PRE-ANNOUNCEMENT OF THE TAKEOVER BID BY FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ON THE ENTIRE SHARE CAPITAL OF CEMENTOS PORTLAND VALDERRIVAS, S.A. WITH THE AIM OF DELISTING THE LATTER FROM THE STOCK MARKETS

This pre-announcement is issued to the public pursuant to Royal Decree 1066/2007, of 27 July, on the regime governing takeover bids (**"RD 1066/2007"**) and, in accordance with Circular 8/2008, of 19 December, of the Spanish National Securities Market Commission (**"CNMV"**), it contains the main specifications of the Offer which is subject to mandatory authorisation from the CNMV.

The terms and specifications of the Offer shall be set out in the prospectus that will be published after obtaining the aforementioned authorisation (**"Prospectus"**).

1. Identification of the Offeror

The Offeror is Fomento de Construcciones y Contratas, S.A. (**"FCC"** or the **"Offeror"**). FCC is a Spanish public limited liability company, with registered address in Barcelona, calle Balmes, 36 and National Tax ID A-28037224. The Offeror's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Markets and included in the Spanish Stock Market Interconnection System (SIBE).

For the purposes of the provisions of Article 5 of the consolidated text of the Securities Market Act (**"LMV"** in Spanish) approved by Legislative Royal Decree 4/2015, of 23 October, and in Article 42 of the Code of Commerce, as a result of the appointments approved by the FCC Ordinary General Shareholders Meeting held on 28 June 2016 and the authorisation granted by the CNMV on 29 June 2016 regarding the FCC takeover bid drawn up by Control Empresarial de Capitales, S.A. de C.V., FCC is under the control of Inversora Carso, S.A. de C.V. (**"Inversora Carso"**). Inversora Carso does not have a controlling shareholder for the purposes of the aforementioned Articles.

2. Decision to draw up the Offer

In a session held on 25 May 2016, the FCC Board of Directors approved the takeover bid on 100% of the share capital belonging to Cementos Portland Valderrivas, S.A. (**"CPV"** or the "**Offeree Company**") in order to delist it from the Madrid and Bilbao Stock Exchanges where it is currently listed (the **"Offer"**).

In accordance with the provisions in Article 10.4 of RD 1066/2007, the General Shareholders Meeting of the **Offeree Company** has today approved the following: (i) request exclusion from public procurement and official trading of CPV shares on the Madrid and Bilbao Stock Exchanges; (ii) formulation of the offer for these purposes; (iii) the price and other terms and conditions of the Offer; and (iv) that the Offer will be drawn up by FCC.

3. Submitting the Offer

The Offeror will submit the Offer authorisation request, the Prospectus and the other documents to the CNMV under the terms set out in Article 17 of RD 1066/2007, within the legal time frame and intends to use the maximum given period of one month.

4. Type of offer

The Offer is mandatory and is drawn up by the Offeror with the aim of delisting the shares belonging to the Offeree Company, in accordance with Article 10 of RD 1066/2007 and is also in line with the provisions of Article 7 of the aforementioned regulation regarding the holdings in CPV gained by Inversora Carso as a consequence of the voting rights reached in FCC by this company on 4 March

2016 (communicated through several relevant facts and explained in the prospectus relating to the takeover bid made on FCC by Inversora Carso) and the takeover of control produced today by means of the authorisation granted by the CNMV for the FCC takeover bid.

5. Offeror holdings in the Offeree Company

FCC directly and indirectly owns 40,357,460 CPV shares, representing 77.930% of the CPV share capital. This ownership interest is the result of adding together the (i) 70.245% of CPV capital that FCC directly owns; and the (ii) 7.685% it indirectly owns by means of companies where FCC has 100% controlling interest, either directly or indirectly.

The above indirect FCC ownership interest in CPV can be broken down as follows: (i) 197,669 shares (0.382%) belonging to PER Gestora, S.L.; (ii) 3,782,104 shares (7.303%) belonging to Asesoría Financiera y de Gestión, S.A.; (iii) 93 shares belonging to Europea de Gestión, S.A.U.; (iv) 94 shares belonging to Compañía General de Servicios Empresariales, S.A.U.; and (v) 93 shares belonging to Corporación Española de Servicios, S.A.U.

Additionally, members of the governing bodies of FCC Group companies appointed at the request of FCC own 49,549 CPV shares in total.

As a result, for the purposes of Article 5 of RD 1066/2007, FCC owns 40,407,009 shares representing 79.209% of voting rights in CPV (the 773,645 CPV treasury shares are excluded in the calculation of the percentage of voting rights).

