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In accordance with Article 228 of the Consolidated Text of the Spanish Securities Market Act (*Texto Refundido de la Ley del Mercado de Valores*), FERROVIAL, S.A. (the Company or FERROVIAL), hereby communicates the following:

### **RELEVANT INFORMATION**

By means of a significant event communicated on 4 May 2016 (registration number 238,182), the resolutions adopted by the Ordinary General Shareholders' Meeting of the Company held on that same day were reported, and among these, the approval, under item six of the agenda, of a first increase of paid-up capital.

The Executive Committee of the Company, at its meeting held today, exercising the rights sub-delegated to it by the Board of Directors, has agreed to proceed with the said capital increase.

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

Madrid, 23 May 2016

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

**Annex**

**Report**

**First paid-up share capital increase against reserves,  
approved by the General Shareholders' Meeting held on 4  
May 2016**

**Ferrovial, S.A.**

23 May 2016

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

## **1. Background and purpose**

The Ordinary General Shareholders' Meeting of Ferrovial, S.A. (hereinafter, "**Ferrovial**" or "**the Company**") held on 4 May 2016 approved a fully paid-up share capital increase against reserves under item six of the agenda, for an amount to be determined under the terms envisaged in the resolution itself (hereinafter, "**the Capital Increase**"), empowering the Board of Directors, with express power of substitution to the Executive Committee, the President and the CEO, insofar as necessary to carry out the Capital Increase, pursuant to Article 297.1.a) of the Capital Companies Act. The maximum market price of the Capital Increase (the "**Amount of the Alternative Option**") has been set at EUR 234,307,543.68, amount included within the limits set by the General Shareholders' Meeting.

The Board of Directors agreed to sub-delegate to the Executive Committee, the President of the Board of Directors and the CEO, individually and indistinctly authorised, in its own terms, all the faculties that the Ordinary General Shareholders' Meeting conferred by the virtue of items six, seven and eight.

In its meeting held today, the Company's Executive Committee agreed to perform the Capital Increase using the aforementioned powers conferred to it.

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

Therefore, the purpose of this document is to provide, from the aforementioned information, that which is available on this date relating to the Capital Increase. Once the Capital Increase has been completed and the other information becomes available, it will be made public by means of a significant event. Completion of the Capital Increase is expected to be reported on 15 June 2016.

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

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

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

This scheme has been implemented by the Company during financial years 2014 and 2015. Given the good reception, the Company has decided to offer the same possibility again this year, replacing what would have traditionally been the complementary dividend for financial year 2015 for the present capital increase.

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

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

"Ferrovial Flexible Dividend" scheme works as described below.

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

Each shareholder receives a free-of-charge allocation right for each Ferrovia share owned at the date stated in the section 3.1. These rights may be traded or sold on the Madrid, Barcelona, Bilbao and Valencia stock exchanges from 27 May to 10 June 2016, inclusive (i.e. over a fifteen calendar days period). Upon termination of this period, the rights will be converted automatically into newly-issued Ferrovia shares. Each Company shareholder may choose from the following options:

- (a) Not to sell their free-of-charge allocation rights. In this case, at the end of the trading period the shareholder will receive the corresponding number of newly issued shares fully free-of-charge.
- (b) Transfer all or part of the free-of-charge allocation rights to the Company at a guaranteed set price by virtue of an irrevocable purchase obligation assumed by Ferrovia, which will be referred to later on in this document. Instead of receiving shares, shareholders would opt to monetarise their rights and would be paid a cash consideration. This option will cover the free-of-charge allocation rights obtained by the shareholders for free and not to the free-of-charge allocation rights purchased or otherwise acquired on the market. It will remain effective and may be requested over the term indicated in the section 3.4.

- (c) Sell, in full or in part, the free-of-charge allocation rights on the market over the trading period stated in section 3.4 below. Shareholders in this case would also opt to monetarise their rights, although they would not receive a guaranteed set price as in option (b) above. The consideration paid for the rights would depend on the terms and conditions of the market in general and on the share price of the above rights, more specifically.

The Company's shareholders may combine any of the aforementioned options to match their requirements. However, it should be noted that the tax treatment of the alternatives is different. A summary of the tax regime applicable to the transaction in Spain is available in section 3.6 of the Directors' report on the proposed resolutions approved by the Ordinary General Shareholders' Meeting as items six and seven of the agenda, and can be found on Ferrovial's corporate website ([www.ferrovial.com](http://www.ferrovial.com)). Taxation of the different means of executing the Capital Increase set out herein does not cover all possible tax consequences. Consequently, shareholders are encouraged to consult their tax advisers on the specific tax impact of the proposed transaction and to pay attention to any changes or amendments that may be made in both the laws in force at the date of this transaction and the interpretation criteria, as well as the specific circumstances of each shareholder or free-of-charge allocation rights holder.

