorandum and includes those businesses that have been classified as discontinued or held for sale.



For a complete list of the Group companies, joint ventures, and associated companies please see the documents incorporated by reference to this Information Memorandum.

Share Capital and Major Shareholders

As of 31 December 2018, the Issuer's share capital was €147,691,167.40, made up of 738,455,837 ordinary shares of nominal value €0.20 each, represented by book entries and forming a single class. The Issuer's share capital is fully subscribed and paid up.

The general shareholders meeting of the Issuer held on 5 April 2018 approved, within its scrip dividend programme (**Ferrovial Flexible Dividend**), two share capital increases against the reserves of the Issuer to enable it to offer shareholders the option of receiving the complementary dividends corresponding to the 2017 financial year and the interim dividends corresponding to the 2018 financial year in cash or in shares.

At the same general shareholders meeting, a share capital reduction was approved by means of the redemption of (i) 1,439,148 of the company's own shares held as treasury shares; and (ii) the own shares, with a maximum of 19 million, to be acquired through a buy-back programme.

On its meeting held on 10 May 2018, the Board of Directors of the Issuer, in accordance with resolution five of the agenda of the general shareholders meeting, agreed to proceed with the first share capital increase of the scrip dividend programme. The result was that 53.91% of shareholders exercised the option to receive the dividends in shares.

On 30 October 2018, the Board of Directors of the Issuer, in accordance with resolution six of the agenda of the general shareholders meeting, agreed to proceed with the second capital increase of the scrip dividend programme. The result was that 55.31% of shareholders exercised the option to receive the dividends in shares.

On 30 November 2018, the Chief Executive Officer of the Issuer, in accordance with resolution seven of the general shareholders meeting, agreed to proceed with the share capital reduction by means of the redemption of 10,369,765 own shares: (i) 1,439,148 of the company's own shares already held as treasury shares and 8,930,617 of the company's own shares acquired through a buy-back programme.

Ferrovial'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. Ferrovial is the result of a reverse merger (*fusión inversa*) between Grupo Ferrovial, S.A. (**Grupo Ferrovial**) and Cintra Concesiones de Infraestructuras de Transporte, S.A. (**Cintra Concesiones**) completed and registered on 3 December 2009.

Grupo Ferrovial was listed on the Spanish Stock Exchanges and quoted on the AQS on 5 May 1999. As of the date hereof, the significant shareholders of the Issuer according to the information available on the website of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (as defined by Spanish regulations, those who hold a stake on the Issuer's share capital representing 3% or more of the total voting rights, or 1% or more if the relevant significant shareholder is established in a tax haven) are (i) Mr. Rafael del Pino y Calvo-Sotelo, with a 20.104% stake; (ii) Ms. María del Pino y Calvo-Sotelo, with a 8.082% stake; (iii) Mr. Leopoldo del Pino y Calvo-Sotelo, with a 5.003% stake; (iv) Blackrock Inc, with a 3.137% stake; and (v) Fidelity International Limited with a 1.998% stake. As of the date of this Information Memorandum, the Issuer is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Issuer in accordance with article 5 of the LMV (which is referred to article 42 of the Spanish Code of Commerce).

Management

Board of Directors

As at the date of this Information Memorandum the Issuer has the following 12 Directors:

Name	Position
Rafael del Pino y Calvo-Sotelo	Chairman and Chief Executive Officer
Santiago Bergareche Busquet	Vice Chairman
Joaquín Ayuso García	Vice Chairman
Íñigo Meirás Amusco	Chief Executive Officer
María del Pino y Calvo-Sotelo	Director
Santiago Fernández Valbuena	Director
José Fernando Sanchez-Junco Mans	Director
Joaquín del Pino y Calvo-Sotelo	Director
Óscar Fanjul Martín	Director
Philip Bowman	Director
Hanne Birgitte Breinbjerg Sørensen	Director
Bruno Di Leo	Director
Santiago Ortiz Vaamonde	Secretary non-Director

The business address of the members of the Board of Directors 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 Board of Directors listed above and their duties to the Issuer.

Management Structure

The Management Committee is made up of the following:

Name	Position
Íñigo Meirás Amusco	Chief Executive Officer
Maria Dionis Trenor	General Director of Human Resources
Alejandro de la Joya Ruiz de Velasco	General Director of the Toll Roads Business Division
Federico Flórez Gutiérrez	Chief Information and Innovation Officer
Ignacio Gastón Najarro	General Director of the Construction Business Division
Ernesto López Mozo	Chief Financial Officer
Fidel López Soria	General Director of the Services Business Division
Santiago Ortiz Vaamonde	General Counsel
Jorge Gil Villén	General Director of the Airports Business Division
Maria Teresa Pulido Mendoza	Director of Corporate Strategy

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.

Employees

As at 31 December 2018, the Group had approximately 92,000 employees (of which over 75,000 employees belong to the Services Business Division).

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.

Legal Proceedings

In carrying on its activities the Group is exposed to possible contingent liabilities of varying kinds.

The detail of the most significant litigation, in terms of amount, in the Group's various business divisions is as follows.

Toll roads

Autopista Terrasa Manresa (Autema)

On 14 July 2015, the Government of Catalonia published Decree 161/2015, which radically amended the rules governing the concession for the project originally established in Decree 137/1999. This legislative change was carried out in December 2016 via Decree 337/2016.

The change introduced by the new legislation has entailed moving from a regime under which the Government of Catalonia paid the concession operator the difference between the tolls collected and the operating surplus established in the Economic and Financial Plan, to a system whereby the remuneration earned by the concession operator will depend on the number of the infrastructure's users, with the Government of Catalonia subsidising a portion of the toll paid by the user, reducing Autema's revenues by between 50% and 43%.

In this regard, the concession operator considers that there are sound arguments to conclude that the Government of Catalonia, given the two published decrees, has clearly exceeded the limits of the power to amend the arrangements. Accordingly, the company has filed an appeal against the aforementioned decrees at the High Court of Catalonia.

Over the course of 2017, the co-defendants (the Catalan Government and Bages Regional Council) filed their written submissions in response to the complaint and, during first half of 2018, evidence was heard. Following the submission of written conclusions by Autema in July and by the co-defendants in September, the conclusions phase of the trial was brought to an end. The Company was given notice that the date set for the Catalan High Court to vote on and hand down its judgment was 28 February 2019. This means that, on the aforementioned date, the Court should have decided on the contents of the judgment that will subsequently be drafted by the Presiding Judge and notified to the parties. The Court has not set a specific timeframe for this. The Company has not received an update on this process.

As a result of the amendment to the concession regime and taking into consideration the solid legal position against this amendment, the company has decided to classify this concession as a financial asset. However, the goodwill impairment test has been revised and an impairment loss of EUR 13 million in 2018 (EUR 29 million in 2017) was recognised on the basis of the assumptions described in the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2018 (incorporated by reference).