In the 12 months prior to 4 March 2016, the date when Inversora Carso requested the analysis of the formulation of the FCC takeover bid, and until present, the following operations have been carried out with the shares belonging to the Offeree Company:

A) Operations carried out by the Offeror:

- On 8 March 2016, FCC purchased 6,000 CPV shares for the price of 5.917 euros per share.
- On 9 March 2016, FCC purchased 1,500 CPV shares for the price of 5.920 euros per share.
- On 10 March 2016, FCC purchased 6,500 CPV shares for the price of 5.912 euros per share.

B) Mr. José María Faraldos Sanz, director of the board in the FCC Group companies Desarrollo y Construcción Deyco CRCA, S.A. and Construcciones Hospitalarias, S.A., purchased, in a personal capacity, 300 CPV shares on 30 June 2015 for the price of 6.95 euros per share, although the Offeror considers it a non-significant purchase for the purposes of Article 9 of RD 1066/2007, as explained in section 8 below.

C) Mr. Javier Santiago Pacheco, director of the board in the FCC Group company Aqualia Infraestructuras Pristina LLC, transferred, in a personal capacity, 1,610 CPV shares on 5 February 2016 for the price of 5.00 euros per share.

Lastly, stated below is the composition of the CPV Board of Directors where FCC has six proprietary directors:

Director of the Board	**Position**	**Nature**[(1)]
E.A.C. Inversiones Corporativas, S.L.[(2)]	Chairman	Proprietary
Mr. Gerardo Kuri Kaufmann[(*)]	Managing Director	Executive
E.A.C. Medio Ambiente, S.L.[(3)]	Member of the Board	Proprietary
Meliloto, S.L. [(4)]	Member of the Board	Proprietary
Inmobiliaria AEG, S.A., de C.V.[(5)(*)]	Member of the Board	Proprietary
Mr. Juan Rodríguez Torres[(*)]	Member of the Board	Proprietary
Mr. Carlos M. Jarque Uribe[(*)]	Member of the Board	Proprietary
Mr. Francisco Javier Taberna Aldaz	Member of the Board	Independent
Mr. Álvaro Vázquez de Lapuerta	Member of the Board	Independent

(1) All proprietary directors represent or have been appointed by FCC.
(2) Legal representative: Ms. Alicia Alcocer Koplowitz.
(3) Legal representative: Ms. Esther Alcocer Koplowitz.
(4) Legal representative: Ms. Carmen Alcocer Koplowitz.
(5) Legal representative: Mr. Alejandro Aboumrad González.
(*) Directors attributable to Inversora Carso for the purposes of Article 6 of RD 1066/2007.

6. Information on the Offeree Company

The Offeree Company is Cementos Portland Valderrivas, S.A., a Spanish public limited liability company, with registered address in Pamplona (Navarra), calle Dormitalería, 72 and holding National Tax ID A-31000268. The Offeree Company operates under the trade name "Cementos Portland Valderrivas" and its head offices are in Madrid, calle María Tubau, 9.

The share capital of CPV amounts to 77,679,912.00 euros which is represented by 51,786,608 shares, each with a par value of 1.50 euros fully subscribed and paid, all of which are from the same series and class and represented by book entries.

Additionally, CPV has not issued any subscription rights, convertible debentures or those which can be exchanged for shares, *warrants* or any other instruments of a similar kind that may provide the right to, either directly or indirectly, subscribe or purchase their shares. There are no shares without voting rights or of a special class.

CPV shares are listed for trade on the Madrid and Bilbao Stock Exchanges and included in the Spanish Stock Market Interconnection System (SIBE).

7. Securities and markets the Offer is intended for

The Offer is intended for all shareholders in the Offeree Company, except those who voted in favour of delisting in the aforementioned General Shareholders Meeting and who, in addition, have immobilised their shares until the Offer period of acceptance has passed. FCC voted in favour of the agreement relating to delisting CPV shares approved today by the CPV General Shareholders Meeting and has immobilised the 40,357,460 shares, representing 77.930% of the share capital, which it directly and indirectly currently owns. Furthermore, in a meeting held on 25 May 2016, the Board of Directors of the Offeree Company agreed to immobilise the 773,645 own shares owned by the Offeree Company (representing 1.494% of CPV share capital) until the Offer is settled.

Considering the above, the Offer is effectively intended for 10,655,503 shares, representing 20.576% of the CPV share capital.

The Offer is exclusively formulated for the Spanish market due to the fact that the CPV shares this Offer is intended for are traded on the Stock Exchanges here.

8. Compensation

The compensation for the Offer is 6.00 euros per share which shall be paid in cash. The Offer is made in the form of a sale agreement.

