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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)

Conversion process

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 communications dated 25 August, 7 and 24 October 2016 the Issuer hereby communicates that it has been informed that the English Court of Appeal has dismissed the appeal requested by the Issuer against the decision issued by the English High Court last April 2015, which decision is now final.

The effect of such decision is to preclude the Issuer from continuing with the conversion process as initially envisaged, and noteholders have the right to demand accelerated repayment of their notes on an individual basis.

23 November 2016