M-203 toll road

Legal action was filed by the concession operator (100% owned by Ferrovial) seeking the termination of the concession agreement on the grounds of a breach by the grantor.

On 24 April 2014, the concession operator instigated a proceeding at the Madrid High Court of Justice requesting the termination of the concession arrangement due to a breach by the grantor and the annulment of the penalties imposed on the concession operator due to the halting of the construction work. In February 2015, the Madrid High Court of Justice issued a judgment upholding in full the appeal for judicial review. A cassation appeal against this judgment was filed at the Supreme Court by the Autonomous Community of Madrid and, lastly, on 22 December 2016, the Supreme Court's decision was handed down, which dismissed the Autonomous Community of Madrid's cassation appeal.

Following the decision in the concession operator's favour, it has requested through various channels that the Autonomous Community of Madrid issue a formal administrative decision terminating the concession arrangement and initiating a procedure to settle the arrangement.

Finally, in an Order from the Community of Madrid's Ministry of Transport, Infrastructure and Housing dated 3 November 2017 (the **Order for Termination**), the Community of Madrid terminated the concession agreement. The Community of Madrid is obliged to comply with the following milestones resulting from its termination: (i) it must take possession of the works; (ii) it must return the bonds put in place by way of a definitive guarantee; (iii) the Authorities must subrogate to the expropriation proceedings; and (iv) it must pay compensation for the investments made (equity value of the investment) and for any damages suffered.

The milestones that were met during 2018 are as follows: (i) a formal process for the acceptance of the works by the Community of Madrid took place on 3 April 2018, and (ii) on 15 October 2018, the Ministry at the Community of Madrid returned the bonds originally put in place by the Company by way of a definitive guarantee for the concession. These bonds amounted to a total of EUR 6.2 million.

The concession operator has entered into negotiations with the grantor since receiving the Order for Termination, to agree on the net investment value (NIV), and is currently waiting for the grantor to issue the relevant ruling establishing the NIV amount. It must also initiate a procedure to settle any damages that it must pay to the concession operator.

As a result of the termination of the concession arrangement, at 31 December 2018 the Issuer reclassified the carrying amount of the asset (EUR 74 million) as an account receivable from the grantor (see the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2018 (incorporated by reference)).

AP 36 Ocaña-La Roda and Radial 4 toll roads

The companies that own both projects were adjusted in the 2015 financial year, due to the fact that they were both in a situation of insolvency. Since then, the insolvency process has followed its course, and the concession operators are currently entering into the liquidation phase.

Provisional measures were adopted during the 2018 financial year to allow the public company SEITT, S.A. to take control over both assets, and finally, on 16 July 2018, the Ministry of Public Works informed the insolvency administrator that it had agreed to terminate the concession agreement and enforce the guarantees.

With regard to Radial 4, in June 2013 a group of financial institutions from the banking syndicate that was financing the project (the **Banks**) filed court proceedings against the shareholders of Cintra Infrastructures, SE and Sacyr Concesiones, S.L., seeking the enforcement of a guarantee that had been put in place by the shareholders, on the grounds of an alleged breach of certain ratios. This guarantee amounts to a total of EUR 23 million, of which Cintra's share amounts to EUR 14.95 million. In their reply to the action, Cintra and Sacyr argued, inter alia, that the Banks did not have active locus standi (a legitimate right to act), believing that they could not file an action against the sponsors but should instead file it against the company that was the investor in the project. They also argued that the purpose of the final maturity undertaking was not to afford the borrower funds to cover payments relating to the financing, but rather to ensure its financial solvency in order to meet obligations arising from a refinancing process that has not taken place. Finally, Madrid Court of First Instance 61 handed down a judgment rejecting the Banks' arguments in October 2015. The Banks appealed this judgment before the Madrid Court of Appeal, which in turn upheld the original judgment rejecting their arguments in December 2016. Against this judgment, the Banks filed an extraordinary appeal for procedural infringement with the Supreme Court, and this appeal is currently pending judgment.

SH-130 toll road

On 1 March 2018, "SH-130 Concession Company, LLC" filed an initial statement of case at the United States Bankruptcy Court Western District of Texas against Ferrovial, S.A., Cintra Infrastructures SE, Ferrovial Agroman, S.A. and other companies of the Ferrovial Group, and against the partner in the SH-130 toll road project.

SH-130 Concession Company, LLC was 65% owned by Cintra TX 56, LLC until 28 June 2017, when ownership of its share capital was transferred to the current shareholders as the result of the completion of the voluntary insolvency process (“Chapter 11”) filed on 2 March 2016.

The complaint is based on the claim that some of the payments made by the concession operator to the construction company in 2011 and 2012, during the toll road’s design and construction phase, were allegedly made in a way that defrauded the creditors, since, in the claimant’s opinion: (i) the works were completed incorrectly and should not, therefore, have been paid for; and (ii) the concession operator was insolvent.

The claimant is demanding the return of these payments, which amount to a total of USD 329 million.

It also accuses Ferrovial, S.A., Cintra Infrastructures SE and other companies in the group of having caused SH-130 Concession Company, LLC to make such payments, thus breaching the fiduciary duties that it should have observed under the mercantile law of the State of Delaware, as well as accusing them of aiding and abetting the breach of such duties.

In an amendment to the initial statement of case filed on 28 September 2018, the claimant sought additional damages consisting of the return of the profits earned under the agreements for services for which the defendants had invoiced the claimants over the said period. The claimant is yet to specify the amount required for this item. It has also extended the initial complaint in relation to fulfilment of fiduciary duties.

The Ferrovial Group defendant companies presented various motions to dismiss on the initial legal action. On 7 September 2018, the Court admitted the preliminary motions to dismiss relating to group companies Ferrovial Internacional, S.L.U. and Ferrovial International Ltd. (which have been excluded from the legal action), though the proceedings continue in respect of the other defendants. The aforementioned amendment to the complaint was also the subject of a second motion to dismiss, though the court has not yet ruled on this motion.

At 31 December 2018 the lawsuit continues to be in a preliminary phase, and the case has not yet begun to be analysed in-depth. The lawsuit discovery, presentation and debate phases are still pending. A final ruling is expected by second half of 2020. An analysis of the current situation would lead to the conclusion that the Ferrovial group companies named as defendants have strong arguments to defend their interests in these legal proceedings, and it is reasonable to think that they could succeed in having the actions brought against them rejected by the Court. Based on the above, Ferrovial has not set aside any provision in relation to these legal proceedings.

Construction legal proceedings

The Group's Construction Division is involved in various lawsuits relating primarily to possible defects in the construction of completed projects and claims for third-party liability.

