Fomento de Construcciones y Contratas, S.A.

Special Report regarding the warrants issue for the purposes envisaged in article 414.2 of the consolidated text of the Corporate Enterprises Act

30 April 2014

Grant Thornton
José Abascal, 56
28003 MADRID

Tel.: +34 91 576 39 99
Fax: +34 91 700 45 32
madrid@es.gt.com
www.grantThornton.es

SPECIAL REPORT REGARDING THE WARRANTS ISSUE FOR THE PURPOSES ENVISAGED IN ARTICLE 414.2 OF THE CONSOLIDATED TEXT OF THE CORPORATE ENTERPRISES ACT

To the General Shareholders' Meeting of Fomento de Construcciones y Contratas, S.A. (hereinafter, the "Company" or "FCC"):

Between 24 and 31 March 2014, the Company signed a refinancing agreement with practically all its financial creditors (the Financing Contract) by virtue of which the FCC Group's financial debt was rescheduled and refinanced. The Financing Contract was divided into two tranches: A and B. Tranche B has a maximum amount of 1.35 billion euros and an initial duration of 4 years, with the possibility of extending this to 6 years, and its particular feature is that it includes the right to conversion into newly issued shares at the market price without discounting the outstanding balance on maturity, by offsetting the loans with the capital based on a warrants issue.

The refinancing transaction is based on implementing the business plan drafted by the FCC Group and whose general terms and conditions are described in regulatory disclosure no. 183,988 published by the Company on the Spanish National Securities Commission's (CNMV) website on 20 March 2013.

Within the context of the Financing Contract, the Board of Directors' meeting held on 24 April 2014 resolved to submit for approval by the General Shareholders' Meeting the warrants issue in favour of certain Company creditors, which includes the option to subscribe new ordinary shares issued by the Company and pay for them by offseting the loans, without the pre-emptive subscription right (the "Warrants"). If no Warrants are issued, this would mean that the Financing Contract would be fully redeemed early, so their issue is a key factor for the refinancing.

The Warrants will be issued without a premium as part of the rescheduling of the Company's financial debt and will be initially subscribed by the institutions with a stake in tranche B of the Financing Contract, to whom the Company's governing body will deliver the corresponding securities, based on a ratio of one warrant per lender.

The Warrants will grant their holders the option to subscribe the shares newly issued by the Company by offsetting the credit rights arising from tranche B of the Financing Contract pending redemption at the time of the offset, including the capital and capitalised interest pending payment at the time of the offset. The number of new shares corresponding to each warrantholder will be equivalent to dividing the credit amount to be offset by the subscription price, which has been established as the higher of (i) the par value of the FCC shares or (ii) the weighted average share price of the Company in the 8 weeks prior to the date on which the conversion process starts (five months before the maturity date of tranche B).

The Warrants will not be convertible into FCC shares if, before or on the conversion date, Tranche B is repaid or if several conditions are jointly met, including FCC accrediting that it has reduced the net financial debt/EBITDA ratio of the refinanced group to below four times, and that it has redeemed at least 1.5 billion euros of the total financing granted. In these cases, the warrant conversion will be immediately cancelled.

By virtue of the provisions of article 414.2 of the Consolidated Text of the Corporate Enterprises Act, the Company Directors have drafted a Report, attached as Annex I, which explains the conversion conditions and ratios.

For the purposes envisaged in the aforementioned article 414.2 of the Consolidated Text of the Corporate Enterprises Act, and by virtue of the designation made by the Barcelona Companies House on 14 March 2014 after the Company's request, we hereby issue this Special Report, which has been drafted in accordance with the Technical Standard for drafting special reports for the purposes envisaged in article 414.2 of the Consolidated Text of the Corporate Enterprises Act, published in the Resolution dated 23 October 1991 by the President of the Spanish Accounting and Audit Institute (ICAC).

Our work is not aimed at certifying the warrants' issue or conversion price or valuing FCC's actual shares; by applying the procedures established in the aforementioned Technical Standard, detailed as follows, our work is solely aimed at stating whether the Report drafted by FCC's Directors includes the required information, stated in the aforementioned Technical Standard, which includes an explanation of the conversion conditions and ratios.