Banco Santander, S.A. (**"Banco Santander"**) was appointed by CPV to draw up a valuation report on CPV shares for the benefit of CPV and FCC, adhering to the valuation criteria and methods provided for in Article 10.5 of RD 1066/2007.

On 20 May 2016, Banco Santander issued the corresponding valuation report. Additionally, based on the content and conclusions of the report by Banco Santander, in a meeting held on 25 May 2016, the CPV Board of Directors, approved a report giving a detailed description of the reasons justifying the delisting proposal and the price and other terms and conditions of the Offer, in accordance with the provisions of Article 82 of the LMV. Both of these reports were made available to CPV shareholders on 27 May 2016 with the aim of calling the General Shareholders Meeting that decided upon the delisting.

The CPV Board of Directors considers that, according to the independent valuation report by Banco Santander, which took into account all the valuation methods established in RD 1066/2007, with weighting provided according to their relevance to the individual case, the reasonable CPV valuation range is between 4.95 and 5.50 euros per share. Banco Santander sets out in the report that the discounted cash flow valuation method used is the most appropriate from a technical point of view in order to determine the value of CPV shares and the value resulting from this method is 5.50 euros per share.

However, in relation to the provisions of Article 9 of RD 1066/2007, in the 12 months prior to 4 March 2016, the date when Inversora Carso contacted FCC to request the analysis of the formulation of the Offer, and until present, the highest price paid or agreed for CPV shares by FCC, FCC Group companies or anyone acting in concert with them, is 5.920 euros, corresponding to the purchase of 1,500 shares by FCC on 9 March 2016 and which is, therefore, below the Offer price.

In light of the foregoing, and in the opinion of the Offeror and CPV, the Offer price is in accordance with the provisions of Article 10.6 of RD 1066/2007 since it is not less than the highest of the following: (i) the equitable price referred to in Article 9 of RD 1066/2007; and (ii) that resulting from considering, as a whole and with justification of their respective relevance, the methods in Article 10.5 of RD 1066/2007.

Regarding the purchase made by Mr. José María Faraldos Sanz, director of the board in the FCC Group companies Desarrollo y Construcción Deyco CRCA, S.A. and Construcciones Hospitalarias, S.A., described in section 5 above, this purchase price was not taken into account by the Offeror to determine the equitable price since it was a private purchase for a non-significant volume in relative terms and was made at the market price, notwithstanding application, where appropriate, of Article 9 of RD 1066/2007.

9. No conditions for effectiveness of the Offer

The effectiveness of the Offer is not subject to any conditions.

10. Fair competition and authorisations from other supervisory bodies

The Offer is not subject to providing notification to the Spanish National Markets and Competition Commission (CNMC) or the European Commission pursuant to the provisions, respectively, of Fair Competition Act 15/2007, of 3 July, and of Council Regulation (EC) 139/2004, of 20 January 2004, on the control of concentrations between undertakings. Furthermore, the offer is not subject to authorisations regarding competition law from other countries.

The Offeror deems that there is no legal obligation to notify any Spanish or foreign authority or to obtain any authorisation from any other Spanish or foreign administrative authority other than the CNMV in order to perform this operation.

11. Agreements relating to the Offer

There are no agreements or pacts of any kind relating to the Offer between FCC and CPV, the shareholders of the latter and the members of the CPV governing, management and supervisory bodies. Nor are there any specific advantages for shareholders or members of the CPV Board of Directors.

12. Stock exchange initiatives

The Offer is formulated in order to delist the shares of the Offeree Company from the Madrid and Bilbao Stocks Exchanges, in the terms set out and in accordance with the provisions of Article 82 of the LMV and in Article 10 of RD 1066/2007.

Moreover, the Offeror intends to initiate the squeeze-out process and force the sale of shares belonging to the Offeree Company if the conditions set out in Article 136 of the LMV are met.

In accordance with the provisions of Article 10.7 of RD 1066/2007, CPV shares shall be delisted when the Offer has been settled. Nonetheless, in the event that the conditions set out in Article 136 of the LMV are met, delisting shall become effective when the squeeze-out operation has been settled in accordance with the provisions of Article 48 of RD 1066/2007.

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In accordance with the provisions of Article 30.6 of Royal Decree 1362/2007, of 19 October, as of the date of this notice, any CPV shareholders who purchase securities that assign voting rights must notify the CNMV of this purchase when the proportion of voting rights they hold reaches or exceeds 1%. Likewise, any shareholders who already held 3% of the voting rights shall communicate any operation that leads to a subsequent variation in this percentage.

Pursuant to paragraph 2.b) of Rule Five of Circular 3/2007, dated 19 December, of the CNMV, as of the date of this notice, any CPV liquidity agreement must be terminated, where applicable.

Madrid, 29 June 2016