The provisions recognised in relation to these risks at 31 December 2018 totalled EUR 82 million (2017: EUR 94 million) and relate to a total of approximately 94 lawsuits. The most significant litigation, in terms of amount, in this business area is as follows.

Construction works at the SH-130 toll road in Texas

In addition to the legal action relating to the toll road business detailed in the previous section, the concession operator for the SH-130 toll road filed a request for the submission to arbitration of a dispute against the company Central Texas Highway Contractors, LLC, in which Ferrovial Agroman holds a stake, the toll road’s constructor and against the companies Zachry Industrial, INC. and Ferrovial Agroman, S.A., as the joint guarantors of the aforementioned company. In the request for arbitration, the concession operator claimed in both general and specific terms that there were failings and defects during the construction, mainly in the aggregates used to surface the toll road.

During 2018, the three arbitrators that will resolve the dispute were appointed and another arbitration proceeding was initiated between the construction company and the subcontractors that took part in the project.

On March 1, 2019, SH 130 Concession Company, LLC (**SH130**) filed its Statement of Claim (the **Claim**) in the above referenced matter. The ruling is not expected to be received until 2020.

In the Claim, SH130 seeks to recover more than \$291 million consisting of amounts SH130 allegedly has incurred or will incur to repair claimed damages to Segments 5 and 6 of State Highway 130 (the **Facility**). Of this, 50% would be attributable to Ferrovial's stake in the company, though there is no joint and several liability with regard to the other stakeholder's involvement. The company's legal advisors believe that construction work at the toll road was carried out in accordance with the terms of the contract and good industry practice, and that, in any case, any liability that may result from this lawsuit could be reduced by certain factors, such as:

- The existence of an insurance policy to the benefit of the construction company;
- Liability for the defects being alleged should rest with the companies that were subcontracted by the construction company, both with regard to design and as regards the work done to lay the road surface;
- It would appear that the Texas Department of Transport and the concession operator have reached an agreement to carry out the work required to repair the defects at a value of USD 60 million, which represents less than 50% of the amount being claimed.

On the basis of the foregoing, it was concluded that, for the time being, it was not necessary to allocate any additional provision to the USD 10 million currently set aside by the company to cover deferred expenses in relation to guaranteeing the construction work completed as part of this project.

Arbitration in relation to the construction project for Warsaw airport

With regard to arbitration in relation to the construction project for Warsaw airport, in August 2018 both parties signed a transactional agreement that put an end to the legal proceedings in progress. This agreement resulted in a payment of PLN 79 million to the consortium that carried out the project, comprised of Ferrovial Agroman (60%) and Budimex (40%), (EUR 21 million), which primarily results from the recovery of withholdings made by the client.

Services legal proceedings

The total amount provisioned in the Services Business Division (discontinued activity) at the end of the financial year is EUR 237 million, of which EUR 46 million are recognised as long term provisions and EUR 191 million (GBP 172 million) are registered as a short term provision related to the lawsuit with Birmingham City Council, see details below. The provisions recognised in relation to these risks at 31 December 2017 totalled EUR 91 million.

The main lawsuits in progress are as follows:

Regarding the Services Business Division in the UK:

The main lawsuit for this business division relates to the Amey contract (Services Business Division in the UK) with Birmingham City Council.

- As indicated in the annual accounts for 2017, on 22 February 2018, the UK Court of Appeals found in favour of Birmingham City Council, agreeing the execution of the additional works that were deemed necessary by the client. This overturned the judgment in which the High Court previously ruled in favour of Amey in September 2016.

- At 31 December 2017, the company had set aside a provision in relation to this project in the amount of GBP 74.4 million. The provision set aside in relation to this legal action as of the said date represented the Management's best estimate, based on negotiations with the client during the 2017 financial year.
- On 26 April 2018, Ferrovial notified the Spanish Stock Exchanges of a significant event, indicating that, following communications that it had recently received from the client, the company had proceeded to set aside a provision of GBP 208 million in addition to the amount already existing as of 31 December 2017. This provision was recorded assuming the continuity of the scenario envisaged in the contract, in which the company must make the necessary investments to complete the Core Investment Period (CIP) and the customer will continue to apply the relevant deductions and penalties during that period.
- Given the negotiations held, in the second half of 2018 both parties agreed that the best way to resolve the conflict was to reach a negotiated settlement.
- Over the past few months, the parties have been negotiating a settlement, although no agreement has been reached at 31 December 2018.

It should be noted that the company posted a cumulative provision of GBP 283 million for this contract, the outstanding balance of the provision being GBP 207 million at 31 December and the total losses accumulated under the contract having reached GBP 330 million.

The Services Business Division in the UK also received notification of claims by Aggregate Industries, the subcontractor in the Sheffield contract, amounting to GBP 32 million. Of this amount, GBP 21 million relate mainly to claims for delays and additional costs due to the sequence in which the works were executed, and GBP 11 million relate to the new estimates of the work performed. The Group considers that a significant portion of the claim made by the subcontractor, particularly in relation to the first items, has not been proven by Aggregate Industries, which has suspended the claim because it is recalculating the amounts, and it may reactivate it in the coming months. Aggregate Industries has acknowledged that a final settlement proposal is to be prepared. The Group considers that this contingency has been correctly provided for at year-end.

Regarding the Services Business Division in Spain:

- The main lawsuit was related to a Resolution of the Spanish National Markets and Competition Commission (CNMC) imposing a penalty on Cespa Group companies and Cespa Gestión de Residuos, S.A.U. and other companies from the waste management and urban cleaning industry for participating in a market share agreement. Specifically, the penalty imposed on Cespa, S.A. and Cespa Gestión de Residuos, S.A.U. amounted to EUR 13.6 million. As already noted in the 2017 financial statements, on 27 February the National Court gave notice of a judgment in which it upheld the Ferrovial's appeal, finding that there were no grounds for accusing it of participating in a cartel of this kind. It cancelled the penalty imposed on companies belonging to the Group and awarded costs against the Administration. This judgment has not been appealed by the State Attorney's Office. However, bearing in mind that the judgment did not uphold the other two grounds for annulment that the Group had argued (annulment of all the evidence seized and time-barring of the penalty proceedings), the Group decided to file a cassation appeal with the Supreme Court. This cassation appeal was not granted leave to proceed, so the judgment is final and the lawsuit has been closed.
- In relation to the same matter, on 18 April 2018, new penalty proceedings were initiated in which the same practices that gave rise to the previous proceedings are going to be examined. Ferrovial has appeared in the proceedings (though the CNMC has not yet specified or categorised the anti-trust conduct or practices in question, nor has it quantified the potential penalty) and filed a contentious-administrative appeal with the National Court on the grounds that the initiation of these new proceedings violates the basic right of Cespa S.A. and Cespa Gestión de Residuos S.A.U. not to be tried twice for the same offence. The appeal has been concluded and a date to be set for voting and

handing down of the judgment is now pending. The Group has decided not to set aside any provision, given that the Company's legal advisors believe that the arguments set out in the appeal seeking protection for basic rights are robust, even though the action is still in its very early stages.