The accounting information used in this work was obtained from the FCC Group's consolidated annual accounts for the year ending December 2013, on which Deloitte, S.L. issued an audit report on 31 March 2014, expressing a favourable opinion.

Procedures

In accordance with the aforementioned Technical Standard, we carried out the following procedures:

a) We obtained the Directors' Report, attached as Annex I, and we made sure that it contained the sufficient information required for its readers to interpret and understand it appropriately, as stated in the Annex to the Technical Standard for drafting special reports for the purposes envisaged in article 414.2 of the Consolidated Text of the Corporate Enterprises Act.

b) We verified the calculations made by the Directors when determining the conversion conditions and modalities.

c) We made sure that the Warrants' conversion or strike price is not below the par value of the shares into which they would be converted.

d) We made sure that, once the capital increase to exercise the rights attached to the Warrants takes place by offsetting the loans, the Warrants issue will not have any pre-emptive subscription rights in favour of the Company's current shareholders, where article 304 of the Consolidated Text of the Corporate Enterprises Act acknowledges only the capital increases charged to monetary contributions.

e) We made sure that the accounting information included in the Directors' Report was in line, where applicable, with the accounting data included in the audited 2013 consolidated annual accounts.

f) We made sure that the Directors' Report included the significant events subsequent to 31 December 2013 that could affect the proposed investment. Our review of the events subsequent to 31 December 2013 was based on the following procedures:

   i. We obtained the subsequent financial statements that were available (those at 31 March 2014) and compared them with the audited consolidated annual accounts.

   ii. We obtained the 2014 budget drafted by the Directors, which we compared with the unaudited financial statements at 31 March 2014.

   iii. We held meetings with the Finance Department regarding the following:

      - The performance of the contingent liabilities or major commitments at the date of the audited balance sheet and the existence of other contingent liabilities or major commitments on the date on which they were checked.

      - The existence, until the date of this Report, of changes to the share capital or major changes in long-term debt or working capital.

      - The current situation of the items shown in the audited consolidated financial statements which were determined based on provisional, preliminary or non-final data.

      - If abnormal adjustments were made or if an accounting principle was changed to date.

      - If other events took place to date that may significantly affect the annual accounts.

   iv. We read the minutes available from the General Shareholders' Meeting, the Board of Directors' meeting and the Executive Committee meeting that were held between 31 March 2014 and the date of this Report.

   v. We obtained the Directors' representation letter regarding all the regulatory disclosures filed until the date of this Report.

vi. We obtained the Company's Legal Advice letter regarding all the regulatory disclosures filed until the date of this Report.

Conclusion

Based on the work carried out with the scope described in the preceding section, our conclusion is that the Report attached as Annex I, drafted by the Directors of Fomento de Construcciones y Contratas, S.A., regarding the proposed warrants issue and the corresponding capital increase by offsetting the loans to hedge the warrants, included in the Agenda of the General Shareholders' Meeting, includes the information required in article 414.2 of the Consolidated Text of the Corporate Enterprises Act, which is stated in the Annex to the Technical Standard for drafting special reports for the purposes envisaged in article 414.2 of the Consolidated Text of the Corporate Enterprises Act.

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This Special Report was drafted solely for the purposes envisaged in article 414.2 of the Consolidated Text of the Corporate Enterprises Act; therefore, it must not be used for any other purpose.

The scope of our work was limited to carrying out the procedures detailed in this Report. Therefore, we do not provide an opinion on the fairness of the price at which the Bonds must be issued or converted.

Grant Thornton
(signature)
Alfredo Ciriaco
Partner

Madrid, 30 April 2014

Auditors
Spanish Institute of Chartered Accountants
Practising member:
GRANT THORNTON, S.L.P.
Year: 2014 No.: 01/14/10815
CORPORATE SEAL: 96.00 EUR
Report subject to the rate established in article 44 of the Audit Act approved by Royal Legislative Decree 1/2011 of 1 July.