### **3. Details of the offer**

#### **3.1. Number of existing shares required to be allocated a new share, maximum number of new shares for issue and nominal amount of the Capital Increase**

Using the formulas envisaged in the resolution of the Ordinary General Shareholders' Meeting, the Executive Committee set the following limits for the Capital Increase:

- (i) The number of free-of-charge allocation rights required to receive one new share ("**No. Rights per share**") is 58. The free-of-charge allocation rights will be allocated to the Company shareholders that have acquired shares by 26 May 2016 and whose operations have been settled by 31 May 2016 in Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal (Iberclear) in the proportion of one free-of-charge allocation right for each existing Ferrovial share owned. Those entitled will have the right to receive a new share for every 58 existing shares owned at that date.

The calculation of the aforementioned number of rights is stated below, based on the number of outstanding shares at that date ("**NES**"), which stands at 732,211,074.

No. Rights per share = NES /Provisional no. shares = 732,211,074 / 12,765,325.18 = 57.36 = 58 rights (rounded up to the next whole number);

where,

“Provisional no. shares” = Amount of the Alternative Option / Share Price =  $234,307,543.68 / 18.355 = 12,765,325.18$ ; and

“Share Price” = EUR 18.355, which is the arithmetic mean of the weighted average prices of the Company’s share on the Madrid, Barcelona, Bilbao and Valencia stock exchanges over the five (5) trading sessions prior to the date of the resolution adopted by the Executive Committee to implement the Capital Increase (i.e. the sessions dated 16, 17, 18, 19 and 20 of May 2016), rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

- (ii) The maximum number of new shares issued in the Capital Increase (“**MNNS**”) is 12,624,328, which is a result of the following formula approved by Ferrovial Ordinary General Shareholders’ Meeting, rounded down to the nearest whole number:

$MNNS = NES / \text{No. Rights per share} = 732,211,074 / 58 = 12,624,328$  new shares (rounded down).

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

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

Ferrovial will waive the free-of-charge allocation rights acquired by virtue of the aforementioned irrevocable purchase obligation and, therefore, it will only issue shares corresponding to the free-of-charge allocation rights not acquired by Ferrovial through exercising the aforementioned obligation<sup>1</sup>. The final number of shares issued in the Capital Increase will be made public by reporting a significant event relating to the completion of the Capital Increase, which will be published on 15 June 2016.

- (iii) As a result, the nominal amount of the Capital Increase is EUR 2,524,865.60. However, as already mentioned, the effective amount of the capital increase is

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

the result of multiplying the number of final shares by twenty euro cents (EUR 0.20).

Since the number of free-of-charge allocation rights required to allocate a new share (58, based on previous calculations) multiplied by the maximum number of new shares for issue (12,624,328, based on previous calculations) was 732,211,024 (i.e., below the number of outstanding shares ([732,211,074])), the number of rights waived by Ferrovial was equal to the difference between both figures (i.e. 50 rights) for the sole purpose of ensuring that the maximum number of new shares for issue is a whole number and not a decimal. Allocation of the Capital Increase would therefore be incomplete and the capital would be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which no waiver has been made, pursuant to Article 311 of the Capital Companies Act.

### **3.2. Price of obligation to purchase rights**

The guaranteed set price of Ferrovial's obligation to purchase rights ("**Purchase Price**") is EUR 0.311 gross per right, which is a result of the formula envisaged in the Capital Increase:

Purchase Price = Share Price / (No. rights per share + 1) = 18.355 / (58 + 1) = 0.3111 = 0.311 (rounded up or down to the nearest one thousandth of a euro).

Consequently, shareholders who wish to receive cash remuneration may sell their free-of-charge allocation rights to Ferrovial at a guaranteed set price of EUR 0.311 gross.

### **3.3. Schedule**

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

- (i) 25 May 2016. Publication of the announcement of the Capital Increase in the Official Gazette of the Mercantile Registry ("**BORME**").
- (ii) 26 May 2016. Last day on which the shares of FERROVIAL with the right to participate in the Ferrovial Flexible Dividend are negotiated (last trading date).
- (iii) 27 May 2016. Start of the trading period for the free-of charge allocation rights and the period for submission of requests to purchase these rights from Ferrovial. The Ferrovial shares trades at the "clean price" (ex-date).
- (iv) 31 May 2016. Date on which Iberclear will determine the positions for the free-of-charge allocation rights (record date).