- In addition, acting through the company Empresa de Mantenimiento y Explotación M-30, S.A. (Emesa) in which it holds a 50% stake, the Group is operating the contract for the maintenance of the M-30 infrastructure, and it holds a 20% stake in the mixed financial holding company Madrid Calle 30, which is the holder of the concession agreement for this infrastructure. During the 2017 financial year, Madrid City Council, which also holds a stake in Madrid Calle 30, formed a municipal Investigation Commission whose main recommendations (insofar as they affect the Group) are to reverse the management model for Madrid Calle 30 to one in which the company is 100% municipally owned and to request the relevant City Council bodies to determine who is liable for paying for the electricity supply, which to date has been paid for by Madrid Calle 30. In the opinion of the Group's legal advisors, there are arguments to justify that the electricity supply should be paid for by Madrid Calle 30 and not by Emesa. Furthermore, in the event that the concession is removed, under the terms of the contract Emesa's stakeholders would recover the value of the participation loans they granted to the company and Emesa would recover the value of its stake in Madrid Calle 30, along with the subordinated loan it granted to the said company. It should also be mentioned that Emesa has filed a contentious-administrative appeal against the resolution in which the City Council approved the Report by the Investigation Commission, and this appeal has been admitted for process. On this basis, the Group has not set aside any allowance provision.
- Also, through Ecoparc de Can Mata, S.L.U., the Group has a contract for the construction and operation of a waste treatment centre. In 2017 notification was received from the granting body (the Consorci Ecop4rc) of the initiation of a proceeding to claim EUR 15.6 million in payments and penalties due to discrepancies regarding the waste recovery percentages and refuse dumping and in relation to the regularisation of the payments made on the basis of the remuneration formulas provided for in the contract. The granting body also issued a resolution that the billing method to be used from now on should meet the requirements used by it in the proceeding. The Group filed an appeal against the payments and penalties as well as against the resolution obliging billing to be performed in accordance with the imposed criteria. In October 2018, the Consorci Ecop4rc decided to partially uphold the appeal lodged by the Group, ordering a settlement of EUR 1,398 thousand in favour of the Consorci Ecop4rc, covering all items. The customer also concluded that the new operating scheme reflects the actual status of the waste and the plant, it not being necessary to change the billing process in the future. The Group considers that the agreement reached marks the end of this lawsuit.

Tax proceedings

Ferrovial is involved in various tax-related claims, mainly in relation to tax audits in Spain. The most significant claims relate to income tax and VAT for 2002 to 2013 and amount to EUR 305 million. The Group believes that it has strong arguments to defend its procedural position, for which it has set aside partial allowance provisions to cover the risk that could arise from them (worth EUR 231 million mentioned above), of which EUR 33 million are classified as discontinued activities. These actions include one that relates to the tax write-down of financial goodwill resulting from the acquisition of Amey and Swissport. Ferrovial has filed an appeal against the decision by the European Commission in 2014 ("Third Decision"), in which this kind of tax measure is classified as constituting state aid. Although Ferrovial believes there are sound grounds supporting the Group's procedural stance, if a favourable court judgment is not issued, the amount of EUR 78 million will be payable to the Treasury, of which EUR 37 million was already settled in 2017. In that scenario, the impact on the income statement would be EUR 16 million after applying other tax credits available to the company.

Other litigation

In addition to the litigation discussed above, of particular note is the Group continuing to maintain its contractual position vis-à-vis certain tax claims that had been filed by Promociones Habitat, S.A., which was

sold by Ferrovial Fisa, S.L. in 2016. These claims are currently pending resolution or payment and a provision for the amount thereof has been duly recognised in the consolidated financial statements.

Alternative Performance Measures

This Information Memorandum (and the documents incorporated by reference in this Information Memorandum) contains certain management measures of performance or alternative performance measures (**APMs**), which are used by management to evaluate Ferrovial's overall performance. These APMs are not audited, reviewed or subject to a pro forma review by Ferrovial's auditors and are not measurements required by, or presented in accordance with, IFRS - EU. Accordingly, these APMs should not be considered as alternatives to the information in the Consolidated Annual Financial Statements or to any performance measures prepared in accordance with IFRS - EU. Many of these APMs are based on Ferrovial's internal estimates, assumptions, calculations, and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by Ferrovial, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS - EU, as indications of operating performance or as measures of Ferrovial's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS - EU and investors are advised to review these APMs in conjunction with the Integrated Annual Report incorporated by reference in this Information Memorandum.

The descriptions (including definitions, explanations and reconciliations) of all APMs are set out in the Appendix entitled "Alternative Performance Measures" to the 2017 Management Report.

Ferrovial believes that the description of these management measures of performance in this Information Memorandum follows and complies with the "*European Securities and Markets Authority Guidelines on Alternative Performance Measures (APM)*" dated 5 October 2015.

Rounding

Certain numerical figures set out in this Information Memorandum have been subject to rounding adjustments and, as a result, the totals of the information in this Information Memorandum may vary slightly from the actual arithmetic totals of such information.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key Information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of each issue of Notes will be used for the general funding purposes of the Group.

Information concerning the securities to be admitted to trading

Total amount of Notes admitted to trading

The aggregate amount of each issue of Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €1,000,000,000 (or its equivalent in other currencies).

Type and class of Notes

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:

- (a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);
- (b) for Euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof) except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher;
- (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);
- (d) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or
- (e) for Swiss Francs Notes, CHF 500,000;

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

Notes may, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*"

The international security identification number of each issue of Notes will be specified in the relevant Final Terms.

Legislation under which the Notes, the related contractual documentation have been created

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and

conditions of the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

Form of the Notes

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006, the European Central Bank (the **ECB**) announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the **Eurosystem**), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Currency of the Notes

Notes may be issued in U.S. dollars, Euro, Sterling, Japanese Yen, and Swiss Francs and such other currencies as may be agreed between the Issuer and the Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.

In the event of insolvency (concurso) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated claims under Article 92 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. The claims that qualify as subordinated credits under Article 92 of the Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (concurso) of the Issuer commenced). Ordinary claims rank below claims against the insolvency state (créditos contra la masa) and claims with special privilege (créditos con privilegio especial) or general privilege (créditos con privilegio general). Ordinary claims rank above subordinated credits and the rights of shareholders. Pursuant to Article 59 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer (other than any interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security and the maximum secured liabilities under the relevant security).

