

EXPLANATORY REPORT FOR SHAREHOLDERS REGARDING THE DIRECTORS' DECLARATION OF RESPONSIBILITY FOR THE CONTENT OF THE FINANCIAL STATEMENTS OF THE COMPANY AND ITS CONSOLIDATED GROUP.

The present report is issued in accordance with article 8.1.b) of Royal Decree 1362/2007 of 19 October, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July), as amended by Royal Decree 4/2015 of 23 October, which approved the Consolidated Text of the Securities Market Act, in relation to the transparency requirements concerning information on issuers whose securities are admitted for trading on an official secondary market or other regulated market in the European Union, which establishes the following:

"Declarations of responsibility regarding the content, which must be signed by directors, must also clearly identify their names and positions, stating that, to the best of their knowledge and belief, the financial statements drafted in accordance with the applicable accounting standards provide a true and fair view of the equity, financial position and results of the issuer and companies in its consolidated group taken as a whole, and that the management report contains an accurate analysis of the performance, business results and position of the issuer and companies in its consolidated group taken as a whole, together with a description of the main risks and uncertainties which they face."

In this regard, all members in attendance at the meeting of the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. on 27 February 2018 affixed their signatures to the separate and consolidated Annual Financial Statements and Management Report for the year ended on 31 December 2017, which contain the following statement:

"Pursuant to Royal Decree 1362/2007 of 19 October [articles 8.1.b) and 10)], the undersigned Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. make the following declaration of responsibility:

"To the best of their knowledge and belief, the financial statements drafted in accordance with the applicable accounting standards provide a true and fair view of the equity, financial position and results of the issuer and companies in its consolidated group taken as a whole, and the management report contains an accurate analysis of the performance, business results and position of the issuer and companies in its consolidated group taken as a whole, together with a description of the main risks and uncertainties which they face."

The Minutes of the meeting of the Board of Directors held on 27 February 2018 contain a declaration of responsibility by the Directors worded as follows:

"[...]"

Additionally, by application of article 8.1.b) of Royal Decree 1362/2007 of 19 October 2007, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July¹), with respect to the transparency requirements for the regulated reporting of listed issuers, every Board member must make a declaration of responsibility with respect to the financial statements to the effect that, to the best of their knowledge and belief, the financial statements drafted in accordance with the applicable accounting standards provide a true and fair view of the equity, financial position and

¹ Repealed by Royal Legislative Decree 4/2015 of 23 October, approving the Consolidated Text of the Securities Market Act.

results of the issuer and of the companies in its consolidated group taken as a whole, and that the management report contains an accurate analysis of the performance, business results and position of the issuer and of the companies in its consolidated group taken as a whole, together with a description of the main risks and uncertainties which they face.

[...]

at the proposal of the Chairman, the Board resolved unanimously to:

[...]

Declare that each Board member accepts liability for the content of the financial statements in that, to the best of their knowledge and belief, the financial statements drafted in accordance with the applicable accounting standards provide a true and fair view of the equity, financial position and results of the issuer and of the companies in its consolidated group taken as a whole, and that the management report contains an accurate analysis of the evolution, business results and position of the issuer and of the companies in its consolidated group taken as a whole, together with a description of the main risks and uncertainties which they face.

Once formulated and with the corresponding declaration of responsibility, the financial statements and management reports, both individual and consolidated, were attached as Annexes hereto.

At the time of approving the minutes of the present meeting, the Directors in attendance signed the separate and consolidated Financial Statements and Management Reports, and the declaration of responsibility, to be sent immediately to the Spanish National Securities Market Commission (CNMV).

In accordance with article 10 of the Regulations of the Board of Directors, all Board members in attendance at the meeting state that, before formulating the financial statements, they had access to the report drafted by the Audit and Control Committee and, in general, to the information needed for the formulation thereof and the mandatory declaration of responsibility."

With the foregoing, the Board of Directors has fulfilled the obligation established in articles 8.1.b) and 10 of Royal Decree 1362/2007 of 19 October.