- (v) 7 June 2016. End of the period to request remuneration in cash by virtue of FERROVIAL's purchase of rights commitment.
- (vi) 10 June 2016. End of the trading period for free-of-charge allocation rights. Purchase by FERROVIAL of the free-of-charge allocation rights of those shareholders who requested such purchase by FERROVIAL.
- (vii) 15 June 2016. FERROVIAL waives free-of-charge allocation rights acquired under the purchase obligation. Capital Increase completed and reported as a significant event. Final result of the transaction stated
- (viii) 15 June 2016. Payment of cash to the shareholders who opted to sell their free-of-charge allocation rights to Ferrovial.
- (ix) 15–23 June 2016. Process for registration of the Capital Increase in the Mercantile Registry and for admission to trading of the new shares on the Spanish stock exchanges.
- (x) 27 June 2016. Estimated starting date for the procuring of the new ordinary shares on the Spanish stock exchanges, subject to the securing of the corresponding authorisations.

This schedule has been adapted to the widespread interpretation in the market of the provisions of Royal Decree 878/2015, 2 October, regarding the clearing, settlement and recording of transferable securities represented in book-entry form, the legal regime of the central securities depositories and central counterparties, and the transparency requirements for issuers of securities admitted to trading in Spanish secondary regulated market, which was published in the *Spanish Official Gazette* ("BOE") on 3 October 2015 ("**RD 878/2015**"). The RD 878/2015, among other issues, implies the amendments of the system of the record of book-entries and clearing and settlement of securities and, thus, it also affects the traditional execution schedule of the Ferrovial Flexible Dividend programme.

It is hereby stated that this schedule is based on estimations made according to the information available today regarding the practical implementation of the aforementioned amendment.

Therefore, there are some issues that may be subject of subsequent amendments. If necessary, the market will be duly informed about the changes that the schedule of the execution of the Capital Increase may suffer, either by means of a complement to this informative document or by means of the corresponding significant event.

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

As indicated above, free-of-charge allocation rights will be allocated to shareholders of the Company that have acquired their shares by 26 May 2016 and whose operations have been settled by 31 May 2016 in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear). The trading period for the rights will begin the following second calendar day to the publication of the announcement of the Capital Increase execution in the BORME (i.e. 27 May 2016) and will last for a fifteen days period (i.e. 27 May 2016 to 10 June 2016, both inclusive). During this period the rights may be traded and, therefore, sold under the same terms and conditions as the original shares giving rise to them, on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market).

During the free-of-charge allocation right trading period, the shareholders may opt for a consideration in cash or new shares under the aforementioned terms, and to acquire on the market sufficient free-of-charge allocation rights in the proportion required to subscribe new shares. However, shareholders that wish to accept Ferrovial's obligation to purchase shares, receiving cash at the guaranteed set price (Purchase Price) must communicate their decision no later than 7 June 2016. The purchase obligation only covers the free-of-charge allocation rights received by the shareholders; not those purchased or otherwise acquired on the market. Shareholders must decide from the various options and notify their decision to the entities in which their Ferrovial shares and the corresponding free-of-charge allocation rights are deposited.

In particular, should they wish to receive cash for the guaranteed set price relating to Ferrovial's obligation to purchase rights, they must report it no later than 7 June 2016. Should no express notification be given, the shareholders will receive new Ferrovial shares in the corresponding proportion<sup>2</sup>.

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

Nevertheless, the Company's shareholders should bear in mind that the members of Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal (Iberclear) at which they have deposited their shares may,

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

under prevailing laws, establish the administration and subscription charges and fees that they deem fit for maintaining the shares in the accounting records.

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

#### **4. Nature of the shares for issue**

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

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

The new shares will be issued at a rate of twenty euro cents (EUR 0.20) each, without any share premium, represented by book entries and recorded for accounting purposes by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its members.

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

The balance sheet on which the Capital Increase is based is the balance sheet for the financial year ended 31 December 2015, audited by Deloitte, S.L. on 25 February 2016 and approved by the Ordinary General Shareholders' Meeting held on 4 May 2016, under item one of the agenda.

The Capital Increase will be charged in full to Reserves Exempt by Articles 107 and 108 of Law 27/2014 on Corporate Tax Law amounting to EUR 3,304,500 thousands at 31 December 2015.

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

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

made available to the interested parties through a deposit at the Bank of Spain or at the Spanish State Depository.

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

Holders of new shares will have the same voting and dividend rights as the Company's currently outstanding ordinary shares as from the date on which the Capital Increase is declared subscribed and paid up (expected on 15 June 2016).

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

The Company must request the admission to trading of the new shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market). Subject to the relevant authorisation, the ordinary trading of new shares is expected to commence on the Spanish stock exchanges on 27 June 2016.

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