Rights attaching to the Notes

Each issue of Notes will be the subject of Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes. See "*Form of Notes*" and "*Form of Final Terms*".

Maturity of the Notes

The maturity date applicable to each issue of Notes will be specified in the relevant Final Terms (the **Maturity Date**). The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days from and including the day of issue, to (but excluding) the maturity date, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) if (a) it is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or 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 (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Redemption at the Option of the Issuer

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

Prescription

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Final Terms.

Yield Basis

The Notes may be issued at a discount or at a premium (in which case they will not bear interest) or may bear fixed or floating rate interest. The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Final Terms.

Authorisations and approvals

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by a resolution of the Board of Directors of the Issuer adopted at a meeting passed on 24 October 2017. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to Trading and Dealing Arrangements

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the Dealers. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch is the Issuing and Paying Agent in respect of the Notes.

Expense of the Admission to Trading

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

The Notes to be issued under the Programme have not been rated.

FORM OF NOTES

PART I

FORM OF MULTICURRENCY GLOBAL NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN 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. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

FERROVIAL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

€1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, Ferrovial, S.A. (the **Issuer**) promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms or on such earlier date as the same may become payable in accordance with paragraph 4 below (the **Relevant Date**), the Nominal Amount or, as the case may be, Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with the issuing and paying agency agreement (the **Issuing and Paying Agency Agreement**) dated 16 March 2018 (as amended and restated or supplemented from time to time) between the Issuer and The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the **Issuing and Paying Agent**, together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the **Paying Agents**), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at One Canada Square, London, E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in the principal financial centre of any country outside of the United States that the Issuer or the Issuing and Paying Agent so chooses.

2. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in the Kingdom of Spain, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (**Taxes**). If the Issuer is required by law or regulation to make any deduction or withholding for or on account of Taxes imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payment of interest, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence as may be required by the competent tax authorities or in relation to payments in respect of which the Issuer does not receive any relevant information about the Notes (including due to any failure by the Issuing and Paying Agent to provide the information required by Royal Decree 1065/2007) as may be required to comply with Spanish tax disclosure obligations applicable at that time; or
 - (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days; or

- (d) to, or to a third party on behalf of, an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a Spanish-resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with exemption requirements including those specified in the Reply to Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding any other provision of this Note, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction 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, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

4. 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 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:

- (a) the Issuer (a) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 above as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date as specified in the Final Terms; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer 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
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (i) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (ii) has or will become obliged to pay such additional amounts as a result of such change or amendment (as applicable).

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
6. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
7. All Notes so purchased by the Issuer or otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
8. On each occasion on which:
 - (a) *Definitive Notes*: Notes in definitive form are delivered; or
 - (b) *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with paragraph 7 above,the Issuer shall procure that:
 - (a) if the Final Terms specify that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining principal amount of Notes represented by this Global Note (which shall be the previous principal amount hereof less the aggregate of the amounts referred to in (i) above) are entered in the Schedule hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
 - (b) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by the Global Note shall be reduced by the principal amount so exchanged or cancelled.
9. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under article 92 of the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (**Law 22/2003** or the **Insolvency Law**), or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.
10. If the Maturity Date (or, as the case may be, the Relevant Date or, if applicable, the relevant Interest Payment Date), is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

Payment Business Day means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto; and

TARGET Business Day means any day on which TARGET2 is open for the settlement of payments in euro.

11. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
12. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), together with Euroclear, the international central securities depositaries or **ICSDs**) or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note; or
 - (c) if the Notes are required to be removed from Euroclear, Clearstream, Luxembourg or any other clearing system and no suitable (in the determination of the Issuer) alternative system is available.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issuing and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issuing and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

13. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5:00 p.m. (London time) on the 30th day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 16 March 2018, entered into by the Issuer).
14. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the

15th day after falling so due, the amount referred to in paragraph 1 shall be payable on such 15th day;

- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:
 - (i) if the Final Terms specify that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment; and
 - (ii) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs.

15. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

16. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note (and unless otherwise specified in the Final Terms):

LIBOR shall be equal to the rate defined as **LIBOR-BBA** in respect of the above- mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the **ISDA Definitions**)) as at 11:00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a **LIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA

Definitions) were the number of months specified on the Final Terms in relation to the Reference Rate; and

London Banking Day shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

If the LIBOR rate is no longer being calculated or administered as at the relevant LIBOR Interest Determination Date, LIBOR shall mean any alternative rate which has replaced LIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as notified by the Issuer to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**) to determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11:00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If the EURIBOR rate is no longer being calculated or administered as at the relevant EURIBOR Interest Determination Date, EURIBOR shall mean any alternative rate which has replaced EURIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as notified by the Issuer to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced EURIBOR in customary market usage, the Issuer will appoint in its sole discretion an IFA to determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders of the Notes;

- (c) in the case of a Global Note which specifies EONIA as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Final Terms (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days;

As used in this Global Note (unless otherwise specified in the Final Terms) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an **EONIA Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Final Terms in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Final Terms will, as soon as practicable after (i) 11:00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11:00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or (iii) 11:00 a.m. (Brussels time) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) in the case of (i) and (ii) above, for the relevant Interest Period or in the case of (iii) above, the relevant day. "**Rate of Interest**" means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 16(a) above, (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 16(b), and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 16(c). The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
 - (e) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
 - (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 12, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
17. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any currency).
18. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Swiss Francs or Japanese Yen (or in any other currency other than Euro, U.S. dollars or Sterling), at least two Business Days prior to the relevant payment date; and

- (b) if this Global Note is denominated in Euro, U.S. dollars or Sterling, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (a) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) in the case of payments in Euro, a TARGET Business Day; and
- (c) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.

19. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:

- (a) *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
- (b) *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.

20. This Global Note shall not be validly issued unless manually authenticated The Bank of New York Mellon, London Branch as Issuing and Paying Agent.

21. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

22. This Global Note (other than paragraph 9) and all non-contractual obligations arising out of or in connection with this Global Note are governed by, and construed in accordance with, English law. Paragraph 9 (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, Spanish law.

(a) **English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Global Note (including a dispute relating to the existence, validity or termination of this Global Note or any non-contractual obligation arising out of or in connection with this Global Note) or the consequences of its nullity (a **Dispute**).

(b) **Appropriate forum**

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(c) **Rights of the bearer to take proceedings outside England**

Clause 22(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 22 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.

(d) **Process agent**

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Ferrocop UK Limited at 10th Floor, BSI Building, 389, Chiswick High Road, W4 4AL London, United Kingdom, or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.

