



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, JAPAN, AUSTRALIA, NEW ZEALAND OR SOUTH AFRICA.

Notice to the Noteholders of the

Fomento de Construcciones y Contratas, S.A. (the "Issuer")
EUR 450,000,000 6.50 per cent. Unsecured Convertible Notes due 2020 (the "Notes")
(ISIN: XS0457172913)

Issuer Conversion Notice

Capitalised terms that are not defined in this notice shall have the meanings given to them in the terms and conditions of the Notes (the "Conditions").

Following the communication dated 7 October 2016 (the "**Issuer Conversion Notice**") whereby the Issuer notified Noteholders that it would proceed to exercise the Issuer Conversion Right pursuant to Condition 6(a)(ii):

- The Issuer has been informed by the Fiscal Agent of the existence of impediments that prevent the conversion process taking place as initially envisaged.
- The Issuer fully intended to complete the conversion process; however, in light of the foregoing, it is not possible for the Issuer to proceed with the conversion at this time.

As a result, the Issuer has put the conversion process on hold. It will keep Noteholders informed of any developments in this regard.

24 October 2016