23. If this Global Note has been admitted to listing on the official list of the Irish Stock Exchange plc trading as Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global Note shall be published in accordance with the requirements of the Irish Stock Exchange plc (and/or of the relevant listing authority, stock exchange and/or quotation system). So long as the Notes are represented by this Global Note, and this Global Note has been deposited with a depository or common depository for the ICSDs or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Issuing and Paying Agency Agreement), the Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange plc (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the clearing system(s) in which this Global Note is held.
24. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
25. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by THE BANK OF NEW YORK MELLON, LONDON BRANCH **SIGNED for and on behalf of FERROVIAL, S.A.**
without recourse, warranty or liability and for authentication purposes only

By:
(*Authorised Signatory*)

By its lawfully appointed attorney:
.....

EFFECTUATED for and on behalf of

.....
as common safekeeper without
recourse, warranty or liability

By:.....
[manual signature] (duly authorised)

SCHEDULE³

PAYMENTS OF INTEREST, DELIVERY OF DEFINITIVE NOTES AND CANCELLATION OF NOTES

Date of payment, delivery or cancellation	Amount of interest then paid	Amount of principal then paid	Aggregate principal amount of Definitive Notes then delivered	Aggregate principal amount of Notes then cancelled	New principal amount of this Global Note	Authorised Signature
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³ The Schedule should only be completed where the Final Terms specify that the New Global Note form is not applicable

FINAL TERMS

[Completed Final Terms to be attached]

PART II
FORM OF MULTICURRENCY DEFINITIVE NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS 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. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

FERROVIAL, S.A.
(Incorporated with limited liability in the Kingdom of Spain)

€1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, Ferrovial, S.A. (the **Issuer**) promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms, or on such earlier date as the same may become payable in accordance with paragraph 3 below (the **Relevant Date**), the above-mentioned Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with the issuing and paying agency agreement (the **Issuing and Paying Agency Agreement**) dated 16 March 2018 (as amended and restated or supplemented from time to time) between the Issuer and The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the **Issuing and Paying Agent**, together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the **Paying Agents**), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at One Canada Square, London, E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, if this Note is denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in the Kingdom of Spain, in or from which

such payments are made or any political subdivision or taxing authority of or in any of the foregoing (**Taxes**). If the Issuer is required by law or regulation to make any deduction or withholding for or on account of Taxes imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payment of interest, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
- (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence as may be required by the competent tax authorities or in relation to payments in respect of which the Issuer does not receive any relevant information about the Notes (including due to any failure by the Issuing and Paying Agent to provide the information required by Royal Decree 1065/2007) as may be required to comply with Spanish tax disclosure obligations applicable at that time; or
- (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days; or
- (d) to, or to a third party on behalf of, an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a Spanish-resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with exemption requirements including those specified in the Reply to Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding any other provision of this Note, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction 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, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:

- (a) the Issuer (a) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 above as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any

change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and

- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer 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
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (i) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (ii) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

4. This Note may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
6. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. The payment obligations of the Issuer represented by this Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under article 92 of the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (**Law 22/2003** or the **Insolvency Law**) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among other Notes of the same Series (as specified in the Final Terms) and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.
8. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be

made on the immediately preceding Payment Business Day) and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein:

Payment Business Day, shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

TARGET Business Day means any day on which TARGET2 is open for the settlement of payments in euro.

9. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. If this is an interest bearing Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in paragraph 1 shall be payable on such 15th day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
11. If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
 - (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

12. If this is a floating rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) in the case of a Note which specifies LIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days, unless otherwise specified in the Final Terms.

As used in this Note:

LIBOR shall be equal to the rate defined as "**LIBOR-BBA**" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the **ISDA Definitions**)) as at 11:00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a **LIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate; and

London Banking Day shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

If the LIBOR rate is no longer being calculated or administered as at the relevant LIBOR Interest Determination Date, LIBOR shall mean any alternative rate which has replaced LIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**) to determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11:00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period

and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If the EURIBOR rate is no longer being calculated or administered as at the relevant EURIBOR Interest Determination Date, EURIBOR shall mean any alternative rate which has replaced EURIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced EURIBOR in customary market usage, the Issuer will appoint in its sole discretion an IFA to determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders of the Notes;

- (c) in the case of a Note which specifies EONIA as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Final Terms (if any), determined on each TARGET Business Day during the Relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of actual number of days in such Interest Period and a year of 360 days.

As used in this Note (unless otherwise specified in the Final Terms) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11:00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an **EONIA Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Final Terms in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Final Terms will, as soon as practicable after (i) 11:00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11:00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or (iii) 11:00 a.m. (Brussels time) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) in the case of (i) and (ii) above, for the relevant Interest Period or, in the case of (iii) above, the relevant day. **Rate of Interest** means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 12(a) above, (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 12(b), and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 12(c). The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (e) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
 - (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
13. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any currency).
14. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Note as follows:
- (a) if this Note is denominated in Swiss Francs or Japanese Yen (or in any other currency other than Euro, U.S. dollars or Sterling), at least two Business Days prior to the relevant payment date; and
 - (b) if this Note is denominated in Euro, U.S. dollars or Sterling, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (a) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (b) in the case of payments in Euro, a TARGET Business Day; and
 - (c) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.⁴
15. This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
16. This Note (other than paragraph 7) and all non-contractual obligations arising out of or in connection with this Note are governed by, and construed in accordance with, English law. Paragraph 7 (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, Spanish law.

(a) **English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Note (including a dispute relating to the existence, validity or termination of this Note or any non-contractual obligation arising out of or in connection with this Note) or the consequences of its nullity (a **Dispute**).

(b) **Appropriate forum**

⁴ If this Note is denominated in Sterling, delete paragraphs 10 through 12 inclusive and replace with interest provisions to be included on the reverse of the Note as indicated below.

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(c) **Rights of the bearer to take proceedings outside England**

Clause 16(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 16 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.

(d) **Process agent**

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Ferrocop UK Limited at 10th Floor, BSI Building, 389, Chiswick High Road, W4 4AL London, United Kingdom, or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.

- 17. If this Note has been admitted to listing on the official list of the Irish Stock Exchange plc trading as Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Note shall be published in accordance with the requirements of the Irish Stock Exchange plc (and/or of the relevant listing authority, stock exchange and/or quotation system).
- 18. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
- 19. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED by THE BANK OF
NEW YORK MELLON, LONDON BRANCH**

without recourse, warranty or liability and for authentication purposes only

By:

.....
(Authorised Signatory)

**SIGNED for and on behalf of
FERROVIAL, S.A.**

By its lawfully appointed attorney:

.....

[On the Reverse]

- (A) [If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in paragraph 1 shall be payable on such 15th day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
- (B) If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
 - (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).
- (C) If this is a floating rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrears on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days.

As used in this Note, "**LIBOR**" shall be equal to the rate defined as "**LIBOR-BBA**" in respect of Sterling (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the **ISDA Definitions**)) as at 11:00 a.m. (London time) or as near thereto as practicable on the first day of the relevant Interest Period (the **LIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If the LIBOR rate is no longer being calculated or administered as at the relevant LIBOR Interest Determination Date, LIBOR shall mean any alternative rate which has replaced LIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear

market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**) to determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders;

- (b) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11:00 a.m. (London time) on the LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. "**Rate of Interest**" means the rate which is determined in accordance with the provisions of sub-paragraph (a) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the actual number of days in the Interest Period concerned divided by 365 and rounding the resulting figure to the nearest penny. The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (c) the period beginning on and including the above-mentioned Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph (C);
- (d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

SCHEDULE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

<u>Date made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Amount Paid</u>	<u>Notation on behalf of the Issuing and Paying Agent</u>
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FINAL TERMS

[Completed Final Terms to be attached]

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.

MIFID II product governance - professional investors and eligible counterparties only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

FERROVIAL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

€1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

ISSUE OF [AGGREGATE PRINCIPAL AMOUNT OF NOTES] [TITLE OF NOTES]

PART A

CONTRACTUAL TERMS

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 16 March 2018 (as amended, updated or supplemented from time to time, the **Information Memorandum**) in relation to the Programme) in relation to the issue of Notes referred to above (the **Notes**). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. These Final Terms are supplemental to and must be read in conjunction with the full terms and conditions of the Notes. These Final Terms are also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum dated [●]] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Calle del Príncipe de Vergara, 135, 28006 Madrid, Spain, and at the offices of the Issuing and Paying Agent at One Canada Square, London, E14 5AL, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | |
|----|---------------|-----------------------|
| 1. | Issuer: | Ferrovial, S.A. |
| 2. | Type of Note: | Euro commercial paper |

3. Series No:
4. Dealer(s):
5. Specified Currency:
6. Nominal Amount:
7. Issue Date:
8. Maturity Date: [May not be less than 1 day nor more than 364 days after the Issue Date]
9. Issue Price:
10. Denomination:
11. Calculation Amount:
12. Redemption Amount: [Redemption at par][per Note of Denomination][Nominal amount specified on the face of each Note in definitive form][*other*]
13. Early Redemption Date
14. Redemption Notice Period [Not less than 30 days and not more than 60 days prior to the Early Redemption Date/*other*]
15. Delivery: [Free of/against] payment

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate[(s)] of Interest: per cent. per annum payable annually
- (b) Interest Payment Date(s):
- (c) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not applicable/*other*]
- [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]⁵
- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions [Not applicable/*give details*]

⁵ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

of the Notes):

Floating Rate Note Provisions	[Applicable/Not applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
17. (a) Interest Payment Dates:	<input type="checkbox"/>
(b) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent)):	[[Name] shall be the Calculation Agent]
(c) Reference Rate:	<input type="checkbox"/> months [LIBOR/EURIBOR/EONIA]
(d) Margin(s):	[+/-][<input type="checkbox"/>] per cent. per annum
(e) Day Count Convention (if different from that specified in the terms and conditions of the Notes):	[Not applicable/other] [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.] ⁶
(f) Any other terms relating to the method of calculating interest on floating rate Notes, if different from those set out in the terms and conditions of the Notes:	<input type="checkbox"/>

GENERAL PROVISIONS APPLICABLE TO THE NOTES

18. Listing and admission to trading:	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [<input type="checkbox"/>].][other]
19. Rating:	The Notes have [not] been rated
20. Clearing System(s):	Euroclear, Clearstream, Luxembourg
21. Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
22. Listing Agent:	[The Bank of New York Mellon SA/NV, Dublin Branch]
23. ISIN:	<input type="checkbox"/>
24. Common code:	<input type="checkbox"/>
25. Any clearing system(s) other than Euroclear Bank, S.A./N.V., Clearstream Banking,	[Not applicable/give name(s) and number(s)]

⁶ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

société anonyme and the relevant identification number(s):

26. New Global Note: [Yes][No]
27. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes.][No.][Not applicable.]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.].] [*Include this text if "No" selected in which case the Notes must be issued in CGN form*]]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €1,000,000,000 Euro-Commercial Paper Programme of Ferrovial, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

SIGNED on behalf of
FERROVIAL, S.A.

By:
(*duly authorised*)

Dated: [●] [●] [●]

PART B

OTHER INFORMATION

1. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

2. **ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

Estimated total expenses: [●]

3. [Fixed Rate Notes only – **YIELD**

Indication of yield: [●]

4. [Floating Rate Notes only – **HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/EONIA/other] rates can be obtained from [Reuters]].

TAXATION

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, 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 Commission's proposal, 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.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Taxation in the Kingdom of Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain as at the date of this Information Memorandum and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

Introduction

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

- (a) of general application, Additional Provision One of Law 10/2014, and RD 1065/2007, as amended;
- (b) for individuals with tax residency in Spain who are personal income tax (**Personal Income Tax**) tax payers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as amended, (the **Personal Income Tax Law**), and Royal Decree 439/2007, of 30 March, promulgating the Personal Income Tax Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended, and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended;

- (c) for legal entities resident for tax purposes in Spain which are corporate income tax ("Corporate Income Tax") taxpayers, Law 27/2014, of 27 November, of the Corporate Income Tax Law, as amended, and Royal Decree 634/2015, of 10 July promulgating the Corporate Income Tax Regulations (the **Corporate Income Tax Regulations**); and
- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax (**Non-Resident Income Tax**) taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law, as amended, and Royal Decree 1776/2004, of 30 July, promulgating the Non-Resident Income Tax Regulations, as amended, (**Non-Resident Income Tax Regulations**), along with Law 19/1991, of 6 June on Wealth Tax, as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a **Beneficial Owner**), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

1. INDIVIDUALS WITH TAX RESIDENCY IN SPAIN

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

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in each investor's taxable savings and taxed at the tax rate applicable from time to time, currently at the rate of 19 per cent. for taxable income up to €6,000, 21 per cent. for taxable income between €6,000 to €50,000 and 23 per cent. for taxable income in excess of €50,000.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19 per cent. According to Section 44.5 of RD 1065/2007, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding **provided that** the relevant information about the Notes is submitted. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19 per cent.), and will not gross up payments in respect of any such withholding tax.

Notwithstanding the above, withholding tax at the applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal 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.

1.2 *Wealth Tax (Impuesto sobre el Patrimonio)*

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which

they hold as at 31 December in each year, the applicable rates ranging between 0.2 per cent. and 2.5 per cent. Although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In accordance with Second section of Article 1 of the Royal Decree 13/2011, of 16 September,, a full exemption (*bonificación del 100%*) on Wealth Tax would apply in 2020 unless such exemption is revoked.

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

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. As at the date of this Information Memorandum, the applicable tax rates currently range between 7.65 per cent. and 34 per cent. Relevant factors applied (such as previous net wealth or family relationship among transferor and transferee) determine the final effective tax rate that range, as of the date of this Information Memorandum, between 0 per cent. and 81.6 per cent. although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

2. **LEGAL ENTITIES WITH TAX RESIDENCY IN SPAIN**

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

Payments of income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and would have to be included in profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax and subject to the general rate of 25 per cent.

In accordance with Section 44.5 of RD 1065/2007, there is no obligation to withhold on interests payable to Spanish Corporate Income Tax taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold on interest payments to Spanish Corporate Income Tax taxpayers **provided that** the relevant information about the Notes is submitted. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19 per cent.), and will not gross up payments in respect of any such withholding tax if the required information is not provided (including by the Issuing and Paying Agent).

Notwithstanding the above, payments of interest under the Notes may be subject to withholding tax at the applicable rate of 19 per cent. by other entities (such as depositaries, institutions or financial entities) if the Notes do not comply with exemption requirements, including those specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 which require a withholding to be made.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final Corporate Income Tax liability.

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.

2.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Spanish resident legal entities are not subject to Wealth Tax.

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

Legal entities tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

3. **INDIVIDUALS AND LEGAL ENTITIES WITH NO TAX RESIDENCY IN SPAIN**

3.1 ***Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)***

(a) *Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

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.

(b) *Non-Spanish resident investors not acting through a permanent establishment in Spain*

Payments of income deriving from the transfer, redemption or repayment of the Notes obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax on the same terms laid down for income from public debt provided that the relevant information about the Notes is submitted. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19 per cent.), and will not gross up payments in respect of any such withholding tax.

3.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

However, non-Spanish resident individual will be exempt from Wealth Tax in respect of the Notes which income is exempt from Non-Resident Income Tax described above.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area Member State may apply the rules approved by the autonomous region where the assets and rights with more

value (i) are situated, (ii) can be exercised or (iii) must be fulfilled. As such, prospective investors should consult their tax advisers.

In accordance with Second section of Article 1 of the Royal Decree 13/2011, of 16 September,, a full exemption (*bonificación del 100%*) on Wealth Tax would apply in 2020 unless such exemption is revoked.

Non-Spanish resident legal entities are not subject to Wealth Tax.

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

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the Spanish legislation applicable in the relevant autonomous region (*Comunidad Autónoma*).

Generally, non-Spanish tax resident individuals are subject to the Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish State level law. However, if the deceased or the donee are resident in an EU or European Economic Area Member State, the applicable rules will be those corresponding to the relevant Spanish autonomous regions. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

4. **INFORMATION ABOUT THE NOTES IN CONNECTION WITH PAYMENTS**

The Issuer is currently required by Spanish law to report on certain information relating to the Notes. In accordance with Section 44 of RD 1065/2007, for that purpose, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment.

Such information would be the following:

- (a) identification of the Notes in respect of which the relevant payment is made;
- (b) date on which relevant payment is made;
- (c) the total amount of the relevant payment; and
- (d) the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as **ANNEX I** of this Information Memorandum.

In light of the above, the Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by the Issuer, the Issuer may be required to withhold at the applicable rate

of 19 per cent. from any payment in respect of the relevant Notes as to which the required information has not been provided and will not gross up payments in respect of any such withholding tax if the required information is not provided (including by the Issuing and Paying Agent).

The procedures for providing documentation referred to in this section are set out in detail in the issuing and paying agency agreement dated 16 March 2018 (the **Issuing and Paying Agency Agreement**) which may be inspected during normal business hours at the specified office of the Issuing and Paying Agent. In particular, if the Issuing and Paying Agent does not act as common depository, the procedures described in this section will be modified in the manner described in the Agency Agreement.

Set out below is Annex Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

Any foreign language text included in this Information Memorandum is for convenience purposes only and does not form part of this Information Memorandum

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal ()⁽¹⁾, en nombre y representación de (entidad declarante), con número de identificación fiscal ()⁽¹⁾ y domicilio en ()⁽¹⁾ en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number ()⁽¹⁾, in the name and on behalf of (entity), with tax identification number ()⁽¹⁾ and address in () as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
 - (a) Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
 - (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
 - (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**
 - (d) Issuing and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores

- 1.1 Identification of the securities
- 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2. En relación con el apartado 5 del artículo 44.**
- 2. In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 Importe correspondiente a la entidad que el sistema de compensación y liquidación de valores con sede en el extranjero C.

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en.....a ... de.....de ...

I declare the above in on the ... of of ...

(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

1. **General**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. **United States of America**

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.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered and sold, and will offer and sell, Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant tranche as determined and certified by the relevant Dealer, only in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (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 (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

3. **The United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to the Issuer, that:

(a)

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
 - (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

4. **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

5. **Kingdom of Spain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered, sold or distributed, nor will any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Restated Text of the Spanish Securities Market Law approved by Legislative Royal Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de Octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended, or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes nor this Information Memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore this Information Memorandum is not intended for any public offer of the Notes in Spain.

6. **Republic of France**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum or any other offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals

and/or (iii) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*. The Information Memorandum has not been submitted for clearance to the *Autorité des marchés financiers*.

GENERAL INFORMATION

1. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Final Terms relating thereto.

2. Admission to Listing and Trading

It is expected that Notes issued under the Programme may be admitted to the official list of Euronext Dublin and to trading on the regulated market of Euronext Dublin on or after 14 March 2019. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to the official list of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Final Terms and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

3. Significant Change

There has been no significant change in the financial or trading position of the Group since 31 December 2018.

4. Legal and Arbitration Proceedings

There are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer and/or the Group which may have, or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or the Group, save as disclosed in "*Legal Proceedings*" above.

5. Independent Auditors

The consolidated financial statements of the Issuer for the years ended 31 December 2018 and 31 December 2017 have been audited by Deloitte, S.L., registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0692. The registered office of Deloitte, S.L. is Plaza Pablo Ruiz Picasso 1, 28020, Madrid, Spain.

6. LEI code

The Legal Entity Identifier (LEI) Code of the Issuer is 95980020140005757903.

7. **Documents on Display**

Physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent for the life of this Information Memorandum:

- (a) the documents listed in the section "Documents Incorporated by Reference" above;
- (b) this Information Memorandum, together with any supplements thereto;
- (c) the Issuing and Paying Agency Agreement relating to the Notes;
- (d) the Programme Agreement;
- (e) the Deed of Covenant; and
- (f) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

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